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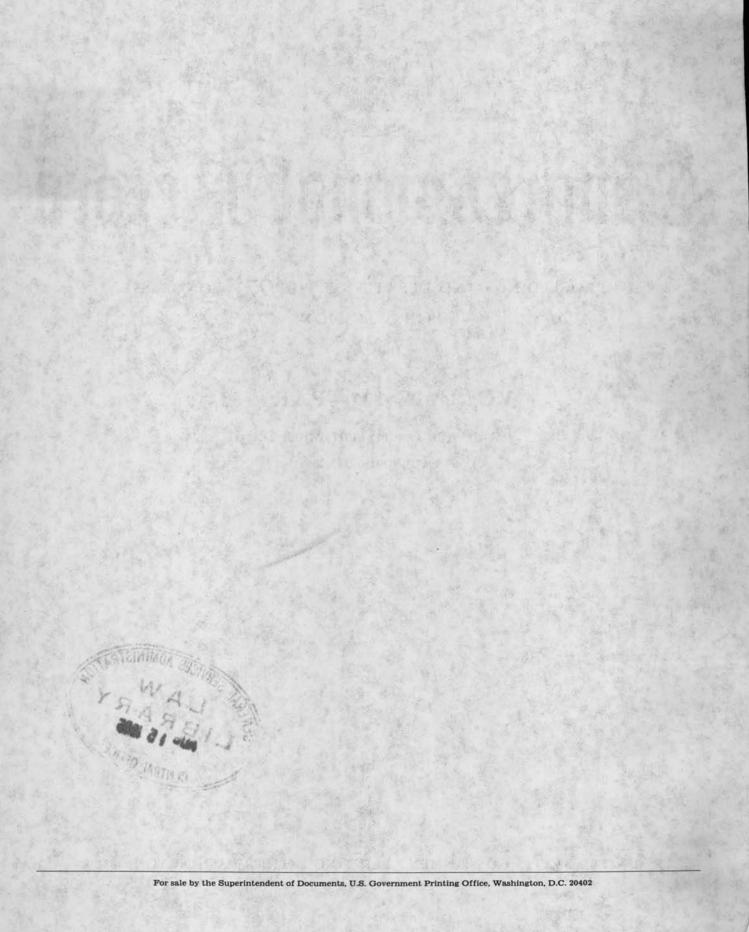
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PROCEEDINGS AND DEBATES OF THE 97th CONGRESS FIRST SESSION

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SENATE—Saturday, August 1, 1981

(Legislative day of Wednesday, July 8, 1981)

The Senate met at 6 p.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us begin our prayer with the words of the 139th Psalm:

O Lord. You have examined my heart and know everything about me. You know when I sit or stand. When far away you know my every thought. You chart the path ahead of me, and tell me where to stop and rest. Every moment, you know where I am. You know what I am going to say before I even say it. You both precede and follow me, and place Your hand of blessing on my head.

This is too glorious, too wonderful to believe. I can never be lost to your spirit. I can never get away from my God .-Psalms 139: 1-7. The Living Bible.

Gracious, loving God, Thou knowest the condition of each of us: The weariness of body and mind, the impatience felt, the anger and frustration, the hurt. Lord, let these working men and women feel Thy presence, Thy love, Thy peace, Thy strength, and wisdom. Let them know that Thou dost care, that Thou canst really meet them here and now; and that whatever their needs, Thou hast infinite resources with which to meet

Dear Lord, let Thy blessing flow like a river, bathing hearts and minds with wave after wave of Thy peace and power. Transform these historic surroundings, these evening hours, these dedicated men and women with Thy gracious providence.

In Thy name, we pray, Amen.

RECOGNITION OF THE MAJORITY LEADER.

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONFERENCE REPORT ON H.R. 4242, ECONOMIC RECOVERY TAX ACT OF 1981

Mr. BAKER. Mr. President, I see the minority leader is in the Chamber now, and I wish to announce that by a prodigious effort by the Senate conferees and the House conferees last evening the conference on the tax bill began, continued through the entire evening, the early morning, and concluded this morning at 8:05.

I wish to pay my respects to the distinguished chairman of the Finance Committee. Senator Dole, the distinguished ranking member, Senator Long. their House counterparts, to all of the conferees on both sides of the House and Senate, for such diligence and dedication in their effort to conclude this important piece of legislation, the conference on the disagreeing votes of the two Houses, in the manner in which it was done and as promptly as it was done.

Mr. President, it was done so promptly that the documents are not here, and there is simply nothing we can do at this moment because there is nothing to act on. I expect that they will be received shortly, but even then on a bill as complex as this I do not expect that it will be possible to act on the tax bill conference report today.

I have conferred with the distinguished minority leader, with the assistant minority leader, with the assistant majority leader, with the chairman of the Committee on Finance, Mr. Dole, with others involved, and I have this request to make, Mr. President, in order to accommodate the orderly disposition of this matter.

ORDER FOR RECESS UNTIL 11 A.M. ON MONDAY NEXT

Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Monday.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF THE CONFERENCE REPORT ON MONDAY

Mr. BAKER, Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order, that the Chair lay before the Senate the tax bill conference report.

The PRESIDENT pro tempore. Is

there objection? The Chair hears none, and it is so ordered.

TIME-LIMITATION AGREEMENT OF 2 HOURS ON MOTION TO COMMIT INSTRUCTIONS

Mr. BAKER. At that time, Mr. President, I ask unanimous consent that the Senate consider H.R. 4242, the tax bill conference report, and that at that time there be 2 hours of debate equally divided between the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Kansas (Mr. Dole) on a Kennedy motion to recommit with instructions, and that if the motion fails then immediately thereafter without further debate, motions, points of orders or appeals, the Senate proceed to a vote on the adoption of the conference report.

The PRESIDENT pro tempore. Is

there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I am assured by the distinguished majority leader that the papers will be here by 8 o'clock or soon thereafter tonight, and with that understanding that the papers will be available on this evening I would like to say, before stating that I have no objection, that it is my understanding this request has been cleared with Mr. KENNEDY, Mr. EAGLETON, in effect, Mr. METZENBAUM, and other Senators, and I feel that this is probably about the best time that can be agreed upon.

If the vote were to be put over until Tuesday, some Senators might be discommoded. We do not know what will happen in connection with the problem involving the air controllers. If the vote were put over until Wednesday, that would keep the other body from acting on Tuesday, and they would be sitting around waiting until Wednesday.

If the Senate were to wait until Wednesday, the other body, if it had the papers, would proceed to act and leave this body with a fait accompli.

So I think that this time agreed upon is as good as we can possibly select. Obviously we cannot contact every Senator at this time, although a good many Senators are probably in town expecting the Senate to complete action on the conference report today or Monday.

So, having said that, Mr. President, I have no objection to the request.

Mr. DOLE. Mr. President, reserving the right to object, and I shall not object, I want to say to both the majority

and minority leaders that I regret we cannot, after staying up all night with several other Members of the House and Senate, be accommodated, and that we have to be inconvenienced by one Member who is not even present which, to me, indicates his great concern for this legislation.

But beyond that, it was our hope and the hope of many colleagues who felt we might conclude this report this evening, that kept us up until 8 o'clock this morning, and I just frankly regret that my assistant commissioner, Senator METZENBAUM, has put out a release praising the work of the conference and how much money he was able to save, and at the same time I notice the distinguished Senator from Massachusetts has put out an opposite release. Obviously they have not had a chance to communicate today. Maybe they will on Monday. But I hope the Senator, if it is convenient for him, will be here on Monday, and that we will dispose of this on Monday.

The PRESIDENT pro tempore. Is

there objection?

Mr. CRANSTON, Mr. President, reserving the right to object, I would just like to say in behalf of the Senator from Massachusetts that he has been diligently involved in the consideration of this measure. He was on the floor con-

stantly while it was before us.

He had commitments that took him out of town at this particular moment. He communicated with various Members of this body about his wishes. He did indeed discuss the substance of the conference report with the Senator from Ohio (Mr. METZENBAUM). He has dropped plans for a long debate on the matter to help expedite the work of the Senate. He does feel very strongly about the contents of the conference report, and he agreed to a vote at any time convenient to the Senate, when other Senators and he himself could be present. He stated he would come at any time it was determined to have that vote, including tonight.

Mr. DECONCINI. Mr. President, re-serving the right to object, may I say to the distinguished chairman of the Committee on Finance when will there be a report or summary that those of us who are here could take an opportunity to look at and see exactly what the final conference report is, other than the UPI and AP releases we have seen, unless that is it?

Mr. DOLE. It is my understanding that the summary may be available momentarily, and that at least Xerox copies of the entire report will be available hopefully by 8 o'clock this evening. It just takes some time, as I understand it, to

Mr. DECONCINI. I understand that, and I thank the chairman, because if we were going to put this over until Monday. I would at least like to see the great work that the chairman and the other members of the conference committee did do. I intend to vote for it, barring something that is in there that is repugnant to me that I could not accept. So I would appreciate knowing what is in there.

Mr. DOLE. I might say there is a brief summary available. I also thank the Senator from Arizona for coming to the con-

ference. I regret we could not accommodate the Senator.

Mr. DECONCINI. I wonder if there is any magic about the hour of 11 o'clock?

Mr. BAKER. No, there is no magic about that. I simply chose the time as a convening hour, and I will be glad to change the time for a vote if it will increase the convenience of Senators on both sides of the aisle.

Mr. ROBERT C. BYRD. Mr. President, again reserving the right to object, I wonder if the distinguished majority leader would agree to have the vote at 2 p.m. I have received some information concerning some callers on my side of the aisle who would have some problems getting back here by 1 o'clock.

Mr. BAKER. Mr. President, do I understand the minority leader to suggest that we have the vote at 2 o'clock?

Mr. ROBERT C. BYRD. Have the vote at 2 p.m.

Mr. BAKER. The vote on the motion to recommit?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I have no objection to

Mr. DECONCINI. Will the majority leader, or whoever has the floor, yield to

Mr. ROBERT C. BYRD. I merely reserved the right to object.

Mr. BAKER. I am happy to yield to the Senator.

Mr. DECONCINI. As long as we are doing this, and I am not going to throw a wrench into this matter and ask for the next day, but there are some travel plans that would be facilitated by making it at 2 o'clock or 3 o'clock or sometime later in the afternoon and then Senators could still leave in time to go various places. I wonder if we could set it at 3 o'clock.

Mr. BAKER. Mr. President, I think the rationale for a Monday vote is largely on the basis that people either have not yet left town or planned to stay over this weekend before they leave early next week and perhaps avoid major consequences of a controller strike. So the time is not important to me. It is important that it be on Monday.

Mr. DECONCINI. May I request to make it at 3 o'clock?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, there are some Senators who have some problems with leaving and I know some Senators who need to leave before 3 o'clock.

Mr. BAKER. If the Senator will yield, I am advised by the assistant majority leader that there are strong objections on this side to 3 o'clock because there are, frankly, 4 o'clock plans to leave, especially for the west coast.

Let me amend the request, Mr. President, to provide that we convene at 12 o'clock noon and that there be a special order in favor of the distinguished Senator from Wyoming (Mr. SIMPSON), to follow after the recognition of the two leaders under the standing order, and then a period for the transaction of routine morning business to conclude not later than 2 p.m. and the vote to occur no later than 2 p.m. on the Kennedy motion, as previously described in my request.

Mr. DECONCINI. Will the majority leader yield for just a question?

Mr. BAKER. Mr. President, the time for debate is included in the previous request, and that was incorporated in the revision that I just made. I will be glad to restate the entire request if the Chair wishes me to do so.

The PRESIDING OFFICER. Is there objection?

Mr. DECONCINI. Reserving the right to object.

Mr. ROBERT C. BYRD. Reserving the right to object

Mr. DECONCINI. I would like to hear the entire request.

Mr. BOSCHWITZ. Mr. President, I have made arrangements to go back to my State, thinking that we were going to vote later in the week, and coming back for the arrival of President Sadat. As it happens, Monday is an inconvenient time for me. I wonder why we cannot vote now. I wonder why the Senator from Massachusetts, Senator Kennedy, is not here, if he wants to speak on it. Other Senators have been able to arrange their plans to be here. I want to hear again why the distinguished Senator from Massachusetts, who has taken no greater interest than I in this bill, cannot be here.

Mr. CRANSTON. Mr. President, I would like to point out to my friend that it was agreed last night, and stated by the majority leader last night, that there would not be rollcall votes last night beyond a certain hour or any time today. All Senators were so advised.

Mr. BOSCHWITZ. If the Senator will yield, we should vote by voice vote on this. We have voted dozens of times on this bill, so the positions of the various Members are clearly established. There is really no necessity to vote by rollcall vote on this matter.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I wonder if the distinguished majority leader would move up the convening time to 11:30, get the special order included, and I would be willing to give up my time under the standing order so that the time for debate could begin at 12 o'clock and there could be the full 2 hours of debate with the vote or votes beginning at 2 p.m.

Mr. BAKER. Mr. President, let me restate the request, if I may.

RESTATEMENT OF UNANIMOUS-CONSENT REQUEST

Mr. President, I ask unanimous consent that the Senate convene on Monday next, after the recess as ordered pre-viously, at 11:15 a.m.; that after the recognition of the two leaders under the standing order, the Senator from Wyoming (Mr. Simpson) be recognized for not to exceed 15 minutes; that, after the recognition of the Senator from Wvoming under the special order, there be a brief period for the transaction of routine morning business in which Senators may speak for not more than 3 minutes each; that the time for morning business expire not later than 12 noon; that at 12 noon the Chair lay before the Senate the conference report on H.R. 4242; that at that time there be 2 hours of debate, equally divided between the Senator from Massachusetts (Mr. KENNFDY) and the Senator from Kansas (Mr. DOLE) on a Kennedy motion to recommit with instructions; and that, if the motion fails, immediately thereafter, without further debate, motions, points of order, or appeals, the Senate proceed to a vote on the adoption of the conference report.

The PRESIDING OFFICER. Is there

objection?

Mr. BOSCHWITZ. I object.

The PRESIDING OFFICER. The objection has been heard.

Mr. BAKER. Mr. President, is there time remaining for the recognition of the two leaders under the standing order?

The PRESIDING OFFICER. There is

3 minutes remaining.

Mr. BAKER. Mr. President, I ask unanimous consent that I may proceed for 10 minutes

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. BAKER. Mr. President, I understand the concern of Senators, but it is absolutely essential, especially in view of the controllers strike, that we try to arrange a time with as much certainty as possible for the disposition of this matter. I think almost no one had thought that we could finish this matter tonight. Indeed, the reason for requesting the order to convene tonight was not for the purpose, really, of trying to dispose of the conference report, but was for the purpose of trying to provide an opportunity to have the conference report made the pending business and, if necessary, to file a cloture petition.

As a result of the good efforts of the Senator from Kansas and the Senator from Louisiana, the chairman and ranking member of the Finance Committee, and the other Senate conferees and House conferees, they did an extraordinary thing and finished that work. Perhaps just as extraordinary is the work of the clerical assistants of the House and Senate in providing that we would have at least a Xerox copy of that con-

ference report tonight.

There was a faint glimmer of hope then, just for awhile this afternoon, that we could dispose of this matter by a voice vote tonight. But, as other Senators have pointed out, I represented on yesterday, and it was clearly understood by Senators, that there would not be rollcall votes today; that this day was for a special purpose, as I have described it.

But that glimmer of hope that we could finish tonight evaporated when the Senator from Massachusetts indicated his desire to file a motion to recommit. The Senator from Massachusetts, of course, is fully within his rights. I would prefer that he not do that. I would still prefer that we could do this conference report tonight. But there is nothing I can do to prevent that, no reasonable measure that I can take to avoid that development.

If that is the case, then, Mr. President, it seemed to me the best thing to do was to try to provide a degree of certainty for all Senators on both sides of this question, on both sides of the aisle, to either stay in Washington or to return to Washington so that they would have an opportunity to vote not only on the Kennedy motion but on the conference report itself and, I would hope, then on a

resolution of adjournment for the August recess.

Mr. President, we shopped at some length to find the best time. The first thought had been that we should do it on Tuesday or Wednesday of this coming week; there was some consideration for Thursday or perhaps Friday. But the intervention of at least the real possibility of the controllers' strike seemed to suggest that the best way to proceed was to do it sooner rather than later.

Mr. President, I understand the concern of the Senator from Minnesota and others. I am concerned, as well, because, in addition to representing that there would not be votes tonight, I also indicated that I expected that we would probably deal with this matter next week, probably on Tuesday or Wednesday. So I am at risk in that respect. But I made no commitment in that regard.

I am simply saying at this time that it is my best judgment that the major concern of the Senate at this time is certainty and that Monday provides the best opportunity to deal with this matter on a prompt and effective basis.

Mr. STENNIS. Will the Senator yield

to me?

Mr. BAKER. Yes, I yield to the Senator

from Mississippi.

Mr. STENNIS. Mr. President, I came in a little late. As I understand it, as I heard the floor leader's request last night, it unquestionably precluded us from doing anything now in the way of voting.

As I understand the request, it is for a vote on Monday, including a vote on final passage on Monday. That makes me quite pleased to know that we will be getting ahead of possible blockage by the strike, if it occurs, of the air controllers.

I want to know if the managers of the bill have indicated their willingness to follow this request for Monday. It seems to me, if they agree, that is very persua-

Mr. DOLE. Will the Senator yield so I may respond to the question?

Mr. BAKER. I yield to the Senator

Mr. DOLE. Mr. President, the Senator from Louisiana and the Senator from Kansas are here right now. We would be glad to roll this right on through. We had a good time last night and got a lot of things done; some things did not get done. But we will be here Monday.

Some of us are here to do our work and some are not. We will be here tonight; we can do it tomorrow afternoon or Monday.

I might say that we believed that we put together an outstanding package. I just say to the Members who are present that there was some concern about whether or not we could restrain ourselves as far as add-ons are concerned.

I can now advise my colleagues that we are within the President's numbers, less than \$38 billion in 1982, about \$93 billion in 1983, and \$149.9 billion in 1984. So we are within the administration's estimates. We were able to accommodate a number of Senators who had amendments, though some we could not. It was not because the Senator from Louisiana, the Senator from Kansas, and others in the conference, did not try.

I really believe when the Senator from Massachusetts has a chance to examine the oil provision, which is what I understand he is concerned about, he will find that it was a very fair and balanced agreement we made.

We were dealing with Members who hate oil companies just as much as the Senator from Massachusetts does, particularly little oil companies, I guess, because that is what they are attacking, the little mom and pop operations, little independents, three or four employees, trying to get along in Kansas and other places, 2 or 3 barrels a day. These are the ones that the Senator from Massachusetts is afraid are making too much money. They put a lot of people to work

and help our economy.

I might say to the Senator from Massachusetts if he should be listening or if word can be conveyed to him, that we tried the best we could to get the House to take the heating credit amendment. I tried eight times to get them to take that amendment, the amendment of the distinguished Senators from New Hampshire and Massachusetts. The conference did not want it. They had one Congressman who spoke for it, the distinguished Congressman from New York, Mr. Rangel. The last effort I made was to get that away, but nobody would take it. It was \$400 million and we decided to put it back into the taxpayers' pot.

I would hope the Senator from Massachusetts is not suggesting that we did not work hard enough for that provision because the facts would belie that.

Again, the Senator from Massachusetts is within his rights. I have no quarrel with that. I am just sort of all keyed up to get this passed.

Mr. BAKER. Mr. President, have I any time remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. BAKER. I yield to the Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I continue to object. Everybody has done extraordinary work, as the majority leader pointed out, even the Senator from Kansas, who we are losing at the moment. They worked all night. And, as the majority leader said, the staff did extraordinary work. But the Senator from Massachusetts cannot be here. I pointed out to the majority leader that I have a scheduling problem. My son is going into the hospital on Monday and I would like to be with him. The Senator from Massachusetts cannot be here and he lets us know this morning. I first find out about this when I came here this evening, that he wishes to file a motion to recommit.

We changed our reservations in order to accommodate ourselves because of the controller strike, which may come off or may not, so that we could leave tomorrow night and be with our son. But the Senator from Massachusetts cannot be here to file his motion to recommit.

Well, I do not know where the Senator from Massachusetts is. I hope he does not have any personal or family problems.

May I inquire, where is the Senator from Massachusetts? The Senator from California has spoken about his absence.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BOSCHWITZ, I yield.

Mr. ROBERT C. BYRD. I hope we will proceed to try to help the majority leader get an agreement. I certainly sympathize with the distinguished Senator from Minnesota. I have every compassion for him. I hope that we can reach some agreement that will take into consideration his problem.

The Senator from Massachusetts is not here. There are a good many Senators who are not here. He is not here to defend himself or to speak up for himself.

I would hope we would proceed in a positive way to try to help the majority leader get an agreement and act in the best interests of all Senators and in the best interest of the Senate.

I have many times sought to get agreements myself in the past when Senators were absent on the other side of the aisle. But those are things that we have to try to accommodate. Those are considerations we have to think of from time to time. None of us can control the time of another Senator or what his calendar may be. None of us can anticipate what the problems of another Senator may be or what our own problems may be at times.

The distinguished majority leader stated very accurately, cogently, succinctly what the understanding was. Based on that understanding that the majority leader gove—and I do not know of anything else he could have said; I think he took the only approach that could have been taken—a lot of Senators are not here.

I went to West Virginia today. I am back. But I knew there would not be any votes this evening. I could have stayed the evening. I canceled another engagement. But had I not been the minority leader of the Senate I probably would have stayed because I knew there would be no rollcall votes. I would have liked to have stayed for the evening engagement to which I was committed.

As I say, I have a responsibility to which my colleagues on this side of the aisle elected me and I felt I ought to be here. But that is not to say that every other Senator ought to feel that his responsibility is the same as I see mine.

I would hope we can proceed. I want to do everything I can to cooperate with the majority leader in trying to reach a time to vote. At the same time, I have to protect the Senators on my side of the aisle, as I have respected his efforts to protect the Senators on his side of the aisle when he was a minority leader and did such an excellent job.

So let us avoid the recriminations and the assertives and try to get on with an effort that will reach an agreement which will accommodate the Senate overall. Those Senators who have motions that they want to make should be considered and we must try to accommodate them. I would certainly do that

for any Senator, as the majority leader is attempting to do.

Mr. BAKER. Mr. President, if there is time remaining I am prepared to yield to the Senator from Minnesota or prepared for the Chair to rule.

Before that, let me say that I am keenly aware of the difficulties that this provides. The only defense I can offer is that this is the best that could be done under the circumstances.

Mr. BOSCHWITZ. As both the majority leader and the minority leader know, I am not one to try to disrupt the Senate, as the minority leader suggests this objection may tend to do. I have not been disruptive in the past and I do not wish to be disruptive at this time.

However, as the minority leader points out, the distinguished senior Senator from Massachusetts, Senator Kennedy, is not here to defend himself. Nevertheless, he seems to be able to hold up the whole proceedings of the Senate. It is clear to me, Mr. Leader, that though we probably would be coming back later in the week for the purpose of voting on this measure, it was not entirely clear that we might not vote on this measure tonight and do so by a voice vote inasmuch as we have voted on the tax bill any number of times, on its provisions, and entirely at the end. It does not bear a great deal of difference from the conference report. I felt perhaps we would be able to proceed on a voice vote.

Clearly, the Senator from Massachusetts is not here to defend himself, but that does not prevent him from putting in a delaying motion that will inconvenience many of us.

Mr. President, I would like to consult with one or two of my colleagues on this matter for a moment or two. If the lead will be kind enough to allow me that time, I will consult with him.

Mr. BAKER. Mr. President, if I have time remaining, I ask the Chair to withhold putting the request while in the meantime I yield to any other Senator who may wish recognition.

Mr. DECONCINI addressed the Chair. The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Arizona?

Mr. BAKER. I yield.

Mr. DECONCINI. Mr. President, I thank the distinguished majority leader.

Mr. President, in discussing the conference report which I have not had an opportunity to review, let me say that I compliment the conferees on the Senate side and the distinguished chairman for their efforts last night. It is no easy task to stay up all night and attempt to grind out a bill under the pressures which are there. I compliment the chairman, the ranking member, and the other Members of the Senate.

I do, however, regret that the House would not accede to the Senate provision sponsored by Senator Armstrong and Senator Matsunaga which would have overridden a decision by the Corporation Commissioner in California delaying the

implementation of the employee stock ownership plan, ESOP, proposed by the employees of Continental Airlines. The Senate is now on record in firm support of the Continental employees' ESOP and we reject the notion that a State regulatory official be allowed to impede an ESOP plan which is in the best interests of the employees, the company, the stockholders, the airline interest, and the American public. When I discussed it last evening, one of the conferees indicated, "Well, you are taking from somebody and giving to somebody else." Let me remind my colleagues that these employees are paying for the stock. No one is giving them anything. They are paying for it out of hard-earned dollars, out of reduced income from their contracts with management. It seems to me we ought to give the employees of the airline industry who want to own and be part of the capitalistic system every encouragement.

The final reason that this amendment was not included in the bill before us is due to the pressure of passing the tax bill itself rather than the substantive issue contained in the proposed amendment. Let there be no doubt, however, that the Congress supports the efforts of Continental employees. These employees have successfully scaled every hurdle in their path. They have won in Federal court two times, in State court, and before the Federal regulatory agencies. They are now in another litigation in the court of California.

The implementation of their plan is now being unreasonably restrained by a single corporation commissioner in the State of California in an effort to grab the control of an airline. That commissioner should move now expeditiously to approve this employee plan. It is very discouraging for those of us who support the ESOP provisions—certainly the ranking member of the Committee on Finance, who really is the father and author of the ESOP plans—to see an opportunity lost when we could realize a real gain.

Mr. CRANSTON. Will the Senator yield for one moment?

Mr. DECONCINI. Yes, I yield.

Mr. CRANSTON. I wish to say I share the views of the Senator from Arizona. I admire the tenacity with which he sought to get a decision on this matter. I was pleased to work with him and others, and I regret very much that the decision did not come out the way we sought.

Mr. DECONCINI. Mr. President, I thank the Senator from California for his effort in conference with the Members of the House. I understand they have their own good reasons in their minds, but I urge all Members of Congress that if we want to do something about productivity, which we all talk about and profess that this is what this country needs—and I do not think there is any question, statistically or anything else, that productivity has to be raised—there is no better way than to have employees become part of ownership and

be producing for themselves. So, with regret, I am going to cast a vote in favor of the conference report. I do favor many of the provisions.

I point out along that line that this bill is greatly different from the bill that was originally introduced by the administration known as the Kemp-Roth tax plan. With a number of Democrats, with the leadership of the chairman of the committee and a number of Republicans, there have been significant changes. One is the reduction of the unearned income rate, the phasein of the indexing provision—the Senator from Colorado had a lot to do with that and led the phasing out—the marriage penalty, reduction of the capital gains. These are just a few of the items that have been added onto this bill.

It is a better bill because of it, Mr. President. It is a bill that a number of Democrats take some pride in. I am sorry that the ESOP provision was not included in the final passage and I hope that this body will continue to stand steadfast in support of the employee stock ownership plans.

I thank the Chair.

Mr. BAKER. Mr. President, I ask unanimous consent that I may proceed on leader time for an additional 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I just want to indicate to the Members that we are prepared to do it on Monday. We would rather do it today. The Senator from Kansas is going to be in town in any event, but I know many Members, the last 2 days have been—not insisting, but encouraging us to finish the conference report because they had travel plans. But that is no reason we cannot do it on Monday.

We are prepared to do it on Monday. As I understand, the consent agreement would limit the debate to 2 hours equally divided on the motion. I assume that will be followed by a motion to agree to the conference report.

Mr. BAKER. If the Senator will yield to me, the request put would provide for 2 hours debate on the motion to recommit, then, if that motion fails, to proceed without any intervening debate, motion, appeal, or point of order, on the conference report itself.

Mr. DOLE. The Senator from Kansas would prefer to do it on Monday because the chairman of the Ways and Means Committee was kind enough to give us the papers so we could act on it first. They will act on it on Tuesday. Hopefully, we will do it on Monday. I shall be very glad to have the discussion at that time with the Senator from Massachusetts. I want him to know that I made every effort to get that provision I know he is concerned about. I just could not get anybody to take it.

Mr. BOSCHWITZ. Mr. President, is mv understanding correct that at 2 o'clock

on Monday, we shall vote on the motion to recommit and immediately thereafter, without any intervening debate, we shall vote on passage?

Mr. BAKER. If the motion to recommit fails, we shall vote on the conferense report without intervening debate or motion, point of order, or appeal. The two votes would occur back to back assuming that the motion to recommit fails.

Mr. BOSCHWITZ. Will they be roll-call votes?

Mr. BAKER. The request does not order rollcall votes. That is a matter that would be within the province of any Senator to ask. I do not plan to ask for a rollcall vote, but I assume at least one of the two will be a rollcall vote.

Mr. BOSCHWITZ. Mr. President, I shall not object. I shall be here on Monday because I have not missed a vote this year. I do not wish to miss a vote this year. I shall just have to arrive prior to Tuesday morning, when the surgery is going to be performed.

I shall take some of that hour to ask the Senator from Massachusetts why he could not be here tonight. I hope he has a good reason at that time why he cannot be here to accommodate the Senate and to do the business of the Senate when it should be done, when we are in session to hear a motion to recommit. It is distressing to me that he sends a message saying, "I want to have a motion to recommit" and then he goes off wherever he has gone without consideration of other Members.

So, Mr. President, I shall not object.
Mr. BAKER. Mr. President, I really
understand the concern of the Senator
from Minnesota and the anguish he expresses. I bear a share of the responsibility for the changed plans and I apologize. But I am most grateful, Mr. President, that the Senator from Minnesota
will not object.

The PRESIDING OFFICER. Is there objection to the majority leader's request?

Mr. HAYAKAWA. Mr. President.

Mr. DECONCINI. Reserving the right to object, I wonder if the majority leader would have any objection to including a rollcall vote? If we are going to come back here, I would like to have a rollcall vote on adoption of the conference report.

Mr. BAKER. Mr. President, I am perfectly willing to do that. I think that that is a good suggestion, as a matter of fact. If we are coming back, and indeed we are, and Members are making sacrifices as they are, it seems to me we should go ahead with it.

Mr. DECONCINI. I ask for the yeas and navs.

Mr. BAKER. Mr. President, I include that it be in order to call for a rollcall vote on the motion to recommit and the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, before the Chair puts the question, I want everybody to understand that there is now before the Senate a request that the Senate

reconvene at 11:15 a.m. and, after certain other details, including the recognition of the leaders and one Senator on special order and a brief period for the transaction of routine morning business, the Senate will resume consideration of H.R. 4242 on the conference report.

The PRESIDING OFFICER. The majority leader is correct. That will be at 12 noon.

Mr. BAKER. And that at 12 noon, there be 2 hours of debate equally divided, and that a vote will occur at 2 o'clock, or not later than 2 o'clock, on the motion to recommit; that if the motion to recommit fails, it will be followed immediately without further debate, motions, points of order or appeals, by a vote on the conference report; and that the yeas and nays are authorized to be ordered at this time on both of those votes. Is that a correct restatement of the request?

The PRESIDING OFFICER. The Senator is correct. That is the Chair's understanding. Is there objection to the majority leader's request.

If not, without objection, it is so ordered.

The text of the agreement follows:

Ordered, That on August 3, 1981, at the hour of 12:00 noon, the Senate proceed to the conference report on H.R. 4242, the Tax Reduction Act of 1981, and that there be 2 hours for debate, to be equally divided and controlled by the Senator from Massachusetts (Mr. Dole) and the Senator from Massachusetts (Mr. Kennedy), with a vote to occur on a motion to recommit the conference report with instructions at no later than 2:00 p.m., and if this motion falls, to be immediately followed without further action by a vote on the conference report.

Mr. BAKER. Mr. President, I ask for the yeas and nays. I ask unanimous consent that one showing be in order for the two votes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

Mr. BAKER. Mr. President, does the Senator from California wish me to yield to him?

Mr. HAYAKAWA. I would be very grateful to the majority leader. I would like to make a short statement.

Mr. BAKER. I yield to the distinguished Senator.

Mr. HAYAKAWA. Mr. President, I do plan to be here at 2 o'clock on Monday for that vote. It has disrupted many of my plans. I have changed my plane reservation three times already and canceled events for today and for tomorrow and for last Friday. I have to cancel some more for Monday.

On top of that, if we do have the vote, I should be able to attend the hearing of the Special Commission Inquiring Into the Wartime Relocation of Civilians During World War II, at which I am supposed to testify on Tuesday morning at 9 o'clock. On Wednesday, I am supposed

to go to Southeast Asia on behalf of the Foreign Relations Committee. There is danger that that would be interfered with too.

I am very, very happy that the majority leader has arrived at this solution; so I shall be here. I shall be here to vote. I am very grateful for the arrangement being made. But I must enter my protest against what seems to me to have been the unnecessary delays on this vote, despite the fact that this devoted group of Senators and Representatives worked all night until 8 o'clock this morning to get before us a bill to act upon. I am very disappointed we are not acting upon it.

Mr. BAKER. Mr. President, I thank the Senator from California. As always, he has been most cooperative and he is most energetic in his pursuit of his official duties and other duties beyond the regular duties of the Senate in trying to serve his State and serve the country. I express my unfailing admiration to the Senator and my gratitude for his friendship and consideration.

Mr. President, there are other minor details to be taken care of today and there may be other Senators who wish to speak.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent, if the minority leader has no objection, that there be a brief period for the transaction of routine morning business to extend not past the hour of 7 p.m. in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 861

At the request of Mr. Packwood, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 861, a bill to amend the Social Security Act to provide for a 6-year demonstration program of comprehensive community-based non-institutional acute and long-term-care services for the elderly and disabled.

ADDITIONAL STATEMENTS

REAGAN ADMINISTRATION ATTACKS ON PROGRAMS FOR DISABLED PERSONS

 Mr. CRANSTON. Mr. President, in this the International Year of Disabled Persons (IYDP) I believe that it is very important to bring to my colleague's and the public's attention the broad, persistent attack that the Reagan administration has launched against Federal programs that help disabled citizens overcome their handicaps and, to the maximum extent possible, lead productive, independent lives in their communities. A great deal of attention has been given to the efforts to reduce Federal spending and move toward a balanced budget—two objectives I strongly support—and the administration's unfair attempts-which I oppose-to cut and

eliminate under that banner some of the most effective, badly needed social programs that we have.

However, little attention has been given specifically to what has been happening regarding Federal programs and policies for our disabled citizens. This especially true with respect to actions-such as the two recent events that I will discuss briefly—that have not been part of our focus on the Federal budgets for fiscal years 1981 and 1982 and the Reagan administration's and the Congress' revisions of the budgets. Regardless of whether an item relating to disabled Americans is a budget or nonbudget matter, the Reagan approach has been the same-eliminate, undercut, or reduce whatever specific Federal help exists, leaving handicapped individuals with little to celebrate and many unfortunate losses to count during the IYDP.

We are already familiar with the fact that, in the Reagan budget, there were proposals to make cuts in the social security disability insurance program, to consolidate the vocational rehabilitation program, the developmental disabilities program, and programs of the National Institute of Handicapped Research—at significantly reduced funding levels—into block grants, to eliminate all funding for the Architectural and Transportation Barriers Compliance Board, and to reduced Federal support for vocational rehabilitation programs even further by eliminating the Social Security Act transfer to State vocational rehabilitation agencies.

In addition, several other budget reduction proposals, while not directly aimed at disabled persons, will nevertheless have a disproportionately adverse effect on these individuals. Programs included in this category of cutbacks are medicaid, low income energy assistance, legal services, food stamps, and the community services block grant.

RESCINDING OF MINIMUM GUIDELINES FOR ACCESSIBILITY TO PUBLIC BUILDINGS

Mr. President, on July 10, 1981, a small and little-known independent regulatory board met and took actions that might have very serious negative consequences for millions of disabled Americans. The Architectural and Transportation Barriers Compliance Board has 22 members, 11 of whom are representatives of Federal agencies and departments and 11 Presidential appointees from the general public. The Board is charged with critical functions under the Rehabilitation Act of 1973 as amended, including the responsibility to insure compliance with the standards issued under the Architectural Barriers Act of 1968 for public building accessibility for disabled persons.

At its July 10 meeting, the Board voted to rescind the minimum guidelines and requirements that it had—pursuant to the specific mandate in section 502(b) (7) of the Rehabilitation Act for it to establish such guidelines and requirements—promulgated earlier this year. The Rehabilitation Act requirement for the Barriers Board to issue minimum

guidelines and requirements in order to help insure compliance with the Architectural Barriers Act was enacted 3 years ago in the Rehabilitation Act Amendments of 1978 as a result of the persistent failure of Federal departments and agencies to achieve the level of accessibility required in the Barriers Act. The rescinding of the board's minimum guidelines and requirements leaves that mandate entirely unfulfilled.

That general failure of compliance has twice been pointed out by the Environment and Public Works Committee in the last year: First, in the committee report on S. 2080 last Congress, Senate Report No. 96–771, pages 33–39, and more recently in its report, Senate Report No. 97–48, pages 32–36, on S. 533 passed by the Senate on May 6, 1981. Both reports rely upon a staff study prepared in 1979 at the request of the Senator from Vermont (Mr. Staffford) now the chairman of that committee, Committee Print No. 96–8, which states:

The record of adherence by GSA and other agencies to this law [Architectural Barriers Act], and in some cases to an agency's own regulations, is uneven. The Congress clearly intended in 1968 to formulate a policy to be carried out by the GSA which would assure that after the enactment of the Architectural Barriers Act there would never be another building built at public expense which was inaccessible to individuals with mobility impairments. This is not what happened.

Mr. President, it is true that concerns have been expressed that the guidelines adopted by the Board in January had incorporated standards parts of which are unduly demanding. A prior draft of the guidelines raised a number of questions in that regard, and was opposed by a number of the Board members who represented Federal agencies. In order to insure that the appropriateness of the guidelines was broadly supported, I joined a group of Senators who, during the final days of the rulemaking process, urged the Board to seek to achieve unanimity among all of the members of the Board, both public and Federal members. I ask, Mr. President, that our letter in that regard be printed in the RECORD at the conclusion of my remarks.

Mr. President, unfortunately, unanimity was not achieved, and the guidelines and requirements were approved by a vote of 14 to 4, with 6 Federal members supporting the action, 2 abstaining, and 3 casting negative votes.

Thus, it would have been understandable for the administration, after replacing all of the Federal members with Regan appointees, to seek to modify the guidelines by changing or deleting particular aspects that it considers either to be unduly burdensome or to exceed the Board's authority. But no effort to modify the guidelines was made even after repeated attempts on the part of the public members to negotiate a revised approach. Rather, the administration's apparent disagreement with the Board's previous approach resulted in a total elimination of the

guidelines.

Mr. President, that action, orchestrated by the administration through its representatives on the Board—with only one public member joining a united Fed-

eral agency phalanx marching in lockstep—is a blatant example of this administration's lack of concern for the requirements of laws designed to guarantee basic civil rights for this significant segment of our citizenry. The Barriers Board is an important experiment in participatory democracy and, under the current membership, 9 of the 11 public members are disabled. The administration's approach to this problem makes a mockery of this process.

Mr. President, the administration's attempt to achieve regulatory reform has gone too far in this instance. These minimum guidelines and requirements were not regulations in the usual sense. They had no direct impact on the private business sector. Rather, these guidelines and requirements were designed to assure liberty and freedom by helping to provide equal access to Federal buildings and services to the millions of Americans unable to enter many Federal buildings because of architectural barriers.

If there are problems with the guidelines, the administration and the Board should move to address them, not to refuse to issue guidance that Congress has mandated be issued. Without these guidelines, designed to guide the government and not to regulate the private sector, billions of dollars may be spent in the construction and renovation of Federal facilities that are not fully accessible to disabled Americans.

NEW DOT HANDICAPPED REGULATIONS

Mr. President, in another recent action, the administration further demonstrated its insensitivity to the needs of handicapped persons in the issuance by the Department of Transportation— DOT-on July 20, 1981, of an "interim final rule" to replace the previous DOT regulations with regard to meeting the mass transit needs of disabled persons. These new regulations are made in explicit disregard of the provisions of Federal law-including section 504 of the Rehabilitation Act—that they purport to implement and which were designed to guarantee the availability of Federally subsidized programs, including mass transit facilities, to elderly and handicapped Americans.

Mr. President, in view of the sizable financial commitment made by the Federal Government in assisting in the development and generation of mass transit across the Nation, Congress has sought to assure the availability of these services to elderly and disabled persons. In the Urban Mass Transit Act, the Federal-aid Highways Act, and the Rehabilitation Act of 1973, Congress has clearly indicated its intention to provide disabled and elderly persons with the right to use and have available the services of mass transit facilities in receipt of Federal funds.

On May 26, 1981, in the case of the American Public Transit Association against Lewis, the U.S. Court of Appeals for the District of Columbia circuit found that the previous DOT regulations implementing the nondiscrimination provi-

sions of section 504 of the Rehabilitation Act with regard to federally assisted mass transit for handicapped persons exceeded DOT's authority under section 504. Without commenting on the merits of the court's opinion, I note that it is very clear that the administration is using the occasion of this court decision to overturn all of the progress we have made in this area over the last 4 years. The new interim final rule, which incorporates the so-called local option approach, provides no assurances to disabled Americans that mass transit facilities will be accessible and available to them.

In fact, the new regulations provide so much so-called flexibility to local transit operators in providing disabled people with alternative services, as opposed to accessibility to the facilities that everyone else uses, that disabled persons can be assured of the opposite result—especially during these times of reductions in Federal assistance—that in many instances the special services provided will be inadequate to meet the needs of handicapped commuters.

Mr. President, in connection with the Department of Transportation's rescinding of its accessibility regulations, it is important to note that on July 17, the Department of Justice objected to the publication of those regulations, suggesting that there was a substantial question as to their compliance with two Federal laws, the Urban Mass Transit Assistance Act of 1964 and the Federal-Aid Highway Act of 1973. This letter was signed by Lynn Walker, Acting Deputy Assistant Attorney General for the Civil Rights Division. On July 21, the day after the Department of Transportation published its interim, immediately effective regulation. James P. Turner, Acting Assistant Attorney General for that Divsion, wrote to the Department, in effect withdrawing, but making no reference to, the July 17 letter. I leave to others any speculation on this rather unusual series of events, and I ask, Mr. President. that the July 17 and 21 letters be printed at the conclusion of my remarks in the RECORD.

CONCLUSION

Mr. President, both of these recent actions by the administration—the rescinding of the barriers board's minimum guidelines and requirements and the issuance of new regulations with regard to meeting the mass transit needs of disabled persons—vividly demonstrate to America's 35 million disabled persons that the present administration has no desire to recognize their civil rights and is committed to attempting to overturn and reverse all of the steps forward we have taken together in this area in recent years.

This situation places a heavy responsibility on the Congress to try to minimize the damage being done in these areas and to protect what remains of effective programs. I pledge myself to do all I can to carry out that responsibility, and I urge my colleagues to join in this effort.

The letters referred to follow:

COMMITTEE ON LABOR AND
HUMAN RESOURCES,
Washington, D.C., November 20, 1980.
Hon. Max Cleland,
Chairman, Architectural and Transportation

Barriers Compliance Board, Washington, D.C.

DEAR MR. CHAIRMAN: We are writing to you to express our concern with respect to the Notice of Proposed Rulemaking appearing in the Federal Register of August 18, 1980 (45 Fed. Reg. 55010).

1980 (45 Fed. Reg. 55010).

Because of our involvement in this issue as the authors of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 that set forth the Board's authority, in section 502 (b) (7), to propose minimum guidelines and requirements, we had our staffs review the Proposed Rule as well as federal agency and public comments elicited by the proposal.

From that review, we note that there are several important questions raised about the Proposed Rule by agencies with standard-setting responsibilities under the Architectural Barriers Act of 1968, as amended. Some of those same questions as to the scope of the Proposed Rule and as to whether the Board has exceeded the intended authority of the authorizing statute are of concern to a number of members of the public who have commented as well.

Among the major concerns raised, which we share, are whether the Board's proposal genuinely reflects an attempt to set minimum guidelines and requirements, or whether it actually has proposed a standard. Further, we are concerned by the number of technical revisions (48) that the Proposed Rule would make to the most recent promulgated ANSI Standards (ANSI 117.1-1980). Although the ANSI Standards may err in some places, the number of revisions seems high and the justification for many is unclear in any event.

is unclear in any event.

Also of considerable concern is the part of the proposal that essentially permits the rule (if approved) to become the standard for any agency that does not publish standards consistent with it within 240 days. The Congress did not intend that such a require-

Congress did not intend that such a requirement be imposed by the Board on an agency charged with the responsibility to promulgate standards under the Architectural Barriers Act.

Last is the important issue of whether section 502 allows the Board, as proposed in the rule, to determine in advance the conditions under which a waiver can be granted. There would appear to be a conflict between that procedure and the Architectural Barriers Act which gives the waiver granting authority to the standard setting agencies.

We are very hopeful that these difficulties and others in the Proposed Rule can be resolved in a reasonable way within the framework of the current proposal. If that is not possible, we would urge the Board to seek the opinion of the Justice Department to assure that the rule would be within the Board's statutory authority. We believe that this should be done if the difficulties can not now be resolved through a consensus on the part of the Board members, including the principal agencies involved.

We would appreciate your bringing our

We would appreciate your bringing our concerns to the attention of all Board members. Thank you for your cooperation.

Truly,

ROBERT T. STAFFORD,
Ranking Minority Member,
Subcommittee on the Handicapped.
JACOB K. JAVITS.
JENNINGS RANDOLPH,

Chairman,
Subcommittee on the Handicapped.
ALAN CRANSTON.

U.S. DEPARTMENT OF JUSTICE,
CIVIL RIGHTS DIVISION.
Washington, D.C., July 17, 1981.

Re Department of Transportation Final Interim Regulation Amending 49 C.F.R. Part 27.

Hon. John M. Fowler, General Counsel, U.S. Department of Transportation,

Washington, D.C.

DEAR MR. FOWLER: We have been advised that the Department of Transportation may submit to the Federal Register for publication on July 20, 1981, a Final Interim Regulation amending 49 C.F.R. Part 27 regarding non-discrimination on the basis of handicap. As you know, this Regulation is to be approved in advance of issuance by the Department of Justice pursuant to its responsibilities under Executive Order 12250 (November 2, 1981). This is to advise you of the status of our review and to request that you hold publication of the Regulation in abeyance pending resolution of the matters discussed below.

cussed below.

We think that the Regulation, as proposed, substantively complies with the requirements of Section 504 of the Rehabilitation Act of 1973, as amended. However, it is not yet clear whether the proposed Regulation is in compliance with requirements of the Urban Mass Transit Assistance Act of 1964 or with the Federal-Aid Highway Act of 1973.

The attached research memorandum pertaining to the legislative history and requirements of these statutes as they pertain to bus-accessibility raises some questions which suggest to us that further consideration of certain provisions of the proposed Regulation is advisable.

Further, since we have not yet approved your Regulation and have not yet suspended the Department of Justice Section 504 Guidelines, 45 C.F.R. Part 85, were you to proceed with publication of the Regulation on July 20, 1981, litigation could ensue, challenging the propriety and legality of your action.

Finally, we are still examining whether the Administrative Procedure Act requirements allow publication of your Final Interim Regulation without first affording a period of public comment. This, of course, depends upon the adequacy of the stated justification for dispensing with those requirements.

tion for dispensing with those requirements.

We are fully aware of your desire for prompt clearance of the proposed regulation. Please advise us of the earliest date when we can meet to discuss and resolve this matter. Thank you.

Sincerely,

LYNN WALKER,
Acting Deputy Assistant Attorney General.

MEMORANDUM

JULY 17, 1981.

Subject Section 16 of the Urban Mass Transportation Act of 1964, as amended, 49 U.S.C. 1612, and Section 165 of the Federal Aid Highway Act of 1973, 23 U.S.C. 142 note.

To Mary Lynn Walker, Acting Deputy Assistant Attorney General, Civil Rights Division.

From Stephen L. Mikochik, Attorney, Appellate Section, Civil Rights Division.

In APTA v. Lewis, No. 80-1497 (D.D.C., May 26, 1981) the Court of Appeals for the District of Columbia reserved decision on whether regulations issued by the Department of Transportation in 1979 (49 C.F.R. Part 27 (1980)) to require public transit accessibility for handicapped persons were supported by Section 16 of the Urban Mass Transportation Act (UMTA) or by Section 165 of the Federal Aid Highway Act (FAHA). The Court remanded this issue back to the

Secretary of Transportation for an initial determination.

The Secretary has approved "final" interim regulations, substantially similar to those issued in 1976 (41 Fed. Reg. 18234 (April 30, 1976)), which require neither bus nor fixed rail accessibility. The regulations have been submitted to this Department for our review under Exec. Order 12250, 3 C.F.R. 298 (1980). It has been suggested that, by suspending the Inter-Agency Guidelines implementing Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794 (504), (45 C.F.R. Part 85), the regulations can be swiftly approved and published.

Aside from whether final regulations may be published or guidelines suspended absent compliance with the Administrative Procedure Act public comment requirements, mere suspension of the Section 504 Guidelines will not, of course, fulfill this Department's responsibility in this matter. The Guidelines apply only to Section 504 and not to Section 16 of UMTA or Section 165 of FAHA which, as statutes requiring equal treatment for the handicapped in federally assisted programs, fall within our coordination responsibilities under Exec. Order 12250 and must be separately reviewed. Furthermore, as will be demonstrated below, the proposed regulations violate the requirements of these statutes.

LEGISLATIVE HISTORY OF UMTA AND FAHA

Congress amended UMTA in 1970 to provide handicapped persons with an equal right to use mass transportation and required that transit systems be planned, designed, constructed, and operated to permit their effective use by these persons. 116 Cong. Rec. 34180 (Sept. 29, 1970). Representative Biaggi, who authored the amendment, rejected without opposition the notion that his amendment would permit paratransit in place of accessible systems (id. at 34181):

"Other proposals have been offered that would set up special transportation facilities for the elderly and the handicapped. Others would provide subsidies so that these people could use more expensive services such as taxi cabs or limousines.

"However, besides the factor of cost for these programs, they would further serve to segregate the elderly and the handicapped from our society."

In 1973, Congress established a corresponding accessibility requirement under FAHA. See S. Rep. No. 93-61, 93 Cong., 1st Sess. 15, 35 (1973); see also S. Rep. No. 93-355, 93 Cong., 1st Sess. 87 (1973) (Conference Report).

Reacting to reluctance by the Department Transportation to provide access for wheelchair-bound individuals, Congress moved in 1974 to reaffirm and strengthen the accessibility requirements of FAHA, expressly indicating that "nonambulatory wheelchairbound [individuals] and those with semi-ambulatory capabilities" were included within the coverage of that statute. See Section 105 of Pub. L. 93-643; see also S. Rep. No. 93-1111, 93d Cong., 2d Sess. 7-8 (1974); 120 Cong. Rec. 30820 (Sept. 11, 1974) (remarks of Sen. Stafford); id. at 30823 (remarks of Sen. Randolph). Although no corresponding clarification was made that year to UMTA. Congress nevertheless prohibited the use of Department of Transportation funds for purchasing rolling stock, including buses, or for constructing transit facilities unless they were ". . . designed to meet the mass transportation needs of the elderly and the handicapped."

Section 315 of the Department of Transportation and Related Agencies Appropriation Act of 1975, Pub. L. 93-391. Representative Biaggi, who authored this provision, stated that it would reaffirm the intent of his 1970 UMTA amendment to make newly

designed or constructed transit facilities and services fully accessible to handicapped persons. 120 Cong. Rec. 19851 (June 19, 1974); ibid. (remarks of Rep. McFall). Representative Biaggi indicated that his provision was addressed to the out and out discrimination" of the Department of Transportation in fostering separate services and impeding accessible transportation (ibid.):

sible transportation (ibid.):
"My amendment, today, will put a stop to future expenditures by the Department of Transportation for equipment and facilities that are inaccessible to the elderly and the handicapped. We cannot continue to abide by the doctrine of separate and unequal facilities."

Attempts in 1974 (S. 662, 94th Cong., 1st Sess.) and in 1977 (S. 208, 95th Cong., 1st Sess.) to clarify the accessibility requirements of UMTA were rendered moot by the "Transbus" decision (reprinted at 123 Cong. Rec. 20531-20537 (June 23, 1977)) issued by the Department of Transportation on May 19, 1977. Under that decision, buses purchased after September 30, 1979 with Department of Transportation funds were required to have a low-floor and ramp feature. Commenting on the deletion of his provision in S. 208 to clarify and re-enforce the requirements of UMTA, Senator Williams indicated that (id. at 20530):

"[The 'Transbus' decision] means that elderly and handicapped persons will no longer be excluded from adequate transit service because of its inaccessibility. It also makes unnecessary our enacting amendments [Section 10 of S. 208] to Section 16 [of UMTA] to force UMTA and DOT to take action on the accessibility mandate and to clarify that the term handicapped includes persons in wheelchairs."

In 1978, the House considered a proposal (Section 323 of H.R. 11733, 95th Cong., 2nd Sess.), requiring the Secretary of Transportation to re-evaluate his "Transbus" decision. This proposal was not intended to eliminate accessibility requirements for buses but rather called for a study to determine whether wheelchair-lifts in place of ramps would prove more effective (H.R. Rep. 95-1485, 95th Cong., 2d Sess. 62 (1978)): "Inasmuch as the [House Banking] com-

"Inasmuch as the [House Banking] committee is concerned with providing full accessibility on public transit vehicles, the committee cannot ignore allegations that a ramp [rather then a wheelchair-lift] may prove to be a hindrance to the elderly and handicapped in certain situations."

handicapped in certain situations."

After the "Transbus" decision was modified on September 15, 1978 to permit the option of ramps or lift equipment, Section 323 was deleted on the House floor as unnecessary and a potential impediment to achieving bus accessibility. See 124 Cong. Rec. 32299–32300 (Sept. 28, 1978) (remarks of Rep. Biaggi); see also id. at 32300–32301 (remarks of Rep. Green).

Beginning in 1978, Congress focused its attention on requirements under 504 relating to transportation accessibility, Reacting to the potential cost of retrofitting existing subway systems, Congress required the Secretary of Transportation to conduct a study

¹ Commenting on the broad public support for the "Transbus" decision, Representative Biaggi, who authored the floor amendment deleting Section 323, quoted from the testimony of Mayor Edward Koch during Department of Transportation public hearings on implementation of Section 504 124 Cong. Rec. 32300 (Sept. 23, 1978)):
"I am committed to a fully accessible bus

[&]quot;I am committed to a fully accessible bus system in New York City. I also support the purchase of low floor, wide door wheelchair accessible transbuses with a preference for the use of ramps over lifts. We need low floor buses not only for handicapped but for all persons."

of this issue, reporting his findings to Congress by January 30, 1980 ** * together with his recommendations for such legislation as may be necessary to finance the improve-ments set forth in the cost estimates." Secments set forth in the cost estimates. Section 321(a)(1) of the Surface Transportation Assistance Act of 1978, Pub. L. 95-599, 49 U.S.C. 1612 note. The Secretary was further required to evaluate methods for making light and commuter rail systems accessible, January 30, 1980 "* * together with his recommendations for legislation necessary to clarify or to change federal law or provisions pertaining to accessibility requirements affecting the light rail and commuter rail modes." Section 321(b) of the Surface Trans-portation Assistance Act of 1978. Pending completion of these studies (see H.R. Rep. No. 96-272, 96th Cong., 1st Sess. 48 (1979)), Congress prohibited the availability of funds, appropriated to the Department of Transportation for urban discretionary grants under UMTA in fiscal year 1980, for use in retro-fitting fixed rail transit systems to comply with regulations issued under 504. Department of Transportation and Related Agencies Appropriation Act of 1980, Pub. L. 96-131, 29 U.S.C. 794. This restriction on the use of urban discretionary grants was renewed for fiscal year 1981 appropriations. Department of Transportation and Related Agencies Appropriations Act of 1981, Pub. L. 96-400, 29 U.S.C. 794. Although twice prohibiting the use of annual urban discretionary grant appropriations for retrofitting fixed rail systems, Congress has never amended the authorizing legislation to eliminate this requirement.

Finally, Congress prohibited the Department of Transportation from using its fiscal year 1981 appropriations to compel the purchase of wheelchair-lifts pursuant to 504 except to the extent required by the so-called "Zorinski Amendment" or where local transit authorities have elected to purchase lifts. Section 324 of the Department of Transportation and Related Agencies Appropriations Act of 1981, Pub. L. 96-400. Congress expressly indicated that Section 324 "* * shall be effective only until modified by subsequent legislation." ²

CONCLUSION

Since the final interim regulations proposed by the Department of Transportation do not require the use of wheelchairlifts, they are inconsistent with the "Zorinsky Amendment" which requires a certain degree of bus accessibility. Arguably, the "Zorinsky Amendment" presupposes regulations requiring full bus accessibility and serves as a limitation on that requirement. In this event, the "Zorinsky Amendment" would have no application to the final interim regulations which do not require bus accessibility. Nevertheless, these regulations must be consistent with UMTA and FAHA. As evident from the legislative discussion above, these statutes require full accessibility."

² It is unclear from the language whether Congress intended Section 324 to apply to future appropriations, absent subsequent legislation to the contrary, or whether it merely reflects an expectation of some future modification to the authorizing legislation.

³ As part of an appropriations act, the incorporation of the "Zorinsky Amendment" into Section 324 would of course not serve to modify the authorizing legislation.

Regarding fixed rail transit systems, it was previously noted that Section 165(b) of rAHA was amended in 1974 to clarify its coverage of wheelchair bound individuals. The amendment was specifically addressed to remedy the failure of the Department of Transportation to provide accessible features for these individuals" * * * such as turnstile alternatives or elevators which would make a system accessible to persons in wheelchairs" (S. Rep. No. 93–1111, 93rd Cong., 2nd Sess. 8 (1974)), and there was no indication that FAHA funded fixed-rail systems, planned, designed, constructed, or operated after 1974, would be excluded from coverage. Furthermore, the restrictions imposed by the 1980 and 1981 Appropriation Acts on the use of funds to retrofit fixed rail systems apply to urban discretionary grants under UMTA and not in FAHA.

Additionally, Congress amended UMTA in 1970 to require access to all newly designed mass transit programs without exception. This intention was reaffirmed during the debates on the 1974 Department of Transportation Appropriations Act which prohibited appropriated funds from use not only in purchasing inaccessible buses but also in constructing inaccessible transit facilities. Finally, although Congress has restricted the use of UMTA funds in fiscal years 1980 and 1981 for retrofitting fixed rail systems, these appropriation acts do not serve as modifications of the underlying requirement to make newly designed facilities accessible; and prohibitions will terminate, if not renewed, at the end of fiscal year 1981.

U.S. DEPARTMENT OF JUSTICE, CIVIL RIGHTS DIVISION, Washington, D.C., July 21, 1981.

Re Department of Transportation Final Interim Regulation Amending 49 C.F.R. Part 27.

Hon. JOHN D. FOWLER,

General Counsel, U.S. Department of Transportation, Washington, D.C.

DEAR MR. FOWLER: This is to advise you that pursuant to Executive Order 12250 (November 2, 1980), the Department of Justice has concluded its consideration of the Department of Transportation Final Interim Regulation amending 49 C.F.R. Part 27.

We understand that the Department of Transportation will solicit public comment for a period of 60 days upon its Final Interim Regulation and will consider in that connection concerns involving the state of technology as it pertains to bus accessibility and cost-related data. Given the need for guidance to recipients of federal financial assistance regarding bus accessibility requirements and the ongoing reevaluation of mass transit accessibility by the Department of Transportation, your action in publishing the Final Interim Regulation is appropriate. The preamble justification for dispensing with prepublication comment seems adequate for Administrative Procedure Act purposes.

Action to suspend Department of Justice Section 504 Guidelines, 45 C.F.R. Part 85, will be initiated immediately.

Sincerely,

JAMES P. TURNER, Acting Assistant Attorney General.

U.S. POPULATION

o Mr. PACKWOOD. Mr. President, I wish to report that, according to the latest U.S. Census Bureau approximations, the total population of the United States on August 1, 1981 was 229,470,213. This represents an increase of 180,127 since July 1, 1981. In 1 short month we have added enough people to fill the entire city of Miami Beach, Fla. two times.

The final count of the 1980 census was 5 million more than what was anticipated. This has made any comparison between 1981 figures and 1980 figures meaningless at this time. I should be able to resume the yearly comparison in October or November. ●

CONFERENCE REPORT ON H.R. 4242— ECONOMIC RECOVERY TAX ACT

Mr. ROBERT C. BYRD. Mr. President, I thank the conferees on the part of the Senate for the work that they did throughout the night and into the late morning of this day in the effort to complete the conference action on the tax bill.

I express my thanks to the chairman of the conferees on this side of the Capitol, Mr. Dole. I thank Mr. Long, the ranking minority member.

I know how they steadfastly attempted to stand up for the Senate position on the amendments that were involved. I know what a difficult task it is, having been in some of those conferences myself in the past, especially those affecting appropriations, and I think that Mr. Dole and Mr. Long, and the Senate conferees, are entitled not only to the admiration and respect of all of us, but entitled to our expressions of deepest appreciation. I thank them on my part.

I had an amendment which I considered to be of some importance. I know that the House conferees were adamant in their position. They refused to yield for several hours. I was unable to get in touch with the chairman on the House side. I attempted in the wee hours of this morning up until 2 a.m. to reach them, but I know they were busy. They were tied up in the conference.

But I also know and appreciate the fact that Mr. Dole, Mr. Long, and others, tried diligently to fight for my amendment and were successful in getting a major portion of it.

I thank the distinguished majority leader for his support in this regard and again thank Mr. Dole, Mr. Long, and the Senate conferees for upholding the positions of the Senate, not only with respect to my amendment, but other amendments as well.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, I am advised by the distinguished chairman of the Finance Committee that there is one name on the Executive Calendar that he would very much like to present to the Senate for its consideration and confirmation this evening. The nominee is scheduled to make an official visit out of the country beginning on tomorrow.

I inquire of the minority leader: Is he in a position to proceed to the consideration of Calendar Order No. 397, John M. Walker, Jr., of New York, to be an Assistant Secretary of the Treasury at this time?

Mr. ROBERT C. BYRD. Mr. President, I am informed that there are no objections on this side of the aisle to the

^{*}Representative Biaggi indicated that this amendment which he authored, would advance the intent of his 1970 amendment to UMTA and insure, inter alia, that funded facilities were designed with elevators and alternatives to turnstiles. 120 Cong. Rec. 19851 (June 5, 1974).

consideration of the nomination of Mr. Walker, and I am ready to proceed. Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, in view of that statement, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nomination just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF THE TREASURY

The assistant legislative clerk read the nomination of John M. Walker, Jr., of New York, to be an Assistant Secretary of the Treasury.

Mr. DOLE. Mr. President, on July 29, 1981, the Committee on Finance held a hearing on the nomination of John M. Walker to be Assistant Secretary of the Treasury for enforcement and operations. As chairman of the committee, it is a privilege and a pleasure to report favorably on the nomination of Mr. Walker. The committee has reviewed Mr. Walker's financial statement and the report of the Office of Government Ethics. We are confident there are no

problems in these areas.

Mr. Walker has been nominated to fill a key position in the Treasury Department. The Assistant Secretary for Enforcement and Operations is responsible for supervising the following Treasury bureaus: U.S. Customs Service, U.S. Secret Service, U.S. Federal Law Enforcement Training Center, and Bureau of Alcohol, Tobacco and Firearms. He coordinates Treasury-wide enforcement policy. In addition, he supervises the Office of Foreign Assets Control and Regulation of Customs and the alcohol, to-bacco and firearms industries.

Mr. Walker's educational background and experience make him well qualified to fill this position. He received a bachelor's degree from Yale University in 1962. In 1963 he enlisted in the U.S. Marine Corps Reserves. In 1966 he received the juris doctor degree from the University of Michigan Law School. Following law school, he was awarded an Africa-Asia public service fellowship and served, on assignment, as a state counsel to the Republic of Botswana, where he was in charge of criminal prosecutions.

Beginning in 1970, after a period of private practice of law in New York City, Mr. Walker served as an assistant U.S. attorney for the southern district of New York in the criminal division, where he specialized in narcotics and business fraud investigations and prosecutions. From 1975 to 1981, Mr. Walker was associated with and a partner of Carter, Ledyard & Milburn, a New York law firm where he specialized in litigation.

Mr. Walker is a member of the bar of New York State, the U.S. district court (SDNY), the Second Circuit Court of Appeals and the U.S. Supreme Court as well as the Bar Association of New York City and the American Bar Asso-

ciation.

Mr. Walker is married to the former Cristy West and resides in the District of Columbia.

Mr. President, I urge the Senate to approve his nomination.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was

agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT THE CONFEREES ON H.R. 4242 HAVE UNTIL 11 P.M. TO FILE A REPORT

Mr. BAKER. Mr. President, I have not discussed this with the minority leader, but I believe it is routine. I ask unanimous consent that the conferees have until 11 p.m. tonight to file their report.

Mr. ROBERT C. BYRD. I have no objection.

Mr. BAKER. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I know of no other business to come before the Senate. If the minority leader has no further business to transact I am prepared to recess the Senate.

Mr. ROBERT C. BYRD. I have no further business. I wish to congratulate the distinguished majority leader on working out an agreement. He has demonstrated his usual skill and patience, and I personally appreciate it.

Mr. BAKER. Mr. President, the minority leader has shown his usual courtesy, consideration, and even compassion, and I am grateful.

RECESS UNTIL 11:15 A.M., MONDAY, **AUGUST 3, 1978**

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 11:15 a.m. on Monday next.

The motion was agreed to, and, at 6:53 p.m., the Senate recessed until Monday. August 3, 1981, at 11:15 a.m.

CONFIRMATIONS

Executive nomination confirmed by the Senate August 1, 1981:

DEPARTMENT OF THE TREASURY

John M. Walker, Jr., of New York, to be an Assistant Secretary of the Treasury, vice Walter J. McDonald, resigned.

SENATE—Monday, August 3, 1981

(Legislative day of Wednesday, July 8, 1981)

The Senate met at 11:15 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

The Chaplain, the Reverend Richard Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Father in heaven, we pray that Thou will overrule in the air controllers' strike and help those inconvenienced by it, especially those whose travel is critical.

We commend to Thee the Boschwitz family, son Ken, as he enters the hos-

pital for surgery today.
Gracious God, our Father, as Thou didst rest from Thy work, so hast Thou ordained rest for Thy people. As we near the close of these stressful weeks, we thank Thee for the prospect of the August recess. Grant special grace to this body that it may resolve the issues before it; and help these public servants to take seriously the divine mandate for rest.

May this recess be preeminently a time for family, for healing, renewing and deepening relationships. Grant discernment as to the apportionment of time and work so that Thy servants may give attention to their loved ones and to their

health.

Be with those who are required to stay on the job here. Help them to make time for relaxation, recreation, and rest.

May this recess be a time of physical and emotional rehabilitation. We pray this, not selfishly, but that we may be maximized in our continued effectiveness in public life.

We pray this in the name of Him whose life as a servant was unhurried, the epitome of peace and poise and

power. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President. I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE TODAY

Mr. BAKER. Mr. President, I might say at this point that there was an order entered on Saturday that after the time for the two leaders and the time for the recognition of the Senator from Wyoming (Mr. SIMPSON) for 15 minutes, there

be a brief period for the transaction of routine morning business in which Senators may speak.

CONSIDERATION OF CONFERENCE REPORT ON H.R. 4242 INCLUDING KENNEDY MOTION TO RE-

At 12 noon, the Senate will proceed to the conference report on H.R. 4242, the tax bill, on which there will be 2 hours of debate equally divided and controlled by the distinguished Senator from Massachusetts (Mr. KENNEDY) on behalf of the proponents, and the distinguished Senator from Kansas (Mr. Dole), the chairman of the Committee on Finance.

If the motion to recommit fails, under the previous order the Senate will immediately turn to the consideration of the conference report itself, and without intervening action of any sort the Senate will vote on the conference report.

DEPARTMENT OF JUSTICE AUTHORIZATION BILL

It is my understanding, Mr. President, that after the disposition of the conference report, assuming that it is disposed of as I have just described, the Department of Justice authorization bill (S. 951) will automatically recur as the pending business before the Senate.

May I inquire of the Chair if that is

correct?

The PRESIDENT pro tempore. That is correct.

Mr. BAKER. It would not be the intention of the leadership to proceed to debate the Department of Justice au-

thorization bill today.

However, it is anticipated that the distinguished Senator from Louisiana or another Senator may file on his behalf a cloture motion to end further debate on the Johnston amendment to the Helms amendment to the Department of Justice authorization bill. If that does occur, it is my understanding that, under rule XXII, a vote on that cloture motion would occur then on the 2d day after our return, which would be the 10th day of September, a Thursday.

I do not anticipate any other business to be transacted today, other than that which I have just described. If there are matters that can be dealt with by unanimous consent, of course, I will confer with the minority leader in that respect.

But, assuming that the conference report is disposed of and the other business I have described is transacted, it would be my intention to offer for the Senate's consideration an adjournment resolution conditioned on action by the House of Representatives on tomorrow.

It would be necessary, Mr. President, perhaps to provide for a contingency of a Wednesday session, which I do not anticipate-I reiterate, I do not anticipate-simply because I think it would be unwise for the Senate to pass the adjournment resolution without any restriction or without any provision until

the House of Representatives has acted and has had an opportunity tomorrow to consider the adjournment resolution and if, indeed, they turn to the consideration of that resolution at that time.

The practical effect of what I have said is to say that I believe the conference report on the tax bill will be disposed of on today, a cloture motion will be laid down by Senator Johnston against other debate on his amendment, a resolution of adjournment will be adopted with certain contingency plans to permit the House of Representatives to act on tomorrow, and then, Mr. President, to deal with any other items of business that may be agreed upon by unanimous consent but, otherwise, to transact no further business before the beginning of the August recess.

Mr. President, that is the business before the Senate as I can anticipate it at

this time

In furtherance of that program, Mr. President, I have a series of requests that I would like to make at this point.

AUTHORIZATION FOR CERTAIN ACTION TO BE TAKEN DURING THE ADJOURNMENT

Mr. BAKER. Mr. President, I ask unanimous consent that, during the ad-journment of the Senate over until Wednesday, September 9, 1981, the Vice President, the President pro tempore, or the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR NOMINATIONS TO BE HELD IN THE STATUS QUO DURING ADJOURNMENT

Mr. BAKER. Mr. President, I ask unanimous consent that any nominations which have been submitted to the Senate and not acted upon by the time the Senate adjourns be held in the status quo until the Senate next reconvenes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO RECEIVE CERTAIN MESSAGES

Mr. BAKER. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until Wednesday, September 9, 1981, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that such be appropriately referred.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TO FILE REPORTS

Mr. BAKER. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until Wednesday, September 9, 1981, committees be authorized to file reports between the hours of 9 a.m. and 3 p.m. on Thursday, August 13, 1981, and Thursday, August 27, 1981, and that, in addition to those dates, the Committee on Ethics be authorized to file between the hours of 9 a.m. and 3 p.m. on Thursday, September 3, 1981.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER, Mr. President, I will have other requests to make as they are cleared by the distinguished minority leader.

ORDER FOR RECESS UNTIL 12 NOON ON WEDNESDAY, AUGUST 5, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon on Wednesday, August 5, 1981, unless the House of Representatives has previously agreed to Senate Concurrent Resolution

Before the Chair acts on the request I have just made, may I say once again, for those who are listening, that there is no intention to convene the Senate on Wednesday. This is a simple precaution in view of the fact that the House will not act on the adjournment resolution, which I will offer later today, until Tuesday. To provide against the extreme improbable possibility that the House would not act on Tuesday, then the Senate must preserve the option of coming back on Wednesday.

But, I repeat, I do not anticipate it. I think it is virtually certain that there will be no session of the Senate on Wednesday. This request is necessary in order to preserve the opportunity for the Senate to act in the event the House does not complete its action tomorrow.

Mr. PROXMIRE. Will the majority leader yield for a question?

Mr. BAKER. Yes.

Mr. PROXMIRE. If there were a session on Wednesday, would there be a rollcall vote?

Mr. BAKER. Mr. President, I do not expect a session on Wednesday. I do not expect any business to be transacted. I think there is less than a 1-percent possibility that we will be in on Wednesday. But if we are in on Wednesday, it will be so unexpected that I simply could not rule out any possibility of any procedural votes.

Mr. PROXMIRE. I thank the Senator. Mr. BAKER. Mr. President, was the request granted?

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER Mr. President, later in the day, assuming the Senate has transacted the business that I alluded to in my previous remarks, I will offer an adjournment resolution which will be designated Senate Concurrent Resolution 27. I do not expect a rollcall vote on that.

AUTHORIZATION FOR COMMITTEES It will provide that the Senate will go over until Wednesday, September 9, at 12 noon.

> I say to my friend, the minority leader, it will be an adjournment.

Mr. President, I have no need for my time under the standing order. If no other Senator requires additional time. I am prepared to yield it back or yield it to the control of the minority leader, if he wishes.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

ORDER TO PERMIT MINORITY LEADER TO OFFER CLOTURE MOTION ON BEHALF OF SENATOR JOHNSTON

Mr. ROBERT C. BYRD. Mr. President, Mr. Johnston is not here today and he would like for me to introduce a cloture motion on his behalf. Inasmuch as the Justice Department authorization bill automatically will be before the Senate upon the disposition of the conference report of the tax bill today, at which time I would offer the cloture motion on behalf of Mr. Johnston, would the distinguished majority leader consider getting a consent at this time to allow me to offer the cloture motion at this time, even though the DOJ bill is not before the Senate, because I may have to leave Washington immediately after the second rollcall vote and would not be here at the time the DOJ bill becomes the pending business.

Mr. BAKER. Mr. President, I have no objection to that.

I wonder if we might even go further than that. Would it be convenient to the minority leader or Members on his side and perhaps Members on our side to set some time other than rule XXII time for the vote on the cloture motion?

Mr. ROBERT C. BYRD. Mr. President, I would have to counsel with Mr. JOHNSTON.

Mr. BAKER. Mr. President, why do we not explore that possibility on both sides of the aisle and perhaps I could make another request later in that respect.

Mr. President, I ask unanimous consent that it be in order at this time for the distinguished minority leader to offer a cloture motion under rule XXII to limit further debate on the Johnston amendment to the Helms amendment to the Department of Justice authorization bill, notwithstanding that the bill is not yet pending before the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader for his characteristic courtesy and consideration of the request of the minority leader.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, at this time I send to the desk a cloture motion on behalf of Mr. Johnston.

The PRESIDENT pro tempore. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows: CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on amendment No. 96 (as modified) to S. 951, the Department of Justice authorization bill.

Jennings Randolph, Lloyd Bentsen, J. Bennett Johnston, Don Nickles, Dennis DeConcini, John C. Stennis, Russell B. Long, David L. Boren, Lawton Chiles, Edward Zorinsky, Steven Symms, J. James Exon, Bob Kasten, Walter D. Huddleston, Sam Nunn, and Chuck Grassley.

Mr. ROBERT C. BYRD, Mr. President, I again thank the distinguished majority leader.

Mr. President, does the Senator from Wisconsin have need for time this morning?

Mr. President, I yield to Senator PROXMIRE at this time.

GENOCIDE IS COMMITTED BY INDIVIDUALS

PROXMIRE. Mr. President, I would like to point out one of the important provisions of the Genocide Convention.

Article IV states that:

Persons committing genocide . . . shall be punished, whether they are constitutionally responsible rulers, public officials, or private individuals.

Article IV is of great and subtle importance. Genocide is defined as a crime committed by persons, not by governments or organizations.

In any case of genocide, charges would be brought against a person or persons responsible for acting with the intention of destroying a substantial part of a group of people.

The wisdom of this provision lies in the fact that we have no method of punishing governments or organizations. We can bring all the pressure which the international community can muster to bear on institutions that support genocidal acts. But we have no worldwide government or penal system which could actually punish an institution.

Instead, each country of the world has its own criminal justice system which can accuse, try, convict, and punish persons who deliberately engage in genocide and other crimes. The Genocide Convention takes into consideration the reality of national penal systems.

Another important aspect of article IV is that it applies one of the funda-mental principles of America's judicial system-that all people are equal in the eyes of the law. No one is exempt from responsibility for their actions. Thus, a genocidal act committed by a king or a Senator is just as much a crime as one committed by any person.

Clearly, article IV of the Genocide Convention is an integral part of the treaty. Its wording leaves no doubt that persons, not governments, could be accused of genocide under the treaty. No person, from the highest public official to the lowliest man in the street, would be treated differently under this law.

This provision exemplifies the wisdom and deliberation which went into the Genocide Convention. The document was approved by the United Nations in 1948 and today, 33 years later, the U.S. Senate still has not shown its approval of the treaty. I urge my colleagues to speedily ratify this treaty.

ratify this treaty.

Mr. ROBERT C. BYRD. Mr. President,
I suggest the absence of a quorum on my
time.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator have need for additional time?

Mr. SIMPSON. I think the time of the special order will be adequate.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

RECOGNITION OF SENATOR SIMPSON

The PRESIDENT pro tempore. The Senator from Wyoming is recognized.

Mr. SIMPSON. I thank the Chair.

JAMES WATT, SECRETARY OF THE

Mr. SIMPSON. Mr. President, I have noted with considerable interest a variety of recent commentary which has been offered into the Congressional Record with regard to Interior Secretary Jim Watt. I must admit that I was somewhat startled at the intensity of the recent remarks by my fine friend and colleague, Senator Alan Cranston of California. I thought his assessment of Jim Watt to be uncharacteristically harsh. I think it is appropriate for those of us who support Jim Watt to respond to those comments.

I would respectfully state that all of the evidence certainly has not been presented in this case. Jim Watt is a solid guy, a fair one, and I want to say just a very few words about him.

I think Jim Watt realizes that he may have erred in his early months in this administration, since he made the determination to set the Department of the Interior "on course," to mold it in the new image of the Reagan administration, and in doing so he cloistered himself, limiting his media availability. He paid dearly for that.

We are all personally aware of that. When he arrived on the scene, he very quickly found that some of those red hot issues which had been discussed in past weeks have been lurking around in the inner recesses of the Department of the Interior for many years. One of the issues that was not dealt with in past

administrations was the critical need to assess the location and extent of strategic materials in our country. These are minerals which our country simply could not replace if sensitive sources were shut off. Many of those strategic materials are located in Third World countries that have an unstable governmental structure and many of these countries feel no special obligation to the United States of American. If these sensitive sources of supply are shut off we will be in critical need in this country.

Mr. President, there has been a lot of high old hysteria about Jim Watt. Many have a real sense of glee as they hurl their harpoons into him. It is ironic that various organizations in America which characterize themselves as "sensitive and gentle folk" who banded together years ago to "preserve, protect, and nurture" really do like to get the gloves off and get into some pretty vile characteriza-tions. Those organizations are having a heyday at the present time. It is interesting to see them rubbing their hands with glee as they contemplate tacking Jim Watt's pelt on a wall of their redwood paneled dens. They really are quite the hunters, even though they would like to give one the impression of hunting "only with binoculars or camera" as they tramp through the woods searching for the furbish lousewort and various species of the crested titmouse. But I conclude they know more about the jugular vein of adversarial combat than many a hunter I have known out in the high country of Wyoming.

I have known Jim Watt for over 20 years. He is no zealot, no nut, no lightweight. He is doing things that fit into this administration's agenda and he will be doing those things in a manner which will be protective of the environment. Yes, that just could be so. But there is dedicated band out to nail him to the cross. So dedicated and so bizarrely zealous and off tilt that he now has Secret Service coverage with him around the clock. No other Cabinet Secretary is confronted with the type of abuse and threats he receives. And so it goes. He is a tough guy and he knew what he was headed into.

As someone well stated several days ago, "It is possible to do controversial things in a noncontroversial manner.' Jim is learning that. Jim Watt is also making himself available in the editorial boardrooms throughout the United States. He is holding himself open for media questioning and participation and he is becoming accessible. I think that is great. And yet, it must be a little disappointing and disheartening to him as one of the human clan to be painted as some sort of a "death's head" engaged in the mindless destruction of the fragile world of flora and fauna and also some kind of a religious fanatic. He is not that.

I do say that one of the toughest prejudices that Jim Watt has had to encounter is one that has been planted with great glee. All sources of opposition to him prefer to languish in the distortion that Jim Watt, if he but had his way, would allow oil and gas leasing and min-

ing development in the national parks. Now, there is a phony one. But it still gets good coverage. Jim Watt could not do that even if he wanted to, and he has indicated on repeated occasions with utmost incredulousness that he never made such a statement. He did not. But it gets good mileage. He could not do it even if he wanted to, since the statutes of the United States would prevent it, and there are not two or three Senators in the United States who would give him that authority. I assure you that this one would not.

It might just be well to review for a moment the circumstances which have brought us to this point. Perhaps we can wade through all of the stuff and see why we are now hearing all this hue and cry

from this rabid opposition?

Well, Jim Watt will never shake the bar sinister which was conferred upon him by the so-called environmental extremists when he chose years ago to enter the fray on behalf of a public interest law firm in a manner which caused him to realize the ironic worth of that remarkable adage, "Hoist on your own petard." This is what has vexed those organization so and it continues to do so. Those are the groups who failed to get their way in the legislative arenas throughout America years ago and, therefore, began to zealously utilize the court systems for their triumphs. It worked, and indeed it worked well, and it worked unfettered for many years until these public interest law firms, such as Mountain States Legal Foundation, rose up to bring some semblance of balance to the serious environmental issues that confronted Americans. And now they also shriek that he has surrounded himself with people of "his own ilk."

What a kicker. Go take a look at the roster of the cast of characters that staffed the Interior Department and the Forest Service in the previous administration—the Under Secretary, the Assistant Secretary, the Deputy Secretary. Talk about a revolving door. They bounced between being counsel for the environmental organizations to being a part of the department with whom they would bargain in the courts. I commend you to a review of my previous remarks on that subject many weeks ago on page 806 of the Congressional Record of January 22, 1981.

You might just want to take a look at a few of those names and offices and see why those groups seem to so enjoy that method of administering the public lands when their side was riding high.

I still believe that Jim Watt is the right person at the right place at the right time for just the right position in this new administration.

I believed that at the time of his confirmation and I believe that now.

What I hope that Americans would keep in mind was that Jim Watt pledged—prior to even accepting the nomination of Secretary of the Interior—that he would support the language and the intent of the statutes of the United States. Those are the statutes that describe the stewardship of national public lands and the concept of multiple use. That concept of multiple

use was not Jim Watt's new idea as Secretary of the Interior. That was the concept of Congress when they first spread the law on the books. Jim Watt will carry out that pledge he gave to the President and to the country at the time of his confirmation.

He loves the land which nurtured him. During many times in his youth, there were periods of hard scrabble in seeing that the Earth could provide enough sustenance for him and for his family. He knows more about the fragile nature of the ecosystem than many who simply read about it in the magnificent and graphic publications that you are privy to when you pay your dues to those vigorous organizations. He paid his dues many years ago and in many ways. He believes deeply in stewardship and conservation and protection of the environment. He happens to be in a job where he is required by law to do that and also by law to allow for grazing and mining and timbering and development on the public lands.

That is what the law says. Those things are demanded by the statutes of America. If we do not want to give him that power, change the statutes. They were not hatched by Jim Watt or those in the present administration.

Jim Watt knew the stakes of this game when he came. What he did not count on was that peculiar parlor game played in Washington where what is said in private and thoughtful conversation with your adversaries is totally different from the babbling and posturing by those adversaries when those camera lights go on or when somebody stuffs a microphone under their nose. We all learn that one around this place—sooner or later.

Well, enough of that, Mr. President. It is my great pleasure to enter into the RECORD an editorial from the Detroit News of July 6, 1981, which is supportive of these observations of mine.

I also wish to state again that it has been my rich personal privilege and pleasure to have shared much with this fine man. He brings rare skills to what is most assuredly a very tough job. He has a great personal faith—a great personal stability-and a firm anchorage and heritage of persistence and perseverance. What pleases me most at this time in his tenure is to see my friend listening to others and hearing them out. That augurs well for the future. It is the kind of thing that will turn rugged opposition into ragged opposition. I commend Jim for his willingness to do it. I think Americans will be pleased with that new attitude of his.

I think that it is important to reflect that none of us in our daily lives as humans have ever witnessed anything but a hollowness that comes when a person or an organization attempts to add greater stature and dimension to his or its own self by lessening or diminishing another.

I ask unanimous consent to have the aforementioned editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A DELICATE BALANCE

The Department of Interior has generally been an obscure Washington preserve presided over by forgettable directors. Then came James Watt.

During his five-month tenure, Secretary Watt has generated more controversy than any of his predecessors. From the confirmation hearings when he faced down Senate critics, to the initial decision to reconsider offshore oil drilling along northern California's scenic coastline, Mr. Watt has not been one to shrink from confrontation.

A Newsweek cover depicts him lifting a carpet of wooded beauty to assist in the "exploitation" of the land. Former Sen. Gaylord Nelson calls Mr. Watt "unfit to hold office." The Sierra Club is circulating a petition to force him from office.

Who is this man the environmentalists

Who is this man the environmentalists characterize as a Dr. Strangelove bent on defiling nature's grandeur?

He is a man who simply wants to restore the balance between preserving the environment and promoting economic development—a balance that has been lost during the past two decades.

This may sound easy, but it isn't. Not only is the Interior secretary the nation's chief environmentalist, he oversees dam construction, mining, the leasing of oil fields on the outer continental shelf, and mineral-rights grants.

Mr. Watt must resist those who would exploit the land for profit, as well as the environmental purists who would make the world safe, at any cost, for the snail darter.

There is a clear need both to preserve the land's natural beauty and to extract those resources that will promote economic self-sufficiency. And, from the evidence to date, Secretary Watt seems to recognize the need for equilibrium far better than his detractors do.

The energy crisis has clarified American attitudes about achieving that balance.

A Newsweek poll reflects an American eagerness to increase the nation's energy production. Seventy percent favor expanded offshore oil drilling and 76 percent want increased oil exploration on federal lands. A plurality supports easing strip-mining regulations to extract more coal from the land, and a majority favors relaxing air-pollution standards to permit more coal burning.

Many environmentalists view this trend with alarm.

They believe that the public's shortsighted self-interest will defile the land. But it is the extreme environmentalist who has been shortsighted, and selfish, by refusing to acknowledge the possibility of development that is sensitive to the ecology.

But charges that Secretary Watt will sacrifice the national landscape to wanton timbering, drilling, and mining inflame the issue without providing hard facts or, more important, redeeming and practical alternatives.

Certainly the Interior Department's program must be tempered by a reasonable concern for preserving the landscape. But to prevent the nation from tapping its abundant natural resources would be precisely the kind of foolishness the American people emphatically rejected last November.

The extreme environmentalists, who dislike compromise, have a choice: They can either recognize the economic need to accommodate dual values, or they can go out to the garden and eat worms.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, there is no other special order today, is there?

The PRESIDING OFFICER (Mr. KASTEN). The Senator is correct.

Mr. BAKER. Mr. President, I believe there is one item on the Executive Calendar that can be cleared for action at this time. May I inquire of the minority leader if he is prepared to proceed to consideration of the first item under nominations, to the Department of Defense, Richard N. Perle, of Maryland, to be an Assistant Secretary of Defense?

Mr. ROBERT C. BYRD. Mr. President, I have discussed this nomination with Mr. Jackson and assured Mr. Jackson that I would act to clear the nomination quickly. That has been done on my side of the aisle at this time. I am in a position to advise the distinguished majority leader that the minority is ready, willing, and eager to proceed.

Mr. BAKER. I am grateful, Mr. President, in all three categories.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nomination of Richard N. Perle.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Richard N. Perle, of Maryland, to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. I move to reconsider the vote by which the nomination was considered and confirmed, Mr. President.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 12 noon, with statements limited therein to 3 minutes each.

The PRESIDING OFFICER. The Senator from Utah is recognized.

THE AIR TRAFFIC CONTROLLERS STRIKE

Mr. GARN. Mr. President, I wish to express in the strongest possible terms

my anger with the Nation's air traffic controllers strike.

I have had considerable experience with airports, Mr. President, and I am well aware of the function of the air traffic controller. I have also had considerable experience with Government employee unions, and what the Professional Air Traffic Controllers Association has wrought is a classic case of employee greediness. Under agreements negotiated by PATCO, the controllers at small and little-used airports earn the same salaries as those at the major airports such as La Guardia or O'Hare. Those salaries are substantial, Mr. President. Right now, they average \$33,000 per year. The union is shooting for an average of \$52,000, and a cutback to a 4-day week.

Why air traffic controllers, Mr. President? I do not deny that there are heavy pressures on some controllers, but there are heavy pressures on lots of other Government employees. Soldiers, sailors, marines, airmen, all serve their Nation at the peril of their lives, as the tragic accident on the U.S.S. Nimitz recently reminds us. They are not allowed to strike, and they should not be.

To choose an even closer parallel, what about air traffic controllers on aircraft carriers? Even the pressures on controllers at the busiest airport in the United States do not compare with trying to set a supersonic jet down on the postage stamp deck of a carrier, rolling and pitching in heavy seas. Those controllers do not threaten strikes. Neither do the pilots whose lives hang in the balance in those operations.

I note, Mr. President, that there are no geographical differentials built into the pay scales of controllers. What that means is that a controller at the busiest airport in the country gets the same pay as the controller at the dirt strip in the country where an airplane is an oddity. In other words, the union for these workers has behaved in normal fashion, and written into law the same pay for all its members, using the requirements on the most burdened worker as justification.

Mr. President, I cannot emphasize strongly enough that this strike is illegal. As Federal employees, the air traffic controllers are forbidden to strike. We have had illegal strikes in the past, Mr. President, and the Government's response has been sickening. I sincerely hope that the Reagan administration will have the guts to stand up to this union, a union whose officers sat before committees of this Congress and denied that they were thinking about a strike. Robert Poli, the president of the union, testified before the Commerce Committee that "in no way is PATCO planning to go on strike in 1981." He also said "I make no excuses for people involved in illegal actions."

Well, Mr. President, Mr. Poli is singing a different tune today. In the Wall Street Journal he is quoted as saying "the only illegal strike is one that fails." That is a very different tune, and one that this Senator does not care to march to. I think our response should be a little bit different, too. I think the administration should be as hard on this illegal strike as it can be.

Mr. President, this is a dangerous

strike. The union has picked the most disruptive time of year to threaten a strike. Millions of Americans will be traveling this summer, and the work stoppage or slowdown will endanger their lives, and seriously damage the economy at a time when it needs all the help it can get. The administration is attempting to get the budget into balance, and the kind of budget-busting demands made by this small group of critical workers is outrageous. I urge my colleagues to stand fast against this extortion, and to join me in urging the President to prosecute violations of the law to the utmost.

Mr. President, in order that my colleagues can judge for themselves the extent of official PATCO involvement in preparations for this threatened strike, I ask unanimous consent that a document outlining preparations for the strike be printed at this point in the RECORD. This strike plan appears on official PATCO stationery, and amply justifies the remarks I have just made.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

PROFESSIONAL AIR TRAFFIC CONTROLLERS ORGANIZATION

Brothers and Sisters of Cluster G-9 (ZAU, ARR, DPA): This is the first in a series of informational packages designed to let the members of the cluster know what is being done, what is planned, what you are expected to do and any other information pertinent to our success and well-being in pursuit of an equitable contract.

This packet contains five items that should be of interest to everyone.

First is a draft of the letter given to our legislators informing them of the reasons and rationale behind H.R. 1576. For those who may doubt your worth, this will provide interesting and, hopefully, enlightening reading. You rightfully deserve a shorter work week, improved retirement, and better pay.

The second item is a list of the various committees involved in the '81 program along with all their functions.

The third item is the rules of conduct for the headquarters' area in the event of a confrontation. The key word is rules. We must protect our professional standing at all times.

The fourth item is the National Controllers Subsistence Fund Guidelines. Anyone concerned over the consequences of a job action will find this document of the utmost importance.

Last, but certainly not least, is the probable sequence of events leading up to the head count and a description of your individual areas of responsibility.

If this package has generated any questions or you have any recommendations on information that should be included in future packages, please contact me or your Area Representative. Remember, PATCO is not me, PATCO is not you, PATCO is US!

TERRY ANDERSON, Choirboy, Cluster G-9.

COMMITTEES

HEADQUARTERS COMMITTEE

Operates the main desk at headquarters and coordinates the activities between other committees. The Headquarters Committee will also:

(a) maintain an incident log and status board,

(b) determine emergency situation actions to be taken,

(c) disseminate latest info on conflict status at all times.

(d) act as a spokesperson for the local in the absence of any local officer or choirboy.

GOOD AND WELFARE COMMITTEE

The people of this committee will serve as the official channel through which local community services provide assistance. These people help make agency services available to the strikers. The conflict counselors may be called upon to give info on any needs, such as eviction, hospitalization, financial problems, installment payments, etc. Each area in the building will be represented by a trained strike counselor. The membership must realize that the public aid is not a charity. It represents tax money that you and I have paid. A letter will be sent to each member prior to a confrontation explaining the committee and it's job.

INTERNAL COMMUNICATION COMMITTEE

This committee is responsible for maintaining a membership phone list in conjunction with the "Call-Pak" and, in a time of conflict, to collect, validate, and disseminate on a daily basis any and all information the committee has acquired. The sources of information would be National, Regional, or Facility Bulletins, TV coverage, articles from prominent newspapers across the country as well as local articles from magazines, suggestions from members, and information about all of the committees. Any information acquired by an individual who feels it is pertinent to PATCO would be welcomed and duly posted by this committee.

SOLIDARITY COMMITTEE

This committee will be responsible for a variety of activities aimed at boosting membership morale. Each evening, at rally time, one or two activities will be scheduled for the members entertainment. Listed below are the types of activities and those people who will coordinate them.

Sports, Dwight King; Refreshments, Gary Hedman; Speakers, A. J. Andrews; Music, Pete Nyquist; Movies, Gary Michael; and Free Time, Jim Marszalek.

In addition to the above, each night this committee will hold a strength evaluation and an open forum type discussion that will allow everyone to vocalize his or her feelings about the conflict and our progress.

TRANSPORTATION COMMITTEE

The Transportation Committee was formed to help meet any transportation needs that the membership might have in the case of conflict. The committee will survey the membership to ascertain what our transportation capabilities are; then formulate a plan to meet the membership's needs to the best of our capabilities and resources.

PICKETING COMMITTEE

The Picketing Committee is responsible for implementing the picketing portion of the plan as it pertains to our cluster. This includes researching the applicable laws and regulations, procuring supplies and designating key individuals.

SECURITY COMMITTEE

This committee is responsible for the headquarters area, parking security, picket line security, and air traffic movement volumes. The committee has a representative from each area plus other personnel to carry out each assignment. The overriding responsibility of maintaining order and protecting PATCO personnel and property are given top priority. Security personnel will be present at all picketing sites to assist the picket line Captain in the event of an incident.

POLITICAL ACTION COMMITTEE

This committee's function is to encourage and to coordinate letter writing campaigns in support of both HR 1576 and S 808 now before congress

The National Controller Subsistence Fund guidelines were amended via a resolution passed at the 1980 Convention. The new guidelines are:

ARTICLE I-GENERAL

Section 1.—The controller subsistence fund shall consist of those monies collected from dues for that purpose and any interest, dividends, profits or repayments made to the PATCO controller subsistence fund resulting from backpay awards

Ing from backpay awards.
Section 2.—Duration: The fund shall be perpetual unless dissolved by majority vote of the members of the fund. In case of dissolution, all financial obligations of the fund must be paid prior to disbursement of the monies.

Section 3.—Objective: To provide financial support of members whose participation in a nationally sanctioned job action has resulted in suspension and/or dismissal.

ARTICLE II-RESPONSIBILITY

Section 1.—The Executive Vice President of PATCO shall be responsible and assountable for the proper receipts and disbursement of all monies of the Fund, in accordance with Article II, Section 4.b of the PATCO Constitution. All investments of monies in the fund shall be made only in guaranteed government securities.

Section 2.—The National Finance Committee shall exercise overview responsibilities of the fund in accordance with Article X, Section 1.c of the PATCO Constitution.

ARTICLE III-ELIGIBILITY

Section 1.—In order to receive subsistence, a member must:

- a. Be a member as described in the PATCO Constitution.
- b. Be suspended and/or dismissed as a direct result of his (her) participation in a nationally sanctioned job action.
- c. Have been an active member of PATCO for 60 days immediately prior to engaging in a nationally sanctioned job action. The 60 day limitation does not apply to new members who have been employed as air traffic controllers for less than one year.
- d. File a grievance or administration appeal against the suspension/dismissal.
- e. Be certified as eligible by his (her) local Executive Board. If no local Executive Board exists, the member must be certified by the Regional Vice President.
- f. Deliver a promissary note to the Executive Vice President promising to repay the fund for subsistence received in an amount equal to all backpay awards resulting from grievance, appeal or court action, if any.

ARTICLE IV-SUBSISTENCE

Section 1.—Each eligible member shall receive, on a bi-weekly basis, subsistence payments equal to his (her) base pay, including regularly scheduled increases, had the member's employment continued. No eligible member or his (her) designated survivor, who is receiving subsistence from this Fund, can have his (her) subsistence revoked without a $\frac{2}{3}$ majority vote of all the Voting Representatives of PATCO convened at a National Convention.

Section 2.—When an eligible dismissed member reaches age 61, the amount of subsistence which he (she) receives from the fund will be reduced to a level he (she) should have received if normal Civil Service Retirement had occurred.

Section 3.—In the event of the death of a controller receiving subsistence from the fund, the member's designated survivor shall receive survivor subsistence annuity equal to the amount that the survivor would have received, if the member had not been dismissed.

Section 4.—An eligible member, whether developmental or full performance level at the time of his (her) dismissal, shall be guaranteed, in accordance with the regular schedule of promotion for which the member would have become eligible, in progressing to at least the journeyman level of a level three terminal or a level one center.

Section 5.—In the event of a suspension.

subsistence will be paid to the eligible member for a period of time equal to the length of the suspension which the member actually served. In the case of dismissal, the eligible member will be paid until that member has been offered reinstatement at his (her) last assigned facility or at a facility exceptible to the member.

acceptable to the member.
Section 6.—Each subsistence fund recipient or designated survivor may appeal a decision related to the establishment or the payment of subsistence to the PATCO National Executive Board. The National Executive Board's related decision shall be final.

Section 7.—In the event of fund depletion, the National Executive Board may, by a $\frac{2}{3}$ vote, reduce payments by an equal percentile in order to preserve continuity of income to all recipients.

ARTICLE V-SANCTIONING

Section 1.—A national job action must be sanctioned by at least five members of the National Executive Board.

HEADQUARTERS—RULES OF CONDUCT Absolutely no alcoholic beverages. Sobriety required. Keep it clean . . . America is watching. Do not let any question go unanswered. Cooperate.

SCENARIO

- 1. Meaningful negotiations with the F.A.A. no longer exists.
- Our legislative pursuits have stalled.
 Only because the above efforts have reached their end, a nation-wide strike of

reached their end, a nation-wide strike of air traffic controllers will be called. The date for this action (2-3 weeks prior to the actual headcount) will be given to the F.A.A., the media, and the flying public.

4. The headcount will be taken nationwide, prior to the day shift of the strike date. This count will be checked and cross-checked via the validation process which has been

outlined at our meetings.
5. If we do not get the required 80 percent, everyone will return to work as scheduled. There will be no exceptions!

- 6. If we have 80 percent of the bargaining unit, which must also include 80 percent of the high impact facilities, willing to go out and stay out, we will go on strike at the start of that day shift.
- Every member will be required to attend the rallies scheduled for the first day of the strike.
- 8. After the first day, every member is expected to work the same schedule that was shown in the schedule book prior to the strike. The only difference is that you will be working for PATCO as a striker, not the F.A.A. who has failed to address the needs of the work force. Our members should not look at this time away from the boards as a vacation, but as a dog fight where we will take what we deserve.
- 9. Members and their spouses can expect phone calls/letters from F.A.A. managers offering immunity if controllers return to work. These calls must be ignored but should be reported to strike headquarters.
- 10. The courts will more than likely issue subpeonas which will require controllers to appear before a Federal Judge. The Judge will order all controllers back to work with the threat of a jall sentence/fine if the order is not complied with. This situation will be dealt with when the time comes.
- 11. When the National states they have negotiated a settlement worthy of our efforts, the PATCO members who are on strike will be given an opportunity to ratify the contract. That vote will require 50 percent plus one of the striking PATCO members.

Mr. GARN. Mr. President, let me give mv colleagues an example of what PATCO wants, as outlined in S. 808. This bill would make it possible for controllers to become the highest paid employees in the Government. The top controller under S. 808 would make \$73,420 in base pay. Add-ons would make it possible for him to make as much as \$135,000 per year. Controllers would receive a 1½-percent increase for every 1-percent increase in the CPI, thus allowing them to benefit from inflation. This bill would allow them to retire after 20 years at 75 percent of their highest annual gross salary, and would give controllers the right to strike. No responsible agency or Congressman could support these proposals.

More than a month ago, Mr. President, 38 of our colleagues in the Senate signed a letter that Senator Kassebaum and Senator Packwood initiated telling the controllers that we were willing to listen, we were willing to talk, but if they struck, it was an illegal action and there are severe penalties that could come from that kind of action. They did not go on strike and, therefore, no further action was taken on this floor.

But, last week, after they rejected a very generous contract that would have given them pay increases of over 11 percent, a reduced workweek, and increased fringe benefits plus the almost 5 percent that would occur this fall—more than 16 percent in that package—and they turned that down, 54 of my colleagues joined me in sending in a very strong letter saying that we would not agree to this kind of extortion or blackmail.

That is exactly what it is, Mr. President. They have ignored that letter. They have gone on strike. They are going to cost the airlines and industry of this country hundreds of millions of dollars and they are not too concerned about public safety, apparently, either.

So I am pleased with the President's actions this morning, Mr. President, that he has given them 48 hours to come back to work or they will be terminated. The only thing I would disagree with the President on is I would have given them 24 hours. If they were not back to work in the morning, they would be fired; if we have to retrain controllers and start from scratch and have to take some old retread pilots like me to man those towers, we will do it; but we are not going to have this kind of illegality and this kind of threat and this kind of intimidation. Whatever they may now negotiate with the administration, which is taking a tough stand at this point, they need to know that they will not get any huge increases negotiated as a result of an illegal strike through this body.

They had better remember that 55 Senators signed that letter and even if all 54 others back off, this Senator will filibuster any agreement obtained through this type of greedy action. I hope Mr. Poli hears this, either before or after the Federal marshals find him. If they persist, this union should be broken up, they should be fined heavily, they should be terminated. And if that does not stop it, they should be placed in jail. We put poor people in jail in this country for larceny who take \$100 from a grocery store.

Here we have this greedy union demanding ridiculous salaries—I repeat: more than other Federal employees except the President of the United States.

I hope the message goes loud and clear from this Chamber today that they had better be back to work as quickly as they can, or they will not be working at all as air traffic controllers and I defy them to try to find a job at the salary levels they are now making.

I am pleased that some of my colleagues are on the floor with me today to add their concerns about this illegal

job action.

Mrs. KASSEBAUM. Mr. President, I support the comments that the Senator from Utah has made in addressing the air traffic controllers' strike.

It is not only troubling to us in Congress but also to others throughout the Nation; not just for those travelers who might be bothered for a day or two but also, more important, the disruption of a major transportation system that significantly impinges on many aspects of lives.

I have consistently expressed the desire that the dispute between the Professional Air Traffic Controllers and the Federal Aviation Administration could be resolved through genuine efforts to reach a negotiated agreement. It is my feeling that the agreement reached through the negotiation process, which was submitted to the membership of PATCO, provided a care package of wage and other benefits.

I firmly believe that illegal action will do nothing to further the goals of increased pay and changes in working conditions of the controllers. That proposal which was presented to them was fair and equitable.

I believe that the administration should be praised for its reaction to this illegality in the strike that was called this morning.

It is to the credit of the air traffic controllers who reported to work this morning, those who have helped fill in, that the system, in the early hours of the strike, has operated at almost full capacity.

I believe that the strong position taken by the President, the Secretary of Transportation, and the Director of the Federal Aviation Administration is to be commended. I hope that those who are breaking the law will be met with the full force of the sanctions available to the Secretary and to the President, and I commend them for the firmness they have shown and which I am sure they will continue to show until the situation is resolved.

Mr. MATTINGLY. Mr. President, I commend Senator Garn and Senator Kassebaum for their stand this morning. We joined in sending the letter last week to the air traffic controllers, warning them with respect to the strike threat.

I represent the State with the world's largest airport, which is located in Atlanta, Ga. Therein lies not only my interest but also the interests of many people today, even those in this Chamber. We do have the world's largest and busiest airport, but more important than that is what has happened today with respect to the Professional Air Traffic Controllers.

I believe that the position taken by the President of the United States and by Secretary Lewis is correct—by giving the air traffic controllers a 48-hour getback-to-work order or new people will be put in their positions.

However, I believe that, even more than that, what needs to be done is to send a clear warning to all Federal unions that they are not to threaten strikes, because that is against the basic oath they take when they take those Federal jobs, as union people. The oath says that they shall not threaten a strike, nor shall they go out on strike.

I believe we need to look at legislation that is even more stringent, so that this

does not happen again.

I agree with the President of the United States and the Secretary of Transportation that those air traffic controllers who do not come back to work have committed an illegal action and that they should find other jobs.

With respect to Mr. Poli, who is the head of their union, PATCO at one time made the comment that their past union leader was not strong enough, that they needed somebody more militant. They certainly got one in Mr. Poli. He has put that union and its members in a very precarious position, but he also has put the Nation in a very precarious position.

He may have been successful in voicing his threats, he may have been successful in putting people on strike, and he may be successful in slowing down the air transportation of this country; out what he is not successful in is in threat ening this body or in threatening the people of the United States, because the people will not stand still for illegal action.

I suggest to him and those people who do not show up for work in 48 hours to please find other employment, because the American people will not be held hostage by this act or any other act.

Mr. GARN. I thank my distinguished colleagues.

Mr. President, I close by reminding the air traffic controllers of this country that no agreement reached can be agreed to only by the administration. It must come before the Congress of the United States.

I suggest that they listen very carefully to the attitudes expressed on this floor today. It is not just three Senators. There are others who would like to have been heard this morning, to participate in this colloquy, such as the Senator from South Carolina (Mr. Hollings) and the Senator from Florida (Mr. Chiles). However, they were unable to get here because of the strike, and they have not arrived yet. I imagine that they will not feel too happy when they finally do arrive.

Again, I thank the Senator from Kansas and the Senator from Georgia for their participation this morning.

Mr. PACKWOOD. Mr. President, I join my colleagues in deploring the strike today by the Professional Air Traffic Controllers Union. These individuals, employed by the Federal Government, are prohibited from striking. Their walkout, in contempt of a Federal court restraining order, constitutes an illegal activity. The Departments of Transportation and Justice have my full support in

taking whatever punitive action against the strikers called for in the law.

Striking air traffic controllers are to be reminded that the Congress will have to approve whatever salary, workweek and benefits package that is eventually recommended for ratification. Our consideration of that package will be affected by the cooperation and attitude of controllers in negotiating a new agreement. Our consideration will also take into account the salary needs of other Federal workers, as well as the impact of the agreement on the Federal budget.

This is a time when tremendous efforts are being exercised by the executive branch and the Congress to slow down inflation so that eventually all of us can enjoy better buying power and lower interest rates. That means that we all have to work together to keep Federal spending down. This is not a time when management looks with favor on shorter workweeks, higher salaries and increased overtime pay. This is a time for increased productivity.

Air traffic controllers are important to the smooth operation of the entire air traffic control system. They provide a specialized expertise and oftentimes under considerable pressure. We appreciate those services, but we do not intend to be blackmailed by the lack of them.

The airlines expect to lose at least \$80 million per day as a result of the strike. Commuters will be most seriously affected since short distance flights are given a lower priority. Air travelers will be tremendously inconvenienced. This is a high price to pay because some Federal employees are frustrated and want higher salaries. The benefits package which has been presented to the Department of Transportation estimated to cost \$681 million surely does not represent a serious attempt to negotiate with the Government. I think the union had better quickly return to the bargaining table with a reasonable package.

The PRESIDING OFFICER. Who yields time?

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

Mr. BAKER. Mr. President, this morning the President issued a statement to the press in respect to the air controllers' strike. I think the statement is succinct and I think it is correct, and I support it.

I ask unanimous consent to have printed in the RECORD the President's statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BEFORE THE PRESS, AUGUST 3, 1981

This morning at 7 a.m. the union representing those who man our air traffic control facilities called a strike. This was the culmination of 7 months of negotiations between the Federal Aviation Administration and the union.

At one point in these negotiations, agreement was reached and signed by both sides granting a \$40,000,000 increase in salaries and benefits. This is twice what other government employees can expect. It was granted in recognition of the difficulties inherent in the work these people perform.

herent in the work these people perform.

Now, however, the union demands are 17 times what had been agreed to—\$681 million. This would impose a tax burden on their fellow citizens which is unacceptable.

I would like to thank the supervisors and controllers who are on the job today helping to keep the nation's air system operating safely. In the New York area, for example, four supervisors were scheduled to report for work and 17 additionally volunteered. At National Airport a traffic controller told a news person he had resigned from the union and reported to work because, "How can I ask my kids to obey the law if I don't." This is a great tribute to America.

Let me make one thing plain; I respect the right of workers in the private sector to strike. Indeed as president of my own union I led the first strike ever called by that union. I guess I'm the first one to ever hold this office who is a life-time member of an AFL-CIO union. But we cannot compare labormanagement relations in the private sector with government. Government cannot close down the assembly line, it has to provide without interruption the protective services which are government's reason for being.

It was in recognition of this that the Congress passed a law forbidding strikes by government employees against the public safety. Let me read the solemn oath taken by each of these employes:

I am not participating in any strike against the Government of the United States or any agency thereof, and I will not so participate while an employee of the Government of the United States or any agency thereof.

It is for this reason I must tell those who failed to report for duty this morning they are in violation of the law and if they do not report for work within 48 hours they have forfeited their jobs and will be terminated.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONFERENCE REPORT ON H.R. 4242, ECONOMIC RECOVERY TAX ACT OF 1981

The PRESIDING OFFICER. Under the previous order the hour of 12 noon having arrived, the Senate will now proceed to the consideration of the conference report on H.R. 4242, which the clerk will state.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4242) to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the RECORD following today's Senate proceedings.)

The Senate proceeded to the consideration of the conference report.

The PRESIDING OFFICER. The time for debate on this conference report is limited to 2 hours, equally divided and controlled by the Senator from Kansas (Mr. Dole) and the Senator from Massachusetts (Mr. Kennedy).

Who yields time?

MOTION TO RECOMMIT

Mr. KENNEDY. Mr. President, I send to the desk a motion and ask for its immediate consideration.

The PRESIDING OFFICER. The motion will be stated.

The assistant legislative clerk read as follows:

Motion by Mr. Kennedy: I move to recommit the conference report on H.R. 4242, with instructions that the Senate conferees shall seek to reduce the revenue loss from the windfall profit tax provisions.

Mr. KENNEDY. Mr. President, I yield myself such time as I might use.

This motion would recommit the conference report to the conference committee with instructions to reduce the revenues for oil. I believe that the \$33 billion in oil tax breaks in this legislation is a breach of faith with the American people, a surrender to expediency, and a gross act of injustice to many American taxpayers.

I hope the Senate will oppose the gigantic multibillion-dollar giveaway to the oil industry that is included in this tay bill

Last Friday night in the Capitol turned out to be a big night for big oil and a bad night for every American taxpayer. The oil industry's midnight raid on the Treasury netted them a cool \$13 billion over the next 5 years and an incredible \$33 billion over the next 10 years.

I am particularly disturbed by reports that the Secretary of Treasury himself held out until the very last moments of the all-night conference for an additional \$13 billion for oil. It appears that at least this part of the oil deal could not stand the light from the rays of the early morning Sun.

At a time when millions of average families are being asked to sacrifice as part of the administration's economic program, and at a time when millions of elderly citizens are being asked to accept drastic cutbacks in their social security benefits and their retirement plans, it makes no sense to give the Federal store away to the oil companies.

The issue here is not the President's tax bill. I would have preferred a fairer tax cut for low- and middle-income tax-payers and small business, and a shorter tax cut to help keep inflation down. But the President won that battle.

What I do oppose is the \$33 billion pot of gold for the oil industry that has now been tied to the tail of the tax bill. It is an unfair and unnecessary giveaway that should be stripped from this measure before it is sent to the President for his signature.

I know that my colleagues wish to begin the current recess and to leave the long hot summer of a Washington August.

But before voting another Bonanza for the oil industry, the most profitable industry in the Nation, we should remember the families who will have increasing trouble making it through another long cold winter in their homes.

Just 17 months ago the Senate was considering a conference report on another major piece of tax legislation—the crude oil windfall profit tax of 1980. We passed that legislation after 7 years of national debate on oil prices. In the course of that debate, two Presidents—both Republicans—and two Congresses (in 1972 and again in 1976) had approved oil price controls.

But between 1976 and 1979, an unprecedented lobbying campaign took place, orchestrated by the oil industry, to end price controls on oil. These controls were not put in place to punish the oil companies. They were established because skyrocketing oil prices had turned the American dream of prosperity and economic growth into a nightmare of domestic inflation. It was unfair to permit the oil companies to charge the OPEC cartel price to American consumers, and keep the profits. It was wrong to permit the oil industry to charge the international monopoly price for oil produced in the United States and keep the windfall profits from those higher prices.

It has always been the responsibility of Government to protect the American poeple and the American economy from monopoly power—at least until now.

But between 1976 and 1979 a new direction developed, engineered largely through the lobbying efforts of the oil companies. Under this new plan, oil prices would be permitted to rise to OPEC levels, but the windfall profit of the oil companies would be subjected to a tax. From the beginning, many of us considered this approach intellectually attractive but unrealistic in practice. We feared that once decontrol was accomplished—even if a windfall tax was enacted—the tax would soon be nibbled to death.

Unfortunately, those fears are now becoming a reality. The ink was barely dry on the windfall profit tax before the oil industry began lobbying for its repeal. Their 17 months of lobbying have been very, very effective. In fact, their lobbying has been worth \$2 billion a month—for the tax loopholes in this legislation are worth about \$33 billion to the oil companies for the next decade.

What has become of the solemn promise we made to the American people when we passed the windfall tax? We promised that the oil companies would not keep their windfall profit from decontrol. But if we approve this legislation today, we are saying—in the first tax bill passed after the windfall tax was signed into law that we did not really mean it, that the oil companies can keep their windfall after all.

The windfall profit tax was enacted for a very simple reason. As the President told Congress in April 1979, a windfall profit tax was essential to recover the "unearned, excessive profits that the oil companies would receive, as a result of decontrol and possible future OPEC price increases."

But now, if the Senate accepts this conference report, it will be stating its belief that the oil companies are actually entitled to these "unearned excessive profits;" \$33 billion more will be turned over to the industry that Wall Street has called "more profitable" than any other industry in America—an industry whose profits are 12 times greater than nonoil companies.

This legislation is a breach of faith with the American people. When we decontrolled the price of oil, we pledged that windfall profit would be taxed. Now, we are revoking that pledge.

If we accept this conference report, we are also ratifying the bidding war that led to its inclusion in the House bill.

When President Reagan proposed his original tax package, he did not ask for \$33 billion in special tax cuts for the oil companies. There was no provision for oil at all. There was no mandate in the November election to cut the windfall profit tax.

The reality is that, in the intense lobbying of the past 5 months, the oil interests have been able to manipulate the President's program for national economic recovery into a giveaway to the oil industry. This legislation might better be called the oil industry tax relief act of 1981.

Even without this \$33 billion in special tax relief, the oil companies did very, very well in this legislation. The accelerated depreciation provisions alone will give the oil companies billions of additional dollars each year—which they can use to buy department stores, or copper companies, or circuses—or even each other, as they are trying to do today.

But billions of dollars in new tax relief from accelerated depreciation was not enough for the oil companies. So they added \$20 billion more in special relief from the windfall profit tax in the Senate bill. But even that was not enough to satisfy their greed. They wanted even more. They prowled the Halls of Congress and the executive branch. They demanded and manipulated. They smelled an even greater victory. And they got itthey got \$13 billion more in this conference report-for a total tax cut of \$33 billion for oil. They won that extra \$13 billion in the wee hours of Saturday morning. With the corridors outside the conference room filled with oil lobbyists, the conferees agreed to give the oil companies \$13 billion more.

And make no mistake about it—\$33 billion will not even be enough. For if this body today announces its surrender by accepting this conference report, the oil companies will be back again later this year, and the next year, and the year after that, until there is no windfall profit tax left at all.

They know they have Congress on the run. If we throw in the towel today, in a very short time the oil companies will turn the windfall profit tax into an empty gesture. And in doing so, they will be taking unfair advantage of every American, and every small businessman who supported decontrol of oil in good faith, be-

cause it was accompanied by the windfall profit tax.

Finally, approval of this legislation will be a great act of injustice to the American people.

When President Reagan announced his economic recovery plan, he stated the principles upon which it was based. One of these principles was that every segment of American society must sacrifice for the greater good. But what sacrifice is the oil industry being asked to make?

What we are now witnessing in the United States is a full-court press by the oil interests against the best interests of the American people. The Secretary of the Interior, Mr. Watt, wants to give away a billion acres of Federal lands to the oil companies in 5 years. The Secretary of Agriculture wants to let the oil companies drill at will in the national forests of America.

The Environmental Protection Agency proposes to weaken the controls over the toxic wastes the oil companies produce, and the poisonous gases they vent into the atmosphere.

And now the Congress proposes to give them \$33 billion in new tax breaks. I say, it is time to take a stand. It is time to say enough is enough.

When we are asking schoolchildren to pay more for lunches, should we be giving more to the oil companies?

When we are asking the elderly to give up their minimum social security benefit of \$122 a month, should we be giving away \$33 billion to the oil industry?

The funds distributed to the oil companies alone in this bill could make up the entire deficit in the social security trust funds.

In effect, the choice before us now is between protecting social security, or giving the oil companies \$33 billion more in tax relief. That choice should be an easy one for any Congress to make. I urge the adoption of the motion and the instruction to the conferees.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. Stevens). Who yields time? Who yields time?

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum, with time to be equally divided.

The PRESIDING OFFICER. Is there objection to time to be equally divided? Mr. BOSCHWITZ. I object.

The PRESIDING OFFICER. Objection is heard.

Who yields time? If neither side yields time, time will be charged equally to both sides.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I think that is an indication of how big an issue that is. It is really not an issue because there is not anybody waiting to speak on this momentous occasion. Many of us were ready to speak Saturday evening.

I would just suggest that we did have a long conference. I am not certain where the Senator from Massachusetts obtained all his figures about big oil. I did not know big oil was even in the conference. Maybe there were some people there we were not aware of in the

conference, and I am not certain about all these lobbyists.

I am certain the Capitol was full of lobbyists, as there are every other time a major bill is considered. If there was an inference in his statement that they were in the room and dictating what happened in the conference, I can indicate to the Senator from Massachusetts that that was not the case.

I would also indicate that the conference report was signed by every member of the conference, every House Member, every Senator, and I think it is fair to say that some of those House Members are just as much antioil as the Senator from Massachusetts. But they signed the conference report because they believed it was fair.

There was a give and take, and as far as this Senator knows the only discussion was what we were doing for independent producers, not major oil companies. It does not do much good to say that on the floor because the press never seems to write anything other than what the Senator from Massachusetts has to say on this subject. He gets up and attacks big oil, so it is big oil in the papers and big oil on television and big oil on radio. We will just keep trying. At least it is in the RECORD in case somebody ever wanted the facts, and they will be in the RECORD, perhaps not in many of the papers, but in the RECORD.

Having said that I would suggest that anybody who would read the conference report and anybody who may have covered the conference will know that the discussion was not about big oil. We were talking about stripper production, wells that produce 10 barrels or less. If that is big oil, then the Senator from Massachusetts has information not available to any of the conferees.

Mr. President, the House-passed tax bill had about \$16.2 billion in windfall profit income tax relief for oil producers and royalty owners for the next 5 years. The Senate-passed bill had about \$6.6 billion in such relief, and the compromise was about \$11.7 billion. That is slightly over half.

I am not certain how other conferences do, but I think it is—maybe not the custom, but more often than not around here—if you have one figure on one side of the Congress and another figure on the other side, it is generally conceded that if you split the difference that is fair. I think that is the feeling of most Senators.

In fact, I read with interest the press release issued by the distinguished Senator from Ohio (Mr. Metzenbaum) taking credit for the big savings because the conference had dropped so many of the oil provisions and many of the demands by the so-called oil industry.

So I was frankly somewhat surprised to learn later that the Senator from Massachusetts had a release saying just the opposite. So somewhere there was a lack of communication by the antioil Senators on what would be the line.

(Mr. GORTON assumed the chair.)
Mr. DOLE. Having said that, let me again indicate that we are talking about stripper production, oil wells that produce less than 10 barrels a day, effective in 1983. Nobody tampered with the date.

That was in the House bill. It was not in the Senate bill.

We ended up with the House provision that, effective in 1983, there would be no tax on stripper production. Stripper production has been exempted in the past and should not have been taxed when the windfall profit tax bill passed last year.

I might say that the phasedown of new oil taxes was the same in both bills. Certainly the Senator from Massachusetts does not expect us to go in and go out beyond the scope of the conference. The phasedown of new oil tax was down to 27.5 percent in 1982, 25 percent in 1983, 22.5 percent in 1984, 20 percent in 1985, and 15 percent in 1986, and the whole tax is going to end somewhere in 1989–90, so that is no great concession to the industry.

That was worth about \$3.3 billion. But that was agreed to by a voice vote in the Senate. It was also in the House bill, so it was not in conference. What is left? The only other issue open for discussion were the depletion allowance and royalty owner relief.

We tried several variations on reaching agreement on the percentage depletion issue. The Democrats on the House conference made it clear to me that they did not care if we stayed there for 6 months. There would be no change in the so-called depletion provision which is in present law.

So after a number of efforts to freeze it at 20 percent or a combination thereof of 18 percent, 19 percent, 17 percent, 22 percent, it was agreed among the Senate conferees to forget about it. I do not know where the Senator from Massachusetts can find any fault with that.

I want to make it very clear because it is hard to understand by some who write these stories that the new oil provision was the same in both bills. That could not be changed. The Senate receded to the House on the so-called depletion allowance, so there was not any loss there.

The stripper provision, which I have indicated, talks about wells of 10 barrels or less, and if that is big oil, as the Senator had in his release, then again it defies my imagination, if not his,

So the only other provision left was with reference to royalty owners, not oil companies as stated in the Senator's release, not oil companies, but individuals, retired people, landowners, and others who never thought they were taxed in the first place, but they found o' that the last administration did not spare anybody when it came to increasing taxes, and they imposed the windfall profit tax on the small landowners and others who had royalty income.

We, in effect, cut back on the House provision by \$300 million or \$400 million. So I was surprised, to be very candid about it, to learn late Saturday afternoon that the Senator was going to hold us up for 2 days so he could come down and attack big oil because big oil is not in the picture. Big oil has never been in the picture. There is not a thing in the stripper amendment or in the loyalty owner amendment that does a thing for big oil. That does not mean you cannot put out a press release and say that it does, and most of the press in this country will print that, but that is not a fact.

And it is about time we started looking at the facts instead of the rhetoric or the politics of the moment.

We worked long and hard, I would remind the Senator from Massachusetts, all of us, Democrats and Republicans alike, starting at 4 p.m. on Friday and concluding at 8 a.m. on Saturday morning, to come together on the outstanding issues, I believe, and I say this on behalf of all of the conferees, that, for the most part, we did the best that could be done.

I regret that the Senator from Massachusetts could not have been there, because had he been there or had his staff been there, he would have known that we discussed this oil provision probably more than any other provision. And it was not held up, as you are advised, by the Treasury Secretary. This Senator contacted the Treasury Secretary to indicate that we had gone about as far as we could go. The House Democrats were frozen in their position as far as any change in depletion. We were going to concede to that, not because we wanted to, but because there were no other choices

Aside from that, the only other provisions discussed were the new oil provision, which is the same in both bills, the stripper provision that benefits only small oil wells—in my State, they average 3.3 barrels a day—and relief for royalty owners, individuals, and not companies.

Now, if I missed something in the conference, then perhaps we should be reprimanded by the Senator from Massachusetts. But we left the Senate floor with about \$6.6 billion, as I have indicated. We met with the House and they had about \$16.2 billion over the next 5 years. We came out with \$11.6 billion or \$11.7 billion, depending on whose numbers you use.

Now, I think everybody in this body would agree that this is a fair compromise. We did not get everything and we did not lose everything. We came down in the middle. So this Senator would suggest that we did the best we could.

Perhaps the Senator is concerned because we exempted children's homes. We decided that oil interests held by charitable children's homes on January 2, 1980, would be exempt from the windfall profit taxes.

If that is what the Senator is complaining about—another big oil provision—we ought to hear more on that from the Senator from Massachusetts.

As one Senator to another, I do not quarrel with the Senator's right to argue as he does. But, in fact, when there is no substance to the argument, it would seem to me that we would do better to stick to the facts. The facts to the Senator from Massachusetts, where there is no oil production, probably are that whatever we do for anybody who makes a living in the oil business, whether he is small or large or working in the business or relping on that business for his livelihood, would be wrong.

But, in my State, in the State of Kansas and other States, the industry is important. It is important to our State, important to the people who work in the industry. We do not have any major

oil companies to speak of in our State. We do not have big oil, as the Senator refers to it in every other sentence.

So I would suggest that if there were any other things the Senator from Kansas missed in the conference, other than a lot of sleep, then perhaps it could be pointed out to us. In fact, I might say to the Senator from Massachusetts that we could have gone higher dollarwise, but we did not. We were told by some of the influential House conferees that we could go as high as \$12 billion. It was all right with them. We did not do that. We backed off, knowing that on the Senate side there might be some little problem. And I think it is only a small problem.

We are talking about a tax bill over the next several years of about \$750 billion. We believe that the accommodation we made fairly well satisfies most of our colleagues in the House and the Senate.

Finally, I will point out one other thing. The Senator's position did not prevail in the Senate. It did not prevail in the House. Now, if a majority in the House and a majority of the Senate have one position and the Senator from Massachusetts has another, I would hope that most people would understand that you probably go with the majority. Had the Senator from Massachusetts prevailed, that would have been another matter. But that was not the case.

I would also indicate that I know of one provision or two provisions the Senafor was concerned about. One was charitable contributions by corporations, which we agreed to. Another one was the amendment offered by the distinguished Senator from New Hampshire, Senator Rudman, and the Senator from Massachusetts on the heating credit.

I would say, and I think the official record will point this out, I tried to get the House to accept that a half a dozen times and the House would not take it. Only one House conferee even indicated any interest in it, and that was Congressman Rangel from New York. If they will not take it, it is hard to force it on them. We tried to do that. This Senator tried to do that as chairman of the conference on our side.

Again, I would hope that the official record will be read, because I had given my word to the Senator from Massachusetts and the Senator from New Hampshire that they were not going to have any problem with this Senator.

Mr. LONG. Will the Senator yield? Mr. DOLE. I yield to the Senator.

Mr. LONG. Is it not true that throughout that whole conference that lasted for 16 hours or better, that every step of the way, at any moment, all one of those House conferees needed to do was to move to agree with the Senate provision with regard to the heating oil credit, and that would have been all there was to it. But at no point did more than one member of the House conference of eight Members indicate any interest in that item. And even that member did not make the motion that they agree to the Senate provision.

Mr. DOLE. The Senator is correct. And I wanted the record to reflect that, because I do not give my word lightly. But

when you cannot force something on

them, it is hard to keep it.

Mr. LONG. If the Senator would yield further, it is not a matter of giving something away, it is a matter that this was in the Senate bill. As far as the majority of the conferees was concerned, our position has always been if there is something in the Senate bill that the House is willing to agree to, the House has a right to agree to it. I would ask the Senator, is it not true that the Senator from Kansas, the distinguished manager for the Senate, the chairman of the conferees for the Senate, repeatedly suggested to the House conferees that this provision ought to be part of the package?

Mr. DOLE. I think the record will indicate that. We had our private discussions. Senators met, the Democrats and Republicans together, and House Members met. We narrowed the list down, I think, to about seven items. That item was still on the list. We narrowed it down to four items. In fact, the last item mentioned in the entire conference was the heating credit. This Senator brought it up himself. I thought I would try one more time to accommodate a number of Senators in this body, because there was widespread interest in that amendment.

I think Congressman RANGEL indicated that he had heard from the Speaker about it, but that is about all he said.

And so, if that is a problem, I regret, if that is the cause of this extra session today. If that is a fact, then I regret that, because it was not the intention of anybody on the Senate side to lose that provision.

Finally, let me say this: I agree with the Senator from Massachusetts: The oil industry does not like the windfall profit tax. No other industry would like a special tax applicable only to them. Again, when the story is written, it is always a tax break for oil. But remember that nobody else gets this special detriment-to be singled out for a windfall profit tax-as the oil industry re-

ceives.

I would say again to my friends on both sides that the oil companies are probably like most other people in this country, most other businesses. They like to make a profit. They do not like taxes. The American taxpayer does not like taxes. The American businessman does not like taxes. We have to have some. That does not mean we have to penalize with a special tax, stripper production of 10 barrels or less or small royalty owners or something that was agreed to in both the House and the Senate.

I do not know what we are here for today. There really is not any argument about big oil at all. Big oil is not in this conference report.

Even if we had frozen the depletion allowance at 20 percent or 22 percent or 18 percent, we were talking about independents and not major oil companies.

So to keep beating the major oil companies over the head may be good politics, but it is not an issue. The only issue is that we are back here on Monday instead of finishing on Saturday, at the inconvenience of many Senators who had to come back. It does not bother this Senator. I was going to be here, in any

So I just suggest, for whatever it is worth, that this is sort of an empty discussion. It is a media event. That is all it is. It is a media event. [Gestures to press gallery.] Maybe it is all right to have a media event on Monday. There is not much else going on in town.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who vields time?

Mr. KENNEDY addressed the Chair. The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I yield myself such

time as I might use.

Before we start crying crocodile tears for the oil industry, we ought to recognize, Mr. President, that this is the wealthiest industry in America. That is not just a statement of the Senator from Massachusetts. It is Merrrill, Lynch which has made the judgment. I read from May 1981, Merrill, Lynch investors report, evaluating the profits of the oil industry, not only the majors but the independents. It stated that it is "probably the more profitable than any other segment of American industry." Profits have gone up 117 percent in the last 2 years, 12 times other industries.

Mr. Reagan himself did not request that we provide this kind of windfall to the major oil industries and to the independents. But we find that the conference committee comes back with \$33 billion. All I am saving is we should have a rollcall so the Members of the Senate will be able to vote up or down on that

Now we hear about how we are so concerned about independent oil and stripper production.

That is an interesting argument from the Senator from Kansas, because we did not see that kind of attention for the stripper and independent producers when the legislation came out of the Senate Finance Committee.

He argues one thing today, but he argued something quite differently when the Senator from Texas (Mr. BENTSEN) was trying to provide help and assistance to the independents. He was the one who made the case against the independent at that time, and the Senate rejected it.

Now he comes back and he says, "Look, we are just trying to help the mom and pop stripper well."

He mentions 10 barrels a day. At \$30 a barrel that is \$300 a day. That is \$100,-000 a year if you have one well. Many of these owners have scores of wells.

That is hardly the average taxpayer. The average taxpayer in this bill is \$20,-000 a year, and the average taxpayer in this bill will not be held harmless from the increases in inflation and social security over 3 years.

Nonetheless, we are trying to help that industry which has been described by financial analysts as the most profitable in this country. That is where the Senator from Kansas comes out on this issue.

It is interesting that the \$20 billion amendment of the Senator from Kansas

was primarily a phaseout of the windfall profits on new oil, much of which went, not to the mom and pop operators of the industry, but to big oil. If, as the Senator from Kansas contends, these tax breaks are going to the independents, those independents will be receiving \$2.75 million in tax breaks-hardly "ma and pa" operations.

It is interesting to hear now when we are about to vote on this issue that finally we have the mom and pop part of the oil industry before the Senate.

That is hogwash, and every taxpayer in this country will understand it.

This is \$33 billion to the most profitable industry in this country at a time when we are cutting back on social security, cutting back on student loans and programs to educate the young people in this country, cutting back on decent quality health care, cutting back on assistance to the elderly to heat their homes in the winter. And we are pro-viding \$33 billion for the major oil industry.

That is the issue, Mr. President, and that is the issue that we ought to vote on.

The Senator from Kansas points out that on many of these issues we lost during the debate and discussion of the tax bill earlier last week. The fact of the matter is when the Senator from Kansas himself was trying to add billions of dollars more to the Senate Finance Committee and tabled his own motion, the Senate voted on that 49 to 47. Basically we were almost evenly divided about whether we were going to add anything more for the oil industry. The Senate was basically evenly divided on that issue. But, nonetheless, we have seen this conference report sent to the Senate.

Finally, Mr. President, during the course of the conference, CHARLIE WILson, a Congressman, talked to a number of those who were concerned about the giveaways to the oil industry and proposed that we use the Senate figures and target those figures into the independents and into stripper wells.

That seemed to me to make some sense. That seemed to me, if we were going to provide any kind of additional incentive for the oil industry, that was the approach which commended itself, most realistically, on the merits. If we were going to provide the \$20 billion which Senate Finance Committee bill had, why not target that into the independents? I would have said amen to

But that was rejected. The conferees said, 'That is out of conference.'

I have been around here long enough to know that when the Senate Finance Committee goes to conference with the House of Representatives, anything that they basically want is in conference.

I remember in 1978 when here on the floor of the Senate the Senate accepted the Bumpers-Kennedy amendment to target the various tax reductions more equitably among the taxpayers. We overturned the Senate Finance Committee recommendation. They went to conference and what did they come back with from the conference? Exactly what the Senate Finance Committee has reported

So, Mr. President, I think it is impor-

tant to understand what the issue is. Call the roll on whether we want \$33 billion for the most lucrative, most successful industry in this country at a time when we are refusing to provide equity and fairness for the other taxpayers in this country and at a time when we are giving special privilege to the most successful industry.

I yield 5 minutes to the Senator from

Missouri.

Mr. DOLE. Mr. President, could I answer some of those errors right now?
The PRESIDING OFFICER. The Sen-

ator from Kansas.

Mr. DOLE. Mr. President, I regret the Senator from Massachusetts was not at the conference. If he had been he would not make many of the statements he makes. Charlie Wilson was not a conferee. Maybe he was a messenger for the Senator from Massachusetts but he was not a conferee. As far as this Senator knows, I never saw Charlie Wilson. I know Charlie Wilson. If he was there as an aide or something to carry out the wishes of the Senator or whatever, it was never called to my attention. I regret we did not have his input.

Second, the Senator from Massachusetts claims that we could have gone outside the conference. Well, the Senator may be right; in normal times that could have been possible. But you have to understand, Mr. President, the House conferees were not too happy to be there at all. Chairman Rostenkowski, Sam GIBBONS, JAKE PICKLE, CHARLIE RANGEL, and Pete Stark just lost 2 days before or the House floor. They were more or lesthere under duress in any event. Some had voted for the bill on final passage so they could be conferees, but they lost the big fight. They did not really enjoy the conference at all except when it ended.

They were very careful to point out that we could not go outside the conference. They told us that a dozen times; they could not go outside the conference or they would have to go back to the Rules Committee, to Mr. Bolling's com-

mittee.

It was a very tight conference. There was not one thing that happened that was outside the scope of the conference. That is another fact that ought to be in the Record, in case anyone reads the Record.

On the Bentsen amendment, the Senator from Massachusetts is right, the Senator from Kansas did everything he could to defeat that amendment. That would have exempted 1,000 barrels a dar as opposed to the stripper which is 10 barrels a day. Maybe that is not much difference to the Senator from Massachusetts, but it is a great deal in the dollar difference. The Senator from Kansas understood that was about \$4.5 billion a year in lost revenue that we could not afford. So the Senator from Kansas did his best to defeat that amendment, to table that amendment. He was joined by the Senator from Massachusetts and I thank him for that.

So, Mr. President, it is not a question of standing up today talking about the little oil wells and, last week, discussing something else. I opposed that amendment. It was a thousand barrels a day, about \$13 million or \$14 million a year, if you add it up. That would have

pleased many in my State and many in the State of Texas and many in every other oil-producing State. But the Senator from Kansas was trying to act responsibly, because I understood that we would have some difficulties in the event such an amendment were adopted.

I also say that the Senator from Kansas never offered any oil amendments to this bill. They were offered in the committee. The Senator from Kansas voted against the Boren amendment, which prevailed, and overnight we were able to turn a couple of people around to defeat the Boren amendment. Then we worked out the compromise.

Mr. President, I believe the compromise in the Senate Finance Committee bill was a good one. There was a close vote in the Senate. That did not disturb the Senator from Kansas. It indicated what I already believe, that we should not do too much as far as oil is concerned

in this legislation.

But this Senator does not vote in the House and this Senator does not control the House any more than the Senator from Massachusetts does. They acted and, by a wide margin, they adopted the President's proposal. That proposal contained some small items for small producers, royalty owners, individuals. Some of these royalty owners may even live in Massachusetts or Missouri. You do not have to live in the State where the oil is from to be a royalty owner.

There was also a provision for stripper production in the House bill and there was the new oil provision that we had in the Senate and the House bill. That is in essence what it is. That does not mean we cannot argue about it in the Senate. We argue about less, I guess, and have in the past. But to have the Senators stand up and indicate that we more or less sold out to big oil is not a fact. There is no big oil in this discussion, and there should not be any if we are going to stick to the facts.

I would like to read a little bit from a typical letter that a royalty owner sent in to us. I shall ask unanimous consent that this be made a part of the RECORD.

Mr. President, I ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GREAT BEND, KANS., April 24, 1980.

Hon. Bob Dole, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR DOLE: I am enclosing a copy of the check received by my Mother, Ada Kingston, from Clear Creek for her one oil well for the month of March 1980. I think it is ridiculous for this person to be taxed with the Windfall Tax.

My Mother is 83 years of age and in a nursing home and the charge is now over \$800.00 per month. She gets social security of \$260.00 per month and the income from the one oil well was really a "lifesaver" for her financially before this tax. She owns one quarter of land but with "cheap wheat" and only ½ of the crop that is not much income by the time you pay the tax and buy fertilizer. Her total farm income last year was only 700 bushels of wheat and with \$3.25 wheat this does not go very far for her \$800.00 expense each month. She has been using savings left by my Dad but it does not take long to use

this up. Probably she will soon have to sell her land for her keep in the nursing home.

Can't something be done to exempt the small land owner with only one stripper well from paying this tax?

Sincerely,

Mrs. Roy Dirks.

WINDFALL PROFIT TAX ACT OF 1980

Lease Interest Owners: Effective March 1, the Crude Oil Windfall Profit Tax Act of 1980 became law. As the first purchaser, Clear Creek, Inc. must collect the tax from your account. This has been done by a deducted item as shown on your check apron. The tax deduction item has been labeled as Windfall Tax Major Rate or Windfall Tax Independent Rate.

By law, all royalty and overriding royalty are taxed at the high rate used for "Major" or Integrated Oil Companies. If eligible, Independent working interest owners can, through certification to the purchaser, receive a reduced tax rate.

The tax is administered through the Internal Revenue Service. At the calendar year end, Clear Creek, Inc. will furnish each owner, who has incurred a tax deduction, with the the total amount of the tax withheld.

CLEAR CREEK, INC.

Mr. DOLE. Mr. President, I shall also include in the Record a story from the U.S. News & World Report, dated June 9, 1980. It talks about the windfall profit tax's unlikely victims. Then it talks about how many people are losing money and how many should not have been taxed in the first instance. It is an article that cites cases in Kansas, Oklahoma, Texas, and talks about hearings held in these States on the windfall profit tax.

I shall also include a letter to the editor in the Baton Rouge Morning Advocate dated June 20, 1980. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, June 9, 1980]

"WINDFALL" TAX CLAIMS SOME UNLIKELY VICTIMS

Beatrice Wright, a Pauls Valley, Okla., widow who supplements her income by giving plano lessons, was outraged to discover that the U.S. government is now taxing away half the \$2,180 she earns each year from an investment left by her late husband.

John B. Davis, a retired Milwaukee chemical engineer, reacted with shock when notified that Washington is suddenly taking an extra \$75.43 bite out of his monthly income.

Mrs. Freida M. Brewer of Winfield, Kans., discovered the other day that one source of her retirement income has been reduced by 30 percent.

These three are among an estimated 2 million Americans—most of them farmers, ranchers, retirees and others of modest incomes—who own royalty shares of oil wells.

And they are angry.

Royalty owners have belatedly discovered that Congress included them in the controversial "windfall profits" tax recently enacted to siphon off some of the record earning of "big oil."

"I was all for the tax because I thought it was going to take away some of the profits of the big oil companies," reports an elderly Oklahoma woman who earns around \$20 a month from a share of an oil well inherited from her husband. "Now I find out that I have to pay the same rate as Exxon."

A MISLEADING NAME

Part of the confusion stems from the label attached to the "windfall profits" tax. The

tax is not really levied against oil-company profits at all, but is an excise tax on oil production. It is designed to recoup, in addition to regular taxes, 227 billion dollars of the estimated 1 trillion that oil companies will earn over the next 10 years as price controls on U.S. oil are gradually lifted. Royalty owners are expected to pay about 30 billion dollars in new taxes.

Not only will individuals be taxed at the same 30 to 70 percent rate as major oil companies, royalty owners complain, but they will not be able to pass the tax on to con-sumers in the form of higher prices as oil companies are expected to do.

Says Representative Wes Watkins (D-Okla.): "Those people cannot in any way be considered engaged in profiteering or plundering. How the administration and Congress can justify taxing them at the same rate as major oil companies is beyond my comprehension." Watkins is one of several lawmakers from oil-producing states who are trying to persuade Congress to reopen the windfall-profits issue to grant an exemption to royalty owners.

Leading the drive are Senators Robert Dole (R-Kans.) and David Boren (D-Okla.), who are sponsoring legislation exempting royalty owners from the tax on up to 10 barrels of oil a day.

Senator Lloyd Bentsen (D-Tex.) is backing a bill that would exempt royalty owners and independent oilmen from the tax on the first 1,000 barrels of oil per day.

Similar measures were rejected during the grueling debate on the "windfall profits" tax approved by Congress in March. Oil-state congressmen admit that they are facing an uphill struggle to persuade their colleagues to amend the measure in the near future.

Pressures for such changes, however, are mounting fast. At hearings held by Dole and Boren in late May in Oklahoma City and Great Bend, Kans., more than 4,000 outraged royalty owners showed up. Many of those attending were farmers who claimed that they need all their royalty income to help them survive the high interest rates and the downturn in farm prices. Also attending were a number of widows and retirees, who said they depend on monthly royalty checks to supplement their Social Security income.

James L. Stafford of Ada, Okla., representing a group called the Royalty Owners Action Committee, described the tax as "the biggest step towards nationalization of assets since Hitler seized control of Germany's industrial organization."

Representative Watkins says the new tax forced one of his constituents, a retiree, to go on welfare in order to keep his wife in a nursing home.

"The vast majority of royalty owners have small incomes from that source, many under \$100 a month," declares Senator Boren. "Many did not even realize that their interests were included in the tax."

Experts disagree on just how hard royalty owners will be hit by the tax. Along with farmers and widows in nursing homes, the ranks of royalty owners include wealthy oilmen and major landowners.

One petroleum-industry executive argues that, in the long run, royalty owners will benefit from high oil prices along with oil companies. And the "windfall" tax can be de-ducted from regular income as a business

However, Julian G. Martin, executive vice president of the Texas Independent Pro-ducers and Royalty Owners Association, contends that about 60 percent of royalty owners receive income from "stripper produce less than 10 barrels of oil a day. He points out that the administration lifted price controls on stripper wells four years ago in an effort to encourage more produc-tion, sending the price to around \$35 a bar-rel. As a result of the tax, Martin says, owners of stripper-well production will receive no benefit from decontrol while paying \$12 to \$14 a barrel in new taxes.

Analysts also warn that the tax is likely to turn into a bookkeeping nightmare for small royalty owners who cannot afford to hire accountants

Declares Gene Howard, an Oklahoma state senator from Tulsa: "If the tax is designed to punish large corporations whose profits are deemed excessive, then it misses its mark. Instead, it uses a hammer to kill an antand it comes down much more heavily on a lot of little people than it does on any faceless corporation.'

From the Baton Rouge (La.) Morning Advocate, June 20, 1980]

"WINDFALL" TAX SHOWS PARTY IN TRUE LIGHT (By William R. Tucker)

Nobel prize winning economist Milton Friedman has called the "windfall profits" tax a "disastrous measure." Texas Gov. Clements has announced his intention to challenge the tax in the courts. There is, indeed, serious question about its compatability with the federal constitution and about its impact on both the royalty owners and the oil companies which must pay the tax.

Concerning the imposition of the tax on royalty owners (land owners), Sen. Russell Long of Louisiana is reported to have com-mented, "Not one of them will be on wel-fare." The implications of this cynical remark should not go unchallenged. The fact that there are royalty owners, most of whom are elderly, who have very modest incomes and who must rely on small royalty checks to pay their medical bills and make ends meet. Other royalty owners are people with middle-class incomes who use the payments to finance their children's college education in these inflationary times. Not all royalty owners are wealthy Texans or Oklahomans who drive Cadillacs and spend their vacations on the French Riviera. And yet Sen. Long would have us believe that the application of the "windfall profits" tax to royalty owners would affect only the affluent.

This tax measure is based on the premise that any increase in royalty revenues, due to the gradual federal decontrol of the price of domestically produced petroleum, is unde-served. Yet the prospective increase would have been due to market forces, particularly the law of supply and demand. Thus, this tax has far-reaching implications. Cannot an increase in any person's income, due to market adjustments, be labeled by Sen. Long's "undeserved" or "unwarranted" and then be taxed away at the rate of 70 percent? In the future could not any businesses' profits be called "obscene" by other members of the Congress and taxed at a similar rate? It seems to me that the entire business and professional community should consider that possibility. Nor should working people think they will be immune to a confiscation of their incomes similar to that imposed on royalty owners.

The Democratic Party has gained a fair The Democratic Party has gained a land degree of credibility over many years by its contention that it is the party that defends the interests of the "little man." This tax puts the Democratic Party in its true light. At the national level its primary motivation is greed for additional federal revenues. And, apparently, anyone is fair game to its roving

Mr. DOLE, Mr. President, I reserve the

remainder of my time. Mr. KENNEDY. Mr. President, I yield to the Senator from Missouri.

Mr. EAGLETON. Mr. President, I realize that the Senate now finds itself in a state of euphoria over the imminent passage of the Reagan tax bill. What I have to say on this bill in no way detracts from the magnitude of the President's victory. The hour is clearly his and now the state of the American economy between now and the end of 1984 is clearly his.

Mr. President, this is an atrocious tax bill. It is atrocious in terms of economic policy and it is atrocious in terms of fundamental equity.

On basic economic policy, you do not have to take my word for it. Listen to some of the most conservative economists in the Nation

Listen to Henry Kaufman of Salomon Brothers:

I think we have not yet seen the high in interest rates. And we have not seen the full impact on the financial markets of the tax cuts the administration is proposing, or of the increase in defense spending, or the actual results of what the Federal Reserve is doing to stabilize monetary policy when fiscal policy is so extraordinarily expansionary . . . There is hope by everyone, insionary . . . There is hope by everyone, including the Treasury, that interest rates will come down. But you cannot talk interest rates what President no matter what President Reagan thinks.

The central bank is being overburdened by the administration. It is encouraging tighter monetary policy while fiscal policy is in the process of becoming even more expansive.

Listen to Edward Yardeni, the chief economist at E. F. Hutton:

Whereas the consensus has been that the economy is remarkably resilient in the face of these high interest rates, we are finding that the economy has turned much weaker as a result of the Fed's aggressively tight monetary policy . . . A decision has been made in Washington to deliberately engineer a period of protracted economic slack. But the Fed, we've learned, if it errs, is going to err on the side of being too tight rather than too easy . . . This is going to be more painful than many people expected. And if inflation is so dug in that it takes a long and pro-tracted recession to get rid of it, the risk is that the public's patience with this kind of policy will get short.

Listen to Alan Lerner, economist at Bankers Trust Co.:

The Fed can decide to monetize this huge debt, but if it does, it can kiss the long-run economic outlook good-bye. And if it doesn't, it can kiss the short-run economy good-bye We will see historical highs in interest rates before the year is over.

What these and other economists are saying is that in order for the Reagan plan to work we will have to go through a protracted period of high interest rates. endure a sharp recession, and rising unemployment.

Although our economy is significantly stronger than that of Great Britain, remember that this is the same medicinehigh interest rates, recession, rising un-employment—that Mrs. Thatcher prescribed for Great Britain.

On the question of equity, I do not believe that the American people as yet perceive the inherent inequity of the Reagan program. I do not believe, for example, that the public realizes that ? wage earner making \$20,000 next year will end up paying more taxes next year than he did the last because his minuscule income tax cut will be more than offset by social security tax increases and bracket inflation.

I do not believe for example, that the public as yet realizes how we have so brazenly overloaded this tax bill with special benefits for the rich or for the oil companies.

But the day of reckoning, Mr. President, the day of public awareness will come

Some day, next year perhaps, when a factory worker looks at his paycheck and finds that he has received no net tax cut at all, he will ask his friendly H. & R. Block friend some questions.

The H. & R. Block man-worker conversation may go something like this:

WORKER. Say, what the hell ever happened to that "across the board" tax cut I was going

H. & R. BLOCK MAN. Well, "across the board" was a clever euphemism. "Across the board" means that the wealthy get a whopper of a tax cut and the average guy like you gets

little or nothing.

Worker. Well, wasn't there any tax break for me in that Reagan bill that everyone was

pragging about?

H. & R. BLOCK MAN. Well, let's see. I'll ask you some questions to see if you qualify.

Do you have a large amount of dividend income? Do you own a piece of a Subchapter S company? Income from this stuff is called 'unearned" and the Reagan tax bill gives one hell of a tax break on "unearned" income.

WORKER. I earn all of my income. I don't own any stocks or any of that Subchapter S stuff.

H. & R. BLOCK MAN. Too bad. Well, do you own any oil royalties? If you do, the Reagan

bill gives you a heck of a deal on that.

WORKER. No. I've told you. I work for a living. The only thing I own is my car, my dog, and my house, and my Savings and Loan

owns most of the house.

H. & R. Block Man. Too bad. There is nothing in the Reagan bill about dogs, although there is a great deal in the Reagan bill for thoroughbred race horses. Do you happen to own a thoroughbred race horse?

WORKER. No. But my father-in-law bets on

H. & R. BLOCK MAN. Say, speaking of your father-in-law, he can now give you a \$10,000 tax free gift under the Reagan bill.

Worker. I told you, my father-in-law bets on horses. He borrows money from me.

H. & R. BLOCK MAN. Gee, that's too bad. Let me try one more angle. Does anyone in your family own a grove of pecan trees? There's a real good tax steal on those in the Reagan bill.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. EAGLETON. I do not yield.

WORKER. The only trees I own are the two in the backyard, and Dutch Elm is about to get them.

H. & R. BLOCK MAN. Sorry, no gimmick in the bill for Dutch Elm. Do you have a rich relative who might die and leave you a bundle? The Reagan bill is great on rich people when they die.

WORKER. None of my relatives have a pot

to cook in.

H. & R. BLOCK MAN. Well let me take one final stab. Does any member of your family own any oil stock? The Reagan bill gives away the store to the oil industry. The oil boys get a \$33 billion give-away in the Reagan tax bill and anyone who earns any capital gains from selling their oil stock will find that he's paying less in taxes to boot. If you or your wife happen to own some Conoco stock, the combination of all the bigshot corporations bidding for Conoco and the special deals the Reagan bill gives to oil companies will give you a huge capital gain on Conoco stock. The Reagan bill gives a great tax deal on capital gains.

Worker. The only thing I know about Conoco is that I buy their gasoline and pay

too much for it at that.

H. & R. BLOCK MAN. Well, I'm sorry, fella, the Reagan tax bill doesn't do a thing for you. You aren't rich enough to benefit from its provisions. Perhaps someday you will win a pot of gold on a TV game show. By the way, there is a special tax deal in the Reagan

bill for investors in game shows. But I guess you don't own a piece of a theatrical production or a game show. I'm terribly sorry, fella, but the Reagan bill wasn't designed with you in mind.

This conversation may never take place. But the gist of this conversation will take place. Mr. Average Citizen will come to realize that he has been had by the Reagan tax bill. He will realize that about all he gets of the Reagan bill is the privilege to pay high interest rates and the increased risk of losing his job in a credit-crunch recession.

Mr. Average Citizen will realize that the across-the-board Reagan tax cut and its assorted sweeteners constituted nothing more and nothing less than the rape

of the U.S. Treasury.

Finally, Mr. President, let me say this: Many articles have been written since the President's decisive, convincing, and overwhelming victory on the tax bill in the House of Representatives. Articles have been written to the effect that the Democratic Party is dead and gone, perhaps forever. Only time will tell the accuracy of those political predictions, those dire predictions, that are being made by some of the journalistic pundits.

But I submit this: I suggest that the Democratic Party is not dead and that the one main thing that is keeping the Democratic Party alive is the egregious, greedy inequity of this Reagan tax

program.

I will make the prediction that, come 1982 and come 1984, those journalistic pundits who are predicting the demise of our party will point to this date will point to the date of August 3, 1981when the Reagan folks foisted on the American people a greedy, bloated, avaricious tax bill that benefits only the rich and gives a pittance to the poor and to the moderate income taxpayer.

The journalists will point to this day as the day of the revival of the Democratic Party.

This bill keeps the Democratic Party alive. It is so inherently inequitable, so inherently imbalanced, and so inherently unfair that it will stand as the bedrock for the rebirth of the Democratic Party.

The euphoria of the moment is clear. I do not want to be the skunk at the garden party, but I caution those who are caught up in this euphoria that the day of reckoning is coming. Do not sell the intelligence of the American people short. The American people, at this particular point in time, may not know all the "sweeteners," "goodies," "ripoffs," and the "special benefits" that are in this bill, but they will know. They will come to know them when they see that they get nothing out of this bill and that the rich get richer, the special interests get more special benefits, and that the oil companies get \$33 billion in tax relief that they neither need nor deserve.

When the American people come to that awareness, there is going to be a day of political retribution, and that day of political retribution will be visited upon those who foisted this "across-theboard" tax cut euphemism on the American people.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield 5 minutes to the Senator from Minnesota.

Mr. BOSCHWITZ, Does the Senator from Kansas wish to make a response to the Senator from Missouri?

Mr. DOLE. I will take a moment to indicate that I appreciate the statement by the Senator from Missouri, my friend, who did not vote for the bill in the first place. The vote was 89 to 11. We have heard from two speakers who voted against the original bill, so I would not expect any great praise.

I will want to clarify the record as to some misinformation that got into the H. & R. Block questions and answers, as to whose bill it was in.

The provision as to the pecan trees. for example, was added on the floor. It did not make it through the conference. The investment credit for television game shows, the "Gong Show" amendment, fell by the wayside in conference. We fought hard for those amendments and could not retain them in conference. [Laughter.]

Mr. President, I yield 5 minutes to the

Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, will the Senator yield me 10 minutes?

Mr. DOLE. All right.

Mr. BOSCHWITZ. Mr. President, 1 was very upset on Saturady night, when I arrived here and found that the Senator from Massachusetts had left, forcing us all to be back on Monday, even though we were prepared to debate and vote by voice vote on the conference report of the tax bill. Yet, he left and saw to it that we all had to come back here today, at considerable cost to the American taxpayer. I do not know how much of a cost-\$40,000 or \$50,000 for shipping Senators around and opening the Senate, with all the expense that requires.

That, in my judgment, perhaps deserved the term that the Senator from Missouri used-egregious. The Senator from Massachusetts could not be here. Nevertheless, he saw to it that, despite many family and other obligations, we had to rearrange our travel, in the face of the air controllers' strike, presenting even more problems.

However, what surprises me, and what I ask the Senator from Massachusetts to address himself to again, is where in this bill he finds such advantage being given to the large oil companies. That, of course, is his reason for asking that the bill be recommitted to yet another conference.

There are four provisions that affect oil in this conference report.

Incidentally, it is important to point out that the \$33 billion that the Senator from Massachusetts speaks of is a 10year figure. It is not a figure for each year but it is a figure spread out over 10 years. The royalty owners' credit and exemption is approximately one-third of that \$33 billion. It does not apply to the big oil companies the Senator speaks

The producers' exemption applies to the exemption of stripper oil wells which produce 10 barrels a day or less. Most oil wells in this country do produce 10 barrels a day or less. There are well over

500,000 oil wells, and most of them are producing very few barrels a day. It exempts stripper oil produced by independent producers.

The Senator points out that 10 barrels, when annualized, amounts to \$100,000. Yet, he criticizes the Senator from Kansas, who opposed a 1,000-barrel-a-day exemption.

That is real money, I say to the Sen-ator from Massachusetts, who is not listening. That is real money. That is about \$10 million a year, not just \$100,000 a year. Yet he criticizes the Senator from Kansas for not supporting the Bentsen amendment which really would have been a very major reduction in that tax. One thousand barrels a day is indeed very large production, which most independent producers certainly do not have.

So, the first part of this bill, the royalty owners' credit and exemption, does not apply to big oil. That is \$11 billion over 10 years.

The next part of the bill, the producers' exemption, applies to stripper wells of independent producers. It is approximately \$6 billion over 10 years. It, too, does not apply to big oil.

The depletion allowance, which is \$8.4 billion over 10 years, does not apply to big oil either.

Then we come to the reduced tax rate on newly discovered oil. Indeed, that could apply, at least in part, to big oil companies. It should be kept in mind that approximately 80 percent of the wells that are drilled in this country are drilled by independents, are drilled by wildcatters. They are not drilled by the large oil companies, even though independents do not find 80 percent of the oil that is found. Large oil companies do indeed find a good share of the new oil.

But, I say to the Senator from Massachusetts, there is no difference between the House bill and the Senate bill. It was not an item in conference. Certainly no one could reasonably presume or reasonably maintain that the conference would go beyond a conferenceable item or that it would get into the never, never land

of anything goes in this tax bill.

This bill with all of its exposure and all the attention it is getting, simply would not go beyond the items that were conferenceable, and this was not such an

The only item in the bill that applies to big oil is the reduced rate on newly discovered oil, which will save the oil industry \$6.6 billion. Let us assume that half of that savings goes to the big oil companies. Then \$3.3 billion of this bill would apply to big oil companies. Not the \$33 billion, but \$3.3 billion, yet this particular provision was the same in the House bill as in the Senate bill and simply was not an item of the conference.

So, as the Senator speaks out about crocodile tears, the wealthiest industry in America, and the \$33 billion that we are handing the big oil companies, I submit that he is just plain wrong; that perhaps one-tenth of that \$33 billion applies to the big oil companies. It is not even clear that it is as much as one-tenth, and, even so, that particular one-tenth was not subject to the conference. Therefore, I submit that the Senator from Massachusetts has brought the Senate back here today under false pretenses. The Senator from Massachusetts is doing what the Senator from Kansas stated, creating a media event, and I, for one, dislike it.

I admire the Senator from Massachusetts, but not today, because he is wasting the time of the Senate. He is wasting the money of the American taxpayers in bringing us back here on an item that is simply not subject to conference.

I was not at the conference, but I understand from people who were there, that numerous objections were heard when items were brought up that were not properly conferenceable. Certainly, the Senator from Massachusetts understands that if this item, one of the principal items in the entire windfall profit tax provisions, had been brought up, it would have been considered beyond the scope of the conference, and most certainly opposed for that reason.

So, Mr. President, I am sorry that I have to be here today. I am sorry that the Senate has to waste its time and its money, the money of the American taxpayers, perhaps not in the billions, and that is all we talk about around here, but \$40,000 or \$50,000, the kind of money I used to understand pretty well before getting to the Senate. Now I am in the big time. Now I only talk about billions and hundreds of millions.

But, Mr. President, I submit to you that we are here under false pretenses and that indeed the single item of this bill that applies to big oil was not even an item of conference.

I yield.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY and Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I will make a brief comment, and then I will be glad to yield to the Senator from New Hampshire.

The issue is, is \$33 billion for the oil industry too much?

The Senators from Minnesota and Kansas can talk about how you cut up the pie, but it is \$33 billion for a major industry which has been described as the most profitable in this country.

There is just one point I will make in response to the Senator from Minnesota. He talks about 10 barrels and he talks about \$30 a barrel. He is talking about \$300 a day or \$100,000 a year. For those who own 10 stripper wells, he is talking about \$1 million a year in income. That is what they talk about when they talk about mom and pop stores in the oil industry, \$1 million a year income.

I come back to my statement, are we going to shed crocodile tears for individuals in this country who are making \$1 million a year in income and have already been described as the most profitable industry in this country?

I yield to the Senator.

Mr. BOSCHWITZ. Mr. President, now all of a sudden we are going from nothing to \$1 million a year.

Mr. KENNEDY. Mr. President, this is on his time.

Mr. BOSCHWITZ. Fine. This is on the time of the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor. Does he yield?

Does the Senator from Massachusetts yield?

Mr. KENNEDY. I yield for a question as long as the question is on the time of the Senator from Minnesota.

Mr. DOLE. Mr. President, I yield 1 minute for that purpose to be very help-

Mr. BOSCHWITZ. Let me comment. The Senator goes from nothing to \$1 million a year. One of the people on my staff has an oil well that is producing in Kansas. He and his bother-in-law are up to 2 barrels a day. They do not have 10 wells, only that single well and, as a matter of fact, the brother-in-law is entirely engaged in trying to make it two wells.

People do not have \$1 million a year, and mind you that is not tax-free income. That is income that is subject either to a corporate tax or an individual

Mr. DOLE. It is gross.

Mr. BOSCHWITZ. Sure. It is an item of gross income. And it is subject to income tax.

The Senator is quite right, that it may not be subject to a windfall profit tax. But again, the Senator is talking about the oil industry. He is talking about wanting the oil industry to be energy independent over a period of time. Certainly if people who go out to produce oil and people who go out to look for oil are going to create the energy independence of this country, they have to be allowed to make a reasonable dollar.

The PRESIDING OFFICER. The Sen-

ator's time has expired.

Mr. KENNEDY. Mr. President, I yield such time as the Senator from New Hampshire may require.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. RUDMAN. Mr. President, I thank the Chair and I thank the Senator from Massachusetts for yielding time.

Mr. President, I supported the President's tax bill and I will support it today on final passage.

I wish to say to the Senator from Kansas and the ranking minority member, the Senator from Louisiana, that I thank them very sincerely for what I know were their Herculean efforts to incorporate in the conference report the amendment that passed the Senate 71 to 25 to give home heating credit for all fuels to those people of moderate income.

I know from people who attended the conference that they tried and they tried diligently. I understand that the House of Representatives just would not have

I thank them for faithfully trying to fulfill the wishes of the Senate.

I wish to say as much to the Members of the House of Representatives and to the administration more than to the members of the Finance Committee that I do not intend to engage in a diatribe against big oil today. That has been going on for years. But I wish to address something to the record today and hope that in later debates some dim echo of what I say may be heard.

We have spent 1 hour and 15 minutes in the Chamber today talking our interpretations, be it the Senator from Massachusetts, the Senator from Kansas, or the Senator from Minnesota, as to what was or was not done for people who either drill for oil, own oil wells, or invest in oil.

As far as this Senator is concerned, that is symptomatic of the problem that has been going on in Congress for more years than I wish to remember.

Because, Mr. President, there were only two amendments that came to that conference that dealt with the consumers of this Nation. One dealt with a tax credit for wood stoves. The other dealt with, the Senate amendment sponsored by the Senator from Massachusetts and myself which dealt with, inflation-fighting tax credits for those who have a hard time heating their homes across the Frost Belt of this country.

Neither of those amendments is before us for final passage, and what that tells this country, Mr. President, is that the majority of Members of the House of Representatives and a number of Members of this body do not care about the deep concerns that many of us have for the people of the Frost Belt of this country, who are making horrible choices every winter, people in my State spending 32 to 40 percent of their income to heat their homes.

Now, Mr. President, I want to make a prediction, and it is simply this: This Senate and the House represent this entire country. This entire battle has been a regional conflict for more years than I would like to remember. The fact of the matter is if there were a disaster in any part of this country costing millions or billions of dollars affecting the lives and the safety of human beings who are American citizens, be they from Louisiana or from Mississippi or from Kansas or Maine, the majority of the Members of this Senate and that House would vote funds to help them in their time of need.

Well, I want to serve notice on the Members of this body that the people of the Northeast are in a time of dire need, as well as the people of the upper part of this country from East to West, and we are facing a crisis and a polarization of those who freeze against those who do not. I hope when the President's second tax bill comes before this Senate that we will pay heed to those people who need help.

It is not simply a question of giving credits for home heating. It is a question of the entire administration's policy towards alternate energy sources. If we are to say, and the majority is to prevail, that free market policies are the policies of this administration and we will let the price of oil and gas and whatever energy sources rise as the market demands, and that prevails, so be it. But at the same time we ought to be making some substantial commitments to helping the people of this country find alternate energy sources to help ameliorate the horrible impact these costs have been having.

Mr. President, I support the President's tax program. I think it is a good program. I think there are some things

in it which I would have voted against had I had the chance. But in the main I disagree, of course, with my good friend from Missouri. I think it is a very good bill, and I will vote for it on final passage. But I will support the Senator from Massachusetts today in his motion to recommit not because I do not believe the Senator from Kansas or the Senator from Louisiana have not done an extraordinary job and worked hard, and I thank them for that and I am sure my constituents do, but because I would like to give the Members of the House who so quickly rejected our amendment, who so quickly rejected their own amendment on wood stoves, the only two items directed to the consumers of energy in America in this entire tax bill, I would like to have them have a chance again to address those issues and do something for the people who need help.

I thank the Senator from Massachusetts for the time.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I appreciate the comments of the distinguished Senator from New Hampshire, and I think even though the motion to recommit is based on what some consider to be too much relief to certain segments of our economy, I think the point has been made that we are talking about a \$750 billion tax package in the next 5 years. and we are concerned about the difference between \$11.6 billion and some lower figure, it could not be any lower than 6, so we are discussing something between \$6.2 billion and \$11.7 billion. I do not know what percent that is of \$750 billion, but certainly it is not very much.

I hope we would focus on what this tax package means to the American working man and woman, as well as American business. Anybody can pick up the table of contents in the conference report and learn very quickly that there are a number of provisions that will reduce taxes for people in this country, whether it is some relief from the marriage penalty, a child care credit, deductions for charitable contributions, tax relief on the sale of a residence, individual retirement accounts, the socalled targeted jobs tax credit, 25 percent across-the-board rate cuts, the estate tax reductions, and the accelerated cost recovery system, which is certainly going to be helpful to business and create new jobs.

It would seem to this Senator this is a massive program that is going to impact on every single American, taxpayer or nontaxpayer alike.

During this media event this afternoon we may have lost sight of just what this bill will do for the American people. Let us face it. All we have here is a media event, an attack on the big oil companies or so-called big oil companies, even though that is not a part of the discussion.

So I would just suggest during this media event maybe we ought to talk a little bit more about what this bill means to the American people.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOLE. I will be happy to yield to the Senator from Louisiana.

Mr. LONG. We did not talk about the employee stockownership plan provisions which concern employees owning stock in corporations. The Senate did not get all we wanted from the conferees, but we did as well as we could. This provision will help employees to get some stockownership in the corporations in which they work, more so than any measure would do.

I would have liked to have seen accepted everything the Senate passed on employee stockownership. But what was agreed to will help advance the cause of the employee stockownership.

Mr. DOLE. As the Senator knows, that was one of the hard-fought provisions. There were a number of hard-fought provisions that we believed in and fought for. As the Senator pointed out, he did not get all he wanted, and I assume the House may have thought the Senator got more than he should have, but we worked it out. That is why I do not really want to dwell on this so-called big oil provision because that never was a matter of discussion among the conferees. It is only a matter of discussion by those who did not attend the conference and who did not vote for the bill in the first place.

Had they voted for the bill and said we had violated their faith or somehow breached our responsibilities, that would have been something else. But those who are standing up now crying out now are—the same old tired liberal voices, making the same old speeches, knocking the private sector. When it gets cold in Massachusetts remember we produce a little oil in the State of Kansas, and we produce a little oil in other States. It is necessary and of benefit to all America.

I understand a media event although I may never have had the success the Senator from Massachusetts has had. This is certainly a good place for one. Who else could call a press conference for 2 hours on the Senate floor? This could all have been done on Saturday night with a voice vote. I want to put in the Record for those Senators who cannot make it back today, to let them know they did not miss these votes because of the Senator from Kansas. There are 10 on this side who wanted to be here for the vote and thought it was all going to be worked out on Saturday.

The Senator from Ohio, who was our special commissioner for taxation on the floor, Senator Metzenbaum, put out a release saying, in effect, we had done a good job and taking credit back home for saying these billions of dollars.

The Senator from Massachusetts said we have wasted them. But what a place for a press conference. I never tried it before in my life, but now that we have everybody here it is not such a bad idea, and we can talk about anything. If you have the right philosophical belief, it will be written about. You might even make the nightly news. But I want the 10 Senators from this side and the 10 from the other side who are absent today to know that the Senator from Kansas did not call this meeting. I only came to participate in the meeting as a manager of the bill.

We are not really discussing something that is really in doubt of anything. I hold up as exhibit A the conference report signed by all the House Members, everyone. Some of those have a 100-percent ADA rating, and that is not the American Dental Association. [Laughter.] That is the Americans for Democratic Action. Everyone signed the conference report. They were not concerned about big oil. Only one, only one lone ranger from Massachusetts, stood up and said "We have got to cut off big oil."

Well, if he is going to say that, he has to prove what big oil is, after having hustled back from Massachusetts to meet the rest of us who have been here all weekend. This Senator just suggests that if, in fact, there is a debating point, we ought to debate it. But, as the Senator from Minnesota pointed out, there is not any debating point. Big oil has never been a factor. And when the provision is the same in the House side as it is in the Senate side, I assume the Senator would agree there is not anything in conference.

I want to put in the Record that I do not own any interest in oil properties. If I do not, somebody will be writing that I must have some oil. I do not have any. I have some in my car and that is about all. I do not have any production. I tried it once and did not do very well. I decided to run for Congress, instead. So this Senator does not have any big oil income. I am not worried about the tax breaks in this bill. It will help. not as much as it will help some, but it will help. So I would hope that those of us who

So I would hope that those of us who could make it here are here, some 78 or 79 Senators are present. I hope the others who are listening or tuned in will know that we had an outstanding meeting and that nearly everybody came and it was really written up in the proper places. Maybe not accurately, but it was noted. The Senator from Massachusetts gave up Monday to come back and tell the rest of us what we did wrong on Saturday and all night Friday night.

But this Senator is not going to yield to anyone to suggest that we went into that conference and did not keep our word to the Members of this body. About all I have is my word on the Senate floor. Once you lose that credibility in this body. I suggest that it is very difficult to continue. This Senator followed the instructions from the Senate.

I might say that even the pecan trees, we even put up a battle for those pecan trees; not very long, but we put up a good fight. We did not talk too long, but we made the point for those pecan trees. The Senator from Louisiana, I thought, made a very good argument. The trouble is, no one listened. So we dropped the pecan trees.

The "Gong Show" amendment had a lot of support in the Senate, and it passed on a voice vote. The distinguished Senator from Alaska offered that amendment, along with another amendment to help theatrical productions. We could not find any support for that among the House conferees. In fact, some thought we were in the Gong Show about 3 o'clock in the morning. So we had to drop the amendment.

I would sav that there were other amendments that did not survive. Some were good and some were bad and some we passed anyway. That is sort of how it works out in a conference.

The Senate did not get all they went in with and the House got less than they went in with, in some cases. We had to drop some provisions that I know some Senators wanted very much-the Senator from Connecticut, Senator Dopp, and the Senator from Pennsylvania, Senator HEINZ, for example, had what I thought was a good amendment to modify section 189. We had to modify their amendment, but we went back to ACRS and put the real property recovery method back up to 175 percent rather than 150 percent. The Senator from Connecticut came down to our conference about 2 a.m. that morning. He arrived, I think, when we were discussing oil, because the last three items discussed were the oil amendments. the straddles, and the heating credit.

On straddles, the Senate prevailed. There were discussions about lowering the rate from 32 percent to 20 percent. But there was not sufficient support for doing that, on the House side and in the Senate we felt we had a pretty good provision.

As I have indicated before on the oil proposition, there was never any argument about dollars. In fact, I believe the distinguished Congressman from Florida, Congressman Gibbons, will tell the Senator from Massachusetts that, as far as he was concerned, we could have gone to \$12 billion over a 5-year period. But we did not do that. We settled on \$11.7 billion or \$11.6 billion, depending on whose figures you use. So this Senator would suggest that the dollar amount was never in question until it was raised by the Senator from Massachusetts.

Certainly that is his right. I have no quarrel with that.

Mr. President, early Saturday morning the conferees on the tax bill reached agreement on the provisions that should be included in the bill that we send to the President's desk. This agreement represents the final stage of the tax legislative process that, for practical purposes, began last summer when the Senate Finance Committee approved a tax bill that would have reduced individual tax rates and provided accelerated depreciation beginning in 1981.

The major provisions of this legislation were similar in both bills—5-10-10 sequence of individual tax rate reductions, and the accelerated cost recovery system for business investment in new plant and equipment. Both bills also included identical provisions for stabilizing individual tax rates by a system of indexing beginning in 1985, and included similar provisions that would make major revisions of the estate and gift tax laws, the tax treatment of Americans working abroad, and incentives for individual retirement savings. To the extent these provisions differed, the differences have been resolved in what I believe is a satisfactory manner.

Mr. President, each bill contained a number of provisions on relatively narrow or technical matters that were not also in the other bill. Some of these have been dropped by agreement of the conferees, and some were modified to satisfy concerns that were raised. We have done our best to consider the interests of those

who proposed amendments, and I think we have come out with a good package. Obviously anyone who proposed an amendment that is not in the final package will have every opportunity to have that proposal reconsidered in the next tax bill.

There were some areas of substantial disagreement between the bills, including oil, commodity straddles, and ESOP's. While some hard bargaining was necessary, a suitable balance has been struck in each of these areas. The particulars of the agreement are set forth in the conference report. I believe we now have a bill that everyone can agree to.

Mr. President, as far as this Senator is concerned, this is the conclusion of the legislative process on this matter with regard to the Senate. The issues have been debated again and again, and the sentiments of the people have been overwhelmingly expressed in both the Senate, by a vote of 89 to 11, and the House, by a vote of 238 to 195. We know how the people want us to go, and we know the preferences of the President. We must have this legislation on the books as soon as possible, and I hope we will agree to the conference report without delay.

This legislation is the most important revision of the tax laws in recent years. It redirects tax policy to restore incentives for work, savings, investment, and productivity. This change in direction will benefit all Americans, and can be a key part of an economic renaissance in this country. That is why this legislation has received priority attention from the Congress and why we should take satisfaction in completing action before the August recess.

Mr. President, this effort would not have succeeded without the cooperation of many in Congress and in the executive branch. I have mentioned before the contribution of the distinguished minority leader, Senator Byrn, and of course the distinguished majority leader, Senator Baker. I would now also like to express my appreciation to the Speaker of the House, TIP O'NEILL, for agreeing to the ambitious legislative schedule that enabled us to move as fast as we have. In particular, I salute the conferees on this legislation. Chairman Rostenkowski showed good spirit and determination in his efforts to complete action on the bill. As always, the senior Senator from Louisiana, Russell Long, made an invaluable contribution. I also thank Senators Roth, Packwood, Danforth, Byrd, and Bentsen, and Congressmen Pickle, GIBBONS. STARK, RANGEL, CONABLE. ARCHER, and DUNCAN for putting in the long hours and helping in the negotiations that led to this agreement.

Mr. President, I ask unanimous consent to have printed in the Record at this point a brief summary of the legislation as agreed to by the conferees.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

As agreed to by the House and Senate conferees, the Economic Recovery Tax Act of 1981 provides for substantial reductions in the individual income tax, the corporate income tax, the windfall profit tax and the

estate and gift taxes. It also contains provisions for reforming the treatment of tax straddles and improving tax administration. The revenue impact of the Act is estimated to be a reduction of \$1.6 billion in fiscal year 1981, \$37.7 billion in 1982, \$92.7 billion in 1983, \$149.9 billion in 1984, \$199.3 billion in 1985 and \$267.6 billion in 1986.

Let me summarize the major provisions of the Act.

INDIVIDUAL INCOME TAX PROVISIONS

The Act reduces individual income tax rates across-the-board, beginning on October 1, 1981. The cumulative rate cuts are scheduled to be 1½ percent for 1981, 10 percent for 1982, 19 percent for 1983 and 23 percent for 1984. However, the top tax rate is reduced to 50 percent and the maximum tax is repealed in 1982. Starting in 1985, the income tax brackets, zero bracket amount and personal exemption are adjusted for inflation as measured by the Consumer Price Index.

The Act allows a married couple that files a joint return to deduct 5 percent of the first \$30,000 of the lower earning spouse's earned income in 1982 and 10 percent of that amount after 1982. It allows all taxpayers, whether or not they itemize deductions, to deduct 25 percent of the first \$100 of charitable contributions in 1982 and 1983, 25 percent of the first \$300 contributed in 1984, 50 percent of all contributions in 1985 and 100 percent of all contributions in 1986, after which the provision expires. The Act permits deduction of up to \$75,000 of foreign earned income in 1982, deduction of certain excess foreign housing expenses, and reduces the out-of-country requirement to 11 of 12 months. The child and dependent care credit is put on a sliding scale based on the taxpayer's income, and the maximum amount of expenses taken into account is increased to \$2,400 for one dependent and \$4,800 for more than one dependent.

The maximum effective tax rate on capital gains for individuals is reduced by the Act to 20 percent on sales or exchanges made after June 9, 1981, and the present 12-month minimum holding period for long-term capital gain or loss treatment is retained.

BUSINESS TAX CUT PROVISIONS

The Act replaces the present system of depreciation and investment tax credits with the Accelerated Cost Recovery System. Under this system, most tangible personal property is depreciated over 3, 5, 10 or 15 years. Personal property with an ADR midpoint life of 4 years or less and research and development equipment are depreciated over 3 years. Public utility property with an ADR midpoint life greater than 18 years but not greater than 25 years, railroad tank cars, residential mobile homes, real property with an ADR midpoint life of less than 13 years and certain coal utilization burners and boilers used by public utilities are included in the 10-year class. Public utility property with an ADR midpoint life exceeding 25 years is depreciated over 15 years.

In general, all other personal property and single purpose agricultural structures and petroleum storage facilities are depreciated over 5 years. The method of depreciation is approximately equivalent to the 150-percent declining balance method switching to straight-line for property placed in service in 1981-1984; the 175-percent declining balance method switching to sum-of-the-year's digits for property placed in service in 1985; and the 200-percent declining balance method switching to sum-of-the-year's digits for property placed in service after 1985. At the taxpayer's election, up to \$5,000 of equipment may be expensed in 1982 and 1983, 87,500 in 1984 and 1985, and \$10,000 after 1985.

The Act provides a 6-percent investment credit for eligible property in the 3-year class and a 10-percent credit for eligible property (including petroleum storage facilities) in

the 5-year, 10-year, or 15-year classes. On early disposition, the credit is recomputed by allowing a 2-percent credit for each year the property is held. An at-risk limitation is applied to certain taxpayers, and the 7-year requirement for availability of credit for qualified progress expenditures is repealed. The limitation on used property eligible for the credit is increased to \$125,000 in 1981 and \$150,000 in 1985, and the investment credit carryover period is extended to 15 years.

Under ACRS, real property is depreciated over 15 years, on a composite basis and without regard to salvage value. The method of depreciation is approximately equivalent to the 175-percent declining balance method (200 percent for low-income housing) switching to straight-line. Section 1245 recapture will apply on dispositions of nonresidential property if the accelerated method of depreciation has been used. Section 1250 recapture will apply on dispositions of residential property.

The Act liberalizes the terms for characterizing a transaction as a lease and contains rules to prevent the churning of assets solely to obtain the benefits of ACRS.

The Act provides an investment credit for rehabilitation expenditures of 15 percent for nonresidential buildings 30 to 39 years old, 20 percent for nonresidential buildings 40 or more years old, and 25 percent for certified historic structures. The credit is available only if straight-line depreciation is elected. Basis reduction is required for rehabilitation credits other than the tax credit for certified historic structures.

The Act provides a nonrefundable 25-percent tax credit for incremental research and experimental expenditures made after June 30, 1981, and before 1986. The Act reduces the corporate income tax rate on income under \$25,000 to 16 percent in 1982 and 15 percent thereafter; on income between \$25,000 and \$50,000 the tax rate is reduced to 19 percent in 1982 and 18 percent thereafter.

ENERGY TAX PROVISIONS

The Act allows a royalty owner's credit up to \$2,500 against windfall profit tax for 1981. There is a 2-barrel a day exemption for royalty owners in 1982 through 1984 and a 3-barrel a day exemption thereafter. The Act also exempts stripper oil produced by independent producers, beginning in 1983, and reduces in steps the tax rate on newly discovered oil to 15 percent by 1986.

SAVINGS INCENTIVE PROVISIONS

The Act increases the limit on the deduction for contributions to a self-employed retirement savings plan to the lesser of 15 percent of earnings or \$15,000. The Act also increases the limit on the deduction for contributions to an independent retirement account to the lesser of 100 percent of earnings or \$2,000, and extends eligibility to active participants in employer-sponsored plans.

The Act repeals the present \$200 interest and dividend exclusion and reinstates the \$100 dividend exclusion of prior law, beginning in 1982. Starting in 1985, there is a 15-percent net interest exclusion up to \$450 on a single return and \$900 on a joint return. Up to \$1,000 (\$2,000 on a joint return) of interest earned on one-year certificates issued by depository institutions between October 1, 1981, and December 31, 1982, are exempted from income tax. These certificates must be issued at 70 percent of the Treasury bill rate and at least 75 percent of the proceeds must, in general, be linked to residential financing and agricultural loans.

This Act terminates the ESOP additional investment tax credit after 1982 and allows a new income tax credit for contributions to an ESOP. The new credit is limited to 0.50 percent of compensation paid to employees under the plan in 1983 and 1984, to 0.75 percent in 1985 through 1986, and terminates thereafter.

The Act permits utility corporations to

establish dividend reinvestment plans, under which an individual may exclude up to \$750 of stock dividends (\$1.500 on a joint return) per year. Shareholders will have a zero basis in such stock and realize gain upon sale of the stock. The provision applies to distributions made after 1981 and before 1986.

ESTATE AND GIFT TAX PROVISIONS

Beginning in 1982, the Act increases the unified credit in stages so that transfers up to \$600,000 will be exempt from the estate and gift taxes by 1987, phases down the maximum tax rates to 50 percent by 1985 and allows an unlimited marital deduction. The estate tax limitation on reduction in fair market value for current use valuation is increased to \$600,000 for 1981, \$700,000 for 1982 and \$750,000 for 1983 and thereafter. The amount of the annual gift tax exclusion is increased to \$10,000 per donee, plus an unlimited exclusion of amounts paid for benefit of an individual for medical expenses and school tuition.

TAX STRADDLES

The Act provides that regulated futures contracts be marked to market at year end and taxed as if 60 percent of the net gain is long-term and 40 percent is short-term. Straddle losses on contracts that are not marked-to-market are allowed only to the extent losses exceed unrealized gains on off-setting positions, and disallowed losses are deferred. The Act requires that taxpayers capitalize interest and carrying charges, that Treasury bills be treated as capital assets and that broker-dealers identify securities held for investment on the day they are acquired. The Act exempts hedging transactions from the mark-in-market, loss deferral and capitalization rules.

ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

The Act provides for the annual adjustment of the interest rate on deficiencies and overpayments to 100 percent of the prime rate, provides additional penalties for filing false W-4 forms, requires that estimated tax payments of large corporations be increased over 3 years to 80 percent of the current year tax liability, and increases the exemption from the estimated tax penalty for individuals to \$500 over a 4-year period. In addition, the Act provides for increases in railroad retirement taxes and, among other miscellaneous provisions, an extension of the telephone excise tax through 1984.

In addition, the Act extends and modifies the targeted jobs credit. The credit will be available for targeted employees, including displaced CETA workers, who begin work before January 1, 1983. The modifications include administrative tighthening and limits on retroactive certification.

Mr. DOLE. Mr. President, I do want the Record to reflect that this is a very comprehensive piece of legislation. It is good tax legislation. We can quarrel all day long about whether it is too much for business or too much for individuals or too much for my part of the business sector. But it is a \$750 billion tax proposal and probably makes the biggest single piece of tax legislation in history.

Eighty-nine Members of this Senate voted for it. Eleven voted against it. That is their right. Two have already spoken and the other nine may show up. But these are the facts: 89 to 11.

Now, it cannot be 89 today because some Senators cannot get back. But many of the Senators are here and it will be a good vote.

I would hope when we vote on the motion, whether it is going to be the motion to table or the motion itself, that we keep in mind that the Senate conferees kept their pledge to the Senate. We, in

Modification of Foreign Investment Com-

Charitable Contributions by Corporations Unemployment Tax Status for Fishing Boat

pany Provisions.

Tax Credit for Pecan Trees

Services.

Mr. President, I ask unanimous con-

fact, split the difference on this provision. We tried to keep as many of the Senate amendments as we could.

sent to have printed in the Record at this point a list of all the amendments offered in the Senate and their final disposition.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

FLOOR AMENDMENTS-DISPOSITION IN CONFERENCE

TITLE	FLOOR AMENDMENT	CONFERENCE ACTION
Indexing	Committee	Same as House Bill.
Child Care Credit	Metzenbaum & Durenberger	House recedes except to refundability and employer 50 percent credit.
Charitable Deduction for nonitemizers	Packwood	Senate recedes with amendment providing \$300 Cap in 1984 and requirement of sub- stantiation.
Sale of Residence by Handicapped Persons Capital Cost Recovery (Eligible Property)	Huddleston	Senate recedes. House recedes with amendments—RACE
Capital Cost Recovery—Useful Lives for	D. Brad & Lineau	horses over 2 years old and other horses over 12 years old go into 3 year class. All others 5 years.
Personal Property.	R. Byrd & Eugar	Same as House Bill with amendment to place burners & boilers using coal in 10 yr. class if used by utility & if conversion or replacement; and to place residential manufactured homes in 10 yr. category.
Real Property Cost Recovery Methods	Dole, Roth	Compromise: Sec. 189 repealed only for low income housing. 200 percent declining balance for low income, 175 percent declining balance for all other real estate.
Depreciable Assets Held Out of United States	Roth	House recedes: (1) except "within/without" clause; (2) no long-term leases to foreign railroads.
Investment Tax Credit	Roth	House recedes: (1) except "within/without" clause; (2) no long-term leases to foreign railroads.
Used Property Limit for Investment Credit	Durenberger & Weicker	Same as House Bill.
Recapture of Investment Credit Capital Cost Recovery-Miscellaneous nor- malization for utilities.	The state of the s	Same as House Bill. House recedes.
Capital Cost Recovery (Inventory Credit) Penalty for Demolition of Historic Struc- tures.	Matsunaga Chafee	Same as House Bill. Same as House Bill.
Credit for Research and Experimentation Allocation of Research & Development Ex- penditures to U.Ssource income.	Glenn	Senate recedes. House recedes. Effective for two years.
Subchapter S Corporations	Byrd (Va)	House recedes.
Qualified Charities Production Credit for Certain Gases	Cochran Tower	Same as House Bill. House recedes.
Corporate Rate Reduction	Weicker	Same as House Bill.
Extension and modification of Targeted Jobs Tax Credit.	Heinz	Extension until January 1, 1983, with modifications.
Individual Retirement Accounts (Contribu- tions by nonworking former spouse).	Grassley	Compromise: Alimony treated as earned incomee
Study of Retirement Savings Tax Incentives	Heinz	Senate recedes.
Partial Dividend and Interest Exclusion Tax Exempt Savings Certificates (No restrictions on Credit Unions).	Schmitt Bentsen	Senate recedes. Senate recedes.
ESOP's	DeConcini	Senate recedes.
Qualified Group Legal Service Plans Estate and Gift Tax Provisions	Dole for Packwood Symms	House recedes. Unified Credit—Senate recedes. Rate reduction—Senate recedes. Marital deduction—
Current Use Valuation Cap	Baucus	same as House Bill. Senate recedes with modification: 1981—
Payment of Estate Tax Attributable to Closely Held Business.	Symms	\$600,000; 1982—\$700,000; 1983—\$750,000. Deferred payment to Estates taxes—Senate recedes.
		Judicial review provided—House recedes. No Acceleration of tax upon transfer to family number—Senate recedes.
Special Gift to Smithsonian Generation-skipping Transfer Tax Annual Payment Gift Tax	Goldwater Symms	House recedes. House recedes. Senate recedes.
Tax Straddles	Moynihan	(S. 955—Byrd of Va. adopted as part of con- ference report.)
Dealer Identification of Securities Held for Investment.	Moynihan	House recedes. House recedes.
Penalty for Valuation Overstatements Disclosures of Return and Information for Purposes Unrelated to Tax Administra- tions.	Wallop Nunn	Same as House bill. Senate recedes.
State Legislators' Travel Expenses	D'Amato	Per diem deduction—Senate recedes, with amendment to apply provision for tax- able years beginning on or after January 1,
Frince Powell Powelst		1976.
Fringe Benefit Regulations Campaign Funds	Mattingly Ford	House recedes. House recedes.
Tax Exempt Bonds—Volunteer Fire Departments.	Lugar	House recedes with amendment to limit to fire trucks and buildings.
Modification of Foreign Investment Com-	Boren	House recedes.

Kennedy House recedes. House recedes with amendment 1 year exemption for FUTA, not retroactive for FICA. Cohen Heflin Senate recedes.

House recedes.

Hatfield

Dodd Heinz

Durenberger

Melcher

Bentsen

Garn

Gorton

Jepsen

Heflin

Chiles

Rudman

Boschwitz

Heinz

TITLE Mortgage Subsidy Bonds-State of Oregon Two-year Extension of Telephone Excise Tax-One percent.

Exemption from Firearms Excise Tax-Small Producers

Amortization Construction Period Taxes and

Amortization of Low Income Housing Re-Quavle habilitation Expenditures Investment Credit for Theatrical Produc-tions and T.V. Game Shows.

Payout requirements Private of Foundations

Imputed Interest Rates or Installment Sales

Bad Debt Deduction for Commercial Banks Home Heating Oil Credit Deductions for Gifts and Awards

Reorganizations Involving Financially Troubled Thrift Institutions (Tax-free reorganization status).

Tax Treatment of Mutual Savings Banks
Which Convert to Stock Associations. Deduction for Certain Adoption Expenses

C.B.O. Reports on State of the Economy Level of Interest Rates (Sense of the Senate) Interfund Borrowing Among Social Security Trust Funds.

(Mr. WARNER assumed the chair.)

Mr. DOLE. Mr. President, I would hope that most Senators would read that list. If it does not explain it enough, I would be very happy to discuss it, because in a majority of the cases the Senate prevailed. In some other cases where an amendment was dropped, take the amendment of the Senator from Oregon on the Oregon veterans home, it was not because the amendment lacked merit, it was because the House had four or five similar amendments they did not have in their bill and they just said that they were not going to accept the Senate provision. The House conferees did not want to do it because they were going to wait until they were able to take care of some of the problems in their States. And we understood that.

So the Senator from Kansas would hope that we can address these problems raised by the Senator from Massachusetts and the Senator from New Hampshire in the second tax bill. There is going to be a second tax bill. The President had not changed his mind. There was never any attempt to address everything in the first tax proposal.

I would hope that those who have an interest in some measure, whether it is the heating credit or whether it is something else, that we will have an opportunity now to really hone in on some of these areas and try to work them out to serve the best interest not only of the Senators but the people they represent.

We have not given up on trying to improve things in this legislation or improve the tax system. I would hope the Senators who feel that we may have let them down in some way have not given up, either.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY addressed the Chair. The PRESIDING OFFICER. The Senator from Massachusetts.

Senate recedes. House recedes.

Senate recedes.

House recedes with amendment: Sec. 189 does not apply to low-income housing, but will apply to other real property construction.

CONFERENCE ACTION

House recedes.

Senate recedes.

Compromise: postponed effective date until after 12/3/81

Compromise: \$500,000 limit, restricted to intra-family transactions. Applies only to land sales.

House recedes. Senate recedes. House recedes.

Senate recedes with technical modification.

House recedes.

House recedes, itemized returns only and technical modifications.

Senate recedes. Senate recedes. Senate recedes.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

I appreciate the comment of the Senator from Kansas when he said that the money value of this tax deal for the major oil companies was not raised until the Senator from Massachusetts raised it. It seems that the Senate conferees went out shopping on Friday night and they bought a little bit here for some of the oil industry and a little bit there for others of the oil industry and when you added it all up it was \$33 billion.

The Senators from Kansas and Minnesota are well aware of what the majority leader had said. I quote at 19227 of the RECORD on July 31: "There will not be a rollcall vote on Saturday.

Now, I can understand how the conferees wanted to voice vote this right through. They effectively robbed the Treasury on Friday night and they would like to get this thing comfortably through on Saturday night. But we are here in the broad daylight so that the Members of the Senate will be able to vote on this issue about whether we want to give \$33 billion away to the oil industry

I yield 5 minutes to the Senator from Connecticut.

WINDFALL PROFIT TAX REDUCTION

Mr. DODD. I thank the Senator for vielding

Mr. President, at the outset let me compliment the people who stayed up all night Friday night. The Senator from Kansas is absolutely correct. I showed up around 2 o'clock and they were working very hard at that hour. I finally decided they did not need me at that particular point. They seemed to be doing all right on their own. Maybe we should have had the Lone Ranger down here at that hour to carry the day.

I know they did work hard and spent all evening trying to reach a compromise on various matters in disagreement between the Senate and the other body. So I am not here this afternoon to chide or in any way be critical of that effort, but really to comment on the outcome of that effort.

It is in that regard, Mr. President, that I will stand this afternoon with my colleague from Massachusetts in expressing my disappointment over the result of that effort. I do not in any way want to lead my colleagues here to the conclusion that our colleagues did not try. So, it is not on the effort; on the effort they get an A, an A-plus. It is really the result of that effort that troubles me, and that is where I have my disagreements.

Mr. President, I came to the floor last Friday along with several of my col-leagues to urge the Senate conferees on the present tax bill to limit the windfall profit tax reductions to those already contained in the Senate bill.

The Senate bill was already very generous to the Nation's most profitable industry, the oil industry. It provided a tax reduction of \$6.6 billion during the next 5 years and \$20 billion by 1990. At a time when we apparently cannot find even enough revenue to maintain the \$122 per month minimum benefit for social security recipients, when we apparently cannot find the revenue to provide the most elemental nutritional benefits to hundreds of thousands of schoolchildren, the poor and the elderly, I felt that even the Senate bill contained an excessive transfer of wealth from the poor to the rich.

As the Senator from Missouri (Mr. EAGLETON) stated on the floor last week, the budget bill passed by the Congress last week fundamentally alters the social and economic priorities of this Nation by taking from the poor and giving to the rich. The tax measure we will vote on today more than simply reinforces this reversal. It compounds it to a serious degree.

The administration's budget bill will lead to massive cuts in funds to assist the poorest as well as the middle class in our society.

This tax bill will substantially reduce the contribution of the wealthiest members of our society to the revenues needed to finance all functions of Government.

The so-called compromise on the windfall profit tax reductions reached by the conferees violates the most basic standards of social justice. While providing a \$33 billion tax reduction for the oil industry during the next 10 years, the conferees could not find it in their hearts to approve a 1-year tax credit for escalating home heating costs with only a \$500 million price tag.

Mr. President, the administration has been pressing the conferees on this bill to adopt the full \$46 billion, 10-year, boon to the oil industry that was contained in the House bill. That was excessive.

What we have done in the conference is, in my mind, still too excessive. By failing to limit the windfall tax reduction to the \$20 billion provided in the Senate bill we have made it virtually impossible to have a restraining impact on inflation. I am under no illusion, Mr. President,

I am under no illusion, Mr. President, that this bill will be rejected by the majority of the Senate.

May I add at this point that I understand what we are doing in this tax bill is not just aiming for a redistribution of wealth, but we are also trying to increase the productivity of this country. But I think we have lost the sense of balance over the last couple of weeks. This is largely the result of a desire to please those who already share in the greatest benefits this bill will offer.

So, Mr. President, I will join this afternoon with the Senator from Massachusetts and others in expressing our opposition to the conference report despite the valiant effort of the conferees during that allnight session on Friday. I yield back any remaining time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 5 minutes to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MITCHELL. Mr. President, I rise in support of the motion to recommit the bill before us to the members of the conference committee with instructions to return with a lesser revenue loss in the windfall profit tax provision.

As I indicated during the Senate's debate on the bill last week, the provision for oil producers was a cause of deep concern. Despite those concerns I voted for the Senate bill because I felt that its passage was essential to prevent further erosion of working Americans' incomes through inflation caused tax increases, and I will vote for final passage of the conference report. But I did not, and I do not now, feel that either the Senate bill or the conference report's oil tax provision were necessary to provide a production incentive, to speed capital formation, or to relieve any inequities in the tax burden.

The oil industry has not suffered from inflation. Rather, the inflation-induced price increases that have afflicted the remainder of the economy are in very large part due to the extremely high

price of oil, which doubled just 2 years ago.

The oil industry may not have been responsible for that doubling but it has reaped the benefits of it, while no other sector of our economy has been able to do so.

The windfall profit tax was so named and enacted principally because all were agreed that the unprecedented price increase represented a true windfall to oil producers, not an earned return on investment. For that reason, Congress agreed that it was only rational and just to return some small portion of that windfall to the public through a tax that could be used to offset the effects of oil price inflation on individuals and businesses.

So the provisions in the Senate bill which halved the tax rate on so-called new oil and increased the royalty owners' credit from \$1,000 to \$2,500 were matters of serious concern. Those Senate provisions would have cost \$6.5 billion in the first 5 years in revenues returned to the oil producers, a truly generous tax reduction to an already prosperous industry.

Unnecessary as these provisions were, however, the result of the House leader-ship's bidding war with the administration presented the oil industry with even more generous tax relief, \$16 billion in the first 5 years, compared to the Senate's \$6.5 billion.

The Senate could not have responsibly gone along with those House provisions. Fortunately, we do not face that choice today. Fortunately, the conference re-port does not give the oil industry the full \$16 billion the House and the administration promised. Rather, it gives about \$11 billion over the next 5 years. And yet the conference report also tragically eliminates the Senate's home heating cost credit, a modest credit which would only permit a maximum \$200 credit for poor people against heating costs. It phases out as a family's income approaches \$25,000. The cost of this provision would have been \$400 million a year—that is not billions; that is millions-\$400 million for the poor of the North who confront the hard choice between heating and eating in the winter. That could not be afforded even though it was perfectly consistent with the rationale behind the windfall profit tax when it was first enacted.

The conference report also eliminates the modest, very modest, House credit for wood stoves, a credit the administration has repeatedly refused to implement, even though it has the authority to do so. That would have provided a 15-percent credit against wood stove costs.

Both of these provisions represented a way to get some money back to working people for the enormous transfer of wealth they have all paid to the oil industry over the past couple of years. These two provisions apparently could not be saved. They did not represent a high priority to this administration. Instead, we read in the papers where Treasury Secretary Regan fought all through the night to save the oil depletion allowance.

Mr. President, the need for a tax cut is clear. There has been no dispute over that since last year when the Senate Finance Committee wrote a good bill.

There has been no dispute over the need to relieve the tax burden on working Americans. The Federal income tax burden is at an all-time high. In 1981, if there is no tax cut, Federal income taxes will reach 15.9 percent of personal income. This compares to only 12.7 percent a decade ago. The rise in the tax burden occurred in spite of a number of tax cuts over the last 10 years.

If we do not cut taxes now, there will be a further tax increase next year, and this increase will fall most heavily on low- and middle-income workers. The combined effect of inflation and higher social security taxes would result in a \$23 billion tax increase in 1982. As I say, this increase falls most heavily on lowand middle-income workers. Taxpayers earning between \$5,000 and \$10,000 face a 25-percent increase in their taxes, and those making between \$10,000 and \$15,-000 face a 12-percent increase. In contrast, the worker with an income of \$50,-000 to \$100,000 only faces a 6-percent increase. Thus, not only are those built-in tax increases now scheduled harmful to the economy, they will make the tax system less progressive.

That is why we need a tax cut.

Many of the specific problems confronting our economy are related to the rising tax burden.

But nowhere throughout the entire debate over the tax cuts has there ever been evidence offered that these massive reductions to the oil industry are needed, are warranted on are justifiable. The public debate has concentrated upon the need for savings incentives, capital formation, investment incentives, marriage tax relief, commodity straddles and the different ways in which these admirable needs might best be met.

There has been little public debate about the need for additional incentives to the oil industry, and there is no evidence that they are short of investment capital or that they are having a cash flow problem.

We should have a tax cut, Mr. President. We must have a tax cut. But we can and should have a tax cut that does not provide unwarranted, indefensible tax reductions to the oil industry. We should recommit this bill, improve it by reducing the oil industry tax reductions, and then pass it unanimously.

I thank the Chair.

Mr. KENNEDY. Mr. President, I am going to yield to the Senator from New York, but there was some question that was raised by the Senator from Kansas about whether the Senator from Massachusetts was the only one who was interested in this issue. I am glad to see that we have now our sixth speaker, Senator Moynihan, and Senator Bumpers will make seven speakers who will speak in opposition to this amendment. There will be only three speakers who have supported it.

I yield 4 minutes to the Senator from New York.

The PRESIDING OFFICER. The

Senator from New York is recognized for a period not to exceed 4 minutes.

Mr. MOYNIHAN. Mr. President, I cannot say what I would wish this Chamber to hear in the space of 4 minutes. What I do say I want to preface with the statement of the very gracious regard that I and, I think all the members of the Committee on Finance and of this Chamber have for the chairman of the committee, who performed so splendidly in that long conference from Friday night to Saturday morning. I recognize that what was brought back in the conference report was a compromise with respect to the reductions of windfall profit taxes on oil. In the circumstances, that is what was perhaps to be expected, but not, Mr. President, what we need accept.

A year ago, I was a member of the conference committee, as was the Senator from Kansas, on the windfall profit tax. The conference went on week after week and we finally settled the issue so that all who received the windfall would return part of it in the form of the windfall profit tax. Now with this tax cut bill, we are beginning to make distinctions among those who need do so. Royalty owners, for example, need not do so. On what grounds? That they are making less of a profit? Not at all.

Most importantly, Mr. President, the idea that a group known as independent producers is somehow apart from the general structure of this industry and, therefore, entitled to special exemptions is fallacious to the point of being outrageous.

The same proposition came up in the course of the debate on the windfall profits tax; at that time, I had the opportunity to remind this Chamber that if, by some happy circumstance, Abu Dhabi were to be located on the eastern end of Long Island, Abu Dhabi would qualify for exemption from taxes as an independent producer under the legislation then being considered and which we are about to adopt.

The overwhelming amount of oil production in this country is done by organizations technically called independent producers; the annual revenues of such producers range in the upper two-thirds of a billion dollars. In the case of Abu Dhabi, it could be in the upper range of some \$16 billion and still, absent refining capacity, Abu Dhabi would still qualify as an independent. I point out, Mr. President, that we distort the petroleum industry when we make such a large advantage available only to those with a low capacity in refining. The obvious decision is to go to small, inefficient, and fragmented facilities.

This is very much to be deplored. It verges on breaking understandings reached a year ago after a long and difficult tax conference. I hope we shall decide to recommit the tax cut bill, make this change, and then adopt the legislation unanimously.

Mr. President, I thank the Chair for his respectful attention. I thank the Senator from Massachusetts for giving me this opportunity.

Mr. DOLE. Mr. President, I yield 3 minutes to the Senator from Oklahoma

and 3 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for a period not to exceed 3 minutes.

Mr. NICKLES. I thank the Chair. Mr. President, I compliment the distinguished Senator from Kansas, the chairman of the committee, for what I believe to be an outstanding job. I think the bill that is before us and the improvements he made in the conference committee are excellent.

Mr. President, there has been a lot of rhetoric anti-big oil, that the big oil industry is going to make \$33 billion and rip off the taxpayers. Mr. President, this is an unbelievable statement that cannot be backed up. This tax cut, if we look over the next 5 years, totaled \$11.7 bil-lion. The Senate had already approved \$6 billion of that, so this is an improvement, or an increase of about \$5 billion over 5 years.

Mr. President, we have to look at what this so-called industry is paying over the next 5 years. They are paying an additional \$100 billion in so-called windfall profit tax that no other industry, not one, pays. This is in addition to corporate taxes, in addition to personal income tax. Out of \$5 or \$11.7 billion, who is going to receive the benefit? Is it big oil, is it Exxon, is it Conoco, is it Mobil? No. Mr. President, it is the millions of independent producers and the millions of royalty owners.

Mr. President, there are 2.5 to 3 million royalty owners in America today. I have met with people and all these people have very, very limited income. One individual in Oklahoma showed me a monthly check that used to be for \$1.49. Then came the windfall profit tax that took away 50 cents, so his net check was 99 cents.

Mr. President, the vast majority of the people who benefit from this bill are the small people. They are the small people; not Exxon's, not Mobil's. That is campaign rhetoric, but it does not apply to this bill.

Over half the benefit of the conference report will go to the royalty owners, Mr. President, the other half will go to the independent producers. Who are the in-dependent producers? Something like 12,000 independent producers all over this country. In Oklahoma, if we look at the average amount of production coming from stripper wells, stripper wells would be exempt. Those are the wells that produce 10 barrels or less a day.

The average production from these wells was 3.3 barrels a day. That is not Exxon. Exxon does not own those wells. They cannot afford to. It is economically unfeasible for the big boys to own those wells. Half the wells of this country are owned by small, independent producers. Most of those wells produce 3 barrels a day. The wells in the State of the Senator from Kansas produce something like 2.3 barrels a day.

Those are the people who will be exempt. Those are the people who will allow us to get the marginal production that is now unfeasible.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. I yield 3 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for not to exceed 3 minutes.

Mr. LONG. Mr. President, I hope the conference report will be agreed to. This is a very significant bill.

For years we have continued what basically were the wartime tax rates. starting back in World War II. There was a time when income was taxed at more than 90 percent at the top rate for individuals. There was a time when we had an excess profits tax of 90 percent in addition to an income tax of more than 50 percent.

Mr. President, the President of the United States campaigned on the basis that we should have a supply-side tax cut. He advocated an across-the-board cut of 10 percent a year each year for 3 years, or an overall 30-percent cut in rates. This bill does not go quite that far, but it goes for a three-stage 25-percent across-the-board cut.

Mr. President, it was the feeling of this Senator that we should do more than have just an across-the-board cut. The feeling of this Senator is that we should do things that encourage savings and investment. That is very much a part of this bill. I am pleased that there are provisions in this bill that would help those we would like to help. We would like to encourage the hiring of those who are less fortunate in our economy. The targeted jobs credit is extended in this bill.

We would like to provide help for those who hire persons for day care, where both spouses are working. That is part of the bill. We would like to do something to reduce the marriage penalty. That is part of the bill.

I am pleased that we have provisions in this bill that move forward, by giant strides, our effort to encourage employee stock ownership. I believe we should see that workers have the opportunity to own stock in the companies for which they work.

We fought hard to bring back what we did. I would have liked to have brought back all the Senate provisions. We had to yield on some significant provisions. but most of them are still here.

I believe that this bill is what the American people expected when they voted for President Reagan. He went to the American people on television to urge that this type of bill be passed by the Congress, to give the supply-side economic theory a try, and I believe this bill does that.

I will be happy to support the bill. The PRESIDING OFFICER. Who seeks recognition?

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 3 minutes and 53 seconds.

Mr. KENNEDY. And the opposition?

The PRESIDING OFFICER. The Senator from Kansas has 3 minutes and 6 seconds.

I yield 3 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for not

to exceed 3 minutes.

Mr. BUMPERS. Mr. President, right after this bill was passed last Wednesday, President Reagan went to Atlanta, and, said that the country is off and running now, that everybody is going to be brought along, and that nobody will be left behind.

That is a very persuasive, compelling, and interesting thing to say, unless we look at what we have done. This bill leaves 50 percent of the American people behind in the starting blocks. Fifty percent of the American people make less than \$20,000 a year; and, under this bill, they are not even protected from the increased cost of inflation and the increase in social security taxes. So, at the end of 3 years, 50 percent of the American people will be worse off than they are today. That is hardly bringing all America along.

Senator Kennedy and I pleaded with this body to increase this bill by \$13 billion in the total amount for those very people who make less than \$20,000 a year. That would not have given them a windfall, but simply made them even with inflation and their increased social security taxes.

How can we sit in the Senate and be a part of a nation, the governing body of a nation which professes to be a Christian nation, cherish those absolute values, such as fairness and justice, cherish the rights of every individual, no matter how lowly, and still pass a tax bill which gives the American oil industry more than we give the 50 percent of the people who earn below \$20,000 a year?

This is supposed to be a nation that is short of money, and the high interest rates are attributable to the terrible shortage of money. Yet, five American companies trying to take over Conoco have \$30 billion of credit tied up in this Nation that can be used for other purposes. Who are they? I do not need to name them, because you know who they

Mr. President, what social or economic value is served, what part of America is served, with this amendment, which gives the American oil industry \$33 bil-

lion over the next 10 years?
Finally, Mr. President, I want to say, simply, that passage of this particular part of the bill that betrays 50 percent of the people and gives \$33 billion to the very wealthiest of the wealthiest of the wealthy, say a lot more about Congress than it does about the oil companies.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. KENNEDY. I yield the Senator an additional 45 seconds.

Mr. BUMPERS. Mr. President, President Reagan never asked for this. When he submitted this tax bill, he said, "I want a clean tax bill," and he told you the few provisions that he wanted. Nowhere did he say, "I want to relieve the oil companies of this Nation from the windfall profits tax." He did not ask for it. The people who asked for it were the people in the House of Representatives who were doing the shameless bidding,

on both sides of the aisle, for votes, and the oil companies, who lobbied this body and urged on that bidding war.

It will be a travesty if this motion is not adopted.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Massachusetts has 6 minutes remaining.

The Senator from Kansas has 3 minutes and 6 seconds.

Mr. DOLE. I yield 30 seconds to the Senator from Tennessee.

Mr. BAKER, I thank the Senator. Mr. President, a few moments ago, I talked with the Senator from Ohio (Mr. METZENBAUM) on the telephone. He was in Atlanta.

At that time, Senator Metzenbaum asked me to agree to a unanimous-consent request to try to extend the time for voting on the Kennedy motion. I had to tell the Senator from Ohio that that was not feasible to do, that a great number of Senators are committed to the voting sequence that has been established for 2:15 and then 2:30.

The Senator from Ohio, I believe, understood why that unanimous-consent request could not be agreed to.

That, together with the complications of the air controllers' strike, apparently indicates that the Senator from Ohio will not be here. I promised to put in the Record, as I am doing now, the fact that he made a very diligent and good-faith effort to be here, including his request to extend the time for voting, which I regret I could not grant.

Mr. DOLE. Mr. President, after a great deal of give and take during the 16-hour marathon conference the House and Senate reached agreement resolving the differences between the House and Senate tax bills. There were accommodations made on both sides, as there must be in any conference.

I know there are those in this body that have some concern about the provisions in the bill relating to the socalled windfall profit tax. The House-passed tax bill had about \$16.2 billion in windfall profit and income tax relief for oil producers and royalty owners. The Senate-passed tax bill had about \$6.6 billion in such relief. The final compromise resolved early Saturday morning had about \$11.7 billion in windfall profit tax relief. This compromise is just slightly above the midpoint between the House and Senate bills. Thus, the conferees essentially split the difference between the House and Senate positions. Splitting the difference is hardly a novel or inappropriate way of resolving differences between two bills.

It is important to recognize that despite the talk about "major oil companies" and "big oil," the conference decision did not add one additional nickel for the big oil companies. It is true that the phase down of the tax rate on newly discovered oil will give some relief to major oil companies as well as independents and royalty owners.

Nevertheless, the new oil provision was the same in both bills and thus not subject to change in conference. Moreover, the new oil provision should be no surprise to the Senator from Massachusetts, since he negotiated the phase down with this Senator when the tax bill was on the floor last week.

The windfall profit tax relief added to the Senate bill in conference will entirely go to independent producers and royalty owners. They are not big oil. Independent producers are generally little oil. The relief for independents applies only to marginal wells producing less than 10 barrels per day.

In Kansas the average well produces only 3.3 barrels per day. These wells did not benefit from decontrol since stripper oil had long been exempt from price controls.

Thus, these wells received no so-called windfall from President Carter's decision to decontrol the price of crude oil and it should never have been subject to the windfall profit tax. Imposing an additional tax burden on economically marginal strippers just accelerates the premature abandonment of wells that collectively play an important role in our effort to produce more oil here in the United States.

Royalty owners likewise should never have been subject to windfall profit tax. There are about 2 million royalty owners throughout the United States. These are typically little people—farmers, ranchers, retired people. These are not the giant oil companies at which this tax was supposed to be aimed. How can anyone justify imposing a windfall profit tax on an 80-year-old widow who depends on her royalty checks to buy food, clothing, and pay her rent.

In my view, if we have any windfall profit tax at all, it should apply only to the big producers and not to little people or even to middle-class families. The royalty owner provisions in the conference report accomplish this objective.

ROYALTY OWNER RELIEF

The windfall profit tax has worked an unconscionable hardship on the approximately 2 million small royalty owners throughout the country. There are royalty owners in literally every State of the United States.

The vast majority of royalty owners are retired persons who depend on royalty checks to supplement their social security checks and farmers, who are currently hard pressed by low farm prices and high interest rates.

On May 23, 1980, the Finance Committee held field hearings on the royal-ty owner issue in Oklahoma City and Great Bend, Kans. Nearly 4,000 angry royalty owners turned out to those hearings.

Over 50 percent of the people who attended these field hearings identified themselves as being retired and approximately 75 to 80 percent identified themselves as farmers.

How can anyone justify taxing away 36 percent of the income on 80-year-old retired couples who have not had sufficient income to pay income taxes in years?

The royalty owners were almost completely ignored during the consideration of the windfall profit tax. Unlike the major oil companies or the independents, royalty owners had no Washington lobbyists or even any national organizations to plead their case.

Mr. President, I ask unanimous consent to have printed in the Record a letter I have received from a constituent, together with an attached article.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STOCKTON, KANS., May 1, 1980.

Senator Bob Dole: I'm writing this letter to you in regard to "Windfall Profits Tax." Now I am a widow trying to get along on my S.S., which is \$239. I am 76 years old and get a small oil check and in my last check the "Permian" Corporation, in Houston, Tex, held \$81.00 WPT out of my check, which is very unfair to us consumers. Every day you see the big profits the oil companies are getting. What good is the tax if they are putting it all on consumers. The Rooks Co. people are up in arms about this matter.

people are up in arms about this matter. I am the mother of Georgia (Guthrie) Penner and Les her husband, which have been Dole supporters.

I pay \$17.31 for Blue Cross and Blue Shield per month, \$9.40 for Medicare and they are not paying what most Dr's, and Hospitals are charging, they are really ripping us off. I have spent over \$500 for prescriptions, let alone over the counter medicine, have to drive to Hays for medicine and medical treatments.

Please make President Carter read this.

Sincerely,

EULA M. GUTHRIE.

THE WINDFALL PROFIT PINCH (By Scott Seirer)

PLAINVILLE.—Henry Desaire looks nothing like an oil baron. He's a Plainville painter. Paint spots his clothing; white paint hasn't washed completely from his hands.

Yes Desaire, who owns a fraction of four Rooks County oil wells pumping a tiny amount of black gold, has been swept up into the same oil windfall profits tax dustpan as oil biggles such as Exxon, Texaco and Mobil.

He felt the blow of the tax for the first time last week when his oil royalty check arrived in the mail. About 34 percent of that check had been eaten by the tax that Carter signed into law April 2, becoming effective retroactively on March 1

retroactively on March 1.

"It about floored me," said Desaire. "I don't think anybody realized this was going to happen—that the small royalty owner would be chopped. How can anybody come along and take 34 percent of anything from you?"

Desaire isn't alone in his anger. He's one of a legion of some 150,000 Kansans who own oll royalty rights. Those rights belong to the landowner, who traditionally receive one-eighth of the production of a well pumping on his property. The royalty rights can be sold, given away or divided among heirs. Desaire received his royalty rights from his father in the form of Christmas gifts.

The effects of the windfall tax became apparent to Desaire and others when the monthly royalty checks arrived, as is traditional, soon after the 20th of the month.

"A lot of them (landowners) were not aware of this," said Joe Hess of Dreiling Oil Company, Victoria. They were aware of the windfall profits legislation, he added, "but they thought (lawmakers) were talking about the major oil companies."

Royalty owners are being surprised.

"They treated the royalty owner terribly." Hess said of lawmakers. "They treated him just like a major oil company."

The windfall profits tax is a complex maze that spans three classes of oil, two classes of oil producers and numerous tax rates.

The "windfall" is the difference between a fluctuating "base price" of oil and the market price, which has been decontrolled by the government and allowed to escalate. In March, the base price was computed to be about \$16.50 a barrel; the market price was about \$39. The windfall tax, therefore, is levied on the difference, about \$22.50.

There are, Hess explains, three "tiers" of

There are, Hess explains, three "tiers" of oil. The tax is most severe in tier one, which includes oil from wells in production before 1979. On these wells, major oil companies and the royalty owners must fork over 70 percent of the "windfall."

Independent oil companies, those drawing fewer than 1,000 barrels per day from their various wells, are given a windfall tax break. They must fork over only 50 percent of the "windfall."

The oil companies suffer less of a windfall bite, Hess explained, because they bear the cost of maintaining the well and its location; the royalty owner has no expenses.

Most of Kansas oil falls into the second tier, Hess said. This tier gives special consideration to wells producing fewer than 10 barrels per day—socalled stripper wells. Desaire's Rooks County wells fall into this category.

For these wells, major oil companies and royalty owners such as Desaire must surrender 60 percent of the windfall in the name of the tax. Independent oil companies give up 30 percent of the windfall.

Tier three recognizes new oil wells, put into production after Jan. 1, 1979. In this tier, the tax for all parties is 30 percent of the windfall.

Desaire is disgusted that he's shouldering the windfall burden with the likes of Big Oil. He sees the skyrocketing profits of the large companies as the catalyst of the legislation that is taxing him.

"Everybody got emotional and said 'Boy, look at these oil companies.' And sure. Exxon reports that profits are up 104 percent for the quarter. But they're not the ones who stand to lose anything."

As the owner of the royalty rights, Desaire insists that his oil should be marketed at the price set by free enterprise. Even with the windfall tax, of course, his oil checks are on the increase.

"Where's my windfall. I live in one of the oldest houses in Plainville."

The windfall profits taxes, Desaire contends, will siphon money from Kansas to fund social programs in the urban areas.

"I wouldn't mind helping (poor people) heat their homes with this because to me it's a gift from God," Desaire said. He fears, though, that the menu of social welfare is becoming so vast the work incentive is lost.

Too many poor people are poor because they have a distaste for work, he said. "No amount of money I could give them would help them."

"I'll admit, some people are born to poverty and there's nothing they can do about it—I saw Coal Miner's Daughter (a movie)."

Desaire, oil royalty owner that he is, doesn't count his family of six, including a set of infant twins, among the wealthy.

He says his income, derived from painting jobs as well as oil royalties, is only slightly higher than the government's poverty level for a family of six, which is \$8,900.

for a family of six, which is \$8,900.

"There is nobody around here getting filthy rich off their oil checks," he said. "I don't think we have anybody in Plainville flying off and putting their money in a Swiss bank."

The oil checks Desaire receives are spent on such mundane projects as kitchen remodeling and repairs to his pickup. He demonstrates by pointing to a pair of occasional chairs and other furniture.

"Our oil check bought those two chairs right there—and that chair you're sitting on and that used couch.

With oil income being siphoned from the area economy, Plainville merchants will suffer, he predicts.

fer, he predicts.

Banker Paul VanDyke of the Plainville State Bank agrees. Because oil is big business in Rooks County, the tax "will make a lot of difference in this community."

VanDyke noticed many unhappy depositors in his bank last week when they carried their oil checks to the teller's windows.

Many royalty owners in Plainville, he said, rely on their oil checks to help them meet the cost of living, "All at once a third of (their oil income) is gone and they're going to have a hard time making it. I think it's unfortunate."

Don Schnake, Wichita, executive vicepresident of the Kansas Independent Oil and Gas Producers Association, says the tax will take some \$400 million from the pockets of Kansans every year.

Kansans every year.
"That's an awfully big bite for a small state that's trying to stay in the oil business."

Hays oilman Steve Pratt, in business with his father, Don, an oil developer, doesn't doubt that the economic impact will be severe.

"It's a blow to our economy that we just don't need right now," he said, noting that cattle and wheat prices have fallen substantially in recent weeks.

Pratt calls the windfall tax a national ripoff tax. It was designed to tax the big oil companies can recoup some of that at the gas pumps. The land owner has no recourse. He's losing an asset under his ground and it'll never be there again.

"I don't mean to make a speech but the people who can least afford it are being taxed the most. It's going to be awfully tough on a lot of people."

Besides that, Pratt says the tax alters the economics of keeping low producing wells pumping.

An oil company is exposed to considerable costs, including maintenance of the well, maintenance of roads to lease sites and the ever-higher costs of fuel to power the pumps. Wells producing less than five barrels per day, he said, are operating dangerously close to the break-even point.

"We're going to have to take a long, hard look at these," he said. Some may be shut down, even though the operator can receive a windfall profit rebate if his well loses money, (The royalty owner wouldn't receive such a rebate, though.)

Desaire fears his wells may be among those shut down. "I think mine might fall into that category because they are very marginal."

None of his four wells pump more than five barrels per day. Often one or more of the wells are shut down for repairs of one kind or another. "I've never been out there when all four of them were pumping," he said.

Desaire's wells are operated by a tiny independent oil company formed with the partnership of two Denver men. They're not to be confused with big oil, he says.

"These little independent oil companies, if something goes wrong (with the well) they have to wait until they get an oil check before they can fix it."

Mr. DOLE. Mr. President, there is an error in the Statement of Managers. On page 271 item 86 is the provision for charitable contributions by corporations. The statement says that the House provision prevailed. This is not correct. The House actually receded to the Senate.

Under present law, a corporation's deduction for charitable contributions may not exceed 5 percent of its taxable income. The conference bill increases

the limitation on a corporation's charitable contributions deduction to 10 per-cent of taxable income. The provision is effective for taxable years beginning after December 31, 1981

The statute is correct, however.

The President, this Senator is one who thinks that windfall profits tax relief for royalty owners is long overdue. Thus I applaud the conference committee's decision to provide a permanent windfall profit tax exemption for royalty owners beginning in 1982. Under the conference bill, qualified royalty owners will be exempt on two barrels per day of royalty interest in 1982, 1983, and 1984 and on three barrels per day after 1984.

Mr. President, I would like to clarify one point about the royalty owner relief. During our discussions of royalty owner relief during the conference there was some indication that the Treasury Department would find it somewhat easier to administer an exemption that was stated in terms of dollars, rather than

in terms of barrels.

It was the intention of this Senator and those other Senators who fashioned this compromise proposal that the Treasury Department should be authorized by regulation to translate the barrel exemption into an equivalant dollar figure for administrative purposes. This would presumably be done on an annual or quarterly basis and would involve different dollar figures for each tier of oil

I think it is appropriate that the Treasury and the IRS should have this authority to insure the most efficient

functioning of this relief.

Mr. LONG. Mr. President, I appreciate the remarks of the Senator from Kansas. I share his view of what was intended and I think it should be made clear that the Treasury Department has the authority indicated to effectively administer the provisions.

Mr. President, the bill allows taxpayers who do not itemize their deductions to deduct charitable contributions. It is my understanding that these contributions will be subject to the substantiation requirements now contained in the regulations pertaining to charitable contributions and that the conferees intended that the Secretary may modify these regulations and prescribe additional requirements for the substantiation of above-the-line charitable deductions.

Is that correct?

Mr. DOLE. Yes, it is. Mr. LONG. Under the provision of the bill relating to section 483, certain deferred-payment sales of land between related parties, described in section 483 (g), will be subject to a special imputed interest rate. The maximum rate of imputed interest under section 483(b) will be 7 percent, compounded semiannually. for sales qualifying under new section 483(g)

In effect, this means that, if there is a total unstated interest, within the meaning of section 483(c), then the imputed interest rate provided in the regulations will be no greater than 7 percent, compounded semiannually.

However, the bill does not seem to specify what rate would be used as a test rate to determine whether, under section 483(c), there is total unstated interest.
Mr. DOLE. We anticipate that the

Internal Revenue Service will provide by regulation that, for sales of land between related parties qualifying for the maximum 7 percent imputed interest rate under new section 483(g), the test rate will be 6 percent simple interest.

Mr. MATSUNAGA. Mr. President, I should like to address a question to the distinguished chairman of the Finance Committee, Senator Dole, and to the ranking minority member of the commit-

tee, Senator Long.

During the Senate debate on the Finance Committee reported tax bill, on July 23, 1981, the distinguished chairman of the committee, Senator Dole, was kind enough to explain to me the committee's intention with regard to the income tax withholding provisions in the bill. He stated that the provisions contemplated prompt Treasury implementation to allow adjustment of withholding to prevent overwithholding of income tax.

Do the withholding provisions in the conference report have the same legisla-

tive intent?

Mr. DOLE. My response to the Senator from Hawaii is "Yes."

Mr. MATSUNAGA. Does the Senator from Louisiana (Mr. Long) agree with the response of the committee chairman?

Mr. LONG. Yes, I do.

Mr. President, we have had a good debate here. There has been a great deal of talk about \$33 billion. That is over a 10year period. We have never talked about a 10-year period on anything until the Senator from Massachusetts put out his press release. We have been talking about 5 years.

If you talk about a 10-year impact of this bill, it is between \$2 and \$3 trillion. So let us take this \$33 billion figure and compare it to \$2 or \$3 trillion, and it indicates that it is not very substantial. Much of that \$33 billion was never in conference, I say to the Senator from Massachusetts.

Mr. President, I shall ask unanimous consent to have printed in the RECORD a story in yesterday's New York Times about oil activity in New England, Vermont, New York, and those States that do not seem to want us to produce any more. They are going to have an opportunity to produce some of their own. It is referred to as "Oil Treasure Hunt Begins in New York State." It is not only New York State but the eastern overthrust belt.

Maybe they can help out in that part of the country and not have all this rhetoric about oil companies.

Mr. President, I ask unanimous consent to have that article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

OIL TREASURE HUNT BEGINS IN NEW YORK STATE

(By Richard D. Lyons)

FORT ANN, N.Y.-Visions of oil wealth are wafting across the counties along the upper Hudson River and Lake Champlain.

Agents for oil and gas companies are comb-

ing the hilly region, leasing the mineral rights of farmers; seismologists are taking soundings of the rock strata, and geologists are estimating that the chances of finding least natural gas rising as more of the underground structure is mapped.

'It really is incredible to find a classic exploration play for oil and gas here in the Hudson Valley," said Henry B. Bailey of the

State Geological Survey

While some experts doubt that drilling in this area will be productive, legislation awaiting Governor Carey's signature would add 20 engineers and environmental specialists to the state agency regulating oil and gas production. The staff now numbers only

"It's a multibillion-dollar treasure hunt," said Harry Fairbanks, one of the leasing agents for Columbia Gas Transmission Company, a major national retailer of natural

The optimism extends beyond the Hudson River Valley, where Columbia Gas has leased the mineral rights on 300,000 acres in Albany. Rensselaer, Saratoga and Warren Counties, as well as here in Washington County. Many other acres are being leased by intermediaries, state officials say, making it possible for companies to conceal their interests in the region.

On the Vermont side of the state line a dozen miles east of here, as many as a million acres have been leased for mineral rights in the five counties that border New York and extend northward to the Quebec border. In addition, several companies, including the Ohio Oil and Gas Company, have leased acreage this year near the New York border.

Geologic surveys that led to handsome oil and gas production over the last 20 years in nearby Quebec and Ontario have led scientists to conclude that there should be amounts in commercial quantity south of the border, certainly in natural gas and perhaps in oil as well.

With demands and prices for natural gas rising, particularly in the Northeast, as price controls are lifted, the economic potential is

thought to be enormous.

Most of the new excitement has been generated by recent geologic discoveries along what are called overthrust belts, that is, areas in which one thick rock layer has been shoved atop another by mighty pressures within the earth's crust, masking the identity-and thus the economic potential-of the lower layer.

SEARCH PAYING OFF

Enormous quantities of oil and gas have been found over the last decade in the Western Overthrust Belt along the Rocky Mountains, while the hunt in the Eastern Overthrust Belt along the Appalachians is just beginning to pay off in some southern areas.

The Eastern belt snakes northward through New Jersey, where no major leasing activity has been reported, up the Hudson Valley and the New York-Vermont border, envelopes Lake Champlain and its shores. and finally thins out in Quebec.

"The center of the overthrust belt goes right through my farm," said Dick McGuire

of Salem, N.Y.

Mr. McGuire, who is president of the State Farm Bureau Federation, said the Farm Bureau had worked with the various oil and gas companies in drafting the model lease now in use, which gives farmers \$1 per acre per year for 10 years, plus a royalty of oneeighth of any oil and gas produced, as as lesser considerations.

Dr. John Matochik, a Washington County neighbor and veterinarian, said he believed that "the prospects for finding something around here are very good," and continued:

"A lot of people are optimistic, but many of the farmers in the county have refused to sign because they don't want to be obligated to doing something they might later regret."

For one farmer, however, the reason for not signing was totally different.

"The oil companies have the country by the throat, and I for one won't play along with them," said Ralph Tilford, 69, of Kingsbury.

NEIGHBOR NEEDS MONEY

Yet a neighbor, Larry White, 32, is happy to lease the mineral rights to his 400-acre dairy farm.

"I hope the companies do strike oil or gas," Mr. White said. "Even though I intend to stay in farming, I could use the extra money what with having four children."

The prospect of extra income is also the main reason this part of New York is being explored at all. Here, as elsewhere throughout the country, areas previously held to be of only marginal interest in oil and gas production are coming under increased scrutiny.

The American side of Lake Erie, for example, is believed to contain 300 billion cubic feet of natural gas on the basis of production on the Canadian side of 20 million cubic feet a day. Even though the cost of drilling is higher than on land, interest has increased lately as the price of natural gas has risen.

"The gas is there and it will be recovered," said Stanley F. Kiersznowski, a petroleum engineer with the State Department of Environmental Conservation.

Mr. Klersznowski noted that the number of permits to drill oil and gas wells in New York State had risen from about 500 in 1978 to almost 900 last year. That increase mirrors an increase in drilling activity throughout the country.

Indeed, while for years the number of new gas wells had averaged 20 or so a year, in 1974, the year the Arab oil embargo ended, the number shot to 250. It has since continued to rise, reaching 450 last year, while gas production has risen tenfold in 20 years, to 15.7 billion cubic feet last year.

He estimated that this amount would triple by the end of the decade because of the combination of greater demand, higher price and new discoveries.

MODEL DRAWN IN 1974

Richard Beardsley, who is in charge of the exploration activities here for Columbia Gas, and others said the initial idea that commercial quantities of oil and gas might be present stemmed from a geological model drawn in 1974 by Dr. Brian Keith and Dr. Gerald Friedman of Rensselaer Polytechnic Institute in Troy. It forecast the presence of formations containing hydrocarbons beneath the overthrust stratum.

Shortly afterward, outcrops of 450-million-year-old limestone were found on North Hero and South Hero islands in Lake Champlain several miles from the junction of New York, Vermont and Quebec. The finding was significant since oil and gas had been produced from these limestones in Quebec.

And just as important was the development in the last few years of computer-assisted methods of interpretation of seismic data that make subsurface mapping much more accurate than it had been in the past.

The combination of these findings and new technology has, according to specialists, substantially increased the chances of finding oil and gas in this region. Columbia Gas is investing about \$10 million in the search and plans to drill an exploratory well next year.

Two earlier efforts, in Orange County, N.Y., in 1978, and in Franklin County, Vt., in 1964, found only small amounts of hydrocarbons.

Few specialists are willing to predict when or if a gas or oil field will be found in this area, but many agree with Mr. Beardsley.

"My job is optimism," he said.

Mr. DOLE. Mr. President, I close by suggesting that what we had is one of the best media events I have ever participated in. A lot of people showed up and took notes and a lot of Senators are going to have a chance to vote on this very important issue.

I am certain there will be some votes for the motion, and I am going to permit that we have an up and down vote so it will be totally above board, with no motion to table, just an up and down vote on the motion to recommit.

There are no dollar figures in the motion to recommit. "Just be fair," it said in the motion to recommit.

I think we have been fair, and I hope my colleagues will support the Finance Committee and the Senate and defeat this motion resoundingly.

The PRESIDING OFFICER. All time has expired.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Do I not have 6 seconds remaining?

The PRESIDING OFFICER. The Senator is correct. The Senator has 6 seconds remaining.

Mr. KENNEDY. Mr. President, the issue is not the President's tax bill. The issue is oil. I say that \$33 billion is too much, and I hope the Senate will vote for my motion which will send the conference back to reduce that figure.

THE CALENDAR

Mr. BAKER. Mr. President, I ask unanimous consent that the distinguished minority leader and I may proceed for 2 minutes to take up certain housekeeping details before we vote on this motion to recommit.

Mr. KENNEDY. Let us have the yeas and navs.

Mr. BAKER. They have been ordered. The PRESIDING OFFICER. The yeas and nays have already been ordered.

Without objection, it is so ordered. Mr. BAKER. Mr. President, I thank all Senators. This will not take but only

Mr. President, I ask the distinguished minority leader if he is in a position to consider two items on the legislative calendar of business for today? I am referring to Calendar Order No. 95, S. 1191, and Calendar Order No. 234, Senate Joint Resolution 65.

Mr. ROBERT C. BYRD. Mr. President, those matters are cleared on this side of the aisle, and I am ready to proceed.

PROCLAIMING RAOUL WALLEN-BERG AS HONORARY CITIZEN OF THE UNITED STATES

The Senate proceeded to consider the joint resolution (S.J. Res. 65) proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

• Mr. BOSCHWITZ. Mr. President, today the Senate is considering a resolution to honor and aid an extraordinary and courageous man, Raoul Wallenberg, a Swedish diplomat who saved thousands of people from death during World War II. I am proud to be one of the original cosponsors of Senate Joint Resolution 65, to grant honorary citizenship to this man. A similar resolution, House Joint Resolution 220, is pending in the House.

As one of the original members of the "Free Raoul Wallenberg" Committee, I have long been concerned about Mr. Wallenberg, one of the few genuine heros of our time. Last year, I cosponsored Senate Concurrent Resolution 117.

This resolution, approved overwhelmingly in both the House and Senate, expressed the sense of Congress that the President should convey to the Soviet Government the deep concern of Congress and the American people for the fate of Raoul Wallenberg.

Raoul Wallenberg saved as many as 100,000 Hungarian Jews by extending Swedish citizenship and protection to these victims of Nazi persecution. Daily, this incomparable humanitarian showed impressive bravery and ingenuity as he faced Nazi soldiers and death squads to save thousands of prisoners, people who were unrelated to him by birth or ethnic group or citizenship or religion.

He followed the death marches and went to the deportation trains in Hungary. There he literally pulled people out of the clutches of the Nazis, consistently endangering his own life.

In 1945, when the Russian Army occupied Budapest, they arrested Wallenberg. For 12 years, the Soviet disclaimed any knowledge of his existence.

Finally, in 1952 Soviet authorities said he was dead. Despite these official Soviet statements, numerous former Russian prisoners claim that they have seen or spoken with Wallenberg during the past 36 years. As recently as January of this year, witnesses reported having seen Wallenberg alive.

In addition to honoring this self-sacrificing individual, the resolution will give our State Department additional diblomatic leverage to pursue the case of this heroic prisoner. We must continue in our efforts to emphasize to the Soviets our commitment to Wallenberg's survival. We hope that the Soviet Government will take notice of our deep concern, reexamine the situation and conduct a thorough search for Wallenberg.

During World War II, at a time when people were paralyzed by fear, Raoul Wallenberg rescued thousands by conferring Swedish citizenship upon them. What he accomplished, risking his own life to save the lives of tens of thousands of innocent people, is unparalleled in history.

It is only appropriate to confer honorary U.S. citizenship upon him, both as part of the effort to secure for him the same life and liberty he brought to so many others, and to honor this great individual. Only once before has Congress taken such an action. In 1916, we honored Winston Churchill for his unique contribution to preserve free societies.

I am confident that the Senate will join in this resolution, thus, granting to Mr. Wallenberg the high and unique honor of honorary U.S. citizenship and demonstrating that the strong bonds of human spirit transcend race, religion, and nationality.

Mr. PROXMIRE. Mr. President, I am pleased to support Senate Joint Resolution 65 to make Raoul Wallenberg an honorary citizen of the United States of America and to seek his status in the Soviet Union.

I hardly need to recall the dramatic story of Raoul Wallenberg. It has been repeated in magazines, in books, and on the CBS documentary program "60 Minutes." Again and again America has heard the story of the noble Swedish citizen who over the course of years risked his life in an effort to save as many Jews as he humanly could from the awful fate that awaited them as victims of Nazi persecution, forced labor and death camps.

Raoul Wallenberg didn't hesitate to do all he possibly could in this noble cause. Can we now hesitate to take action that may well save him further agony as a man lost in the maze of the Soviet prison system? Across the world, individuals and organizations have called for any action that might spur the Soviet Union to forward an investigation into his whereabouts.

We have heard on many separate occasions from the victims of Soviet camps who had known Wallenberg in his work in Germany. These men and women swear that they without a doubt recognized Wallenberg's face during their time in the U.S.S.R. The evidence is sketchy, but it is possible that Raoul Wallenberg may still be alive somewhere in Russia.

If this Senate agrees to make Wallenberg an honorary citizen, there is the further possibility that the request of an American President would mean that the long and troubled story of Raoul Wallenberg might come to light, and, perhaps, that Wallenberg might be at long last freed.

Mr. President, this great man whom we honor, this man who saved almost 100,000 innocent men, women, and children, who was not afraid to risk even his life, provides a very high standard as we look at our own accomplishments.

While our duties may not demand heroism, we do have the responsibility to accomplish legislatively what Raoul Wallenberg did through his action.

We can demonstrate to the world our dedication to the right of a man and of a people to life. Let us follow the passage of this resolution with the swift consideration and passage of the Genocide Treaty.

• Mr. PELL. Mr. President, I am very pleased that the Senate is about to pass Senate Joint Resolution 65, proclaiming Raoul Wallenberg to be an honorary citizen of the United States and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom. A Swedish citizen, Wallenberg went to Hungary during World War II at the behest of the U.S. Government and,

ignoring the constant danger to himself, courageously saved the lives of an estimated 100,000 innocent people who had been marked for death by the Nazis.

In the spring of 1944, the United States requested the help of Sweden in protecting the lives of Hungarian Jews facing extermination at the hands of the Nazis. Specifically, the United States suggested that the number of Swedish diplomatic and consular officials in Hungary be increased to deal with this situation. Such personnel would receive instructions and financial support from the U.S. War Refugee Board, arrangements to be handled through Iver Olsen, the Board's official representative in Sweden.

Raoul Wallenberg, a young Swedish businessman who had been educated in the United States, volunteered to undertake this perilous assignment for the War Refugee Board, and in the summer of 1944, Wallenberg was sent to Hungary as the Secretary of the Swedish Legation.

With funds provided by the War Refugee Board, Wallenberg began his efforts to save Hungarian Jews from deportation to the death camps or violent deaths in the ghetto of Budapest. He printed and issued thousands of Swedish protective passports of his own design. He purchased and rented scores of houses in Budapest, equipped them with Swedish flags and declared them to be Swedish Embassy property, and protected and cared for the refugees he gathered within these safe houses.

Risking his own life time and time again, Wallenberg followed the death marches and went daily to the deportation trains where he literally pulled people out of the clutches of the Nazis. And, when the Nazis decided to blow up the ghetto in Budapest and all its inhabitants with it, Wallenberg confronted the Nazis leaders, threatened to see to it personally that they were hanged as war criminals if they proceeded with their plan, and thus prevented its execution. Altogether, it is estimated that Raoul Wallenberg save the lives of 100,000 innocent people in Hungary during World War II. Among those saved through Wallenberg's efforts were Congressman Tom LANTOS and his wife .

In January 1945, Raoul Wallenberg was seized in Hungary by Russian authorities in direct violation of his diplomatic immunity. At first the Soviets said they had taken him into protective custody. A few months later, however, they denied any knowledge of him or his fate. But over the years evidence mounted that the Soviets were holding Wallenberg prisoner. Former inmates of Soviet prisons who were released and escaped from the Soviet Union reported talking to or hearing about Raoul Wallenberg. Finally, in 1957 Soviet authorities acknowledged that Wallenberg had been taken prisoner in 1945, but they claimed that he died of a heart attack while in a Soviet prison in 1947.

More recent reports from within the Soviet Union, however, indicate that Wallenberg might still have been alive as recently as a few years ago. In 1975 a Soviet Jew named Jan Kaplan was arrested on charges of black marketeering shortly after applying for an exit visa to

Israel. When he was freed 18 months later for health reasons, he called his daughter in Israel, and in the course of the conversation he mentioned a Swede he had met in prison who had been held by the Russians for some 30 years. Kaplan was then rearrested, and his daughter heard nothing further until July 1979, when her mother smuggled out a letter explaining that Kaplan had been rearrested because he had mentioned "a Swiss or Swede named Wallberg" whom he had met in the prison infirmary.

Mr. President, I have long had a special interest in Hungary and the Raoul Wallenberg case. My father was the U.S. Minister to Hungary just prior to World War II, and later, after serving as the U.S. Representative to the United Nations War Crimes Commission, he was responsible for the State Department reversing itself and agreeing that genocide would be considered a war crime. I, myself served as vice president of the International Rescue Committee and was responsible for the IRC's refugee relief effort in Europe following the Hungarian uprising in 1956.

Two years ago, Senators Boschwitz, Church, Moynihan and I founded the Free Eaoul Wallenberg Committee, and last year, along with those same distinguished colleagues, I sponsored Senate Concurrent Resolution 117, expressing the sense of Congress that the President should convey to the Soviet Government the deep concern of Congress and the American people for the fate of Raoul Wallenberg. That resolution was approved overwhelmingly in both the House and the Senate.

At my request, Secretary of State Vance raised this matter with Soviet Ambassador Dobrynin, and Ambassadors Toon and Watson were asked to make similar approaches in Moscow. I also made an appeal on behalf of the Wallenberg family at a press conference in Madrid last year in connection with the review Conference on Security and Cooperation in Europe. Unfortunately, the Soviet Union still refuses to account in a credible manner for the whereabouts and fate of Raoul Wallenberg.

It is true that it has never been the general practice in the United States to award honorary citizenship to foreigners. The only person so honored in the past was Winston Churchill.

Nonetheless, I strongly believe that it is entirely fitting and proper that we honor Raoul Wallenberg in this manner. It must be remembered that Wallenberg undertook his perilous mission and put his own life in jeopardy at the behest of the U.S. Government. His efforts in Hungary were supported and financed by our War Refugee Board. Hence, the United States has a much greater responsibility in this matter than would otherwise be the case. The United States has an obligation to Raoul Wallenberg and his family to try to secure for him the same life and liberty he saved for so many others, and passing this resolution is one real step we can take toward meeting that obligation.

In making Raoul Wallenberg an honorary U.S. citizen, we are not confer-

ring citizenship upon him in any technical sense. Rather, we are giving concrete expression to our gratitude and respect for his heroic actions in saving the lives of 100,000 people. By so doing we will greatly increase his renown as a courageous humanitarian, not only among those whose lives he saved, but among all groups and individuals who value human life and human rights. Moreover, conferring honorary citizenship upon Raoul Wallenberg will underscore the seriousness with which the American people and Government view Soviet behavior in this case, and reaffirm to Sweden our firm support for the quest to resolve Wallenberg's fate.

Before closing, Mr. President, I would like to thank all of my colleagues who have joined with me in supporting this legislation. The resolution now has 58 cosponsors in the Senate, and 275 in the House. I would also like to acknowledge the tremendous effort put forth on behalf of this measure by Congressman Tom Lantos and his wife Annette, both of whom were saved in Hungary as a result of Raoul Wallenberg's actions. They more than anyone else have kept this matter alive, refusing to let Raoul Wallenberg's name slide quietly into the history books with his ultimate fate still unresolved. They have been our conscience in this case, and for that we all owe them our gratitude.

• Mr. BIDEN. Mr. President, I am pleased to speak in behalf of granting Raoul Wallenberg honorary U.S. citizenship. The fact that the resolution is cosponsored by over half of the U.S. Senate attests to the significance of this legislation.

Because of the systematic mass murders and organized brutality by the Nazi regime, President Franklin Roosevelt on January 22, 1944, established, by Executve order, the War Refugee Board. The Board's purpose was to rescue innocent victims of Nazi persecutions.

Raoul Wallenberg, a Swedish businessman volunteered to undertake this dangerous assignment. Wallenberg was sent to Hungary as the Secretary of the Swedish Legation. There he printed and issued thousands of Swedish passports. In Budapest he purchased houses and declared them property of the Swedish Embassy. Wallenberg daily risked his own life by defying Nazi troops as he marched along the Danube River where Hungarian Jews were lined up for deportation trains.

He saved the Hungarians' lives by giving them cards designating them as having diplomatic immunity. Congressman Tom Lawros and his wife Annette were two of the people Wallenberg pulled out of the line. It is estimated that Wallenberg saved the lives of over 100,000 Hungarian Jews.

When the Nazis threatened to blow up the ghetto in Budapest, Wallenberg again confronted the Nazis and threatened that they would be hung as war criminals if Budapest was bombed.

In January 1945 Wallenberg was seized by Russian authorities. This was in direct violation of his diplomatic immunity. It was first thought that the Soviets had taken him into protective custody. Later the Soviets denied any

knowledge of him. Recent reports from Soviet prisoners indicate that Wallenberg might still be alive as recently as a few years ago.

Granting Raoul Wallenberg honorary citizenship will underscore the seriousness the American Government and people view Soviet behavior in this case. Honoring Wallenberg will greatly increase his renown as a courageous humanitarian not only among those whose lives he saved, but among all individuals who value human life and human rights. Honorary citizenship will also reaffirm to the Government of Sweden that the United States offers great moral support in the quest to determine Wallenberg's fate.

Conferring honorary citizenship on Raoul Wallenberg will not give the United States any new legal right, duty, or privilege under international law. Nor will the Soviet Union be brought under any additional legal obligation by treaty, international covenant or act to respond to U.S. inquiries regarding Wallenberg.

I realize the importance and significance of granting U.S. citizenship. It has only been done on one occasion in more than 200 years. In 1963, President John F. Kennedy, exercising the authority granted to him by the 88th Congress (Public Law 88-6) proclaimed Winston Churchill to be an honorary U.S. citizen.

There are many people who have helped save innocent victims of the Holocaust, but there are no others who can be so readily and conclusively identified by so many survivors as the single reason they are alive today. Because of his courageous and successful efforts to save Hungarian Jews from the Holocaust, I believe that Raoul Wallenberg is an exemplary world citizen and that he should be granted honorary U.S. citizenship.

Mr. LEVIN. Mr. President, I am proud

• Mr. LEVIN. Mr. President, I am proud to speak on behalf of Senate Joint Resolution 65, granting Raoul Wallenberg honorary U.S. citizenship.

Raoul Wallenberg was a bright light in modern history's darkest hour. A Christian Swede who graduated from the University of Michigan's architectural program in 1935, his life was one of gentility and refinement. Yet, he risked his life to deliver tens of thousands of Hungarian Jews from the throes of Nazi genocide during the final months of World War II, on a mission financed by the American War Refuge Board.

He set an example that few have followed, or perhaps, could follow. His life, once as orderly as the buildings he designed, became a jagged line of dashes and danger. In 1944 Wallenberg accepted the assignment of first secretary of the Swedish Legation in Budapest, Hungary, in charge of a special department responsible for the protection and relief of Jews. Arriving in the city in July, Wallenberg worked heroically at his task for the next 7 months. He had the measure of good will, decency and courage, skills and means, and a fertile imagination.

Raoul Wallenberg issued thousands of protective passports of his own elaborate design, complete with official seals and the triple crown insignia of Sweden. In addition, he rented 32 apartment houses, raised the Swedish flag over them and

used them as safe houses for the sheltering of Jews who were constantly in danger of their lives.

Working around the clock, he built up a city-wide relief organization of hospitals, nurseries, and soup kitchens, staffing these institutions with 400 Jews. Negotiating directly with the S.S. and the Hungarian authorities, he prevented the deportation of thousands of Jews. On more than one occasion he went down to the railroad station, and under the rifles of the S.S., took refugees out of the cattle cars. He even organized an undercover group of young Jews, who raided Nazi prisons and released Jews held in custody.

Heedless of the personal danger to himself, Wallenberg personally engineered and aided in the rescue and escape of tens of thousands of Hungarian Jews. In 1945, following the Russian occupation of Budapest at the close of World War II, Raoul Gustaf Wallenberg disappeared. He disappeared on his way to meet with the "liberating" Russian forces. At first the Soviets denied knowing anything about his whereabouts. Then, years later, they admitted he had been taken prisoner but had died in 1947—of a heart attack at age 36—in a Soviet prison.

However, clear and persuasive reports persist from within the Soviet Union that Wallenberg has been seen alive long after 1947. The most recent of these reports being just a few years ago. He may still be alive today.

Mr. President, Roaul Wallenberg saved nearly 100,000 lives at the behest of the American War Refugee Board. By granting him honorary U.S. citizenship we may in fact save his life. We can at least show our appreciation and dedication to the principles he donated his life for. Our greatest gift, U.S. citizenship, is our fitting response to Roaul Wallenberg, a citizen of whom the whole world can be proud.

The joint resolution was considered, read the third time, and passed.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed

The joint resolution (S.J. Res. 65), and the preamble, as amended, are as follows:

S.J. RES. 65

Whereas the United States has conferred honorary citizenship on only one occasion in its more than two hundred years, and honorary citizenship is and should remain an extraordinary honor not lightly conferred nor frequently granted;

frequently granted;
Whereas during World War II the United
States was at war with Hungary, and had no
diplomatic relations with that country;

Whereas in 1944 the United States Government through Secretary of State Cordell Hull requested the cooperation of Sweden, as a neutral nation, in protecting the lives of Hungarian Jews facing extermination at the hands of the Nazis;

Whereas Raoul Wallenberg agreed to act at the behest of the United States in Hungary, and went to Hungary in the summer of 1944 as Secretary of the Swedish Legation; Whereas Raoul Wallenberg, with extraordinary courage and with total disregard for

Whereas Raoul Wallenberg, with extraordinary courage and with total disregard for the constant danger to himself, saved the lives of almost one hundred thousand innocent men, women, and children; Whereas Raoul Wallenberg, with funds and directives supplied by the United States, provided food, shelter, and medical care to those

whom he had rescued;

Whereas the Soviet Union, in violation of Wallenberg's Swedish diplomatic immunity and of international law, seized him on January 17, 1945, with no explanation ever given for his detention and subsequent imprisonment:

Whereas Raoul Wallenberg has been a prisoner in the Soviet Union since 1945;

Whereas reports from former prisoners in the Soviet Union, as recent as January 1981, suggest that Raoul Wallenberg is alive;

Whereas history has revealed that heroic acts of salvation were tragically rare during the massacre of millions of innocent human

beings during World War II; and

Whereas the significance of this symbol of man's concern for his fellow man has been tainted by the wall of silence that surrounds the fate of Wallenberg: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America

in Congress assembled,

SECTION 1. Raoul Wallenberg is proclaimed to be an honorary citizen of the United States of America.

SEC. 2. The President is requested to take all possible steps to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table. The motion to lay on the table was agreed to.

REIMBURSEMENT FOR U.S. FISHERMEN

The bill (S. 1191) to extend for 1 year the authority of the Secretary of Commerce to reimburse commercial fishermen of the United States for certain losses incurred as a result of the seizure of their vessels by foreign nations, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Fishermen's Protective Act of 1967

(22 U.S.C. 1977) is amended—
(1) in subsection (c) by inserting the following new sentence immediately after the fourth sentence thereof: "Those fees not currently needed for payments under this section shall be kept on deposit or invested in obligations of, or guaranteed by, the United States, and all revenues accruing from such deposits or investments shall be credited to such separate account.": and

credited to such separate account."; and
(2) in subsection (e) by striking "October
1, 1981;" and substituting "October 1, 1982;".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table. The motion to lay on the table was agreed to.

AUTHORIZATION FOR BUDGET COMMITTEE TO FILE REPORT

Mr. BAKER. Mr. President, I ask unanimous consent that the Budget Committee be authorized to file a report until 6 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

BORROWING AUTHORITY OF THE DISTRICT OF COLUMBIA

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 640.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 640) entitled "An act to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia", do pass with the following amendments:

Strike out all after the enacting clause, and insert: That section 723(a) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47–241 note) is amended by striking out "October 1, 1980, or upon enactment of the fiscal year 1981 appropriation Act for the District of Columbia government, whichever is later" in the first sentence and inserting in lieu thereof "October 1, 1982, or the date of the enactment of the appropriation Act for the fiscal year ending September 30, 1983, for the government of the District of Columbia, whichever is later".

Amend the title so as to read: "An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to extend the authority of the Mayor to accept certain interim loans from the United States and to extend the authority of the Secretary of the Treasury to make such loans."

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. BAKER. I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I express my thanks to the majority leader for bringing up this matter. It is a matter of urgent concern to the District of Columbia, and while it is not perhaps the optimum solution to the District's fiscal problems, it is a practical step that the Senate can take today, and I urge it be adopted.

Mr. BAKER, Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD, Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR PROVISIONAL RECESS

Mr. BAKER. Mr. President, finally, earlier I asked unanimous consent in respect to recessing of the Senate. I wish to change that request in the following way:

I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 noon on Thursday, August 6, 1981, unless the House of Representatives has previously agreed to Senate Concurrent Resolution 27 or Senate Concurrent Resolution 28.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank all Senators for permitting us to take care of these details at this time.

CONFERENCE REPORT ON H.R. 4242, ECONOMIC RECOVERY TAX ACT OF 1981

REAL ASSETS IN RETIREMENT PLANS

Mr. HELMS. Mr. President, section 314(b) would restrict the use of certain tangible assets in IRA and Keogh retirement plans.

Under present law, taxpayers can selfdirect their investments, and the Federal prudent man and diversification standards of the Employee Retirement Income Security Act of 1974, are not applicable.

According to one report, the Ways and Means Committee language was adopted in the conference report because—

The committee is concerned that collectibles divert retirement savings from thrift institutions and other traditional investment media and that investments in collectibles do not contribute to productive capital formation.

The upshot is that section 314(b) specifically excludes a wide variety of investments. The action taken by Congress in approving this section of the act will have a major disruptive effect on the pension plans of hundreds of thousands of Americans, and, Mr. President, it will not result in the accomplishment of the stated goals of the section.

It is a fair proposition, I believe, that people should not have any assets in a retirement account, which are basically consumer goods, or household items, or even jewelry. In other words, people should not enjoy the tax benefits afforded IRA and Keogh plans in order to buy a luxury item or something that might be related to a hobby or personal tastes. I understand that some people have even taken to investing in old wine.

I would go along with a proposition that the tax laws should not subsidize personal consumption. The tax laws should not subsidize someone's hobby. But, Mr. President, if an individual believes that it is foolish to put hardearned money into an investment that does not even keep up with inflation, I would say he was an intelligent man. If that individual puts his money in a speculative stock, that might go up or might go down, then he is taking a risk, but it may turn out for the better. If that individual puts his money in gold bullion, then he may be hoping that gold will go up. He has a risk that it might go down in price.

Investing in gold, silver, or other tangible goods takes place because it is not prudent to do otherwise. The market-place tells us that people are looking for investments that will provide a good return. That is the simple truth of the matter.

But, Mr. President, the action of the Congress to adopt this section does exactly what Congress should not do and said it would not do when it adopted the basic law applicable to IRA and Keogh plans. That rule is that individuals are the best judge of how their retirement plans should be run.

The culprit, of course, is inflation. It has distorted values throughout the economy. It has crippled traditional financial markets. It has forced intelli-

gent people to find investments outside traditional areas.

The solution, of course, is to stop the distortions caused by inflation by ending inflation. In the meantime, we do a great disservice to individuals and the economy as a whole, when we act to reallocate resources from one sector to another. We show arrogance by pretending to have more knowledge than the individuals personally involved in these plans. We lower the ability of people to care for their own retirement, and we do no service to the financial markets that have been hurt by inflation.

Mr. President, I think that the bill before the Senate will have to be amended in the future. I plan to offer such legislation as soon as possible. I hope it will be given speedy consideration by the Finance Committee

Mr. CHAFEE. Mr. President, the Senator from North Carolina is correct. Neither the subcommittee which I chair on savings, pensions and investment policy, nor the full Senate has considered specifically the issue, the inclusion of tangible assets in retirement plans.

If the Senator introduces legislation on this subject, it would be my intention to give it priority for hearings this year before my subcommittee.

Mr. HELMS. I thank my friend and the distinguished chairman of the Savings and Pensions Subcommittee. I appreciate his offer of assistance and I will work closely with him on this important issue

Mr. President, I ask unanimous consent that the relevant portions of the bill be printed in the RECORD following my remarks, along with a letter from Mr. Harry Lamon, and a summary of a section from the Ways and Means Committee report.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PORTIONS OF BILL

"(n) INVESTMENT IN COLLECTIBLES TREATED as DISTRIBUTIONS.—
"(1) IN GENERAL.—The acquisition by an

individual retirement account or by an individually directed account under a plan described in section 401(a) of any collectible shall be treated (for purposes of this section and section 402) as a distribution from such account in an amount equal to the cost of such account of such collectible.

"(2) COLLECTIBLE DEFINED.—For purposes of this subsection, the term 'collectible' means-

- "(A) any work of art,
- "(B) any rug or antique,
 "(C) any metal or gem,
- "(D) any stamp or coin,
- "(E) any alcoholic beverage, or
- "(F) any other tangible personal property specified by the Secretary for purposes of this subsection."

HARRY V. LAMON, Jr., Atlanta, Ga., August 3, 1981.

Hon. JESSE HELMS, U.S. Senate, Washington, D.C.

DEAR SENATOR HELMS: I know of your interest in preserving the integrity of the federal pension law and, more specifically, the rights of individuals to direct investments in whatever medium they choose. For this reason, I believe that Section 314(b) of the Economic Recovery Tax Act of 1981 is contradictory to past Congressional actions relating to retirement plans, and is poor tax

I am founder and past president of the Southern Pension Conference and the Southern Federal Tax Institute, and served as a member of the ERISA Advisory Council representing the general public from 1975 through 1979. In my view, the conference committee report language is unfortunate for a number of reasons.

Current tax law generally permits individuals to self-direct investments in individual retirement accounts (IRA's) or in accounts held under qualified retirement plans. Many individuals have chosen to invest in coins, metals, gems, stamps, art and other items of tangible personal property. To avoid current taxation on such investments, current law requires that such investments be held under the earmarked account, and not be held as a personal possession of the individual. A little known provision of the Economic Recovery Tax Act of 1981, Sec. 314, would change current law effective January 1, 1982, and would provide that any investment in a "collectible" auto-matically would be deemed a current distri-bution subject to current taxation. This provision should be repealed for the following reasons:

1. The provision was adopted without prior notice to the public and without hearings.

2. The provision effectively prohibits a form of investment which has substantially outperformed more traditional investments in recent years.

3. The provisions substantially curtails the freedom of individuals to invest their own money as they determine is in their own best interest.

4. The provision discriminates against individuals who wish to invest their own money in tangibles as opposed to intangibles.

5. The provision will have a substantial and detrimental impact on thousands of businesses, most of which are small, which trade in coins, stamps, gems, antiques, art, precious metals, antique automobiles, and other items of tangible personal property.

6. The provision grants to the Internal Revenue Service through the Secretary of Treasury, extremely broad powers to expand the restrictions to "any other tangible personal property". It would appear that the IRS could assert the authority to extend the restrictions to investments in commodities and equipment and Items not even contemplated by the Congress.

7. Portions of the provision are unclear. Does it extend to jointly owned property? To property owned in a joint venture or general partnership? To property owned through a limited partnership? To property owned by a corporation? To property owned by an elect-ing corporation under Subchapter "S" of the code? To property owned by a trust?

8. The provision is limited to IRA's or individually-directed accounts. It apparently does not apply to non-directed accounts under qualified plans. This would permit a trustee to invest plan assets in "collectibles" for all participants, whether the individual participants desired such investments or not. but would not permit individuals to direct their own investments.

In conclusion, I wish to emphasize that Sec. 314(b) applies not only to Individual Retirement Accounts (IRAs) but also applies to acquisitions of "collectibles" by participants in all self-directed qualified ment plans described in Internal Revenue Code Sec. 401(a).

This is a major reversal of tax policy and one which will begin a rush, in the coming months before December 31, 1981, by individuals to earmark "collectibles" which they may never have considered had they been given the option to acquire them over a period of years. This is simply bad tax policy. It focuses millions of dollars in a direction which might never have been considered by participants under qualified plans had collectibles not been singled out for elimination

as a permissible investment in "individuallydirected accounts".

In the hearings leading to enactment of ERISA, much testimony was given in favor exempting "Individually-directed counts" from the normal rules on diversification and prudence. The concept adopted was to allow individuals to invest their own money as they saw fit. This policy is now being attacked by defining as imperishable investments, those "hard assets" which have always been the ground rock of our American democracy.

This opportunity to protect one's purchasing power at his actual retirement date is now, by this section, being eliminated without the benefit of any hearings or public discussion of this important tax policy change.

Sincerely,

HARRY V. LAMON, Jr.

SUMMARY OF SECTION FROM THE WAYS AND MEANS REPORT

Investments in collectibles by an individual account or individually-directed account under a qualified plan (sec. 305(b) of the bill and sec. 408 of the Code).

Present Law.—Under present law, broad discretion generally is allowed with respect to investments by qualified plans and IRAs (Individual Retirement Accounts) where self-dealing is not involved.* The Federal prudent man and diversification standards of the Employee Retirement Income Security Act of 1974 (ERISA) do not apply to IRAs or to individually-directed accounts of employ-ees under qualified plans.

Under present law, only a bank, insurance company, or other qualifying financial institutions can act as an IRA trustee or custodian; however, the owner of an IRA can selfdirect the investment of assets in the account.

Reasons for Change.-In recent years there has been increasing interest in investing retirement savings in collectibles (coins, antiques, art, stamp collections, etc.) under IRAs an individually-directed accounts in qualified plans. The committee is concerned that collectibles divert retirement savings from thrift institutions and other tradi-tional investment media and that investments in collectibles do not contribute to productive capital formation.

Explanation of Provision.—Under the bill an amount in an IRA or in an individuallydirected account in a qualified plan which is used to acquire a collectible would be treated as if distributed in the taxable year the acquisition. The usual income tax rules for distributions from an IRA or from a qualified plan apply.

A "collectible" is defined in the bill as any work of art, rug, antique, metal, gem, stamp, coin, alcoholic beverage, or any other item of tangible personal property specified by the

Although the bill changes the tax treatment of the acquisition of collectibles under individually-directed accounts, it does not modify the tax qualification standards of the Code for pension, profitsharing, or stock bonus plans or the nontax rules of ERISA. For example, the tax qualification of a pension plan would not be adversely effected merely because an amount was treated as distributed to a participant under this provision at a time when the plan is not permitted to make a distribution to participant.

The committee expects that Treasury regulations will provide for appropriate adjust-ments that will avoid double taxation of benefits under a plan where the collectible is not actually distributed.

Special rules apply to investments by qualified plans in employer real estate. Also, investments by pension plans in employer securities are subject to a special limitation.

Effective Date.—The provision is effective for property acquired after December 31, 1981, in taxable years ending after that date.

Revenue Effect.—This provision will have a negligible effect upon budget receipts.

TAX STRADDLES

• Mr. SYMMS. Mr. President, I simply want to clarify one small point. When the Finance Committee changed the tax treatment of Treasury bills to a capital asset, we did so to end the tax abuse that existed due to differing tax treatment of physical Treasury bills and Treasury bill futures. I commend the chairman of the Finance Committee and the conferees for achieving this. I also want to stress that while ending the abuse, it was the intention of the committee to insure that physical Treasury bill transactions, such as arbitrage transactions by individuals, remain tax neutral

It is my understanding that it is the committee's intent to insure a tax neutral situation which allows for an income stream equal to the pro rata share of the bill's acquisition discount regardless of market fluctuations, and regardless of which side of the transaction long or short, an individual is on. This would be similar to treatment for U.S. Government Treasury bonds and notes, and corporate stock and corporate bonds. In each case, a stable income stream is separate from the value of the capital asset which fluctuates according to market conditions in a tax neutral way.

I appreciate the opportunity to clarify this matter.

THE VOTE TO RECOMMIT THE TAX BILL

• Mr. CHAFEE. Mr. President, I am not going to vote to recommit this tax bill because, I think on balance, it is a good piece of legislation. It represents the best compromise that could be worked out between the Senate and House conferees, and it contains many of the important ingredients for getting our economy moving in the right direction.

I want the record to show, however, that I share many of the same concerns Senator Kennedy and others have expressed this afternoon. The amount of favoritism that has been shown to the oil industry and to oil-related income is astonishing. To many millions of hardworking taxpayers, frankly, it is reprehensible.

Not only does the conference agreement give owners of oil royalties a permanent tax credit of \$2,500 to offset windfall profit taxes, but it takes away a 1-year \$200 home heating tax credit in the Senate bill targeted to lower income families. And to put icing on the cake, royalty owners will be given an additional exemption from the tax of up to four barrels a day. It may be that a lot of royalty owners are elderly, retired, living on small incomes, and so on, but is their plight worse or more deserving of relief than that of the elderly, retired New Englander living on a fixed income who pays \$1,200 to \$1,500 a year just to keep his house warm? Mr. President. I think some priorities have been misplaced in Congress.

Speaking of priorities, I believe the voters and the taxpayers will be outraged to know that while their own in-

come taxes are being cut 25 percent over the next 3 years, the tax on new oil production is being slashed 50 percent. But that is not all. The first 1,000 barrels of stripper oil produced by the independent companies will not be subject to any windfall profit tax at all.

What is the cost of all this, Mr. President? Between now and 1986, it will cost the taxpayers almost \$12 billion to grant these favors to the owners and producers of America's oil. What is most distressing is that these favors have been handed out so easily and so soon after cuts in many social programs were made with such difficulty.

While I am disappointed that these o'l giveaways have found their way into the Economic Recovery Tax Act, I believe strongly that the overall legislation is very important and should be enacted without delay. A billion dollars taken in any context is obviously a lot of money, but \$12 billion for oil in the context of a \$700 billion total package will have to be accepted so we can get on with the economic recovery program.

PROVISIONS IN H.R. 4242 AFFECTING DR. SUSAN AND PHILLIP LONG

• Mr. JACKSON. Mr. President, I would like to call attention to one particular provision of the conference report which is minor in the overall bill but of great significance to two of my constituents, Phillip and Dr. Susan Long.

Section 701 would effectively moot several lawsuits which the Longs have successfully pursued against the IRS over a period of 7 years. This section is an injustice to the Longs and it was unnecessary to protect the IRS's legitimate concerns.

In brief, the Longs have sued the IRS and the Bureau of Economic Analysis of the Department of Commerce to obtain certain statistical data generated by the taxpayer compliance measurement program. The IRS has contended that release of the data sought by the Longs would jeopardize the effective enforcement of the tax laws and provide a "roadmap for tax avoidance." The Longs dispute this contention and claim that the data is valuable for economic research and analysis of the effectiveness of the IRS audit and compliance program. Whether disclosure of the data would be harmful is a technical debate about which experts disagree. I express no view on this issue.

The Longs have won a lawsuit, affirmed by the ninth circuit, which was soon to be appealed to the Supreme Court by the Government. If the Government's appeal were denied, the judgment of the ninth circuit would become final and the TCMP data sought by the Longs would be immediately released.

Claiming irreparable harm if this data were released the IRS sought legislative relief which would authorize the Secretary of the Treasury to refuse to disclose data if he determines that it would impair the enforcement of the tax laws. The legislation sought by the IRS would effectively moot the Longs' lawsuits. It was introduced by request in the Senate on May 22.

Because there was no opportunity for a hearing on this narrow issue prior to Senate consideration of the tax bill, the IRS asked that it be added to the Senate bill as a floor amendment. Senator Gorton and I objected to this procedure on the sole basis that the Longs had not had an opportunity for a hearing to explain their side of this dispute. Senator Dole agreed to honor our request that no such legislation be added to the Senate bill. The administration asked me to withdraw my objection to Senate consideration of the amendment but I indicated I could not do so unless hearings were held at which the Longs could testify.

The IRS then obtained approval of the provision in the last markup of the House Ways and Means Committee and also obtained inclusion of the provision in the Hance-Conable substitute.

I proposed a compromise to the Senate conferees which would protect the Government's interest in preventing an immediate and potentially damaging disclosure of the data sought by barring its disclosure until January 1, 1983. This would have allowed the IRS an opportunity to obtain legislation permanently barring disclosure if it could convince the Congress that such a bar was justified. I do not object to the concept of such legislation and I would have voted for it if it was shown as hearings that disclosure of the data would damage enforcement efforts.

The administration objected to my proposal and proposed a compromise which would have delayed disclosure of the data sought by the Longs until all actions filed prior to July 19, 1981 seeking data the disclosure of which the Secretary deemed would impair tax enforcement were final. Since the Longs have several other suits and there are an unknown number of lawsuits pending around the Nation by unrelated parties in which the Secretary might make this finding, this proposal would have delayed a final decision on disclosure for many years. This proposal was worse than the proposed House language and at the request of the Longs, my staff advised the Finance Committee staff that it would be better to recede to the House position than to take this new proposed compromise. The conferees did recede and take the House position.

In an effort to assure that the record is clear on this issue I ask that a copy of my proposal and the language which my staff was provided as representing the administration proposal be printed in the Record.

I simply do not believe that it was necessary for the IRS to insist on effectively mooting the Longs case without a congressional hearing. I regret that the conferees did not accept my proposal.

The material is as follows:

In H.R. 4242 strike section 701 and insert the following new section as appropriate:

"SEC. PROHIBITION OF DISCLOSURE OF METHODS FOR SELECTION OF TAX RETURNS FOR AUDITS.

(a) GENERAL RULE.—Paragraph (2) of section 6103(b) (defining return information) is amended by adding at the end thereof the following new sentence: 'Nothing in the preceding sentence, or in any other provision of law, shall be construed to require the disclosure of standards used or to be used for the selection of returns for examination, or data used or to be used for determining such standards, if the Secretary determines that

such disclosure will seriously impair assessment, collection, or enforcement under the internal revenue laws.

(b) EFFECTIVE DATE.—
(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply to disclosures after July 19, 1981.

(2) TRANSITIONAL RULE.—The amendments made by subsection (a) shall not apply to

any person-

(A) which has filed before the date of enactment of this Act an action against the United States seeking to compel disclosures of standards used or to be used for the selec-tion of returns for examination, or data to be used for determining such standards (including but not limited to taxpayer compliance measurement program computer tapes), and

(B) which agrees not to take possession of such standards or data (whether pursuant to an order of any Federal court or otherwise) before January 1, 1983.

ADMINISTRATION PROPOSAL

(2) TRANSITIONAL RULE.—The amendments made by subsection (a) shall not apply to disclosures made more than one year from the date of, and pursuant to, final judicial resolution of all actions against the United States, seeking to compel disclosure of standards used or to be used for the selection of returns for examination, or data to be used for determining such standards (including but not limited to taxpayer compliance measurement program computer tapes). which was filed prior to July 19, 1981.

o Mr. DIXON. Mr. President, I am a supporter of H.R. 4242, the Economic Recovery Tax Act of 1981. While I do not fully support all its provisions, I do agree with its objectives. I believe that all Americans, including both individual taxpayers and businesses, need tax relief. Inflation has increased the individual taxpayer's tax burden to unjustifiable levels. Business needs tax cuts to stimulate new investment, increase productivity, and to increase its competitiveness in the world market.

However, I am extremely concerned about the provisions in the bill covering the tax straddle issue. The Senate and House conferees, as I understand it, agreed to include the Senate straddle provisions in the conference bill, eliminating the House approach. As I have stated on the Senate floor on a number of occasions, I believe that the markedto-market approach now included in the conference bill could have severe adverse

consequences.

It would cause significant disruptions of our Nation's commodity markets, markets which play a necessary and important role in our agricultural marketing and distribution system. The conferees acted to close a tax loophole used by wealthy speculators, but the real victims of the conference bill are likely to be the Nation's farmers, food processors and others who depend on the smooth functioning of the commodity markets.

I must continue to oppose, therefore, the approach taken in the conference bill. The risks of serious harm to the agriculture community is too great to justify taking the precipitious action the Senate is about to take today. I am sorry that the commodity markets will have to be seriously disrupted in order to convince my colleagues that the marked-tomarket approach is not the way to go. • Mr. JACKSON. Mr. President, I dis-

agree with a number of provisions in this tax bill. For example, I believe we have gone too far in rolling back the windfall profit tax on the oil industry. In addition, I favored amendments which would have given a larger share of the individual tax cuts to the middle-income groups. There are many other provisions about which I have reservations and would change if I had the power to do so.

However, the choice before us is between passing a tax cut bill or not passing a bill. We are beyond the point where individual amendments may be proposed to correct specific inadequacies. The Senate passed its version of the tax cut bill overwhelmingly and the House passed a similar bill by a narrower but decisive margin. It is clear that the American people want and need a tax cut and there is substantial ecoonmic justification for a tax cut though not necessarily with all the elements of this bill. The compromise worked out by the conferees fairly represents the will of the House and the Senate as reflected in the two

The President's economic program is an experiment, probably the greatest economic experiment since the New Deal. The tax bill is one of the basic elements of the President's program and its passage is essential if this program is to have a fair test. The administration has raised the expectations of the American people to a high level about the benefits of this program. I have reservations about the efficacy and the equity of this program which I have attempted to articulate during the debate on the budgetary and tax bills. That debate is now

The President has now won decisive congressional approval of all the major elements of his program and its success or failure will be determined on the correctness of his economic theories alone. Like most Americans, I hope this program works.

o Mr. BENTSEN. Mr. President, I would like to clarify the intent of the language in section 128(d)(3)(G) of H.R. 4242, "The Economic Recovery Tax Act of 1981." This section defines "qualified residential financing," for purposes of investing the proceeds of tax-exempt savings certificates, to include mortgagebacked securities issued or guaranteed by the Federal National Mortgage Association, the Government National Mortgage Association, and the Federal Home Loan Mortgage Corporation. Section 128(d)(3)(G) reads:

The purchase of securities issued or guaranteed by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or securities issued by any other person if such securities are cured by mortgages originated by a qualified institution, but only to the extent the amount of such purchases exceeds the amount of sales of such securities by an institution, and .

Mr. President, it is my understanding that all securities issued or guaranteed by these federally chartered or federally sponsored entities are eligible for purchase by qualified depository institutions with the proceeds of tax-exempt savings certificates whether or not these securities are by mortgages.

Mr. DOLE. The understanding of the Senator from Texas is correct.

• Mr. ARMSTRONG, Mr. President, the enactment of the Economic Recovery Tax Act of 1981 signals that the longpromised new beginning has begun.

Never in the history has an elective body ever dared to enact a tax bill like the one Congress will approve today. This is the largest tax cut in history.

This bill is the greatest transfer of wealth from the Government into the hands of individuals. During the next 6 years, some \$750 billion that would have been spent by the Federal Government will now be kept in the pockets, in the businesses, in the savings accounts, and in the stocks of American taxpayers.

Chalk this one up to the Guinness Book of World Records, and to the American

taxpavers

This bill sets a new direction for the country. In essence, the bill says "Americans, we hear you. You want lower taxes. less government, greater individual freedom to prosper.

This bill delivers. This tax bill:

Reduces tax rates for all Americans by over 25 percent over the next 3 years; Allows American businesses to recoup capital investment at a faster rate;

Provides incentives for Americans to save more of their paychecks;

Reduces corporate tax rates:

Encourages individuals to set aside money now to finance future retirement: Provides small businesses a fair and easy-to-use method of tax accounting:

Encourages universities to work more closely with businesses in the research and development of new technology:

Reduces substantially estate and gift taxes so that in the future, spouses and children will not have to sell inherited property to pay Federal taxes;

Fliminates the confiscatory 70 percent tax imposed on investment income:

Reduces taxes on newly discovered energy resources; and

Encourages Americans to contribute more to worthwhile charitable and civic activities.

On top of all this, this bill provides permanent tax reform by guaranteeing that in the future, taxpayers will no longer pay higher tax because of inflation. This tax indexing provision goes into effect after the individual rate reductions contained in the bill are implemented. So that by 1984, Americans will have their tax rates reduced by 25 percent, and will then no longer have to pay higher taxes if inflation jumps their income into higher tax brackets.

What a tax bill.

Already this legislation has sparked a sense of optimism that America is finally on the right course. The stock markets posted sharp gains the past week. The value of the dollar in international markets continues to rise. Americans are already personalizing the bill. They are figuring out how much their taxes will be reduced, and how this windfall ought to be best spent or invested.

America has turned the corner. But to realize how far we have come, and how far we have to go, some perspective

is needed.

Twenty years ago there was no question that America was the world's eco-

nomic power. Its average inflation rate for the previous decade was 1.9 percent: The United States exported far more than it imported. It dominated international finance; 8 of the 10 largest banks in the world were American. Americans applied for and received more patents than the rest of the world combined. We launched an ambitious program to put a man on the moon by the end of the decade. The total Federal budget in 1960 was \$77 billion, and the national debt was \$284 billion, or \$1,572 for each American. The typical American family spent only 20 percent of its budget on taxes. That family saved more than 9 percent of its income. Interest rates on mortgages were no more than 6 percent. Some 61 percent of Americans eligible voted in the 1960 Presidential election.

And where is the United States today? We are in economic decline. We know it. The world knows it, and treats us accordingly. Our average inflation rate for the past decade was 11 percent. Our annual trade deficit is more than \$28 billion. Only 2 American banks rank among the world's top 10. Japan has replaced America as the leader in successful patents. Our Federal budget exceeds \$700 billion, and our national debt exceeds \$1 trillion, or more than \$4,000 for each man, woman, and child in the United States. The typical American family spends 44 percent of its budget on taxes. Americans save less than 4 percent of their income. Home mortgage interest rates exceed 15 percent. In terms of real purchasing power, Americans are less well off than they were a decade ago.

President Carter 2 years ago declared that Americans had lost confidence that their Government could govern, and less than 40 percent of Americans voted in the last Presidential election.

In short, by nearly every conceivable measure, America has been in economic and political decline. Americans today feel poorer than they did 20, 10, even 5 years ago. They lost confidence in the future, in their dollar, and in their Government. This lack of confidence was reflected in many ways. Americans turned to artwork as a better investment than savings or stocks. An underground, untaxed economy-unheard of 2 years ago-now counts for some 20 percent of our gross national product, according to many experts. Tax shelters of dubious economic worth flourished, even became a national craze as more and more Americans sought tax relief. Business decisions were made not because they would create future profits, but because they would provide tax breaks.

What is needed to reverse this trend is bold, decisive action that signals a new economic era for Americans? An era that says Americans will keep more of what they earn, and can spend or invest it as they choose.

This tax bill signals this new era, this new beginning.

This bill will restore a degree of fairness to our overburdened tax system by giving every taxpayer in America a reduction in their tax rates in each of the next 3 years. Thereafter, this bill provides for indexing the tax code to auto-

matically lower taxes to offset the effects of inflation. To individual working men and women and their families, this legislation means welcome relief from the constant tax increases of recent years.

Moreover, this legislation is an important aspect of President Reagan's overall program for the economic revitalization of the Nation. Together with budgetary restraint needed to balance Federal spending and revenues by no later than 1984 and the President's proposed regulatory reforms, this tax bill holds the promise of restoring a large measure of economic incentive to the private sector.

While I do not expect overnight response from our sluggish private sector, I do believe that such incentives will foster increased private savings, investment, entrepreneurship and, in consequence set the stage for increased productivity, rising employment, and greater growth and prosperity for the Nation as a whole.

I submit for the RECORD the following summary of the principal provisions of the act prepared by the staff of the Senate Finance Committee.

The summary follows:

SUMMARY

INDIVIDUAL TAX RELIEF

Across-the-board marginal tax rate reductions of 5 percent on October 1, 1981, with additional reductions of 10 percent on July 1, 1982, and 10 percent on July 1, 1983.

The top marginal rate on investment income will be lowered from 70 percent to 50 percent, effective January 1, 1982.

The maximum rate of tax on capital gains will drop to 20 percent for transactions occurring after June 9, 1981.

Indexing of individual rate brackets, the personal exemption, and the zero bracket amount will begin in 1985. These items will be adjusted to reflect the change in the CFI.

Marriage tax penalty relief in the form of a 5-percent exclusion up to \$1,500 in 1982 and a 10-percent exclusion up to \$3,000 in 1983 and thereafter.

Americans working abroad will be entitled to an exclusion of \$75,000 as well as a housing allowance, effective January 1, 1982. The exclusion increases to \$95,000 (in \$5,000 increments) by 1986.

Taxpayers who do not itemize will be able to take a deduction for charitable contributions. The deduction is a percentage of contributions up to a fixed dollar amount: 25 percent (up to \$100) in 1982 and 1983; 25 percent (up to \$300) in 1984; 50 percent in 1985; 100 percent in 1986.

BUSINESS INCENTIVE PROVISIONS

Effective January 1, 1981, under the accelerated cost recovery system (ACRS), 10-year, 5-year, and 3-year classes of property will be written off using rates that approximate the 150-percent-declining-balance method through 1984. Certain long-lived utility property will be in a 15-year class. For property placed in service in 1985 and 1986 and thereafter, recovery rates will be increased to 175 percent and 200 percent, respectively. Assets in the 3-year class will get a 6 percent investment credit and those in the 5-, 10-, and 15-year classes a 10-percent credit. Taxpayers can elect in 1982 to expense \$5,000 annually, increasing in stages to \$10,000 in 1986.

All real estate will receive a 15-year auditproof cost recovery period and will be written off using rates equivalent to 175-percentdeclining-balance (low-income housing, 200percent declining balance).

A liberalized leasing rule will be provided to facilitate the transfer of the ACRS tax benefits to companies which can utilize these tax benefits. For small business additional benefits are provided:

Corporate rates are reduced in two steps to 15 percent on the first \$25,000 of income and 18 percent on the next \$25,000 by 1983.

The investment credit limitation on used equipment will increase from \$100,000 to \$125,000 for 1981-84 and to \$150,000 thereafter.

The maximum number of permitted Subchapter S shareholders will increase to 25, and under certain circumstances trusts will be permitted to be shareholders.

The minimum accumulated earnings credit will increase from \$150,000 to \$250,000.

Inventory accounting will be simplified for businesses with average gross receipts of less than \$2 million.

To encourage research and development, a new tax credit is included, equal to 25 percent of incremental R&D expenses after June 30, 1981. All R&D conducted in the United States will be allocated to U.S.-source income for two years.

source income, for two years.

The 10-percent investment tax credit for rehabilitation expenditures will be replaced by a credit that is 15 percent for buildings that are at least 30 years old, 20 percent for buildings that are at least 40 years old, and 25 percent for certified historic structures.

Employees will be entitled to favorable tax treatment on stock options qualifying as incentive stock options.

SAVINGS PROVISIONS

Individuals will have a lifetime exclusion of \$1,000 (\$2,000 on joint returns) of interpaid on depository institution tax-exempt savings certificates issued after September 30, 1981 and before January 1, 1983.

The maximum contribution to an individual retirement account (IRA) will be increased from \$1,500 to \$2,000 up to 100 percent of an individual's earnings for the year. The maximum contribution to a spousal IRA will be increased from \$1,750 to \$2,250. Both of these changes will be effective January 1, 1982.

Individuals who are active participants in an employer-sponsored retirement plan will be able to deduct up to \$2,000 per year of contributions to individual retirement accounts.

The maximum deductible contributions to a Keogh plan will be increased from \$7,500 to \$15,000, effective January 1, 1982.

ENERGY

The windfall profit tax credit for royalty owners will be raised from \$1,000 to \$2,500 for 1981, and go to 2 barrels per day in 1982, 1983, and 1984, 3 barrels in 1985, and 3 barrels in 1986.

The windfall profit tax on newly discovered oil will be reduced from 30 to 15 percent, in stages from 1982 through 1986. The windfall profit tax on stripper oil of independent producers will be eliminated beginning in 1983.

ESTATE AND GIFT TAX RELIEF

An increase in the credit against the unified estate and gift tax to \$192,800 will be phased in over six years exempting 99.7 percent of all estates from the estate tax. This corresponds to an exclusion of \$600,000.

The maximum estate tax rate will be reduced from 70 to 50 percent over four years.

The marital deduction will be unlimited,

effective January 1, 1982, as contrasted with present law, which limits the marital deduction to one-half of the adjusted gross estate or \$250,000, whichever is greater. The terminable interest rule will be repealed.

The annual gift tax exclusion will be increased from \$3,000 to \$10,000 per donee, effective January 1, 1982.

OTHER PROVISIONS

A series of provisions will substantially limit the use of transactions such as tax straddles to defer gains from noncommodityrelated income or to convert such income into long-term capital gains.

Administrative changes include several increased interest and penalty provisions, increased exemption from the individual estimated tax penalty, and safeguards from disclosure of certain IRS audit data.

The moratorium on the issuance of regulations on fringe benefits will be extended until December 31, 1983.

Special rules are provided to facilitate the reorganization of financially troubled thrift institutions.

The targeted jobs tax credit is extended through 1982.

Repeal of the "away from home" rule for state legislators, retroactive to 1976 and an extension of the per diem deduction.

A new income tax credit is allowed for contributions to a tax credit Employee Stock

Ownership Plan. The credit is limited to .5 percent of compensation in 1983 and 1984 and .75 percent through 1987.

and .75 percent through 1987.

Allow utility corporations to establish dividend reinvestment plans under which individuals may exclude stock dividends through such plan from income up to \$750 (\$1.500 for a joint return).

See attachment for estimate of revenue effects.

SUMMARY OF ESTIMATED REVENUE EFFECTS OF THE PROVISIONS OF H.R. 4242 AS APPROVED BY THE CONFERENCE, FISCAL YEARS 1981-86

Iln	mil	lions	of	dol	lars

Provision	1981	1982	1983	1984	1985	198
Individual income tax provisions Business tax cut provisions Energy tax provisions Savings incentive provisions Estate and gift tax provisions Tax straddles Administrative provisions Miscellaneous provisions	-39 -1,562 	-26, 929 -10, 657 -1, 320 -263 -204 623 1, 182 -88	-71, 098 -18, 599 -1, 742 -1, 821 -2, 114 -3, 27 2, 048 267	-114, 684 -28, 275 -2, 242 -4, 215 -3, 218 273 1, 856 561	-148, 237 -39, 269 -2, 837 -5, 740 -4, 248 249 718 61	-196, 14 -54, 46 -3, 61 -8, 37 -5, 56 22 59 -27
Total revenue effect	-1,565	-37, 656	-92, 732	-149, 944	-199, 303	-267, 62

SECTION 861 NEEDS EQUITABLE ADMINISTRATION

• Mr. SCHMITT. Mr. President, I would like to express my gratification at the action taken by the Senate on Monday, July 27, and the House-Senate conference, to suspend for a year an inequitable administrative interpretation of section 861 of the Internal Revenue Code that for the last 4 years has created a serious disincentive to the performance, let alone sorely needed expansion, of research and development activity in the United States.

During this period of suspension, the Treasury Department is ordered to study the adverse effects of these 861 regulations and report back to Congress with recommendations for corrective action. If common sense prevails, Mr. President, these confiscatory tax regulations will be permanently abolished.

It was unfortunate, Mr. President, that the otherwise outstanding tax legislation we are now debating, the Economic Recovery Tax Act of 1981, did not initially address this disincentive to R. & D. But the omission was corrected, I am glad to say, when the leadership on both sides of the aisle, and the distinguished chairman and members of the Finance Committee, agreed to a bipartisan amendment offered by the distinguished Senator from Ohio (Mr. Glenn) in behalf of himself, the Senator from Missouri (Mr. Danforth), and the Senator from Wyoming (Mr. Wallop). The Senate wisely and promptly concurred.

These 861 regulations have been forcing a shift of R. & D. activities by this country's research-oriented industries to overseas locations. American companies have had to do this to minimize what amounts to double taxation, caused by this administration interpretation, of income generated by their overseas operations.

Speaking on the basis of my own background, and as chairman of the Subcommittee on Science, Technology, and Space, I fully concur in a statement made by President Reagan, shortly after his election, calling for bold action to make our companies competitive with the dynamic industries in Japan and Western Europe. And, Mr. President, I should emphasize that this is a true bipartisan concern. Former President Carter, referring to stifling Government restraints on

innovation in the United States, stressed the need for a Government partnership with the private sector to restore the scientific and technological productivity of the American free enterprise system.

We can make a start toward that critical goal by nullifying the 861 regulations relating to R. & D. Prior to 1977, the regulations under section 861 had remained essentially unchanged for over 50 years. However, in 1977 the Treasury Department added a new and complex set of rules relating to the manner in which companies with foreign sales must treat expenses for research and development conducted in the United States. Under these rules, U.S. companies must allocate a portion of these expenses to income earned in other countries. This arbitrary allocation effectively reduces the amount of foreign tax credit available to offset the taxes imposed by those other countries. Since foreign countries in question frequently will not recognize the allocations for their tax purposes, the U.S. company ends up paying tax on the same income twice.

There is convincing evidence that the 861 regulations create strong disincentives for U.S. companies to initiate or expand R. & D. programs in the United States and a corresponding incentive to undertake them in Canada, the United Kingdom, France, and other foreign countries whose governments do not have a policy that frustrates discovery and innovation in the private sector.

The consequences of this inequitable tax policy are inevitable: Discouragement of R. & D. in the United States and the resulting loss of highly-skilled jobs; construction of research laboratories overseas; increased employment at those American-owned laboratories of foreign scientists and technicians; and the conduct on foreign soil of millions of dollars of R. & D. projects conceived by American minds

Mr. President, let me leave with you and Members of the Senate this closing thought:

If we allow the number of scientists and related skilled workers to be diminished by reason of R. & D. facilities moving to foreign countries, our country will suffer a severe and lasting loss.

RESTRICTED STOCK PLANS

• Mr. BENTSEN. Mr. President, I ask that the distinguished floor manager clarify one aspect of the bill in the area of incentive stock options. The bill includes a provision which is designed to avoid the necessity, and attendant administrative costs, of amending existing employee stock purchase plans which are substantially the same as incentive stock options in order to qualify them as such options. I am specifically referring to section 422A(c)(4)(c), which would be created by section 251 of the bill, and the language on page 100 of the committee report, which expands on that provision.

Am I correct in assuming that the intent of that provision is to qualify as an incentive stock option the transfer of stock for nominal consideration under arrangements which would be considered the granting of an option for Federal income tax purposes? For example, if a company pursuant to a plan otherwise qualifying under the bill transferred stock for a nominal amount to an employee which could not be sold until the employee completed a required period of employment, could such a transfer qualify as an incentive stock option?

Mr. DOLE. I would be happy to respond to the Senator from Texas. The answer to the question is yes. In the situation the Senator describes, if the transfer of stock were, for instance, granted subject to an indebtedness for which there was no personal liability to pay, it would be considered an option. Under these circumstances the transfer of stock would be an option for Federal income tax purposes and if it met the requirements of new section 422A(b), it would qualify as an incentive stock option. One of these requirements is that the employee pay 100 percent of the fair market value of the stock at grantinga payment which would usually occur when the option is exercised, or in Senator Bentsen's example, when the restrictions upon the transferred stock lapse. LENGTH OF SERVICE, PRODUCTIVITY, AND SAFETY AWARDS

• Mr. GARN. Mr. President, my cosponsor, Mr. Chaffe, and I would like to clarify the purpose and effect of an important amendment that was made on

the Senate floor. Because of his great concern and knowledge on this subject, I would like to yield at this time to the distinguished junior Senator from Rhode

Mr. CHAFEE. I thank the senior Senator from Utah. Mr. President, under present law a deduction is allowable to an employer for a tangible item of personal property, such as a watch or a service emblem, that is awarded to an employee in recognition of length of service or safety achievement, but only if the cost of the item does not exceed \$100. Such items are awarded to motivate employees, cement employment relations, recognize loyalty, employment longevity, or achievement, or for other purposes of the employer. No change has been made in the dollar limit for such deductions since 1962, however, and during that time the Consumer Price Index has nearly tripled and the price of gold, silver, and other basic raw materials has gone up more than 1,000 percent. Unless this 20-year-old ceiling of existing law were raised, it would continue to impose an outmoded and unrealistic restriction upon the recognition of employee loyalty and achievement.

Furthermore, under current law no deduction is allowable for any item if the cost of it exceeds \$100, and no provision currently exists for productivity awards. Finally, although such awards are often made as part of a broad-based plan which recognizes achievement without regard to compensation levels-for example, by recognizing service with increasingly attractive awards at 5-year intervals with the most meaningful award, frequently a gold watch, at retirement—deductions for recognition awards cannot currently be taken on an average cost, planwide basis.

The measure that was introduced in the Senate by the distinguished senior Senator from Utah, and that I cosponsored, would resolve these problems. Under that amendment (UP No. 325), first, the per item deduction limit would be raised from \$100 to \$400. As thus amended, the code would continue to impose a reasonable dollar limit on recognition awards, but it would also at least partially recognize the increased cost of materials used in the manufacture of such awards.

Second, the amendment would allow a deduction for the first \$400 of each item even if the cost of that item exceeded \$400. This removes an unintended technical problem under prior law.

Third, the amendment would allow the per item cost of awards to be computed on a planwide, average cost basis, as long as the plan does not discriminate in eligibility or benefits in favor of officers, shareholders, or highly compensated employees. This provision recognizes that average cost is the logical and reasonable way to calculate the deduction limits when a broad-based, nondiscriminatory plan is involved.

In addition, to prevent any possibility of abuse, no deduction will be allowed, even on a plan-wide basis, for that portion of any award that exceeds \$1,600. Finally, the amendment would allow deductions for productivity awards as well as length of service and safety achievement awards. This addition is consistent with the overall purpose of the Economic Recovery Tax Act of 1981, for it will make it possible to provide meaningful, tangible incentives for increased productivity, such as efficiency, attendance, and achieving goals.

Mr. GARN. I would like to thank the Senator for that very clear and thorough explanation of the provision, in which I concur

Might we have the distinguished floor manager's views on the amendment.

Mr. DOLE. I appreciate the remarks of the Senators and I agree with their views. When section 274(b)(1)(C) was originally added to the code in 1962, the Senate made it clear that:

Gifts for these purposes . . . serve to strengthen the relationship between business and its employees [and] should not be discouraged by the tax laws. (S. Rep. 87-1881,

Our action today reaffirms that intention. Furthermore, the amendment is consistent with the overall purposes of the Economic Tax Recovery Act of 1981.

Mr. GARN. Does the distinguished minority floor manager of the measure share this understanding?

Mr. LONG. Yes, I do.

Mr. GARN. I thank both floor manag-

ers and I yield the floor.

• Mrs HAWKINS, Mr. President, Congress has labored long and hard on this tax bill. I think that the imagination of the public has been captured by the leadership of the President. People responded to his message by pressing their case with the Senate and with the House of Representatives. If our telephones and our mail are indicative, then Floridians wholeheartedly support the President's economic policy.

The symbolism of passage of the tax bill has already had an effect. The stock market is firming up and the dollar is doing well against foreign currencies. This morning's Wall Street Journal showed the dollar advancing against the German mark, the French franc, and the Japanese ven.

This early improvement is largely the result of a psychological effect. The real economic impact, needless to say, has not yet been felt. I am convinced, Mr. President, that this tax bill will reduce disincentives to saving and investment; I am convinced that it will stimulate personal and business investment; I am convinced that productivity will increase; I am convinced that the lower marginal tax rates will induce some of the underground economy to return to the tax rolls: some of the tax shelters will no longer hold the attraction they have held, and will be exchanged for productive investment.

Mr. President, I believe that the chairman of the Finance Committee, the other members of the committee, and their staffs, deserve an ovation from all of us. and from Floridians in particular. I have been gratified by the level of expertise and cooperation, not only on the committee and committee staff, but on the part of my colleagues, and their staff as well. This debate has shown that the country is well-served by this process and by those who have labored on this tax bill. I am proud to have been associated with them and with this legislation.

Mr. EAST. Mr. President. Congress will this week send to President Reagan the greatest single piece of tax-cutting legislation in our history.

This is an achievement of which we can be very proud. The bill we had to consider was lengthy, and the issues involved were intricate and wide ranging. Nevertheless we persevered, and the final product represents a bipartisan effort to give the American people the tax relief that they so urgently needed. The people have expressed their views on this issue in no uncertain terms, and Congress has made an appropriate reply.

It is impossible to exaggerate the salutary effect that this legislation will have on all taxpayers. The allegation that it will chiefly serve to benefit the well-todo just does not hold up under close examination.

The cornerstone of this measure is an across-the-board reduction in individual tax rates of 25 percent: 5 percent on October 1 of this year, with two 10 percent cuts to follow in July of 1982 and July of 1983. All taxpayers will thus have their rates slashed.

The reductions are essential. For years, Government has been playing a con game called bracket creep. By inflating the money supply, it forces more and more of our people into higher tax brackets so it can collect a larger share of their earnings. Assistant Secretary of the Treasury Paul Craig Roberts has pointed out that in 1965, a middle-income family faced a top Federal tax rate of 17 percent. Today, it faces a rate of 28 percent. In 1984, if the current tax law were to remain unchanged, it would face a rate of 32 per-

Instead, the new law will reduce the top rate to 24 percent by 1984. Furthermore, it will index tax rates to eliminate bracket creep for good. Starting in 1985. rates will be adjusted to reflect the costof-living increases of the previous year as measured by the consumer price index.

These lower personal tax rates will also help small business. The vast majority of business enterprises in this country are sole proprietorships. Partnerships are second, and corporations are a distant third. Since proprietors and partners pay only personal income taxes on what their enterprises take in, a major tax cut gives them more money to plow back into their enterprises and make them flourish. This in turn will help to reduce unemployment, since most new jobs are created by small business.

Personal tax rates will be adjusted to offset the so-called marriage penalty. At last our tax laws will recognize that an increasing number of married women are pursuing careers outside the home, and that couples should not be taxed at a higher rate because both spouses must work to make ends meet. The new tax bill will allow the spouse with the lesser income to deduct 5 percent of that income (up to \$1,500) in 1982, 10 percent (up to \$3,000) in 1983.

The bracket-creep phenomenon also gives a confiscatory edge to Federal estate and gift taxes. For too long it has been the bitter complaint of those who own family farms and businesses that they "live poor and die rich." In other words, they work all their lives to create something of value, only to have it snatched from their heirs by the tax man because inflation has artificially boosted the value of their estates.

Inflation has likewise made interfamily giving more difficult. The current \$3,-000 exemption from Federal gift taxes may have served well enough in an earlier day, but it is wholly inadequate now. As a practical matter, one cannot support an aged parent, send a child to college, or give newlyweds the downpayment for a home without incurring Federal taxes. Most of our people feel that this is unjust, and are properly resentful.

The new tax bill takes a giant step toward eliminating both these taxes. The top estate tax will be reduced from 70 to 50 percent, and will apply only to estates valued at more than \$2 million. The vast majority of smaller estates will escape taxation entirely through a gradual increase in the Federal exemption. Ultimately, a mere 0.3 percent of all estates will be subject to taxes.

The gift tax exemption will be increased from \$3,000 to \$10,000. This means that a husband and wife could give away as much as \$20,000 tax free.

I should mention here as well that the so-called widow's tax will be eliminated through the creation of a 100-percent marital deduction. This means that the death of one spouse will no longer be treated as a capital gain by the survivor.

Some of the changes in business taxes contained in this bill have also been criticized as favoring the few over the many. Again the criticism is unfounded. The new liberalized depreciation allowances will benefit our people in general as much as the business community in particular, because they will enable business to create jobs and increase productivity. In the course of these remarks I have repeatedly emphasized the negative distortions that inflation has introduced into our economy. Business must contend with additional distortions. Over the past decade and a half, Federal regulations have forced private firms to divert literally billions of dollars of capital from productive to nonproductive uses.

Now I am not opposed to safer working conditions or a cleaner environment. In some cases these goals cannot be realized without major capital investments. I do feel strongly, however, that social and economic goals should not be mutually exclusive. The depreciation provisions of this bill will help us to realize both.

The current rules governing depreciation are unduly complex and cumbersome. The new plan would replace the old useful life categories with four basic depreciation categories: 3 years for autos, light trucks, research and development equipment, and other special tools; 5 years for all other machinery and equipment; and 15 years for most depreciable real estate.

Here again, I would like to make plain that the small business has not been slighted in favor of large corporations. It is true that small business is less capital intensive, but the sheer complexity of present depreciation rules has kept many entrepreneurs from taking full advantage of them. Simplifying the rules cuts the Gordian knot, and puts small firms in a position to take advantage of tax write-offs that were previously available only to the corporate giants.

These then are some of the highlights of the new tax bill. In reviewing them, one feature in particular stands out; incentives. By allowing our people to keep more of the fruits of their labors, we encourage them to be more thrifty and productive. By making these incentives permanent, through indexation, we go a long way toward limiting the size of the National Government and its role in our way of life.

I should mention here as well that the bill also contains a provision that should help private charitable organizations assume a larger role in helping the poor and unfortunate as the National Government assume a smaller one. Beginning in 1982, taxpayers who take the standard deduction will be able to deduct up to \$25 in charitable contributions. This would be raised to \$75 in 1984, and would be unlimited in 1985 and 1986. The charitable contributions provision should cushion the impact of the budget cuts that have been made thus far, and those that will be required in the years ahead.

In conclusion, Mr. President, I would like to say how proud I am to have been able to play a role in the passage of this vital legislation. Throughout this century, real tax reductions have been invariably followed by real economic growth. I am convinced that this tax bill will have the same effect.

Mr. LEVIN. Mr. President, it is abundantly clear that, except for those earning over \$50,000, this tax bill will not offset the upcoming social security tax increases and inflation induced bracket creep. In effect, those earning less than \$20.000 will see their earning power in 1980 dollars reduced by 1984 under the Reagan tax plan, those earning between \$20,000 and \$50,000 will stay about even, while those earning over \$50,000 will see their purchasing power increase in real terms by 1984.

Take an example of a family of four earning \$15,000 in 1980. The family's take-home pay is \$12,838 after Federal and social security taxes are removed. In 1984 under the Reagan tax program, the family's take-home pay is \$12,632 in 1980 dollars. The purchasing power for this family has decined by \$206. A family of four earning \$35,000 in 1980 takes home \$28,347. In 1984, under the Reagan tax plan, take-home pay for this family will be \$28,163, a reduction of \$184. On the other hand, a family of four earning \$100,000 which now takes home \$70,534 in 1980 after taxes, will take home \$72,754 in 1984 under the Reagan program, a real increase of \$2,200, again as expressed in 1980 dollars.

Mr. President, taxes are too high. They should be cut. But I cannot support this conference report on the tax bill because it fails to protect those most hurt by upcoming social security tax increases and inflation induced bracket creep.

This conference report maintains the Senate provisions on small savers, those

persons with \$13,000 or less in savings. Those Senate provisions are terrible for small savers leaving them worse off in future years than they are now, in terms of tax treatment of the interest earned on their savings accounts.

I note that this conference report deletes the home heating oil credit approved by the Senate. The Senate bill allowed a maximum credit of \$200 for a portion of home heating costs. It is unfortunate that the conference removed this provision, designed to protect individuals against rising heating costs, at the same time it approved an additional \$13 billion in tax breaks for oil companies, above and beyond the \$20 billion bonanza for oil companies in the Senate bill.

As the case with most voluminous bills, there are many commendable features in this tax bill. Reducing the top marginal rate on unearned income from 70 to 50 percent should stimulate greater risk taking and capital formation. Expanded deductions for retirement savings should meet the twin goals of greater retirement income and savings. The marriage tax penalty deduction reduces the inequitable treatment of two earner couples. Numerous business tax cuts will strengthen capital formation and productivity. Accelerated and simplified depreciation is a much needed reform as are the expanded incentives for research and experimentation.

I am happy that the conferees retained the Jepsen-Levin amendment which provides tax deductions for expenses of adopting special needs children, thereby increasing the number of adoptions of those children.

But while there are laudable elements in this tax cut, it is overall a bad gamble. We are told that this tax bill promises economic recovery, low inflation, low unemployment, low interest rates, and balanced budgets. These are hollow promises. This \$750 billion tax cut, coupled with \$1.5 trillion increase in defense spending is like throwing gasoline on the fire. The administration's commitment to a tight money policy guarantees high interest rates even as we cut taxes and budgets. Higher inflation and interest rates increase budget costs resulting in more deficits. The need to borrow money from the private sector to finance these deficits will keep interest rates high and remove valuable resources from capital formation and productive investments. This bill does not offer relief from the high interest rates that have crippled the auto industry, paralyzed the construction industry, and dealt a mortal blow to hundreds of thousands of small businesses.

This tax bill is hollow. It promises tax relief for all taxpayers when only those earning more than \$50,000 receive a tax cut. It is a phantom tax cut for those earning less than \$50,000. Promises of economic recovery will soon turn into pessimistic forecasts for high interest rates, high inflation, and larger deficits. Those forecasts will not prove hollow.

The PRESIDING OFFICER. All the time having expired, the question is on agreeing to the motion of the Senator from Massachusetts to recommit the conference report on H.R. 4242.

On this question, the yeas and nays have been ordered, and the clerk will

call the roll. The legislative clerk called the roll. Mr. INOUYE (When his name was

called). Mr. President, on this vote I have a live pair with the Senator from Michigan (Mr. RIEGLE). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. An-DREWS), the Senator from Missouri (Mr. DANFORTH), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. Heinz), the Senator from Nevada (Mr. LAXALT), the Senator from Idaho (Mr. McClure), the Senator from Alaska (Mr. Murkowski), the Senator from Illinois (Mr. PERCY), the Senator from South Dakota (Mr. PRESSLER), the Senator from Vermont (Mr. STAF-FORD), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho (Mr. SYMMS) would vote "nay.

On this vote, the Senator from Pennsylvania (Mr. Heinz) is paired with the Senator from Illinois (Mr. PERCY).

If present and voting, the Senator from Pennsylvania would vote "yea" and the Senator from Illinois would vote "nav."

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. BAUCUS), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. Cranston), the Senator from Illinois (Mr. Dixon), the Senator from Nebraska (Mr. Exon), the Senator from Colorado (Mr. Harr), the Senator from Louisiana (Mr. Johnston), the Senator from Vermont (Mr. LEAHY), the Senator from Montana (Mr. MELCHER), the Senator from Ohio (Mr. METZENBAUM), the Senator from Arkansas (Mr. PRYOR), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Dixon) and the Senator from Nebraska (Mr. Exon) would vote "nay"

On this vote, the Senator from Vermont (Mr. LEAHY) is paired with the Senator from Montana (Mr. MELCHER).

If present and voting, the Senator from Vermont would vote "yea" and the Senator from Montana would vote 'nav.'

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced-yeas 20, nays 55, as follows:

[Rollcall Vote No. 250 Leg.]

Domenici

Durenberger

	YEAS-20	
Biden Bumpers Byrd, Robert C Cohen Dodd Eagleton Hollings	Kennedy Levin Mathias Matsunaga Mitchell Moynihan Nunn	Pell Roth Rudman Sarbanes Tsongas Weicker
	NAYS-55	
Abdnor Armstrong	Byrd, Harry F., Jr.	Denton

Chafee

Cochran

D'Amato

Boren Boschwitz Bradley Burdick

Glenn	Jepsen	Schmitt
Gorton	Kassebaum	Simpson
Grassley	Kasten	Specter
Hatch	Long	Stennis
Hatfield	Lugar	Stevens
Hawkins	Mattingly	Thurmond
Hayakawa	Nickles	Tower
Heflin	Packwood	Wallop
Helms	Proxmire	Warner
Huddleston	Quayle	Williams
Humphrey	Randolph	Zorinsky
Jackson	Sasser	Me Tally July 19

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED-1

Inouye, against.

NOT VOTING-24

Andrews	Goldwater	Metzenbaum
Baucus	Hart	Murkowski
Bentsen	Heinz	Percy
Chiles	Johnston	Pressler
Cranston	Laxalt	Pryor
Danforth	Leahy	Riegle
Dixon	McClure	Stafford
Exon	Melcher	Symms

So Mr. Kennedy's motion to recommit the conference report with instructions was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report, H.R. 4242. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislation clerk called the roll.

Mr. BUMPERS (after having voted in the negative). Mr. President, on this vote I have a live pair with the distinguished Senator from Montana (Mr. MELCHER). If he were present and voting, he would vote "aye." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. An-DREWS), the Senator from Missouri (Mr. DANFORTH), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. Heinz), the Senator from Nevada (Mr. LAXALT), the Senator from Idaho (Mr. McClure), the Senator from Alaska (Mr. Murkowski), the Senator from Illinois (Mr. PERCY), the Senator from South Dakota (Mr. PRESSLER), the Senator from Vermont (Mr. STAF-FORD), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. Heinz) and the Senator from Illinois (Mr. Percy) would each vote "yea."

Mr. ROBERT C. BYRD. I announce that the the Senator from Montana (Mr. Baucus), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. Dixon), the Senator from Nebraska (Mr. Exon), the Senator from Colorado (Mr. Hart), the Senator from Louisiana (Mr. Johnston), the Senator from Vermont (Mr. Leahy), the Senator from Montana (Mr. MELCHER), the Senator from Ohio (Mr. METZEN-BAUM), the Senator from Arkansas (Mr. PRYOR) and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE), the Senator from Nebraska (Mr. Exon), and the Senator from IIlinois (Mr. Dixon) would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber to vote?

The result was announced-yeas 67, nays 8, as follows:

[Rollcall Vote No. 251 Leg.]

YEAS-67

Gorton	Donlesson
	Packwood
Grassley	Pell
Hatch	Proxmire
Hatfield	Quayle
Hawkins	Randolph
Havakawa	Roth
Heflin	Rudman
Helms	Sarbanes
Huddleston	Sasser
Humphrey	Schmitt
	Simpson
	Specter
Jepsen	Stennis
Kassebaum	Stevens
Kasten	Thurmond
Long	Tower
Lugar	Wallop
Matsunaga	Warner
Mattingly	Weicker
Mitchell	Williams
Moynihan	Zorinsky
Nickles	A SECTION .
NAYS-8	
	Grassley Hatch Hatfield Hawkins Hayakawa Hefiin Helms Huddleston Humphrey Inouye Jackson Jepsen Jepsen Long Lugar Long Lugar Matsunaga Mattingly Mitchell Moynihan Nickles

Eagleton PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED-1

Kennedy

Mathias

Bumpers, against.

Bradley

Dodd

NOT VOTING-24

Andrews	Goldwater	Metzenbaum
Baucus	Hart	Murkowski
Bentsen	Heinz	Percy
Chiles	Johnston	Pressler
Cranston	Laxalt	Pryor
Danforth	Leahy	Riegle
Dixon	McClure	Stafford
Exon	Melcher	Symms

So the conference report (H.R. 4242) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, to extend not more than 20 minutes in length, in which Senators may speak.

The PRESIDING OFFICER. Without

objection, it is so ordered.

The Senator from Virginia is recognized.

A POLICY FOR SOUTH AFRICA

Mr. HARRY F. BYRD, JR. Mr. President, I commend President Reagan for personally meeting with the Foreign Minister of the Republic of South Africa, Mr. Botha, during his recent visit to this country. This suggests the Reagan administration is changing our Government's official attitude toward South Africa.

I hope that is the case. I believe that it is time for the leadership of this country to conduct foreign affairs in such a way that the future well-being of the United States is placed in the highest

priority position.

At the outset of these remarks, I want to make it clear that I do not personally agree with the apartheid policy of South Africa; I wish that this racial situation did not exist in that country. But undesirable political situations do exist in many countries. Because such situations do exist does not mean that we should cut ourselves off from such countries.

The real issue now is: How can we best live within existing conditions, while we encourage those in power in South Africa as well as other countries to work for improved conditions for their

citizens?

I met with Foreign Minister Botha during his recent visit, and I had an extended conversation with him about his country. I am convinced that time will bring change to that country as it has done to others.

South Africa is friendly to the United States-and supportive. South Africa is also of great importance to the United States and to the Western World. The Western nations need to remember this.

We also need to remember that, for the past several years, we have pursued a policy that has not worked to improve conditions, and I feel a continuation of that policy will not work in the future.

Today, I wish to review what South Africa currently means to her southern African neighbors and what the impact would be on the industrialized nations should the leadership of South Africa fall into the Soviet orbit.

Whereas there has been criticism of racial policies around the world for many years, the disestablishment of colonial empires in the late 1940's and during the 1950s brought about the strongest and most bitter criticism of white influence and leadership on the continent of Africa.

At a conference of African states in 1960, the first regional step was taken by African countries to isolate the republic of South Africa from the world community by initiating a trade boycott.

The Organization of African Unity, organized in 1963, has provided the institutional framework for activity against South Africa.

Various African leaders and nations have been very outspoken in their condemnation of white-ruled South Africa. At the moment, the leader of this group is Nigeria.

The United Nations has been a forum for constant denouncements and harassment of South Africa.

But let us look beyond these words of condemnation. If we do, hypocrisy is apparent.

It is difficult to obtain precise information on the degree of trade that South Africa does with neighboring states, and therefore it is difficult to determine the degree of dependence on South Africa by other southern African countries. Most of the African nations will not release detailed information concerning trade. However, South Africa is the dom-

inant trade partner with the southern African countries. These countries are very dependent on South Africa for their day-to-day existence.

In 1980, South African trade with these African countries was greater than ever before and all indications are that this trade is accelerating. As trade accelerates, so does the dependence of these countries on South Africa.

South Africa's transportation systems-railways, highways, seaports, and equipment—are utilized by neighboring countries for export and import trade. Often these transportation systems are the only means of export-import trade. In other instances they are the most efficient.

Without the utilization of these systems, much of the trade with the outside world by several of these countries would be lost entirely and trade by other nations would be substantially reduced.

Mr. President, reports show that South Africa's exports to her neighbors reached an all-time high in 1980-up about 50 percent from the previous year.

In one recent year, an estimated 73 percent of machinery and spare parts, 55 percent of the chemicals, 89 percent of the plastics and rubber products, and 75 percent of the transport equipment imported by southern African countries came from South Africa.

South Africa, the only country on the African Continent able to be a major food exporter, provides more foodstuffs to southern African nations than all other countries. Without these foodstuffs the quality of life would be reduced and famine in southern Africa would be on the increase.

A number of neighboring states currently purchase electricity from South Africa and more are trying to work out agreements to do so. There is no other way for them to obtain electricity. South Africa has also been a purchaser of electric current from Mozambique's Cabora Bassa hydroelectric power dam.

South Africa is a major supplier of refined oil to five of her neighbors.

South Africa has substantial ongoing capital investments in all of the southern African countries except Angola and Tanzania.

An estimated 200,000 migrant workers from all of the neighboring countries except Zambia are wage-earners in the South African business community.

South Africa is the major supplier of aid funds to southern Africa. According to the recent study of South Africa by the Foreign Policy Study Foundation, which was funded by the Rockefeller Foundation, South Africa spent \$200 million on development aid and technical assistance in the region during 1980. This corporation and aid assistance to African countries was primarily on soil conservation, health and medical services, famine relief, and veterinary science. All other nations combined did not equal South Africa's financial contribution.

Comparing South Africa to the whole of Africa, South Africa produces 86 percent of the steel; generates 50 percent of the electric power; has 43 percent of the registered vehicles; and 42 percent of the telephones.

South Africa has the highest per capita income and longest life expectancy of any nation on the continent.

Mr. President, South Africa not only performs an essential role in the wellbeing of her neighbors to the north, but she also is an integral part of the West-ern world's economy. Without the raw materials which she alone can supply, the industrial nations would face possible disastrous consequences.

South Africa occupies less than 1 percent of the world's land surface, yet in volume it is the world's fourth largest supplier of nonfuel minerals. It possesses the world's largest known deposits of chromium, manganese, platinum-group

metals, vanadium, and gold.

In addition, South Africa has major reserves of many other minerals including asbestos, coal, copper, diamonds, iron, nickel, phosphates, silver, uranium, antimony, beryllium, vermiculite, and zinc. All of these are essential to the industrialized nations because of strategic, industrial, and economic uses.

Many nations, while increasing trade relations, are vocally condemning South

Africa.

The United Kingdom, West Germany, and France as part of the European Economic Community, have condemned apartheid without reservation. However, commerce between the three and South Africa is on the increase.

EEC trade with South Africa is three times more than that of the United

States with that nation.

European banks, particularly West German and French, are very active in South Africa. Banks from these two nations placed an estimated \$6 billion in South African enterprise during the past decade

Japan also has taken an active role in the denunciation of South Africa. However, during the late 1970's South African exports to Japan rose 85 percent in a 3-year period (to \$1 billion) and imports from Japan rose 33 percent in this same time frame (to \$950 million). Estimates for the first 6 months of 1980 show a 45 percent increase in trade between these two nations. Japanese banks have also made substantial investments in recent years.

Western nations and Japan will continue to increase trade with South Africa because of the location of raw materials.

Furthermore, the economic depend-ency of surrounding States on South Africa is likely to grow rather than decrease.

So it is blatant hypocrisy for these nations to demand that the United States impose economic sanctions on South Africa, when they, themselves, carry on a robust trade with that country.

Some 2,300 ships ply the water around the Cape of Good Hope each month. These ships deliver about two-thirds of Western Europe's imported oil, and about three-fourths of the strategic raw

materials used by these NATO countries.

Today, Soviet and Soviet surrogate forces are in many African states where they are impacting upon governments.

Up to 20,000 Soviet and Cuban personnel are in Angola. The leadership of Mozambique and Zimbabwe consists of avowed Marxists. Zambia has concluded a number of agreements with the U.S.S.R. and is utilizing Soviet military

equipment.

The Soviet Union is not satisfied with dominance of the sub-Sahara above the Tropic of Capricorn. The Russians recognize that any military force north of Capricorn is threatened so long as South Africa possesses its military power.

There can be no doubt about Soviet objectives. Clearly, the principal long-range objective of the U.S.S.R. is South Africa. Southern Africa and the U.S.S.R. together represent the major resource areas for many key minerals.

There are some obvious reasons why Soviet control of this area of the world could place Western nations in jeopardy.

They are:

First. Ability to deny access to strategic and critical nonfuel minerals in a war situation.

Second. Ability to obtain hard foreign currency for access to these minerals.

Third. Ability through exorbitant prices to bring down capitalistic systems.

Fourth. Ability to curtail other national influences in Africa.

Fifth. Ability to control from the littoral of southern Africa the sea lanes of commerce.

There is no historical evidence to show that deposing the white minority would result in representative government and individual freedom in South Africa. There is considerable evidence to show that this would not be the case. Surely, we cannot be so naive as to believe, based on reason, that economic progress would continue.

I find it difficult to identify a single government in that part of the world that is truly representative of its people. There is not one government on the continent that is a representative government on the continent that is a representative government.

ment by our standards.

I am advised that a majority of the members of the United Nations has a ready-made solution to the separation of South West Africa (also known as Namibia) from South Africa. That simplified solution is to turn the areas over to the South West Africa People's Organization (SWAPO). This is an Angola-based Communist group.

These readymade solutions concern me very much.

I feel sure that there are some who feel that a SWAPO-type organization could take over South Africa. If such an organization did prevail, I fear for progress that had been made to improve the way of life of South Africa. I am not aware of any Communist takeover that improved representative government, and I am aware of economic disaster following such a takeover.

I say that the United States and the industrial countries must not stand by and let the Communists gain their ob-

jective

The many nations in sub-Sahara Africa depend on South Africa. The quality of life as well as the lifespan of all southern Africa will be reduced if rhetoric prevails and logic fails.

Should the white minority be arbitrarily deposed, those who would cheer the loudest would be those first on the doorsteps of every Western capital demanding aid for that country that used to supply aid to others, and they would also demand aid for those countries that used to receive aid from South Africa.

There are four options for our conduct of foreign policy with respect to South Africa.

One option is continuation of what may be called drifting and hoping.

Another option would be to treat South Africa as an outcast among nations—cut her off from commerce and communication with the free world. That would be a disaster.

The Carter administration appeared to veer between these two options.

But there is a third option of placing South Africa in the same position as other historically friendly nations. I recommend this option.

We should normalize our relations, We should encourage unrestricted

We should consider the utilization of South African facilities for future ports of call for American naval vessels.

We should assist in the buildup and modernization of South African air and naval forces by selling appropriate new weapons systems.

It is particularly important that we strengthen the naval and air forces of free world nations in the Southern Atlantic and Indian Ocean areas.

We should give careful consideration to the establishment of an international air and naval force for that part of the world. Involvement should include those noncommunist nations bordering on these waters which are dependent on sea commerce for survival: South Africa, Australia, New Zealand, Brazil, Argentina, the United States, and perhaps others.

I will have more to say on this later. I believe it is time for the free world to take a strong stand in support of progress and stability in South Africa, and we should take whatever actions are necessary to insure that South Africa does not fall into the Soviet orbit.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for morning business be extended to 3:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPIRATION OF EMERGENCY PETROLEUM ALLOCATION ACT

Mr FORD. Mr. President, the Emergency Petroleum Allocation Act (EPAA), expires on September 30. Implementation of this act with its myriad of allocation and price controls has been far short of a complete success. However, the fact remains that it did work to a degree. What we have never faced in this country is a chaotic market resulting from a severe petroleum crude and prod-

uct shortage with no mechanism in place to address the problem.

The Senate Energy and Natural Resources Committee has concluded a series of hearings on the issue: Do we need a Federal mechanism, preferably much less complex than that under EPAA?

Mr. President, I, for one, believe that we do and will cooperate with my colleagues to that end. The prevailing theology seems to be that the "free market" will take care of everything; everything, that is, except nuclear.

I, for one, do not believe that this will work when we have an emergency condition resulting from a severe cutoff of oil supplies. And this cutoff could happen at any time. The chances of it happening are much greater than the chances of it not happening.

Mr. President, the administration's position is set forth in the U.S. Department of Energy's July 1981 report on "Domestic and International Energy Emergency Preparedness":

The Administration is opposed to enactment of any petroleum allocation or price control authority, including extension of the Emergency Petroleum Allocation Act . . . Adequate levels of private and government stocks and reliance on the market will assure that the adverse effects of oil supply disruptions are minimized and that the various groups of procedures and consequences and different regions of the country will be treated equitably.

The report goes on to take the position that in an emergency:

Authority will be available under the Defense Production Act to allocate oil supplies for national defense purposes should that become necessary during a major disruption.

I agree with this position. However, I and many of my colleagues will take issue with the administration when it adds:

Other Authorities also exist that could be used to restrict demand, encourage additional domestic oil production, encourage fuel switching, increase fuel use efficiency, and encourage private stock drawdown by reducing the tax impact of such action.

Only July 28, W. Kenneth Davis, Deputy Secretary of DOE, reiterated the administration's position in testimony before the Energy and Natural Resources Committee. He specified that—

Relying on market forces for the development of adequate levels of private petroleum stocks, combined with SPR fill, is the most effective measure available for reducing shortfalls in petroleum supplies and the associated economic losses and national security threats.

Well, Mr. President, private stocks are not increasing. They are decreasing. Worldwide, in the first 6 months of this year the drawdown was one billion barrels. And they will continue to decrease as long as they are being held at 20-percent interest on investment.

Mr. President, I ask unanimous consent to have printed in the RECORD a Cabinet Council "Memorandum for the President" relating to the eventual decision to opt for solutions by "free market."

There being no objection, the material was ordered to be printed in the RECORD. as follows:

THE WHITE HOUSE, Washington, D.C.

Memorandum for the President.

From: James G. Watt, Chairman Pro Tempore, Cabinet Council on Natural Resources and Environment.

Issue: Should the Administration support enactment of some form of petroleum regulatory authority for essential emergency services, to replace the Emergency Petroleum Allocation Act (EPAA), which expires September 30?

BACKGROUND

In the wake of the 1973 oil embargo, Congress enacted the EPAA, giving the President virtually complete control over the domestic petroleum market.

This authority was exercised through allocation and price controls, along with a number of special provisions sought by specific constituencies, such as farmers and small refiners. All such controls were abolished on January 28, 1981. The authority to re-impose such controls, which the President currently retains, will expire on September 30,

As a result of the embargo, the United States joined with twenty other free world countries in the International Energy Agency, committing itself to sharing oil supplies the event of severe supply disruptions. There is authority in continuing law for the President to direct whatever actions are necessary to comply with our IEA obligations. There is a separate statute which allows a limited antitrust exemption so that oil companies may participate in this international agency's planning and operational programs. This exemption will also expire on September 30, but it is relatively uncontroversial, has been extended already on several occasions, and should be extended again, as an unrelated matter.

DISCUSSION

From campaign pledges and general philosophy, there is no doubt that the Administration opposes government intervention in the energy markets generally. All Council participants agree that government controls exacerbate, rather than solve, most shortages; disagreement comes only as to whether, in a very extreme disruption, the market would adequately provide for a few essential

After September 30, there will be a number of emergency authorities which vary in application and triggering mechanism, such as the Defense Production Act, the Trade Expansion Act, the Emergency Energy Conservation Act, and others. The Administration will also have power over specific crude oil supplies, including the Strategic Petroleum Reserve, and some oil from the Naval Petroleum Reserve, and royalty oil from federal lands

The Justice Department has done a legal analysis and concluded that, without additional legislation, the President will have sufficient authority after the expiration of EPAA to meet our international obligations. To calm any remaining doubts on this, Justice could testify on its interpretation of EPCA, and we would seek confirmatory committee report language. However, Justice has concluded that there will not be sufficient authorities to duplicate the comprehensive price controls and allocation authority available under EPAA. There is debate as to whether remaining authorities could provide the best response to any future crisis.

Both House and Senate Committees have held hearings on this issue, and there is considerable pressure by various special interest groups for "protective" legislation upon ex-piration of EPAA. The Republican Chairman of the Senate Energy Committee has indicated that the United States cannot responsibly be dependent on anything less than full preparation for allocation after EPAA has expired, including appropriate legal authority and clear Administration commitments take decisive federal action, if necessary. GOP leaders on the House Energy Subcommittee are not favorable to new allocation

OPTION 1

Oppose any new legislation authorizing controls on petroleum markets. Indicate that any emergencies caused by oil supply interruptions would be met by primary reliance on the market to restore equilibrium, supplemented by other existing authorities.

Without new legislation, the Defense Production Act would allow for meeting defense needs, use of government-owned supplies, such as Strategic Petroleum Reserve, could meet some part of a general shortfall, or could be used to meet essential emergency needs, and the Trade Expansion Act would allow for quotas or tariffs on imports. To provide back-up for our IEA international sharing obligation, we would develop a plan for fair sharing among U.S. oil companies which the President could use if he deemed it necessary to meet our obligations.

In addition, general emergency preparedness operations in DOE and FEMA would continue to evaluate potential threats, and update plans for facilitating private and government response to them, including con-tinuing evaluation of potentially useful legislation. Since the actual crisis that could occur in the future may be far different from that contemplated today, legislation based on today's thoughts may well be ineffective when the crisis occurs. Advantages:

Consistent with administration opposition

to federal regulation in energy markets.

Avoids support of concept of legislation which could invite passage of unnecessarily broad authority.

Prevents enactment of statutory authority which could be abused by a different administration.

Maximizes Presidential flexibility to meet unpredictable crises.

Reduces disincentives to private stockpiling and other means of self-protection in an emergency.

Disadvantages:

Existing authorities might not allow control of petroleum supplies if that were to be needed to prevent catastrophic consequences for certain users.

Political pressure at the time of a crisis could be almost irresistible, and may result in passage of a more disruptive and inefficient law.

Might be perceived by our allies as unwillingness to take measures necessary to

deal with an emergency.

Without administration leadership for a very limited bill, Congress may pass far more extensive and onerous legislation, perhaps even extending EPAA.

Without some federal legislation, states may be free to pass control laws of their own, unless pre-empted by federal action.

OPTION 2

Propose legislation to grant the President authority to declare a severe petroleum shortage, and in such cases to direct petro-leum supplies to meet "essential emergency needs." The proposed would not include explicit price control authority, but the President could order that sales be made at "non-discriminatory" prices. It would be anticidiscriminatory" prices. It would be anticipated that this authority would not be used except in situations far more severe than any we have so far experienced.

This authority would allow the President to direct supplies to meet the direct needs of farmers, police services, etc., in the event that such supplies were not available in the marketplace. It would not directly meet the problems of users who were unable to afford supplies due to the higher prices caused by a disruption.

Advantages:

The legislation would be sufficiently broad and flexible that the President could restrict its use to only those cases where some action was clearly warranted to alleviate critical situations.

Such authority would provide the President with an available tool to meet an emergency.

The proposal might prevent Congressional enactment of broader, and more disruptive, legislation.

Existence of standby legislation would prevent conflicting state legislation.

Enactment of standby authority would provide public confidence that there could be an immediate response to a very severe shortage.

Disadvantages:

Use of such authority could worsen any crisis by disrupting market adjustments.

Any standby legislation might quickly become obsolete, necessitating repeated amend-

Such authority could be abused by a different Administration.

Existence of such authority could distort investment and private stockpiling decisions.

The existence of such legislation would create pressure for its use in advance of government intervention being wise.

Requesting such authority could be considered a retreat from the Administration's support for deregulation.

RECOMMENDATION

The preponderance of the Cabinet Council discussion favored Option 1.

Interior, Transportation, Commerce, OMB, and CEA specifically recommend Option 1.

Agriculture recommends Option 1, but notes that if any measures for allocation were undertaken, Agriculture should have top priority.

Energy and Justice specifically recommend Option 2

Mr. FORD. Mr. President, this memorandum has two points that open to question the final decision.

However, Justice has concluded that there will not be sufficient Authorities to duplicate the comprehensive price controls and alloca-tion authority available under EPAA. There is debate as to whether remaining Authorities could provide the best response to any future

This is precisely the point that the Energy and Natural Resources Committee has been examining.

Second, the memorandum notes that Energy and Justice specifically recommended an option other than the one chosen.

Energy and Justice, in the course of the decision development, would suggest:

Propose legislation to grant the President authority to declare a severe petroleum shortage, and in such cases to direct petroleum supplies to meet essential emergency needs. The proposal would not include explicit price control authority, but the President could order that sales be made at "non-discriminatory" prices. It would be anticipated that this authority would not be used except in situations far more severe than any we have so far experienced.

Mr. President, I submit that the Departments of Justice and Energy were correct at the time they recommended this option.

I hope that my colleagues realize that one possible effect to "no Federal law under any circumstances" will be up to 50 State laws covering allocation and pricing of petroleum products.

Two timely reports on this possibility recently have been developed, one by the State Relations Department of the American Petroleum Institute, the other by the Congressional Research Service.

The CRS study has the following conclusions and observations:

The expiration of EPAA marks the termination of nearly ten years of extensive Federal regulation of petroleum, and petroleum product, regulation. That regulation has involved both allocation and pricing regulation during periods of seemingly major shortages of supplies.

It seems likely that unless the Congress moves to continue EPAA in its present standby status, or enacts other laws preventing state regulation by preemption, many states are likely to provide new statutory author-ity to regulate some aspects of pricing and allocation which were subject to regulation under EPAA.

In addition to moving to fill the void of Federal regulation, the expiration of EPAA also marks a point where state regulation may be expanded for purposes of providing tax revenue, carrying on production conser-vation, and other forms of regulation which may have formerly conflicted with EPAA.

While EPAA's expiration is presently automatic, it would seem that the impact of total termination of Federal regulation should be carefully assessed at the national level because of the enormous economic significance of petroleum and because of what has now become our obvious dependence upon un-reliable foreign sources for petroleum.

The potential impact of numerous differing state laws regarding allocation and distribution of petroleum, even though they may be constitutional, is difficult to assess in a practical sense.

The need for national laws to be used in the event of an emergency or in the event of short supplies involves a matter of such major importance that only Congress can pass final judgment.

Mr. President, I ask unanimous consent that the API report and pertinent portions of the CRS report be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE RESPONSE TO DECONTROL: EMERGENCY ENERGY MANAGEMENT, MARKET WITHDRAWAL LEGISLATION, AND RELATED 1981 LEGISLATIVE ACTIVITY IN THE STATES

The following report has been prepared to indicate state legislative activity on a number of related issues which have taken on additional importance in light of federal decontrol of petroleum product prices. Pending legislation on market withdrawals; energy emergency management, including data collection; attempts at price regulation and changes in traditional business practices will be examined.

MARKET WITHDRAWALS

New Mexico (1979) and Virginia (1980) had enacted market withdrawal legislation prior to action taken in Maine. Within seven hours, shortly after decontrol went into effect, the Maine Legislature enacted, and the Governor signed into law, Chapter 3, 1981, which, as an emergency measure, would prohibit a petroleum supplier from discontinuing supply to state customers or reducing a monthly allocation by more than 25% unless the supplier furnishes a "reliable alternative source" or continues to supply customer for twelve months following notice to the customer and the Governor of an intent to withdraw.

Covered customers include tobbers, wholesalers, consignees, commission agents, distributors, bulk purchasers and any other purchaser from a supplier. The act covers gasoline, distillates, residual, avgas and LPG. Under a "sunset" provision, the act terminates on April 1, 1981. However, recent introduction of L. 977 would repeal this April 1 termination date and make permanent the act's provisions. Hearings are being held on the matter.

Oklahoma S. 271 would require a product supplier to give 30 months' notice of with-drawal or a reduction of 25% or more in al-locations to distributors. The supplier would be required to continue deliveries or furnish an alternate source of product supply during the notice period.

ENERGY EMERGENCY MANAGEMENT

State agencies

Although eleven states currently have measures pending which would revise or reorganize state-level energy agencies, two states are examining potentially onerous legislation: Indiana and Georgia. The Indiana bill (H. 1769) would establish a state energy agency designed to collect state-wide energy data and "regulate certain uses of energy." Georgia's proposal (H. 268) would establish an energy council whose mandate it would be to review and oversee the production, output, use and price of all energy resources in the state.

Washington State (H. 402, H. 403) and Oregon (H. 2258) bills are pending to require the states' energy offices to prepare comprehensive, long-range energy forecasts on costs, conservation, production and distribution.

Data collection

An issue closely related to state agencies' activities, data collection requirements imposed on the industry at the state level are under consideration in five states. Hawaii H. 279 would require the state's public utility commission to report every two years to the Governor on energy trends, supply/demand and conservation.

Maine L. 762 would expand the state's Office of Energy Resources' authority to obtain petroleum supply data by amending an al-ready-existing state law. The preamble to the legislation notes that the Office of Energy Resources now depends on copies of reports now submitted to the federal DOE, which may no longer be available. The measure would require primary suppliers to furnish semi-monthly data on actual deliveries during the preceding month and anticipated deliveries for the following month, plus any allocation factors. It would also expand the definition of products covered to include avgas, Bunker C and gasohol, along with the gasoline, propane, distillate and residual reports currently required.

In Massachusetts, a perennial introduction (S. 421) has been filed to require "major" oil companies to submit detailed inventory, sales and other data to the State Energy Resources Department. A Montana bill (H. 16), which would allow the state to collect various supply/demand data from suppliers and distributors, has already passed the House. Ohio H. 6 would establish procedures in the state for making long-range energy forecasts.

None of these measures has received final legislative action; all are currently pending.

Allocations of product

State-controlled allocations of productor continued operation of state set-aside programs—are being addressed in legislative form in eight states. A brief description of the various proposals follows:

California A. 489 would make it "an unfair practice" for certain franchisors to fail to supply or offer to supply their franchises starting December 1, 1982, with the same amounts of products, under the same conditions and terms, that were generally available to their franchisees on January 1, 1981.

Maryland H. 381 would transfer state fuel allocation authority from the State Controller's Office to the Natural Resources Department.

Lieutenant Governor O'Neill and several Massachusetts legislators have filed legisla-

tion (H. 4193) which has been described as "Fair Supply Act." It would require oil producers, refiners or suppliers to allocate to independent oil dealers at least the same amount of oil as they received in 1980. The measure appears to be specifically aimed at the state's heating oil supply allocations. Legislation is expected in Minnesota which

will continue the state set-aside program for gasoline, fuel oil and other fuels used in transportation or agriculture. Distributors would be required to keep available each month an amount equal to one-twelfth of 3 percent of that distributor's 1980 sales of gasoline, and one-twelfth of 4 percent of the 1980 sales of fuel oil. As in the past, the State Energy Agency would operate the program and determine where the set-aside program would be terminated on June 30.

New York A. 197 would extend to July 1, 1985, an existing law (due to expire on July 1, 1982) which provides for stand-by authority, effective on termination of the federal allocation program, to institute a 3 percent set-aside program and to require prime suppliers to submit monthly reports on products subject to the set-aside.

Rhode Island H. 5326 is a resolution which asks Congress to develop a 10-million to 20-million barrel petroleum reserve for the New England states. It has already been approved by the House.

Texas H. 110 would permit the State Division of Disaster Emergency Services to allo-cate additional supplies of gasoline to service station owners in each county experiencing a substantial increase in gasoline consumption as the result of a disaster, with inquiries and applications for additional supplies of gasoline to be handled by the Texas Energy and Natural Resources Advisory Council

(TENRAC). In West Virginia, H. 809 would authorize the governor to mandate the equitable allocation or distribution of gasoline and special fuels by any producer, refiner or jobber/distributor of petroleum products in the state during the period of any fuel emergency. It would also prohibit the inequitable transfer of such fuels to any company-owned and operated service station during a fuel emergency.

State energy emergency response

Currently, fifteen states' legislatures are examining proposals to extend, amend or broaden the powers of the governor in a state of "energy emergency." Because of the diverse nature of the proposals—and the complexity of their current status-it is best if we examine each state's activity separately.

Arizona S. 1122 would specifically define a "petroluem supply emergency" and propose methods for use by the state in coping with such a situation. In Georgia a proposal, which is very comprehensive (H. 121), would create a state emergency management agency with the authority to act as the result of a broad range of defined emergencies (including threatened shortages of usuable energy resources, their transportation, oil spills and other related actions). "Energy resources" are defined in the bill to include all forms of energy or power, including oil, gasoline and other petroleum products.

By amending the governor's powers to al-

low him to set rules without a legislative hearing, Hawaii H. 771 would allow the im-position of various controls to handle shortages of petroluem products during emergency

situations.

Indiana S. 72, which has already been approved by the Senate, would authorize the governor to declare an energy emergency, exercise emergency powers and order into effect programs, controls, standards, priorities and quotas for production, allocation, conservation and consumption of energy. These powers would be valid for a 60-day period, renewable for another 60 days, after which legislative approval would be needed. A House bill

on the same subject is still pending in com-

mittee (H. 1190).

Approved by the House, Maryland H. 44 would extend until March 15, 1982, the authorization of the governor to exercise certain powers during energy crisis emergency situations.

Mississippi's House has already approved 367 which would allow the governor to subpoena witnesses, records and other materials in the event of an energy emergency. Amended on the House floor prior to its passage, the bill would also create a state office of petroleum allocation and a state setaside program, which would only be in effect during an energy emergency declared by the governor. An additional amendment, also approved, requires that the governor have the concurrence of the lieutenant governor or speaker of the house before such an emergency can be declared. (S. 2012, a similar measure, is still pending.)

Approved by the House and currently in the Senate Natural Resources Committee, Montana H. 90 would amend the governor's energy emergency supply powers. H. 16, re-ported above under "Data Collection," was amended before House passage to also en-hance the powers of the governor during en-

ergy supply emergencies.

Four 1980 New Jersey bills, which were carried over to 1981 legislative deliberations, address a variety of "emergency" responses. A. 625 would prohibit "price gouging" by sellers of home heating oil when the gover-nor declares that there is an "abnormal shortage." A. 629 defines the rights and obligations of retailers and consumers of home heating oil and gives the state DOE certain powers to initiate fuel oil service in emergencies. A. 1362 (approved by the Assembly) would create a state "energy emergency pre-paredness committee" to advise the commissioner of the state DOE concerning alloca tion of scarce energy supplies. A. 3658 would prevent home heating oil dealers from adopting retail credit policies that are more stringent that those that were in effect during the 1978-1979 winter heating season.

New Mexico H. 261 would extend the state's "energy emergency powers act" to July 1, 1983. North Dakota H. 1363 (approved by the House and awaiting imminent passage in the Senate) gives the governor power to declare energy supply "alerts" and an "energy emer-gency" and creates guidelines for action by public and private entities. Pennsylvania H. 494 further delineates the governor's powers and duties in the event of energy or fuel supply emergencies, resource shortages, or

supply or distribution problems.

Already on the governor's desk awaiting signature, Utah S. 70 establishes a comprehensive emergency management organization for the state and permits the establishment of an "emergency advisory council." Vermont S. 51 would extend the governor's energy S. 51 would extend the governor's energy, emergency powers until June 30, 1983, and has received Senate approval. A joint resolution (S.J. Res. 13), already approved by the Senate and under consideration in the House, would revamp the state's emergency

energy plan.

Virginia bill (S. 667), which was passed by indefinitely during the state's just completed 1981 legislative session, would have added a paragraph to the governor's emergency powers to allow him to authorize reductions by producers and refiners of their monthly allocable supplies to purchasers of petroleum products for any region or area in the state by 5% and to increase the total quantity of any allocation products available in another region or area experiencing shortages (to meet regional imbalances). shortages (to meet regional influences). However, the legislature did approve a measure (H. 1119) which amends the state's "emergency services and disaster law" to use the term "emergency" in place of the word "disaster" as the trigger for the governor's powers to go into effect.

Two Washington State bills would modify the governor's powers during energy short-

ages, to permit him to delegate limited authority to local governments during energy shortages (S. 4208) and would extend the expiration date of his powers during energy shortages from June 30, 1981 to June 30, 1985.

PRICING REGULATION

Various proposals have been introduced at the state level which would, for the most part, ask that "freezes" be placed on prices charged for certain petroleum products.

Massachusetts S. 162 proposes that an investigation be undertaken on major oil companies' price and supply practices. A. 3001 proposes the creation of a special committee to review "discrepancies" in retail prices levied on certain petroleum-derived products for sale in the State of New Jersey.

Rhode Island's Legislature will be considering two resolutions asking Congress to freeze the prices of oil and gasoline in New England at a "ceiling" no higher than the charges that were in effect on January 27. 1981 (already approved by the House) and petitioning Congress to "shield" consumers from the high price of No. 2 heating oil (passed by the Senate). Another proposal, 416, would require wholesale fuel oil distributors to give retail dealers two-days notice of price increases.

CHANGES IN TRADITIONAL BUSINESS PRACTICES

A number of loosely-related proposals that would fall under a general classification entitled "Changes in Traditional Business Practices" have been introduced. They tend to be, at present, more specific than general in focus and include:

Measures in Connecticut to prevent fuel oil dealers from requiring minimum delivery quantities (H. 6093), to prohibit retail oil dealers from requiring security deposits (H. 5333); a bill in Maryland (H. 1145) which would prohibit home heating oil suppliers from assessing service charges on certain sales of home heating oil; bills in Massachusetts to initiate an "Interstate Fuel Oil Compact" covering the production, market-ing and distribution of home heating oil (H. 3038), to create a "strategic petroleum reserve," and to authorize Sunday deliveries of gasoline, diesel, and heating oil (H. 3694currently a practice banned under the state's Blue Laws").

New Jersey A. 324 would prohibit "providers" of electric and gas service and fuel oil dealers from discriminating against customers who are using "alternate energy systems." A New York measure (S. 1176) would require a contractor with home heating oil burner service contracts to conduct yearly

oil burner efficiency tests.

Rhode Island H. 5525 would require fuel oil suppliers (of grades No. 1, No. 2 and No. 3). upon delivery of fuel to a consumer, to supply the consumer with an invoice stating: the number of gallons delivered; the retail price per gallon; the total sales price; and the per-gallon wholesale price. Every fuel supplier/seller would be required, on a daily basis, to conspicuously post the pergallon wholesale and retail price at his principal place of business. Failure to comply carries with it penalties of a fine in an amount equal to twice the retail value of the fuel oil delivered, with 50 percent of the fine revenue to the consumer and 50 percent to the state, plus a \$100 fine for each day of violation.

LEGAL EFFECT OF THE EXPIRATION OF THE EMERGENCY PETROLEUM ALLOCATION ACT. TERMINATION OF FEDERAL STATUTORY PRE-EMPTION OF STATE LAW

INTRODUCTION

The purpose of this report is to examine the legal effect of the expiration of the Emergency Petroleum Allocation Act (EPAA) ¹ as it relates to issues involving the preemption of state law. EPAA has provided

Footnotes at end of article.

since its enactment in 1973 the principal source of Federal authority for the regula tion of price and allocation of crude oil and petroleum products in the United States.

Under the terms of Section 18 of EPAA, as amended,2 the Act is presently scheduled to expire at midnight on September 30, 1981. However, because EPAA provided for a broad series administrative decontrol actions, most recently by the President without the approval of Congress, price and allocation regulations which were originally mandated by EPAA have now been completely lifted.

The most recent action suspending the then remaining controls was taken by President Reagan on January 28, 1981, through the issuance of Executive Order 12287.3 This Order had the effect of lifting all remaining price and allocation controls under EPAA on crude oil, gasoline, and propane, effective immediately. Although suit was brought challenging this decontrol, the validity of the Order was sustained by the U.S. District Court for the District of Columbia on March 4, 1981.

Although all price and allocation controls are now removed, EPAA continues to have the force and effect of law and could technically authorize the administrative reinstitution of some, or all, controls until its expiration September 30, 1981, when the entire Act as amended expires thereby moving all authority to impose controls.

The price and allocation regulation carried on under EPAA has had the legal effect of preventing conflicting state regulation. The expiration of EPAA appears to have the effect of reviving existing state laws and regulations whose enforcement may have been forestalled during the life of EPAA, as well as permitting states to undertake new forms of regulation within the constitutional scope of state powers.

This report addresses several issues relating to those matters. Specifically, this report analyzes the nature of the preemption carried on under EPAA. Then, the report examines the relationship of state conservation laws with Federal laws. The Constitutional limitations on state regulation of petroleum are also significant, and this report addresses the broad framework of state intrusions upon the Commerce Clause. Finally, the report will present, and briefly analyze, current state statutes relating to the regulation of retail sales of petroleum, including some statutes that provide for certain allocation authority. [Note: This detailed analysis is omitted from this insertion in the RECORD.]

CASE LAW ON EPAA PREEMPTION

The expiration of EPAA will entail, among other things, the expiration of Section 6(b) of EPAA, which provides:

'The regulation under section 4 [providing for price and allocation rules for crude oil petroleum products] and any order issued thereunder shall preempt any provision of any program for the allocation of crude oil, residual fuel oil, or any refined petroleum product established by any State or local government if such provision is in conflict with such regulation or any such order."5

In essence, this provision made clear that EPAA was intended to supplant any inconsistent regulatory activity at the state or local level. There appears to be little in the way of legislative history relating to the provision as it was enacted in 1973. The conference report offers no analysis of the pro-vision 6 and the House Report merely paraphrazes it.7

The expiration of EPAA, along with its preemption provision, appears to allow the return to the regulatory status prior to the enactment of EPAA. There is no known statutory provision which would operate to further preempt state activities of the sort might have conflicted with EPAA during its

An appropriate beginning point in the discussion of what powers of the states will become unrestrained after the expiration of EPAA is to consider, first, the case law which litigated under Section 6(b) of EPAA. Although there has not been extensive litigation under Section 6(b) regarding the scope of EPAA preemption of state law, the cases which have been brought are in-structive on many of the issues which may be raised in connection with state regulation or state legislation after the expiration of

Many of the early cases touching on Section 6(b) issues involved the question of whether EPAA has the effect of invalidating contracts for crude oil and petroleum prod-ucts which would have been lawful under state law. In answering this question consistently in the affirmative, the cases, to one degree or another, pointed out the supremacy of the Federal enactment, EPAA, or more generally characterized the preemptive powers of Congress to invalidate contracts.

In addition to these cases, a number of cases were decided in state courts involving the issue of the scope of Section *(b) preemption. These cases almost uniformly found that Section 6(b) operated to preempt only allocation regulations of the states and not pricing matters.9

Other state court cases have addressed the matter of actual conflict between Federal regulations and specific state regulations observing that under Section 6(b) only those state provisions which are in actual conflict with Federal regulations must give way.10

One of the significant Federal cases involving the scope of Section 6(b) preemption is Consumers Power Co. v. Federal Energy Administration,11 where the District Court in Michigan concluded that the Federal Energy Administration had no authority to take a series of actions relating to the use and price of synthetic natural gas made from natural gas liquids subject to regulation under EPAA. Among other things the Court observed that preemption of state regulation of end uses and pricing of synthetic natural gas was not necessary in order for FEA to carry out its equitable allocation responsibilities under

It is worth noting that virtually all of the cases under Section 6 are somewhat limited in reach, and apparently none of the Section 6 cases fully explored a reasoned definition of the complete scope of Section 6(b), but instead focused upon the conflicts between Federal and state regulation immediately presented by the litigation.

The state court holdings confining the reach of EPAA to allocation under Section 4 somewhat curiously ignore the pricing com ponent of Section 4 regulation, and for this reason these cases may not constitute the final word on precisely what EPAA preempted and did not preempt.

The paucity of Section 6(b) cases is somewhat remarkable in itself, although it does suggest a high degree of deference to the Federal Government by the states on matters of petroleum allocation and pricing. It may, for example, signal nothing more than unwillingness of states to undertake sig-

nificant regulation that would raise poten-ial conflicts with EPAA.

Perhaps the most significant decisions. with regard to the present discussion, are those which focused, not on the scope of Federal regulatory preemption, where there were Federal and state regulations in conflict, but instead upon the nature of preemption under EPAA even in the absence

a gross receipts tax on companies engaged in

of Federal regulation. Such an issue was raised in Mobil Oil Corp. v. Dubno,12 a case in which the U.S. District Court for the District of Connecticut struck down a provision contained in a recently enacted Connecticut tax law which imposed

refining and distributing petroleum produc-tion and further prevented the companies from raising their wholesale prices in Connecticut. In effect the anti-passthrough provision of the Connecticut law precluded the possibility of raising retail prices beyond an average amount such price might be raised in other eastern seaboard areas

The gross receipts tax itself—applied to earnings derived from activity within the State of Connecticut—was conceded by the companies in the suit to be valid.13 However, the cost passthrough prohibition contained in Section 13(b) of the Connecticut Act 14 applied to prices of certain petroleum products subject to regulation under EPAA, but for which the regulatory controls had been removed. It was the exempted status of these products from regulation under EPAA which became the focal point for the discussion in Dubno. After a review of the provisions and legislative history of EPAA, the court found

"Analysis of the EPAA, its legislative history, and its administrative implementation reveals that "exemption"—far from relinquishing petroleum product pricing to state regulation-constitutes an affirmative federal decision that petroleum products should be free from all price regulation, and that EPAA objectives will best be served by an unregulated free market subject only to standby federal controls. Section 13(b) [of the Connecticut statute] is plainly in direct conflict with the federal regulatory scheme outlined above-i.e., it directly conflicts with the federal determination reached by the President and approved by Congress, that such products should be free of price regulation and their prices established by an "un-impeded free market." [Emphasis in origin-

It should be apparent that this interpretation of the preemptive nature of EPAA is perhaps the most far reaching of the opinions relating to Section 6(b), both because it specifically addressed the pricing com-ponent of EPAA regulations and because it found an intention to preempt even when Federal regulatory controls under EPAA had been removed.

A similar issue was addressed in another case involving a New York gross receipts tax which was challenged in Mobil Oil Corp. v. Tully.10 There, the Court struck down provisions of New York tax for essentially the same reasons as in Dubno. Both the Dubno case and the Tully case were appealed to the Second Circuit Court of Appeals, where the Court dismissed both actions 17 on the basis that the questions raised were within the exclusive jurisdiction of the Temporary Emergency Court of Appeals (TECA) which has jurisdiction over cases involving EPAA. The Tully case has been appealed to TECA and was argued on April 4, 1981 and a decision is pending.

Along with these judicial challenges to the New York and Connecticut tax statutes, the oil companies requested permission from the Department of Energy to pass through the cost of Connecticut's tax on those products which were then still subject to EPAA controls. On September 24, 1980, the Department of Energy granted all gasoline producers re-lief permitting price increases which included the Connecticut tax.18

Assuming the lower court decisions in Dubno and Tully stand, it would seem that during the present period of all lifted con-trols until EPAA expires, the rules of those cases would prevent state regulation of price or allocation irrespective of the fact that Federal controls have been removed.

What occurs after September 30, 1981 when EPAA expires is another matter. It seems most unlikely that Dubno or Tully, or even in a broader sense the entire EPAA. would be read so as to displace thereafter the wide range of state police powers to provide for the retail, and other, regulation of allocation and pricing of petroleum products.

Although it may be observed as in Dubno that during the period of potential standby controls Congress favored a "free market" without interference from state powers, there is no support which appears require such an interpretation in connection with the final expiration of even the standby authority in September.

Thus, it seems clear that the expiration of EPAA will mark the termination of all Federal policies regarding pricing and allocation-including whatever policy results from the final litigation of Dubno or Tully. The termination of all Federal policies seems to clearly permit the states to conduct any constitutional regulation they may wish.

FEDERAL RECOGNITION OF STATE LAWS CONSERVING OIL

Although the imminent expiration of EPAA will mark the termination of a significant exercise of Federal power over the pricing and allocation of petroleum, Federal law will continue to have an important relationship.

Many states have established state oil and gas conservation laws which date back as far as 1878, when the state of Pennsylvania enacted a statute relating to the plugging and casing of wells.19 The discovery and de velopment of new oil and gas fields in California, Oklahoma, and Texas in the 1920's which resulted in the production of oil and gas in excess of market demand, wasting these resources, renewed earlier state efforts at conservation.20 Much of the early legal activity arose out of the need to develop legal rules establishing the rights of surface owners to oil and gas obtained from pools running under land owned by many. In addition to these rules of capture, other technical aspects of oil production led to the need for legal rules establishing the means for efficient production and

The growth of the oil and natural gas industries during the early 1900's, inevitably brought the subject matter into the legal framework of the Federal government in connection with the power of Congress to regulate interstate commerce under the Commerce Clause of Article I, Section 8 of the United States Constitution.

It appears that the first case in which the U.S. Supreme Court considered state conservation regulation of oil and natural gas was Ohio Oil Company v. Indiana (No. 1),22 in which an Indiana statute that prevented the escape of natural gas into the open air was upheld as constitutional. It was argued that the effect of the statute was a taking of property without adequate compensation violation of the Fourteenth Amendment. In analyzing the rights of surface owners to the oil and gas beneath the surface, the Court concluded that the State had a valid interest in protecting the rights of several surface owners, where the action of one owner might divest another of gas or oil derived from a common natural reservoir. Thus, because the issues involved were matters of the regulations of real property, the State could validly carry on such regulation.

This principle was later reaffirmed by the Supreme Court in Lindsley v. Natural Carbonic Gas Company.23 However, in the same year, the court struck down an Oklahoma statute which sought to prevent the trans-portation of natural gas in interstate commerce in West v. Kansas Natural Gas Com-pany.24 There, the Court held that state prohibitions on transportation of natural gas in interstate commerce violated the due process clause of the Fourteenth Amendment and constituted an unconstitutional interference with, and restraint upon, interstate commerce, even though Congress had not legislated on the matter.

The theory advanced by the Justice Mc-

Footnotes at end of article.

Kenna in his opinion for the Court was that states did not have the authority to intrude upon matters of interstate commerce:

"If the states have such power, a singular situation might result. Pennsylvania might keep its coal, the Northwest its timber, the mining states their minerals. And why not the products of the field be brought within the principle? Thus enlarged, or without that enlargement, its influence on interstate commerce need not be pointed out. To what consequences does such power tend? If one state had it, all states have it: embargo may be retaliated by embargo, and commerce will be halted at state lines. And yet we have said that "in matters of foreign and interstate commerce there shall be no state lines."

In effect, the status of the law following these decisions would have permitted state regulation of wastage in oil and gas production, but would not have allowed a state to prevent transportation of oil or gas outside of the state. In 1923, the Supreme Court struck down a state statute requiring that a preference for supplies of natural gas be granted to local consumers prior to interstate shipment.²⁰

But, the Supreme Court upheld a California statute providing for natural gas conservation to maintain oil production on the theory that the correlative rights of surface owners with respect to a common source of supply of oil and gas was a valid matter for state regulation.

In 1937, the Supreme Court struck down a Texas Railroad Commission regulation providing for prorationing of natural gas production, on the theory that the effect of the regulation required private producers to purchase gas from others in order to fulfill their contract obligations and that such action constituted a taking of private property in violation of the Fourteenth Amendment.²⁸

Through the enactment of the Connally "Hot Oil" Act, the Congress recognized and gave implicit approval to state conservations laws by aiding state enforcement of limitations on production. The Connally Act makes it unlawful to ship or transport in interstate commerce contraband oil. "Contraband oil" is defined under the Act as being petroleum, or any constituent part of which is produced, transported or withdrawn from storage in excess of the amounts permitted to be produced, transported or withdrawn under the laws of a state.³¹

The case law under the Connally Act has acknowledged that the purpose of the Act was to provide for Federal legislation to aid in the enforcement of state laws in a manner that the states were legally unable to undertake:

"The purpose of the Connally Act . . . is to aid the states in enforcing law limiting the amount of oil permitted to be produced in designated fields by prohibiting shipment of excess oil in interstate commerce.³²

Interpretative case law under the Connally Act indicates a continuing effort on the part of the Federal government to enforce its provisions.³³

In addition to the Connally Act, the Federal government has given its imprimatur to state conservation laws through the initial and periodic approval of the Interstate Oil Compact of 1935.84

Under the Compact, the most recent version of which involved application to twenty-nine states, \$\mathbb{x}\$ producing states agreed to enact laws to prevent waste of oil and natural gas. Article III \$\mathbb{n}\$ of the Compact contains the principal thrust of the Compact:

Article III

"Each state bound bereby agrees that within a reasonable time it will enact laws, or if laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

"(a) The operation of any oil well with an inefficient gas-oil ratio.

"(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas in paying quantities.

both oil and gas in paying quantities.

"(c) The avoidable escape into the open air or the wasteful burning of gas from a natural-gas well.

"(d) The creation of unnecessary fire hazards.

"(e) The drilling, equipping, locating, spacing, or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.
"(f) The inefficient, excessive or improper

"(f) The inefficient, excessive or improper use of the reservoir energy in producing any well.

The enumeration of the foregoing subjects shall not limit the scope of the authority of any State."

But, as the Compact provides in Article 5, the concept of conservation was not intended to include limitations on production or price-figure.

or price-fixing:
"It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving the available waste thereof within reasonable limitations." "

The important constitutional nexus between the Connally Act and the initial efforts to put into place the Compact are highlighted by this excerpt from the 1969 Report of the Attorney General of the United States: **

"Coincident with the Compact in timing and concern with production control was the Connally Hot Oil Act. As we have seen, the Compact binds the States to limited action in defined spheres and provides no authority for States action in these or any other conservation areas. But essential to the purposes and any effectiveness of the Compact was the firm establishment of an effective basis for individual State production regulation. Just prior to Compact negotiations the validity of State production controls had been sustained. However, serious challenge was still pending to the temporary Federal statute. section 9(c) of the National Industrial Re--the Connally Amendment-Actunder which Federal assistance was given to stop the movement in interstate commerce of oil produced in violation of State con-trols, an area the States individually were powerless to reach. In the midst of the Compact negotiations the Supreme Court declared this legislation an unconstitutional delegation of legislative power.

"Quick action was taken to reenact it on a firmer basis; the Connally Act was hastily introduced and enacted within six weeks, just after conclusion of the Compact negotiations. Like its predecessor, it provided for Federal assistance in prohibiting the in-terstate movement of "contraband" oil. But unlike its predecessor, it also made a specific finding that such contraband obstructed and unduly burdened interstate commerce; moreover, section 4 implicitly acknowledged that the State production controls to which the Act was conjoined could also unduly burden such commerce, and provided a Federal regulatory remedy for such eventuality. Thus, in retrospect the Connally Act provided a firm base for State conservation, particularly market demand regulation, against later challenge of its constitutionality under rapidly expanding concepts of the reach of the Commerce Clause.

"Production limitation under Texas law was upheld in Amazon Petroleum Corp. v. Railroad Commission of Texas, 5 F. Supp. 633 (E.D. Texas, 1934). In the companion case, Federal regulation in this area under section 9(c) of the Recovery Act was struck down as beyond the scope of the Act, 5 F. Supp. 639 (E.D. Texas, 1934). On appeal this decision

was reversed; Ryan v. Amazon Petroleum Corp., 71 F. 2d 1 (CCA 5, 1934). In a further appeal the Supreme Court on January 5, 1935 declared section 9(c) itself unconstitutional, Panama Refining Co. v. Ryan, 293 U.S. 388 (1935). The replacement measure, the Connally Hot Oil Act, was enacted on February 22, 1935

"It is not suggested that the constitutionality of State market demand laws and regulation depends entirely on the Connally Act. However, the existence of this expression of Federal policy, together with the actual and potential Federal regulatory operations under it, have since served to forestall any attacks under the Federal constitution on such State legislation. For more detailed discussion of this Act and its significance see Att'y Gen., Third Report Pursuant to Section 2 of the Joint Resolution of July 28, 1955. Consenting to an Interstate Compact to Conserve Oil and Gas, 15-30 (1958).

serve Oil and Gas, 15-30 (1958).²⁰
"As in the case of the Compact, the Connally Act was also regarded as a standby expedient pending a more complete Federal regulation system. It was enacted as temporary legislation, and for a time was periodically renewed for the same effective periods as the Compact. In 1942, however, it was finally enacted as permanent legislation."

Several points are significant regarding these observations of Attorney General John Mitchell in 1969. First, the time at which these comments were made precedes the significant development of price and allocation of crude oil and petroleum products under EPAA at the Federal level. The suggestion as to the nature and degree of State powers in conjunction with the Compact and with the Hot Oil Act is significant in providing a descriptive characterization of the scope of state powers immediately preceding EPAA.

Secondly, the rather straightforward man-

Secondly, the rather straightforward manner in which the eleventh extension of the Compact was considered underscores the significant change, particularly in the Congress, resulting from the events of the 1973 OPEC oil embargo which served as the principal stimulant for EPAA.

Finally, it is important to observe on the basis of the 1969 analysis that a return to the status quo of state regulation before EPAA raises important issues with respect to the policies underpinning both the Hot Oil Act and the Compact.

Act and the Compact.

The discussion of the twelfth extension of the Compact in 1972, a date by which international oil supply problems were most imminent, reveals a more comprehensive Congressional consideration of the underlying purposes of meaning of the Compact.

Two issues were raised at that time with respect to the continuation of the Compact: (1) the usefulness of the state prorationing laws " and (2) the constitutional necessity of Congressional approval of the Compact."

The most recent extension of the Compact occurred on October 16, 1976,43 more than two years following the expiration of the prior renewal. In the Senate Report accompanying this most recent extension several important observations were made. First, the Senate Interior Committee expressed the view contrary to that offered by the Compact Commission's General Counsel, who argued that Congressional consent was not required for the continuation of the Compact. 4 Secondly, and perhaps more significantly, the Committee reviewed in some detail the activities undertaken by the Compact Commission.45 On several matters the Senate Report was critical of positions taken by or activities of the Compact Commission. For example, a number of issues were critically discussed in conjunction with Commission recommendations relating to the definition of physical waste under the Compact.40

One observation made by the Committee Report suggests a broader reading of the charter of the Commission than might have been earlier understood: "Ironically, a novel series of recent recommendations on a subject never before seriously considered by the Compact Commission would seem to come squarely within the terms of its charter—the promotion of specific measures designed to minimize or avoid physical waste by consumers of oil and gas, as distinct from producers. (Emphasis contained in original)" if

Despite its presently expired status, the Compact continues to raise a series of legal issues with regard to the type of regulation which might be undertaken by the states under the rationale of preventing waste.

Since the last Congressional consideration of the Compact, two significant Supreme Court decisions have raised further doubts with regard to the legal need for Congressional approval of the Compact. In New Hampshire v. Maine, "a case decided immediately prior to the last extension, the Supreme Court applied the longstanding constitutional test of Virginia v. Tennessee "and found that an interstate agreement resolving an ancient boundary dispute did not require the consent of the Congress under the Compact Clause.

Even more recently the Supreme Court upheld, in United States Steel Corp. v. Multistate Tax Commission, the so-called "Multistate Tax Compact" as valid despite congressional refusal to give consent to the Compact. In its analysis of the effect of the Multistate Tax Commission upon the Federal structure, the Court made this observation:

"The test is whether the Compact enhances state power quoad the National Government. This pact does not purport to authorize the member States to exercise any powers they could not exercise in its absence. Nor is there any delegation of Sovereign power to the [Multistate Tax] Commission; each State retains complete freedom to adopt or reject the rules and regulations of the Commission. Moreover . . each State is free to withdraw at any time." 51

The Supreme Court further found that the object of the Commission to promote uniformity in the application of state-taxing principles would not run afoul of the supremacy of the Federal Government.

It would seem that even without further congressional approval of the Compact, that the objects of the Interstate Oil Compact might be continued, since any actual regulation adopted by any state seems wholly dependent upon the authorities of each state. Yet, the approval of the Compact by Congress may raise, by implication, the notion that something more than simply individual state actions is authorized under the Compact, perhaps by implication permitting coordinated state regulation which would otherwise run afoul of the Commerce Clause.

The status of the Compact and its implications for new state regulation after EPAA expiration, especially in light of the broad reading sometimes accorded the Compact, pose significant issues for the Congress to consider in connection with the expiration of the EPAA.

Both the Compact, and the Connally Act, have been understood historically to enhance the ability of states to carry on production regulation. That the scope of production regulation might be expanded, with the arguable imprimatur of the Federal Government, raises numerous potential legal issues in connection with the termination of nearly ten years of Federal regulation of pricing and allocation of petroleum products under preemptive Federal law.

CONSTITUTIONAL ISSUES

It should be observed that after the initial approval of the interstate Compact and the enactment of the Connally Act, the Federal Government, in effect, permitted actions by

Footnotes at end of article.

the states both individually, and collectively, and undertook no exercise of Federal jurisdiction over the matter of conservation of oil and natural gas.

Thereafter, the question of the type and nature of state conservation was presented to the Supreme Court in Railroad Commission of Texas v. Rowan & Nichols Oil Co.,52 In that case the issue raised was the validity under the Fourteenth Amendment of the Texas Railroad Commission order limiting and prorating production of an oil field at of its hourly potential, with exception granted for certain marginal wells, which if their low capacity was curtailed would result in their premature abandonment. The Supreme Court, however, refused to intrude the state administrative decision. '[W]hether a system of proration based upon hourly potential is as fair as one based upon estimated recoverable reserves or some other factor or combination of factors, is in itself a question for administrative and not judicial judgment. In effect, the Court found that the regulation did not constitute a taking of property in violation of the due process clause of the Fourteenth Amendment. 4 In 1950, the Supreme Court was presented

question of whether Oklahoma could validly fix minimum wellhead prices on all natural gas taken from fields located within the state. The Cities Service case arose after a state commission proceeding established minimum gas prices on the basis of evidence that low prices would make en-forcement of conservation more difficult, would result in the abandonment of wells before all recoverable gas had been extracted, and would contribute to an uneconomic rate of depletion and economic waste of gas by promoting "inferior" uses. The Court sustained the state action over objection that it was violative of the Fourteenth Amendment and constituted a burden to interstate commerce in violation of the Commerce Clause. In relying on Thompson v. Consolidated Gas, supra, the Court said:

"That a legitimate local interest is at stake in this case is clear. A state is justifiably concerned with preventing rapid and uneconomic dissipation of one of its chief natural resources. The contention urged by appellant that a group of private producers and royalty owners derive substantial gain from the regulations does not contradict the established connection between the orders and a statewide interest in conservation...

"We recognize that there is also a strong national interest in natural gas problems. But it is far from clear that on balance such interest is harmed by the state regulations under attack here. Presumably all consumers, domestic and industrial alike, want to obtain natural gas as cheaply as possible. On the other hand, groups connected with the production and transportation of competing fuels complain of the competition of cheap gas. Moreover, the wellhead price of gas is but a fraction of the price paid by domestic consumers at the burner-tip, so that field price as herein set may have little or no effect on the domestic delivered price. Some industrial consumers, who get bargain rates on gas for "inferior" users, may suffer. But strong arguments have been made that the national interest lies in preserving this limited resource for domestic and industrial uses for which natural gas has no completely satisfactory substitute."

Curiously, the question whether state orders fixing minimum prices intruded upon the Natural Gas Act was not raised in this case, and the issue awaited the determination by the Court in Natural Gas Pipeline v. Panoma Corporation, of before state minimum prices for natural gas were struck down as an intrusion upon the exclusive authority of the Federal Power Commission under the Natural Gas Act, in Northern Natural Gas Co.

And more recently, the Court under the Natural Gas Act, struck down state requirements that purchases of natural gas be made ratably from all wells in a particular field as being an intrusion upon the exclusive jurisdiction of the Federal Power Commission.³⁵

But, unlike natural gas, oil was not permanently subject to Federal well-head pricing until the 1970's. Thus, the argument advanced in Northern Natural Gas was then inapplicable to oil, since there was no preemptive regulation. And, it does not appear that the Supreme Court ever struck down oil prorationing through either minimum state prices or production limitations as an intrusion upon interstate commerce even in the absence of Federal legislation. Despite the view set forth in West, supra that states could not prevent the export of natural resources to other states, the doctrinal significance of Cities Service, supra, as it applies to oil, has continued, since there is no analogue to the Natural Gas Act governing the production of oil.

To the extent that state conservation

To the extent that state conservation measures governing the production and recovery of oil are currently acting as limitations on production beyond that technically necessary to assure maximum efficiency and reservoir development, it would appear that the repeal of the Connally Act would place the states in the position of not being able to artificially restrict development of oil under the view set forth in West. A restriction of quantity of production might be constitutionally viewed in light of EPAA preemption of petroleum regulation as an unwarranted intrusion on interstate commerce.

This view is buttressed by the 1979 U.S. Supreme Court decision in Hughes v. Oklahoma, in which the high court, citing with approval the decision in West v. Kansas struck down an Oklahoma statute prohibiting the transporting or shipping outside the state sale of natural minnows seined or procured from waters within the state. Although the Court's focus in this recent decision was upon the discriminatory treatment accorded the interstate commerce in minnows, the Court clearly announced the conceptual reaffirmation of the notion that the pertinent economic unit is the Nation, and that restrictions on interstate commerce, in an effort to preserve and conserve state resources, constitutes a violation of the Commerce Clause.

While the Court in Hughes acknowledged some local latitude to promote legitimate local purposes, the blanket discrimination against interstate commerce was deemed an unacceptably stringent burden.

Another recent case, Arizona Public Service Co. v. Snead, struck down a New Mexico tax on electricity transmitted outside the state as discriminatory under a Federal statute. st

The issues with regard to the precise constitutional limits to which states may regulate or tax natural resources moving into interstate commerce without running afoul of the Commerce Clause continue to present vexing legal problems. Currently pending before the Supreme Court is the matter involving the constitutionality of Montana's severance tax on coal.⁶²

It should be observed, however, that with the expiration of EPAA any preemptive effect upon state conservation laws may also expire. But so long as the Connally Act, and any remnants of the Compact, give the states Federal approval, states may be in the position to regulate oil beyond the scope of prior conservation laws without intruding upon the Commerce Clause.

There are indeed numerous constitutional decisions which might be cited in one fashion or another in an attempt to posit a precise delineation between state police powers and the Commerce Clause dealing with the issue of the extent to which states may regulate in the absence of Federal regulation. Although many of the cases cited above provide some guidance with regard to historical constitutional interpretations, the full range

of possible state legislative actions which might occur upon the expiration of EPAA

can only be broadly addressed.

For example, the relatively recent effort of states, during EPAA, to provide certain protections to independent gasoline stations have been upheld in Exxon Corp. v. Gover-nor of Maryland. The State of Maryland had enacted a statute which provided that a producer or refiner of petroleum products could not operate a retail service station within the state and that such producer or refiner

must extend "voluntary allowances" to all retail stations supplied with products.

The statute was challenged as violating the Commerce and Due Process Clauses of the Constitution and as having been Federally preempted by the Clayton Act, as modified by the Robins-Patman Act.

In addressing the Commerce Clause issue. and in eventually upholding the statute as valid, the Court made this important observation:

"Finally, we cannot adopt appellant's novel suggestion that because the economic market for petroleum products is nationwide, no State has the power to regulate the retail marketing of gas. Appellants point out that many state legislatures have either enacted or considered proposals similar to Maryland's, and that the cumulative effect of this sort of legislation may have serious implications for their national marketing operations. While this concern is a significant one, we do not find that the Commerce Clause, by its own force, pre-empts the field of retail gas marketing. To be sure, 'the Commerce Clause acts as a limitation upon state power even without congressional implementation.' But this Court has only rarely held that the Commerce Clause itself pre-empts an entire field from state regulation, and then only when a lack of national uniformity would impede the flow of interstate goods. The evil that appellants perceive in this litigation is not that the several States will enact differing regulations, but rather that they will all conclude that divestitute provisions (such as those at issue here) are warranted. The problem thus is not one of national uniformity. In the absence of a relevant congressional declaration of policy, or a show-ing of a specific discrimination against, or burdening of, interstate commerce, we can-not conclude that the States are without power to regulate in this area." 64

Thus, the Court has only recently re-articulated the broad constitutional principles with regard to the scope of state authority and intrusion upon the Commerce Clause in the specific context of retail regulation of petroleum products.

It seems clear from the foregoing analysis that while EPAA may have acted to preempt certain limited state regulation, following the expiration of EPAA broad powers to regulate both production and marketing of petroleum and petroleum products will again devolve upon the states.

ANALYSIS OF PRESENT STATE LAWS

For the purpose of providing some notion of the kinds of state regulation which are currently in place, we have surveyed state laws relating to marketing and allocation of petroleum products. For the purposes of this survey, we have not undertaken to identify or assess all state laws relating to petroleum. Notably absent from our assessment, by virtue of our earlier more general assessment and references, are state laws relating to production and conservation as well as state laws providing for taxation relating to petroleum.

We have surveyed all fifty states, and although we have attempted to provide a reasonably current list of statutes, we note the dfficulties of reporting on newly enacted laws. We do believe the list will provide some insight and indication of state interest in petroleum marketing and allocation legislation.

A few general observation about the state statutes are appropriate.

First, at least three states-Maine, New

Mexico, and Virginia-have state laws which require continuation of allocation of supplies to dealers, with certain withdrawal, substitution, or other termination provisions. These laws would appear to require a mandated allocation mechanism during a period of short

Second, several other states have provisions which have allocation components. For example, California and New York have statutes creating a state set-aside authority which might be used to divert products from the market place during periods of short supply for emergency or hardship purposes. Florida and Nevada have statutory authority create emergency plans, the possible content of which might be to provide for some sort of allocation mechanism during shortages

Another large group of states including Connecticut, Georgia, Hawaii, Louisiana, Maryland, Massachusetts, New Hampshire, Pennsylvania, Tennessee, Utah, Vermont, Virginia and West Virginia—have statutes which through a variety of methods regulate petroleum distribution or franchise relationships. Several of the laws of these states require some kind of advance notice before the termination of a supply relationship, thereby appearing to compel continued supply to dealers for at least a limited period.

In addition to these state laws specifically relating to petroleum, we note (but have at tempted no analysis) that more general emergency statutes, or state constitutional provisions may authorize petroleum regula-

In addition to the identified state laws, we are aware that a number of other legislative proposals are pending before legislatures both of states which are mentioned above and other states.

According to a recent survey of legislative proposals pending before state legislatures conducted by the American Petroleum Institute,65 twelve states are currently considering measures to either modify or austate emergency energy agencies. 96 tion, at least two states—Massachu-In addition, at least two statessetts and Rhode Island-are considering pricing regulations.

The following state statutes were identified in our survey of laws:67

CONCLUSIONS AND OBSERVATIONS

The expiration of EPAA marks the termination of nearly ten years of extensive Federal regulation of petroleum, and petroleum product, regulation. That regulation has involved both allocation and pricing regulation during periods of seemingly major shortages of supplies.

It seems likely that unless the Congress moves to continue EPAA in its present standby status, or enacts other laws preventing state regulation by preemption, many states are likely to provide new statutory authority to regulate some aspects of pricing and allocation which were subject to regulation under EPAA.

In addition to moving to fill the void of Federal regulation, the expiration of EPAA also marks a point where state regulation may be expanded for purposes of providing tax revenue, carrying on production con-servation, and other forms of regulation which may have formerly conflicted with

While EPAA's expiration is presently automatic, it would seem that the impact of total termination of Federal regulation should be carefully assessed at the national level because of the enormous economic significance of petroleum and because of what has now become our obvious dependence upon un-

reliable foreign sources for petroleum.

The potential impact of numerous differstate laws regarding allocation and distribution of petroleum, even though they may be constitutional, is difficult to assess in a practical sense.

The need for national laws to be used in the event of an emergency or in the event of short supplies involves a matter of such

major importance that only Congress can pass final judgment.

1 15 U.S. Code Section 751 et seq.

2 15 U.S. Code Section 760g.

3 46 Fed. Reg. 9909 (January 30, 1981). See, Metzenbaum v. Edwards, Civil Action No. 81-0405, Memorandum Opinion filed March 4, 1981, U.S. District Court for the District of Columbia.

5 15 U.S. Code Section 755(b).

See (House Report 93-628, 93d Cong., 1st. Sess. (1973)

7 House Report 93-531, 93d Cong., 1st Sess. (1973), at 58.

8 See, Exxon Corporation v. FEA, 398 F. Supp. 865 (D.D.C. 1975), affirmed, 531 F. 2d 1071, cert. denied, 426 U.S. 941; TWA v. FEO, 380 F. Supp. 560 (D.D.C. 1974); Citronelle-Mobil Gathering Inc. v. Gulf Oil Corp., 420 Mooil Gathering Inc. v. Gulf Oil Corp., 420 F. Supp. 162 (D.C. Ala. 1976), reversed on other grounds, 578 F. 2d 1149; and, Bell v. Exxon, 575 F. 2d 714 (9th Cir. 1978).

*See, New England Petroleum Corp. v. County of Suffolk, 383 N.Y.S. 2d 405 (App. Div. 1976); New York State Office of Parks

and Recreation v. Vantage Petroleum Corp., 431 N.Y.S. 2d 779 (Supp. 1980); Governor of Maryland v. Exxon Corp., 370 A. 2d 1102 (Md. 1977), affirmed on different grounds, 437 U.S. 117 (1978).

10 See, Atlantic Richfield Co. v. Tribbitt, 399 A. 2d 535 (Del. Ch. 1977); and, Opinion

of the Justices, 376 A. 2d 118 (N.H. 1977).

11 413 F. Supp. 1024 (E.D. Mich. 1976).

12 492 F. Supp. 1004 (D. Conn. 1980).

13 The validity of such a tax would seem

to be supported by Washington Rev. Dept. v. Stevedoring Assn., 435 U.S. 734 (1978); Complete Auto Transit Inc. v. Brady, 430 U.S. 274 (1977); and, Colonial Pipeline Co. v. Triangle, 421 U.S. 100 (1975).

14 Public Act 80-71 (1980)

15 Mobil Oil Corp. v. Dubno, supra, at 1013-

18 499 F. Supp. 888 (N.D. N.Y. 1980)

17 See, 40 USLW 2218 (Sept. 30, 1980). For additional background on both Dubno and Tully, see Legal Times of Washington (Oc-

tober 6, 1980), at p. 13.

18 See, Legal Times of Washington, supra. 19 See, Legal History of Conservation of Oil and Gas, A Symposium, published by the Section of Mineral Law of the American Bar Association (1938), at p. 1.

20 Id., at p. 1.

21 See generally, Economic Aspects of Oil Conservation Regulation, by Wallace F. Lovejoy and Paul T. Homan (The Johns Hopkins

Press, Baltimore, 1967). 22 177 U.S. 190 (1900).

23 220 U.S. 61 (1911)

21 221 U.S. 229 (1911). 25 221 U.S. at 255.

m Pennsylvania v. West Virginia, 262 U.S.

27 Bandini Petroleum Co. v. Superior Court

284 U.S. 8 (1931).

**Thompson v. Consolidated Gas Utilities Corp., 300 U.S. 55 (1937).

20 15 U.S. Code Section 715, et seq.

30 15 U.S. Code Section 715b.

31 15 U.S. Code Section 715a. 22 President of the U.S. v. Skeen, 118 F. 2d

58, at 59 (5th Cir. 1941).

33 See, U.S. v. Gilliland, 312 U.S. 86 (1941); See, U.S. v. Gutttana, 312 U.S. 86 [1941]; Federal Tender Board No. 1 v. Haynes Oit Corp., 80 F. 2d 468 (5th Cir. 1935); Griswold v. President of U.S., 82 F. 2d 922 (5th Cir. 1936); Atlas Pipeline Corp. v. Federal Tender Board No. 1, 86 F. 2d 802 (5th Cir. 1936); Hurley v. Federal Tender Board No. 1, 108 F. Partiey V. Federal Tender Board No. 1, 108 F. 2d 58 (5th Cir. 1941); Genecov v. Federal Petroleum Board, 146 F. 2d 596 (5th Cir. 1945); U.S. v. Thompson-Powell Drilling Co., 196 F. Supp. 571 (N.D. Tex. 1961); and Standard Oil of Texas v. U.S., 307 F. 2d 120 (5th Cir. 1962) (5th Cir. 1962).

of For a history and background on the development of the Interstate Oil Compact. see, Economic Aspects of the Oil Conserva-tion Regulation, by Wallace F. Lovejoy and

Paul T. Homan (The Johns Hopkins Press Baltimore 1976), Chapter 2, See also, Mur-phy, The Interstate Oil Compact to Conserve Oil and Gas: An Experiment in Co-opera tive State Production Control, 17 Mississippi Bar Journal 314 (1946). And see generally, Interstate Compact on Oil and Gas (11th Extension), Hearing before the Subcommittee on Communications and Power of the House Committee on Interstate and Foreign Commerce, 91st Cong., 1st Sess. (1969); Compact to Conserve Oil and Gas, Hearing before the Subcommittee on Minerals, Materials, and Fuels of the Senate Committee on In-terior and Insular Affairs, 92d Cong., 1st Sess. (1971); Interstate Compact on Oil and Gas (12th Extension), Hearings before the Subcommittee on Communications and Power of the House Committee on Interstate and Foreign Commerce, 92d Cong., 2d Sess. (1972); and Consenting to Extension of Interstate Compact To Conserve Oil and Gas, Senate Report 94-771, 94th Cong., 2d Sess.

The original compact, 49 Stat. 939 (1935), involved application to six producing states: New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas. The most recent version of the approved Compact was Public Law 94-493, 90 Stat. 2365 (1976).

90 Stat. 2365, 2366 (1976). " See, 90 Stat. 2366 (1976)

B Report of the Attorney General Pursuant to Section 2 of the Joint Resolution of December 11, 1967, Consenting to an Interstate Compact to Conserve Oil and Gas (April 1969); reprinted in Interstate Compact on Oil and Gas (11th Extension) Hearing, supra, 19 at 33-34.

The preceding two paragraphs were contained in a footnote in the original Report

of the Attorney General.

** See generally, Interstate Compact on Oil and Gas (12th Extension), Hearings, supra. 41 See, for example statement of Congress-

man Silvio O. Conte, Id., at 37.

42 The U.S. Department of Interior expressed the view that even in light arguments that Congressional approval might not be necessary, the past history of the Compact approval was such that a refusal by the Congress to renew the Compact "would remove the legal basis upon which it rests." Id., at 69

"See, Public Law 94 493, 90 Stat. 2365 (1976), which provided for "Consent of the Congress... to an extension and renewal from September 1, 1974 to December 31, 1978' of the Compact. Since that time no Congressional action has occurred to further extend the Compact, although Senator Jackson did introduce S.J. Res. 72 on May 2, 1979 on request to extend the Compact from January 1, 1979 until Congress withdrew its consent.

"See footnote 45 at page 9 of Senate Re-

port 94-771, supra.

⁴³ See Interstate Oil Compact Extension, Hearing before the Senate Committee on Interior and Insular Affairs, 94th Cong., 2d Sess. (1976)

46 Senate Report 94-771, supra, at p. 10 et seq.

47 Id., at 15.

45 426 U.S. 363 (1976). 49 148 U.S. 503 (1893). 50 434 U.S. 452 (1978).

51 *Id.*, at 473. 52 310 U.S. 573 (1940). 53 310 U.S. 573, at 581.

54 See also, Railroad Commission of Texas v. Rowan & Nichols Oil Co., 311 U.S. 570 (1941) and Railroad Commission of Texas v. Humble

Oil & Refining Co., 311 U.S. 578 (1941).

Scittes Service Gas Co. v. Peerless Oil & Gas., 340 U.S. 179, 187 (1950).

56 349 U.S. 44 (1955). 57 See, also Phillips Petroleum Co. v. Oklahoma, 340 U.S. 190 (1950).

58 Northern Natural Gas Co. v. State Corporation Commission, 372 U.S. 84 (1963).

59 441 U.S. 322 (1979). 60 441 U.S. 141 (1979).

61 15 U.S. Code Section 391

See, Commonwealth Edison Co. v. State
of Montana, No. 80-581 (U.S. Sup. Ct.).

63 437 U.S. 117 (1978).

64 Id. at 128-129.

Special Report, State Response to De-Emergency Energy Management, Market Withdrawal Legislation, and Related 1981 Legislative Activity in the States, American Petroluem Institute (March 1981)

et This list includes: Arizona, Hawaii, Indiana, Maryland, Mississippi, Montana, New Jersey, New Mexico, North Dakota, Vermont,

Virginia, and Washington.

These statutes were assembled with the assistance of Thomas P. Carr, Paralegal Assistant in the American Law Division.

THE AIR TRAFFIC CONTROLLERS' STRIKE

Mr. STENNIS. Mr. President, I shall not detain the Senate more than a few minutes.

I was on my way to the Chamber this morning to take part in the discussion with reference to the situation concerning the strike by the air traffic controllers in the airports of our Nation. I did not get to the Chamber in time to take part in that discussion. However, I am not going to let the opportunity pass to express a sentiment that is deliberate on my part.

At the same time, I do not want to be rash and intemperate. However, I feel very strongly that if we do not take recognition of the gravity of this occasion and give fair warning, at least, as to future occurrences, we will pay a terrible

price.

Mr. President, I have a high regard for the air traffic controllers and for their responsibility. Some years ago, I handled an appropriation bill for the Department of Transportation which included funds for the operation of the air traffic controllers. They were in a distressing condition then, in that there were not enough of them to take care of the work required. I visited with them and saw their working conditions in many places. They took me all across the Nation, from East to West, to see other matters that had to do with air transportation-safety devices and other requirements.

One of the most pleasant experiences I have had here was to try to get into those problems and help to make recommendations which were passed here, far beyond the budget limitations that already had been set here by resolution.

We had a reconsideration of those limits in order to allow enough money. I do not think a pay increase for the controllers was involved; it was mainly additional employees to train to be controllers.

So I have a background of understanding and appreciation for this work and for the men who have been carrying it out.

But it makes no difference about that or anything else. When people take an oath to carry out the functions and duties of their job and responsibilities without going on strike and in particular when it is a highly sensitive employment or situation where the lives of countless of thousands of innocent people are imperiled by the hour with reference to the functions of these controllers and, as I said, have taken an oath to that effect in their promises and we have a law to that effect in our law, as I understand these men are under a court order of injunction, if those are the correct facts and we let that be tolerated, we will be nothing less than meagerly miserably small and indecisive and weak about meeting the situation.

There must be protection of the people where they are so helpless, and no nation can continue to be strong, in my opinion. unless we really resort to firm resolve and action to back up that resolve.

So in this case, the situation is so grave that I think, in speaking in terms unless there are of necessary circumstances that I do not know, or extenuating circumstances that I cannot imagine now, there will have to be a penalty applying along the lines for a breach of promise like this of imperiling the people. That carries with it the penalty of being disenfranchised, so to speak, toward future employment as well as being discharged from present employment.

That is not a mild remedy, but it will be as near an effective remedy as anything that I can imagine in this field, and I speak these sentiments now from my special knowledge and understanding of these operations and the necessity for them and out of a sense of obligation to the millions and millions of people who use our skyways by the hour and not for pleasure by any means, although it is partly that, but as a necessity.

So, of course, I hope that something is done to settle this strike, but I am try-ing to think in terms of what we are going to do and not only now but in the

future.

So I rest this case now on a hope that it will be settled but further that our committees in this field can give it special attention and that we will have the resolve to come up with a remedy that will be effective and protective.

AWARD TO SENATOR QUENTIN N. BURDICK

Mr. STENNIS. Mr. President, let me call attention to the fact that one of our Members has received a unique and exceptional honor. I refer to the fact that the Senator from North Dakota, Quen-TIN N. BURDICK, recently received the Distinguished American Award from the National Football Foundation and Hall of Fame. I know that we will all agree that this honor and distinction is richly deserved.

Senator Burdick earned this award for his achievements both on the playing fields of football and his accomplishments in life. In football he played blocking back and fullback for the University of Minnesota Golden Gophers during the days when they were a true national power. One of his teammates was the legendary Bronko Nagurski. The fact that Senator Burdick played on the team with this all-time great is adequate evidence of the fact that, even in his youth, he had outstanding qualities and ability.

The Senator from North Dakota has earned even greater distinction and honor in the field of life. He has had outstanding career of public service which commenced with his election to the House of Representatives in 1958 and continued with his election to the U.S. Senate in 1960. My friendship with him and esteem for him have grown over the 21 years during which he has been a Member of this body and I have had the privilege of working with him.

I know that my fellow Senators share my high regard for QUENTIN BURDICK. He has been a solid and influential Senator in a quiet but highly effective way. He has been dogged and tenacious in support of matters and principles which he believed to be right. He is a member of the Committee on Appropriations, the Committee on Environment and Public Works, the Special Committee on Aging, and the Democratic Policy Committee. In these and other positions he has made essential and valuable contributions to the public welfare. He is a positive force for good and an asset to the U.S. Senate.

Therefore, Mr. President, I commend the distinguished Senator from North Dakota, not only on this award, but for his many achievements and distinctions throughout his career. The Distinguished American Award which he has received is awarded each year to a Member of Congress who is an athlete who has been active in football. The selection is made by the Washington, D.C. Chapter of the National Football Foundation and Hall of Fame, and I commend that organization for its fine judgment and perception in selecting Quentin Burdick.

It is very possible, Mr. President, that, as the plaque presented to him reads, Senator Burdick carried the lessons which he learned on the football field into a life of service. In any event, we all know that he has served and continues to serve his State and Nation in an outstanding manner. I again congratulate the distinguished Senator from North Dakota on the justly deserved honor which he has received.

THE RETIREMENT OF JOHN PRICE

Mr. STENNIS. Mr. President, until his recent retirement, John Price, a native of West Point, Miss., had been an employee of the Sergeant at Arms for 31 years. During that period, he has consistently rendered efficient and faithful service of the highest order and is esteemed by every Member of the Senate as well as all those who worked with and under him while he served many years in charge of the care and upkeep of the interior of the Senate wing of the Capitol.

Mr. President, I personally knew John Price's family at West Point, Miss., while I was a circuit judge there. I esteemed them very highly, as did others. After, I knew John here later and offered him a job on my staff more than 10 years ago. He desired to stay with his work.

I congratulate John, his wife, and family and extend them fond good wishes for many years of happiness.

Mr. President, I yield the floor.

AGRICULTURE AND FOOD ACT OF 1981

Mr. MATSUNAGA. Mr. President, when we return from the August recess one of the important measures awaiting floor action will be the Agriculture and Food Act of 1981. We, in Hawaii, are particularly interested in that bill because it contains a sugar provision establishing a simple nonrecourse sugar loan program.

The loan level in that program is set at 19.6 cents per pound of raw cane sugar. Some have charged that level is excessive. But by any reasonable analysis, it is not.

To those who argue excessive cost, I would remind them first, that 19.6 cents is less than two-thirds of the average price of sugar last year. Second, that it is well under the average cost of production even if we exclude the cost of land. It is clear that we will not encourage a sugar surplus even if we were not importing almost half of the sugar we use.

Nevertheless, a reasonable relationship should exist between the loan rate and the average cost of production. Despite the many risks in farming no one argues that farmers are entitled to a support program with full production costs covered by the Government, and the sugar growers are no exception.

Production costs are important as a measure of a proper level for a Government support program. Recently the U.S. Department of Agriculture filed a preliminary report on production costs in the sugarcane sugar beet industries following an exhaustive survey of both industries for the 1978–79 and for the 1978–80 crops. I wish to share portions of that preliminary report relative to the cane industry with my colleagues. While it is a preliminary report and subject to minor revisions it is exhaustive and utilizes the same procedure used by the USDA in other cost surveys.

The report, prepared by the National Economics Division of the Economics and Statistics Service of the USDA estimates the cost of production for 1981-82 at 24 cents per pound for raw cane sugar with no land costs included. Given even an 8percent-per-year increase in nonland costs, that will place production costs in 1985-86 at 32 cents per pound for raw cane sugar. Unfortunately, the mandated loan rate under the Senate Agriculture Committee bill will still be only the 19.6 cents per pound in deference to the administration's strong opposition to any indexing of support programs. Far from being excessive, that loan level will clearly be inadequate to assure the survival of the major share of our domestic sugar industry.

With 75 percent of Hawaii's crop land in sugar and with no viable alternative crops for that land or employment for the 9,000 employees working directly with

sugar in my State, we are understandably concerned. We are also concerned that the American consumer will be inadequately protected from product shortages and from periods of excessive sugar prices, should our domestic industry not survive.

Mr. President, I ask unanimous consent that portions of the preliminary report on the cost of producing sugarcane and sugar beets in the United States including projections for the 1981–82 crops be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

PORTIONS OF PRELIMINARY REPORT

This preliminary report presents initial estimates from 1980/81 surveys of sugarcane producers and processors. The estimates presented are subject to minor revisions before the final report is released. This preliminary report is made available for use for policy makers, the sugar industry, and the general public. Comments and suggestions on the study are welcome.

This report was prepared by the staff of NED's Fruits, Vegetables and Sweeteners and Economic Indicators and Statistics Branches. Principal contributors to the report include Luigi Angelo, Robert Bohall, Ron Krenz, Hosein Shapouri, Ludwin Speir, and Glenn Zepp. Other key contributions were made by Pauline Cook, Rhodia Ewell, Robert Graham, Stanley Johnson, Larry Larkin, Nadine Loften, Jerry McCall, Robert Olson, Joan Pearrow, and the staff of State Statistical Offices in sugarcane.

SUMMARY

Net production and processing costs, excluding land, are estimated at 24.0 cents per pound of raw cane sugar and \$50.05 per ton of sugarcane in 1981/82. This represents an increase from 1980/81 when costs per pound were estimated at 21.4 cents for raw sugar and \$44.32 per ton of sugarcane.

Nonland production costs for sugarcane are projected at \$1,029 per acre in 1981/82 or \$28.80 per ton of sugarcane. This assumes a trend yield of sugarcane of 35.7 tons in 1981/82 with a trend U.S. average recovery of sucrose or raw sugar of 210 pounds per ton. Projected production cost per pound of raw sugar would increase to 13.8 cents by 1931/82.

Sugarcane processing costs are projected to increase 8 percent over 1980/81 to \$25.41 rer ton by 1981/82. Processing costs would increase to 12.2 cents per pound of raw sugar in 1981/82, compared with 11.3 cents in 1980/81.

Byproducts of sugarcane production and processing—molasses and bagasse—would contribute revenue of 2.0 cents per pound of raw sugar in 1981/82 to help offset costs.

Land allocation for sugarcane could not be determined in a reliable and consistent manner to reflect agricultural value. Cash rent, share rent, and current market value cost estimates vary widely. The land allocation would add 2 to 6 cents per pound to the projected costs of production and processing.

Fuel, interest, and machinery costs are expected to lead the 1981/82 cost increases.

AVERAGE PRODUCTION AND PROCESSING COSTS PER ACRE, PER TON, AND PER POUND, RAW CANF, UNITED STATES, PRELIMINARY 1980-81 AND PROJECTED 1981-82

		1980/81	36.0	3 4 1	1981/82			
Cost item	Acre	Ton	Pound (cents)	Acre	Ton	Pound (cents)	Cost item	
Sugarcane: Production excluding land Processing	\$911.78	\$24.30 23.58	11. 807 11. 342	\$1, 029. 18	\$28. 80 25. 41	13. 776 12. 206	Land allocati Share re Cash ren	
Total		47. 88	23. 149		54. 21	25. 982	Current	
Byproduct credits		3. 56 44. 32	1. 714 21. 435		4. 16 50. 05	1. 995 23. 987	Yield per acr Recovery per	

			1980/81		187		
	Cost item	Acre	Ton	Pound (cents)	Acre	Ton	Pound (cents)
	Land allocation: Share rent. Cash rent. Current market value Composite	\$237. 29 136. 14 325. 61 269. 18	\$4. 74 4. 46 10. 69 7. 18	2. 264 2. 208 5. 246 3, 486	\$243. 24 153. 16 349. 54 285. 91	\$5. 04 5. 26 12. 31 7. 84	2. 357 2. 586 6. 038 3. 750
	Yield per acre (tons) Recovery per ton (pounds)		37. 51	206.8		35. 73 _	209. 8

INTRODUCTION

The Agriculture and Consumer Protection Act of 1973 directed the Secretary of Agriculture to estimate the annual costs of producing certain major commodities. That responsibility was delegated to the Economics and Statistics Service (ESS). Within the National Economics Divisions of ESS, a comprehensive program of research on agricultural costs of production is conducted. This report is the first on sugar. Estimates for the 1978/79 and 1979/80 crop years are considered to be final, (see Appendix), estimates for 1980/81 are preliminary, and those for 1981/82 are projected.

Responsibility for the collection and maintenance of data on cost of producing sweeteners was transferred from the Agricultural Stabilization and Conservation Service (ASCS) to the ESS in September of 1975. following termination of the domestic sugar program in 1974. ESS attempted to update sugar production costs in 1976, but was unable to obtain sufficient cooperation from industry representatives. Therefore, indexing procedures were used to update survey information last obtained by ASCS in 1970–72 based on data for the 1967–71 crops. As a result, estimates of input requirements and costs became seriously out-of-date and could only be considered as rough estimates.

The average costs presented are based on methods that provide total cost estimates for sugarcane production and processing on a per acre, per ton (cane), and per pound (raw cane) basis. Some inputs for producing or processing are used up each year, labor and fuel for example. Some, such as machinery, last more than 1 year, but become obsolete and wear out. Others—stock inputs such as management and land—provide a flow of services and output when combined with

other inputs. The cost estimates include the cost of all inputs used up, an allowance sufficient to replace the portion of depreciable inputs used, and a return to remaining stock inputs sufficient to keep them employed in their present use.

Interest and taxes on owned land require estimates of the value of land for agricultural purposes. Estimates on the value of owned land were not available for Hawaii. Federal Land Banks estimates of current land values were obtained for Florida. Farm Real Estate Market Development values were utilized for all other areas. However, all the indicators of current land values are estimates of the value of land for agricultural purposes plus its speculative value for other purposes including urban develop-In both Florida and Hawaii this speculative component was especially evident and, to a lesser extent, in the other sugarcane and sugarbeet production regions. As a result, a reliable and consistent indication of land allocation cost could not be obtained for sugarcane and sugarbeet produc-

COST OF PRODUCING AND PROCESSING SUGARCANE

The estimated nonland costs of producing and processing sugarcane in 1980/81 and projected costs for 1981/82 are summarized in tables 5 and 6. Net production and processing costs per ton of cane were estimated at \$44.32 for 1980/81 and were expected to increase to \$50.05 for 1981/82, equal to 24.0 cents per pound for raw cane sugar. Estimated net costs of producing and processing raw cane sugar in 1980/81 were 18.0 cents per pound in Florida, 23.3 cents in Hawaii, 25.1 cents in Texas and 25.8 cents in Louisiana.

United States weighted average production cost, excluding land, in 1980/81 averaged \$24.30 per ton of sugarcane with Louisiana

having the lowest cost and Hawaii the highest. For 1981/82, U.S. production costs, excluding land, are projected to increase to \$28.80 per ton, 19 percent over 1980/81. Cost per pound of raw cane sugar is projected at 13.8 cents per pound.

The U.S. preliminary processing cost for 1980/81 was estimated at \$23.58 per ton of sugarcane or 11.3 cents per pound of raw cane sugar. Costs per pound were lowest in Florida at 8.8 cents and highest in Louisiana at 16.9 cents. By 1981/82, U.S. processing costs are expected to increase 8 percent to an average of 12.2 cents per pound. Based on trend yields and recovery, cost increases in Florida and Hawaii are projected to be larger than for Louisiana and Texas.

Detailed sugarcane production costs per acre, and per ton and production costs per pound of raw cane sugar are indicated in tables 7, 8, 9, and 10. Total estimated nonland production costs in 1980/81 ranged from \$443 in Louisiana to \$2,810 in Hawaii (table 7). Composite land allocations were lowest in Texas at \$122 and highest in Florida at \$335 and Hawaii at \$379 (based on share rent) per acre.

Average U.S. cash rent for survey firms in 1980/81 was only 42 percent of the land at a cation when based on interest and taxes or owned land at current market value. Shererent in Hawaii and Louisiana reflects the relatively higher sugar prices of 1980/81. To production costs, excluding land, per tense sugarcane were \$24.30 or 11.8 cents pound, for 1980/81 (table 8).

Fertilizer, labor, repairs, interest, replerement of machinery, and general and additistrative expenses represent some of the Labor important cost categories. When yields a recovery rates are taken into account, raccane sugar production costs in 1980/81 were comparable for Florida and Louisiana with Texas and Hawaii 2 to 3 cents higher

TABLE 5 .- SUGARCANE: PRELIMINARY PRODUCTION AND PROCESSING COSTS PER TON OF CANE AND PER POUND OF RAW SUGAR, BY COST ITEM, SPECIFIED AREAS, 1980-81 CROP YEAR

	Florida		Hawaii		Louisian	18	Texas		United Sta	ates
Cost item	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)
Production Variable Machinery ownership Gener. I and administration Processing Variable Ownership General and administration	\$22. 69 18. 31 2. 33 2. 05 18. 55 10. 09 7. 65 . 81	10. 800 8. 715 1. 109 . 976 8. 831 4. 803 3. 639 . 389	\$29. 59 23. 67 2. 47 3. 45 25. 05 15. 57 7. 48 2. 00	13. 305 10. 643 1. 111 1. 551 11. 250 6. 998 3. 356 , 896	\$19. 28 11. 47 5. 42 2. 39 29. 73 12. 35 16. 52 . 86	10. 942 6. 510 3. 076 1. 356 16. 875 7. 011 9. 375 . 489	\$22.71 19.74 1.30 1.67 25.93 12.61 11.71 1.61	12. 788 11. 115 . 732 . 941 14. 598 7. 100 6. 595 . 903	\$24. 30 18. 73 2. 99 2. 58 23. 58 12. 68 9. 62 1. 28	11. 807 9. 098 1. 455 1. 254 11. 342 6. 098 4. 628 . 616
Total production and processing excluding land	41. 24	19. 631	54.64	24. 555	49.01	27. 817	48.64	27. 386	47.88	2.149
Credits Molasses Bagasse Other	3. 40 3. 33 . 01	1. 622 1. 590 . 004	3. 63 2. 73	1. 269 1. 226	3. 55 3. 50 . 05	2. 015 1. 987 . 028	4. 03 4. 03	2. 266 2. 266	3. 56 3. 21 . 01	1.714 1.542 .007
Net production and processing exclud- ing land	. 06 37. 84	. 028 18. 009	. 90 51. 01	23. 286	45. 46	25. 802	44.61	25, 120	. 34 44. 32	21. 435
Share rent	5. 10 11. 44	2. 427 — 5. 445 —	3.99	1.794	6, 60 2, 09 8, 83	3. 746 1. 186 5. 011	2. 81 5. 06	1. 582 2. 849	4. 74 4. 46 10. 69	2. 264 2. 208 5. 245
Composite	10, 17 32, 90	4. 840	3. 99 94. 97	1.794	6. 93	3. 933	4. 43 27. 58	2. 494	7, 18	3, 486

TABLE 6.—SUGARCANE: PROJECTED PRODUCTION AND PROCESSING COSTS PER TON OF CANE AND PER POUND OF RAW SUGAR, BY COST ITEM, SPECIFIED AREAS, 1981-82 CROP YEAR

	Flo	Florida		Hawaii		Louisiana		Texas		United States	
Cost item	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	
Product ion Variable Machinery ownership General and administration Variable Ownership General and administration	\$26. 65 21. 48 2. 76 2. 41 19. 95 11. 33 7. 72 . 90	12. 813 10. 327 1. 327 1. 159 9. 591 5. 449 3. 710 . 432	\$34. 04 27. 25 2. 87 3. 92 27. C9 17. 32 7. 59 2. 18	15. 265 12. 220 1. 287 1. 758 12. 149 7. 766 3. 406 . 977	\$23. 84 14. 24 6. 67 2. 93 33. 31 14. 38 17. 91 1. 02	12. 547 7. 495 3. 511 1. 541 17. 534 7. 569 9. 428 . 537	\$26. 86 23. 29 1. 57 2. 00 28. 80 14. 53 12. 52 1. 75	14. 598 12. 658 . 853 1. 087 15. 650 7. 895 6. 804 . 951	\$28.80 22,22 3.53 3.05 25.41 14.31 9.65 1.45	13. 776 10. 629 1. 689 1. 458 12. 206 6. 809 4. 717 . 680	
Total production and processing excluding land	46. 60	22. 404	61.13	27. 414	57. 15	30. 081	55. 66	30, 248	54. 21	25. 982	
Credits Molasses Bagasse Other	4. 01 3. 94 . 01 . 06	1, 932 1, 897 . 004 . 031	4. 06 2. 99	1. 920 1. 440	4. 27 4. 21 . 06	2. 247 2. 217 . 030	4. 17 4. 17	2. 266 2. 266	4. 16 3. 74 . 02 . 40	1. 995 1. 788 .007 .200	
Net production and processing exclud- ing land.	42.59	20. 472	57.07	25. 494	52.88	27. 834	51.49	27, 982	50.05	23. 987	

	Florida		Hawaii		Louisiana		Texas		United States	
Cost item	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)
Land allocation: Share rent	\$5,96	2, 865	\$3. 89	1.745	\$8.10 2.56	4. 263 1. 347	\$3.36	1.826	\$5. 04 5. 26	2. 357 2. 586
Current market value Composite	\$5.96 12.66 11.32	6. 087 5. 442	3. 89	1.745	13. 20 8. 52	6. 947 4. 485	\$3. 36 6. 05 5. 29	3. 288 2. 875	12. 31 7. 84	6. 038 3. 750
Yield per acre (tons)	31.60	208.0	92.90	223.0	21. 20	190.0	26. 30	184.0		

TABLE 7.-SUGARCANE: PRELIMINARY PRODUCTION COSTS PER ACRE, BY COST ITEM, SPECIFIED AREAS, 1980-81 CROP YEAR

Cost item	Florida	Hawaii	Louisiana	Texas	United States
Variable	\$602, 54	\$2, 247. 74	\$263.81	\$544.45	\$702.63
Seed . Fertilizer . Chemicals . Custom operations . Labor . Fuel and lubrication . Repairs . Purchased irripation water . Purchased electricity . Miscellaneous . Interest .	1. 58 42. 79 34. 12 17. 04 302. 87 41. 56 105. 90 1. 53 4. 90 50. 25	280. 03 95. 25 86. 25 1, 015. 20 96. 61 394. 47 50. 37	38. 30 40. 71 14. 2. 55. 21 48. 05 40. 37 26. 96	53, 01 51, 26 74, 28 125, 77 33, 37 116, 23	0. 74 73. 48 45. 44 28. 22 303. 63 50. 75 122. 39 2. 03 7. 45 2. 30 66. 20
Machinery ownership	76. 62	234. 45	124. 52	35. 96	112. 20
Replacement	36. 27	107.93	63. 02	17.71	24. 15

Cost item	Florida	Hawaii	Louisiana	Texas	United States
Interest	\$27. 22 13. 13	\$107. 37 19. 15	\$51.36 10.14	\$13.16 5.09	\$45, 56 12, 49
General farm overhead	67. 43	328. 11	14. 80 40. 31	8. 60 35. 76 1. 71	5. 35 15. 73 75. 67
Total excluding land	746. 59	2, 810. 30	443. 44	626. 48	911. 78
Share rent. Cash rent Current market value. Composite.	167. 64 376. 26 334. 54	378. 62 378. 62	151. 76 - 48. 03 203. 02 159. 36	77. 46 139. 55 122. 16	237, 29 136, 14 325, 61 269, 18
Yield per acre (tons)	32. 90	94. 97	23. 00	27. 53	37. 51

TABLE 8.—SUGARCANE: PRELIMINARY PRODUCTION AND PROCESSING COSTS PER TON OF CANE AND PER POUND OF RAW SUGAR, BY COST ITEM, SPECIFIED AREAS, 1980-81 CROP YEAR

	Florida		Hawaii		Louisian	18	Texas		United States	
Cost item	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)
Variable	\$18.31	8. 715	\$23.67	10. 643	\$11. 47	6, 510	\$19.74	11.115	\$18.73	9. 098
Seed Fertilizer Chemi cals Custom operations Labor Fuel and lubrication Repairs Purchased Irrigation water Purchased electricity	. 05	.024 .619 .490 .248 4.379 .600 1.533	2. 95 1. 00 . 91 10. 69 1. 02 4. 15	1. 326 . 450 . 409 4. 807 . 459 1. 866	1. 67 1. 77 . 62 2. 40 2. 08 1. 76	. 948 1. 005 . 352 1. 362 1. 180 . 999	1. 92 1. 86 2. 69 4. 56 1. 21 4. 22 1. 45	1. 081 1. 047 1. 515 2. 568 . 681 2. 376 . 817	. 02 1. 96 1. 21 . 75 8. 09 1. 35 3. 26 . 05	. 014 . 95. . 58 . 36. 3. 93 . 65. 1. 58 . 02.
Miscellaneous Interest Interest Machinery ownership Replacement Interest Taxes and insurance General farm overhead Management General and administration		. 071 . 727 1. 109 . 524 . 395 . 190	2. 42 2. 47 1. 14 1. 13 . 20	1. 088 1. 111 . 513 . 508 . 090	1. 17 5. 42 2. 74 2. 23 . 45 . 64 1. 75	. 664 3. 076 1. 555 1. 266 2. 55 . 363 . 993	1, 83 1, 30 - 64 - 48 - 18 - 31 1, 30 - 06	1. 030 . 732 . 361 . 270 . 101 . 175 . 732 . 034	. 07 1, 77 2, 99 1, 44 1, 22 . 33 . 15 . 42 2, 01	. 03 . 85 1. 45 . 70 . 59 . 16 . 07: . 20: . 97!
Total excluding land	22. 69	10. 800	29. 59	13. 305	19. 28	10. 942	22.71	12. 788	24. 30	11.80
Land allocation: Share rent	5. 10 11. 44 10. 17	2. 427 5. 445 4. 840	3. 99	1. 794	6. 60 2. 09 8. 83 6. 93	3. 746 1. 186 5. 011 3. 933	2. 81 5. 06 4. 43	1. 582 2. 849 2. 494	4. 74 4. 46 10. 69 7. 18	2. 264 2. 208 5. 245 3. 486
Yield per acre (tons)	32. 90	210.1	94. 97	222.4	23. 00	176. 2	27. 58	177. 6		

For the 1981/82 crop U.S. sugarcane production costs, per acre, excluding land, are projected at \$1,029 (table 9). On the basis of per ton of sugarcane or per pound of raw sugar, projected 1981/82 variable costs were generally well over two-thirds of production costs with labor the largest component (table 10). Projected fertilizer and labor costs were high in Hawaii compared with other areas reflecting wage rates and cultural practices.

Custom operations were highest in Texas. Projected machinery ownership costs were lowest in Texas and highest in Louisiana, reflecting intensity of use of machinery as a substitute for labor in growing and harvesting of cane. The 1981/82 composite land allocation averaged \$7.84 per ton for all areas ranging from a low of \$3.89 per ton in Hawaii for share rent to a composite \$11.32 in Florida.

Information on processing costs is presented in tables 11 and 12. Total U.S. costs per pound of raw cane sugare are projected to increase from \$23.58 per ton of cane in

1980/81 to \$25.41 in 1981/82. Preliminary estimates for 1980/81 and projections for 1981/82 indicate that Florida has the most efficient facilities and the lowest processing cost.

Fuel, supplies and materials, and interest expenses are major contributors to expected cost increases. With an expected increase to trend recovery of raw sugar per ton of sugarcane offset by inflation, 1981/82 projected total processing costs per pound are 8 percent above 1980/81.

TABLE 9.—SUGARCANE: PROJECTED PRODUCTION COSTS PER ACRE, BY COST ITEM, SPECIFIED AREAS, 1981-82 CROP YEAR

Cost item	Florida	Hawaii	Louisiana	Texas	United States	Cost item
Variable	\$678.86	\$2,531.70	\$301.92	\$612.43	\$793.09	Interest
Seed Fertilizer Chemicals Custom operations Labor Fuel and lubrication Repairs Purchased irrigation water	1. 73 48. 66 38. 25 18. 76 335. 95 51. 46 119. 88	318. 47 106. 77 94. 95 1, 126. 09 119. 62	43, 56 45, 63 15, 64 61, 24 59, 49 45, 70	60. 28 57. 46 81. 78 139. 51 41. 32 131. 57 43. 96	, 81 83, 56 50, 93 31, 07 336, 78 62, 83 138, 54 2, 23	Taxes and i General farm ov Management General and adn Total excl Land allocation: Share rent Cash rent
Purchased electricity Miscellaneous Interest Machinery ownership Replacement	1. 89 6. 07 56. 21 87. 30 40. 64	256, 91	30. 66 141. 46 70. 62	56. 55 41. 32 19. 85	9. 23 2. 87 74. 24 127. 64 60. 67	Current ma Composite. Yield per acre (t

Cost item	Florida	Hawaii	Louisiana	Texas	United States
Interest	\$31. 24 15. 42	\$123. 22 22. 50	\$58.94 11.90 16.03	\$15. 10 6. 37 9. 32	\$52, 28 14, 69 6, 01
ManagementGeneral and administration	76. 01	363.70	45. 94	40. 40	17. 91 84. 53
Total excluding land	842, 17	3, 162, 06	505, 35	706. 51	1, 029. 18
Share rent	188.34	361, 32	171. 79 54. 37	88. 27	243. 24 153. 16
Current market value	399. 90 357. 59	361. 32	229. 82 180. 62	159. 03 139. 21	349. 54 285. 91
Yield per acre (tons)	31.60	92. 90	21. 20	26. 30	35. 73

TABLE 10.-SUGARCANE: PROJECTED PRODUCTION COSTS PER TON OF CANE AND PER POUND OF RAW SUGAR, BY COST ITEM, SPECIFIED AREAS, 1981-82 CROP YEAR

The state of the s	Florid	a	Hawai		Louisiana		Texas		United States	
Cost item	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents
Variable	\$21.48	10. 327	\$27.25	12.220	\$14.24	7. 495	\$23. 29	12, 658	\$22.22	10, 62
Seed Fertilizer Chemicals Custom operations Labor Fuel and lubrication Repairs Purchased irrigation water	. 04 1. 54 1. 21 . 59 10. 63 1, 63 3, 79	. 024 . 740 . 582 . 284 5. 111 . 784 1. 822	3. 43 1. 15 1. 02 12. 12 1. 29 4. 80	1. 538 . 516 . 457 5. 435 . 578 2. 152	2, 05 2, 15 , 74 2, 89 2, 81 2, 16	1. 079 1. 132 . 389 1. 521 1. 479 1. 137	2. 29 2. 18 3. 12 5. 30 1. 57 5. 01 1. 67	1. 245 1. 185 1. 696 2. 880 . 853 2. 723 . 908	. 02 2. 36 1. 41 . 87 9. 45 1. 74 3. 88 . 06	. 01(1. 12) . 67/ . 41! 4. 52 . 83 1. 85(. 02)
Purchased electricity	.06	. 029	. 67	. 300				. 300	. 27	. 121
Interest Machinery ownership Replacement Interest Taxes and insurance. General farm overhead Management General and administration	1. 79 2. 76 1. 29 . 99 . 48	. 860 1. 327 . 620 . 476 . 231	2.77 2.87 1.30 1.33 .24	1. 244 1. 287 . 583 . 596 . 108	1. 44 6. 67 3. 33 2. 78 . 56 . 76 2. 17	. 758 3. 511 1. 753 1. 463 2. 95 . 400 1. 141	2. 15 1. 57 . 76 . 57 . 24 . 35 1. 53	1. 168 . 853 . 413 . 310 . 130 . 191 . 831 . 065	. 08 2. 08 3. 53 1. 68 1. 45 . 40 . 16 49 2. 40	1. 00 1. 68 80: 69: . 19 . 07: . 23
Total excluding land	26, 65	12.813	34. 04	15. 265	23. 84	12, 547	26, 86	14, 598	28. 80	13, 776
Land allocation: Share rent. Cash rent Current market value Composite.	5, 96 12, 66 11, 32	2. 865 6. 087 5. 442	3. 89	1.745	8. 10 2. 56 13. 20 8. 52	4. 263 1. 347 6. 947 4. 485	3. 36 6. 05 5. 29	1, 826 3, 288 2, 875	5. 04 5. 26 12. 31 7. 84	2. 357 2. 586 6. 038 3. 750
Yield per acre (tons)	31.60	208.0	92.90	223. 0	21. 20	190.0	26.30	184.0		

TABLE 11.—24'N SUGAR: PRELIMINARY PROCESSING COSTS PER TON OF CANE AND PER POUND OF RAW SUGAR, BY COST ITEM, SPECIFIED AREAS, 1980-81 CROP YEAR

	Florida		Hawaii	D. L. D. Sull	Louisiana		Texas		United States	
Cost item	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)
Variable	\$10.09	4. 803	\$15.57	6.998	\$21.35	7. 011	\$12.61	7.100	\$12.68	6.09
Cane transportation	2.22	1.056	2.42	1.086	1.71	.972	3.09	1.741	2.23	1.075
Processing: Labor Fuel Supplies and materials Repair and maintenance Labor benefits Marketing Interest Ownership Depreciation Interest Taxes and insurance General and administration Labor Nonlabor	1.70 .46 .72 1.88 .55 2.02 .54 7.65 .89 6.43 .33 .81 .32	. 811 . 221 . 343 . 895 . 260 . 960 . 257 3. 639 . 422 3. 058 . 159 . 389 . 159 . 389 . 154 . 235	2. 43 . 96 1.23 3. 70 1. 49 2. 42 . 92 7. 48 1. 39 5. 93 . 16 2. 00 2. 37	1. 097 . 430 . 553 1. 659 . 670 1. 086 . 417 3. 356 . 622 2. 662 . 072 . 896 . 167 . 729	1. 70 1. 52 1. 23 4. 22 . 72 . 49 . 76 16. 52 1. 77 14. 33 . 42 . 86 . 40 . 46	. 965 . 860 . 701 2. 395 . 407 . 278 . 433 9. 375 1. 003 8. 135 . 237 . 489 . 228 . 261	1. 10 .91 1.25 3.57 .30 1.63 .76 11.71 2. 31 8. 64 .76 1. 61	. 619 . 512 . 702 2. 013 . 169 . 918 . 426 6. 595 1. 300 4. 866 . 429 . 903 . 396 . 507	1. 95 .88 1. 03 3. 09 . 91 1. 85 . 74 9. 62 1. 30 8. 01 . 31 1. 28 . 37 . 91	. 944 . 421 . 497 1. 484 . 433 . 888 . 354 4. 622 3. 857 . 144 . 611 . 180
Total processing cost	18.55	8. 831	25.05	11. 250	29.73	16. 875	25. 93	14.598	23. 58	11.342
Recovery per ton (pounds)		210.1		222.7		176.2		177.6		206. g

TABLE 12.—RAW SUGAR: PROJECTED PROCESSING COSTS PER TON OF CANE AND PER POUND OF RAW SUGAR, BY COST ITEM, SPECIFIED AREAS, 1981-82 CROP YEAR

	Florida		Hawaii		Louisiana		Texas		United States	
Cost item	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)	Ton	Pound (cents)
Variable	\$11.33	5. 449	\$17. 32	7. 766	\$14.38	7. 569	\$14.53	7. 895	\$14.31	6. 809
Cane transportation	2. 48	1. 193	2.78	1. 246	1. 88	. 992	3. 52	1. 915	2. 52	1. 200
Labor Fuel Supplies and materials Repair and maintenance Labor benefits Marketing Interest Ownership Depreciation Interest Taxes and insurance General and administration Labor Nonlabor	1. 89 . 58 . 79 2. 16 . 59 2. 31 . 53 7. 72 1. 02 6. 32 . 38 . 90 . 34 . 56	. 908 . 277 . 382 1. 040 . 283 1. 111 . 255 3. 710 . 489 3. 037 . 184 . 432 . 163 . 269	2. 71 1. 19 1. 36 4. 06 1. 65 2. 65 2. 7. 59 1. 52 5. 89 .18 .218 .218	1, 216 .531 .608 1, 821 .741 1, 189 .414 3, 406 .684 2, 643 .079 .977 .184 .793	1. 88 1. 88 1. 36 5. 15 . 83 . 58 . 82 17. 91 2. 07 15. 35 . 49 1. 02	. 992 . 987 . 716 2. 713 . 436 . 303 . 430 . 9. 428 1. 092 8. 078 . 258 . 537 . 537 . 281	1. 22 1. 13 1. 37 4. 24 1. 93 78 12. 52 2. 73 8. 89 1. 75 1. 75	. 662 . 612 . 746 2. 303 . 187 1. 047 . 423 6. 804 1. 483 4. 832 . 489 . 951 . 439	2. 19 1. 07 1. 13 3. 50 1. 04 2. 12 .74 9. 65 1. 46 7. 86 .33 1. 45 .41	1. 035 514 541 1. 685 486 994 4. 717 705 3. 846 680 197 483
Total processing cost	19. 95	9. 591	27. 09	12. 149	33. 31	17. 534	28. 80	15. 650	25. 41	12. 206
Recovery per ton (pounds)		208. 0		223. 0	*******	190.0		184.0		209. 8

STATUS REPORT ON UNITED STATES-PANAMANIAN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, the U.S. Ambassador to Panama, Mr. Ambler H. Moss, Jr., recently completed a report on the status of United States-Panamanian relationships.

In light of the tragic death of Panama's President Torrijos and the important role played by him in the negotiation of the Panama Canal Treaties, I ask unanimous consent that Ambassador Moss' report be printed in full in the Record.

PANAMA UPDATE-JULY 1, 1981

This paper addresses the various aspects of our country's economic and political relationships with Fanama, the business and investment climate, and the new partnership created under the Panama Canal Treatles which entered into force on October 1, 1979. The Embassy' mailing address and phone number are included on the last page; please do not hesitate to contact me or any other officer directly.

RECENT HISTORY

During the past several years, the focal point of United States-Panamanian relations has been the completion and entry into force of the Panama Canal Treaties. These agreements were the product of 14 years of negotiations, carried out during the administrations of four presidents, two Democrats and two Republicans. When the treaties were signed on September 7, 1977, all of the countries of Latin America and the major shipping nations of the free world such as Japan, Britain, France, and Germany endorsed them and indicated that they supported them as a just resolution of the canal issue. These nations also viewed the treaties as protective of their interests in using the canal in the future.

During the first months of 1978 the United States Senate debated ratification of the treaties. At that time, public opinion in the United States was very much divided. The Senate debate stretched on from January until mid-April, to the exclusion of all other Senate business during that time, making it the longest and most thorough Senate consideration of any treaties since the Treaty of Versailles after World War I.

Then, after a period of painstaking, detailed work by Penamulan and United

Then, after a period of painstaking, detailed work by Panamanian and United States officials, both in the civilian services and in the military, both countries prepared for the treaties to take effect on October 1, 1979.

Fortunately, many of today's leaders of the Panamanian Government were heavily involved in the treaty process over the last few years. They were extremely knowledgeable, therefore, about the treaty arrangements and felt a personal stake in their success. President Aristides Royo, a young lawyer who became President of Panama in October, 1978, was a chief treaty negotiator for Panama and was personally active in all phases of planning for treaty implementation. He has a particular sensitivity toward the needs and concerns of the United States citizens who live and work in the former Canal Zone. Prior to the entry into force of the treaties, President Royo visited both Atlantic and Pacific sides of the Canal Zone and met with American and Panamanian citizens employed there. There is certainly strong evidence of good will and determination on both sides

to make the treaties work.

The canal organization today is strong and efficient, and the people who work in the canal enterprise are as dedicated to the success of their endeavor as they have been in the past. The Administrator of the Panama Canal Commission is a retired Lieutenant General, Dennis P. McAuliffe, who previously

held the position of Commander-in-Chief, United States Southern Command here in Panama. The Deputy Administrator, for the first time in history, is a Panamanian citizen, Fernando Manfredo, a former cabinet minister and businessman. There is no one who doubts that the canal enterprise is in good hands.

This is not to say that the two countries will not have disagreements of one sort or another during the lifetime of the treaties; to be sure, this is true of any partnership. Nevertheless, differences are resolved in a business-like manner, and both parties share common objectives and a common understanding of the underlying relationship and the way in which it ought to function.

the way in which it ought to function.

We have now had "track record" of a little over a year by which to measure the effectiveness of the canal enterprise. One good yardstick is the number of ocean going commercial transits made through the canal. In 1980, the canal performed 13,507 such transits, as compared to 12,935 in 1979. That averages out to about 50 more ships per month in 1980, as compared to 1979. In terms of Panama Canal net tons, the basis on which tolls are assessed, the 1980 tonnage figures were up by roughly nine percent over 1979.

The years immediately preceding signature of the canal treaties were marked by an uncertainty as to the future of the relationship between Panama and the United States. Such a climate was a strong contributing factor to the virtual halt to Panama's economic growth. Now, with the stability in the country which has been brought about by a clear definition of Panama's relationship with the United States, we expect to see a period of economic expansion. Such signs of growth have been apparent already, even though world economic conditions are difficult.

PANAMA'S ECONOMY AND INVESTMENT CLIMATE

Panama's economic structure is essentially based upon private enterprise. Government policy has traditionally favored private investors, both domestic and foreign, and the economy has remained open and relatively free from restrictions. There are no controls on external capital flows; the repatriation of of capital and profits is unrestricted. Panama's unit of currency, the balboa, is the same as the dollar. There are generous incentives to investors, and Panama has traditionally maintained a liberal import policy even during periods of balance-of-trade difficulties. Foreign banks have been welcomed to Panama through liberal banking legislation, and funds of around \$37.5 billion are now being handled through Panama.

The country is now a major banking center which includes some 110 banks from the United States, Japan, Western Europe and Latin America. International banks continue to open for business. Two major Japanese banks and an important French bank have just begun operations within the last two months. The banking sector employs about 6,500 people in Panama, making it an employer of almost the same order as the canal enterprise.

Panama has embarked on a program to seek private foreign investment on a large scale. It is in our national interest to assist in that effort. We must never lose sight of the fact that Panama is the "habitat" of the canal. Its political climate will depend upon its economic performance.

In October, 1979, more than 70 American companies formed the American Chamber of Commerce and Industry in Panama, the first time in history that such a chamber has existed. It has now expanded its membership to 98. The American business community feels welcome here. Prsident Royo inaugurated our Chamber and told its members that he considered that it would be good for American business and also good for

Panama. This country is also a good customer for our exports. Apart from petroleum, U.S. products have a market share in Panama of about 49 percent.

of about 49 percent.

Last year, the value of U.S. exports to Panama amounted to about \$700 million, up 32 percent over the 1979 totals and up 102 percent since 1977. Industrial machinery, transportation equipment, telecommunications equipment, paper and paperboard products, and medical and pharmaceutical products were important components of our export mix. U.S. imports from Panama in 1980 amounted to about \$330 million, up about 70 percent. Shrimp, sugar and bananas accounted for the bulk of these imports.

Panamanians are justly proud of the social progess made in the last 10 years. Certainly the achievement in this area promise a far more stable society than does the familiar pattern of great disparity between wealth and poverty and the absence of hope by the very poor which is the case in so many Latin American countries. The literacy rate is now very high, close to 86 percent. Greatly expanded housing and health programs and agrarian reform programs have eradicated many of the inequalities between the standards of living of rural and urban inhabitants. Panama is happily free from terrorism, kidnapping, "liberation fronts" and the like. It is one of the safest places in the world for foreign businessmen and their families.

This social progress has been achieved at heavy cost to the Panamanian Government's budget, however. Public sector debt is very high in Panama, although the country is very credit-worthy in the international financial market and its record for meeting international obligations is enviable. But this means that private sector expansion is crucial in dealing with unemployment and other

major economic problems.

The Panama Canal Treaties not only have removed a principal psychological obstacle to business confidence, but they will have a direct effect upon the economy and will provide major benefits which the government is eager to exploit in cooperation with business. Under the treaty, more than 1,000 square kilometers have been transferred to Panamanian use, or about 64 percent of the former Canal Zone. There are houses and other valuable buildings and installations on this territory. The amount of exchange earnings Panama will receive from the canal will rise, not only because of an increase in the annual cash payments under the treaty (about \$75 million as compared with \$2.3 million before the treaty), but also because of the development of lands and facilities which have reverted to Panamanian use.

Among the first group of businesses to benefit by the expansion opportunities offered under the Panama Canal Treaty has been the Colon Free Zone, the oldest and largest free trade zone in the Western Hemisphere. With over \$4 billion in trade, it is second only to Hong Kong among the free zones of the world. Since its founding in 1948, the Colon Free Zone has been limited to a 94-acre area in the city of Colon. Until the entry into force of the treaty, neither Colon nor its Free Zone, enveloped as they were by the territory of the Canal Zone, was able to grow. With the treaty-mandated reversion of much of the surrounding land to Panamanian use, vast new acreage has become available for the Free Zone's expansion, necessary to accommodate the more than 100 new firms which have expressed interest in joining the 350 companies already operating there. Many U.S. firms use the Free Zone as a warehouse and marketing center for the sale and distribution of their products throughout Latin America.

To stimulate the development of a lightindustrial base, and to combat unemployment in Colon and in other high unemployment areas in the Republic, the Panamanian Government recently instituted a program to attract export-oriented, labor-oriented assembly operations to the Isthmus, through the offer of an attractive package of tax and other benefits named "Maquila", after the highly successful program initiated by Mexico on its border with the United States.

New business opportunities are being created constantly, such as the shrimp farms along extensive areas of the Pacific Coast. In Latin America, Panama now ranks second in farmed shrimp production. The completely new fishing port of Vacamonte, not far from Panama City, is now in operation. It affords a modern facility for Panama's shrimp fleets and facilities for Panamanian and foreign tuna fleets. The port will also stimulate a variety of new businesses in the area.

Though it imports all of its petroleum needs, and consumes some 19,000 barrels per day of such products, Panama is well underway with development of alternative energy sources, chief among them hydroelectric power, which will significantly lessen the country's vulnerability to OPEC price increases. As recently as 1976 Panama relied almost exclusively on thermal gen-eration to supply electricity. The commis-sioning of two major hydroelectric projects in 1976 and 1979 made dramatic inroads on oil dependency, to the point where Panama's power generation is now 50 percent hyro-electric. Two additional projects, to be com-pleted in 1983 and in 1990, will make Pan-ama's electric power production 93 percent hydroelectric in 1990. Other projects to reduce petroleum dependency—biogas, bio-mass and "gasohol" production—cannot match the hydrolectric projects in dramatic effect, and are still in various stages of study and discussion, but they demonstrate a will ingness on the part of the government to employ the nation's traditional agricultural strengths in finding solutions to problems of new energy generation.

You may have noticed discussion in the press from time to time about the prospects for a new sea-level canal. The United States Government has an open mind about this project at present. Interest in such a canal was embodied in Article XII of the Panama Canal Treaty, which commits both governments to study its feasibility. Last year an impressive delegation from Japan, headed by Mr. Shigeo Nagano, President of the Japanese Chamber of Commerce and Industry, spent four days here studying prospects for such a new canal, and President Royo visited

Japan subsequently.

In April a Panamanian delegation headed by the Minister of Commerce and Industry went to Japan to follow up specific areas of trade and investment prospects. The delegation included the Presidents of the Panamanian Chamber of Commerce and other private sector representatives. Mr. Nagano returned to Panama at the end of the month with several representatives of the Japanese Government

A by-product of the new relationship which has developed under the Panama Canal Treatles is the new spirit of cooperation which both countries feel in the international arena. You are aware, of course, that in December, 1979, Panama demonstrated its helpfulness to a grave world situation by inviting the former Shah of Iran to come here from the United States, after many other nations had refused our plea for help. When the USSR launched its brutal invasion of Afghanistan, Panama joined us in denouncing that aggression and participated in the boycott of the Moscow Olympics last year.

We have a healthy relationship with Panama and find increasingly that Panama's vision of the role and the importance of the canal to the world is, in fact, the same as ours. The slogan on Panama's coat of arms is Pro Mundi Beneficio—For the Benefit o

the World. During the struggle of Latin America for its independence in the last century, the great Liberator Simon Bolivar saw Panama as becoming the emporium of the world. Bolivar's dream could come true. Ambler H. Moss. Jr..

Ambassador.

INTERNATIONAL MILITARY EDUCA-TION AND TRAINING PROGRAMS

Mr. HAYAKAWA. Mr. President, in the course of hearings held by the East Asia Subcommittee of the Committee on Foreign Relations on U.S. policy in Southeast Asia, July 21, 1981, we heard testimony from Deputy Assistant Secretary of Defense for International Security Affairs, Richard L. Armitage. In discussing our relations with Asian governments dominated by military officers, Mr. Armitage emphasized the value of the international military education and training program (IMET). I agree thoroughly with his assessment. From my own experience with the IMET program, I have long felt that it represents one of our most effective foreign policy tools. I would like to share with you some of my observations and thoughts on the IMET program.

Mr. President, one of the critical pillars of stability in the United States and the Western World is the democratic values held by the military establishments of these countries. The men and women who form the officers corps of these nations are dedicated to the principle of civilian control of government and the military forces of their respective countries. These men and women belong to military services that have shed much blood and national treasure over the past several decades to protect freedom and preserve human rights and national social values.

I strongly believe that the cause of human liberty and the principal of civilian control of government are goals that the American people and their government should pursue throughout the world. Over the years we have furthered that goal through our military assistance programs and more specifically through the international military education and training program (IMET).

Under IMET, which began in 1950, hundreds of thousands of military personnel from around the world have undergone training in U.S. military schools and universities, which are of course among the finest in the world.

All participants who come to the United States are exposed to the constitutional freedoms and institutions of this Nation. They are exposed to the American press and the role it plays in American democracy. They read daily of its successes and even its failures. Regardless of the content they observe in our printed press and our electronic media, they go home realizing that the American press is truly free.

Should they be here during an election year, they will observe the workings of a truly representative democracy in action. They are exposed through the media to the winners and the losers of our local, State, and National elections. They are exposed to our culture, our material values, our social successes, and our so-

cial failures. They see our dedication to human rights and our overemphasis upon consumerism and materialism.

More importantly these foreign military personnel are trained in the values of American military traditions. Their course material contains no reference to military coups or takeovers in the United States because there have been none. They are exposed to a military command structure where the President and the civilian leadership in the Department of Defense hold the final authority. They learn about our separation of powers and our system of checks and balances. They observe that the Congress, not the President, has the final say in the level of defense funding.

In their military courses they are trained in U.S. military organization, tactics, strategy, command and control. They train using American equipment, weapons systems, and nomenclature.

In most cases, these foreign military personnel either learn or improve their English language capability during their stay in the United States.

Perhaps the most valuable personal benefit accruing to the foreign officers and enlisted men are friendships and personal relationships which they forge with U.S. military personnel. These relationships often endure for many years during the young officer's career, thus allowing the U.S. military officers to maintain close personal contact with people who frequently move into top command positions or high civilian government posts. Of course, many of the IMET participants come from countries with forms of government quite different than the United States.

They range from strong military to weak civilian governments. Frequently the most stable force in these countries is the military or the Army. It is in the interest of U.S. foreign policy to have developed personal relationships with key officers, especially in those countries where stability of the government is closely tied to the military forces.

Let me list, without specifying the countries, or the names of the individuals involved, some selected comments submitted by U.S. diplomatic and military officers stationed in countries that have received IMET training or have been required to terminate the IMET program due to cost.

Spirit of cooperation in Air Force is strong due to U.S. training. Since not true of Army due to longstanding training program.

As a result of not having an IMET program since 1977, we have lost contact with the younger officers in the military.

Among the older officers who were trained in the United States, there is a clear, softer edge on their political views, a more humble concept of the military, and a more rational approach to its role in society.

In September 1978, officers dissatisfied with the movement toward a return to civilian government tried to disrupt the process. Six key general staff officers representing the three services, all of whom had received extensive training in the United States and the Canal Zone, were pivotal in keeping the process on tracks.

who formed the nucleus of their supporters also had received IMET spon-

sored training.

General * * * was a graduate of the U.S. Command and General Staff College. He, and a significant number of senior military officers occupying key government positions, were instrumental in maintaining and strengthening western orientation of * * * Armed Forces as well as that of the Government as a whole during the years 1972-1979, a period in which * * * was under continued military rule. The * * revolution, with a marked potential for radical action by junior enlisted personnel, was tempered in large measure by U.S. military-school-trained cap-tain * * * and certain other westernoriented officers * * *

Ambassador proposes increasing IMET program over next 5-10 years from \$400,-000 to about \$1.2 million. He would be willing to trade some of the FMS credit

for an IMET increase.

Trainees very impressed with the dynamism and equalitarianism of U.S. society and become advocates of close defense cooperation (with the United States).

Graduates' changed attitudes are reportedly demonstrated by improved officer/enlisted relationships and a reduction in tribal favoritism, both of which are essential for greater efficiency and integrity in the * * * Armed Forces.

Mr. President, we must also accept the fact that the Soviet Union is very actively and successfully offering military training to several governments around the world, especially those among the developing nations. Some are turning to the Soviet Union because they cannot get the required training in the United States at a cost they can afford. Unfortunately, many of these countries receive their training from the Soviet Union at

Mr. President, we should not deceive ourselves. Soviet training is considerably different than American training. The political and social values of the two systems and the role of the military are radically different. The objectives of the two governments vis-a-vis the recipient countries are also very different. Where in the American military schools the foreign officers are exposed to the separation of powers, civilian control, and the values of our bill of rights, the Soviet system represents one party dictatorship, state control of the means of production and the peoples' lives and a police system that severely restricts the rights of free press, religion, speech, and a free political process.

In the past several years, the United States has tended to be shortsighted concerning the IMET program. As a result of Vietnam and the views which were formed as a result of our failure there, the funding levels for IMET were steadily reduced and a different pricing system was imposed which immediately cut the number of participants in the program. Under the new system each government sending students to IMET was charged a pro rata share of the cost of maintaining and operating the training facilities in

Moreover, the majority of the officers the United States. The end product of this costing procedure was that several governments could not afford to send as many students to the United States and terminated participation completely.

Last year, fortunately, I succeeded in changing the law under which training costs are allocated. Now the program is charged on the basis of any additional costs incurred by the American military installation and not on the previous pro rata system. This prudent change, taken at my initiative, allows the United States to offer training to 40-percent more foreign participants than under the previous

cost sharing system.

Mr. President, let me focus for just a moment on Thailand, our longtime friend and ally in Southeast Asia. To this courageous member of ASEAN, facing a Communist insurgency in its northeast provinces, housing thousands of refugees from Laos and Cambodia, and constantly facing a Vietnamese military threat on its western borders, the military is critical to its stability and long-range survival. On April 1, 1981 I addressed the Senate concerning the IMET program and I should like to repeat again here a point which I made in that speech concerning Thailand. It is as valid now as it was then.

I believe there is near unanimity among those who are responsible for projecting the U.S. image abroad that miscellaneous "exchange-of-perprograms are our most effective tool. Many of these programs have been in existence since the end of World War II, and many of today's national leaders have become our friends under the influence of their early experiences as guests of this country. When I visited Thailand last year and called on General Prem, the commander-in-chief of the Thai Army, he and all the senior staff officers in the room remarked with visible pride that they had some training in the United States.

WHEN UNCLE SAM GOES INTO BUSINESS FOR HIMSELF

Mr. HAYAKAWA. Mr. President, on June 22, 1981, I introduced Senate Joint Resolution 93, which if passed, would reaffirm a long-standing national policy of reliance on the private sector for the goods and services needed by the Federal Government. I am happy to report that the Reagan administration fully supports the resolution.

Recently, in hearings held by the Small Business Subcommittee on Advocacy and the Future of Small Business which I chair, the Administrator of the Office of Federal Procurement Policy of the Office of Management and Budget summarized the administration's position as follows:

The Joint Resolution, as introduced, is a vigorous and welcome reaffirmation of the free enterprise system that has made this country strong. We believe it provides timely support for this Administration's quest for a new, revitalized approach to strengthening this country's economy. Economy and efficiency in government and reward of the private sector for initiative and productivity are necessary ingredients in our formula for economic renewal.

Last week, U.S. News & World Report published a fine article that summarizes this issue of Government competition with private sector firms, Mr. President, I ask unanimous consent to have the article printed in the RECORD and I highly recommend it to each of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

[From the U.S. News & World Report, July 27. 1981]

WHEN UNCLE SAM GOES INTO BUSINESS FOR HIMSELF

(By Manuel Schiffres)

(Note-From controlling pests to fixing tires, the government finds itself competing more and more with the private sector. Now, President Reagan wants to reverse the trend.)

Ronald Reagan, aiming to promote free enterprise and save taxpayers money, is launching the most determined drive in years to get Uncle Sam out of competition with private business.

If the President has his way, the U.S. soon will be relying less on federal workers and more on private contractors for a vast assortment of goods and services-from trash collecting to computer key punching.

Departments and agencies already are un-White House orders to examine all of their activities to determine which can be handed over to the private sector. Among the first to report: The Small Business Administration, which discovered itself competing with commercial or industrial operators in 14 areas, including microfilming, graphic production and warehousing of forms and publications.

The business community, which for years has protested government's spread into traditionally private areas, has been quick to note that there are thousands of other government activities that seem ripe for farming out. Among them:

An Army depot at Tooele, Utah, rebuilds tires for National Guard units in several

A Department of Energy operation at Richland, Wash., requires private contractors as well as its own employees to use government facilities for such needs as printing, photofinishing and reproduction of engineering drawings.

Offutt Air Force Base near Omaha, Nebr., undertakes its own pest-control work.

Jerry W. Keown, part owner of an extermi-

nating business in Omaha complains: "Offutt is in the defense business. We're in the pest-control business. There's no real good reason for them to be doing it. We can do it cheaper and better."

Such claims by business product loud outcrys from government workers whose tobs are on the line and who contend that the economic benefits of having work done by the private sector are more illusory than real. Moreover, public-employe unions argue that contracting out frequently is used by politicians in an effort to circumvent personnel ceilings. They add that it can jeopardize national security and that it encourage corruption.

At stake are billions of dollars in potential contracts or, in the view of federal workers. billions in potential salaries that could be

Commerce Department figures show that federal contracts for all types of goods and services—from the procurement of missiles to the hiring of janitors—amounted last year to 117 billion dollars, nearly one fifth of federal spending.

About 400,000 government workers, meanwhile, were employed last year in nearly 12,000 commercial and industrial activities. They produced an estimated 19 billion dollars' worth of goods and services, most of which, according to the Defense Department, was exempt from private contracting on grounds of national security.

Still, government-performed work worth about 7 billion dollars is subject to cost-comparison studies and could be handed to outside contractors, says Darleen A. Druyun of the Office of Federal Procurement Policy.

Despite their enthusiasm for what Reagan has set out to do, business officials warn that other Presidents have tried to accomplish the same thing—and falled. They observe that every President since Dwight Eisenhower endorsed the idea of contracting out wherever possible, but few pressed the issue after encountering resistance from the bureaucracy.

Furthermore, as far as government competition with the private sector is concerned, the contracting-out issue barely scratches the surface, according to business people.

surface, according to business people.

Private pharmacists, for example, claim that they are being harmed by a Veterans Administration policy requiring participants in a free-prescription-drug program to obtain their medicine from a VA facility or by mail directly from the VA.

David T. Hodgen, owner of a campground in Scotts Valley, Calif., contends that by charging unrealistically low fees, federal land-management agencies, such as the National Park Service, undercut private campground owners, who, he says, "are forced to charge fees that are not profitable and that affect the services they can offer."

Head-on challenges. Compounding the business community's frustration is the direct and indirect competition it feels when state and local governments use federal money to set up commercial and industrial-type activities.

Harold M. Kimble, the proprietor of a toolrenting shop in Cambridge, Ohio, argues that he may be driven out of business by a toolloan program sponsored by the local community-development agency, which gets funds from the U.S.

Amber Stephenson, the owner of a day-care center in Gloucester County, Va., complains that local governments and nonprofit agencies use federal funds to set up and operate day-care facilities. "It is unfair to a private business for the federal government to fund a competitor," she says.

Adds Earl Hess, an official with the American Council of Independent Laboratories: "Most of the major land-grant universities in the country do soil testing for very nominal fees. Very few of the private labs even com-

pete with them any more."

The government-competition controversy began heating up in April when the Office of Management and Budget sent memos to the heads of 37 executive agencies and departments reaffirming the government's reliance on the private sector for the acquisition of goods and services—a policy that had first been laid out by OMB's predecessor, the Budget Bureau, as far back as 1955.

Four agencies—the Defense Department, General Services Administration, Health and Human Services Department and VA—were singled out for special scrutiny. The OMB told the GSA it was "gravely" concerned that, despite a Carter administration directive some two years ago, "your agency has not reviewed a single in-house activity for pos-

sible conversion to contract performance."
Some results. The administration's gettough policy may be paying off. For instance, the Agriculture Department turned up 230 in-house activities, including film developing, office cleaning and aircraft piloting, that could be contracted out. Annual operating cost: 244 million dollars.

Even before the administration laid out its policy, the Department of Education switched from government employes to private collection agencies for tracing holders of delinquent student loans. The change came after the department had been widely critic-

ized for its past failure to collect such debts totaling hundreds of millions of dollars. With private collectors, whose track record for collecting owed money is better than that of their public-sector counterparts, officials expect to do better.

For now, the administration's focus is on commercial and industrial activities of the executive branch. Neither Congress, where public workers hold such jobs as barbers and tour guides, nor the judicial branch is affected.

Does the government save money by using private contractors? The answer appears to be yes in many—but not all—cases.

Not only does contracting out save money, supporters claim, but it gives the government better flexibility to terminate tasks that are no longer needed, and it generates tax revenues from the businesses that get the contracts.

A book by economists James T. Bennett and Manuel H. Johnson of George Mason University, Fairfax, Va., claims that governments at all levels can cut costs an average of 50 percent by contracting out for goods and services. Example: A National Weather Service facility at Washington's National Airport in 1979 hired a private firm, for \$126,000 a year, to provide the same observation services that, as an in-house activity, would have cost taxpayers about \$240,000.

Other evidence comes from a series of costcomparison studies by the Defense Department over a 2½-year period. After studying 335 defense activities around the nation, the department found that 62 percent of the time it was more economical to contract out than to do the work in house.

As a result, the department converted 207 activities to contract arrangements—including bus, guard, food and laundry services and maintenance of buildings, vehicles, aircraft and microwave systems. The conversions resulted in the elimination of 7,800 positions and a three-year saving of 130 million dollars, or 17 percent less than the estimated in-house cost of 747 million.

Sometimes, the private sector cannot match the public sector in efficiency. For example, a 1979 study of gold-refining operations at the Treasury Department's Assay Office in New York showed in-house costs to be about a third less than the contractor's cost.

What happens in some cases, contends procurement official Druyun, is that the mere threat of contracting out stimulates efficiency among employes whose jobs might be eliminated. "The government workers at the Assay Office probably recognized the handwriting on the wall," she says. "They had to become as productive as possible, or else the work would be contracted out. So they're streamlining all the fat."

Kenneth Blaylock, president of the 250,-000-member American Federation of Government Employes, dismisses studies that reflect unfavorably on the public sector's efficiency. He contends that it is impossible to fairly compare in-house costs with bids submitted by private contractors because government activities are usually top-heavy with management personnel.

Opponents of the administration's policy also say it fails to recognize the shortcomings of contracting out. They contend, for example, that private-sector workers may strike while government employes may not and that excessive reliance on private workers at military facilities could threaten national security.

Furthermore, asserts Representative Patricia Schroeder (D-Colo.): "Contracting out has been used by both Republican and Democratic administrations to get around personnel ceilings. It's supposed to be used for economies, not for that shell game."

Whether critics are right or not, it is clear they will be hard pressed to stop the administration from proceeding with its plan for turning more public work over to private industry.

WHERE THE GOVERNMENT COLLIDES WITH PRIVATE

[Here is a sampling of industrial and commercial activities performed for the Federal Government by its own employees]

Agency and activity	Num- ber of em- ployees	Cost per year
Department of Energy, Washington, D.C.,		
printing and binding J.S. Coast Guard, Governor's Island,	- 28	\$1, 249, 000
N.Y., maintaining golf course ederal Aviation Administration, Okla-	. 6	45, 000
homa City, data-processing services Federal Aviation Administration, Washington National and Dulles Inter-	182	7, 172, 000
national Airports, janitorial services	. 60	1, 004, 000
RR. Department of Energy, Portland, Oreg.,	474	37, 000, 000
power-systems operation	395	11, 500, 000
Washington, D.C., guard services	. 10	209, 349
D.C., cigarette laboratory	. 7	200, 000
Federal Trade Commission, Washington, D.C., micrographics Veterans' Administration, Department	. 5	131, 132
of Memorial Affairs, Farmingdale, N.Y., gravedigging and backfilling Bureau of Engraving and Printing, Wash-	23	512, 000
ington, D.C., ink manufacturing Department of Justice, Justice Manage-	. 40	4, 000, 000
ment Division, Washington, D.C., chauffeur services.	. 10	277, 165

THE THIRD WORLD AND THE WEST

Mr. HAYAKAWA. Mr. President, in early July, the Prime Minister of Australia, the Honorable Malcolm Fraser, visited our Nation and discussed a variety of political, economic and defense issues with President Reagan.

Australia is not only a trusted ally, having been one of only two countries which fought alongside America in four major wars in this century, but is also an emerging economic power in the world and a powerful force in the Pacific region.

I recently chaired hearings in the Senate Subcommittee on East Asian and between the United States and ASEAN—the Association of South East Asian Nations. Both the United States and Australia firmly support the ASEAN community, which has facilitated regional cooperation since its founding in 1967. Also, both countries have actively sought to contribtue to the continued economic and social progress of the Asian and Pacific affairs.

With this in mind, I feel it is pertinent that an address given by Prime Min'ster Fraser at the University of South Carolina, entitled "The Third World and the West," be printed in the RECORD. I ask unanimous consent that that be done.

Thank you, Mr. President.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE THIRD WORLD AND THE WEST

(An address by the Rt. Hon. Malcolm Fraser, C.H., M.P., Prime Minister of Australia, University of South Carolina, July 8, 1081)

You have asked me here today as the Prime Minister of Australia. Had I the time

and you the patience, there are many aspects of my country that I could enlarge upon: Australia's role as a significant, independentminded middle power; Australia as a leading member of what people are starting to think of as the Pacific community, a region which contains the most rapidly growing econ-omies in the world; Australia as an ally of the United States (and, incidentally, one of only two countries which have fought alongside America in four major wars in this century); Australia as the world's leading exporter, or very near to it, of a range of important minerals-iron ore, coal, alumina, mineral sands, lead, zinc and several others; Australia as, along with the United States and Canada, one of the worlds major efficient producers and exporters of food.

But it is another aspect of Australia that I particularly want to draw your attention to today, for it is pertinent to my theme. Along with New Zealand, Australia is the only stable democratic, liberal, Western society in the Southern Hemisphere. While we are thoroughly Western in our values and institutions, all our neighbours are Third World countries. They belong to the "South" in terms of the "North-South" dichotomy that is now widely used, while by almost every test except geography we belong to the "North." Living near to these countries—and, I might add, associated closely with more of them through the Commonwealth-we are of necessity very much aware of their perspectives and problems, more so perhaps than other developed countries of the Northern Hemisphere. Our situation requires us to give serious, constant attention to relations between the West and the Third World.

It is about this subject that I want to talk today. But before I do let me make one thing very clear. If I concentrate on these questions on this occasion, it is not because Australia is indifferent to or complacent about East-West questions, about the seri-ousness of the military threat of the Soviet Union to freedom and democracy in the world. On the contrary, we are most concerned.

Since assuming office in 1975, I and my Government have constantly emphasised the gravity of this threat and the need for an effective response by the West. We did so even when belief in detente was in the ascendancy, and the views we expressed were unfashionable and characterized as provoca-

Now, and none too soon, things have changed, partly due to the blatant nature of Soviet behaviour and partly to the remobilisation of will in the United States which President Reagan embodies. In my talks with the President last week, I made it clear that Australia profoundly welcomes the refound resolve and firmness of the United States towards the Soviet Union. As a middle power, Australia will do all within its means to encourage and support strong and purposeful American leadership in this respect.

I say with absolute conviction that such leadership from you is an essential precondition for the security of peace, freedom and democracy in the world. I say also, and with equal conviction, that you are entitled to and must receive support from other democratic Governments in this task.

The American nation has carried a huge burden in defence of freedom over the last four decades. Its shoulders are strong. But morally and materially the burden must be shared, shared by other democracies which have grown wealthler and more powerful be-hind the protection you have provided and, in the case of Western Europe, as a result of the economic help you gave in the immediate post-war years. (The Marshall Plan still stands out as a magnificent example of enlightened self-interest, a definitive reminder that generosity is often very sound policy.) We all know now that there is no such thing as a free lunch. Western coutries should also recognise that in the long run there is no such thing as a free ally. Australia well understands this. It is because we do, also because we owe it to those Australians who fought and died in earlier wars, that we have spoken out and will continue to speak out about the need for a concerted effort on the part of the West. For such an effort is the surest guarantee of peace.

I stress this not only because it is of vital importance in its own right, but because it is a necessary background to what I have to say about relations between the West and the Third World. For my position is some-

what untypical.
In the West, those who are tough-minded and realistic about East-West relations sometimes tend to be sceptical and dismissive about the Third World and North-South issues. They are disinclined to take them very

Conversely, those who are concerned about North-South issues, who accept they are important, only too often dismiss a serious preoccupation with the Soviet threat as outdated, exaggerated and a diversion from the crucial problem of managing global inter-

dependence.
I believe that both groups—and the either/ or mentality they represent—are profoundly mistaken. I believe that East-West and North-South issues are of the utmost importance. I believe moreover that the two sets of issues are closely interlinked, that what happens-or equally important what not happen-with respect to one will have implications for what happens to crucial the other.

There is no question of choice involved. As a matter of basic, rational self-interest they must both be attended to and at-tended to urgently. As I judge it, the most immediate danger to guard against at present with respect to relations between the West and the Third World is that of scepticism and indifference.

There are thoughtful, honest and responsible people who maintain that there is really no such entity as the "South" or the "Third World", that it is merely the figment of the imagination of intellectuals, ideologues and journalists. They point to the heterogeneity of the Third World, the great differences which exist among its claimed members, to their disparate and conflicting interests. And they conclude that there is no substance behind the labels. They maintain therefore that Western dealings with the countries involved should be bilateral and selective and that we should refuse to accept the notion of a North-South dialogue.

There are others who say that even if there is some substance there, it is fast disappearing as memories of colonialism fade and as a significant number of Third World states become more developed and wealthy. They anticipate a process of "graduating out" which will leave the Third World an increasingly unimportant rump. On this ba-sis, they argue that what the West should do is to stall and play for time—to keep issues "on the back-burner" as the saying goes—in anticipation that pressure and demands will diminish with time.

Most important of all, perhaps, there are those who maintain that even if the Third World exists and continues to exist, it need not be taken too seriously. The advantages, they claim, are all with the developed industrial countries.

You remember that Stalin once contemptuously asked the question, "The Pope? How many divisions has the Pope?" These people take a similar attitude towards the Third World. Overall, they point out, it is poor, it lacks political and military power, it is de-pendent on Western capital, know-how, aid and managerial capacity. It needs us much more than we need it.

Therefore, they complacently conclude, we can afford to resist its demands, to drive a hard bargain—or, indeed, to refuse to make any bargain at all. I believe all these views to be profoundly mistaken.

Everything that is said about the diversity and conflicting interests of Third World countries is true. But as well as this, and despite it, there is also a real sense of identity, of unity and solidarity among these

countries.

You may recall that it was said of the Holy Roman Empire that it was not holy, Roman or an empire; yet it was a potent actor in European politics for centuries. In the same way, the Third World is today a potent reality despite its internal diversity and divisions. That reality is evident in the voting patterns of the United Nations. It is evident in the institutions that the recently independent countries have forged for themselves, particularly the Group of 77 and the Non Aligned Movement.

It is evident in the degree of support the non-producing countries have given OPEC despite their interest in low oil prices; in the willingness of non-African states to support the Africans in their opposition to South Africa and apartheid; in the willingness of non-Arab states to support the Arabs over Palestine; in their ability to agree on the programme for a new international economic order. It is evident most of all in

their ideology.

Those who dismiss this ideology as "merely rhetoric" are, I suggest, ignoring the overwhelming and cruel evidence which this century has provided of the decisive impor-tance of ideology in modern politics. I agree with Senator Daniel Patrick Moynihan that, "the beginning of wisdom in dealing with the nations of the Third World is to recog-nise their essential ideological coherence". For in political terms the Third World is essentially a state of mind: a matter of shared memories, frustrations, aspirations and sense of what is equitable and just. Like the working classes in the domestic politics of the 19th century, they want to have full citizen rights in the world, to be subjects who act rather than objects who are acted upon. Just as Stalin was foolish in overlooking the spiritual power of the Papacy, so it would be foolish to underestimate the binding and motivating force of this aspiration in the Third World.

As to the claim that the Third World will As to the claim that the Third World Whi disintegrate before long, that there will be a "graduating out", I simply observe that twenty years after the main wave of de-colonisation there is no evidence of it, Many Third World countries have made great economic progress in that time-some have transformed themselves—but none has sought, as a result, to diassociate itself from the group or shows any sign of doing so.

Surely, if there were substance in this thesis of a natural "graduating out" process there would be some evidence to support it by now. In this respect I am sceptical of the sceptics. The Third World or the "South", exists and is likely to continue to do so for the foreseeable future.

But is it important? Should the West take seriously what it represents? My answer to that is an emphatic "yes". In economic terms, something of the order of 25 percent the West's entire trade is with the Third World. In the case of the United States the figure is over 40 percent and in the case of Japan 50 percent. This means that hundreds of thousands of jobs in Western countries depend on this trade and that the serious unemployment we are now experiencing would reach crisis proportions—proportions which would threaten the existence of democracy itself-if it were disrupted.

There are many in this audience and there are many in my own country who can re-member the demoralising effect of the mass unemployment that occurred in the 1930s. In my own country over 30 percent of the workforce was jobless during the worst period. A recurrence of unemployment on that scale would threaten the existence of democracy itself. Rising living standards and growing markets in Third World countries may play a critical role in ensuring that we do not. In addition, of course, the trade we have with the Third World involves commodities which are vital to Western economies and societies.

Oil is the clearest and most important example, with 60 percent of the West's oil coming from a handful of Third World countries. Out of conviction or prudence, or a mixture of both, those countries have shown themselves unwilling to divorce the question of oil from other matters of concern to their fellow members of the Third World. Beyond this there is the fundamental point that the West's commitment to a global market system requires and depends on the participation of the 120 or so countries of the Third World, over two thirds of all the countries which exist in the world.

One should not talk of these economic relationships purely in terms of potential danger. The language of opportunity is equally relevant. Over the last decade a number of Third World countries—the so-called newly industrializing countries—the so-called newly industrializing countries—the sustained growth rates well in excess of those suchieved by the rest of the world, including the West. By doing so they have prevented the world recession from being much more severe than it would otherwise have been. Insofar as this vigorous growth is maintained and extended to other Third World countries, insofar as countries which are now clients are converted, through rising living standards, into customers and consumers, the economies of the West will benefit. And insofar as this does not happen they will be impoverished.

This is why it is essential that, in its dealings with the Third World, the West should be true to its faith in the market system, should allow the newly industrialized countries access to its markets and should reject firmly the temptation to resort to protectionist measures which deny those countries the rewards for their own efforts and enterprise. In saying this I am emphatically rejecting the Marxist notion that the prosperity of the West depends on the impoverishment of the Third World.

Thomas Jefferson's observation that, "it is a kind of law of nature that every nation prospers by the prosperity of others", seems to me to be much closer to the mark and a much better guide to policy. Australia is in as good a position as anyone to appreciate all this.

We happen to live in a part of the world where many of these newly industrialized countries are concentrated, countries whose economics have been growing at twice the world average, or better, over recent decades. They—together with Japan, which in many respects has provided a model for them—have proved invaluable to Australia at a time when structural changes were threatening our traditional markets in Europe. They have made possible a remarkable change in our pattern of trade.

Of course, it is true that if the West is dependent on trade with the Third World, the Third World is even more dependent on trade with the West. Over 70 percent of its trade is with the developed industrialized countries. But it is a serious error to assume, as some do, that because of this—or for that matter because of the substantial OPEC investments in the West—the Third World can be taken for granted, that in the last resort it has no option but to cooperate with the West on Western terms.

The basic error here is to assume the primacy of economic rationality over politics, an assumption that runs counter to the fundamental experience and character of the Third World. We would do well to remember the advice given by President Nkrumah of Ghana to African nationalists: "Seek ye first the political kingdom". We would do well to remember too Sukarno's "Go to hell with your aid", uttered when the economy of Indonesia was a shambles and when it desperately needed all the American aid it could get. For these words represent widespread and deep-seated attitudes in the Third World.

More recently, despite its irrationality and intolerance, what has happened in Iran has pointed the same lesson: the lesson, that is, that many countries in the Third World will not hesitate to sacrifice their own immediate economic interests for political reasons of status, independence and what they believe is justice.

Those of us who fail to understand the force of this, do so only because we have forgotten our own history—because we have possessed freedom and independence for so long, have come to take them so much for granted, that we do not recall the passionate intensity of feeling they invoke when they are newly acquired. But the author of the Declaration of Independence understood that feeling and shared it. "By the God that made me", he wrote in 1775, "I will cease to exist before I yield to a connection on such terms as the British Parliament proposes". That, or something very like it, could have been said by many Third World leaders in our time.

It is also worth contemplating the potential power of the weak, of those who feel they have little left to lose—the power to threaten collapse, disorder and chaos. This is a potent power against those who have a large stake in stability and in the efficient working of the existing order. In this respect, the question that should be asked is not whether the Third World could conceivably reject the existing system and establish a viable one of its own, but how much damage would be done in any attempt to do so.

Edmund Burke said it better when he observed, in the process of cautioning Britain on its treatment of the American colonies, "that discontent will increase with misery; and that there are critical moments in the fortunes of all states, when they who are unable to contribute to your prosperity may be strong enough to complete your ruin." Today, all the Western countries need to heed that advice.

Apart from all this, there are compelling strategic and geopolitical reasons for taking the Third World seriously. Some of the most sensitive areas in the world—the Middle East, the Caribbean and Central America. Southern Africa, the Korean peninsula—are Third World areas. Most of the kev "choke points" in the world—the Straits of Hormuz, the Panama Canal, the entrances to the Red Sea, the passages from the Indian Ocean to East Asia—lie within the Third World. Over and above this, East-West rivalry has been and is largely fought out in the Third World and the West is extremely sensitive, rightly so, concerning any significant gains made by the Soviet Union in the Third World.

Moreover, despite its poor overall record in providing aid to developing countries, the Soviet Union can exploit tensions in relations between the West and the Third World. Given the unprecedented military strength it has at present, the Soviet Union is likely to make a particular effort in this respect during the next few years.

If the West is concerned to prevent these efforts from succeeding there are several things it should do. First, it should act to ensure that Third World perceptions of the East-West conflict are not of a declining West and an ascendant Soviet Union. For, as

a political leader of a country allied to the United States once succinctly put it on returning from a visit to Moscow, "no-one wants to be caught on the wrong side".

Secondly, the West should act in ways which minimize the need for Third World countries to contemplate turning to the Soviet Union in order to get the aid and assistance they desperately need. That in turn means maintaining a constructive and forth-coming relationship which does not systematically frustrate Third World hopes.

Thirdly, the West should do what it can to emphasize and show understanding of the economic dimensions of Third World affairs and the development aspirations of the Third World; for as long as the principal issues are economic the Soviet Union is not in the race as a competitor to the West.

race as a competitor to the West.

What is needed, in other words, is an integrated policy which combines a stress on restoring, and then maintaining, a military balance which can preserve world peace and a positive attitude towards economic relations with the South.

I repeat, there is no real choice involved between these two components of policy. Both are essential. So far, I have deliberately concentrated on making the case for a serious Western concern with the Third World in terms of direct political and economic self-interest, for that case has to be established if Western Governments are to respond. But that does not mean that I do not recognise other aspects and arguments. I should like to mention two of these.

First, there are the altruistic, humanitarian dimensions of the problem. We should never forget the extent of the stark human suffering that is involved in the Third World, never allow annoyance at the posturing and hypocrisy which sometimes characterise North-South relations to obscure it.

According to the World Bank, not a body given to emotional exaggeration, 800 million people are living in conditions of "absolute poverty" in the Third World. The infant mortality rate in low income Third World countries is twelve times as high as it is in Western countries. Life expectancy in them is still under 50 years. Thousands are dying every week from malnutrition and outright starvation.

As a society which holds Christian and humanitarian values, we must be diminished and damaged as long as we continue to live in a world where such conditions are commonplace. It is not a question of our masochistically accepting guilt for creating these conditions; that is an absurd oversimplification of the historical record. It is a question of our responsibility, in terms of our own professed values rather than of the demands of others, to work for the abolition of these intolerable conditions. And, again, of our interest in seeing them abolished.

My second observation is that, even apart from the claims of the Third World, there is another dimension of international relations which points to a clear and urgent need for action. This is the one covered by the now familiar phrase "the management of interdependence".

It is true that in recent years the case for this has sometimes been overdrawn and it is foolish to maintain, as some have done, that this task somehow renders obsolete the traditional concerns of power and national interest. But even after this exaggeration has been discounted, the basic case is sound enough.

The trebling of the number of states in the world; the very rapid increase in the volume of transactions among these states; revolutionary changes in communication, transport and other technologies; much greater demands and pressures on man's physical environment; the emergence of trans- or multinational corporations as a major force in international economic relations: all of these

point to the necessity for developing multilateral negotiating processes to deal with the new and unprecedented complexity and to respond to the new awareness of global environmental problems. The quality of the world in which our children will live will depend crucially on whether we succeed or fall in this respect.

But improving the management of interdependence and the North-South dialogue are intimately linked and progress in one depends on progress in the other. They must be approached as parallel enterprises. If the second is stalemated so will be the first. At present the North-South dialogue is stalemated. The global negotiations which were to be held have been postponed and postponed again. There is little evidence at present of the political will necessary to break that stalemate and to initiate progress.

As I have indicated, I believe that there are compelling reasons why the effort to marshal that will must be made. There will be opportunities to make that effort in the near future: in the Ottawa Summit this month; at the Commonwealth Heads of Government Meeting which I shall chair in Melbourne in October; and at the summit meeting in Mexico on North-South issues shortly afterwards. If these opportunities are not seized, if by the end of the year no progress has been made, the outlook will be very bleak indeed and the last decades of this century will promise tension, frustration, and instability rather than hope. The Western nations should seize these opportunities.

In doing so I suggest that there are a number of guidelines we should follow if we are

to succeed:

First, and fundamentally, we should accept and take seriously the reality of the South or the Third World as a political presence on the world stage.

Second, we should accept that, given the great transformation that has occurred in the world in the past 40 years, significant changes in international institutions and processes are inevitable. The question is whether these changes are to be orderly negotiated ones or imposed by disruption and breakdown.

Third, substantively we should adopt an innovative, constructive attitude towards the North-South dialogue, rather than be reactive or passive, leaving all the initiative to the Third World. For we have very important interests of our own in seeing progress made.

Fourth, procedurally the efforts of the West should be directed to forging more effective and efficient forms of multilateral negotiations, rather than to avoiding, delaying or frustrating them.

Fifth, if we want to retain credibility we should not play fast and loose with our commitment to the market economy. We should not preach it in order to dismiss Third World claims while simultaneously pleading special circumstances to justify exceptions in our own case. If exceptions can be made for our needs, why not for those of the Third World? Conversely, if it is an overriding commitment, why not apply it in dealing with the Third World's claims for access to markets?

Sixth, we should always bear in mind the interrelationship between North-South and East-West issues and not treat them as two separate categories. Success in dealing with the Soviet Union will always require the maintenance of a military balance. But in the middle to long term it will also depend significantly on the resolution of North-South differences. If Third World leaders come to us for the teachers, the advisers, the technologies, the capital, and in some cases the political support they desperately need; if they make it evident that, given a choice, they do not want to deal with the monolithic bureaucracy of the Soviet Union, that they are suspicious of its demands for political association as the price for aid; and if we still refuse to respond to them, then we

do so at our own peril and the consequences should come as no surprise. The needs of the Third World are such that, in the last resort, it will turn for assistance to wherever it is available, rather than go without. The West must ensure that that last resort is not the Soviet Union.

Seventh, we should act in such ways as to support and strengthen the moderate elements in the Third World, those elements which seek co-operation and want to achieve accommodation with us. Too often in the past we have behaved in ways which weaken the moderates and strengthen extreme forces hostile to us.

Eighth, as well as working to reinvigorate the North-South dialogue, each of us should do what is within our means, bilaterally and regionally, to contribute independently towards improving the prospects of the developing countries and relations between them and the West. Important as the North-South dialogue is, everything should not be made to wait on it.

Ninth and last, we should work on the assumption that time is a wasting asset, that the longer the delay in addressing them the more intractable will the problems become.

more intractable will the problems become. I should make it clear that in advancing these principles, I am not suggesting that it is only the West which must revise its attitudes and behavior if progress is to be made. The same is true of the Third World and I hope that there will be voices in it which will urge a moderate and constructive approach.

Neither am I suggesting that the developed countries should simply accept the package of demands made by the Third World. Rather that the approach should be a positive one which seeks to identify what is justified and sound in the Third World case and respond to it. In that process wider criteria than economic rationality should be employed because more than economic interests are involved.

In conclusion let me say that to respond to the North-South dialogue adequately we must be prepared to see it in broad historical perspective. In little over a generation, over a hundred new countries have come into existence. Nearly all of them have a colonial past. Nearly all of them are very poor compared with Western countries—how poor it is difficult for us in our prosperity to concive. Think of how long it takes you to spend \$200; then contemplate that there are over one billion people in the world whose average annual income is less than that amount. Again, and equally important in political

Again, and equally important in political terms, all these countries are deeply concerned about their place in the world, their dignity, status and influence. These countries and their needs have to be accommodated, and accommodated in a world which is simultaneously becoming smaller, more crowded and more complex. The conditions must be created which give them opportunities to break the grinding circle of poverty in which they are caught. There is much they can and must do for themselves. But simply to tell an undernourished man who is working hard, arid, poor soil with a wooden plough, in the certain knowledge that his crop will be at best meager—and there are millions of such men—simply to tell him that he must work harder and show more enterprise is insulting and dangerous nonsense. We cannot solve the Third World's problems; but we can help to create the conditions under which they can be tackled with some hope of success; and perhaps only we can.

This is essentially what the North-South dialogue is about and the atmospherics and frictions of day to day events should not be allowed to obscure it. Developing the statecraft and the will to achieve this accommodation is one of the decisive challenges of our time. It is not an easy challenge to meet. It lacks the drama and crisis of war and political confrontations. It invites the

resigned answer that "the poor are always with us." If we fail, the effects are unlikely to be immediately catastrophic. They may not be felt this week or this year. But, make no mistake, they will be felt and felt with cumulative force over the next decades, and we will be cursed by our children for our shortsightedness, our selfishness, our failure to seize opportunities in good time.

Mr. President, before I came to the United States on this visit I had been told that the current mood of the American people was not receptive to accommodating the Third World. Given the burden that you have carried in world affairs and given also the need for that renewal at home which President Reagan called for in his inaugural address, I could understand that some might feel like that. I will not presume to assess the American mood on the basis of a brief visit, though I can say that I did not find indifference or lack of understanding in Washington last week. In any case, I believe that there are certain periods in history when timely and bold adjustments to new forces are necessary to forestall convulsion, disarm revolution and preserve peace. I believe also that conciliation and magnanimity are usually sound policy.

At the time of the dispute between England and the American people in the 18th century, a dispute not without relevance to the contemporary situation, one of the wisest and most penetrating of political observers said: "It is not whether you have the right to render your people miserable, but whether it is in your interest to make them happy. It is not what a lawyer tells me I may do; but what humanity, reason and justice tell me I should do. Is a political act the worse for being a generous one?"

In the 19th century, the countries which enjoyed domestic peace were those who responded in good time to the aspirations of emerging groups and adopted democratic political institutions.

In our lifetime we have the evidence of the magnificently generous American response represented by the Marshall Plan to novel and dangerous circumstances. It is worth recalling, too, the enlightened recognition of and response to the "wind of change" in Africa which in a matter of three or four years transformed a continent of colonies into a continent of independent states with minimum bloodshed. I believe profoundly that we are now at a turning point in global history which is at least as critical and important as these great episodes I have referred to. The magnitude of the problems, the scale of the adjustments necessary, the vision required should be conceived in these terms. Mr. President, ladies and gentlemen for the sake of this and succeeding generations, I trust that they will be.

SENATOR DANIEL PATRICK MOYNIHAN

Mr. ROBERT C. BYRD. Mr. President, today's Washington Post contained an article by Clayton Fritchey which discussed the emerging role of the senior Senator from New York, DANIEL PATRICK MOYNIHAN, as a spokesman for the Democratic Party.

I was very pleased to be able to appoint Senator Moynihan as a spokesman in reaction to the President's address last week on the tax and social security issues. His articulate, incisive critique of the Reagan program was a credit to all of us whom he represented.

I ask unanimous consent that the article from the Washington Post be printed in full in the RECORD.

There being no objection, the article

was ordered to be printed in the Record, as follows:

THE NEW MOYNIHAN (By Clayton Fritchey)

One of the most surprising developments of the 97th Congress has been the emergence of a famous "neo-conservative," Sen. Daniel Patrick Moynihan (D-N.Y.), as a leading neo-liberal critic of the Reagan administration.

Who would have believed a few months ago that Moynihan would end up as the choice of the liberal-oriented Democratic congressional leadership to make the party's reply to the president's televised pitch last week for his tax program?

Yet, only two hours after Reagan finished, there was Moynihan also on the networks firing away at Reagan's arguments. Even before going on the air, however, the senator was already saying, "Something like an auction of the Treasury has been going on. This administration is seemingly willing to pay any price to win votes for their version of the tax cut, simply to gain a victory on their own terms."

The honor of speaking for the Democrats, though, was not bestowed on the supposedly conservative New York senator solely because of his opposition to Reagan's fiscal policies. He was picked because, in contrast to some of his supposedly liberal but cautious Democratic collegues, he has not hesitated in recent months to challenge the administration on any number of fronts.

As vice chairman of the Senate Intelligence Committee, he has been concentrating on an investigation into the tangled personal affairs of William J. Casey, director of the CIA. It has, of course, been acutely embarrassing to the White House, but no more so than some of the senator's other attacks on the Reagan regime.

He accused the administration of conducting "a campaign of political terrorism" to frighten Congress into slashing Social Security. He opposed efforts to cut housing subsidies and raise rents for low-income tenants. In defending Medicare, the senator said, "In all the talk of these budget cuts, there's almost no attention paid to the most dramatic effect of Medicare. It's changed the lives of old people." He was equally concerned about what would happen to children in foster care if assistance were jeopardized by administration plans to abdicate federal control. The senator thinks the cittes, especially New York, are being shortchanged in the Reagan budget, with its reduction of social programs and increases in military spending.

Moynihan has been toughest of all on the administration's foreign policy. He says it doesn't have one—just "a series of speeches and trips and press statements." He was "appalled at the way we have handled ourselves in Asia and Pakistan." He criticized Secretary of State Alexander Haig for offering arms to the Chinese and getting "nothing in return."

Moynihan himself has never appreciated being called a neo-conservative, yet that is the way he has been widely perceived in recent years. The New York Times has referred to him as "a leading apostle of neo-conservative philosophy." In The Washington Post, he was described as "a leading spokesman for a melange of hard-line foreign policies and 'free enterprise liberalism' that has come to be called neo-conservative politics."

As such, Moynthan was closely identified with a prominent group of defecting Democrats and former Democrats who found their party's foreign and military policies too "soft" and its domestic social policies too "extreme." But, unlike Moynthan, many of these old associates are now serving in the Reagan administration or uncritically supporting it.

When Norman Podhoretz, editor of Commentary and a spokesman for the neo-conservatives, first began promoting Moynihan for president, he said, "If I had to invent a candidate to suit the political mood of the country, it would be somebody like Moynihan."

That was in 1978. What would he say today?

The senator used to blast Democratic liberals on the grounds that they believed "government should be powerful and America should be weak." Still, in speaking for the Democrats at the Gridiron dinner this spring, the new Moynihan said, "We believe in American government, and we fully expect that those who now denigrate it, and even despise it, will sooner or later find themselves turning to it in necessity, even desperation."

It is hardly surprising, then, that the Democratic leadership is turning to the senator as a liberal spokesman. The Democratic National Committee, in fact, has just launched a fund raising drive with a letter appealing for help in resisting Sen. Jesse Helms (R-N.C.) and other ultra-conservatives who, the committee claims, "now control the Republican Parts"."

trol the Republican Party."

The letter, signed by Moynihan and Rep. Morris Udall, contends that the "mandate" of November has been distorted into a demand, among things, for repealing the Voting Rights Act, outlawing all abortions, subverting Social Security, crippling day-care centers and allowing developers to exploit public lands.

The senator will be up for re-election next year. He also may be a candidate for president in 1984. In either event, he apparently won't be running as a neo-conservative.

ON GENERAL ERNEST GRAVES' RETIREMENT

Mr. STENNIS. Mr. President, I wish to join with my colleagues Senators Tower, Percy, and Glenn in paying tribute to Lt. Gen. Ernest Graves, U.S. who retired on July after over 37 years of distinguished service. He is truly a man for all seasons. He was a highly successful troop leader in three wars; a platoon leader in Germany, a battalion commander in Korea and a group commander in Vietnam. He is a highly trained and skilled scientist in the nuclear energy field, starting with his receiving a Ph. D. degree in physics from Massachusetts Institute of Technology and culminating as director of military applications, U.S. Energy Research and Development Administration.

He is an accomplished engineer and planner, having served as a division engineer and later as the director of civil works for the U.S. Army Corps of Engineers. Lastly he has demonstrated the highest degree of capability in the foreign relations/diplomatic area during his superb performance as the Director, Defense Security Assistance Agency.

It has been my privilege to have known and worked with General Graves in his capacity as division engineer, director of military applications and director of civil works in his many appearances before the Appropriations Committee and also in his current assignment with his work with the Armed Services Committee. He was always superbly prepared and ably presented his program.

I would particularly mention his work in handling the most difficult and sensitive problems occasioned by the cancelation of many military procurement contracts by the Iranian Government 2 years ago. I would also mention his outstanding work as director of civil works during the so-called project review of the water projects by the previous administration. Through his diligent marshaling of the facts and his articulate and logical presentation he was able to convince the new administration that with few exceptions the 292 projects under review were environmentally sound, economically justified, and physically safe.

fled, and physically safe.

The country will miss the service of this outstanding soldier, scientist, engineer, and diplomat. I wish him well and thank him again for all that he has done.

REPORTS OF COMMITTEES SUB-MITTED DURING RECESS

Under the authority of the order of the Senate of August 1, 1981, the following report of a committee was filed on August 1, 1981, during the recess of the Senate:

By Mr. DOLE, from the committee of conference:

Conference report on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4242) to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes (Rept. No. 97-176).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Special Report entitled "Oversight Inquiry of the Department of Labor's Investigation of the Teamsters Central States Pension Fund," report of the Permanent Subcommittee on Investigations (Rept. No. 97-177).

Mr. ROTH. Mr. President, on behalf of the Senate Committee on Governmental Affairs, I submit a report of its Permanent Subcommittee on Investigations entitled: "Report of the Permanent Subcommittee on Investigations Regarding Its Oversight Inquiry of the Department of Labor's Investigation of the Teamsters Central States Pension Fund."

This report reflects the extensive investigation performed by the Permanent Subcommittee on Investigations last year under the very able chairmanship of Senator Sam Nunn. In the report the subcommittee finds serious deficiencies in the Department of Labor's investigation of the Teamsters Union's Central States Pension Fund and makes a variety of recommendations for wideranging improvements.

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 190. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 859; and

S. Res. 192. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 778 (without recommendation).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BAKER (for Mr. PERCY), from the Committee on Foreign Relations:

Winifred Ann Pizzano, of Virginia, to be Deputy Director of the ACTION Agency.

(The above nomination was reported from the Committee on Foreign Relations with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROBERT C. BYRD (for Mr. CRANSTON):

S. 1584. A bill to designate certain public lands in the State of California as wilder ness, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ROBERT C. BYRD: S. 1585. A bill for the relief of Inder Vir Khokha, doctor of medicine; to the Committee on the Judiciary.

By Mr. HATFIELD:

S. 1586. A bill to establish a national policy of promoting and facilitating the operation, maintenance and development of deep-draft seaports, inland river ports and waterways necessary to domestic and foreign waterborne commerce; and to require recovery of certain expenditures of the U.S. Army Corps of Engineers for the operation, maintenance and construction of inland shallow-draft and deep-draft navigational channels and other projects as appropriate; to the Committee on Finance.

By Mr. BAKER:

S. 1587. A bill for the relief of Camel Manufacturing Co.; to the Committee on the Judiciary.

By Mr. ROTH:

- S. 1588. A bill to provide for a temporary suspension of the duty on bulk fresh carrots; to the Committee on Finance. By Mr. HEFLIN:
- S. 1589. A bill to improve the security of the electric power generation and transmission system in the United States; to the Committee on the Judiciary

By Mr. THURMOND:

S. 1590. A bill to amend title 10, United States Code, to provide for legal assistance to members of the Armed Forces and their dependents, and for other purposes; to the Committee on Armed Services.

By Mr. HOLLINGS:

S. 1591. A bill to eliminate certain provisions of the Federal Food, Drug, and Cos-metic Act relating to colored oleomargarine; to the Committee on Labor and Human Re-

By Mr. SYMMS:

S. 1592. A bill to provide protection from requirements and prohibitions imposed upon citizens of the United States by foreign nations concerning the disclosure of confiden-tial business information, and for other purposes; to the Committee on the Judiciary.

By Mr. GORTON (for himself, Mr.

STENNIS, Mr. KASTEN, and Mr. In-OUYE):

- S. 1593. A bill to revise regulation of international liner shipping operating in the U.S. foreign commerce; to the Committee on Commerce, Science, and Transportation. By Mr. SYMMS:
- S. 1594. A bill to amend the Internal Revenue Code of 1954 to apply the civil fraud penalty only to that portion of an underpayment which is attributable to fraud; to the Committee on Finance.

By Mr. INOUYE (for himself and Mr.

S. 1595. A bill to provide for the designation of income tax payments to the U.S. Olympic Development Fund; to the Committee on Finance.

By Mr. MATHIAS (by request):

S. 1596. A bill to amend the act relating to the Commission of Fine Arts to provide for private donations; to the Committee on Rules and Administration.

By Mr. DOLE:

S. 1597. A bill to establish a Corporation for Prison Industries; to the Committee on the Judiciary

By Mr. ROBERT C. BYRD:

S.J. Res. 106. Joint resolution to authorize and request the President to designate June 20, 1982, as "Bicentennial Emblem Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROBERT C. BYRD (for Mr. CRANSTON) :

1584. A bill to designate certain public lands in the State of California as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

CALIFORNIA WILDERNESS ACT OF 1981

(By request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD:)

 Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to designate 3.5 million acres in California as wilderness-2.1 million acres of national forest land and 1.4 million

acres of national park land.

This bill is nearly identical to Congressman Phil Burton's California wilderness bill, H.R. 4083, which passed the House on a voice vote on July 17. The deletion of 600 acres from the Sheep Mountain wilderness to permit the expansion of the Mount Baldy ski area on the northeast face of Mount San Antonio and the addition of 88,843 acres to the Sequoia-Kings Canyon wilderness to conform the acreage with the National Park Service's wilderness recommendation for this park are the only difference between this bill and the House bill.

For national forest lands, this legislation designates 53 separate wildernesses and wilderness additions ranging from the lush forests of the Trinity Alps to the endangered California condor habitat in the Dick Smith area of the Los Padres Forest and the Nation's highest desert mountains in the Boundary Peak area. The legislation also resolves the California lawsuit on RARE II, freeing up some 590,000 acres with 86 million board feet of annual potential yield currently under injunction for timber harvestng. Another 245,000 acres with 35.1 million board feet of annual potential yield in administrative further planning areas are released to nonwilderness through House committee report language, and I would hope for similar Senate report language.

The bill permits expansion of existing ski areas like Mammoth Mountain and relocation and development of others like Mount Shasta. It assumes that the development of important known deposits of minerals like the cobalt around the North Fork of the Smith River will not be hampered by wilderness designation or further wilderness study. And the bill keeps open many trails and other areas which have been used by recreational vehicles.

For the national parks, this legislation adds the 253-acre Crocker Ridge area and 7,000 acres of Sierra National Forest lands to Yosemite National Park, completing watershed protection along the park's southern boundary. The bill adds 12,000 acres of highly scenic Sequoia National Forest lands to Sequoia-Kings National Park, rounding out the park for better management. The bill also establishes two park wilderness areas—a 677,-600-acre Yosemite wilderness and an 825,853-acre Sequoia-Kings Canyon wilderness area.

Mr. President, I want to commend Congressman PHIL BURTON for developing this legislation. For the past 21/2 years, Congressman Burton has worked closely with every member of the California congressional delegation whose district is affected by the Forest Service RARE II proposals. His bill is a product of these extensive negotiations and committee hearings, both in California and Washington, D.C. It is a compromise between earlier California wilderness bills calling for a maximum of 5.1 million acres of national forest wilderness and a minimum of 1.3 million acres of forest wilderness. Personally I feel that this bill represents a good balance between environmental and commercial interests.

I am introducing my own California wilderness bill today to expedite Senate action on the California RARE II issue. Since the Forest Service finalized its wilderness recommendations, I have sought the counsel and views of all parties affected by the proposals, most especially those of the California timber industry as I have been concerned about the impact of the proposed wilderness designations on jobs, timber supply and lumber for housing. Based on these conversations, I am convinced of the need for Congress to pass legislation at an early date: First, to settle the California RARE II lawsuit and second, to identify for the Forest Service the land base on which to plan timber sales in the future. I am also convinced that this can only be accomplished through enactment of a California wilderness bill which designates some wilderness in California while at the same time lifts the injunction and releases other RARE II lands to multiple use.

As I have previously mentioned, this bill is a compromise worked out in the House. However, I anticipate that there will be further modifications to this bill, both in the Senate committee and in conference. What I believe is most important is to keep the process going so we can resolve the RARE II issues in California and protect for all time some of the most beautiful parts of the State.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1584

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "California Wilderness Act of 1981"

DESIGNATION OF WILDERNESS

(a) In furtherance of the purposes of the Wilderness Act, the following lands, as generally depicted on maps, appropriately referenced, dated July 1980 (except as other-wise dated) are hereby designated as wilderness, and therefore, as components of the National Wilderness Preservation System—
(1) certain lands in the Inyo National

Forest, California, which comprise approximately forty-nine thousand nine hundred acres, as generally depicted on a map entitled "Boundary Peak Wilderness—Proposed", and which shall be known as the Boundary Peak Wilderness:

(2) certain lands in the Cleveland National Forest, California, which comprise approxi-mately five thousand nine hundred acres, as generally depicted on a map entitled "Caliente Wilderness Proposal" dated July 1980, and which shall be known as the Caliente Wilderness:

(3) certain lands in the Eldorado National Forest, California, which comprise approximately fourteen thousand acres, as generally depicted on a map entitled "Caples Creek Wilderness—Proposed", dated November 1980, and which shall be known as the Caples Creek Wilderness;

(4) certain lands in the Lassen National Forest, California, which comprise approximately one thousand eight hundred acres, as generally depicted on a map entitled "Caribou Wilderness Additions—Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the Caribou Wilderness as designated by Public Law 88-

(5) certain lands in the Stanislaus and Tolyabe National Forests, California, which comprise approximately one hundred ninety thousand acres, as generally depicted on a map entitled "Carson-Iceberg Wilderness—Proposed", and which shall be known as the Carson-Iceberg Wilderness: Provided, however, That the designation of the Carson-Iceberg Wilderness shall not preclude continued motorized access to those previously existing facilities which are directly related to permitted livestock grazing activities in Wolf Creek Drainage on the Toiyabe National Forest in the same manner and degree in which such access was occurring as of the date of enactment of this Act;

(6) certain lands in the Shasta Trinity National Forest, California, which comprise approximately seven thousand three hunapproximately seven thousand three nun-dred acres, as generally depicted on a map entitled "Castle Crags Wilderness—Pro-posed", and which shall be known as the Castle Crags Wilderness;

(7) certain lands in the Shasta Trinity National Forest, California, which comprise approximately eight thousand two hundred acres, as generally depicted on a map en-titled "Chancelulla Wilderness—Proposed". which shall be known as Chancelulla Wilderness;

(8) certain lands in the Lassen National crest, California, which comprise approximately fifteen thousand five hundred acres as generally depicted on a map entitled "Cinder Buttes Wilderness-Proposed", and which shall be known as the Cinder Buttes Wilderness

(9) cetrain lands in the Angeles National Forest, California, which comprise approximately four thousand four hundred as generally depicted on a map entitled "Cu-camonga Wilderness Additions—Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the Cucamonga Wilderness as designated by Public Law 88-577;

(10) certain iands in the Inyo National Forest, California, which comprise approximately seven thousand six hundred acres, as generally depicted on a map entitled

"Deep Wells Wilderness-Proposed", and which shall be known as the Deep Wells Wilderness:

(11) certain lands in the Los Padres Na tional Forest, which comprise approximately sixty-seven thousand acres, as generally de-picted on a map entitled "Dick Smith Wilderness—Proposed", dated October, 1979, and which shall be known as Dick Smith Wilderness: Provided, That the Act of March 21, 1968 (82 Stat. 51), which established the San Rafael Wilderness is hereby amended to transfer four hundred and thirty acres of the San Rafael Wilderness to the Dick Smith Wilderness and establish a line one hundred feet north of the centerline of the Buckhorn Fire Road as the southeasterly boundary of the San Rafael Wilderness, as depicted on a map entitled "Dick Smith Wilderness—Proposed", and wherever said Buckhorn Fire Road passes between the San Rafael and Dick Smith Wildernesses and elsewhere at the discretion of the Forest Service, it shall be closed to all motorized vehicles except those used by the Forest Service for administrative purposes;

(12) certain lands in the Sierra National Forest, California, which comprise approximately thirty thousand acres, as generally depicted on a map entitled "Dinkey Lakes Wilderness-Proposed", and which shall be known as the Dinkey Lakes Wilderness: Provided. That within the Dinkey Lakes Wilderness the Secretary of Agriculture shall permit nonmotorized dispersed recreation to continue at a level not less than the level of use which occurred during calendar year

(13) certain lands in the Sequoia National Forest, California, which comprise approximately thirty-one thousand acres, as generally depicted on a map entitled "Domeland Wilderness Additions-Proposed", and which are hereby incorporated in, and which shall be deemed to be part of the Domeland Wilderness as designated by Public Law 88-577;

(14) certain lands in the Stanislaus National Forest, California, which comprise approximately six thousand one hundred acres, as generally depicted on a map entitled "Emi-grant Wilderness Additions—Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the Emigrant Wilderness as designated by Public Law 93-632:

(15) certain lands in the Invo National Forest, California, which comprise approximately forty-six thousand four hundred acres, as generally depicted on a map entitled "Excelsior Wilderness—Proposed", and which shall be known as the Excelsior Wilderness;

(16) certain lands in the Angeles National Forest, California, which comprise approxi-mately thirty-two thousand nine hundred acres, as generally depicted on a map entitled "Fish Canyon Wilderness-Proposed", and which shall be known as the Fish Canyon Wilderness;

(17) certain lands in the Tahoe National Forest, California, which comprise approxi-mately twenty-five thousand acres, as generdepicted on a map entitled "Granite Chief Wilderness—Proposed", and which shall be known as the Granite Chief Wilderness;

(18) certain lands in the San Bernardino National Forest, California, which comprise approximately ten thousand six hundred acres, as generally depicted on a map entitled "Granite Peak Wilderness—Proposed", and which shall be known as the Granite Peak Wilderness:

(19) certain lands in the Cleveland National Forest, California, which comprise approximately eight thousand acres, as generally depicted on a map entitled "Hauser Wilderness Proposal" dated July 1980, and which shall be known as the Hauser Wilderness;

(20) certain lands in Toiyabe National Forest, California, which comprise approxi-mately forty-nine thousand two hundred acres, as generally depicted on a map entitled "Hoover Wilderness Additions—Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the Hoover Wilderness as designated by Public

(21) certain lands in and adjacent to the Lassen National Forest, California, comprise approximately forty-one thousand eight hundred and forty acres as shown on map entitled "Ishi Wilderness-Proposed", and which shall be known as the Ishi Wilderness;

(22) certain lands in the Invo National Forest, California, which comprise approximately nine thousand acres, as generally depicted on a map entitled "John Muir Wilderness Additions, Inyo National Forest— Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the John Muir Wilderness as desig-

nated by Public Law 88-577;

(23) certain lands in the Sierra National Forest, California, which comprise approximately eighty-one thousand acres, as generally depicted on a map entitled "John Muir Wilderness Additions, Sierra National Forest—Proposed", dated November 1980, and which are hereby incorporated in, and which shall be deemed to be a part of the John Muir Wilderness as designated by Public Law 88-577: Provided, That the Secretary of Agriculture is authorized to modify the boundaries of the John Muir Wilderness Additions and the Dinkey Lakes Wilderness as designated by this Act in the event he determines that portions of the existing primitive road between the two wilderness areas should be relocated for environmental protection or other reasons. Any relocated wilderness boundary shall be placed no more than three hundred feet from the centerline of any new primitive roadway and shall be-come effective upon publication of a notice of such relocation in the Federal Register: Provided further, That the nonwilderness jeep corridor between Spanish Lake and Chain Lakes which is surrounded by the John Muir Wilderness Additions as designated by this Act shall be open to the public only for one week each year between July 15 and August 15 and one week between September 15 and October 15;

(24) certain lands in the Lassen National Forest, California, which comprise approximately three thousand nine hundred acres, as generally depicted on a map entitled "Lassen Volcanic Wilderness Additions— Proposed", and which are hereby incorporated in, and shall be deemed to be a part of the Lassen Volcanic Wilderness as desig-

nated by Public Law 92-510;

certain lands in the Klamath National Forest, California, which comprise approximately thirty-eight thousand acres, as generally depicted on a map entitled "Marble Mountain Wilderness Additions-Proposed", and which are hereby incorporated in, and shall be deemed to be a part of the Marble Mountain Wilderness as designated by Public Law 88-577;

(26) certain lands in the Sierra and Inyo National Forest, California, which comprise approximately nine thousand acres, as generally depicted on a map entitled "Mina-rets Wilderness Additions—Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the Minarets Wilderness as designated by Public Law 88-577;

(27) certain lands in the Eldorado, Stan-islaus, and Toiyabe National Forests, California, which comprise approximately sixty thousand acres, as generally depicted on a map entitled "Mokelumn Wilderness Ad-ditions—Proposed", dated November 1980, and which are hereby incorporated in, and which shall be deemed to be a part of the Mokelumne Wilderness as designated by Public Law 88-577:

(28) certain lands in the Sierra and Sequoia National Forests, California, which

comprise approximately forty-five thousand acres, as generally depicted on a map en-titled "Monarch Wilderness-Proposed", and which shall be known as the Monarch Wil-

(29) certain lands in the Shasta Trinity National Forest, California, which comprise approximately thirty-seven thousand acres, is generally depicted on a map entitled "Mt. Shasta Wilderness—Proposed", and which shall be known as Mt. Shasta Wilderness;

(30) certain lands in the Six Rivers Na-tional Forest, California, which comprise approximately eight thousand one hundred acres, as generally depicted on a map en-titled "North Fork Wilderness—Proposed". and which shall be known as the North Fork Wilderness:

(31) certain lands in the Shasta Trinity National Forest, California, which comprise approximately twenty-eight thousand acres, as generally depicted on a map entitled "Pattison Wilderness—Proposed", and which shall be known as the Pattison Wilderness;

(32) certain lands in the Cleveland National Forest, California, which comprise approximately thirteen thousand one hundred acres, as generally depicted on a map en-titled "Pine Creek Wilderness-Proposed", and which shall be known as the Pine Creek

(33) certain lands in the San Bernardino National Forest, California, which comprise approximately seventeen thousand acres, as generally depicted on a map entitled "Py ramid Peak Wilderness-Proposed", which shall be known as the Pyramid Peak Wilderness:

(34) certain lands in the Klamath and River National Forests, California, which compromise approximately twenty-five thousand three hundred acres, as generally depicted on a map entitled "Red Buttes Wilderness—Proposed", and which shall be known as the Red Buttes Wilderness;

(35) certain lands in the Klamath National Forest, California, which comprise approximately twelve thousand acres, as generally depicted on a map entitled "Russian Peak Wilderness—Proposed", and which shall be known as the Russian Peak Wilderness; (36) certain lands in the San Bernardino

National Forest, California, which comprise approximately twenty-one thousand five hundred acres, as generally depicted on a map entitled "San Gorgonio Wilderness Addi-tions—Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the San Gorgonio Wilderness as designated by Public Law 88-577;

(37) certain lands in the San Bernardino National Forest, California, which comprise approximately ten thousand nine hundred acres, as generally depicted on a map entitled "San Jacinto Wilderness Additions—Pro-posed", and which are hereby incorporated in, and which shall be deemed to be a part of the San Jacinto Wilderness as designated by Public Law 88-577: Provided however, That the Secretary of Agriculture may pursuant to an application filed prior to January 1, 1983, grant a right-of-way for, and authorize construction of, a transmission line or lines within the area depicted as "potential powerline corridor" on the map entitled "San Jacinto Wilderness Additions—Proposed": Provided jurther, That if a power transmission line is constructed within such corridor, the corridor shall cease to be a part of the San Jacinto Wilderness and the Secretary of Agriculture shall publish notice there-

of in the Federal Register;
(38) certain lands in the Sierra and Inyo National Forests and the Devils Postpile National Monument, California, which comprise approximately one hundred and ten thousand acres, as generally depicted on a map entitled "San Joaquin Wilderness—Proposed," and which shall be known as San Joaquin Wilderness: Provided however, That nothing in this Act shall be construed to prejudice, alter, or affect in any way, any

rights or claims of right to the diversion and use of waters from the North Fork of the San Joaquin River, or in any way to interfere with the construction, maintenance, repair, or operation of the Jackass-Chiquito hydroelectric power project (or the Granite Creek-Jackass alternative project) as proposed by the Upper San Joaquin River Water and Power Authority: Provided further, That the designation of the San Joaquin Wilderness shall not preclude continued motorized access to those previously existing facilities which are directly related to permitted livestock grazing activities nor operation and maintenance of the existing cabin located in the vicinity of the Heitz Meadow Guard Station within the San Joaquin Wilderness, in the same manner and degree in which such access and operation and maintenance of such cabin were occurring as of the date of enactment of this Act;

(39) certain lands in the Cleveland Na-tional Forest, California, which comprise ap-proximately thirty-nine thousand five hundred and forty acres, as generally depicted on a map entitled "San Mateo Canyon Wilderness—Proposed", and which shall be known as the San Mateo Canyon Wilder-

(40) certain lands in the Laos Padres National Forest, California, which comprise approximately two thousand acres, as generally depicted on a map entitled "San Rafael Wilderness Additions—Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the San Rafael Wilderness as designated by Public Law 90-

(41) certain lands in the San Bernardino National Forest, California, which com-prise approximately twenty thousand one hundred and sixty acres, as generally de-picted on a map entitled "Santa Rosa Wilderness—Proposed", and which shall be known as the Santa Rosa Wilderness;

(42) certain lands in and adjacent to the Sequoia National Forest, California, which comprise approximately forty-eight thousand acres, as generally depicted on a map entitled "Scodies Wilderness—Proposed", and which shall be known as the Scodies Wilderness;

(43) certain lands in the Angeles and San Bernardino National Forests, California, which comprise approximately forty-four thousand acres, as generally depicted on a map entitled "Sheep Mountain Wilderness— Proposed", and which shall be known as Sheep Mountain Wilderness;

(44) certain lands in the Cleveland National Forest, California, which comprise approximately five thousand two hundred acres, as generally depicted on a map en-"Sill Hill Wilderness Proposal" dated July 1980, and which shall be known as the Sill Hill Wilderness;

(45) certain lands in the Six Rivers, Klamath, and Siskiyou National Forests, California, which comprise approximately one hundred and one thousand acres, as generally depicted on a map entitled "Siskiyou Wilderness—Proposed", and which shall be known as the Siskiyou Wilderness;

(46) certain lands in the Mendocino National Forest, California, which comprise ap-proximately thirty-seven thousand acres, as generally depicted on a map entitled "Snow Mountain Wilderness-Proposed", and which shall be known as Snow Mountain Wilder-

(47) certain lands in the Sequoia and Inyo National Forests, California, which comprise approximately seventy-seven thousand acres, as generally depicted on a map entitled "South Sierra Wilderness—Proposed", and which shall be known as the South Sierra Wilderness:

(48) certain lands in the Modoc National Forest, California, which comprise approxi-mately one thousand nine hundred and forty acres, as generally depicted on a map en-titled "South Warner Wilderness AdditionsProposed", and which are hereby incorporated in, and which shall be deemed to be a part of the South Warner Wilderness as designated by Public Law 88-577;

(49) certain lands in the Lassen National Forest, California, which comprise approximately seven thousand acres, as generally de-picted on a map entitled "Thousand Lakes Wilderness Additions—Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the Thousand Lakes Wilderness as designated by Public Law 88-577;

(50) certain lands in and adjacent to the Lassen National Forest, California, which comprise approximately twenty-two thou-sand acres, as generally depicted on a map entitled "Timbered Crater Wilderness—Pro-posed", and which shall be known as the Timbered Crater Wilderness;

(51) certain lands in and adjacent to the Klamath, Shasta Trinity and Six Rivers National Forests, California, which comprise approximately five hundred thousand acres, as generally depicted on a map entitled "Trinity Alps Wilderness-Proposed", and which shall be known as the Trinity Alps Wilderness;

(52) certain lands in the Los Padres Na-tional Forest, California, which comprise approximately two thousand seven and fifty acres, as generally depicted on a map entitled "Ventana Wilderness Addition—Proposed", and which are hereby in-corporated in, and which shall be deemed to be a part of the Ventana Wilderness as designated by Public Laws 91-58 and 95-237; and

(53) certain lands in and adjacent to the Six Rivers and Mendocino National Forests, California, which comprise approximately forty-six thousand acres, as generally de-picted on a map entitled "Yolla-Bolly Middle Eel Additions—Proposed", and which are hereby incorporated in, and which shall be deemed to be a part of the Yolla-Bolly Middle Eel Wilderness as designated by Public Law 88-577.

(b) The previous classifications of the High Sierra Primitive Area, Emigrant Basin Primitive Area, and the Salmon-Trinity Alps Primitive Area are hereby abolished.

MONACHE WILDERNESS STUDY AREA

SEC. 3. (a) In furtherance of the purposes of the Wilderness Act, the following lands shall be reviewed by the Secretary of Agriculture as to their suitability for preserva-tion as wilderness. The Secretary shall submit his report and findings to the President and the President shall submit his recommendation to the United States House of Representatives and the United States Senate no later than three years from the date of enactment of this Act:

- (1) certain lands in the Sequola National Forest, California, which comprise approximately forty-two thousand acres, as generally depicted on a map entitled "Monache Wilderness Study Area", dated July 1980, and which shall be known as the Monache Wilderness Study Area.
- (b) Subject to valid existing rights, the wilderness study area designated by this section shall, until Congress determines otherwise, be administered by the Secretary of Agriculture so as to maintain their presently existing wilderness character and potential for inclusion in the National Wilderness Preservation System: Provided, That within the Monache Wilderness Study Area the level of use existing during the year ending June 30, 1980, shall be permitted to

ADMINISTRATION OF WILDERNESS AREAS

SEC. 4. (a) Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary concerned in accordance with the provisions of the Wilderness Act: Provided, That any ref-erence in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this (b) Within the National Forest wilderness

areas designated by this Act-

(1) as provided in subsection 4(d)(4)(2) of the Wilderness Act, the grazing of live-stock, where established prior to the date of enactment of this Act, shall be permitted to continue subject to such reasonable regulations, policies and practices as the Secretary deems necessary, as long as such regulations, policies and practices fully conform with and implement the intent of Congress regarding grazing in such areas as such intent is ex-pressed in the Wilderness Act and this Act;

as provided in subsection 4(d)(1) of the Wilderness Act, the Secretary concerned may take such measures as are necessary in the control of fire, insects, and diseases, subject to such conditions as he deems desirable;

- (3) as provided in section 4(b) of the Wilderness Act, the Secretary concerned shall administer such areas so as to preserve their wilderness character and to devote them to the public purposes of recreational, scenic, scientific, educational, conservation, and historical use.
- (c) Within sixty days of the date of enactment of this Act, the Secretary of Agriculture shall enter into negotiations to acquire by exchange or otherwise (on a willing-buyerwilling-seller basis and at the landowner's option) all or part of any privately owned lands within the Trinity Alps, Granite Chief, Castle Crags, and Mount Shasta Wilderness areas as designated by this Act. Such acquisition shall to the maximum extent practicable, be completed within three years after the date of enactment of this Act. Market and exchange values shall be determined without reference to any restrictions on access or use which arise out of designation as a wilderness area.

FILING OF MAPS AND DESCRIPTIONS

SEC. 5. As soon as practicable after enactment of this Act, a map and a legal description on each wilderness area shall be filed with the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the House of Representatives, and each such map and description shall have the same force and effect as if included in this Act: Provided, That correction of clerical and typographical errors in each such legal description and map may be made. Each such map and legal description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

ADDITIONS TO NATIONAL PARK SYSTEM

SEC. 6. (a) The following lands are hereby added to the National Park System:

- (1) certain lands in the Sierra National Forest, California, which comprise approxi-mately seven thusand acres, as generally de-picted on a map entitled "Mt. Raymond Addition, Yosemite National Park—Proposed", dated July 1980, and which are hereby incorporated in, and which shall be deemed to be a part of Yosemite National Park;
- (2) certain lands in the Sequoia National Forest, California, which comprise approximately twelve thousand acres, as generally depicted on a map entitled "Jennie Lakes depicted on a map entitled Jennie Lakes Additions, Kings Canyon National Park— Proposed", dated July 1980, and which are hereby incorporated in, and which shall be deemed a part of Kings Canyon National
- (b) Upon enactment of this Act, the Secretary of Agriculture shall transfer the lands described in subsection (a) of this section, without consideration, to the administrative jurisdiction of the Secretary of the Interior for administration as part of the national park system. The boundaries of the national forests and national parks shall be adjusted accordingly. The areas added to the national park system by this section shall be administered in accordance with the provisions

of law generally applicable to units of the national park system.

(c) The Secretary of the Interior shall study the lands added to the national park system by subsection (a) of this section for possible designation as national park wilderness, and shall report to the Congress his recommendations as to the suitability or nonsuitability of the designation of such lands as wilderness by not later than three years after the effective date of this Act.

(d) The Secretary of Agriculture is authorized and directed to transfer to the jurisdiction of the Secretary of the Interior for administration as part of Yosemite National Park, two hundred and fifty-three acres of the Stanislaus National Forest at Crocker Ridge, identified as all that land lying easterly of a line beginning at the existing park boundary and running three hundred feet west of and parallel to the center line of the park road designated as State Highway 120, also known as the New Big Oak Flat Road, within section 34, township 1 south, range 19 east, and within sections 4, 9, and 10, township 2 south, range 19 east, Mount Diablo base and meridian. The boundary of Yosemite National Park and the Stanislaus National Forest shall be adjusted accord-

The Secretary of the Interior is authorized and directed to transfer to the jurisdiction of the Secretary of Agriculture one hundred and sixty acres within the boundary of the Sierra National Forest identified as northwest quarter of section 16, township 5 south, range 22 east, Mount Diablo base meridian, subject to the right of the Secretary of the Interior to the use of the water thereon for park purposes, including the right of access to facilities necessary for the transportation of water to the park

NATIONAL PARK WILDERNESS

- SEC. 7. The following lands are hereby designated as wilderness in accordance with section 3(c) of the Wilderness Act (78 Stat. 890; U.S.C. 1132(c)) and shall be administered by the Secretary of the Interior in accordance with the applicable provisions of the Wilderness Act:
- (1) Yosemite National Park Wilderness comprising approximately six hundred and seventy-seven thousand six hundred acres, and potential wilderness additions comprising approximately three thousand five hundred and fifty acres, as generally depicted on a map entitled "Wilderness Plan, Yosem-National Park, California" numbered 104-20, 003-E dated July 1980, and shall be known as the Yosemite Wilderness;
- (2) Sequoia and Kings Canyon National Parks Wilderness, comprising approximately eight hundred and twenty-five thousand eight hundred and twenty-three acres; and potential wilderness additions comprising approximately one hundred acres, as generally depicted on a map entitled "Wilderness Plan-Sequoia-Kings Canyon National Parks—Calfornia", numbered 102-20, 003-F and dated August 1981, and shall be known as the Sequoia-Kings Canyon Wilderness.

MAP AND DESCRIPTION

Sec. 8. A map and description of the boundaries of the areas designated in section 7 of this Act shall be on file and available for public inspection in the Office of the Director of the National Park Service, Department of the Interior, and in the Office the Superintendent of each area designated in section 7. As soon as practicable after this Act takes effect, maps of the wilderness areas and descriptions of their boundaries shall be filed with the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Re-sources of the United States Senate, and such maps and descriptions shall have the same force and effect as if included in this Act: Provided, That correction of clerical and typographical errors in such maps and descriptions may be made.

CESSATION OF CERTAIN USES

SEC. 9. Any lands (in section 7 of this Act) which represent potential wilderness additions upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, shall thereby be designated wilderness. Lands designated as potential wilderness additions shall be managed by the Secretary insofar as practicable as wilderness until such time said lands are designated as wilderness.

ADMINISTRATION

Sec. 10. The areas designated by section 7 of this Act as wilderness shall be administered by the Secretary of the Interior in accordance with the applicable provisions of the Wilderness Act governing areas designated by that Act as wilderness, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act, and where appropriate, any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

SIX RIVERS PLANNING AREAS

SEC. 11. (a) The following planning areas shall be reviewed by the Secretary of Agriculture as to their suitability or nonsuitability for preservation as wilderness. The Secretary shall submit his report and findings to the President, and the President shall submit his recommendations to the United States House of Representatives and the United States Senate no later than three years from the date of enactment of this Act:

(1) certain lands in the Six Rivers and Klamath National Forests, California, which comprise approximately sixty thousand acres, generally depicted on a map entitled "Eightmile and Blue Creek Planning Areas", dated July 1980; and

- (2) certain lands in the Six Rivers National Forest, California, which comprise approximately thirty thousand acres as generally depicted on a map entitled "Orleans Mountain Planning Area," dated July 1980: Provided, That within the area shown on such map as the "Ski Study Area" the Secretary shall conduct a special study as to the suitability or nonsuitability of the area for location of an alpine ski facility. In conducting such ski study the Secretary shall consider the need for an alpine ski facility in the region, climatological factors, the feasibility and location of possible road access to any ski facility and the impact of ski development on other multiple use
- (b) Subject to valid existing rights, the planning are as designated by this section shall, until Congress determines otherwise, be administered by the Secretary of Agriculture so as to maintain their presently existing wilderness character.

(c) Until Congress determines otherwise, timber volumes within the planning areas designated by this section shall be included in the base used to determine potential yield

for the national forest concerned.

(d) Notwithstanding any existing or fu-

administrative designation or recommendation, mineral prospecting, exploration, development, or mining of cobalt and associated minerals undertaken under the United States mining laws within the North Fork Smith roadless area (RARE II, 5-707, Six Rivers National Forest, California) shall be subject to only such Federal laws and regulations as are generally applicable to national forest lands designated as nonwilder-

WILDERNESS REVIEW CONCERNS

SEC. 12. (a) The Congress finds that-

(1) the Department of Agriculture has completed the second roadless area review and evaluation program (RARE II);

(2) the Congress has made its own review and examination of national forest roadless areas in California and the environmental impacts associated with alternative allocations of such areas.

(b) on the basis of such review, the Congress hereby determines and directs that-

(1) without passing on the question of the legal and factual sufficiency of the RARE II final environmental statement (dated Janu-1979) with respect to national forest lands in States other than California, such statement shall not be subject to judicial review with respect to national forest system lands in the State of California;

upon enactment of this Act, the injunction issued by the United States District Court for the Eastern District of California in State of California versus Bergland (483 F. Supp. 465 (1980) shall no longer be in

(3) with respect to the national forest lands in the State of California which were reviewed by the Department of Agriculture in the second roadless area review and evaluation (RARE II), except those lands remaining in further planning upon enact-ment of this Act, that review and evaluation shall be deemed for the purposes of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974 as amended by the National Forest Management Act of 1976 (Public Law 94-588) to be an adequate consideration of the suitability such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revision of the initial plans and in no case prior to the date established by law for completion of the initial planning cycle;

(4) areas in the State of California reviewed in such final environmental statement and not designated as wilderness by this Act or remaining in further planning upon enactment of this Act need not be managed for the purpose of protecting their suitability for wilderness designation pend-

ing revision of the initial plans;

(5) unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of national forest system lands in the State of California for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

DILLON CREEK

SEC. 13. (a) Certain lands in the Klamath National Forest, California, which comprise approximately thirty thousand acres, as generally depicted on a map entitled Creek Further Planning Area", dated July 1980, shall be considered for all uses, including wilderness, during the preparation of a forest plan for the Klamath National Forest pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended.

(b) Pending completion of the plan, development activities such as timber harvest, road construction, and other activities that may reduce wilderness potential of the land will be prohibited. Activities permitted by prior rights, existing law, and other estab-lished uses may continue pending final disposition of the area. Although no harvesting of timber will be allowed other than for emergency reasons, standing timber on com-mercial forest land in the area will be used to determine allowable sale quantity.

(c) Recommendations for the Dillon Creek Further Planning Area shall be submitted to the Congress and, unless the Congress enacts legislation to the contrary within one hundred and eighty calendar days while Congress is in session, the Dillon Creek Area shall be designated for the use recommended and managed accordingly, beginning January

Sec. 14. If any provision of this Act or the application thereof is held invalid, the remainder of the Act and the application thereof shall not be affected thereby.

By Mr. HATFIELD:

S. 1586. A bill to establish a national policy of promoting and facilitating the operation, maintenance, and development of deep-draft seaports, inland river ports and waterways necessary to domestic and foreign waterborne commerce; and to require recovery of certain expenditures of the U.S. Army Corps of Engineers for the operation, maintenance and construction of inland shallow-draft and deep-draft navigational channels and other projects as appropriate; to the Committee on Finance. WATERWAYS TRANSPORTATION DEVELOPMENT AND

IMPROVEMENT ACT OF 1981

• Mr. HATFIELD. Mr. President, today I am introducing the Waterways Transportation Development and Improvement Act of 1981. This bill is designed to provide a funding mechanism for the operations and maintenance of our rivers and harbors and for the new construction of needed improvements on

our Nation's waterways.

I introduce this bill as a response to the administration's initiatives, S. 809, and 810, which would shift the responsibility of maintaining U.S. waterborne transportation to the local entities through which the bulk of our Nation's commerce passes. I understand the philosophy upon which the administration's bills are based. It is the conservative marketplace theory. In many areas of commerce, and with some slight reservations, I have supported the marketplace theory. But I am happy to say that I have not yet been seduced so completely by theory that I am willing to abandon reality for the purity of a theoretical model.

When the Founding Fathers drafted the Constitution, they appreciated the importance of a national policy on ports and harbors and navigable waterways to such an extent that it appears in several places in the Constitution. The most startling example of the awareness of these fine gentlemen of need to avoid discrimination among our Nation's ports appears in Section 9 of the Constitution which states:

No preference shall be given by any Regulation of Commerce or Revenue to the Ports of one State over those of another:

In Section 8, the drafters said-

But all Duties, Imposts and Excises shall be uniform throughout the United

The spirit of these provisions is clear, The Congress was not to promote seagoing commerce into some ports at the expense of other ports. Moreover, Congress was clearly given the authority to enforce its supremacy in these matters through the commerce clause. Mr. Chief Justice Marshall thought he had that dispute settled in 1824 when he wrote the opinion in Gibbons against Ogden. He

The power of Congress, then, comprehends navigation, within the limits of every state in the Union; so far as that navigation may be, in any manner, connected with "commerce with foreign nations, or among the several states, or with the Indian tribes."

Proponents of the administration proposals will correctly state that the port language of the Constitution was intended to deter the Federal Government from harming the ports through prohibitory legislation, whereas these bills merely remove an advantage which the United States has conferred on the ports of the States. I will not argue the letter of the law, but would like to point out that this advantage has been conferred on the developed ports of the east coast since 1824. when the Congress first began appropriating money for dredging and port improvements under the act of May 1824 (4 Stat. 32).

This 156 years of Federal largess resulted in such lasting improvements to navigation as the locks connecting the Great Lakes, the St. Lawrence Seaway, the Inland Waterway, and major ports up and down the east coast and in the Chesapeake Bay. These huge centers of commerce daily handle ships of tens of thousands of tons deadweight and drafts of up to 45 feet. Yet when the Corps began its dredging projects in the 18th and 19th centuries the average depth of ports on the east coast was about 18 feet.

So, Mr. President, I am arguing the spirit of the Constitution. In the West, and to a lesser extent on the gulf coast, development has been later than that in the East. But here we are during the 97th Congress, faced with the prospect of shutting the door on the progress of underdeveloped ports and waterways such as the Columbia/Snake system and places like Coos Bay, Oreg., and Eureka, Calif., in the name of theoretical purity.

Lest anyone think I am overstating my case a bit. I ask unanimous consent to print in the RECORD a letter I received recently from the Pacific Coast Congress of Harbormasters and Port Managers.

There being no objection, the letter was ordered to be printed in the RECORD. as follows:

PACIFIC COAST CONGRESS OF HAR-BORMASTERS AND PORT MANAGERS. INC.

Hon. MARK HATFIELD,

Washington, D.C.

DEAR SENATOR HATFIELD: This is in regard to Senate Bills 809 and 810 which would impose waterway user fees. We know that you are concerned about the effects these fees could have but we want to point out some specific problems that would be brought about at the shoal-draft coastal ports.

The original bills did not address the

shoal-draft coastal ports particularly, but we have just learned that the Administration has proposed a revision to S. 810 that contains a new section, apparently aimed pri-marily at shallow-draft fishing and recreational ports and harbors of refuge, which account for an estimated \$50 million per year in Corps of Engineers' O&M costs. This new section provides that, after October 1, 1981, the Corps will continue to provide construc-tion, rehabilitation and O&M at such facilities only if "an appropriate non-Federal public body shall agree with the Secretary (of the Army) to reimburse the Federal government for Federal expenditures by the for such work." The non-Federal entities, in turn, are authorized to collect fees from project users for the recovery of their obligations. Very little commercial traffic travels on the affected projects and, presumably, the user fees would be collected from commercial fishing and recreational interests.

If S. 810 were to become law with the foregoing section intact it would be an absolute disaster to the fishing industry. As you know, the fishing industry is in real trouble these days. The salmon fishermen are already working under severe quota limitations and now Indian lawsuits have been filed that would cut back the ocean quotas even further. The tuna and crab fisheries are sometimes things. The offshore trawl fishery is struggling to establish itself in the face of rising costs and competition from imported

While the fishing industry as a whole cannot stand any significant increase in costs from user fees, the segmented, port by port fees that are proposed would be unconscionable. If each port has to collect a toll, or fee, for the use of its channel the administrative costs of the ports will go way up, the highly mobile fishing vessels will move to ports with lower fees, putting an undue strain on their facilities and leaving other ports and private investors with underused facilities. This will result in bankruptcies and default on bonds, etc. as well as unemployment and greater demand for social services.

If there must be a waterway user fee for the shallow-draft coastal ports we feel that the only way that it can be done is on the basis of the following criteria. Any legislation should:

(1) Consider the national interest in the navigation system. Capital investments in the nation's waterway system are not local in their benefits. They are universal in promoting the prosperity of the nation. The federal cost recovery objectives should be discounted a minimum 30 percent as a national interest factor.

(2) Collect the remaining percentage on a uniform national basis so as to avoid unproductive administrative costs at each port and also avoid local economic dislocations. A surcharge on, or a re-allocation of, import duties on fish should be considered as a source of revenue. Any fee imposed on the direct users will result in an increase in the cost of domestically produced fish and make imports more competitive.

(3) If it is determined that a portion of the fees must be collected from the direct users they should be phased in gradually over several years so as to give public and private investors in waterway associated projects time to adjust, and

(4) Keep the present system of operations, maintenance and construction by the Corps of Engineers which is based on an equitable cost-benefit ratio.

We have been working closely with the Washington Public Ports Association and the Port of Portland on these matters. They will be contacting you with suggestions regarding the deep draft and inland waterways. At this time we simply want to alert you of the pre-carious position of the shallow-draft coastal ports and solicit your cooperation in seeing that they are treated fairly.

Your understanding and cooperation is very much appreciated.

Very truly yours,

ROBERT C. PETERSEN, President

Mr. HATFIELD. Mr. President, my concern for this issue goes deeper than how the administration proposal would affect Oregon. I am certain that any proposal which shifts the funding responsibilities for port and waterway development to the individual bodies would balkanize the Nation, economically. There is ample precedent for my fear in U.S. history. Indeed, one reason that the Continental Congress placed the responsibility for U.S. waterborne transporta-tion and U.S. commerce in the hands of the Federal Government was the experience our young Nation had with hostile, debilitating economic warfare which the various States' ports engaged in under the Articles of Confederation.

If we are able to remain true to the concept of federalism, then the first principle we must-accept is that the United States is a single economic entity. If we succeed, we do so as a nation and if we fail, we do so as one people. No nation which has radical economic disparity among regions can survive indefinitely as a single nation. Resentment builds, and people chaff at real or imagined favoritism which is displayed by the Central Government.

I am not suggesting that we are now or will ever come to this point in our history. But, by carrying this argument to its logical, albeit absurd, limits, I would like to highlight the strains that the administration's proposal put on the system. These strains are real, and can be enumerated. Recently, a number of members of the Oregon and Washington congressional delegations wrote to the President, and did explain what some of those strains are, from the perspective of the Pacific Northwest region. I ask unanimous consent that a copy of that letter be printed in the RECORD at this

There being no objection, the letter was ordered to be printed in the RECORD. as follows:

HOUSE OF REPRESENTATIVES. Washington, D.C., June 18, 1981. Hon. RONALD REAGAN,

President of the United States, The White House, Washington, D.C.

DEAR PRESIDENT REAGAN: As Members of the Pacific Northwest Congressional delegation, we are writing to urge you and your Administration to reconsider proposals for

full cost recovery waterway user taxes.

We recognize the objective you have of raising additional revenues in a time of refiscal responsibility. But we submit legislation affecting major transportation systems also must take into account a broader range of objectives, including im-proving the overall transportation system and our position in world markets.

While these increased taxes will raise additional revenues, they will do so at a significant cost:

Development of mature, energy-efficient waterway systems will be retarded;

Cargo movements will be diverted to foreign ports, hurting regional economies that rely on water-borne commerce;

Inflation will be fueled as the price of domestic goods and imports transported by waterway will be pushed higher; and

Exports, especially bulk commodities such as grain and coal, will be reduced because higher transportation costs make them less competitive in world markets, thus adversely affecting U.S. balance of payments.

In light of these impacts, we urge you to defer your proposals until a thorough analysis of the full repercussions for increasing waterway user taxes has been completed. Congress, in enacting user fees for the inland waterways in 1978 with the passage of P.L. 95-502, was unsure of the effects such taxes would have on the nation's transportation system and therefore mandated a com-prehensive study of their impact. The Departments of Commerce and Transportation and other agencies are in the final stages of three years of work on this study which is scheduled to be delivered to Congress by September 30. We hope you will delay any consideration of your proposals until the study has been submitted, reviewed and

commented upon by affected parties.

The Members of the Pacific Northwest
Congressional delegation feel strongly that the waterway user tax issue must be seen in a broader perspective than simply balancing the budget or philosophically requiring

full cost recovery from users.

Increasing waterway user taxes also must be seen as having a definite and adverse be seen as having a definite and adverse impact on the development of an important mode of transportation, on regional econ-omies, on the national economy, on export expansions, national defense, and, ultimately, on relations with our major international trading partners.

Moreover, federal assistance is afforded to major transportation systems in the United States-and should be because it enbances the productive capacity of the na-tion. Water transportation, which through inherent efficiencies, serves as a counterbalance to hold down rates in other transportation modes. It should not be singled out for a policy of full cost recovery until national transportation objectives have been

Coming from the Pacific Northwest, our concern is chiefly with the Columbia/Snake River System, one of the nation's emerging waterway systems which in a very real sense is becoming the "Northwest Passage" we have sought for decades.

established.

There are 19 port districts on the naviga-ble shallow-draft portion of the Columbia/ Snake System. The largest is the Port of Portland, the West Coast's largest export port in terms of tonnage. The reason is because it is one of the finest transportation hubs, served by major Interstate highways, three railroads and the Columbia/Snake waterway system.

Northwest ports are representative of the divergent navigation needs of ports throughout the country. These ports include small and large ports; river and coastal ports; deep-draft and shallow-draft ports; ports which accommodate foreign exports and imports, as well as coast-wide and inland domestic trade, including breakbulk, con-tainers, wheat, automobiles, bulks, agricultural products and forest products.

The Port of Portland projects the com-bined effect of shallow-draft and deep-draft charges would reach as high as \$23,750 for a 50,000-ton ship loaded with grain for export. Adding new construction costs of enlarging the Bonneville Lock and deepening the mouth of the Columbia would bring the total fees for that same grain ship up to \$63.750.

Under S 809/HR 2959 and S 810/HR 2962, the Columbia/Snake system is subject to fees for both shallow and deep draft. The Port of Portland estimates a loss of 4 to 5 million tons of oceangoing cargo from Columbia/ Snake River ports if these proposals are enacted. That loss would include containers, wood products, automobiles, dry bulks and grain. Products bound for export could easily be diverted by land transportation modes to Canadian ports which are free of taxes or

The dropoff in cargoes would mean a \$750 million loss to the Pacific Northwest economy, and potentially 15,000 fewer jobs. For a region already reeling with double-digit unemployment because of what high interest rates have done to the housing and timber industries, this additional blow would

Possibilities for future investment also would be diminished. The Port of Portland alone is planning to invest an additional sign million to expand facilities. Five port districts on the upper Columbia are working toward navigation capabilities to improve their local economies. The Pacific Northwest,

which is capital short because of restricted markets for goods and desperately needs to diversify, will be denied its best option for

long-term growth. Excessive waterway user fees will have a negative impact on the national economy and will result in inflation, reduced balance of payments and severe economic disloca-

Waterway transportation is in competition with truck and rail transportation and serves to hold down costs. If waterway rates are raised to cover user taxes, rail and truck rates can be expected to increase as well.

Beyond that, exporters will be forced to absorb waterway user costs if they are to remain competitive in world markets. Since 43 per cent of American exports are farm products, the burden will fall on the already beleaguered U.S. farmer.

Other low-value, high-tonnage bulk com-modities also will feel the pinch—including coal, sand and gravel, fuels and fertilizers.

The American consumer won't escape, either. About 85 per cent of the cargo moving in U.S. waterway systems is bulk raw materials or energy products used in the manufacture of consumer products.

Economic dislocations will occur because as cargo movements are diverted or discouraged, considerable public investment in existing waterway and port facilities will be used less and have less value in generating eco-

nomic activity and jobs.

Mr. President, few issues are simple. We appreciate your efforts to find a more equitable way to finance the operation, maintenance and construction of waterway facilities. All we ask is that you not move ahead on these proposals until your Administration has examined the broad ramifications of increased waterway user taxes. Together let us seek our shared goal of revitalizing Amer-

ica's economy.

With warm regards, Sincerely,

MARK HATFIELD, U.S. Senator.

RON WYDEN. LARRY CRAIG. JIM WEAVER, MIKE LOWRY, LES AUCOIN. DON BONKER. TOM FOLEY, Members of Congress.

Mr. HATFIELD. Mr. President, as the chairman of the Senate Appropriations Committee, I am acutely aware of the dismal state of the Nation's finances. We face an accumulated debt of nearly a trillion dollars, and nondiscretionary appropriations increases which are helping to keep our budget in deficit year after year. We are trying to find ways to reduce discretionary Federal spending, and this was a major force behind S. 809 and S. 810.

As a member of the Republican majority, I am willing to accept the administration concept that every user of services should pay for the cost of those services, where the costs are easily identifiable. So, I do not intend to keep the burden of building and maintaining the Nation's ports and waterways on the Treasury. Heretofore, all maintenance dredging and new construction has come from the general fund. Administration has identified the ports and barge operators, and others who operate on the waterways as the users of the waterways. I would like to carry this concept a bit further, and say that the ultimate user of the waterways and ports is the com-

merce which is moved through the system, and not those who provide the services along its route. In this bill, a tonnage charge would be imposed on all commerce which moves into or out of the United States.

I would prefer to make the connections among the weight of the cargo, the resultant draft of the cargo carrier, and the extent to which it uses the improvements on the natural environment very clear, by imposing a flat tonnage fee on all commerce. However, such a flat fee would be approximately 34 cents per ton, and I have been convinced that some low cost but essential cargoes could not absorb such a fee and remain competitive, so the bill provides that the Secretary of the Treasury prepare a sliding scale of charges based on value and weight. This rate schedule would be revised every 3 years, in order to keep pace with the changing economy.

At this point, I ask unanimous consent that a table demonstrating how I reached the 34-cent figure, based on estimates of incoming and outgoing U.S. commerce, and cost estimates of necessary navigation maintenance and improvements over the next 10 years be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

10-yr plan

10-yr plan

 $A+C+D+E=\times \times =5.2$ F = 15

10-yr average user fee per ton uniformly applied equals 34 cents.

Mr. HATFIELD. Mr. President, the revenues from these tonnage charges would be combined with current waterway user charges and held in a waterways trust fund for use on a national scale. From this fund, the Corps of Engineers would be able to take operations and maintenance money without going through the authorization and appropriations process. Any new construction would also come from the trust fund, but would be subject to the authorization and appropriations processes.

Like others, I consider the deepwater ports, that is over 45 feet, to be a special case. These ports, nominally 55 feet, are a relatively special purpose installation. Useful for a few heavy, bulky commodities such as oil and coal, these ports represent a step into a new generation of equipment and demands. They will be expensive. Therefore, this bill meets the administration literally halfway, with a 50-50 funding proposal. Half the costs of

construction would come from the fund, and the port would be required to come up with the other half.

Federal control is maintained over the ports which want to use Federal funding. but if a port decides to go it alone, it need only comply with the permit process before going to construction. A Federal authorization for a navigation project is unnecessary. Also, the bill provides for some liberalization in the methods the port uses to acquire its funds for construction.

Mr. President, this bill has been put together with the consultation of most of those involved. While it does not represent a consensus, it does indicate the concern that all who are knowledgeable in the field have regarding the administration concept and the direction they would like to see this issue take in the future. It is too late to turn back the clock to precolonial times and expect the system to work. I hope this bill represents a compromise between the President's philosophy and the reality of the situation.

At this point I would like to introduce S. 1586, the Waterways Transportation Development Act of 1981, and ask unanimous consent that it be printed in the

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Waterways Transportation Development and Improvement Act of 1981"

TITLE I—FINDINGS, DECLARATION OF PURPOSES AND DEFINITIONS

FINDINGS

SEC. 101. The Congress finds and declares that:

(a) It is in the national interest to maintain and develop a viable marine transpor-tation system within the United States, in-cluding a network of commercial deep-draft seaports, inland shallow-draft ports and a multipurpose domestic waterway system adequate to accommodate the needs of the foreign and domestic commerce, promote economic stability and provide for the national security of the United States

(b) Development and maintenance of the national system of transportation necessary to promote and accommodate foreign and domestic waterborne commerce has been accomplished through a productive partner-ship of the Federal Government, State and local public ports and municipalities, in which the Federal Government has developed and maintained the navigability of ports and waterways and facilitated maritime commerce, while inland river ports and deep-draft seaports have provided the necessary landside port facilities and other navigational improvements necessary to accommodate foreign and domestic waterborne commerce.

(c) Each of the deep-draft ports, inland river ports and waterways regions has its own concerns, problems and opportunities, which affect the flow of international and

interstate commerce.

(d) Ports and waterways in the United States are significant generators of national and regional revenue, providing economic stability and growth. Domestic and foreign shippers, producers, consumers and receivers of international commerce have been wellserved by the nation's competitive seaport system

(e) There has been a serious delay in the authorization of new deep-draft and inland shallow-draft navigation channel projects by the Congress, and that there is a backlog of economically justified navigation projects which, if implemnted, would enhance the overall efficiency of the nation's transportation system.

DECLARATION OF PURPOSES

SEC. 102. It is the purpose of this Act to:

(a) Provide a national policy that recognizes the significant role and importance of waterborne commerce to the economic wellbeing of the United States.

(b) Establish a procedure to facilitate the orderly authorization of necessary maintenance, operation and construction projects for deep-draft and inland shallow-draft navi-

gational improvements.

- (c) Provide the means to finance the maintenance, operation and construction of navi-gation projects to promote the efficient movement of domestic and foreign waterborne commerce.
- (d) Provide for the recovery of certain costs and expenditures of the U.S. Army Corps of Engineers for the operation, maintenance and construction of deep-draft and inland shallow-draft navigation projects.
- (e) Provide the authorization necessary for local and state port authorities to raise revenues as appropriate and necessary to invest in new construction for waterways development projects.

DEFINITIONS

SEC. 103. As used in this Act, the term (a) "Commercial navigation" shall refer those waterways and those navigational improvements that are used by common contract or other carriers for hire and owners or operators of private cargo vessels.

(b) "Inland shallow-draft" refers to any

improved waterway operated and maintained by the United States, the improvement to which are primarily for the use of commercial navigation, other than ocean-going ves-sels, and does not include the Great Lakes, their interconnecting channels and the Saint Lawrence Seaway.

(c) "Deep-draft channels of ocean or Great Lakes ports of the United States" shall mean waterway channels or ocean or Great Lakes ports of the United States of a fedauthorized depth of more than fourteen feet other than those administered by the Saint Lawrence Seaway Development

Corporation.

Corporation.

(d) "Port use charge" refers to the charge that is assessed and collected by the Customs Service, as a charge upon international cargo at the time of entry into or exit from the United States. The customs surcharge may be assessed against the tonnage of the cargo. cargo.

- (e) "New construction" refers to projects requiring congressional authorization. purpose of determining the nonfederal public body's share of the cost of new con struction, the cost of new construction shall include those components of the project that are the responsibility of the local as-surer (i.e., spoils disposal sites, berth-to-channel dredging, rights of way, etc.)
- (f) "Directly allocated and attributable to commercial navigation" shall refer to the cost allocation of a project assigned to commercial navigation for cost recovery purposes. (1) For projects authorized only for navigation, 90 percent of all costs less any specifically assigned costs for other purposes specincary assigned costs for other purposes are to be assigned to commercial waterway transportation; (2) For multiple-purpose projects for which costs have been assigned to navigation, costs assigned to commercial waterway transportation will be in accord with that assignment; (3) For all other multiple-purpose projects providing navigation benefits but for which there have been no

cost assignments, costs assigned to commercial waterway transportation will consist of all specific navigation costs, plus 10 percent of joint costs. Expenditures on channel improvements for the Mississippi River and Tributaries Project will be considered maintenance.

TITLE II-COST RECOVERY OPERATION AND MAINTENANCE

SEC. 201. (a) In order to recover all costs associated with operation and maintenance expenditures of the U.S. Army Corps of Engineers directly allocated and attributable to commercial navigation, for all deep-draft and inland shallow-draft projects authorized by Congress, there shall be imposed on all international commerce commodity specific tonnage charges of such values as are determined by the Secretary of the Treasury imposed upon the commerce at the time of entry into or exit from the United States.

(b) As soon as possible after the date of enactment of this Act, the Secretary of the Treasury shall promulgate a rate system sufficient to cover the costs enumerated in Sec. 201. (a). Every three years thereafter, the relative values of the tonnage charges and the structure of the system of charges shall be reviewed and revised if necessary

The charge collected under this section shall be collected by the Customs Service, at the same time and in a manner consistent with customs collections authorized

by law.

(d) The charge collected under the provisions of this section shall be deposited in the Inland Waterways Trust Fund established by Section 203 of the "Inland Waterways Revenue Act of 1978" (Public Law 95-502). The revenues collected under the provisions of the "Inland Waterways Revenue Act of 1978" shall continue to be deposited in the Inland Waterways Trust Fund as provided by law.

(e) Effective upon passage of this Act and hereafter, the "Inland Waterways Trust Fund" established by Section 203 of the "In-land Waterways Revenue Act of 1978" shall be known as the "Waterways Trust Fund."

- (f) The Secretary of the Army (hereinafter referred to as Secretary), acting through the Chief of Engineers, may utilize funds deposited in the Waterways Trust Fund, for all operation and maintenance costs incurred for deep-draft and inland shallow-draft waterways of the United States and no further authorization for these purposes is necessary in order to expand these funds.
- (g) The Secretary, acting through the Chief of Engineers, shall also utilize funds deposited in the Inland Waterways Trust Fund for the Federal share of new construction subject to the congressional authorization and appropriations process.

NEW CONSTRUCTION

SEC. 202. (a) The Secretary, acting through the Chief of Engineers, shall biennially recommend to the Congress that new construction projects be authorized for deep-draft and inland shallow-draft waterways, upon completion of the necessary engineering and environmental studies and cost estimates. Projects with a depth greater than 13.5 meters shall be authorized only after agreement from a nonfederal public body to pay and reimburse the Federal Government 50 percent of the project construction costs and expenditures that are directly allocated and attributable to commercial navigation. Prior to the initiation of construction, such nonfederal public body shall provide to the Secretary evidence that it has established mechanism that will assure payment. Public works owned by the United States for purposes of this Act and connected with ports and waterways shall not be considered new construction with a depth greater than 13.5 meters. Such projects shall not be subject to the 50 percent nonfederal share requirement, nor shall they require a local sponsor.

SEC. 203. Agreements with nonfederal public bodies to carry out obligations required by this Act may relate the timing and extent of such obligations to projects or to separable units, features, or segments of such projects as the Chief of Engineers determines to be reasonable and otherwise within the requirements of this Act and the authorizations for the improvements concerned. Such agreements may reflect that they do not obligate future State legislative appropriations for their performance or payment when obligating future appropriations or other funds would be inconsistent with State constitutional limitations.

SEC. 204. The Secretary, acting through the Chief of Engineers, shall determine project construction costs and expenditures that are directly allocated and attributable to commercial navigation after consultations with the local sponsor nonfederal public body and after conducting public hearings and permitting not less than forty-five days for public

SEC. 205. (a) The requirement in this Act for nonfederal reimbursement to the Federal Government for new construction expenditures by the Corps for improvements for deepdraft channels or ocean or Great Lakes ports or inland shallow-draft waterways applies to any construction, rehabilitation, or alteration project for which initial construction funds are provided to the Corps on or after the beginning of the first fiscal year after the date of enactment of this bill.

(b) The entire amount of the new construction expenditures to be reimbursed pursuant to the requirements of this Act, includ-ing interest once construction is completed and the project becomes available for use, shall be reimbursed within the life of the project but in no event to exceed fifty years after the date the project becomes available for use, as determined by the Chief of Engineers. The interest rate used for purposes of computing interest shall be the discount

TITLE III-LOCAL COST SHARING

SEC. 301. (1) Any nonfederal public body that signs an agreement under the terms of Section 202 of this Act is authorized to recover all or a portion of the public body's share of the cost of the work to be performed through its existing funding sources authorized by its own enabling authorization, and all or part through the collection of fees from commercial vessels utilizing such projects. SEC. 302. (1) The consent of the Congress

is hereby given to any port authority in the United States to impose and collect a seaport user fee in the form of a duty of tonnage or ad valorem dute for the purposes and in the manner provided in this section. Such seaport user fee may be imposed only upon vessels or cargo engaged in foreign commerce which utilizes the facilities or services of such port.

- (2) For the purposes of this Act, to utilize the facilities or services of such port means
- (a) cross the duly established harbor line of the port;
- (b) otherwise employ or benefit from serv-
- ices available in or provided by the port;
 (c) in the case of river ports or harbors located adjacent to a navigable waterway, the Secretary shall determine whether a port or ports shall have the authority to impose and collect a seaport user fee.
- (3) The user fee will be imposed upon all such vessels in a nondiscriminatory fashion regardless of the type of vessel, public or private berth destination, the type of international cargo handles, the type of berthing, bunkering, or lightering operation contemplated, or the type of facilities of services to be used
- (4) All revenues generated by such a user fee will be placed in a separate, interest-

bearing escrow account for the benefit of the port and obligated or expended only in accordance with the provisions of this Act.

(5) The Secretary, in consultation with the Secretaries of State, Commerce, Transportation, Treasury, Energy, and Agriculture, the Attorney General of the United States, and the Director of the Office of Management and Budget, may promulgate, and may from time to time revise, regulations and guidelines to govern the programs of non-federal fee collection that may be under-taken pursuant to the authority of this section.

SEC. 303. Whenever a nonfederal public body agrees in writing with the Secretary to pay for its share of the cost of a new construction and the project is subsequently authorized, the Secretary shall direct such study and estimates and reviews as are necessary, and will seek completion of such reports, and commencement of construction within three years of their initiation.

SEC. 305. Payments by a nonfederal public body under the terms of this title shall be made to the Secretary, who shall deposit such payments in the general fund of the Treasury.

SEC. 306. Once a new construction project is completed and becomes available for use, its annual operation and maintenance costs shall be recovered and paid for under the provisions of Section 201 of this Act.

TITLE IV-PROJECT AUTHORIZATIONS

Sec. 401. Nonfederal public bodies are authorized to develop new construction projects independently, without congressional authorization, if they agree to pay 100 percent of the costs of the new construction. Such projects must, however, meet all required statutory and regulatory provisions applicable to projects funded under the provisions of this Act.

TITLE V-REPORTS TO CONGRESS

SEC. 501. The Secretary shall prepare a report to be submitted annually to Congress, on or before March 1, listing all pending studies of navigation projects and all constructon projects in progress.

SEC. 502. The Secretary shall review and study the authorization process for navigation projects to identify and recommend procedures to improve response time and reviews necessary by the various federal agencies in all federally required permits for such projects. This study shall be submitted to Congress on or before September 30, 1981. and shall be prepared in consultation with the Secretaries of Commerce, Interior and Transportation.

Sec. 503. The Secretary shall report to Congress on or before September 30, 1982, and annually before the start of each fiscal year thereafter, on the actual and anticipated receipts of the United States pursuant to Section 201 of this Act and on the actual and anticipated operation and maintenance expenditures of the U.S. Army Corps of Engineers directly allocated and attributable to commercial navigation.

By Mr. THURMOND:

S. 1590. A bill to amend title 10, United States Code, to provide for legal assistance to members of the Armed Forces and their dependents, and for other purposes; to the Committee on Armed Services.

LEGAL ASSISTANCE TO MEMBERS OF THE ARMED FORCES

Mr. THURMOND. Mr. President, I am pleased to introduce legislation today which would provide a statutory basis for legal assistance for members of the Armed Forces and their dependents.

Mr. President, it is presently the policy of the Armed Forces to provide such assistance. To the extent that resources are available, this policy is provided for in the regulatory provisions of the respective services.

However, this authority needs to be strengthened by establishing it on a statutory basis. While even this step would not provide an unqualified entitlement to legal services, it would indicate the support of the Congress for this program in periods when various military benefits are being curtailed or eliminated.

Mr. President, at the center of this effort is the encouragement of the preventive legal services which can often result in an overall reduction in the need military-supplied legal support. Whereas preventive legal service may be provided by one attorney, if the service-person is court-martialed, then a minimum of four attorneys are required. The success of these programs is attested by the fact they have been in existence for over 35 years.

Mr. President, in conclusion, I wish to state this legislation has enjoyed the past support of the Defense Department. and the budget impact has been determined to be zero, both by DOD and the Congressional Budget Office

It is also widely supported by numerous military organizations, as well as the American Bar and the Federal Bar Associations.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the intent of the Congress that Armed Forces personnel have legal assistance made available to them in connection with their personal legal affairs.

SEC. 2. (a) Chapter 53 of title 10, United States Code, is amended by adding at the end of such chapter the following new sec-

"§ 1041. Legal Assistance

"(a) Under such regulations as may be prescribed by the Secretary concerned, members of the armed forces on active duty shall be provided legal assistance in connection with their personal affairs and, subject to the availability of resources, legal assistance may be provided to dependents of active duty members and to members entitled to retired or retainer pay, or equivalent pay, and their dependents."

"(b) The Judge Advocates General, as defined in section 801(1) of this title, are responsible for the establishment and supervision of legal assistance programs under such regulations as may be prescribed by the Secretary concerned.

"(c) Nothing contained in this section shall be construed as authority for the rep-resentation in court of Armed Forces personnel or their dependents who can otherwise afford legal fees for such representation without undue hardship."

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item: "1041. Legal assistance.".

By Mr. HOLLINGS:

S. 1591. A bill to eliminate certain provisions of the Federal Food, Drug, and Cosmetic Act relating to colored oleomargarine; to the Committee on Labor and Human Resources.

LABELING AND NOTIFICATION OF MARGARINE

• Mr. HOLLINGS. Mr. President, today, I am introducing a bill to simplify the Food, Drug and Cosmetic Act by improving its requirements for the labeling and notification of margarine. My bill brings section 407 of the Food, Drug and Cosmetic Act into line with the regulatory policies developed by the Food and Drug Administration (FDA) in recent years, and makes enforcement and compliance with the notification requirement easier.

This legislation is not going to promote margarine, to mandate the use of margarine, or to cause any decrease in con-sumer protection. Instead, it will enhance consumer protection by modernizing the overly complicated and special requirements for margarine in section 407 of the act.

This bill amends section 407 in three respects. First, in recent years FDA has sought to remove the requirements for labeling the product name on the inner wrapper and make FDA's regular requirements for inner unit labeling also applicable to margarine. The FDA has permitted omission of the ingredients provided a disclaimer statement appears on the inner wrapper and on the outer carton. This legislation would repeal that requirement and leave it up to the FDA to regulate the labeling of margarine inner wrappers. The FDA will continue to have the authority to determine what, if anything, is necessary for consumer information and protection on margarine inner unit wrappers or on the subunits of any packaged food.

Second, the legislation would remove the requirement that the product name on the outer package be in type as large as any other on the package. Through its regulatory process, FDA can determine what should be labeled and how. All other foods are covered by the requirements in section 403 that packaged foods label the product name conspicuously and accurately. Thus, this legislation brings margarine in this respect into line with other foods.

Third, present law requires that an eating place do two things to notify patrons when it is serving margarine. It must post a sign on the wall or make a statement in the menu, and it must identify each serving by appropriate labeling or by a triangular shape. FDA has given a low priority to enforcement of this provision and FDA takes the position that menus, labeling, or other restaurant customer notification regarding margarine use can more effectively be enforced by State and local inspection agencies. Food service establishment inspections are conducted by these levels of government now, thus their handling of this responsibility is much more cost effective. Therefore, this legislation will remove the notification process to be followed in restaurants possessing colored margarine and leave enforcement up to State and local inspection agencies.

Mr. President, the status of margarine is vastly different now from what it was when section 407 of the Food, Drug, and Cosmetic Act was enacted some 31 years ago. Margarine has become the leading table spread, used by most American families. This legislation will provide better consumer protection by making the law easier to comply with and it will simplify in one respect the burden of regulation on our expanding and important eating-out industry.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

8. 1591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 407(b) of the Federal Food, Drug, and Cosmetic Act is amended—

(1) by inserting "and" after the comma at

- the end of clause (2);
 (2) by striking out "(A) the world 'oleomargarine' or 'margarine' in type or lettering at least as large as any other type or lettering on such label, and (B)" in clause
- (3) by striking out the comma and "and" at the end of clause (3); and

(4) by striking out clause (4)

- (b) Subsections (c) and (d) of section 407 of such Act are repealed.
- (c) Subsection (e) of section 407 of such Act is redesignated as subsection (c).

By Mr. SYMMS:

S. 1592. A bill to provide protection from requirements and prohibitions imposed upon citizens of the United States by foreign nations concerning the disclosure of confidential business information, and for other purposes; to the Committee on the Judiciary.

PROTECTION OF CONFIDENTIAL BUSINESS INFORMATION ACT OF 1981

. Mr. SYMMS. Mr. President, I have today introduced the Protection of Confidential Business Information Act of 1981. The purpose of the bill is to reassert the right of the United States to regulate American business.

Over the past several years, some of our major trading partners have objected to assertions of jurisdiction by the United States over anticompetitive acts abroad which have direct effect in this country. In recent months, the United Kingdom and France have enacted legislation which exceeds this bill in forbidding companies subject to the laws of those countries to comply with orders of American courts. The specific purpose of that legislation is to frustrate the administration of American laws and policies.

Mr. President, while many Members of the Senate may disagree with this or that aspect of U.S. antitrust enforcement, I doubt that any of us would disagree with the proposition that a conspiracy in the United Kingdom or in France to restrain trade in the United States must be subject to our laws. The direct effects test applied by our courts is reasonable, and is fully consistent with international law and comity.

But my purpose here is not to defend the application and enforcment of U.S. antitrust laws. It is rather to protest another trend which is becoming dangerously prevalent among our trading partners. That is the tendency to enact openly extraterritorial legislation which

is aimed at piercing the corporate veil of American business operating abroad.

Mr. President, no objectively verifiable evidence supports the claim that U.S. multinational enterprises are not, by and large, responsible participants in the countries in which they do business. When an American business incorporates a subsidiary overseas, that company is without question subject to the laws, regulations, and policies of the nation in which it operates. But the U.S. parent does not-nor should it-thereby subject itself to the foreign legal system.

Many American companies do business in the European Communities. Those companies make an important contribution both to the balance of payments of the United States and to the economic health of Europe. They provide jobs, generate capital, and increase output on both sides of the Atlantic.

Those companies benefit the economy of this country in numerous ways. They create and develop markets for American goods. They sponsor important technological innovation. And they further the integration of U.S. trading interests into the increasingly complex and interdependent system of international com-

Now, however, EC institutions are considering legislation which would regulate not the European subsidiaries of U.S. businesses, but would penalize the parent companies themselves. The EC is proposing to require that extensive confidential business information be disclosed publicly and prematurely by the parent in exchange for the subsidiary's right to continue to do business in the Communities.

There are four proposals currently under active consideration in the EC that would have direct and severe effects on U.S. business: The fifth, seventh, and ninth directives on company law, and the so-called Vredeling proposal. These initiatives have a single common denominator: Each one claims for European institutions the absolute right directly to regulate and to interfere with the behavior of foreign companies.

Mr. President, let me give the Senate just two examples of the extraterritorial reach contained in these legislative proposals. The draft ninth directive on company law would require that a parent corporation's business decision be taken in the best interests of its subsidiaries in Europe, regardless of the overall interests of the enterprise as a whole. If a decision is deemed harmful to a European subsidiary, irrespective of its benefit to the corporate parent, each and every member of the parent's board would be jointly and severally liablewith unlimited liability—to creditors and minority shareholders for any injury they might suffer.

The avowed purpose of this startling initiative is to force groups of companies away from the traditional forms of organization and into the so-called control contract. This is a notion known only to German law. There is no evidence to suggest that it is better in any measurable respect than forms of group organization practiced here or in any

other country. And yet the communities' institutions want to force American companies to adopt this structure as part of the cost of doing business in Europe.

Of course this is inconsistent with every fundamental principle of corporate law and of commonsense. But it is more than this: It is also inconsistent with the basic rules of international law, economics, and comity. A company director in New York cannot be held personally liable under the laws of Italy or Denmark for a business decision taken in the United States which is law-

ful and proper here.

Here is another example. Under the so-called Vredeling proposal, an American company contemplating a decision which might affect the interests of workers in Europe would be required to negotiate in advance with European trade unions before taking the step. Imagine a company based in the United States but with a factory in France. Under the proposal, the decision to develop a new product in Bayonne, N.J., instead of Bayonne, France, would require prior negotiation with French trade unions, since it affects their interests. This is a suggestion so radical and unnecessary that it can scarcely avoid leading to acrimony and to the deterioration of friendly trade and investment relations.

In its January 12, 1981, issue, Business Week summed up the meaning of the Vredeling proposal. It described the proposal's purpose as "to strengthen the hand of Europe's trade unions, already strident, aggressive participants in the affairs of companies based in the EC."

The magazine correctly warned that-

The magazine correctly warned that unions and the political leaders who back them should face the fact that investment does not flow freely into a country when it cannot flow freely out."

Mr. President, the European institutions are trying to compel U.S. companies to make public and ultimately to subject to European control their every moveworse, their every contemplated move. If American business is to be regulated in this way, it is this Congress which should say so. So extraordinary a change in the ways in which our companies operate worldwide should not be made at the order of foreign governments.

It is ironic, Mr. President, that the legal system which is proposing to legislate "transparency" for U.S. companies is itself one of the most opaque in the free world. American businessmen are continuously thwarted in their efforts to learn the status of these legislative proposals. Drafts and working papers are shrouded in secrecy. Critical decisions are being made without any public debate and without benefit of the views of those who will be most deeply affected.

The bill that I have introduced today would provide a shield for American enterprise against intrusive foreign regulation. It would tell U.S. businesses that they need not make disclosures abroad that are not required by our laws at

Mr. President, allowing foreign governments to regulate U.S. business directly is a dangerous inroad into our national sovereignty. At the same time, my bill in no way derogates from the sovereignty of foreign nations. It does not affect their right or their ability to legislate for businesses-including United States-owned businesses-oper-

ating within their borders.

My bill allows the Attorney General to order that confidential information demanded to be disclosed by foreign governments not be disclosed. It allows the Attorney General to require that demands for disclosure of confidential information be reported to him, so that he can assess the claimed public need for the information.

Mr. President, my bill is not an invitation to trench warfare across the battleground of international investment policy, whose casualties would be the working men and women of Europe and of the United States. Rather, it should be understood as an invitation to our trading partners to make peace, to abjure the extraterritorial reach of their legislation, and to work together with our Government toward the creation of a reasonable, responsible investment policy in an atmosphere of international trust and respect.

> By Mr. GORTON (for himself, Mr. Stevens, Mr. Kasten, and Mr. INOUVE):

S. 1593. A bill to revise regulation of international liner shipping operating in the U.S. foreign commerce; to the Committee on Commerce, Science, and Transportation.

SHIPPING ACT OF 1981

Mr. GORTON. Mr. President, the bill I am introducing will revise the Shipping Act of 1916 to clarify the purposes of United States regulation of international liner shipping in the U.S. foreign trade. This bill simplifies the process by which liner conference activities are sanctioned in the U.S. foreign trade and attempts to strengthen the conference system as a method of insuring stability in that

Similar legislation was introduced last Congress in both the Senate and the House but was not enacted. I believe it is essential that we now proceed to enact legislation to revise the regulatory policies in the Shipping Act of 1916. It cannot be underestimated that this will be a necessary part of any new approach to revitalizing the maritime industry, as Secretary Lewis has noted in the letter I am submitting for the RECORD.

Perhaps not enough people are aware that the merchant marine of the United States faces serious problems and is now at one of its historic low points in the percentage of the cargoes that it carries. Past Government solutions have not been notably successful in arresting this downward trend. It is no longer sufficient to pass slogans about the importance of the merchant marine for national security to trigger a commitment of unlimited dollars. We must do better with changes and promotional activities that do not directly create expenditures from the Federal Government. In this vein, the administration is now undertaking a

comprehensive review of maritime

Nevertheless, it has seemed more and more apparent to me that maritime regulatory reform is needed now. The process of beginning to discuss regulatory changes should not await a thorough determination of maritime policy by the administration in promotional and other areas. Regulatory reforms can also go forward without concern for direct fiscal impact. The measures taken in this bill can bring immediate benefits to not only U.S.-flag carriers but also to foreignflag carriers serving the U.S. foreign trade. U.S. exporters and importers, who rely on efficient and regular services and stable rates, will also benefit.

Before describing the bill, I would like to emphasize that it is intended as a serious vehicle for discussion. Hearings before the Merchant Marine Subcommittee will be scheduled for the week of September 14 through 18. I intend to be receptive to all comments from U.S. and foreign maritime interests and from our importers and exporters. I understand that a bill is being introduced in the House of Representatives tomorrow that. though more modest in scope, is similarly aimed. I am hopeful that a cooperative climate will lead to consensus between the House and the Senate, producing the best maritime regulatory bill possible.

The Shipping Act of 1916 was originally designed to recognize the validity of the conference system and to insulate it from the antitrust laws of the United States. But that policy has, for all practical purposes, been stood on its head by a series of decisions of the Supreme Court of the United States in the course of the last 15 years. The Court has expanded the exposure of the liner shipping industry to charges of violating the antitrust laws. This has limited the flexibility of the conference system and. not at all incidentally, has simply outraged our international trading partners, who do not in any respect agree with either the extraterritorial application of our antitrust laws or with the theory of our antitrust laws as they relate to international commerce.

The motivation for any legislation to revise the Shipping Act must focus on the need to restore the intent of Congress in this area. I believe, however, that the Congress should, in undertaking this task, go much further and recodify the entire Shipping Act. We need a simplified, more efficient, responsive, and effective regulatory scheme for international liner shipping in our foreign trade. We need to reduce Government regulation where it represents a wasteful interference in commercial maritime transactions. We need to inject commercia? standards and market mechanisms into every facet of our liner shipping policy to the extent that they will work as well or better than direct regulation. And we need precisely to define this policy. Ir this manner, the revised law itself can outline in a clear, single voice this Nation's maritime regulatory policy.

This bill sets forth a declaration of policy to aid in its future interpretation. These policy objectives focus on facilitating U.S. foreign commerce by encouraging a competitive and efficient ocean transportation system through commercial means and with a minimum of government involvement. Many of the changes to be accomplished by this bill can be understood best by referring to this policy statement.

It is questionable that the FMC's activity to date has contributed significantly to an effective international transportation system. For this reason, and consistent with the President's goal to reduce unnecessary Federal regulation, this bill allows commercial standards and practices to govern in many areas where the FMC now has considerable discretion. Fundamental to the policies stated in the bill is the recognition that the conference system is an acceptable method of commercial operation in international shipping. It will be the policy of the United States to permit cooperation among carriers and the bill will permit them to rationalize their services. This policy would permit carriers to offer the highest quality of service to shippers and consignees at the lowest possible stable freight rates. At the same time the bill reaffirms the duty of the liner carrier to act as a common carrier responsive to the needs of exporters and importers in the waterborne commerce of the United States. It therefore reaffirms strong protection of shippers against discriminatory, prejudicial, unfair, or deceptive practices. The bill also seeks evenhanded regulation of U.S.- and foreign-flag carriers as well as evenhanded enforcement.

At the bill's core is a grant of complete antitrust immunity to conference activities. This is not only consistent with international shipping practice but would also remove a constant irritant between the United States and our foreign trading partners. It would restore the pre-Carnation case view that agreements for economic cooperation among carriers are considered to be subject exclusively to the Shipping Act, and not to other antitrust laws.

A full appreciation of this clarification requires an understanding of the chilling effect that antitrust laws have had on international liner shipping operations. Application of the antitrust laws has brought uncertainty to many operator decisions. Because they are subject to criminal penalties and treble damages. they are often afraid of their own shadows. They are reluctant to cooperate in ways which would be protected even by the limited antitrust exemption offered by the FMC for fear that the margins of that exemption are unclear and that the Justice Department might still attack them.

In short, they are afraid to act in exactly the manner that the Shipping Act contemplates they should be able to act. For these reasons, the advantages of a conference in assuring stability and efficiency have not been fully achieved. This bill would permit the kind of rationalizing efficiencies that conferences are designed to accomplish.

Clear antitruct immunity is also a ma-

jor step in revitalizing our maritime industry because it removes a significant handicap created by uneven enforcement. U.S.-flag carriers domiciled in this country are disadvantaged in meeting foreign-flag competition by strong domestic enforcement of antitrust laws which seldom can be effectively enforced against carriers domiciled overseas. Foreign carriers can make arrangements or concessions to improve their competitive position, often by providing shippers outside of the United States with benefits on routes other than those to or from the United States.

Antitrust laws inhibiting rationalization of sailings or the formation of joint services by U.S.-flag carriers affect their ability to meet the service frequency of foreign consortia of liner operators which can form such alliances. Potential pricing and cost benefits through the economics of rationalized or joint services are not readily available to U.S.-flag carriers. Antitrust immunity may go far in permitting U.S. carriers to compete on equal terms with their foreign competitors.

The bill thus overrules the Carnation and Sabre decisions and insures that violators of the Shipping Act will be subject only to civil penalties provided in the new Shipping Act itself. My bill thus strips away the most rigorous layer of regulation—the antitrust laws—and the most severe penalty—treble damages.

The bill also provides for several new applications of the antitrust immunity. Conferences will be granted antitrust immunity to enter into intermodal transportation arrangements with air, motor, and rail carriers for the transportation of cargo under intermodal throughrates. Increasingly, in an an era of advancing intermodal technology, liners have published their own intermodal tariffs for point-to-point rather than merely port-to-port services.

Similarly, conferences have filed agreements and tariffs setting intermodal through-rates. The FMC has exercised its jurisdiction over oceanborne foreign commerce to approve such intermodal arrangements. Yet the Department of Justice is currently challenging the Commission's statutory authority to extend antitrust immunity to these arrangements. Because conference authority to set intermodal through-rates has been in doubt, there has been an increasing diversion of cargo from and to the United States through Canadian ports by foreign-flag carriers.

This cargo has been attracted by lower through freight rates covering the combined inland and ocean movements. These rates have not been subject to the tariff filing requirements imposed on both U.S.-flag and foreign-flag carriers on shipments loaded and discharged at U.S. ports. U.S. shippers strongly favor these single factor point-to-point rates covering combined inland and ocean movements. U.S. carriers are most competitive in high technology services that facilitate intermodal transportation. My bill clearly grants conferences antitrust immunity to fix uniform rates and conditions for intermodal transportation.

I believe this is consistent with the underlying conclusion that conferences are the best means of achieving trade stability in our foreign commerce. To deny the conference system this flexibility would be to freeze them into the transportation methods of yesterday and to deprive an increasingly large share of our cargoes from stable transportation service through U.S. ports.

I also propose to offer antitrust immunity for the formation of shippers' councils. This will allow U.S. exporters and importers to form councils for mutual consultation with carrier conferences on services and general rates. The intent is to permit shippers to cooperate in assuring a more responsive attitude by carriers and conferences. I do intend to listen closely to conflicting views on whether this proposal is in the public interest. Many point to the European model as an effective vehicle for constructive cooperation. Others question its value. Many shippers oppose the organizations or are ambivalent. It is difficult to tell what these councils will look like or how they will act, so I hope to hear more specific content.

The general direction of my bill on conference organization will be that so long as it does not discriminate against or act detrimentally to our foreign commerce, conferences can structure themselves as their members choose. Thus, for example, I believe closed conferences should be permitted. I expect to hear debate on this issue, and, partly because of that, my inclination is that Government should not dictate a single solution.

The same attitude applies to whether or not the law should mandate that every conference permit its carriers to exercise independent rate action. This highly controversial issue is complicated and divisive. If conferences are the best means of achieving long-term trade stability, independent action may weaken the conference and serve purposes inconsistent with the bill. I also wonder whether such action could be used to discriminate among sh'ppers or to avoid loyalty contract restrictions and obligations. U.S.-flag carriers are strongly divided along east-west versus northsouth trade route lines.

I therefore question the wisdom of legislating a uniform requirement that does not satisfy the interests of all trades and conferences. This issue seems to me to be one for negotiation within a conference among its members.

The approval process I propose departs from last year's Senate and House proposals in the choice of substantive standards for approval but is consistent with the 1916 act. Last year's Senate declaration of policy is too flexible, directionless, and amorphous to give sound guidance or to insure predictable results. The House proposal also lacked clarity. It called for disapproval of those agreements that violate any provision of the bill. This is too open-ended, especially since most of the proscriptions in the bill address conduct, leaving this a mere requirement that the agreement be procedurally correct. I would recommend retention of the two original criteria

from section 15 before it was amended in 1961 to include the public interest test. That is, an agreement could be disapproved only if it is: First, unjustly discriminatory or unfair between carriers, shippers, exporters or ports or between exporters from the United States and their foreign competitors, or second, detrimental to the commerce of the United States. Without the vague public interest test, the Svenska standard would have no application, yet the criteria would be relatively clear. The process would be similar to that currently in operation but with time limits to insure that the Federal Maritime Commission consider all agreements expeditiously. The burden of proof would also clearly lie with the person opposing an agreement.

On most other issues, my bill follows last year's House bill because I believe it incorporated changes necessary to simplify the legislative language, to reduce Government participation in decisions which industry can fairly make, and by introducing requirements that make commercial sense. I will discuss some of these points briefly.

Tariff filing requirements are retained. Liner operators will still be prevented from charging less than the published rates in their tariffs, in order to insure they act as common carriers without discrimination among shippers. This fair competition mandate applies reciprocally both to carriers and to shippers and supports the theory of the conference system that a common tariff can neutralize, to a large extent, the prospect of predatory economic competition between serving a given trade and thus insure stable rates.

Loyalty contracts could include dual rates or a series of rate spreads providing lower rates in turn for shipper loyalty, limited to an aggregate 15 percent differential. This can be an important tool for achieving trade stability. The bill avoids the need to submit each loyalty contract for Commission approval.

Independent neutral-body policing would also be required since it can be an effective companion to FMC policing and thus would reduce the need to have a large force of Government personnel. Moreover, a neutral body is less likely to be stymied by foreign blocking statutes because it is created through commercial negotiation of carriers from the interested nations. I am open to the suggestion that independents also should be required to engage a neutral body and that there should be a common neutral body for all in a trade. I am not yet convinced that this is necessary, though, so my bill extends the requirement only to conference members.

With respect to regulations affecting freight forwarders, the bill eliminates licensing requirements, while retaining certain safeguards to see that freight forwarders are economically stable and will not act as conduits for illegal rebates.

The bill would include the controlled carrier provisions adopted by Congress in 1978, a clear list of prohibited activities, and a clearly defined set of guidelines and requirements for Commission proceedings leading to damage awards

or penalties. Further provisions authorize the Commission to identify certain types of agreement for exemption from the requirements of the act. This provision permits flexibility to reduce unnecessary burdens such as may now exist for ports or terminal operators.

Finally, a few comments on what my bill does not contain. It does not contain language calling for substantial carriage of cargo on U.S.-flag vessels. While I am sympathetic to this goal, it is patently inconsistent with the concept of regulatory policy in international commerce. It is worth noting again that the clear antitrust immunity in this bill will remove a handicap to U.S.-flag carriers and this should help revitalize the U.S.-flag fleet. The bill should not become a vehicle for affirmative promotion. Our trade relies on a fleet of vessels flying under many different flags. The bill also does include criteria for negotiating intergovernmental maritime agreements. These are not within the province of our regulatory policy or the FMC. A solution to this issue should await an administration position on bilaterals.

I am hopeful this bill, if enacted, will stimulate the liner shipping industry as well as our import-export trade. I believe it will harmonize our laws with those of our trading partners within the framework of our broader commercial policies. I also believe it would be a significant step in our broader effort to redefine our

Nation's maritime policy.

Mr. President, I ask unanimous consent that the text of my bill, and the letter I referred to from Secretary of Transportation Drew Lewis, be printed in the RECORD.

There being no objection, the bill and the letter from Secretary of Transportation Drew Lewis, be printed in the RECORD, as follows:

S. 1593

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Shipping Act of 1981.

SEC. 2. DECLARATION OF POLICY.

The objectives of United States regulation of international liner shipping are:

(1) to develop and maintain an efficient ocean transportation system through commercial means, with a minimum government involvement, in order to serve the needs of United States foreign commerce;

(2) to foster reliable and responsible service by ocean common carriers and confer-

- (3) to assure ocean transportation rates and practices for United States exporters and importers that are internationally competitive, and which are not unjustly discriminatory;
 (4) to harmonize United States shipping
- practices with those of its major trading partners:

(5) to permit cooperation among carriers and rationalization of services; and

(6) to facilitate efficient and timely regu lation by a single Federal agency of the various aspects of international liner shipping responsive to the growth of ocean commerce and international developments affecting that commerce.

SEC. 3. DEFINITIONS. As used in this Act-

(1) "agreement" means understandings, arrangements and associations, written or oral, and any modification or cancellation (2) "antitrust laws" means the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended; the Act of June 19, 1936 (ch. 592, 49 Stat. 1526), as amended; the Antitrust Civil Process Act (76 Stat. 548), as amended; and amendments and Acts supplementary thereto:

(3) "bulk cargo" means-

(A) cargo that is loaded and carried in bulk without mark or count: and

(B) cargo commonly termed "neo-bulk", such as forest products in an unfinished or semifinished state, which requires specialized handling and is moved in lot sizes which range from being too large for containers up to, and including, shipload lot sizes;
(4) "Commission" means the Federal Mari-

time Commission;

(5) "common carrier" means a person, whether or not actually operating a vessel, who holds himself out to engage in transportation by water for hire as a public employment and undertakes to carry for ship-

pers indifferently;
(6) "conference" means an association of ocean common carriers which provides ocean transportation on a particular route or routes and which operates within the frame-

work of an agreement establishing rates and any other conditions of service;

(7) "controlled carrier" means any ocean common carrier that is, or whose operating assets are, directly or indirectly owned or controlled by the government under whose registry the vessels of such carrier operate. Ownership or control by a government shall be deemed to exist with respect to any carrier if-

(A) a majority portion of the interest in the carrier is owned or controlled in any manner by that government, by any agency thereof, or by any public or private person controlled by that government; or

(B) that government has the right to appoint or disapprove the appointment of a majority of the directors, the chief operating officer or the chief executive officer of the

- carrier;
 (8) "deferred rebate" means a return, by an ocean common carrier, of any portion of the freight money to any shipper as a consideration for that shipper giving all, or any portion, of his shipments to that or any other ocean common carrier, or for any other purpose, the payment of which is deferred beyond the completion of the service for which it is paid, and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement:
- (9) "fighting ship" means a vessel used in particular trade by an ocean common carrier or group of such carriers for the purpose of excluding, preventing, or reducing com-petition by driving another ocean common carrier out of such trade;
 (10) "loyalty contract" means a contract

with an ocean common carrier or conference by which a contract shipper obtains lower rates by committing all or a fixed portion of its cargo to such carrier or conference;

- (11) "non-vessel-operating common carrier means a common carrier by water that does not operate the vessels by which the ocean transportation service is provided. A non-vessel-operating common carrier is a shipper in his relationship with ocean common carriers:
- (12) "ocean common carrier" means a vessel-operating common carrier, except ferry boats and ocean tramps, engaged in the transportation by water of passengers or cargo between the United States and a foreign country, whether in the import or export trade:

- (13) "other person subject to this Act" means any person engaged in the business of consolidating, freight forwarding, or furnishing wharfage, dock, warehouse, or other terminal facilities in connection with an ocean common carrier:
- (14) "ocean freight forwarder" means a person in the United States who-

(A) dispatches shipments via ocean common carriers; and

(B) processes the documentation or performs related activities incident to such shipments:

(15) "person" includes individuals, corpo-rations, partnerships, and associations, existing under or authorized by the laws of the United States, or of any State, Territory, District, or possession thereof, or of any for-

eign country;
(16) "rates" means charges, classifications, rules, or regulations that have a direct impact on a shipper's ocean transportation

costs:

(17) "shipper" means an owner or person for whose account the ocean transportation of cargo is provided or the person to whom

delivery is to be made;
(18) "shippers' council" means an association of shippers or their agents, other than ocean freight forwarders and non-vessel-

operating common carriers;
(19) "surcharge" means any temporary (19) "surcharge" means any temporary change in rates that is necessary to cover a sudden or extraordinary change incurred by an ocean common carrier or conference with respect to its costs or revenues;

(20) "tariff" means any schedule of rates pertaining to ocean transportation, includ-

- ing any supplement, amendment or reissue; (21) "through intermodal rate" means the single amount charged by an ocean common carrier in connection with through transportation;
- "through transportation" (22) transportation by two or more carriers at least one of which is an ocean common carrier, between a United States point or port and a foreign point or port.
 (23) "United States" means the several
- States, the District of Columbia, the Com-monwealth of Puerto Rico, the Commonwealth of the Northern Marianas, and all other United States territories and posses-
 - SEC. 4. AUTHORIZED ACTIVITIES.
- (a) CONFERENCE ACTIVITIES .- Ocean common carriers or other persons subject to this Act may agree to-
- (1) discuss, fix, regulate, and agree upon rates, surcharges, accommodations and other conditions of services;
- (2) pool or apportion earnings, losses, or
- (3) allot ports or restrict or otherwise regulate the number and character of sailings between ports:
- (4) limit or regulate the volume or character of cargo or passenger traffic to be carried:
- (5) engage in exclusive, preferential, or cooperative working arrangements;
- (6) enter into other agreements to control, regulate, or prevent competition among themselves; and

(7) limit, in the case of conferences, mem-

bership.

- (b) INTERMODAL ACTIVITIES .mon carriers or other persons subject to this Act may agree with each other or with any combination of air carriers, rail carriers, motor carriers, or other common carriers by water to-
- establish through transportation (1) routes for the movement of cargo; and
- (2) establish through intermodal rates, or concur in tariffs.
- (c) SHIPPERS' COUNCIL ACTIVITIES.—Shippers who are members of a shippers' council organized or existing under the laws of the United States may-
 - (1) mutually consult and exchange infor-

mation or views regarding general rate levels, rules, practices, or services;

- (2) agree upon common positions; and (3) consult and negotiate with any ocean common carrier or conference regarding conference regarding
- general rate levels, rules, practices, or serv-
 - SEC. 5. AGREEMENTS.
- (a) IN GENERAL.—No concerted activity authorized by section 4 shall be permitted under this Act except pursuant to an agreement that has become effective under section 6.
- (b) FILING REQUIREMENTS .- A true copy of every agreement entered into with respect to any activity described in section 4 shall be filed with the Commission. In the case of oral agreements, complete memoranda specifying in detail the substance of such agreements shall be filed. Within ten working days of receipt, the Commission shall transmit a notice of filing to the Federal Register for publication.
- (c) Conference Agreements.—Every conference must-
- (1) provide that any limitation on membership is based on commercially reasonable
- (2) permit any member to withdraw from membership upon reasonable notice without penalty;
- (3) engage the services of an independent neutral body to police fully the obligations of the conference and its members;
- (4) provide the right of independent action
- (A) in any agreement between carriers not members of the same conference, for each carrier, and, in any agreement between conferences serving different trades that would otherwise be naturally competitive, for each conference; or
- (B) in any intermodal agreement, for air carriers, rail carriers, motor carriers, or com-mon carriers by water not subject to this Act to establish their portion of through intermodal rates or to establish rules and regulations that apply exclusively to the services performed by such carriers.
- (5) provide for a consultation process designed to insure-
 - (A) commercial resolution of disputes;
- (B) cooperation in preventing malpractice; (C) procedures for promptly and fairly considering shippers' requests and com-
- plaints; and
- (D) regular and orderly communication and exchange of information with shippers and shippers' councils in their trade.
- (d) SHIPPERS' COUNCIL AGREEMENTS .-(d) SHIPPERS' COUNCIL Every shippers' council must-
- (1) limit membership to those shippers that have a direct financial interest in the export or import of the commodities covered
- by the agreement;
 (2) provide that membership is voluntary; provide that the members have the right to act independently with any carrier
- or conference; (4) provide for a consultation process designed to insure—
- (A) commercial resolution of disputes;
- (B) cooperation in preventing malpractice;
- (C) regular and orderly communication and exchange of information with conferences in their trade.
 - SEC. 6. ACTION ON AGREEMENTS.
- (a) REJECTION BY THE COMMISSION.-Any agreement that does not conform to the re quirements of section 5 shall be rejected by the Commission.
- (b) STANDARDS.—The Commission shall by order, after notice and hearing, disapprove or modify any agreement that it finds—
- (1) to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors; or

- (2) to operate to the detriment of the commerce of the United States.
- The Commission shall approve all other agreements.
- (c) BURDEN OF PROOF .- The burden of proof in any proceeding under this section shall be on the party opposing the agreement.
- (d) DURATION OF EFFECTIVENESS.—Agree-ments that are approved shall remain in effect until withdrawn, cancelled, or modified. The Commission shall not on its own motion limit the duration of an agreement's effectiveness.
- (e) FINAL DECISION-TIME.-The Commission shall issue a final decision on any agree ment within 180 days after filing with the Commission. For good cause the Commission may extend the time period once for not more than 90 days.
- (f) DELAY.—If a final decision is not issued within the 180 day period referred to in subsection (b), or by the end of any extension period, the agreement shall go into effect as filed. If the Commission determines that it is unable to issue a final order within such period or extension due to willful delays directly attributable to either a proponent or a complainant, the Commission may disapprove the agreement, or permit it to become effective, solely on the basis of such delay.
- (g) COMPLIANCE WITH SUBPOENA OR DIS-COVERY .- In any proceeding under this section, the Commission may disapprove any agreement for failure of a proponent of the agreement to comply with any subpoena or discovery order lawfully issued by the Commission
 - SEC. 7. LOYALTY CONTRACTS.
- (a) CONTRACT REQUIREMENTS .- Any conference or ocean common carrier engaged in foreign commerce may utilize loyalty contracts, if each such contract meets the following requirements:
- (1) The contract is available to all shippers on equal terms and conditions.
- (2) The contract shipper is permitted prompt release from the contract with re-spect to any shipment or shipments for which the contracting carrier or conference of carriers cannot provide space requested on
- reasonable notice by the shipper.

 (3) The contract provides that whenever a rate for the carriage of goods under the contract becomes effective, insofar as it is under the control of the carrier or conference, the
- (A) may not be increased on less than days' notice, except upon agreement of the applicable shipper; and
- (B) may be increased on not less than 30 days' notice if the increase is to a level no higher than that from which the particular rate was reduced within 180 days immediately preceding the filing of the increase, or if the increase is a surcharge.
- The contract covers only those goods of the contract shipper as to the shipment of which it has the legal right at the time of shipment to select the carrier. It shall be deemed a breach of the contract if, before the time of shipment and with the intent to avoid its obligation under the contract, the contract shipper divests itself, or with the same intent permits itself to be divested, of the legal right to select the carrier and the shipment is carried by a carrier which is not a party to the contract. In any dispute under this paragraph the burden of proof shall be on the contract shipper.
- (5) The contract shipper is not required to divert shipments of goods from natural routings not served by the carrier or conference where direct carriage is available.
- (6) The damages recoverable for breach by either party are limited to actual damages to be determined after breach in accordance with the principles of contract law. The con-tract may specify, however, that in the case of a breach by a contract shipper the dam-

- ages may be an amount not exceeding the freight charges computed at the contract rate on the particular shipment, less the cost of handling.
- (7) The contract shipper is permitted to terminate at some time without penalty upon 90 days' notice.
- (8) The carrier or conference is permitted on 90 days' notice to terminate the contract rate system in whole or with respect to any
- commodity without penalty.

 (9) The contract provides for a spread or series of spreads, to be commercially determined, between tariff rates and rates charged contract shippers that shall not exceed an aggregate of 15 per centum.
 - (10) The centract excludes bulk cargo.
- (b) TREATMENT OF CONTRACT NOT IN CON-FORMITY.—The utilization of a loyalty contract that is not in conformity with one or more of the requirements set forth in subsection (a) shall be treated as a violation of this Act
 - SEC. 8. EXEMPTION FROM ANTITRUST LAWS. (a) The antitrust laws shall not apply to:
- (1) Any agreement or activity described in section 4;
- (2) any loyalty contract that conforms with the requirements of section 7, or any activity pursuant to that loyalty contract;
- (3) any agreement or activity that relates solely to transportation services between foreign countries;
- (4) any agreement or activity that relates to shippers' councils operating exclusively outside the United States; and
- (5) any agreement or activity to provide furnish wharfage, dock, warehouse, or other terminal facilities exclusively outside the United States.
- (b) This Act shall not be construed to extend antitrust immunity to air carriers, rail carriers, motor carriers, or common carriers by water not subject to this Act. Sec. 9, Tariffs.
- (a) In General .- (1) Except with regard to bulk cargo, every ocean common carrier shall file with the Commission, and keep open to public inspection, tariffs showing all its rates between all points on its own route and on any through transportation route which has been established. Such tariffs shall plainly indicate the places between which cargo will be carried, list each classification of cargo in use, state separately each additional charge, privilege, or facility under the control of the carrier or conference and any rules or regulations that in any way change, affect, or determine any part or the aggregate of such rates or charges, and include sample copies of any loyalty contract, bill of lading, contract of affreightment, or other document evidencing the transportation agreement.
- (2) Copies of such tariffs shall be made available to any person and a reasonable charge may be assessed for them.
- (b) INITIAL RATES AND RATE CHANGES .- No initial rates or increases in existing rates shall become effective earlier than 30 days after filing with the Commission. Any change in the rates that results in a described cost to the shipper may become effective upon publication and filing with the Commission. The Commission, for good cause, may allow rate increases or surcharges to become effective in less than 30 days.
- (c) REFUND OF CHARGES .- The Commis-(c) REFUND OF CHARGES.—The Commission may permit an ocean common carrier or conference to refund a portion of freight charges collected from a shipper or waive the collection of a portion of the charges from a shipper where it appears that there is an error in a tariff of a clerical or administrative nature due to inadvertence in failing to file a new tariff and that such refund will not result in discrimination among shippers, ports, or carriers. The application for refund must be filed with the Commission within 180 days from the date of shipment.

SEC. 10. CONTROLLED CARRIERS.

(a) CONTROLLED CARRIER RATES.-No controlled carrier subject to this section shall maintain rates in its tariffs filed with the Commission that are below a level that is tust and reasonable. The Commission may, at any time after notice and hearing, disapprove any rate which the controlled carrier has failed to demonstrate to be just and reasonable. In any proceeding under this subsection, the burden of proof shall be on the controlled carrier to demonstrate that its rate is just and reasonable. Rates filed by a controlled carrier that have been rejected, suspended, or disapproved by the Commission are void, and their use is unlawful.

(b) RATE STANDARDS .- For the purpose of this section, in determining whether rates by a controlled carrier are just and reasonable, the Commission may take into account appropriate factors including, but not limited

to, whether-

(1) the rates which have been filed are below a level which is fully compensatory to the controlled carrier based upon that Carrier's actual costs or upon its constructive costs, which are hereby defined as the costs of another carrier, other than a controlled carrier, operating similar vessels and equipment in the same or a similar trade;

(2) the rates are the same as or similar to those filed or assessed by other carriers in

the same trade:

(3) the rates are required to assure movement of particular cargo in the trade; or

(4) the rates are required to maintain acceptable continuity, level, or quality of common carrier service to or from affected ports.

- (c) EFFECTIVE DATE OF RATES.—The rates of controlled carriers shall not, without special permission of the Commission, become effective sooner than the thirtieth day after the date of filing with the Commission. After the date of the enactment of this section, each controlled carrier shall, upon the request of the Commission, file, within 20 days of request, with respect to its existing or pro-posed rates, a statement of justification that sufficiently details the controlled carrier's need and purpose for such rates, upon which the Commission may reasonably base its de-
- termination of the lawfulness thereof.

 (a) DISAPPROVAL OF RATES.—Whenever the Commission is of the opinion that the rates, filed by a controlled carrier may be unjust and unreasonable, the Commission may issue an order to the controlled carrier to show cause why such rates should not be disapproved. Pending a determination as to their lawfulness in such a proceeding, the Commission may suspend such rates at any time before their effective date. In the case of rates that have already become effective, the Commission may, upon the issuance of an order to show cause, suspend such rates on not less than 60 days' notice to the controlled carrier. No period of suspension under this subsection may be greater than 180 days. Whenever the Commission has suspended any under this subsection, the carrier may file new rates to take effect immediately during the suspension period in lieu of the suspended rates; except that the Commission may reject such new rates if it is of the opinion that they are unjust and unreasonable
- (e) PRESIDENTIAL REVIEW.—Concurrently with the publication thereof, the Commission shall transmit to the President any order of suspension or final order of disapproval of rates of a controlled carrier subject to this section. Within ten days after the receipt or the effective date of such Commission order, whichever is later, the President may request the Commission in writing to effect of the Commission's order if he finds that such stay is required for rea-sons of national defense or foreign policy which reasons shall be specified in the report. Notwithstanding any other provision of law, the Commission shall immediately

grant such request by the issuance of an order in which the President's request shall be described. During any such stay, the President shall, whenever practicable, attempt to resolve the matter in controversy by negotiation with representatives of the

applicable foreign governments.

(f) Exceptions.—The provisions of this

section shall not apply to-

(1) any controlled carrier of a state whose vessels are entitled by a treaty of the United States to receive national or mostfavored-nation treatment:

- (2) any controlled carrier of a state which, on the effective date of this section, has subscribed to the statement of shipping policy contained in note 1 to annex A of the Code of Liberalization of Current Invisible Operations, adopted by the Council of the Organization for Economic Cooperation and Development;
- (3) rates of any controlled carrier in any particular trade which are covered by an agreement effective under section 6, other than an agreement in which all of the members are controlled carriers not otherwise excluded from the provisions of this subsection;
- (4) rates governing the transportation of cargo by a controlled carrier between the country by whose government it is owned or controlled, as defined herein and the United States;

(5) a trade served exclusively by controlled carriers: or

(6) any controlled carrier registered in a state which, on the effective date of this Act, is among those designated a beneficiary developing country for purposes of the generalized system of preferences, provided for in title V of the Trade Act of 1974 (88 Stat. 2066, 19 U.S.C. 2461 et seq.), and set forth in general headnote 3(c) of the Tariff Schedules of United States Annotated (1978), and which has vessels registered within its jurisdiction that are privately owned and not

operated by a controlled carrier.
SEC. 11. OCEAN FREIGHT FORWARDERS AND NON-VESSEL-OPERATING COMMON CARRIERS.

- (a) Bonding Requirement.-No person may act as an ocean freight forwarder or nonvessel-operating common carrier unless that person has furnished a bond approved by the Commission of no less than \$150,000 that is issued by a surety company found acceptable the United States Department of the Treasury.
- (b) Exception.—A person whose primary business is the sale of merchandise may forward shipments of such merchandise for his own account without a bond.
- (c) COMPENSATION OF FORWARDERS BY CAR-
- (1) An ocean common carrier shall compensate an ocean freight forwarder in connection with any cargo shipment dispatched on behalf of others only when the ocean freight forwarder has certified in writing that it has performed the following services:
- (A) engaged, reserved or contracted directly with the carrier or its agent for space aboard a vessel or confirmed the availability of such space; and
- prepared and processed the ocean bill of lading, the dock receipt, or other similar documents with respect to such cargo.
- (2) An ocean common carrier shall not pay compensation for services described in paragraph (1) more than once on the same cargo shipment.
- (3) An ocean common carrier shall not pay compensation as provided in this subsection to its agents or any other ocean common carrier or its agents.
- (4) No compensation shall be paid to an ocean freight forwarder except in accordance with the tariff provisions contained in section 9(a): and no such forwarder is entitled to receive compensation from a common carrier with respect to any shipment in which

the forwarder has a direct or indirect beneficial interest.

SEC. 12. PROHIBITED ACTS.

(a) By Ocean Common Carriers.-No ocean carrier may-

(1) rebate, refund, or remit in any manner, or by any device, any portion of its rates except in accordance with a tariff that is on file with the Commission;

(2) extend or deny to any person any privilege, concession, equipment or facility, except in accordance with such tariffs:

(3) allow any person to obtain transporta-on by water for cargo or any service in connection therewith at less than the applicable rates by any means;

(4) charge rates which are determined to be so unreasonably high or low as to be detrimental to the commerce of the United

(5) charge rates which are unduly prejudicial to United States exporters ar compared with their foreign competitors;

continue to impose any surcharge after the increase in costs or loss of revenues that were the subject of the surcharge have been recovered.

- (7) retaliate against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminatory or unfair methods, because such shipper has patron-ized any other carrier or has filed a complaint charging unfair treatment, or for any other reason:
- (8) make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered, or unfairly treat or unjustly discriminate against any shipper in the matter of-

- (B) cargo space accommodations or other facilities, due regard being had for the proper loading of the vessel and the available ton-
- (C) the loading and landing of freight in proper condition, or

(D) the adjustment and settlement of claims:

(9) use any fighting ship or engage in any practices designed to reduce or eliminate the participation of non-conference carriers;

(10) offer or pay any deferred rebates; or (11) demand, charge, or collect any rate or charge which is determined by the Commission to be unjustly discriminatory between

shippers or ports.

(b) By Shippers, Ocean Freight Forward-ERS OR NON-VESSEL-OPERATING COMMON CAR-RIERS .- No shipper, ocean freight forwarder, or non-vessel-operating common carrier may obtain or attempt to obtain transportation from an ocean common carrier at rates that are less than those specified in such carriers' tariffs on file with the Commission.

(c) By OTHER PERSONS .- It shall be unlawful for any ocean common carrier, shipper, or other person subject to this Act-

- (1) to operate under any agreement described in section 4 that has not become effective under section 6, has been rejected, suspended, or disapproved, or to operate except in accordance with any modification made by the Commission to the agreement;
- (2) knowingly to disclose, offer, solicit, or receive any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to an ocean common carrier or other person subject to this Act without the consent by such shipper or consignee if that information-
- (A) may be used to the detriment or prejudice of such shipper or consignee;
- (B) may improperly disclose its business transactions to a competitor; or
- (C) may be used to the detriment or prejudice of any carrier.

Nothing in paragraph (2) shall be construed to prevent providing such information, in response to any legal process, to the Government of the United States or any State, or to any independent neutral body operating within the scope of its authority to fulfill the policing obligations of the parties to an

agreement approved under this Act.
Sec. 13. Complaints, Investigations and

REPARATIONS.

(a) FILING OF COMPLAINTS.—Any ocean common carrier, shipper, or other person subject to this Act may file with the Com-mission a sworn complaint alleging a violation of this Act and may seek reparation for any injury caused to the complainant by that violation.

(b) Satisfaction or Investigation of Com-PLAINTS.—The Commission shall furnish a copy of a complaint filed pursuant to subsection (a) of this section to the person named therein, who shall, within a reasonable time specified by the Commission, satisfy the complaint or answer it in writing. If the complaint is not satisfied, the Commission shall investigate it in such manner and by such means, and make such order as it deems proper.

COMMISSION INVESTIGATIONS.—The (c) Commission, upon its own motion, may in like manner and, with the same powers, investigate any violation of this Act.

(d) REPORTS OF INVESTIGATION .- The Commission shall enter a written report of every investigation made under this Act in which a hearing was held, which states its conclusions, decisions, findings of fact, and order. A copy of such report shall be furnished to all parties. The Commission shall publish such reports for public information and such authorized publications shall be competent evidence of such reports in all courts of the United States, and of each of the States, territories, districts, and possessions thereof.

(e) REPARATIONS .--After notice and hearing of any complaint filed pursuant to sub-section (a) of this section within one year, the Commission may when appropriate direct the payment of reparations to the complainant for actual injury caused by a viola-

tion of this Act.

SEC. 14. SUBPOENAS AND DISCOVERY.

(a) IN GENERAL.—In investigations and adjudicatory proceedings under this Act-

 depositions, written interrogatories, and discovery procedures may be utilized by any party under rules and regulations isby the Commission which rules and regulations, to the extent practicable. shall be in conformity with the rules applicable in civil proceedings in the district courts of the United States; and

(2) the Commission may by subpoena compel the attendance of witnesses and the production of books, papers, documents, and

other evidence.

(b) WITNESS FEES .--Witnesses shall, unless otherwise prohibited by law, be entitled to the same fees and mileage as in the courts of the United States.

(c) SUSPENSION OF TARIFFS.—After notice and opportunity for hearing, the Commission may suspend any or all tariffs of any ocean common carrier, or the right of a conference member to utilize conference tariffs, if the carrier or conference fails to supply information authorized to be obtained under subsection (a). Any suspension ordered pursuant to this subsection shall be immediately submitted to the President who may disapprove it if he finds such disapproval is required for national defense or foreign policy reasons.

(d) CIVIL PENALTY.—Any ocean common carrier who accepts or handles cargo for carriage under tariffs which have been suspended pursuant to this section shall be subject to a civil penalty of not more than \$50,000

for each shipment.

(e) Assistance of Secretary of State in Obtaining Information.—If, in defense of

its failure to comply with a subpoena or discovery order issued under this section, an ocean common carrier alleges that documents or information located in a foreign country cannot be produced because of the laws of that country, the Commission shall immediately notify the Secretary of State of such failure to comply and of the allegation relating to foreign laws. Upon receiving notification, the Secretary of State shall promptly consult with the government of the nation within which the documents or information are alleged to be located for the purpose of assisting the Commission in obtaining the documents or information sought.

SEC. 15. PENALTIES.

(a) ASSESSMENT OF PENALTY.-If the Commission finds, after notice and opportunity for hearing, that any shipper, shippers' council, ocean common carrier, conference, ocean freight forwarder, or other person subject to this Act has violated any provision of this Act, or any regulation issued thereunder, such person is liable to the United States for a civil penalty. The amount of the civil penalty, unless otherwise provided in this Act, may not exceed \$5,000 for each violation unless the violation was willfully and knowingly committed, in which case the amount of the civil penalty may not exceed \$25,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of each civil penalty shall be assessed by the Commission, by written notice. In determining the amount of such penalty, the Commission shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the violator, degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.

(b) TARIFF SUSPENSION FOR REBATING .- (1) For any violation of section 12(a) (1), (2), and (3), the Commission may suspend any or all tariffs of any ocean common carriers, or the member's right to use conference tariffs, for a period not to exceed 12 months. Any suspension ordered pursuant to this subsection shall be immediately submitted to the President who may disapprove it if he finds such disapproval is required for national defense or foreign policy reasons.

(2) Any ocean common carrier who accepts handles cargo for carriage under tariffs which have been suspended pursuant to this subsection shall be subject to a civil penalty of not more than \$50,000 for each shipment.

(c) REVIEW OF CIVIL PENALTY.—Any person against whom a civil penalty is assessed under subsection (a) of this section may obtain review thereof under chapter 158 of

title 28, United States Code.

- (d) ACTION UPON FAILURE TO PAY ASSESS-MENT.—If any person fails to pay an assessment of a civil penalty after it has become final and an unappealable order, or after the appropriate court has entered final judgment in favor of the Commission, the Commission shall refer the matter to the Attorney General of the United States, who shall recover the amount assessed in any States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to
- (e) COMPROMISE OR OTHER ACTION BY COM-MISSION.—The Commission may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to assessment under this section.
- (f) LIMITATIONS .- (1) No fine or other punishment shall be assessed on any person for criminal conspiracy after August 29, 1972, to violate any provision of this Act or to defraud the Commission by concealment of any such violation.
 - (2) Any formal proceeding to assess any

penalty under this section shall be com-menced within five years from the date when the violation occurred.

SEC. 16. COMMISSION ORDERS.

(a) In GENERAL.—Orders of the Commission relating to any violation of this Act or to any regulation issued thereunder shall be made only after opportunity for hearing and upon complaint or on its own motion. Each order of the Commission shall continue in force for the period of time specified in the order, or until suspended, modified, or set aside by the Commission or a court of competent jurisdiction.

(b) REVERSAL OR SUSPENSION OF ORDERS. The Commission may reverse, suspend, or modify any order made by it, and upon application of any party to a proceeding may grant a rehearing of the same or any matter determined therein. No rehearing shall, except by special order of the Commission, operate as a stay of such order.

(c) ENFORCEMENT OF NONREPARATION OR--In case of violation of any order of the Commission or for failure to comply with a Commission subpoena, the Commis sion, or any party injured by such violation. or the Attorney General may seek enforce-ment by any United States district court having jurisdiction over the parties. If after hearing, the court determines that the order was properly made and duly ordered, it shall enforce the order by an appropriate injunction or other process, mandatory or other-

(d) ENFORCEMENT OF REPARATION ORDERS (1) In case of violation of any order of the Commission for the payment of reparation, the person to whom such award was made seek enforcement of such order in any United States district court having jurisdic-

tion of the parties.

- (2) In any United States district court the findings and order of the Commission shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs, nor for the costs of any subsequent stage of the proceedings, unless they accrue upon his appeal. A petitioner in a United States district court who prevails shall be allowed a reasonable attorney's fee to be assessed and collected as part of the costs of the suit
- (3) All parties in whose favor the Commission has made an award of reparation by a single order may be joined as plaintiffs, and all other parties in such order may be joined as defendants, in a single suit in any district in which any one such plaintiff could maintain a suit against any one such defendant. Service of process against such defendant not found in that district may be made in any district in which is located any office of. or point to call on a regular route operated by, such defendant. Judgment may be entered in favor of any plaintiff against the defendant liable to that plaintiff.

(e) STATUTE OF LIMITATIONS.-Any action seeking enforcement of a Commission order shall be filed within one year from the date of the order.

(f) REPRESENTATION IN COURT.-Attorneys employed by the Commission shall, if the Commission so directs, appear for and represent the Commission in any case before a court of the United States or a State of the United States.

Sec. 17. EXEMPTIONS.

The Commission, upon application or on its own motion, may by order or rule exempt for the future any specified activity or class of agreements between ocean common carriers or other persons subject to this Act from any requirement of this Act, if it finds that such exemption will not substantially impair effective regulation by the Commission, be unjustly discriminatory, or be detrimental to commerce. The Commission may attach conditions to any such exemption and may, by order, revoke any such exemption. No order or rule of exemption or revocation of exemption shall be issued unless opportunity for hearing has been afforded interested persons.
SEC. 18. REGULATIONS

The Commission shall make such rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 19. REPEALS AND CONFORMING AMEND-MENTS.

(a) REPEALS.—The laws specified in the following table are repealed:

Shipping Act, 1916: 46 U.S.C. 813 46 U.S.C. 813a 14b ----- 46 U.S.C. 817(b) 18(b) 18(c) _____ 46 U.S.C. 817(c) 46 U.S.C. 825 26 ---46 U.S.C. 841a 43 Merchant Marine Act, 1920: 46 U.S.C. 812 Merchant Marine Act, 1936: 46 U.S.C. 1122(e) 212(e) _____ ----- 46 U.S.C. 1124

(b) CONFORMING AMENDMENTS .-

The Shipping Act, 1916, is amended by redesignating section 3, and all references thereto, as section 4 and inserting the following new section after section 2:

SEC. 3. Commencing with the date of enactment of this section, the provisions of sections 4, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 27, 29, 30, 31, 32, 33, 34, 35, and 44 of this Act shall be deemed to apply only to commerce related to transportation by water of passengers or property on the high seas or the Great Lakes on regular routes from port to port between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States or between places in the same Territory, District, or possession."

(c) EFFECT ON CERTAIN AGREEMENTS AND CONTRACTS.-All agreements, contracts, and modifications previously approved by the Commission will continue in force and effect as if approved under the provisions of this Act, and all new agreements, contracts, and all modifications to existing, pending, or new contracts or agreements shall be considered under the provisions of this Act.

THE SECRETARY OF TRANSPORTATION, Washington, D.C., July 17, 1981. Hon. SLADE GORTON,

Chairman, Subcommittee on Merchant Marine and Tourism, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR SLADE: Thank you for your letter of June 26 outlining your plans for legislative action in the maritime area. I, too, am anxious to begin work in the formulation of maritime policy from the transportation perspective, and I appreciate your expression of support and cooperation.

I agree with you that legislation to revise the regulatory policies in the Shipping Act, 1916, will be necessary as part of any new approach to revitalizing the maritime industry. My staff and I are prepared to work with you to develop regulatory reform legislation and I will be pleased to testify at your hearings.

With regard to legislation dealing with the promotional aspects of maritime policy, I prefer to wait until the Maritime Administration has been transferred to the Department of Transportation and we have had a chance to carefully consider the complex issues involved in developing a promotional

Again, let me say that I appreciate your statements of support. I have the highest hopes that our cooperative efforts will lead to success in developing a rational maritime policy.
Sincerely,

By Mr. SYMMS:

S. 1594. A bill to amend the Internal Revenue Code of 1954 to apply the civil fraud penalty only to that portion of an underpayment which is attributable to fraud; to the Committee on Finance.

CIVIL FRAUD IN TAX RETURNS

• Mr. SYMMS. Mr. President, today I am introducing a proposal for a change in our Internal Revenue laws in reference to the way the law deals with the subject of civil fraud. This bill would change the penalty for civil fraud from the present 50 percent of the taxpayer's total deficiency to 100 percent of his deficiency resulting from fraud.

Our Supreme Court has stated that the civil fraud penalty is an aid in the collection of the tax for the purpose of preventing fraud in the preparation of returns and the payment of the tax. A finding of civil fraud is not a criminal action but it is a procedure which results in the imposition of a civil penalty.

This proposal which I am introducing makes no change in the law in reference to criminal fraud, which is an action to punish for a criminal offense.

Our sense of justice requires that penalties which are imposed bear a relation to the magnitude of the violation. This is a good American principle which causes us to take a look at the present law relating to the civil fraud penalty.

At the present time the civil fraud penalty is measured by the total deficiency of the taxpayer. It is not measured by the extent of the civil fraud charged. Many illustrations can be cited which point up this inequity. Take the case of taxpayer A whose legal counsel and accountant advise him that he should claim a particular transaction as a capital gain and not ordinary income.

He makes a full disclosure and there is no fraud involved. He submits his claim to the IRS. Let us assume that the IRS decided that the transaction resulted in ordinary income, which resulted in a deficiency of \$2,000. Let us further assume that this same taxpayer failed to report interest income which resulted in a \$100 deficiency. Failure to report income is clearly a case of fraud. Under the present law this taxpayer A would have to pay a civil fraud penalty of 50 percent of \$2,000 plus \$100, or \$1,050.

Let us take another case which we refer to as taxpayer B. Taxpayer B happens to have no nonfraudulent items which are challenged by the IRS, but taxpayer B does fail to report interest income which resulted in a \$300 deficiency and this of course constitutes fraud. It is a violation three times the magnitude of taxpayer A yet taxpayer B's civil fraud penalty is 50 percent of \$300, or only \$150, as compared to taxpayer A who is guilty of a lesser fraud violation but must pay a civil fraud penalty of \$1,050.

There are many cases that could be cited which illustrate how the present law for the imposition of the civil fraud penalty works. Take the case of a taxpayer whose return contained an unintentional accounting error which when audited resulted in a \$1,200 deficiency, and that this same taxpayer had a de-

ficiency of \$400 resulting from a fraudulent omission of income. His neighbor's tax return contains no accounting errors but the neighbor is assessed a deficiency of \$1,000 for fraudulently omitting to report certain income. We will assume that the two taxpayers are in the same tax bracket. The first taxpayer will have to pay a \$800 civil fraud penalty while his neighbor's civil fraud penalty will only be \$500 for failing to report 2½ times as much income as his neighbor failed to report.

It is important in the administraton of our tax laws, where we rely upon the voluntary reporting of income, that the Government strive to the utmost to be fair. This means that the civil fraud penalty should be determined on the amount of civil fraud involved and not as a result of other items which are not

in the least tainted with fraud.

Mr. President, the tax section of the American Bar Association over a period of many years has urged that the fraud penalty be based only on the portion of the deficiency resulting from fraud rather than on the total deficiency for the return involved. Last May during the testimony of the American Bar Association I brought up the matter of the civil fraud penalty. The position of the Bar Association was clearly stated in a subsequent letter of Mr. Harvie Branscomb, Jr., chairman of the section of taxation, addressed to the distinguished chairman of the Committee on Finance. Mr. Dole. Mr. President, I shall ask that Mr. Branscomb's letter be printed in full at the conclusion of my remarks.

Mr. President, this measure should be enacted because it is fair and just and in the interest of good tax administration. I urge an early hearing by the Committee on Finance and that early and favorable action be taken by the committee and by the Senate to the end that this matter may be corrected.

Mr. President, a detailed question and answer statement which fully illustrates the problem that we face in reference to the civil fraud penalty, has been prepared by one of our former members, Carl T. Curtis. He serves on the committee on implementing recommendations of the section of taxation of the American Bar Association. I ask unanimous consent that Mr. Branscomb's letter and the statement prepared by Carl T. Curtis be printed at this point in the

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION. Washington, D.C., May 19, 1981. Subject: Revision of Internal Revenue Code Pertaining to Fraud and Negligence

Penalties. Senator ROBERT J. DOLE.

U.S. Senate,

Washington, D.C.

DEAR SENATOR DOLE: During the course of testimony before the Senate Finance Committee on May 18, 1981, we were asked by Senator Symms whether an amendment to the provisions of the Internal Revenue Code relating to computation of fraud penalties was desirable.

The American Bar Association has determined that the provisions pertaining to the computation of the fraud and negligence penalties should be revised. Enclosed are our recommendations 1971-7, 1976-5 and 1969-2

to this effect.

Under our recommendations, the penalty would be based upon the underpayment of tax which is due to fraud or negligence, in lieu of the entire tax deficiency, as at present. We are aware of instances in which the item involving negligence was very small in a corporate tax return involving a great deal of income, and in which the negligence penalty was not imposed because the penalty would have been so far out of line with the offense. Our recommendations would make penalty more closely related to the

You will observe that the American Bar Association does not make a recommendation with respect to the rate which should be used in computing fraud and negligence penalties, if the statute is rewritten as we suggest. The officers of the Section recognize that the revision of the rate used in com-puting the penalty would certainly be an appropriate item for consideration by your committee

The Section of Taxation recognizes the importance of appropriate provisions to assure compliance with our tax laws and was gratified to hear of the interest of your committee in improving the effectiveness and fairness of the provisions for penalties for fraud and negligence.

Sincerely yours, HARVIE BRANSCOMB, Jr.

WHY THE CIVIL FRAUD PENALTY SHOULD BE CHANGED

This statement was prepared by Carl T. Curtis of the Nelson & Harding law firm, 1101 Connecticut Avenue, NW, Suite 800, Washington, D.C. 20036, in support of a request for hearings before the Committee on Finance and the Committee on Ways & Means and for presentation at the hearings of said committees

1. Q. What is civil fraud?

A. A finding of civil fraud is not a criminal action but it is a procedure which results in the imposition of a civil penalty. The civil fraud penalty has been described by the Supreme Court of the United States as an aid in the collection of the tax for the purpose of preventing fraud in the prepara-tion of returns and the payment of the tax. The civil fraud penalty for the most part is measured by the tax involved?
2. Q. How does civil fraud differ from crim-

inal fraud?

A. An action in criminal fraud is an action to punish for a criminal offense. A criminal penalty may be imposed only after charges are brought and a guilty plea is en-tered or a trial is held and a conviction of a misdemeanor or a felony and is measured by the degree of the offense.

3. Q. What is the penalty for criminal fraud?

A. The penalty for criminal fraud is a fine or imprisonment.

4. Q. What is the penalty for civil fraud?
A. The penalty is 50 percent of the amount of the tax owing or, in other words, 5. Q. For purposes of figuring the civil fraud, what constitutes a deficiency?

A. When a taxpayer's return is audited, any additional amounts found due constitute a deficiency.

6. What Find of items could be included in the makeup of a deficiency that would have no connection with fraud and would not be tainted with fraud in any way?

A. A taxpayer may make a full disclosure of all his income. His legal counsel and his accountant may well advise him that a particular transaction ought to be claimed as a capital gain and not as ordinary income. The Internal Revenue Service may determine that the particular transaction constitutes ordinary income and thus there is a deficiency in the payment. There isn't the slightest taint of fraud and the facts were fully disclosed and the taxpayer exercised his right to ask for such a determination.

Another example of a deficiency item which may have no fraud implication at all: A taxpayer knows that he has paid out certain sizable sums for business travel, entertainment and expenses. He claims them in his return. Upon audit, he does not have sufficient records to justify these expenses and they are disallowed. This adds materially to

his tax and it is a deficiency.

Another example of a deficiency item that need not be tainted with fraud could relate to stock options. In many instances there is no tax due when the stock option is exercised, but the tax is due when the stock is eventually sold. There are situations where a tax is due when the stock option is exercised. A taxpayer may disclose every detail of the transaction in his return and exercise his lawful right and ask for a determination of no tax due. The Internal Revenue Service may find that the tax is due upon the exercise of the option and the amount of the tax involved becomes a defi-

An example which relates to consolidated returns is discussed in the answer to Question 10.

7. Q. Is the penalty for civil fraud applied uniformly between taxpayers?

A. No. Two taxpayers may have the same amount of income and each be found to have been fraudulent in reference to items of equal amount and these two taxpayers received vastly different penalties.

8. Q. What are some examples that show

that fraud penalty is not applied uniformly.

A. Taxpayer "A" could not substantiate from records certain items of expense claimed and because he claimed a particular transaction as a capital gain instead of ordinary income he was assessed a deficiency of \$2,000. It is also found that taxpayer "A" failed to include in his return some interest that he received which resulted in a \$300 deficiency and the failure to include it was held to be fraudulent. The total amount of his income subject to tax including the deficiency items is \$10,000. Taxpayer "A" would have a penalty of 50% of \$2,000+300 or \$1,150.

Taxpayer "B" likewise has \$10,000 in in-

There are no non-fraudulent items questioned in his return but he, likewise, received some interest income which he did not report. The failure to report resulted in a \$300 deficiency and is determined to be fraudulent. Taxpayer "B" would be subject to a civil fraud penalty of \$150.

In the above two examples both taxpayers had the same income and were charged with fraudulently omitting the same amount from their returns, yet "A" has a penalty of \$1,150 and "B" has a penalty of only \$150.

9. Q. Can you give some other illustrations?

A. The accountant for taxpayer M made out M's tax return and made an accounting error which was audited resulting in a deficiency of \$4,000. It was also found that taxpayer M had outside earnings which he failed to report and which resulted ficiency and this failure was held to be fraudulent. M's civil fraud penalty would be 50 percent of \$4,000 plus \$400 or \$2,200. Tax-payer O has the same amount of income as taxpayer M but there were no errors in his return, but he, too, had received outside earnings which, he did not report which resulted in a \$400 deficiency and this was held to be fraudulent. Taxpayer O's civil fraud penalty was \$200.

Taxpayer X has a \$10,000 deficiency, \$500 of which results from a fraudulent omission from income and \$9,500 from an honestly held belief that a particular gift was a non-taxable gift, X will pay a \$5,000 fraud penalty; if Y on the other hand, has a \$3,000 deficiency, all of which results from a similar fraudulent omission, Y will pay a penalty of only \$1,500 under existing law.

10. Q. Do the problems in reference to the civil fraud penalty involve corporations as well as individuals?

A. Yes. The same civil fraud penalty sta-tute applies to all taxpayers. The problems illustrated by the foregoing examples could apply to a corporate taxpayer just as they are shown to apply to an individual taxpayer. There is an additional problem for corporations in reference to consolidated returns.

A consolidated return is a return where a parent corporation and its subsidiaries meet certain requirements and file a consolidated return for the entire corporate group. When this is done the problem relating civil fraud penalty may become much great-er. The following two examples, which have been provided to this writer, will illustrate how the law works in reference to a consolidated return.

EXAMPLE I

Corporation A is engaged in international operations. It has no subsidiaries and files a separate corporation income tax return. Officers of Corporation A paid officials of Country X \$100,000 in bribes in 1977. These illegal payments were deducted by Corporation A on its 1977 return. On audit, the Service disallowed the deduction in reliance upon section 162(c)(2) of the Code, resulting in a deficiency in tax of \$50,000. In addition, the Service determined that, the civil fraud penalty was applicable (\$6653(b)). Therefore, Corporation A's deficiency and penalty were as follows:

Deficiency	\$50, 000 25, 000
Total	\$75,000

EXAMPLE II

An affiliated group consisting of Corporation P (common parent) and controlled sub-sidiary corporations C, D, E, and F has elected to file a consolidated return. Officers of Corporation C paid officials of Country X \$100,000 in bribes in 1977. These illegal payments were reflected on the books of Corporation C as an expense and were deducted on the 1977 consolidated return filed by the affiliated group. On audit, the Service determined a total deficiency in tax on the part of the affiliated group in the amount of \$15,000,000. Of this total deficiency, \$50,000 was attributable to Corporation C resulting from the disallowance of the \$100,000 in illegal payments. The balance of the deficiency (\$14,500,000) resulted from adjustments to standard items attributable to Corporations D, E, F and P. In addition, the Service determined that the civil fraud penalty (§ 6653 (b)) was applicable. Under current Service policy, the civil fraud penalty is applied to the entire consolidated deficiency as follows: Deficiency _____ \$15,000,000 50% Civil Fraud Penalty_____ 7,500,000

_ \$22,500,000

Thus, as a result of being a member of an affiliated group joining in an election to file a consolidated return, the illegal payments made by one corporation resulted in a geometric escalation of the civil fraud penalty (i.e., by \$7,475,000).

11. Q. Can illustrations be cited showing how an individual with very moderate income might be adversely affected by the present application of the civil fraud penaltv?

A. Yes. The examples cited in answer to question No. 8 involving two taxpayers, each of whom has an income of \$10,000, certainly are examples of taxpayers who are not in the high income bracket.

Many other examples could be cited. Take

the case of a farmer who suffered a bad year due to loss of crops from drought and storms. After deducting his items of expense, his tax return shows he owes no tax. However, one of the deductions that he claimed was for improvements that he made which he listed as an expense, but upon audit of his return, this particular deduction was denied and the transaction held to be a capital ex-penditure resulting in a deficiency of \$1,000. Let us assume that he made a full disclosure of the transaction which the IRS held to be a capital expenditure instead of an ordinary expense. The taxpayer failed to re-port cash income from outside earnings and that this failure resulted in a deficiency of \$100 and was held to be fraudulent. amount of his civil penalty would be 50 per-cent of \$1,000 plus \$100 or \$550. This is more than five times the amount of the item

tainted with fraud.
12. Q. What is the answer to the taxpayer who says, "I pay my taxes and I fully report my income. I do not want the civil fraud penalty changed or lessened and have my taxes increased because somebody else

is not paying his full share?

A. The civil fraud penalty should not repealed. We should not make a change in reference to the civil fraud penalty that would encourage wrong-doing, and certainly where the facts warrant it, the criminal penalty should be imposed. It must be recognized, however, that our laws should treat all taxpayers equally and that the amount of the civil fraud penalty should reflect the magnitude of the fraud. Taxpayers who may be held to have frauduently failed to report the same amount of income should not receive vastly different treatment in the imposition of the civil fraud penalty because of circumstances in connection with their tax returns which have no relation to fraud.

13. Q. Is the present law in the best interest of the United States government and is it good tax administration?

A. No. The following comments from reputable tax lawyers illustrate the need for a change in the civil fraud penalty.

An authority on tax law from up-state New York writes as follows:

. . a penalty that operates in this manner impedes the settlement of tax cases. For instance, if a substantial deficiency has been proposed against a taxpayer, and only a small portion of it is attributable to fraud, and the balance of the deficiency is due to legal or technical adjustments that are susceptible to settlement, the taxpayer cannot settle the case without paying the fraud penalty on the total amount of the settlement deficiency. It has been my experience in this situation that the Agent or Appellate Conferee will not drop the fraud penalty, nor should he, since the taxpayer would not be penalized for a fraudulent transaction. Thus, both the Agent and the taxpayer's representative are faced with the dilemma of either compromising the nonfraudulent adjustment to take into account the amount of the fraud penalty on

the entire deficiency, or going to trial."

A tax lawyer in Massachusetts with experience in handling the government's side

of civil fraud cases, says:

"In my judgement, present law works against the government's own interest in tax fraud cases. When I prosecuted criminal tax fraud cases as an assistant United States Attorney, I recall several defendants who wanted to plead guilty, but upon learning that the 50 percent fraud penalty would subsequently be applied to the entire civil deficiency for the year to which they desired to plead guilty, put the government to the expense of a trial."

A Missouri lawyer with long experience has

this observation:

"If the proposed provision (see the answer to question 14) was passed, I believe the In-

ternal Revenue Service and the courts would be more inclined to assert and find fraud in such circumstances. The way it presently stands courts are reluctant to find fraud on a large deficiency while the fraud item was minor. It falls somewhat in the category of a statute which would provide for the death penalty in stealing \$10.00. While such a penalty may inhibit some from stealing \$10.00 it would also discourage juries from

finding thieves guilty of the minor offense."

14. Q. What is proposed in the way of change in reference to the civil fraud penalty?

A. The civil fraud penalty should be computed on the basis of the amount of the items that are tainted with fraud and it should not be computed on the total deficiency because that is placing a penalty upon the taxpayer who by happenstance has had included in his deficiency regular standard items which are not in any way tainted with fraud.

15. Q. What has the Tax Section of the American Bar Association recommended in reference to the civil fraud penalty?

A. Since 1971 the Tax Section of the American Bar Association has continued to recommend that the Congress change the present statute so that the civil fraud penalty will be applied only to those items that are de-termined to be fraudulent. The Bar Association recommendation is as follows:

Section 6653. The fifty percent fraud penalty should be based on only the portion of a deficiency resulting from fraud rather than on the total tax deficiency for the year. The taxpayer should, however, have the burden of proving the absence of fraud with respect to other items or adjustment if the Service

proves fraud with respect to any one item.

16. Q. Does this Bill S. , as the American Bar Association has recommended, apply the fraud penalty on only that portion of the

deficiency resulting from fraud?

A. This measure does provide as the American Bar Association recommended that the 50% fraud penalty should be based on only the portion of the deficiency resulting from fraud rather than on the total tax deficiency for the year. However, this proposal goes further and increases the civil fraud penalty percentage from 50% to 100%.

> By Mr. INOUYE (for himself and Mr. STEVENS):

S. 1595. A bill to provide for the designation of income tax payments to the U.S. Olympic Development Fund; to the Committee on Finance.

U.S. OLYMPIC DEVELOPMENT FUND CHECKOFF ACT OF 1981

• Mr. INOUYE. Mr. President, today Senator Stevens and I are reintroducing legislation that, if enacted, provides for a \$1 checkoff on future Federal income tax forms. The money collected would be used to enhance amateur sports for the citizens of this country by providing grants to existing programs and to create more innovative programs. The money would also be used to broaden and increase physical fitness opportunities for the handicapped, women, and minorities, as determined by a standing committee comprised of their representative from special interest organizations across the Nation.

There is a great need for the development of new athletic facilities in the United States. As of now, we have no speed skating or ice hockey rinks that meet international standards. We have no cyclist training facilities and only one bobsled course. Furthermore, only one official 400-meter track exists in the entire western Hemisphere.

Under our proposal, the money would be collected by means of a voluntary \$1 checkoff on income tax forms, similar to the Presidential campaign fund checkoff. Money raised would be directly transferred to the U.S. Olympic Committee, which would be responsible for appropriating funds to various sports. Approximately half of the revenues would be used as grants to the 32 sports governing bodies in the United States that coordinate efforts in each amateur sport. In addition, about a quarter of the funds would be earmarked toward improving amateur athletic facilities, 20 percent for enhancing training programs, and 5 percent for furthering sports medicine. Any surplus of funds would be used to rent school athletic facilities for summertime use by area residents.

The U.S. Olympic Committee would submit an annual report to the President's Council on Physical Fitness and Sports, with a breakdown of the previous year's expenditures and recommendations. The Council would then submit its own report to Congress, discussing the committee's report, and evaluating the effectiveness and usefulness of the program.

We would like to stress that through this method, Government can provide a vehicle through which the public can mandate whatever funds and support it feels our amateur athletic system war-

We feel that the time has come for this Congress to embrace its commitment to amateur athletics by initiating this long overdue effort to rejuvenate our sports facilities and programs. Other countries have done this, including the Soviet Union and the lesser developed nations. Now it is our turn.

In a recent letter, F. Don. Miller, the executive director of the U.S. Olympic Committee wrote that-

As a result of our nonparticipation in the 1980 Olympic Games in Moscow, public contributions were severely curtailed, leaving us with a deficit of nearly \$1.5 million. This, coupled with the increased budgetary requirements necessary to field what we know will be the best Olympic team in our history for the 1984 games in Los Angeles, requires that every effort must be made to seek new sources of income.

We urge our colleagues to give this important legislation their serious and favorable attention. Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1595

Be it enacted by the Senate and House of Revresentatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Olympic Development Fund Checkoff Act of 1981".

SEC. 2. (a) With respect to each taxpayer's return for the taxable year of the tax imposed by chapter 1 of the Internal Revenue Code of 1954, such taxpayer may designate that either-

(1) \$1 of any overpayment of such tax for such taxable year, or

- (2) \$1 of any contribution which the taxpayer forwards in money with such return, be available to the United States Olympic Development Fund established by section 3 of
- (b) In the case of a joint return of husband and wife, each spouse may designate that \$1 be available to the fund under subsection (a).
- (c) Space shall be made available for the designations referred to in subsection (a) on the first page of the tax return forms for such tax.
- (d) For purposes of the Internal Revenue Code of 1954, any overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the date prescribed for filing the return of such tax (disregarding any extension) or, if later, the date the return is filed.
- (e) This section shall apply to taxable years ending after the date of enactment of this Act.

SEC. 3. (a) There is hereby established on the books of the Treasury of the United States a special fund to be known as the "United States Olympic Development Fund". There is appropriated to the fund for each fiscal year, out of amounts in the general fund of the Treasury not otherwise appropriated, an amount equal to the amount designated during such fiscal year to be available to the fund under section 2 of this Act. The amounts appropriated by this subsection shall be transferred monthly to the fund by the Secretary of the Treasury.

- (b) The Secretary of the Treasury shall pay to the United States Olympic Committee each fiscal year an amount equal to the amounts transferred to the United States Olympic Development Fund under subsection (a) during that fiscal year.
- (c) The United States Olympic Committee shall use such funds to carry out a program for the expansion and improvement of amateur athletics in the United States so that all Americans (including women, minorities, the aged and the handicapped) are able to participate in athletic endeavors. Such funds shall remain available to the United States Olympic Committee without fiscal year limitation.
- (d) Within 120 days after the close of each fiscal year, the United States Olympic Committee shall submit a report to the President's Council on Physical Fitness and Sports with respect to the expenditure of funds made available under this section. Such report shall include, but not be limited to—
- a listing of the major programs with respect to which funds were expended during such fiscal year,
- (2) the amount of money, and percentage of total money available, expended on each such program during such fiscal year, and
- (3) any recommendations the United States Olympic Committee may have with respect to future expenditures of such funds.
- (e) Within 120 days after receipt of the report submitted under subsection (d), the President's Council on Physical Fitness and Sports shall prepare and submit to the Congress an evaluation of the effectiveness of the expenditure of funds by the United States Olympic Committee for the fiscal year covered by such report. Such report shall include recommendations deemed necessary by the Council with respect to the expenditures of funds by the United States Olympic Committee, including its recommendations with respect to the continuance, modification or discontinuance of the providing of funds to the United States Olympic Committee under this section.

By Mr. MATHIAS (by request): S. 1596. A bill to amend the act relating to the Commission of Fine Arts to provide for private donations; to the Committee on Rules and Administration.

PRIVATE DONATIONS TO COMMISSION OF FINE ARTS

• Mr. MATHIAS. Mr. President, I am introducing today a bill to authorize the Commission of Fine Arts, located here in the District of Columbia, to accept private donations of money to finance its activities. I ask unanimous consent that a letter from the Chairman of the Commission requesting this legislation and the rationale for it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the Record, as follows:

THE COMMISSION OF FINE ARTS, Washington, D.C., May 15, 1981.

Hon. George Bush, President, U.S. Senate, Washington, D.C.

Washington, D.C.
DEAR MR. PRESIDENT: The Commission of Fine Arts would like to submit the attached draft legislative proposal for consideration. The purpose of the legislation is to provide the Commission authority to accept private donations of money to finance the activities of the Commission.

As you know, other government entities have been given similar authority which allows them to accomplish their public goals in a more effective manner by utilizing resources from the private sector. While the Commission of Fine Arts does not administer any grant programs directly related to the private sector and in fact administers programs affecting design and development of private projects within the National Capital, the ability of the Commission to receive such gifts is consistent with the Administration's desire to lessen the financial burden of government on the general public without compromising the Commission's effectiveness.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the presentation of this legislative proposal to the Congress, and that its enactment would be consistent with the Administration's objectives.

Sincerely,

J. CARTER BROWN, Chairman.

By Mr. DOLE:

S. 1597. A bill to establish a Corporation for Prison Industries; to the Committee on the Judiciary.

CORPORATION FOR PRISON INDUSTRIES ACT OF 1981

Mr. DOLE. Mr. President, there has been an alarming increase in the incidence of violent crime in recent years. The Attorney General has expressed the administration's commitment to reducing and preventing this serious problem. The Members of the 97th Congress have made a strong effort to implement this policy-a number of legislative measures are already under consideration. The Senator from Kansas has sponsored a number of bills which will define new Federal criminal offenses, provide more severe penalties for certain existing criminal offenses, and reform certain procedural statutes.

Any truly effective program must also contain long-range initiatives which will reduce the motivation of individuals to commit violent crime and reduce the cost to society of penalizing and rehabilitating criminals. One such initiative is S. 186, which would provide funds for new prison construction. However, our efforts to reform our correctional system should not stop there.

Section 827 of the Justice System Improvement Act, Public Law 96-157. established congressional recognition of first, the desired linkage between public and private sector industry; second. the need to broaden the available market for the distribution and sale of prison-made goods and services; third, the need to insure that inmate workers in prison industries are not exploited: and fourth, the desire for prison industries to produce operating revenues sufficient to reduce the burden of costs to the taxpayer, provide wages and benefits to prison workers, and provide job training which will assist inmates in finding employment after their release.

The Senator from Kansas is proud to introduce a bill today to establish a Corporation for Prison Industries. This Corporation will be chartered as a nongovernment, nonprofit corporation which will continue the work begun by the Law Enforcement Assistance Administration to certify State prison industry projects. The Corporation will be responsible for administering a program of technical and financial assistance to State prison industry and private industry programs by utilizing a revolving fund account obtained from the private sector and from congressional appropriations administered by the Secretary of the Treasury. These prison industry projects will be exempted from Federal laws which constrain the interstate sale of prison-made goods and constrain the sale of prison-made goods to the Federal Government.

LEAA developed the first such prison industry program in 1975 in Connecticut when it initiated the free venture program as a model. Free venture was based on the belief that prisons could operate profitmaking business ventures which would provide inmates with realistic work habits and job skills. By 1978, LEAA had funded programs in six additional States, that is, Minnesota, Illinois, South Carolina, Iowa, Colorado, and Washington.

LEAA conducted a study of the seven prison industry programs and has documented the following favorable results:

First. Payment of the prevailing wage rate to inmates enables them to become taxpayers, and to contribute to the support of their families, their victims, and the correctional institutions in which they are housed;

Second. The operating costs for participating prison industries have been reduced;

Third. Participating institutions have reported more tranquil behavior and fewer disciplinary problems; A provisionally certified program has been established in the Kansas State Penitentiary. Last year, inmates paid the State of Kansas \$60,000 to defray the costs of their room and board, saved an average of \$2,500 per inmate for their own use, and provided sufficient financial assistance to their families so that some families were able to leave the public welfare rolls. There were no violence, work disruptions, or escape attempts at the prison industry plant which is located 40 miles from the penitentiary. One inmate said; "With the money I've got in my savings account, I can't afford to escape."

As a result of LEAA's certification, the Arizona Department of Corrections will now permit the Arizona corrections enterprises firm to operate a meat processing plant for the slaughter of pigs for pork. In Minnesota, the Control Data Corp. will operate a computer rotation memory disk driver assembly facility in the Stillwater prison.

The development of the Prison Industries Corporation will expand upon the fine effort made by the LEAA and will go far toward accomplishing the goals of our correctional institutions, insuring that criminals are rehabilitated so that they may one day reenter our society, and shifting the costs of crime away from the innocent taxpayers, victims, and families.

I recommend this legislation to my distinguished colleagues and urge their support of it.●

ADDITIONAL COSPONSORS

S. 464

At the request of Mr. Durenberger, the Senator from Rhode Island (Mr. Chafee) was added as a cosponsor of S. 464, a bill to amend the Internal Revenue Code of 1954 to adjust provisions governing private foundations.

S. 501

At the request of Mr. Moynihan, the Senator from New Jersey (Mr. Bradley) was added as a cosponsor of S. 501, a bill to amend the Internal Revenue Code of 1954 with respect to the amount which certain private foundations are required to distribute.

S. 604

At the request of Mr. Mathias, the Senator from Vermont (Mr. Leahy) was added as a cosponsor of S. 604, a bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments.

S. 895

At the request of Mr. Mathias, the Senator from Illinois (Mr. Dixon) was added as a cosponsor of S. 895, a bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes.

S. 1215

At the request of Mr. Kasten, the Senator from Minnesota (Mr. Durenberger), and the Senator from Texas (Mr. Bentsen) were added as cosponsors of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked mait beverage products are lawful under the antitrust laws.

S. 1448

At the request of Mr. MATHIAS, the Senator from Connecticut (Mr. Weicker), the Senator from Alabama (Mr. Denton), the Senator from South Carolina (Mr. Hollings), and the Senator from North Carolina (Mr. East) were added as cosponsors of S. 1448, a bill to provide for the issuance of a postage stamp to commemorate the '0th anniversary of the founding of the Girl Scouts of the United States of America.

S. 1450

At the request of Mr. Cannon, the Senator from Virginia (Mr. Warner), the Senator from Wisconsin (Mr. Kasten), the Senator from Nebraska (Mr. Exon), the Senator from Tennessee (Mr. Saster), the Senator from Arizona (Mr. DeConcini), and the Senator from Michigan (Mr. Riegle) were added as cosponsors of S. 1450, a bill to provide for the continued deregulation of the Nation's airlines, and for other purposes.

At the request of Mr. HATFIELD, the Senator from Utah (Mr. GARN), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 1515, a bill to repeal Federal provisions of law establishing agricultural programs concerning the marketing of and price support for tobacco; to prohibit compacts among States for regulating tobacco production and commerce; to amend the Tobacco Inspection Act and the United States Warehouse Act to provide for the assessment of certain fees to cover the costs of inspecting, licensing, and other activities carried out under those acts; and to amend the Internal Revenue Code of 1954 to increase the tax on cigars and cigarettes.

SENATE JOINT RESOLUTION 76

At the request of Mr. RANDOLPH, the Senator from Colorado (Mr. HART) was added as a cosponsor of Senate Joint Resolution 76, a joint resolution providing for the commemoration of the 100th anniversary of the birth of Franklin Delano Roosevelt.

SENATE JOINT RESOLUTION 101

At the request of Mr. Dole, the Senator from Texas (Mr. Tower), and the Senator from Rhode Island (Mr. Chafee) were added as cosponsors of Senate Joint Resolution 101, a joint resolution designating "National High School Activities Week."

SENATE RESOLUTION 155

At the request of Mr. MOYNIHAN, the Senator from Idaho (Mr. SYMMS), the Senator from Oregon (Mr. HATFIELD), the Senator from Indiana (Mr. LUGAR), the Senator from New Mexico (Mr. SCHMITT), the Senator from Oregon (Mr.

PACKWOOD), the Senator from Utah (Mr. GARN), the Senator from Tennessee (Mr. BAKER), the Senator from New Mexico (Mr. LOMENICI), the Senator from Idaho (Mr. McClure), the Senator from Wisconsin (Mr. KASTEN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Rhode Island (Mr. Pell), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Massachusetts (Mr. Tsongas), the Senator from Michigan (Mr. RIEGLE), the Senator from Nevada (Mr. Cannon), the Senator from South Carolina (Mr. Hollings), the Senator from Kentucky (Mr. Huddleston), the Senator from Michigan (Mr. Levin), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Ohio (Mr. METZEN-BAUM), the Senator from Montana (Mr. MELCHER), the Senator from California (Mr. HAYAKAWA), the Senator from Maryland (Mr. Sarbanes), and the Sen-ator from New York (Mr. D'AMATO) were added as cosponsors of Senate Resolution 155, a resolution saluting the 50th anniversary of Radio City Music Hall.

AMENDMENTS SUBMITTED FOR PRINTING

PRICE SUPPORT AND PRODUCTION INCENTIVES FOR FARMERS

AMENDMENT NOS, 528 AND 529

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted two amendments intended to be proposed by him to the bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

TOBACCO PROGRAM ADJUSTMENTS

Mr. EAGLETON. Mr. President, today I am submitting two amendments to S. 884, the 1981 farm bill. The first will stimulate the export of American to-bacco by providing the Secretary of Agriculture the authority to adjust the price support for grades of tobacco that are noncompetitive in the world market and save the Government substantial outlays that are likely to occur in the future unless price support changes are made. The second amendment will cut the cost of production for many farmers by removing tobacco allotments from the control of nonfarming corporations and nonproducers and turning them over to the tobacco producers who have been leasing those allotments.

This legislation comes at an important time. Those of us who are interested in the future of American agriculture must examine ways to strengthen Federal farm programs in a manner that meets the fiscal stringencies of the day. It is with that spirit that I subject these amendments which I believe should be made a part of the omnibus farm legislation, S. 884, which the Congress will consider in the near future.

Mr. President, I would like to share my views on this legislation in considerable detail. My first amendment will provide the Secretary of Agriculture with the authority to adjust price supports on grades of tobacco that are noncompetitive in the world market. The Secretary would not, though, have authority to reduce the support levels below the cost of production.

There are two ways to effectively measure the impact of our ability to compete. One is through changes in our share of the world market; the other is through growth in imports here at home.

Mr. President, I ask unanimous consent that a table showing exports and U.S. market share of unmanufactured flue-cured tobacco be entered in the Record at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—EXPÔRTS AND U.S. MARKET SHARE OF UNMANU-FACTURED TOBACCO, FLUE CURED

[In millions of pounds]

	World total	United States	States as percent of total
Average: 1955-59 1960-64 1966 1967 1968 1969 1970 1971 1971 1972 1973 1974 1975 1976 1977 1977 1978	683 7772 710 750 845 797 831 1, 046 1, 088 1, 232 1, 199 1, 198 1, 229 1, 399 1, 306	413 397 423 427 444 430 368 342 425 418 441 391 391 399 412 455 371	60 52 60 57 56 51 46 41 41 41 38 36 33 32 34 35 34

Source: U.S. De, artment of Agriculture.

Mr. EAGLETON. Mr. President, as we can see from examining this table, the U.S. share of the world market has slipped from 60 percent in the late 1950's to 28 percent in 1979. Our slippage, by the way, came when the world market for tobacco was doubling from 683 million pounds to 1,306 million pounds.

Almost as dramatic as the slippage in our export market has been the increase in imports. In 1969, we imported 159.1 million pounds of tobacco. In 1979, 10 years later, imports almost doubled to 313.6 million pounds. Mr. President, I ask unanimous consent that a table depicting U.S. imports of unmanufactured tobacco be entered into the Record at this point.

There being no objection, the table was ordered to be printed in the RECORD at this point:

TABLE 2.—U.S. IMPORTS OF UNMANUFACTURED TOBACCO FOR CONSUMPTION, AND GENERAL, PRINCIPAL CATEGORIES AND COUNTRIES OF ORIGIN
[In millions of pounds]

A SHEET WAS DEED	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Cigarette tobacco:	935.91								5. 2 18. 5	5. 2 13. 7	10.2
Burley	4.5	7.8	4.4	6.7	6. 2	22.1	36. 4	30.2	18.5	4,9	11.9
	4.5	7.0	* *	6.7	6.0	20.1	20.4	20.0	00.7	1000	170.0
Subtotal	4, 5	7.8	4.4	6.7	6.2	22.1	36, 4	30.2	23.7	23.8	24.3
Subtotal (including Oriental)	147. 8 11. 4	149.6 14.9	168. 3 18. 2	164. 0 12. 9	174.1 24.2	188.0 34.9	211.9 23.8	204. 8 25. 1	194.1 154.5	197. 2 88. 3	191. 4 122. 2
Total	159, 1	164.4	185.6	177.0	198.3	222.9	235.7	229.9	248.6	285.5	313.6

1 Revised; classification change in January 1977 shifted most imports from cigar tobacco to other tobacco category affecting scrap category. Source: "Tobacco Situation," March 1970 through March 1980.

Mr. EAGLETON. Mr. President, we must acknowledge that our lack of competitiveness is caused by Government policy—the franchising of the right to grow tobacco through allotments and high price supports which discourages maximum exports while encouraging imports. To quote from a letter I received from Everett Rank, Administrator of the Agricultural Stabilization and Conservation Service:

U.S. prices to a large extent are determined by the legislated support formula. So long as U.S. tobacco remains out of line price wise with foreign tobacco of comparable quality, our share of world exports can be expected to continue to decline and pressure from imports to increase.

Our inability to meet the tests of the world market are contributing to a crisis that will lead to massive Federal costs for the tobacco program. As of December 31, 1980, over 595 million pounds of tobacco were in quasi-Government stocks at flue-cured tobacco stabilization corporation facilities in the flue-cured region. These stocks involved Federal Government outlays of \$981 million, including \$786 million in principal, the remainder being in interest and insurance costs. These outlavs involve loans that previously we could anticipate would be repaid.

Unfortunately, the Department of Agriculture no longer is convinced that these loans will be repaid. In testimony before the U.S. International Trade Commission on June 23, an Associate Administrator of the Agricultural Stabilization and Conservation Service (ASCS)

said that the Federal Government would lose \$123 million on the 1975–80 crops of flue-cured tobacco because of imports. The administration further claimed that it could lose about \$100–\$150 million on the 1981–85 flue-cured crops. These losses assume an important displacement factor of 38 percent which indicates that eventual total losses to the Federal Government could run three times or over \$750 million

My second amendment is aimed specifically at cutting the cost of production for many farmers. As my colleagues know, the key to the tobacco program is the allotment system. These allotments, which are based on the historical production patterns of the 1930's, were established to stabilize production and consequently to stabilize prices for farmers producing tobacco.

Since the 1930's, ownership patterns of farmland have changed dramatically. Much land which has a tobacco allotment no longer is owned by tobacco producers or any type of farmer. Doctors, lawyers, other professionals with rural residences, and major corporations including Weyerhauser, International Paper, Carolina Power & Light, and Texas Gulf, for example, control thousands of acres of farmland with tobacco allotments on them. These individuals and corporations in turn lease their allotments to tobacco farmers at rates as high as \$1,000 per acre.

So what had begun as a program to protect the income of tobacco producers has also led indirectly and, I believe, unintentionally to a program which is driving up the cost of producing tobacco for many farmers.

My second amendment addresses this issue directly. It returns the allotments now controlled by the nonfarmer to the tobacco producers who are currently leasing the land from nonfarmers. At the same time, the amendment reserves 10 percent of the allotments which would be reallocated under the amendment for new tobacco farms. The amendment will not affect family farm corporations nor family farmers who earn more than 50 percent of their income from farm sources and who have elected to lease their tobacco allotment. They will be able to maintain their allotment so if they should decide to return to tobacco production in the future, their allotment will still be in their control.

Simply put, this amendment returns the program and the program's benefits to the tobacco producers for whom it was established.

Mr. President, the tobacco farmer is the loser with continuation of the status quo. Unless program changes are made, the Secretary has no choice but to try to control program costs by limiting production. And as the number of allotments allowed to produce are decreased, the cost of leasing those allotments from nonproducers is likely to increase.

It is clear to me that changes are necessary. Our farmers will benefit from these changes as will our exports.

I thank the Chair and ask unanimous consent that the amendments be printed in the RECORD.

There being no objection, the amend-

ments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 528

On page 235, between lines 17 and 18, insert the collowing new section:

AUTHORITY OF SECRETARY OF AGRICULTURE TO ADJUST THE PRICE SUPPORT OF CERTAIN KINDS AND TYPES OF TOBACCO

SEC. 1112. The Agricultural Act of 1949 is amended by adding after section 106 the fol-

lowing new section:

"SEC. 106A. Notwithstanding any other provision of law, whenever the Secretary de-termines that a kind, type or grade of tobacco for which marketing quotas are in effect or have not been disapproved by producers will be in excess domestic supply or will be noncompetitive in the world market if the price support level for any crop of such kind, type or grade of tobacco is established in accordance with section 106 of this Act, the Secretary may establish the price support level for such crop of such kind, type or grade of tobacco for that crop year without regard to the provisions of section 106, except that the Secretary may not establish a price support level under this section for any crop of any kind, type or grade of tobacco below the level of the adjusted cost of production. The adjusted cost of production shall be determined on the basis of such information as the Secretary finds necessary or appropriate for the purpose and shall not include (1) costs of purchasing or leasing land, (2) costs of leasing marketing quotas or (3) management costs.

AMENDMENT No. 529

On page 235, between lines 17 and 18, insert the following new section:

PROHIBITION AGAINST CORPORATE OWNERSHIP OF TOBACCO ACREAGE ALLOTMENTS

Sec. . (a) The Agricultural Adjustment Act of 1938 is amended by adding after section 320 the following new section:

"PROHIBITION AGAINST CORPORATE CONTROL OF ACREAGE ALLOTMENTS; RESTRICTIONS ON SALE AND LEASE OF ALLOTMENTS

"Sec. 320A. (a) (1) The Congress finds that the legislative findings expressed in section 311 of this Act are still valid and reaffirms

such findings.

"(2) The Congress further finds that there has been a proliferation of nonproducer ownership of tobacco acreage allotments and that the high cost to the lessees of such allotments has contributed to high production costs for producers and made certain kinds and types of tobacco produced in the United

States noncompetitive in the world markets.

"(3) The Congress further finds that in order to carry out the original purpose of the program provided for in this part it is necessary to make farms owned or controlled by corporations ineligible for tobacco farm acreage allotments under this Act and to provide for the making of tobacco acreage allotments to certain producers who have been leasing tobacco acreage allotments.

"(b) (1) Notwithstanding any other provision of law and subject to the provisions of paragraph (4), beginning with the 1982 crop of tobacco (A) no tobacco acreage altotment may be made for any land owned or controlled by a corporation, and (B) no tobacco marketing quota, tobacco acreage poundage, or tobacco poundage marketing quota may be allotted or assigned to any such land or any corporation.

"(2) Subject to the provisions of paragraph (4), effective beginning with the 1982 crop of tobacco, the Secretary shall allot to each producer who leased a tobacco acreage allotment for the 1981 crop of tobacco from a corporation a tobacco acreage allotment equal to 90 percent of the allotment so leased by such producer.

"(3) Subject to the provisions of paragraph (4), an acreage equal to 10 percent of total acreage allother is small or containing in 1981 by corporations shall be reserved by the Secretary for allocation to new farms. Any such acreage not needed under this paragraph for new farms may be used by the Secretary to make adjustments in allotments to correct inequities that may result in the making of allotments under paragraph (2).

"(4) In any case in which an acreage allotment referred to in paragraph (1) was leased before July 1, 1981, by a corporation and was leased for one or more crop years beyond the 1981 crop year, the provisions of paragraphs (1), (2), and (3) shall not operate with respect to such acreage allotment until the end of the crop year covered by the lease.

"(5) An acreage allotment made under paragraph (1) to any producer may not be leased or transferred by such producer and shall be lost if not planted for production by such producer for two consecutive crop years.

"(c) The tobacco farm acreage allotment of any farm owned or controlled by any person, other than a corporation, who derives more than one-half of such person's income from nonfarming sources, as determined by the Secretary, and who has not planted such allotment in two of any three consecutive crop years beginning with the 1980 crop year shall lost such allotment. Acreage lost by producers under this subsection shall be reallocated to the producers to whom it was most recently leased or, if not leased within the three previous crop years, be reallocated among producers in such manner as the Secretary determines equitable, except that 10 per centum of the acreage shall be reserved for allocation to new farms. The provisions of paragraph (5) shall apply in the case of tobacco acreage allotments reallo-cated under this subsection.

"(d) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.

"(e) As used in this section, the term 'corporation' means a corporation, partnership, association, or other business entity, but such term does not mean a business entity composed of one or more individuals who are engaged in farming and who produce tobacco on the tobacco acreage allotments controlled by the business entity."

SENATE CONCURRENT RESOLUTION 29—CONCURRENT RESOLUTION D'SAPPOVING CERTAIN COAST AL ZONE MANAGEMENT REGULA-TIONS

Mr. HOLLINGS (for himself and Mr. WEICKER) submitted the following concurrent resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 29

Resolved by the Senate (the House of Representatives concurring), That the Congress disapproves the final rule promulgated by the Secretary of Commerce dealing with the matter of the Federal consistency provisions of section 307(c)(1) of the Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1456), which final rule was submitted to the Congress on July 14, 1981.

• Mr. HOLLINGS. Mr. President. I am today submitting a concurrent resolution to disapprove the final regulations recently promulgated by the Secretary of Commerce pertaining to certain Federal consistency provisions of the Coastal Zone Management Act of 1972, as amended. The Federal consistency provisions are the very heart of the Coastal Zone Management Act, and the embodiment of the rights of the coastal States

to have some control over Federal actions in their coastal jurisdictions. It is through the Federal consistency provisions, under section 30% of this act that we have returned authority to the States, and this is exactly the purpose for which these provisions were intended.

the new regulations, which were published in the Federal Register on July 14, 1981, fly in the face of the intent of the law and the legislative history governing the proper interpretation of the provisions. According to the new regulations, the administration will no longer consider activities routinely taken in preparation for an offshore oil lease sale to be activities which directly affect the coastal zone. This action, if permitted to stand, will make it unnecessary for the Federal Government to conform its prelease offshore oil drilling activities to the legitimate concerns of State governments as laid out in their respective coastal zone management programs. In fact, just the opposite was intended by section 307(c)(1), as is clear from the legislative history.

The process that brought about these regulations is a study in deep bias against the rights of coastal States. Some 71 comments were received by the administration as the regulations were con-

sidered.
Fully 51 of these were negative, and included the protests of 16 coastal States and 12 local governments, not to mention the negative comments from affected interest group. Almost all of the favorable responses emanated from members of the oil industry. The resulting regulations do not speak, then, of an objective, evenhanded public process being followed, and the regulations cannot be seen as good and reasonable pub-

lic policy. Extensive hearings were held last year on amendments to the Coastal Zone Management Act. We considered the complaint of the oil companies that compliance with Federal consistency requirements delayed leasing activities. We found no evidence to support this contention, and it is a matter of public record on the hearing transcript before the Committee on Commerce, Science, and Transportation. We found instead that Federal consistency provisions were working well throughout the country and fostering healthy Federal-State cooperation, which is what was intended. Potential problems were identified and worked out ahead of time, in a reasonable fashion. And we did not see the delays that are now being perpetrated as a result of the lawsuits being filed over this matter.

The State of California recently sued the Federal Government over the new regulations. On July 27, 1981, the U.S. district court upheld California's position under the Federal consistency provis'ons. The State of North Carolina has sued the Department of the Interior in a similar dispute regarding lease sale No. 56, and was joined last week by my own State of South Carolina.

This is indeed a ludicrous situation. Here we have the very provisions that are responsible for returning Federal authority to the coastal States—the very essence of States rights—being fought

and subverted by the very individual in the administration who is most closely identified with the Sage Brush Rebellion involving issues of State authority over the Federal Government, Secretary of the Interior James Watt

the Interior James Watt.

Not only is Secretary Watt seeking to undermine and gut States' rights by his pressure to rewrite the Federal consistency regulations, and his refusal to cooperate with coastal States on lease sale activities, but he is actually causing a greater delay by trampling on the authority of the States and inviting these lawsuits. This position is philosophically contrary to the oft-repeated position of this administration to return authority to the States.

The concurrent resolution which I am submitting today is intended to maintain the integrity of the Coastal Zone Management Act and the rights of the coastal States thereunder. I urge my colleagues to join me in this effort to maintain a voice for coastal State and local governments in issues that vitally affect their interests and to provide for a balanced and necessary offshore oil leasing program that is not wracked by further unwarranted delay.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. COHEN. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public field hearing before the Select Committee on Indian Affairs, chaired by Senator John Melcher.

The hearing is scheduled for August 19, 1981, beginning at 2 p.m. in the Post Office Building, room 210, 215 First Avenue North, Great Falls, Mont. 59401. Testimony is invited regarding the irregularity in the movement of oil from the Blackfeet Indian Reservation.

For further information regarding the hearing, you may wish to contact Max Richtman of the committee staff on 224–2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

TRIBUTE TO SENATOR ROTH

Mr. BIDEN. Mr. President, although I disagree with the basic premise underlying so-called supplyside economics, to-day's historic passage of the tax bill conference report does not diminish my admiration for the central role played in this victory by the senior Senator from my State of Delaware, BILL ROTH.

Senator ROTH has been the prime

Senator Roth has been the prime mover behind this tax bill, showing great determination in promoting his economic theory. The senior Senator from Delaware richly deserves congratulations for succeeding in his long fight.

Although I still do not agree with the economic premise on which this tax bill is based, it is my sincere hope that it succeeds as intended so that all Americans may benefit.

MR. McNAMARA AND THE FOREIGN AID QUAGMIRE

• Mr. MOYNIHAN. Mr. President, on July 29, 1981, there appeared a piece by Roger Cochetti in the Washington Star entitled "Mr. McNamara and the Foreign Aid Quagmire." Its subject was the constituency of foreign aid, and how in the past decade public support for American aid abroad has fallen.

The constituency of foreign aid, as Mr. Cochetti notes, has always included disparate groups frequently working at cross purposes with one another. The result has been that support for American participation in multilateral lending institutions like the World Bank continues to decline.

The fall of public and congressional support for the World Bank is something that Robert McNamara can well attest. Indeed, in reviewing Bob McNamara's tenure as President of the World Bank, from which he retired on June 30, 1981, it sometimes seems as if he has been a constituency of one.

He has had to struggle against overwhelming odds. In the United States, he has faced opposition from a wide array of political and economic groups with little inclination to taking the long and broader view of things—little inclination to understanding, we might say, the objective requirements of enlightened selfinterest.

Of the three constituencies for foreign aid identified by Mr. Cochetti, only one—the constituency of compassion—regularly identifies itself with and supports the activities of the multilateral lending agencies. The support of the other constituencies—of conflict and of commerce—has at best been episodic. It threatens now to vanish altogether.

The challenge that Bob McNamara faced in attempting to garner continued American support for the activities of the International Bank of Reconstruction and Development—the full name of the World Bank—was as nothing compared with the pressing problems of world poverty and underdevelopment that the Bank has daily had to address under his leadership.

The scope of the developing world's economic and political difficulties is staggering. There have been, it is true, some success stories. A host of "newly industrializing countries" or NIC's have shown the extraordinary results that a commitment to private enterprise can bring.

The combined GNP of the NIC's is now five times greater than what it was in 1950; and it is not a coincidence that they have been able to grow so quickly and so successfully because of their close ties to the industrial democracies.

But much of their growth would have been far more difficult had it not been for the constructive activities of the World Bank.

Elsewhere the situation of the poorest countries became worse during the 1970's—a fact due largely to the tremendous burdens they had to bear from multiple oil shocks. In much of the Fourth World growth rates slowed down to a mere trickle. Yet without the World Bank and its soft-loan arm—the Inter-

national Development Association—the fate of the poorest of mankind would have been far worse.

Under Bob McNamara's guidance the World Bank increasingly came round to the view that the commitment to economic development requires the world reduction of poverty, and he devoted his efforts and the efforts of his organization to that end.

But it is a great mistake to see the driving passion behind this aspiration to have been basically redistributive. In the great age of optimism about the possibilities of economic development that existed in the 1950's and 1960's, it was thought that economic development was a matter of creating the economic infrastructure—the roads, the dams, the communications facilities—that would make possible the "take-off" into economic growth. Bob McNamara changed our view of this matter.

He saw, I think correctly, that investment in economic infrastructure was a necessary but not sufficient condition of economic development.

Equally important were the investments in human development, which contributed not only to the immediate relief of man's estate but which also turned out to be surprisingly productive.

The World Bank still contributes to both and still thinks both are necessary; yet as a financial institution the Bank, under Mr. McNamara's leadership, saw that it could serve the traditional goal of economic development by devoting many of its activities to human development.

The new direction Robert MtNamara gave the Bank has proven to be surprisingly successful. The rates of return on primary education expenditure, the Bank's "World Development Report" for 1980 noted, have been as high as 27 percent for the low-income countries and those with low literacy rates.

In certain sectors, like farming, the Bank has found that education and productivity have a close relationship with one another.

Farmers with at least 4 years of primary education tend to produce about 13 percent more than farmers with no education at all. The appalling conditions of human ignorance and disease that exist in so many of the world's poorest countries do not make a fertile ground for economic growth.

While others before Mr. McNamara saw an unceasing conflict between equity and efficiency, he saw that securing the former was in many instances an indispensable way station to the achievement of the latter. This was a remarkable thought—one that our experience tends increasingly to bear out.

Bob McNamara and I came to Washington together in 1961; and I have consequently had the opportunity in the past two decades to observe his work. Perhaps what is most remarkable about his career of public service—from his arrival at the Department of Defense to his long years of service on the World Bank—was the benetrating honesty and intelligence that he brought to all his

He has that rarest of things in our town—an open mind, and he has not been afraid to change it. At the World Bank, his compassion for the world's poor was unlimited, yet he retained in an arena where rhetorit and exaggeration abound his intelligence, his sobriety, and his commonsense.

The departure of Mr. McNamara from the World Bank is not a time for celebration; we will miss him too dearly for that. And the problems of the world's poor are too pressing and too awesome for us to entertain much hope that the work of his successor, Mr. A. W. Clausen, will be anything but a fierce battle to hold back the relentless tide of human misery in the world, or that the result will be anything but a slight aggregate improvement to the human condition.

Yet success in political life is not measured—should not be, at least—by impossible yardsticks that are good for nothing but condemnation. Reckoned by a different yardstick—that of the possible—Bob McNamara's contribution was profound.

It will be felt by many who do not know his name and never will, and it will be felt when he and I have long gone from this Earth. Few men deserve such praise. But then of few men can it truly be said that the world would have been a far worse place without their presence. It can be said of Bob McNamara.

Mr. President, I ask that Mr. Cochetti's article be printed in the RECORD.

The article follows:

[From the Washington Star, July 29, 1981]
MR. McNamara and the Foreign-Am
Quagmire

(By Roger Cochetti)

The recent retirement of World Bank President Robert McNamara raises numerous questions about the viability of U.S. participation in the bank in particular, and the future of America's foreign aid effort more generally

generally.

As Mr. McNamara points out, the U.S. foreign aid effort has been declining by almost any measure, and the prospects are that it will continue to do so. To the extent that a diminished U.S. effort to promote economic growth in developing nations damages our foreign relations, our own economic prospects, and our nation's sense of moral direction, it is important to understand why the decline takes place at all.

President Reagan has proposed that the Congress provide about \$1.7 billion in U.S. contributions to multilateral development efforts and \$2 billion in bilateral development assistance for the coming fiscal year, as well as about \$1.2 billion in food aid. (These gross figures, before receipts are factored in, compare with about \$4.3 billion in security assistance and about \$13 billion in military sales trust fund authorities).

While these amounts are modest compared with the needs or the relative efforts of other industrial countries, even they are likely to be substantially reduced by the time of final Congressional action. Thus, Mr. McNamara's frustration is understandable.

In fact, however, given the state of public support for foreign assistance, it is mildly surprising that even these amounts continue to be approved. For the fact is that foreign assistance, unlike any other federal program of its size lacks a strong and coherent behavior

assistance, unlike any other federal program of its size, lacks a strong and coherent lobby. Many politicians mistake the absence of a coherent foreign-aid lobby for the absence of a constituency for aid. Nothing could be further from the truth. The constituency is large, and it is growing.

large, and it is growing.

But its growth has, in some respects, been one of its weaknesses. The aid constituency is, in fact, three separate—and quite different—constituencies, each at odds with the other over the purpose and direction of American foreign assistance, and each skentical of the other's motives.

The constituency of conflict is perhaps the oldest and yet least organized of the three. It is made up of politicians, diplomats, commentators, academics, and citizens who view foreign aid as a means through which we can manage our conflict with the Soviets. This constituency is related to the larger constituency for military spending and it has quietly grown since the taking of the American hostages in Iran in 1979. It will support increases in military assistance and aid to countries that face a Soviet-inspired threat.

The constituency of compassion, similarly, has roots that go back to World War II. Made up largely of religious, civic, labor, and environmental groups, it is large and only partially organized. Such foreign aid supporters view the programs as a means through which America helps the poor, the starving, and the disadvantaged in other countries. They will support humanitarian assistance that is directed towards the genuinely needy.

that is directed towards the genuinely needy. The constituency of commerce grows out of America's rapidly increasing economic ties with the developing world. This group consists largely of agricultural, manufacturing, and financial concerns, and it sees foreign assistance as a means through which the government can stimulate exports markets and improve investment climates. It is well organized, and will back aid that complements the private sector and is targeted towards countries with a near-term potential for growth.

In addition to these three main constituencies, there are many organizations and individuals with a specific concern for an issue, a nation, or a program

WHY THEY FAIL

One might ask, as I am sure Mr. McNamara has, why with all this support, foreign aid programs are constantly on the verge of extinction? The answer is in two parts: First, no single constituency either has the clout, or is prepared to use it if they do, to sell the entire program to the public and the Congress. And second, not all foreign aid programs are in such deep trouble, only those that do not have a strong and coherent constituency behind them (military assistance, food aid, and refugee assistance do not face serious problems, for example).

Thus, Mr. McNamara's disappointment on leaving office is well founded. It will be a major challenge to his successor, to the Reagan administration, and to all concerned with the future of the developing nations to bring this nation out of the quagmire.

IMPACT OF FEDERAL WORKERS' COMPENSATION ACT ON AGRICULTURAL EXPORTS

Mr. JEPSEN. Mr. President, the Federal Workers' Compensation Act has a big impact on our agricultural exports.

While the program worked reasonably well into the early seventies, it has now soared out of control. Increased cost in the program means increased costs in marketing and exporting agricultural commodities.

Mr. C. H. Fields recently wrote an article which appeared in the July 27, 1981, issue of the Farm Bureau News dealing with this problem. Mr. President, I ask that this article be reprinted in

the Record in full so that my colleagues might have a chance to understand the implications of the Federal compensation law.

The article follows:

AGRICULTURE WAS A VITAL STAKE IN REFORM OF FEDERAL MARITIME WORKERS' COMP. LAW

(By C. H. Fields)

For many years Farm Bureau has resisted efforts by the union movement to federalize the state workers' compensation program. It prefers to leave this protection for workers injured on jobs to the individual states. In terms of political philosophy, we knew we were on solid ground. Now, we can point to the only workers' compensation program operated and controlled by the federal government and prove how right we were in actual practice.

Back in 1927, the Congress enacted the Longshoremen's and Harbor Workers' Compensation Act and assigned its administration to the Department of Labor. It was designed to provide equitable compensation for work-related injuries to certain employees in maritime activities who could not be covered by state compensation laws, because of employment involving navigable waters, which are not under the jurisdiction of any one state. Similarly, the employees of the District of Columbia, which is not a state, were brought under the same Act.

1972 AMENDMENTS

It worked reasonably well until 1972 when Congress adopted a series of amendments to the Act. This action was taken supposedly for the purpose of increasing benefits to adequate levels, extending coverage to over-thewater workers who also work on land, improving administration, eliminating "third party" suits based on the admiralty doctrine of "unseaworthiness," prohibiting indemnification agreements between the owners of vessels and employers and creating a model and uniform compensation act that states could emulate.

But, let's look at what really happened! The Act's jurisdiction has been extended steadily landward, through interpretations of the Labor Department and several court rulings, to include workers already covered under state laws and working at jobs remote from navigable waters and maritime activity. In addition, the 1972 amendments established a benefits structure that caused benefits to soar. The program moved into life insurance, pension and other supplemental income provisions, creating distortions and abuse of the law, plus incentives to stay off the job. Benefits are ordered to be paid even in cases where employees continue to work at full wages or more. Death benefits must be paid whether or not the death is jobrelated.

Employee utilization of the program increased 185 percent in the first five years after the 1972 amendments were added. The soaring costs of the program are borne entirely by employers of the ever-widening jurisdiction of the Act. In New York, the current cost per covered employee is \$21.000, or about 75 percent of the wage cost. Compare that cost in New York to state coverage for a nonlongshoremen freight handling worker at \$3.370, \$1.042 for a police officer, \$1.254 for a fireman. Employer rates under the federal act for U.S. stevedores at Atlantic and Great Lakes ports vary from \$25 to \$87 per \$100 of payroll, while the Canadian rates are only \$2.50 to \$13.

AGRICULTURE'S INTEREST

Are you asking yourself, "What does all this have to do with farmers and agriculture?" Well, this federal workers' compensation act has a direct impact on agricultural exports and on the operations of aquacultural producers. Farm Bureau made it clear that agriculture has a vital stake in the reform of the Act in a July 20 statement presented to the

Senate Labor Committee.

"This Act is being interpreted by the Department of Labor to cover workers engaged in the cultivation and harvesting of shelifish, particularly the operations on the West Coast, where the tideland areas are very wide and the breeding and cultivation of shellifish has become an important segment of the food industry . . The exorbitant cost of double coverage under the Act as well as under a state act, and the difficulty of finding insurance carriers willing to oner coverage under the federal act are the basis for this concern."

IMPACT ON EXPORTS

The Longshoremen's Act also constitutes an important cost factor in the export marketing of agricultural commodities, such as grains. Costs are incurred when exporting companies or cooperatives employ the services of stevedoring companies to load the grain or other agricultural commodities onto ships in ocean ports or onto barges on the nation's navigable rivers. These costs usually are borne by producers in the form of lower prices for their commodities.

The Act cost is a proven culprit in the current weakened position U.S. producers have in foreign markets for agricultural products. The cost for workers compensation under the federal Act can run as high as 25 percent of the wholesale price of commodities, such as apples, that require careful handling. The exorbitant U.S. cost of coverage under the Act has created a bonanza for the neighboring ports of Canada, where compensation costs are only a small fraction of U.S. costs.

NICKLES-NUNN-ERLENBORN BILLS

Following several years of clamoring for reform by the maritime and insurance industries, Congress appears to be moving with legislation to reform the Act.

S. 1182, whose chief cosponsors are Sen. Nickles (R., Okla.) and Sen. Nunn (D., Ga.), and H.R. 25, introduced by Rep. Erlenborn (R., Ill.) are bills to clarify the Act's jurisdiction, exempt from coverage any workers that can be covered by a state act and bring benefits back in line with similar state laws. Farm Bureau strongly supports enactment

Farm Bureau strongly supports enactment of this legislation. However, it has called for clarifying language in the exemption section to cover nonvessel structures used by the shellfish producers on the West Coast.

Markup on the Senate bill is expected soon after Congress returns from its August recess. A Senate Labor Subcommittee, chaired by Sen. Nickles, has concluded public hearings on the legislation.

Besides Farm Bureau, some 55 other groups and companies are committed to achieving major reform of the Longshore Act. They represent a broad range of employer interests in agriculture, shipbuilding and maritime industries, stevedoring companies, insurance carriers and others.

We can all say a prayer of thanks that we have been able to prevent Congress from federalizing all state workers' compensation laws. The Longshore Act is so bad that even the Washington, D.C., City Council has voted to pull out of the federal program and to enact its own workers' compensation law.

KENT ISLAND'S 350TH ANNIVERSARY

• Mr. SARBANFS. Mr. President. in 2 weeks the Kent Island Heritage Society will commemorate an event of significant importance for the State of Maryland: The 350th anniversary of the first English settlement within the boundaries of the State of Maryland. In celebration of this occasion the Kent Island Heritage Society will sponsor a celebration on August 14, 15, and 16.

Not only is this event of historical im-

Not only is this event of historical importance to the State of Maryland, but the settlement of Kent Island is of nationwide importance. After the establishment of the Jamestown Colony in 1607 and the Plymouth Colony in 1620, the Kent Island settlement marks one of the earliest permanent settlements in the original 13 colonies.

The Kent Island Heritage Society has established, through historical research, many "firsts" for Kent Island in Maryland's history including among others, the First English settlement established by William Claiborne; the first boatyard and consequently the first boat, a pinnace "The Longtayle"; the first church and the first courthouse.

The citizens of Maryland take great pride in the fact that our State was one of the Original Thirteen Colonies and that the shores of the Chesapeake Bay served as the first settlement for some of the very early colonialists, including William Claiborne, who established a settlement on Kent Island in August 1631.

A very fine article appeared in the Bay Times of April 22, 1981, recounting the founding of Maryland's first Anglican congregation, the Christ Episcopal Church, on Kent Island in April 1631 and some of the history of this important community. I ask that it be reprinted at this point in the Record.

The article follows:

CELEBRATION TO COMMEMORATE 350 TOUGH YEARS ON KENT ISLAND

Maryland's first Christian congregation, Christ Episcopal Church on Kent Island, celebrates its 350th anniversary, Saturday, April 25.

An ecumenical Service of Thanksgiving, for which the 102nd Archbishop of Canterbury, the Most Rev. and Right Hon. Robert A. K. Runcie, will give the sermon, will be the chief attraction.

A trumpet fanfare at 11:30 a.m. will herald the processional as Archbishop Runcle is greeted at the entrance to a tent tabernacle by the Rt. Rev. John M. Allin, presiding bishop of the United States, and the Rt. Rev. W. Moultrie Moore, Jr., bishop of the Episcopal Diocese of Easton.

Participating in the service will be Bishop Frederick Wertz, the Washington area, the United Methodist Church; the Most Rev. Thomas J. Mardaga, bishop of the Roman Catholic Diocese of Wilmington; and the Rev. Dr. Paul M. Orso, president, Maryland Synod, Lutheran Church of America.

Traditional hymns such as "Praise to the Lord" and "O God Our Help in Ages Past" will be led by a 100-voice choir, accompanied by a ten-member brass ensemble and two organists. Choir members have been drawn from the Salisbury Choral Society, and churches of the Diocese of Easton. Dr. Ray Zeigler, professor of church music at Salisbury State College, will direct the choir.

All 2,200 seats for the service have been reserved, largely for parishes of the diocese on a pro rata member basis, according to the Rev. Robert A. Gourlay, rector of Christ Church.

The huge tent which will house the service is being set up in a rolling field at Love Point, overlooking Chesapeake Bay. The site is within view of Broad Creek, where the congregation's first church was built in 1652.

An official state historical marker designating "the first Christian congregation in Maryland" is located on Route 8, near a narrow oyster shell road that leads to the grove

of huge oak trees that once surrounded the old church, which was rebuilt in 1712 and 1826.

The congregation had started at the south end of Kent Island. William Claiborne brought an Anglican priest from Jamestown, Va. to his settlement there in 1631-32.

Later, the Broad Creek site had become more central to the population of early colonists who came to services by boat. It was here, for the same reason, that the Anglican priest Claiborne brought with him in 1631, the Rev. Mr. Richard James, conducted the first religious service ever held in Maryland. The date was nearly three years before Maryland was officially settled in 1634 with the landing of Lord Baltimore's colonists at St. Clements, or St. Mary's.

The 350 years since the congregation was founded have been marked by fluctuations, according to parish history. There have been rapid alternations of vacancy, and short-time ministers. There also have been times of growth and prosperity as exists now.

From 1714 to the Revolutionary War, the population had concentrated around Broad Creek, the only harbor on the western side of the island and a key point on the line of traffic between North and South. Church attendance increased. By 1748, the congregation much exceeded the capacity of the church building. An ell was added.

church building. An ell was added.

The Revolutionary War reduced Christ
Church to a handfull of the faithful. By
1810, the church building was unuseable to
the extent that cattle were stabled in it.

In 1825, a young man named Mathias Harris, recently licensed as a lay reader, undertook the seemingly hopeless task of restoring life to the parish. He tutored students in a borrowed classroom to raise money, and aroused enough interest to support a subscription for restoration of the dilapidated old building. This was accomplished in 1826.

Mr. Gourlay said that "looking back on the history of the parish, we can give thanks that there was a continuity. Even during the times when the church was without a rector, and parishioners were few, there was always a vestry of the parish that continued to exist, people who could provide a basis for resurgence to develop and enlarge upon."

Christ Church's present communicant strength of 197 reflects the active growth of

Christ Church's present communicant strength of 197 reflects the active growth of the Kent Island area in recent years. Watermen and farmers still live on the island, but the population now reflects the island's popularity as a bedroom community for persons working across the Chesapeake Bay and for retirees.

As the late Dr. Clarence P. Gould, once president of Washington College, concluded in a history of Christ Church Parish compiled in 1959:

"The spirit of Anthony Workman, the innkeeper at Broad Creek and benefactor of Christ Church, can see across the fields from his shady window many more, and incomparably finer rooms for night-bound travelers than he could ever offer; and he can go out to the road and in single day count more passersby than he ever saw at Broad Creek during his entire mortal life. What will be the effect of all this on the oldest settlement and the oldest church—in fact the oldest organization of any sort whatsoever—on the soil of Maryland? No one can dictate to fortune, neither can anyone predict it. But the future looks bright."

GREAT PLAINS CONSERVATION PROGRAM—25 YEARS OF PRO-TECTING AMERICA'S FARMLAND

 Mr. DOLE. Mr. President, August marks the 25th anniversary of the Great Plains conservation program designed to assist in maintaining the soil and water resource base in the 10 Great Plains States. The Great Plains program is a shining example of cooperation between Federal, State, and local agencies in addressing a growing and continuing threat to our Nation's economy—the alarming rate of soil erosion and moisture depletion in our Nation's (and the world's) breadbasket.

Through the efforts of the USDA's Soil Conservation Service, State governments, and local conservation districts, the Great Plains program helps farmers, ranchers, and others, install conservation plans for their operating units through a program of scheduled technical assistance and long-term contractual cost sharing to bring improved economic and social stability to the Great Plains area.

The program works by: First, accelerating the conversion to less intensive use of cropland not suited for continuous cropping; second, preventing deterioration of crop and grazing land; third, promoting economic use of land; fourth, controlling or abating agricultural-related pollution by helping establish conservation systems to develop and maintain optimum agricultural stability and an improved environment for all the people.

ACCOMPLISHMENTS OF THE GREAT PLAINS PROGRAM

By 1980 farmers and ranchers in the Great Plains States had signed more than 58,000 program contracts covering more than 110 million acres. With SCS assistance, they had established more than 5 million acres of permanent vegetative cover, planted 64,000 acres of windbreaks, installed 98,000 miles of terraces, and installed 13,000 miles of livestock water pieplines. SCS work in the Great Plains has also included assisting landowners with increased irrigation efficiency, brush management, planned grazing systems, water disposal, and critical area treatment.

Mr. President, the successes of the Great Plains conservation program are so significant, that in drafting the 1981 farm bill the Senate Agriculture Committee included a program, the special areas conservation program, modeled after it. The special areas program extends to a national basis the Great Plains approach of targeting resources to the problem areas most in need of assistance.

THE CHALLENGE FACING CONSERVATION PROGRAMS

Mr. President, as we celebrate the anniversary of the Great Plains program, it is appropriate that we not only take a moment to reflect upon the program's many successes, but more importantly, that we look ahead to the behemoth task which lies before us.

Each year the American continent loses more than 6 billion tons of soil—enough to cover my entire home State of Kansas to a depth of three-quarters of an inch. Nationwide, America's farmlands are losing 5 to 9 tons of topsoil per acre per year. That is double the rate considered acceptable—and in some places, the erosion rate is 10 or 20 times as high.

Additionally, a council on environmental quality study reported this year that about 225 million acres of arid western land, an area about the size of the original 13 States, are undergoing severe desertification, that is, loss of underground water and high erosion that gradually makes the land unsuitable for cultivation.

MEETING THE CHALLENGE

Mr. President, clearly, the desertification and soil erosion rates confronting the farmland of our great Nation can no longer be tolerated. These losses pose a most serious threat to our Nation's economy and environmental well being. Although programs, such as Great Plains conservation, are making strides in protecting our most precious natural resource, our job is far from complete. If the United States is to remain the greatest agricultural producer in the world, we must place, protecting our great wealth of fertile, productive land at the forefront of our national attention.

A TRIBUTE TO ANDY

• Mr. EAGLETON. Mr. President, those of us who serve in the Senate tend to take the smooth operation of the institution for granted. When on rare occasions we do think about the daily operations of the Senate, we too often do so only to complain about the cost and the number of people involved. Too often, we overlook the extraordinary dedication and ability of our professional and clerical people who keep the Senate business moving in a timely way.

Harold Anderson, who recently retired as staff printer for the Governmental Affairs Committee, was such a person. Andy, as he was known to his friends and colleagues, came to Washington 25 years ago, after 4 years in the Army and 10 years as printer in Coral Gables, Fla. After brief stints working with the New York Times and Washington Post, Andy joined the Govern-ment Printing Office in 1956. While working at GPO for the next 19 years, he was detailed to the Supreme Court for 2 years and for the House Education and Labor Committee a year. Ten years ago, Andy was detailed to Senator Ribicoff's Subcommittee on Reorganization of the Government Operations Committee. When Senator Ribicoff became chairman of the full Government Operations Committee in 1975, Andy became the committee's printer.

Information is the lifeblood of the Senate, and Andy was a master at making it flow. No deadline or emergency was too unreasonable; he was available at any hour when committee staff people needed a committee print or a report prepared. His trademarks were impeccable work with extraordinary turnaround time, and unfailing good humor and cooperation.

Andy retired earlier this summer, and both committee members and staff who worked with him were grateful for the experience. He was always a consummate professional, and a constant reminder of the dedication and ability which many Senate staff people bring to their work.

THE NEW FEDERALISM WILL NEED INNOVATIVE PROBLEM-SOLVING TECHNIQUES

August 3, 1981

• Mr. DURENBERGER. Mr. President, for several months now political leaders from every level of government have been preoccupied with one concern: Redefining federalism. The goal is to shift power from Washington to governments closer to the people; the methods we have been discussing are threefold: Enacting block grants, lifting Federal regulations, and freeing resources from Federal taxation. The result will be a new order of federalism, with a different division of responsibilities between the States and the National Government, and more clearly articulated "spheres of influence" for each level.

Clearly, this reordering must be a top priority. Too much power is concentrated in Washington, but more importantly, that power has not been exercised effectively and many of the Nation's social and physical problems have not been resolved. But as we proceed to enact block grants, deregulate State and local governments, trim Federal budgets for grant-in-aid programs, and cut taxes, we must keep one important fact in mind: The new structure of federalism will not be effective automatically; along with the new order we must devise new approaches to resolving community problems.

Simply handing the problems over to "governments closer to people" will not rebuild decaying cities or relieve pressures of rapid population growth. Governors, State legislators, mayors and county officials will not be successful in overcoming the classic urban problems if they rely on "business-as-usual" approaches. And, after a period of time, when the public outcry becomes loud enough, local problems will be redefined as national in scope and legitimate for Federal assistance. If the changes we are designing now are to be lasting, they must be accompanied by innovative problem-solving techniques. As we go about our job of building a new federalism, let us keep in mind that the fundamental purpose is not to shift power from one level of government to another, according to an abstract principle of division of authority, but to offer a structure and some processes for dealing with problems effectively.

In this context, I direct the attention of my colleagues to an experiment in urban problem-solving that is being tested in the capital city of my own State of Minnesota, and in two other cities: Gary, Ind., and Columbus, Ohio.

The process is called negotiated investment strategy (NIS): it was developed by the Kettering Foundation and is being tested under the foundation's direction.

Basically, NIS is a way to establish coherent policies and allocate resources in local communities. It starts from a "bottoms up" approach: The focal point is the community with the problem. Federal and State officials, business and civic leaders are brought to the community where they negotiate agreements and commit resources to projects.

The NIS model, as developed and tested by Kettering, has some special characteristics. First, as I just indicated, it requires the participation of leaders who have the authority to commit resources. This ingredient seems self-evident, but lack of clout has been a barrier to problem-solving on too many occasions. All of us are familiar with the Federal regional official who attends local meetings and makes promises only to be overridden by a superior in the Washington office.

Second, NIS requires a new way of thinking about the resolution of community problems: As an investment, with long-term payoff, not a short-term, stop gap patching job. Kettering has found that when NIS participants think in terms of investments, their policy focus broadens and they consider a whole range of powers and management tools available to them: Regulation and deregulation, mandated standards and the relaxation of standards, self-help incentives, legal advocacy and taxation or tax expenditures.

Third, NIS, as the name implies, revolves around negotiations. These negotiations are formal, conducted, with the assistance of a professional mediator. Negotiating sessions result in consensus on priorities and commitments to follow through. Formal, written, binding agreements are drawn up and signed by the

participants.

Finally, NIS involves the general public. The citizens have the opportunity to review the formal agreements and monitor subsequent performance.

NIS experiments have been underway for about 18 months. By the end of the first year, all three cities had reached agreement on priorities and commitments. and action on projects was beginning. In my own State, the city of St. Paul committed to three projects: Redevelopment of an older, underused warehouse district into a combination of residential neighborhoods, businesses, and entertainment facilities; development of a 250-acre energy park; and comprehensive development of the 17.5 miles of riverfront which winds through the city.

The negotiated investment strategy projects have not been completed, but the Kettering Foundation has already begun an evaluation. The experiments serve as a reminder that restructuring Federal-State-local relations will not neces-sarily resolve the housing, transportation, education, and other problems facing our communities. In addition to redesigning the framework for intergovernmental relations, we need to pay attention to new techniques for resolving issues within that framework. And, we must broaden the public decisionmaking system to include leaders from the private sector, not only the corporations with the money to invest but the nonprofits who, in so many cases, offer the social services we all rely on.

I ask that the attached documents be printed in the RECORD.

The material follows:

FEDERALISM: BACKGROUND PAPER No. 1A Federalism: Definition and Interpretations—"... the history and concept of Fed-

eralism is a tangled mess of definitions, which mess is at once a function of founder, jurist, journalist, politician and political scientist."—Martin Landau

DEFINITION AND ROOTS

The term federal(ism) is derived from two Latin words, "foedue," meaning covenant, and "fides," meaning trust and faith.

Historically, the term "federal" and its derivatives have been used to express both a broad social concept as well as a particular mode of political and governmental organization.

In the broad social sense, these terms imply mutual recognition, obligation, commitment, cooperation, consistency, and reciprocity among individuals or entities.

In the more specific political and structural sense, the term federal has come to mean: "... a mode of organization uniting separate policies in an overarching political system to allow each to maintain its fundamental political integrity."—Daniel Elazar

The antecedents of modern "federal" relationships can be traced back to the 13th century B.C. attempts by the Israelites to unite tribes in an effort to maintain national unity. Subsequent developments stemmed from the defense-related alliances or "civil unions" established by Greek city-states (e.g., the Achaean League, 281-146 B.C.), the medieval leagues of Europe (e.g., the Helvetic League of Swiss Cantons, 1291-2) and the hierarchial corporate states and mercantile societies of the feudal German Empire which were based on contract relationships and related political mechanisms.

Where a single, strong sense of nationality existed, the central unit had greater powers and authority; where stronger, more diverse identities existed among constituent units, power, authority and independence were re-

tained more fully in those units.

Although each of these eras and examples exhibited major differences in form and in the way in which power and authority were legitimized and established, each incorporated some expression of the dual theory of unity and separate identity of the constituent units.

MOTIVES FOR FEDERATION

The general historical motivation for establishing these relationships are still applicable today and include some combination of shared interest in:

the expansion of social/political/economic influence;

(2) the control or protection against internal, domestic upheaval;

(3) the defense or protection against the threat of outside force or influence.

Prior to the American Revolution and formulation of the U.S. Constitution, most "federations" or "federal" systems exhibited several key limiting characteristics:

- central units were limited to acting only on the constituent units, not on individuals in society;
- (2) central units dealt almost exclusively with issues external to the constituent units;
- (3) constituent units were equally represented in the central unit.

These limitations generally reflected conceptual and practical difficulties in establishing a workable system of dual, institutional sovereignty, where historically sovereignty had been vested indivisably in the person of the monarchist head of state.

CLASSICAL DEFINITION OF THE "FEDERALISM"

Definitional terminology during the U.S. Constitutional Convention was somewhat confused, as it is today. In the Constitutional debates, the term "federal" represented a system in which the states maintained a more dominant, independent status. The competing concept was one of a "national"

or "unitary" system in which states were subordinated to varying degrees to the national government.

tional government.

The compromise arrived at in the Convention was described by Madison in Federalist 39: "The proposed Constitution . . . is, in its strictness, neither national nor a tederal constitution; but a composition of both." (i.e. a compound system)

Following the development of the Constitution, the concept of "federalism" has become synonymous with the concept of American "dual federalism," denoting: "... a form of government in which two or more states constitute a political unity while they remain independent as to the control of their internal affairs. The similarity of this definition to 'dual federalism' is patent. Dual federalism specifies a fixed relationship between two domains of independent authority in the same territorial unit, each of which possesses an exclusive jurisdiction neither of which is subordinate to the other and neither of which can be stripped of its authority by the other. This is the classical concept, and it locks two states into a 'mutually exclusive, reciprocal limiting' relationship."—Martin Landau

The basic imperatives in this classical concept of "federalism" are a division of authority/power and the independence of par-

ticipant units.

Despite the succinctness of this definition and its relative stability as an analytical tool and/or hypothesis in the academic community, it may be of limited value. This definition remains a theoretical concept that bears little relationship to the actual current practice of "federalism" in the U.S. and elsewhere and its Constitutional basis has been debated since 1787.

SOME CURRENT INTERPRETATIONS

Interpreters and historians are widely split in their view of the "federal" concept and its evolution and practice. Many attempts have been made to distinguish between and justify various interpretations of the "federal" principle(s) in theory and practice. In general terms, three basic outlooks are still prevalent among academics, politicians and administrators:

I. FEDERALISM AS A STEADY-STATE END IN ITSELF—CONSTITUTIONAL DUAL FEDERALISM

Some observers are adamant that the classical "dual federalism" was, in fact, practiced at least through the Civil War, if not up to the Depression. During this time it is felt that state and federal roles and responsibilities seldom conflicted or overlapped until the national government began to preemptively assume historically state and local functions. This view implies that basic Constitutional principles of limited government and limited federal power have been severely violated, and, since the problems which gave rise to centralized national powers (Depression, World Wars and gross social inequities) may no longer exist, that the centralizing process should be drastically reversed. Implied in this view is the need to return to a relatively highly structured system of exclusive state and national roles based on a strict interpretation of both Constitutional intent and historical practice.

Alternatives to this view share a common premise that the Constitution, if relevant and clear at all, is not and was never meant to be proscriptive, but is open-ended and permissive in character. These interpretations suggest that the primary concern of the Founding Fathers was with establishing a practical, representative governmental structure. In this context, "dual federalism" is viewed only as a mode to achieve this end, of secondary importance in the debates and of limited relevance now since the Constitution is admittedly vague and obscure on the assignment of specific responsibilities among levels of government.

II. FEDERALISM AS SHARING

One alternative view holds that pure "dual federalism" never in fact was practiced; that almost from the outset, relations between the U.S. national and state governments were characterized by cooperation, sharing and overlap to various degrees.

This view implies that a return to a strict 'dual' system is not warranted historically, either through Constitutional language or past practice. Rather, federalism is best characterized as a matrix of shared responsibilities and not a hierarchial system. This view does allow, however, for some sorting out of roles and responsibilities without the necessity of totally reversing the highly cooperative and collaborative nature of present intergovernmental relationships.

III. FEDERALISM AS A DYNAMIC PROCESS

A second alternative view suggests that even if the Constitution and earlier governmental relationships were based on a clear model of "dual federalism," conditions which characterized that earlier political setting (a remote, agrarian society with little need for governmental intervention, generally), have changed so drastically and irreversibly that the relevance of the classical model today has been lost.

Consequently, a wholesale return to the "dual federalism" model is highly inappropriate to our present needs and circumstances that while sorting roles and responsibilities may be possible, no static relationships or divisions of power are likely to survive or remain effective. The emphasis implied is one of improving policy-making and administrative processes.

. . . every realist should see that federalism is a wonderfully loose garment that allows the American system to seem properly dressed no matter what hodge-podge of arrangements the governmental a into."—Frank Trippett apparatus is pushed

"Federalism . . . its future rests with those who can resist the urge to tidy the matter."-Rufus Davis

One of the factors that has given rise to these differing views is our somewhat contradictory adherence to an evolutionary mode of analysis while at the same time, as a society, we maintain a loyalty to an enduring but questionable mechanical mode.

AGREED ON NEED TO REVIEW FEDERAL AND CONSTITUTIONAL PRINCIPLES

Despite these divergent interpretations, the ineffectiveness, inefficiency and lack of accountability of our present federal system are acknowledged by virtually all observers. Academics, politicians and administrators at all levels are increasingly demanding a fundamental review of the basic principles underlying our federal system.

"The understanding of and commitment to federal principles in both their social and political aspects have undergone substantial erosion in the twentieth century."-Daniel

PROSPECTUS: SYMPOSIUM ON U.S. FEDERALISM INTRODUCTION AND PURPOSE

The current budget and tax debates in Congress and emerging shifts in the philosophy of government evidenced in the 1980 election have seriously called into question the principles and practices of our federal, state and local intergovernmental system.

Over the past twenty years, a largely unrestrained federal government has exploded into over 500 assistance programs and 1,200 regulatory mandates that have been directed at or imposed upon every unit of state and local government and much of the private sector. At each level we have badly blurred public and private roles and the division of authority and responsibility between levels of government. The result has been increased ineffectiveness, inefficiency and a loss of accountability which frustrates the ability of both the public and private sector in meeting critical local and national goals.

Although detailed analysis of the intergovernmental system has proceeded along a number of fronts in recent years, it has been handicapped by divergent and largely unresolved practical and philosophical perspectives tailored to narrow and diverse audi-

It has now become critically important to undertake a broad-ranging review of our federal, state and local system, its basic principles, its evolution, current conditions and most importantly, the prospects for constructive change. Such a background is fundamental if we are to give proper consideration to the myriad proposals now being made to address these problems.

The three day symposium outlined below is intended to engage a wide audience in an attempt to promote a broader understanding of and commitment to the basic principles of American governance that have been so badly eroded in recent years.

The primary premise of the symposium is that no single philosophy or perspective, past or present, is likely to provide a fully acceptable frame of reference; historical principles, past experience and current visions all provide necessary insights which need to be articulated and discussed.

TIME AND LOCATION

The symposium is tentatively planned for mid-to-late August, to be held at the Spring Hill Conference Center or a similar facility.

FORMAT AND SCHEDULE

A three day retreat is proposed, structured around:

(1) Short formal panel presentations by a range of expert scholars and commentators, based on previously prepared and distributed background papers, etc.;

(2) Moderated discussions among panelists and a core group of intergovernmental professionals:

(3) Open discussion and question sessions involving the entire audience of symposium participants and observers.

PARTICIPANTS

Participants are expected to include:

(1) 10-15 panelists and speakers, including the foremost academic scholars, Congressmen, governors, state legislators, mayors, county officials, administrators and journal-

(2) 20-30 participant professionals forming a core discussion group, including key Congressional staff members, federal agency officials, state and local government representatives, public interest group representatives, public policy organization spokesmen,

(3) 50-150 local and midwest participants from government, business, industry and the general public, forming a daily audience.

ORGANIZATION AND CONTENT

It is anticipated that the daily panel ses-

sions will include discussions of:

(1) The Constitutional Basis of "Federal-(i.e., Founders' motives and principles; governmental purpose; division of powers; interpretations and current relevance, etc.);

(2) Cross-national Experiences in Federal-(i.e., History, principles and practice in selected countries: Canada, West Germany, Australia, India, etc.; relevance to the U.S.);

(3) American Federalism Over the Past

Twenty Years, (i.e., motives, philosophies, successes and failures of federalism under the New Deal, "Creative Federalism" of Johnson/Kennedy, "New Federalism" of Nixon. "Cooperative Federalism" of Carter);

(4) Overview of Current Federalism: Issues and Problems, (i.e., intergovernmental over-load and loss of restraint; fiscal, regulatory judicial dimensions; current analyses and prescriptions, etc.);

A. Specific Issues: Fiscal Federalism and the Regulatory Environment, i.e., balancing revenues and needs; equalization and disparities; objectives and mechanisms of distribution; alternatives to public service delivery; regulation, enforcement and account-ability; current budget and regulation);

B. Specific Issues: The Courts and Federalism, (i.e., judicial activism; grant law and national purposes; trends and major prece-

dents, etc.);
C. Specific Issues: State, Regional and Local Relationships, i.e., State constitutions and statutory requirements; constraints and problems; capability and capacity; case studies in accommodation, including the Twin Cities, etc.);
(5) The Future of Federalism, (i.e., gov-

ernmental purpose and sorting out roles; decision criteria; devolution vs. decongestion; private role; transition and support, etc.).

Symposium cost estimates

Travel (20-30 panelists and core group at \$300 per) __ \$6,000-9,000 Conference facility, food and lodging (20-30 people at \$63/day_____Lunch and coffee for audi-3, 800-5, 700 ence participants (50-100 at \$16/day; optional/per-(2, 900-5, 800) sonal

9, 800-14, 700 (12, 700-20, 500) Total ____

THE SERIOUS PROBLEMS OF THE GOVERNMENT'S RENTAL BUSINESS

• Mr. MOYNIHAN. Mr. President, the week of July 12, the Scripps-Howard newspaper chain published a six-part series on waste in the Federal Government's rental of office space. The series, by Mr. Gene Goldenberg, fastidiously and cogently documents questionable practices in the General Services Administration's Public Buildings Service, and explains the inherent wastefulness of disproportionate reliance on renting to accommodate Federal employees.

Mr. Goldenberg reported instances of rented offices remaining unoccupied for years while full rent was paid on them, of extensive and expensive improvements to rented buildings paid for with Government moneys, and of lucrative Government leases being awarded with little or no-or artificially restricted-competitive bidding.

Mr. President, although much of the detail in Mr. Goldenberg's articles is original, the essential problems he points out will not surprise those in this body who have followed hearings and reports of the Committee on Environment and Public Works. For several years, other members of the committee and I have been railing about the scandalous waste of tax dollars consumed in rental of Federal office space.

It was in response to a most peculiar lease proposal of the GSA—one having to do with the offices of one of our most important intelligence agencies—that I proposed, and the committee agreed to, a moratorium on leasing and other authorizations under the public buildings program. In investigative hearings in 1979, our committee singled out the leasing program for criticism, for many of the same reasons highlighted by Mr. Goldenberg. We sent a number of pro-posed leases back to GSA for review by the agency's Inspector General, who told us that leasing activities were one of his

highest investigative priorities.

Finally, we proposed in the 96th Congress and again this year, legislation to reform the leasing practices of the GSA and gradually reduce the Government's disproportionate reliance on rented office quarters. In that legislation, we were twice joined by overwhelming majorities of the Senate.

As I have said before in this Chamber, the public buildings program is among the most mundane, albeit essential, affairs of government. Its oversight and reform are not the sort of endeavors one undertakes with the expectation of garnering votes or publicity. Yet it is the sort of business that the American people ought to know about, and we are in the debt of the Scripps-Howard chain and Mr. Goldenberg for bringing the serious problems of the Government's rental business to the attention of the public.

I ask that articles be printed in the RECORD.

The articles follow:

[From the Pittsburgh Press, July 12, 1981] WHITE HOUSE GARAGE MODEL OF U.S. WASTE

(By Gene Goldenberg)

Washington.—Ronald Reagan launch his war on government waste right in his own garage.

The General Services Administration, the federal government's giant housekeeping agency, is spending \$239,000 a year to rent a run-down, 60-year-old garage for the presi-dential motor pool and State Department

That's nearly \$400 a month for each of the 50 vehicles kept in the four-story building a mile from the White House. A parking space in commercial garages a block from the White House goes for less than \$100 a month.

The White House garage is just one example, and a small one at that, of waste and mismanagement which led to the investigation of the largest rental program in the world—the leasing of offices, computer cen-ters, laboratories, garages and storage space by Uncle Sam.

The federal government this year will spend \$680 million to rent 90 million square feet all over the country-equal to all the office buildings in midtown Manhattanshelter 420,000 employees, half the federal work force, who cannot squeeze into buildings the government owns.

There are two basic problems in all this renting. First, much of the money is wasted—GSA auditors estimate \$100 million or more

this year alone. That's money "thrown down the drain,"

says Howard Davis, GSA's chief auditor.
Secondly, even the rent spent efficiently is partly wasted because the government is partly wasted because the government could save much of it by building or buying

its buildings. Yet, the leasing of space has continued to grow over 15 years of Congress and presi-

dents unwilling to put up money to build anything.

It looks better in a budget to show \$1.5 million to rent a building each year rather than \$15 million to build it, though the cost to lease that building over a typical 20-

year period may top \$30 million.

"All the government has left in the end is a drawer full of rent stubs," said Sen. Daniel Moynihan, D-N.Y., a key sponsor of legislation to curb the leasing spiral, which is accelerating with inflation, tight com-mercial rental markets and mushrooming utility and tax rates.

The government's annual rent will top \$1 billion within the three years, even with

expected decreases in the total amount of space leased. The rent is projected to exceed \$3 billion 10 years from now.

A two-month Scripps-Howard probe dug up previously secret government reports using the Freedom of Information Act, examined GSA computer files and interviewed dozens of specialists in and out of government. It found that:

GSA officials don't know for sure how much leased space they control at any given

Millions are spent each year to rent empty offices

Millions more taxpayer dollars go to improve, renovate and repair privately owned buildings, in some cases doubling a property's value, with no attempt to negotiate better rent rates or guarantees of lease renewals.

Not surprisingly, landlords presented with ch government generosity often respond by raising the rent sharply at their first

opportunity.

Despite competitive bid laws, hundreds of leases are signed each year after the gov-ernment has negotiated on a "sole source" basis with only one potential landlord. And improvements to rented buildings almost always are done by the owner at government expense-often with no effort even to check cost figures or obtain comparable prices.

Taxpayers often pay for electricity and other utilities used by private tenants of buildings in which the government rents

GSA officials routinely agree to rent in-creases based on unaudited claims of rising expenses by private landlords.

Supposedly "firm" long-term leases signed by the government often contain clauses letting landlords cancel after a few months and then demand higher rents.

Investigators in the 2-year-old inspector general's office at GSA say they are certain at least some of the waste goes to criminal fraud. But they admit they are only starting to turn full attention to the rental program because their earlier efforts focused on other abuses at GSA.

A lawyer with the joint GSA-Justice Department task force that uncovered bribery and fraud in other GSA programs predicts it will be difficult to prove fraud in the leasing program.

Proving that anyone did anything criminal may be impossible since GSA's leasing practices are so confusing and poorly drawn that someone who wants to fudge a leasing contract can justify just about anything he does," the lawyer explains.

GSA officials, faced with adverse publicity in earlier scandals and trying to avoid similar problems in the leasing area, have responded with constantly changing rules and egulations that only confused the rental situation more.

"The leasing program . . . has deteriorated to the point where it is one of the most serious problems facing the administrator of GSA," concluded a committee of top GSA officials last December in an internal report to former Administrator Rowland Freeman.

Despite a doubling of the amount of space leased by the government over 15 years, there has been little comparable increase in the manpower and resources of the rental pro-gram. Today, only 121 leasing specialists nationwide are asked to solicit offers of space. negotiate and administer more than 5,440 leases, leading in some instances to individual caseloads of 50 or more leases.

These \$25,000-per-year leasing specialists are not given adequate training and they often find themselves across the table from high-powered teams of lawyers, real estate specialists and accountants negotiating leases worth tens of millions.

"We frequently feel outgunned," admits Kenneth Perrin, chief of the leasing unit in the Washington area.

Says former GSA Administrator Jay Solomon: "It is incredible that we have GS-12s the leasing specialists) making major decisions on multimillion-dollar deals.'

Morale is so poor that a third of the leasing specialists quit each year, further contribut ing to the lack of experienced government negotiators. In some situations, major leases are arranged by trainees. Clarence Lee, who heads one of GSA's 11 regional offices, says his corps of 14 leasing specialists has turned over completely in 18 months.

Clearly, not all the problems are in GSA. The agencies that GSA rents space for often make costly demands, changing office leasing plans in midstream or refusing to accept space GSA has rented.

GSA officials complain that Congress and the White House have added uncounted millions to the rental costs with "social programs" and by acting too slowly in approving specific lease acquisitions.

The "social programs" include renting more expensive downtown space to revitalize inner cities, requiring facilities for handicapped people in leased buildings, small-business subcontracting, special consideration for historic buildings and a certification by building owners that they are not polluting the air or water.

Specialists say such requirements often add \$1 to \$2 per square foot in rent costs.

Public Works committees of the House and Senate, to which GSA submits any leasing action above \$500,000, have historically been slow to give a go-ahead. Time is money, especially in commercial real estate markets where rents are skyrocketing.

Just last month, the GSA leased a new building here for \$14.60 a square foot plus electricity. That building, with 262,500 square feet, had been offered during construction for \$11.50 a square foot plus electricity but GSA could not accept because it had to get congressional authorization. The delay will cost the taxpayers \$8 million over the 10-year

"The cost of delay is enormous. The economics of time are the most expensive thing we're involved in," agrees the new GSA ad-ministrator, Gerald Carmen.

Congressional experts, particularly in the Senate, counter that GSA has traditionally waited until the last minute to ask for rental authorization and too often has failed to document adequately the need for new space.

"Every time we examined one of their requests it fell apart in our hands," claims Steven Swain, a Senate Public Works Com-

Things got so bad the Senate panel at one point refused to approve anything but "emergency" requests from GSA. And then when several of these "emergencies" came up bogus, the committee last year washed its hands of the rental approvals altogether.

GSA sidestepped the Senate committee's boycott by arguing that the Senate's ap-propriating of funds for leasing constituted an effective authorization to enter rental agreements. The House committee still insists on approving each large rental action.

"It's pork barrel stuff, pure and simple," says one top GSA official who asked not to be identified. "Since there is no new money for federal building construction, the House members want to have a say in where the space is leased."

Congressional efforts to curb leasing costs with new buildings have been stymied by a dispute between the House and Senate over how the new projects should be approved. Neither is the Reagan administration overly warm at this point to a new public works program that might hinder the president's efforts to balance the budget.

Most GSA officials, however, are enthusiastic about such a program. Says A. R. Marschall, GSA's former commissioner of public buildings and the man in charge of

both owned and leased government space until his resignation this month:

We're putting the money in the wrong place. We should be building more buildings and leasing less'

[From the Memphis Press-Scimitar, July 14, 1981]

RENTING EMPTY OFFICES COSTS UNITED STATES MILLIONS

(By Gene Goldenberg)

WASHINGTON .- Each year, the federal government squanders several millions of taxpayers dollars renting offices that no one

The offices are supposed to be used by some of the 420,000 federal workers for whom, allegedly, there is no room in build-

ings owned by the government.

But because of confusion, mismanagement and other bureaucratic bungling by the General Services Administration, which runs the federal government's massive rental program, the taxpayers end up paying rent on acres of vacant floor space every year.

No one knows precisely how much unoccupied space the government is renting at any one time, largely because GSA's recordkeeping apparatus repeatedly has falled, for various reasons, to keep track of the problem. However, an internal investigation by GSA's Office of Inspector General identified at least 1.5 million square feet of unoccupied space in 77 private buildings across the country.

Some of these rented office buildings stood vacant for as long as two years. GSA investigators estimate the cost of renting those empty offices exceeds \$10 million a year.

In some cases, GSA officials add, unused offices have been rented even while there was vacant space in nearby federal office buildings.

"GSA cannot effectively manage leased or government-owned buildings because it has no way of knowing how much space is under its control, how much is assigned or how much is available for occupancy," spector general's internal report concluded.

That report, which had never been made public, is just one of the many internal documents obtained during a two-month Scripps-Howard News Service investigation of GSA's troubled rental program-a program so permeated by mismanagement and potential fraud that GSA's own auditors estimate \$100 million in rental payments will be wasted this year alone.

Perhaps nowhere is the waste so obvious as when GSA pays rent for unoccupied space. The reasons for this squander vary: incompetent GSA employees, convoluted procedures and faulty record-keeping, delays in renovations that are needed before space can be occupied, disputes with the federal agencies which are supposed to use the rented offices.

There is nothing more ridiculous than the specter of the federal government pay-ing rent for offices it does not or cannot use," says a top GSA official who spent several years trying to reform the rental program before quitting in disgust.

The situation has become so muddled that GSA last year asked Congress for permission to renew a lease on three floors of expensive York City office space so that 350 federal workers would not be evicted. It turned out, however, that no one was in danger of being thrown into the street because no one but cockroaches had been occupying the three floors for almost two years while the taxpayers forked out more than \$500,000 in rental payments.

GSA's explanation for that particular snafu: The GSA employee who prepared the request for congressional approval "believed" the space was occupied.

Even when a leased building is being used by federal workers, it often is so under-utilized that much of the rent effectively is being paid for empty space. In one case, a building near Baltimore rented to house almost 1,000 National Aeronautics and Space Administration employees actually was used by fewer than 220 workers for over five years. GSA investigators estimate the cost to the taxpayers for leasing that unused space exceeded \$1.1 million.

Quite often, GSA is not solely to blame

for the rented space going empty.

Other federal agencies usually have their own strong ideas about where their offices should be and have been known to take pro-tests all the way to the White House when told to move as part of GSA's plans for more efficient space management.

But critics charge that GSA, which has the authority to dictate space use within the framework of requests made by other agencies, too often is unwilling to tell other

federal agencies what to do.
"GSA is an agency that does nothing but roll over to the rest of the federal bureaursays Bob Peck, who has investigated leasing program for the Senate Public Works officials confirm that assertion.
"If we don't take care of the needs of

our clients (other federal agencies), then there is little reason for our existence," says Jack Galuardi, deputy commissioner of the GSA's Public Buildings Service, which runs the leasing program. "They're the ones we're trying to satisfy out there.

When GSA tried to relocate employees of several federal agencies as part of a plan to consolidate certain Labor Department functions at one rented building in downtown Washington, for example, all mayhem broke loose. Officials of four different agencies vehemently protested the move-some taking their appeals to the White House.

As a result, several floors of the building were vacant for more than two years at an ultimate cost to the taxpayers of \$2.5 mil-

And then there are times no one wants the space GSA arranges, such as when GSA contracted to lease a building that was to be built by a private developer in a run-down section of southwest Washington close to railroad tracks, ghetto neighborhoods and several industrial facilities.

The Securities and Exchange Commission, which had asked for a new headquarters building, refused to move in. GSA then tried to persuade the Agency for International Development and segments of the Treasury Department to take the building, but they also balked.

Even GSA's own employees refused to move into the building, inauspiciously located at a place called Buzzard's Point.

Finally, after GSA had paid \$5.4 million in rent, elements of the FBI and the Defense Department (whose employees, one wag noted, are used to taking orders) occupied the facility.

Because of such problems, dozens of federal agencies have from time to time asked Congress for permission to do their own leasing. While Congress has gone along with those requests in selected instances, so far only the Defense Department, CIA and Agri-Department have been culture granted broad authority to rent their own space.

Some agencies have taken matters into their own hands, however. In Amarillo, Texas, officials of the Bureau of Reclamation simply went out and leased their own space after years of trying to get GSA to correct alleged fire safety "and other building de-ficiencies" in a 60-year-old converted hotel known as Herrins Plaza. The space GSA had rented for bureau workers has been vacant for two years at a cost of over \$200,000.

GSA officials have finally given up trying to get the old hotel's owner to make the necessary repairs and are moving out the remainder of the federal tenants. GSA estimates it will cost up to \$10 million to can-

cel the remainder of the lease, which runs until 1989.

"For all practical purposes, there are no controls over what goes on in the leasing program," charges Bertrand Berube, GSA's director of acquisition policy and a man who has butted heads with his GSA superiors many times over his proposals to reform the rental program.

"The taxpayers would be better served if we decided not to clean a few tollets in federal buildings and (use the money to) put some good people in charge of arranging a \$40 million lease."

[From the Pittsburgh Press, July 14, 1981] U.S. PAYS REMODELING BILL, LANDLORD PROFITS

(By Gene Goldenberg)

WASHINGTON .- Over the past 11 years, the federal government has spent more than \$7 million remodeling and improving four office buildings near Baltimore's Friendship International Airport.

These expenditures, which have included installation of sophisticated electronic equipment and computers, were judged in the national interest because the buildings are used as offices for the Pentagon's super-

sleuth National Security Agency.

The problem with this expensive and continuing alteration is that the buildings are not owned by the federal government. They are rented for \$8 million a year from a group of private developers, three of whom convicted along with former Maryland Gov. Marvin Mandel on mail fraud and racketeering charges.

Services Administration. The General manager of the federal government's mas-sive rental program, certainly can't be held responsible for the developers—all law-abid-ing citizens when the leasing deals were first arranged-subsequently landing in jail.

But the fact that the government rents rather than owns facilities occupied by its hush-hush intelligence agency symptomatic of the problems besetting GSA's leasing program.

And when GSA pours millions of dollars into highly specialized improvements of privately owned buildings, the landlord has the government over a barrel when it comes time to renegotiate or renew the lease.

The government is placed in a very poor negotiating position because the lessor knows that he can demand and receive an exorbitant rental as the government would incur higher cost by moving to another leased location and installing the special-purpose features again," states an internal report by GSA's Office of Inspector General.

A two-month Scripps-Howard News Service investigation of GSA's \$680 million annual rental program found that such major taxpayer-financed improvements of privately owned office buildings is just one way the government wastes what GSA auditors estimate is \$100 million a year renting space.

Not only does the government end up paying higher rents as a result of renovation projects, which in some cases have doubled the value of rented buildings, but the taxpayers are left with nothing but expenses when the offices finally are vacated by government workers.

GSA this year has budgeted \$180 million for alteration and improvements of both leased and government-owned buildings. But even GSA officials cannot pinpoint the amount spent on rented properties since the agency pays for these improvements out of a variety of line-item budget accounts.

But the congressional General Accounting Office, in a survey of four of GSA's 11 re-gional offices, identified \$18 million in alterations for only 21 rented buildings over a 30-month period. That money went for everything from computer facilities and pistol ranges to repair of sidewalks and fences.

Among the problems noted by GAO and GSA's own investigators:

Owners of the private buildings almost always are permitted to contract for the alter-ation work on a sole-source basis, with little effort ever made even to determine whether the cost of the work is reasonable.

The same GSA officials who contract with owners for the work also approve payments and inspect the final product. In many cases, final inspections are not even made and cost figures are approved after the work is done.

Major and costly alterations are performed at taxpayer expense with no effort to obtain lease-renewal guarantees or to negotiate for rent reductions as a result of improvements made to the owner's property.

The government frequently pays rent

while renovations are under way and the

buildings are not usable.

The Bureau of Alcohol, Tobacco and Fire-arms' laboratory is a good example. When that agency had to move its lab from a downtown Washington building because its activities posed a danger to other workers, GSA leased a building in suburban Rock-ville, Md., and then spent \$2.55 million to convert it into a lab facility.

The total alterations—plus \$407,000 in rent paid while the building was being renovated—almost doubled the appraised value of the building. GAO determined later it would have been cheaper in the long run to construct its own building, or else contract for the private construction of a building

tailored to the government's needs.

When GSA put \$600,000 into alterations of a building it rents in San Francisco, cost estimates were prepared after the work al-ready had been performed by the owner. GSA officials later admitted that the contracting officer simply accepted all the owner's cost figures, including such specific items as "plants—\$76,055."

And despite the fact that the government's lease on a building in suburban Virginia had only a few months to run, GSA officials approved a \$161,000 installation of computer equipment for the Patent Office, which occupied the space. When the lease came up for renewal, the building owner demanded and got almost a 50 percent increase in rent.

"One of the largest problems we've found is that alterations are done without any effort to predetermine the prices," says Fred Wendehack, chief of inspections in the GSA

Inspector General's Office.

He adds that the major alterations performed on buildings with short-term lease "raise serious questions about whether the

government should be renting that space to begin with."

The GAO repeatedly has criticized GSA for failing to consider the alternative of government construction of a building before embarking on major alteration of private properties. GSA officials, many of whom would prefer to be constructing federal buildings, counter that since Congress and the White House have been increasingly reluctant to appropriate funds for construction, there is no alternative but to lease and renovate.

But GSA's inability to use government construction as an alternative to renting puts the giant federal housekeeping agency in an untenable position when bargaining with landlords over rent, particularly in places like Washington and Los Angeles where rental markets are very tight.

"They know we will have to rent from them, so they can demand and get much higher rents than if we had some other way of obtaining the space," complains one GSA leasing specialist.

Shortly after he took office, the new GSA administrator, Gerald Carmen, learned of a lease his agency had just signed for an eight-story building here. Carmen recalls that his first question was how much it would have

cost for the government to build or purchase a similar structure.

The answer, according to GSA officials: about \$25 million for a building with an expected life span of 30 years compared with the \$40 million to rent it for 10 years.

One of the ways GSA has tried to cut the price tag of alterations to rented properties is to amortize the costs of improvements over the term of the lease. For example, the \$239,000 a year GSA pays to rent a 60year-old garage for the White House motor pool includes \$200,000 in amortized costs the landlord will incur to fix longstanding fire safety problems and to install a new car elevator.

Critics charge, however, that such tactics are nothing but bookkeeping flimflammery. Just like the rental costs themselves, which look far more favorable on a annualized basis in the budget figures than up-front construction funding, the amortizel lease payments are seen as a way of hiding the costs of improvements to rental properties.

[From the Pittsburgh Press, July 15, 1981] U.S. MAKES OFFER LANDLORDS CAN'T REFUSE

(By Gene Goldenberg)

WASHINGTON.-When federal officials in Dallas were forced to vacate a federal build-ing there because of bacterial contamination of the air conditioning system, thought they had found a perfect solution.

Across the street, a private developer was just completing a new building known as Main Tower. It contained the needed space. the General Services Administration, which manages the federal government's massive rental program, arranged in early 1975 to lease most of the building for 10 years at a total cost of over \$20 million.

Everyone was happy. The government had new offices for some 1,500 federal workers. and the building's owner, B. W. Morris, a Cincinnati-based developer, was temporarily able to stave off financial problems caused by the until-then lack of tenants for his new building.

The catch was that no other landlord got to bid on the largest rental GSA had ever arranged in Dallas, and there was space available in other private buildings at comparable or lower rates. And nobody can explain why GSA agreed to pay Morris a rent 25 percent higher than he had been asking only months earlier.

The Main Tower case is typical of the noncompetitive bidding that permeates GSA's rental program—a program so fraught with mismanagement and potential fraud that GSA's own auditors estimate \$100 million of the \$680 million spent this year on leasing will be wasted.

A two-month Scripps-Howard News Service investigation of the rental program also found that even when there is competitive bidding for the government's leasing dollars, GSA routinely rejects seemingly attractive bids for arbitrary reasons and signs leasing contracts not necessarily in the government's best interest.

The situation is so bad that the congressional General Accounting Office found there was only one bid considered in 55 percent of the new leasing agreements it studied. In one-third of those "sole-source" negotiations, the government ended up paying a rent that exceeded the appraised fair market rental,

Being the only landlord to bid on a government rental has hidden benefits, since government tenants rarely move once they put hundreds of thousands of dollars—and sometimes millions of dollars—into altering leased space. More than 75 percent of the lease contracts GSA signs today are actually renewals or extensions of existing rental agreements—and 95 percent of those renewals are negotiated with the present landlord after little or no effort to seek competing offers

All of this is possible because, unlike other government procurement activities, there are no regulations covering the leasing process.

Instead, GSA officials operate under often vague and constantly changing "policies" and "recommended procedures" that permit broad discretion in individual cases.

Private landlords who want to rent space the government don't submit sealed bids. Instead, they make offers that are then evaluated based on the government's needs. If GSA leasing officials think an offer fits the bill, this leads to negotiations for a final

"For all practical purposes, there are no real controls over the leasing process," says Bertrand Berube, GSA's director of acquisition policy. "The leasing specialists can just about do whatever they want free of any fear that they will be punished."

Documentation of leasing deals costing the

taxpayers tens of millions of dollars is often so poor that it is impossible to determine why decisions were made. In the Main Tower case, for example, Dallas GSA officials could not explain why they never obeyed an order to seek additional competition for this lease.

"It was an emergency situation and we had to get people out of the federal building because of the air conditioning con-tamination," explains the assistant regional GSA administrator, Donald Weingarten, who was not in Dallas when the Main Tower lease was signed.

"Unfortunately, we have a history of not documenting why decisions were made in such panic situations."

For his part, the building's owners says wish I'd known I was the only one bidding for that lease." Morris claims that GSA's refusal to pay for rising utility rates forced him to declare the building bankrupt in 1979. He sold it to two California couples last year and, in concert with the new owners, is asking the U.S. Court of Claims to order GSA to make good his alleged losses

GSA officials frequently find themselves in a bind when federal agencies requesting rented offices attach stipulations regarding location, size or specialized needs that only one building or one developer can fulfill.

The landlord for an Austin, Texas, building rented by GSA to house an Internal Revenue Service data processing center, for example, was the only one to get a shot at a subsequent \$11 million lease for space rented to the Veterans Administration be-cause the VA insisted on being next door to the IRS. Ironically, in a series of unexplained transactions that raised eyebrows at GSA, the Austin IRS-VA complex later was sold to the Teamsters' Central States Pension Fund, the subject of a long-standing IRS investigation.

In another case, GSA officials rejected 14 offers because the tenant agency had insisted that each floor of the rented building contain 14,000 square feet, although no reason was ever given for this request. The eventual landlord charged a rent far higher than many of the unsuccessful bidders.

When the office rental market is tight, as it is here in Washington where 30 percent of GSA's rented space is located, even the best efforts to seek competition fall short. Despite advertising and solicitation for bids on two recent leases here, including one that will cost the taxpayers more than \$40 million over the next 10 years, only one bid was received in each case.

GSA officials complain that some private building owners don't want to rent to the government because of the red tape and delays involved. Many developers agree.

"Our members usually will rent to GSA only as a last resort," says Lisa Boyd of the Building Owners and Managers Association,

the lobby for commercial real estate interests here.

But when GSA officials tried to eliminate some of that red tape through a "fast track" program for smaller leases, the effort met with disaster. Not only did it take just as long to arrange the leases, but competition was even more sparse because GSA leasing officials ignored some of the usual requirements for bid solicitations.

In Albuquerque, N.M., for example, GSA investigators found that eight of the smaller "fast track" leases were arranged with no effort to seek competition. Similar instances were found in several other cities.

GSA officials also say they must seek longterm, fixed-price leases, and that discourages competition because landlords are leery of being caught short in rapidly escalating rental markets.

This situation, according to investigators, has led to leases that unnecessarily favor the landlord and limits efforts to audit claims of higher operating costs when they are submitted to GSA for payment.

Frequently, supposedly "firm" 10-year leases contain a clause permitting landlords to cancel after only a few months. In Dallas, one building owner exercised that right and then raised the government's rent 134 percent at an additional cost to the taxpayers of \$1.8 million

At the same time many landlords try to make up for below-market governments rentals by socking it to GSA for claims of higher quality, tax and janitorial costs. GSA auditors, who only recently have systematically begun examining such "escalation" claims, have found numerous cases of government overpayments totaling millions of dollars that were approved without question.

In one claim, a Kansas City landlord asked that the rent be hiked \$8.3 million over five years to cover higher operating costs. But when auditors checked his figures, they rejected over \$4 million of that amount and found that the government already had paid the landlord almost \$2 million more than he was entitled to under the lease.

Most of that overpayment can't be recov-

ered, say the auditors.

"We've been pushing to audit more of these escalation claims, but we've met with great resistance within GSA," says William Fleming, who heads the team of auditors responsible for the leasing program.

Despite the complaints of some private developers, many others have found it highly profitable to deal with the government.

"Why shouldn't they?" asks one top GSA official. "We give them everything they want."

[From the Pittsburgh Press, July 16, 1981] SHREWED HANDFULL RAKES IN U.S. RENTALS

(By Gene Goldenberg)

Washington.—Most taxpayers never heard of Dr. Laszlo Tauber.

But at the General Services Administration, the federal government's huge housekeeping agency, mentioning his name causes folks to sit up and pay attention.

Tauber, an Arlington, Va., surgeon and self-made real estate millionaire, is king of the hill in renting office space to the federal government.

He owns or controls almost 3.5 million square feet of office leased to the GSA—the equivalent of the commercial office space in downtown Miami, and just under 4 percent of the 90 million square feet of offices the government rents.

He is among a handful of private developers who repeatedly have underbid the competition—or obtained leases without competition—to become major landlords for the 420,000 federal workers housed in rental offices around the country.

The landlords include Washington-area developers such as Tauber, the Charles E. Smith Companies and the Donohoe Construction Co., as well as individuals and companies such as Franklin Haney of Chattanooga, Tenn., and Atlanta; and the Trammell Crow Co. of Dallas.

They also include foreign governments and labor unions

The government of Kuwait owns one of the largest buildings leased by the GSA here, and the Teamsters Union Central States Pension Fund owns a large complex of offices in Austin, Texas, rented for the Internal Revenue Service and the Veterans' Administration.

How these rental kings have been so successful was part of a two-month Scripps-Howard News Service investigation of GSA's massive rental program, which is so fraught with mismanagement and potential fraud that GSA's own auditors estimate that \$100 million of the \$680 million the government will spend on renting offices this year will be wasted.

The picture that emerges is one of shrewd businessmen intimately familiar with the inner workings of the GSA, usually because they have hired former top GSA officials to arrange their deals.

More often than not, these successful landlords have put together competition-beating development deals by obtaining land or existing buildings at bargain-basement prices and then using government leases as collateral to finance their projects at belowmarket interest rates.

Despite charges from their competition that political connections are the key to success, intensive investigations of several large landlords by the GSA's inspector general have revealed no illegalities.

"Knowing the right people hasn't hurt some of these guys, but neither has it been the reason they got the contracts," explains one federal investigator.

Still, controversy surrounds some of these rental kings. Haney's deals with the government have been questioned because he is a former candidate for governor of Tennessee and a major Democratic fund-raiser.

Haney almost always gained control of rented by the government in the Southeast, including buildings in Atlanta; Memphis, Tenn.; Chattanooga; Birmingham, Ala.; and Tampa and Fort Lauderdale, Fla.

But an inspector general's investigation of Haney's government leases found that:

His low bid for the rental of an IRS service center in Memphis came only after GSA officials leaked the original low bid, which was submitted by Tauber, to the news media. But everyone, including Tauber, had a chance to resubmit bids.

Haney almost always gained control of properties after the GSA had advertised its space needs, and he usually did it by buying inexpensive options on undeveloped land or on buildings in financial trouble that could later be purchased at below-market prices.

In one case, he took an option to purchase a building he intended to rent to GSA 25 days after he submitted his leasing bid to the government.

Haney made excellent and legal use of a former top GSA official, Theodore Sachs, whom Haney hired to help arrange the government rental deals.

There is no evidence that Haney had any "inside" information. In short, Haney—who declined to be interviewed about his GSA leases—made offers too good for the government to refuse.

"He is simply an extremely sharp businessman," says Loretta Brooks, a GSA leasing official who negotiated two of Haney's leases. "Once, when the comveting developers complained about favoritism, I invited them all into my office and laid out the bids on the table, and they just walked away shaking their heads."

of the Memphis IRS project by Haney's "friends" at GSA, has used many of the same sharp practices.

"Money talks," he said in an interview,
"and I get my money to talk by buying the
least expensive land for my buildings."

That's how Tauber became the low bidder for one of the most controversial rental deals ever arranged by the GSA. A new office building Tauber built at a place named Buzzard's Point remained empty for almost two years, at a cost to the taxpayers of \$5.4 million, because no one wanted to work in that rundown section of southwest Washington. The GSA finally convinced two agencies to move in.

Tauber had bought the land for a fraction of the price that a plot in downtown Washington would have cost. And, as he has done with most of his government leasing projects, he constructed a no-frills building at a low price.

As a result, Tauber was able to beat out competitors who offered space in more desirable but far more expensive downtown locations.

The surgeon turned real estate developer also lacks little when it comes to driving a hard bargain with pliant GSA officials.

When the GSA became unhappy with janitorial services at a huge building Tauber owns in Rockville, Md., he offered to reduce the rent if the government would pay for cleaning and utility costs. The GSA, which rents the building for a major contingent of Health and Human Services Department workers, quickly agreed.

The catch, according to the congressional General Acounting Office, was that Tauber knocked only \$993,000 off the annual rent, when GSA officials knew the cleaning and utility bills were more than \$1.7 million a year.

The GAO estimates that the deal will cost taxpayers more than \$9 million over the remainder of the 20-year lease.

Despite such successes, Tauber echoes the complaints of many private developers who contend that it is difficult to deal with GSA red tape and bureaucratic delays. He says he no longer is interested in renting to the government.

"If you make money off of them, you're accused of improper practices," he says. "And if you lose money or get into a dispute with them, then you can't get them out of your building."

Still, the Building Owners and Managers Association, the lobbying group for commercial real estate developers, has adamantly opposed congressional proposals to mandate less government leasing of space and more construction of federal buildings.

"The developers don't want to rent to the government when office space is tight and private tenants are willing to pay more, but they certainly want us around when there are plenty of 'Offices for Rent' signs in town," says a top GSA official.

[From the Pittsburgh Press, July 17, 1981] U.S. RENTAL REFORM PUT OVER PORK BARREL

(By Gene Goldenberg)

Washington.—On Capitol Hill, an often angry dispute over a popular species of "pork barrel" has caused an impasse in the 2-year-old effort to reform the federal government's wasteful and mismanaged rental program.

wasteful and mismanaged rental program.

Every congressman knows that "pork barrel" is the time-honored system of rewarding selected legislators with federal buildings in their home district.

And every congressman who knows anything about the General Service Administration's soon-to-be \$1 billion-a-year program of leasing space for federal workers agrees

that GSA should be building more offices and renting less

The only hitch to this patronage-larded scheme is that key members of the Senate and House can't agree on the process by which Congress should approve the new federal buildings.

So bitter is the dispute that efforts last December to iron out differences between Senate and House versions of a leasing reform bill disintegrated into public namecalling between angry legislators and brought the death of the proposed legislation.

Now, the battle lines have been redrawn with the passage in May of a new, somewhat watered-down Senate bill. This time, however, there is a new combatant—the Reagan administration with its own prescription

for curing the leasing disease.
Whatever happens in Congress, President Reagan's new GSA administrator, Gerald Carmen, has pledged to clean up the waste and abuse that permeates the massive leasing program. And as a result of questions raised during a two-month Scripps-Howard News Service investigation of GSA renting practices Carmen has started his own inquiry.

He has asked GSA's chief auditor, Howard Davia, to come up with a plan for proper management of the rental program. Davia estimates that \$100 million of the \$680 million GSA will spend on leasing this year will be wasted.

There is a broad consensus on the need to reshape the leasing program. Key members of the Senate and House public works committees, which oversee GSA, agree that:

Dozens of new federal buildings are needed to reverse the trend that in the last 20 years has seen the proportion of federal workers in leased office space rise from less than 18 percent to more than 50 percent.

Congress and successive administrations have spent less than \$100 million on new federal buildings in the past five years and there is no money for new construction in the fiscal 1982 budget.

GSA must develop a long-range "master plan" and annual programs to implement it so that within 10 years at least 60 percent of all federal workers are housed in governmentowned buildings.

Rented space should not be used-as it now is-for major government computer operations. sensitive national security functions, federal courts or whenever a private building requires costly structural or me-chanical alterations to meet government needs.

And no funds should be spent for major renovation of rented offices without spe-

cific approval from Congress.

Leased space should be acquired through competitive, sealed bids rather than the present system of negotiating with selected landlords that has led to an absence of com-petition in the awarding of multimillion-dollar rental contracts.

GSA must begin to maintain detailed records on the space it manages, both in leased and government-owned buildings, and report regularly to Congress on operating costs. the amount of vacant space and plans to fill those empty offices.

"It's probably stupid for us to legislate that GSA report to us on the vacant space they are renting, but it's also stupid for them not to have had this information when we asked for it in the past," explains Robert Peck, an aide to Sen. Daniel Moynihan, D-N.Y.

The stumbling block is that Senate forces, led by Moynihan and Alan Simpson, R-Wyo., want to change the way Congress approves new federal buildings and major leasing actions—a change that is adamantly opposed by House leaders.

Under a 1959 law, GSA must submit proposals for new buildings or major leasing ac-tivities to the House and Senate public works

committees for approval. These projects need not be submitted to the full House and Senate, but once authorized by the two com-mittees they may be included in the annual public works appropriations bill.

The 1959 law also allows the two committees to request GSA to study the need for a federal building in a specific city and report back. Those requests have inevitably formed the basis for most of the new federal buildings approved by Congress in recent

That's where the "pork barrel" comes in.
"The House committee has ordered up projects that are near and dear to it, usually by members high in seniority," Simpson said. "It's a ghastly way to do business.

So the Senate wants all of GSA's building and leasing plans to be included in an annual authorization bill that would have to be passed by the full House and Senate. The projects in such a bill would be based solely on the priorities set by GSA in its carefully justified "master plan." This would reduce the ability of individual members to include unneeded "pork barrel" projects, claim Senate proponents.
"Nonsense," counters Rep. Elliott Levitas,

D-Ga., a leader of the House committee forces. "If there were an annual bill on the floor, members would load it up with costly pet building and leasing projects in their home districts. The work would be coming out between your toes and your ears."
As if the "pork" dispute was not enough

the Reagan administration has opposed a plan, which is backed by both the House and Senate, to permit GSA to borrow from the treasury the funds needed for the planned new program of building construction. This so-called time financing plan would require GSA to repay the treasury with interest over 30 years.

Under pressure from the White House Office of Management and Budget, which op-poses any new borrowing authority, the Sen-ate struck the "time financing" plan from plan from its bill this year. But House and Senate leaders, as well as GSA officials, fear that Congress and the White House will be reluctant to come up with the new construction money without this provision.

"I don't believe in the tooth fairy," says a former GSA public building commissioner,

A. R. Marschall.

GSA estimates it will take a five-year, \$5.7 billion construction program to eventually bring the proportion of federal workers in leased space below 40 percent. The Congressional Budget Office believes it would cost more in the vicinity of \$2.5 billion. Either figure is high in the present era of budget con-

Everyone agrees, however, that the long term savings in reduced rental costs would more than pay for that construction.

As an example, the GSA "master plan" calls for a new \$160 million federal building in San Francisco. At projected rental rates, it would cost \$26.8 million a year-or \$804 million over 30 years—to rent the same amount of space. That's a savings of at least \$644 million by

constructing just one building instead of leasing, an official noted.

To put that argument across, both the House and Senate reform bills would bring "truth in budgeting" by requiring GSA to include the total projected cost of leasing rather than the annual rent tab it submits in its yearly budget.

"We want everyone to know what they're approving," said one House staffer. "The fiscal 1982 budget request for GSA rentals is about \$750 million, but that really translates into long-term government obligations of more than \$4 billion over the full term of all those leases."

But even if Congress approves a major new federal building construction program. Car-men cautions that "this may not be the time for a new building program in the midst of an inflationary spiral.

Whatever happens in Congress, Carmen has pledged to clean up the abuses and waste that

permeate the leasing program.
"I'm dealing with the future, not the past," he says. "It took GSA 21 years to get where we are today and I don't expect to solve our problems in the next month or even the next year."

ARRESTS OF HUMAN RIGHTS AC-TIVISTS IN CZECHOSLOVAKIA

Mr. KENNEDY. Mr. President, during the past 3 months, Czechoslovak police have arrested 26 Czech and Slovak human rights activists on charges of largescale subversion. According to Amnesty International, the Helsinki Commission, and others, however, these activists were arrested simply for trying to peacefully exercise their human rights and civil liberties.

Although 18 of these activists have now been released, 10 remain under investigation and may still be tried by the authorities. Eight activists are still under arrest, and their trials can be expected very soon; if convicted they face prison sentences of up to 10 years.

This new wave of arrests can only recall the repression of the 1968 Prague spring. It represents a Government effort to completely suppress the char-ter 77 human rights movement in Czechoslovakia.

Mr. President, these arrests clearly violate Czechoslovakia's obligation to respect human rights under the Helsinki accords. On the eve of the trials of these human rights advocates, I call upon the Czechoslovak Government to immediately release those still under arrest, and to halt the persecution of the other activists still under investigation. I ask that the names of those Czechoslovak activists still in detention, as well as those who have been released but are still under investigation, be printed at this point in the RECORD, along with the section on Czechoslovakia in the "Amnesty International Report 1980" which cites those human rights activists currently in prison.

The material is as follows:

Those still under arrest: Jaromir Horec—poet. Eva Kanturkova-novelist. Karel Kyncl-former journalist. Dr. Jan Mlynarik—Slovak historian. Jan Ruml-worker. Jan Rumi—worker.
Jiri Rumi—former journalist.
Dr. Jirina Siklova—sociologist.
Dr. Milan Simecka—historian. Those who have been released but are still under investigation: Dr. Jiri Hajek—former foreign minister.

Ivan Havel-engineer.

Olga Havlova. Karel Holomek-engineer.

Dr. Josef Jablonicky—historian. Dr. Zdenek Jicinsky—professor.

Mojmire Klansky. Miroslav Kusy—Charter 77 Spokesman (Slovakia).

Dr. Jaroslav Meznik. Jiri Muller-former student leader.

CZECHOSLOVAKIA

The main concerns of Amnesty Interna-tional were: imprisonment of people for expressing opinions disapproved of by the authorities: poor prison conditions for those convicted of political offenses: harassment and ill-treatment of dissenters by the police:

the death penalty.

International interest in human rights in Czechoslovakia centered on the persecution and imprisonment of members of the Committee for the Defense of Unjustly Persecuted. Vybor na obranu nespravedlive stihanyeh (VONS), which was established in April 1978 to monitor violations of human rights in Czechoslovakia. VONS is the most active section of the Czechoslovak unofficial human rights movement. Chapter 77.

On 29 May 1979 the State Security Police arrested 10 VONS members suspected of ac-tions hostile to the interest of the state. On 30 July Amnesty International informed the Czechoslovak President that it had adopted the 10 in pre-trial detention as prisoners of conscience and asked him to order that judicial proceedings against them be discontinued. On 11 September the Office of the Federal Procurator ruled that the cases of four of the accused. Jarmila Belikova, Dr. Ladislav Lis, Vaclav Maly and Dr. Jiri Nemec be removed from the indictment of the other six. The four were released on 22 December, but criminal proceedings against them were still continuing in April 1980.

The trial of the other six VONS members was held on 22 and 23 October 1979 before the Prague Municipal Court. The prosecution charged that the accused had prepared statements about people whom they considered to be "unjustly persecuted" and had circulated this information in Czechoslovakia as well as abroad with the intention that it be used against the Republic. On 23 October the court found all six defendants guilty of subversion "in collusion with foreign powers" and "on a large scale" (Article 98, part 1 and 2, sub-section (a) and (b) of the penal code) and sentenced Petr Uhl, an engineer, to five years' imprisonment: Vaclav Havel, a playwright, to four and a half years; Dr. Vaclav Benda, a philosopher and mathematician, to four years and Otta Bednarova and Jiri Dienstbier, both journalists, to three years. Dana Nemcova, a psychologist, was given a two-year sentence suspended for five years.

Amnesty International delegated an Austrian lawyer, Henry Goldmann, to observe the trial and the appeal hearing. He was excluded from both proceedings. On 20 December, he was detained for four and a half hours and expelled from the country for "interfering in Czechoslovakia's internal affairs". On 7 January 1980 Amnesty International protested to the Minister of Justice against the exclusion, detention and expul-

sion of its representative.

In a letter to the judicial authorities on 2 November 1979 and in an internationally distributed document about the trial, Amnesty International detailed the inadequacies of the proceedings: the trial was not public; it was hasty (each of the two days' proceedings lasted from 10 to 11 hours); no one was allowed to take notes of the proceedings; no defence witnesses were called and the defendants were frequently interrupted and were thus unable to present a proper defense.

Another VONS member, Albert Cerny, former actor who had been arrested on 26 March 1979 on charges of subversion (Article 98, part 1 of the penal code) was sentenced by the Regional Court in Brno on 27 November 1979 to three and a half years' imprison-ment for participation in VONS and for pos-sessing and disseminating "anti-state" texts.

Other cases of people sentenced to terms of imprisonment for exercising their right to freedom of expression and adopted as pris-oners of conscience by Amnesty Internation-al during the year include Professor Jaroslav Sabata, a psychologist and Charter 77 spokesman, serving a nine months' prison sentence who had 18 months added to his sentence. He was first sentenced in 1972 to six and a half years' imprisonment for subversion and

was released in December 1976 on three years' probation. In May 1979 the District Court of Prague 6 ordered that the 18 months remaining from his first sentence be added to the second nine months' sentence. An Amnesty International observer was refused a visa. Jan Zmatlik, a sociologist and Charter 77 signatory, who had been in pre-trial detention since August 1978, was convicted in July 1979 by the Prague Municipal Court of producing and attempting to disseminate "anti-state" materials and sentenced to three and a half years' imprisonment for "making preparations for the subversion of the Republic" (Article 7, part 1, and Article 98, part 1 of the penal code). In October 1979 his sentence was reduced to two and a half years' on appeal. Dr. Jaromir Savrda, a writer, was found guilty in August 1979 by the District Court in Ostrava of duplicating and circulating copies of the samizdat (unofficial) literary journal Petlice (Padlock) and sentenced to wo and a half years' imprisonment for incitement (Article 100), after 11 months in pre-trial detention. Dr. Josef Danisz, a lawyer who defended many Charter 77 signatories, was convicted in January 1980 by the District Court in Hradec-Kralove of "insulting a public official" (Article 156, part 2) and "insulting a state organ" (Article 154, part 2) and sentenced to 10 months' imprisonment. The court also disbarred him for two years. In September 1979, acting as defense lawyer for Professor Jaroslav Sabata, he criticized the Chairman of the Court for his conduct of a trial in 1978 and complained about the brutal treatment of another Charter 77 signatory by the police. The persecution of Dr. Danisz goes back to the autumn of 1975 when he complained to the authorities that a public official had threatened him with assault. In March 1979, the Association of Prague Lawyers expelled him for unprofessional conduct. etr Cibulka, a worker and Charter 77 signatory serving a two-year sentence, went on hunger strike because of unacceptable working conditions in prison and repeated physical attacks on him by nonpolitical prisoners. For this he was tried in January 1980 by the Plazen Municipal Court and sentenced to a further six months' for "frustrating the pur-pose of custody". The Procurator appealed against the verdict and called for a five-year sentence. In March 1980 the appeal court quashed the six-month sentence and imposed a one-year sentence.

Widespread harassment of Roman Catholic priests and laity was reported in the second part of 1979. According to incomplete reports, by the end of December 1979 at least 20 people had had their homes searched, at t 40 had been questioned by the police and in Moravia and Slovakia alone at least 10 were detained for up to 48 hours. During house searches police seized large quantities of religious literature, pictures and photographs and printing and copying equipment. Eleven people were charged and six of them remanded in custody: Josef Adamek, a retired printer, Jiri Kaplan, an engineer, Jan Krumphoic and Josef Vicek, both workers and two Jesuit priests, Frantisek Lizna and Rudolf Smahel. The remaining five, Josef Brtnik, Svatopluk, Krumpholc, Tomas Kvapil, Dr. Mecislav Razik and the well-known theologian, Dr. Josef Zverina, were released from detention but the authorities continue to

investigate their cases.

Jiri Kaplan and Dr. Josef Zverina were charged with "obstructing the state supervision of churches and religious societies" (Article 176) and the remaining nine with "illicit trading" (Article 118). The six who were remanded in custody have been adopted by Amnesty International as prisoners of conscience. Jiri Kaplan was released from custody at the end of December 1979 and the remaining five early in January 1980. At the time of writing Amnesty International had not learned that criminal proceedings against any of the 11 have been dropped.

On 16 November 1979 the police searched the homes of five Slovak Roman Catholic priests and a number of Roman Catholic laity in Presov in Slovakia. Criminal proceedwere initiated against the 65-year-old Jesuit priest, Oskar Formanek, accused of saving mass in private houses, of condemning communist atheism, of having loaned religious books and of having been in contact with religious bodies in the West. It is alleged that he was interrogated on 12 occasions and that he had to be taken to hospital. His condition has been described as serious. His trial was to be held on 12 January 1980 in Presov but it has been postponed twice.

During the year prison conditions continued to fall below internationally accepted

standards.

Petr Cibulka has been continually beaten up by fellow prisoners and forced to carry out work for which he is not physically fit. In May 1979 he was punished by being transferred to an underground cell and put on half rations. Amnesty International appealed to the authorities on his behalf in May and July 1979, and in September 1979 when reports about his ill-treatment per-sisted, urged the Minister of Justice to see that he was treated humanely. In February 1980 it learned that he had again been placed in an underground cell, that his food ra-tion had been cut and that the beatings by non-political prisoners were still happening.

During the year under review many people holding views disapproved of by the authorities were persecuted in ways which did not involve imprisonment. Many dissenters were repeatedly detained, mostly for up to 48 hours, and summoned for questioning by the police: their homes were searched, in some cases without a police warrant, and they were brutally treated by the police.

On 30 October 1979 State Security Police took Jiri Legerski, a former miner and a Roman Catholic, who is suffering from a malignant cancer, from the hospital Opava. They searched his home twice and took him twice to the police station for interrogation in connection with criminal proceedings instituted against a group of Roman Catholics accused of disseminating religious literature. When he refused to answer any further questions, he was taken back to the hospital, completely exhausted. in the middle of the night.

On 4 November Ivan Kyncl was beaten up by the police for refusing to be photo-graphed and fingerprinted during a 48-hour detention. He was one of nine people who had been arrested on 2 November on suspicion that they were preparing an act of terrorism. All nine were released without

charge after 48 hours.

On 25 January 1980, after police had broken up a private performance in the flat of their friend, Rudolph Battek and Ivan Kyncl were handcuffed and taken separately to a remote village some 60 kilometres from Prague and abandoned there after questioning.

Two people known to the authorities for their dissenting views were forcibly confined in psychiatric institutions. Tomas Liska, a student was confined to the psychiatric hospital in Prague-Bohnice on 23 August. On 31 August he was transferred to another psychiatric clinic in Prague from which he was released on 3 September. Tomas Liska and two friends had been arrested on 20 August in Poland when they tried to join Polish human rights activists in a hungerto protest against the detention 11 VONS members in Czechoslovakia, They were escorted to Prague and Tomas Liska's two associates were released on 23 August. Professor Julius Tomin, one of the dissenters subjected to continuous harassment, was arrested on 5 October 1979 in northern Bohemia and taken to the psychiatric clinic in Horni Berkovice, where he was given injections against his will. He was released on 8 October.

During the year Amnesty International learned of the execution of two Czechoslovak citizens convicted of murder. One of them was Robert Bares, whose death sentence in September 1978 provoked strong protests in Czechoslovakia as well as abroad. In April 1980 Amnesty International had

38 cases under adoption and investigation.

LEGAL SERVICES CORPORATION

• Mr. MATHIAS. Mr. President, last week the House and Senate conferees on the budget reconciliation measure decided to take the question of funding for the Legal Services Corporation out of the budget bill and leave it to the normal authorization and appropriation process. I urge all my colleagues to join me in supporting this important task now before us.

During the first 6 months of this Congress, we have devoted most of our energies to executing the mandate the people voted in 1980 for substantial cutbacks in the Federal budget and the public sector of the economy. Everyone realizes that these new policies, whatever their long-range beneficial consequences for the economy, are going to make many aspects of life more difficult in the short run for the poor in our country.

For this reason, it is critical that the Legal Services Corporation be preserved intact and be given the strong vote of conflidence it deserves from this body. As the impact of budget cuts begins to be felt, at the local level, the need for insuring continued access to our country's system of justice for low-income individuals and families will become more and more pressing.

On June 18, the House passed a Legal Services reauthorization measure for fiscal years 1982 and 1983, agreeing to a \$241 million funding level. Last week, the House also agreed to the same funding level in the appropriations bill for the Corporation. On July 29, the Senate Labor and Human Resources Committee filed its report on the reauthorization bill it approved earlier this summer, S. 1533, authorizing a spending ceiling of \$100 million for the Corporation.

I was a cosponsor of the original Legal Services reauthorization bill in the Senate, S. 939, which would maintain the Corporation's current \$321.3 million funding level through next year. I regret that the Labor and Human Services Committee has reduced this figure by over two-thirds in its authorization bill. However, I am also cosponsoring the committee bill, in anticipation of an effort on the floor to raise the funding level in S. 1533 to at least the Houseapproved figure, which I will vigorously support. The majority leader has indicated that this measure will be scheduled for action in the Senate this year.

Although the prospects for reauthorizing the Legal Services Corporation are looking bright, we should not fool ourselves that this will be more than a partial answer to the need for legal services for the poor. Especially in view of the probable reduction in the current funding level of the Corporation (\$321.3 mil-

lion), it is imperative that the voluntary efforts of the private bar in this area be redoubled to compensate for the budget cuts and resulting reduced resources for local legal assistance offices.

Both the House and Senate Legal Services authorization bills this year contain a provision instructing the Corporation to devote greater attention to ways of involving private attorneys in legal assistance programs on this basis.

In this connection, I was pleased to note the recent creation of the Maryland Volunteer Lawyers Service, a statewide coordinating office for organizing voluntary legal services to the poor by the private bar. The primary purpose of the service will be to establish a referral procedure that will insure that law firms and individual attorneys, who wish to volunteer some of their time and expertise to providing legal assistance to the poor, will be able to spend their time in the most productive way with the most needy clients. In addition, the service will offer educational programs and distribute literature as well as develop a library in the areas of law that volunteer attorneys are most likely to become involved in.

The Maryland Volunteer Lawyers Service was established on July 1, with the support of the American Bar Association, the Legal Aid Bureau, the Legal Services Corporation, the Maryland Bar Association, the Maryland Bar Foundation, and the Maryland Judicial Conference. I have been proud of what Maryland's Legal Aid Bureau has been able to accomplish with the help of the Legal Services Corporation, and I am confident that the Volunteer Lawyers Service will also become an exemplar for similar initiatives in other States. The time has come for shoring up our legal services and reaffirming our commitment to equal justice under law.

ANNIVERSARY OF BOLIVIAN INDEPENDENCE

• Mr KENNEDY, Mr. President, last July 17 marked 1 full year of military rule in Bolivia under Gen. Garcia Meza. The military coup of last summer brought to an abrunt halt the promising progress of the Bolivian people toward democracy in their nation and toward breaking the past cycles of authoritarian rule and repeated military interventions into their political life.

One year ago Bolivia was at a crucial juncture: 80 percent of the eligible voters had just participated in national elections, and a new coalition government was preparing to take office. when the three-man military junta staged a coup against the interim government. Leading public figures were immediately removed through murders, arrests, or exile. All political and union activity was prohibited. Journalists were exiled, and press freedom was dramatically cur-

In the year since the coup, independent international observers have documented a sharp decline in the Bolivian economy, widespread corruption reaching to the highest levels of government,

and chronic, repeated abuses of human rights. According to the Washington Office on Latin America,

At least 2,500 people have been arrested since the coup. There are numerous testimonies of torture from union leaders, journalists and priests, themselves victims of persecution, beatings and torture.

Bolivia's military leaders have not only suppressed basic human rights and political and economic freedoms; they have engaged in extensive corruption including the reported trafficking of drugs within this hemisphere. There is, therefore, no justification whatsoever for the United States to improve relations with the Bolivian military regime. I call upon the administration to press for an end of the drug traffic and an end to the violations of basic rights in Bolivia.

Mr. President, on August 6 Bolivia will observe the 156th anniversary of its independence from Spain-an anniversary of which all Bolivians are rightly proud. But as long as human rights abuses continue, and the popular will is thwarted by the Bolivian military, this anniversary can only reinforce the determination of the Bolivian people to achieve true independence-independence from repression and authoritarian rule. I request that a summary of events in Bolivia since the 1980 coup, prepared by the Washington Office on Latin America, be printed at this point in the RECORD.

The summary is as follows:

BOLIVIA: ONE YEAR AFTER THE COUP

On July 17, 1980, the military forces of Bolivia staged a coup which prevented president-elect Hernan Siles Zuazo from taking office and brought the government of Luis Garcia Meza to power. The first year of rule under the Garcia Meza regime has been characterized by human rights violations, severe economic difficulties, corruption, disunity, and lack of support. The consequences for Bolivia have been the following:

VIOLATION OF HUMAN RIGHTS

A. The Right to Life.—Military occupation of the mines and the continuing repression by security and paramilitary forces led to the deaths of scores of citizens subsequent to the July 17 coup. Prominent political leader Marcelo Quiroga Santa Cruz was killed the day of the coup. The invasion of the mining district of Caracoles in August of last year resulted in an Amnesty International report of a total of 900 miners who were arrested, killed, or had to flee the area. Eight top political leaders of the UDP coalition (winner of the last three elections in Boliva, and all belonging to the MIR party) were assassinated on January 15 of this

B. Freedom and Security of the Person. At least 25,000 people have been arrested since the coup. There are numerous testimonies of torture from union leaders, journalists and priests, themselves victims of persecution, beatings, and torture.

C. Freedom of the Press.-Forty Bolivian journalists have been arrested and sent into exile since the coup. Ten foreign correspondents were either arrested, expelled, or had to flee the country. The Catholic news-paper, Presencia, was closed for a week, and 27 radio stations were shut down, several of them destroyed.

D. Freedom of Association.—Union and political activity has been declared illegal. Union leaders have been killed, wounded, and expelled, as have been political leaders of all ideological positions, from leftist to centrist to rightist.

ECONOMIC CHAOS

The enormous foreign debt of 3.5 billion dollars inherited by Garcia Meza has been complicated by rising innation rates which have reached 60% and by an inability to formulate a responsible and coherent economic policy. The National Conederation of Private Businessmen, usually a supporter of military governments, especially criticized the regime for "the lack of clear objectives and strategles" to confront the serious economic crisis affecting the country. Compounding the economic difficulties has been the failure of the government to receive help from the multilateral development banks and the International Monetary Fund, which refused the final installment of a 5 part stand-by loan last December and since then has not granted any new stand-by facilities.

OFFICIAL CORRUPTION

Official government involvement in the cocaine traffic is notorious and amply documented, such as in the "60 Minutes" report, "Minister of Cocaine", which displayed documents from the files of the Bolivian Interior Ministry linking key members of the government with the cocaine traffic. Despite the change of several of these ministers, military involvement in the international drug traffic continues. Recently, the three members of the ruling junta were implicated in the lilicit export of precious stones mined on state owned land for the personal economic benefit of the junta.

The United States has held firm in denying recognition and economic and military aid to the present regime. All indications are that it will continue to do so until the present military rulers demonstrate that they can come to grip with the fundamental problems besetting the country and the regime.

MARYLAND STATE FAIR'S CENTEN-NIAL CELEBRATION

• Mr. SARBANES. Mr. President, when the Senate reconvenes after Labor Day, the 100th Maryland State Fair will be history. This centennial celebration of fun, education, entertainment, and competition has 10 full days of agricultural events, home arts exhibits, and spectator events, including a week-long horse show, farm queen contest, 4–H Animal World, horse pulling contest, and a truly fabulous flower show. There will be special ceremonies and events celebrating the Maryland State Fair's 100th anniversary of promoting Maryland Agriculture.

One hundred years ago the Maryland Journal of Towson, near Timonium, where the fair is held in Baltimore County, recorded the excitement and expectations preceding the first fair.

They were all-agog concerning the approaching opening of an Agricultural Fair at Timonium—the girls are reserving their brightest ribbons and their sweetest smiles to be admired at Timonium; matrons are patting their choices butter and reserving their most toothsome preserves for exhibition at the Fair; the gray beards are fattenup their best herds of cattle for similar purpose; while the lads are grooming their Rosinantes and preparing to bet their bottom dollar on their "bobtail nags" while somebody will bet on the gray.

This agricultural fair did open on September 9 on a crisp and perfect autumn day—1879 as fair president Samuel Brady ran up an American flag that dated back to 1856, one that had flown over the quarters of the Jacksonian Democratic Association in Washington, D.C.

Mr. President, Paul E. Carre, editor of the Maryland State Fair and Agricultural Society, has prepared a centennial survey of the development of the Maryland State Fair and its growth over the past 100 years. I ask that Mr. Carre's article, "The New Timonium," be printed in the Record at this point.

The article follows:

THE "NEW TIMONIUM"

General Manager, Howard M. Mosner of the Fair, buoyed by the financial resources provided by the State for expansion, said in 1976 "this is the beginning of a 'new Timonjum'."

Fairgoers who come to the Fair in 1981, its centennial year, will see proof of Mr. Mosner's prediction.

A new livestock pavilion provides 1,200 stalls, a 200 by 60 ft. show ring, a "milking parlor", extensive cattle washing areas, and lounges for exhibitors.

The horse show program also has a new home, which includes a 500 seat amphitheater, a 250' x 125' show ring, a fenced warm-up area and three barns with stalls for 160 horses.

160 horses.

A new Exhibition Hall containing 38,400 square feet for commercial exhibits was completed in time for the 1979 fair. This building has been a tremendous asset for the fair as well as during the "off season" when many and varied events are scheduled.

The need for a better facility for the 4-H-FFA and the Home Arts departments has long been recognized. In 1981 a new building will be ready for these exhibitors and will greatly enhance the many interesting exhibits and displays developed by these participants.

Completing the capital improvements program is the refurbishing of the Swine, Sheep and Goat barn. Additional pens will be provided for the exhibitors and this building's appearance will be modernized to conform with the other new structures.

In addition to the exhibits of livestock, farm and garden products, household manufactures, 4-H projects, and commercial exhibits, there are the offerings of the family-oriented midway and the entertainments provided by shows in the grandstand in the evenings.

WHAT IS THE FAIR LIKE IN ITS CENTENNIAL YEAR OF 1981?

The fair today presents a mixture of the "old" and the "new".

There have been many changes over the years.

The size of the Fairgrounds has grown to 100 acres; the old cowbarn has become the Cow Palace with mechanical ventilation; the carriages and hitching posts have given way to parking lots with attendants; and, the train, the wagon and the carriage have been replaced by the truck and automobile. The tents, the farm wagon and the Inn—where people stayed during the fair are gone. Timonium Mansions and the Inn have been replaced by auto dealerships and a bank. Gingham, calico and overalls have yielded to polyester and jeans; wells replaced by drinking fountains and "W.C.s" by indoor plumbing.

But much remains of the "old": the features of the racing, the agricultural exhibits, the projects of the 4-H, the articles of the household arts and many activities of the midway.

This mixture of the "old" and the new is the charm of the modern agricultural fair.

In 1980, the Fair offered \$150,000 in premiums and awards. Some 6,000 exhibitors entered 17,000 exhibits—nearly a half-million Fairgoers had the opportunity during the eleven day show to view these exhibits.

The fairground at Timonium has become an important community center, serving and promoting the interests of many groups, especially those of agriculture and animal husbandry, throughout the State of Maryland and beyond its borders.

Fairgoers, approximately a half-million, now come to the annual event.

Many of these fairgoers set aside on their calendars, a family day at the Fair—a kind of holiday—a "last fling" as it were, which separates the more relaxed pursuits of summertime from the more demanding ones of autumn.

On this day, the fairgoers may choose to watch the races—even risk a bet; sample the food and play the games on the Midway; and view the thousands of exhibits which come from the farms, gardens, pastures, orchards and households that have been prepared and brought to the Fair by individuals, families and groups devoted to agriculture.

In providing an annual opportunity for the showing of these agricultural exhibits, the Fair is demonstrating its main purpose—its goal—the continuing improvement of agriculture in the State of Maryland.

These annual shows are the Commencement Exercises of loosely federated units—be they farm families, or such groups as the Farm Bureau, the Grange, the 4-H, the Central Beekeepers Association, the Extension Services, the Maryland Department of Agriculture. Instead of diplomas, the rewards are premiums and ribbons—but more important than these tangible signs is the admiration of the quality of the exhibits, and a recognition of their importance in efforts to improve agriculture.

As further evidence of the Fairground as an important community center, Management is the host for the meetings and activities of many groups—some agricultural, others representative of various group interests.

In addition to the Annual Show, devoted to promoting the efforts of those engaged in Agriculture and Animal Husbandry, the Management of the Fair tries to serve the interest of many other groups by allowing them to use the facilities of the Fairgrounds for their meetings, shows and contests. During 1980, from March through December, 72 Organizations held affairs on the Timonium grounds, representing the varied economic and social interest of the Community.

Mr. Grove Miller, President of the Board and Mr. Max Mosner, General Manager—on behalf of the Board of Directors of the Maryland State Fair invite you to respond to its call—the same call coming down from our colonial ancestors at fair time—"Heigh-Ho, Come to the Fair" especially this year its Centennial Anniversary.

BUILDING CONSENSUS ON NATION-AL FOREST MANAGEMENT

 Mr. HATFIELD. Mr. President, many of my colleagues are aware of the critical impact Federal land management has on life in the so-called public land States of the West. Decisions on the use of Federal land resources affect nearly every aspect of life in Western communities, including the economy, recreation, esthetics, wildlife, water quality, supply of lumber, essential minerals, and energy. Too often in the past, management decis'ons have been left to the managers alone. With the growing public interest in land management, however, there has been a notable effort on the part of those interested in and affected by land use decisions to get involved in the process. Congress has recognized this in recent

legislation, including the Forest and Rangeland Renewable Resources Planning Act, the National Forest Management Act, the Federal Land Policy and Management Act, and other laws which mandate public involvement in Federal

land planning.

The essential question remains: How do the management agencies carry out the laws? We all know that formal public meetings can be conducted in which the public has the opportunity to participate, and that these often result in frustration on the part of all those involved, even with a good faith effort on the part of the agency. This is often due to a complex decisionmaking process, a failure to understand the terms involved, and a feeling of polarization on the part of many interested groups and citizens. I know from my own efforts to resolve roadless area and wilderness issues of the wide gulf which separates many groups advocating additional wilderness areas and those which represent the forest products industry.

Clearly, innovative approaches are needed. I am pleased to note that region 6 of the Forest Service, which includes Oregon and Washington, is trying some new, unconventional approaches to resolving land management issues and to deal with the present polarization. The method being utilized is consensus-

building workshops.

The Forest Service is bringing together groups of their own employees with representatives of wilderness and timber industry groups, encouraging these individuals to look beyond their own particular positions, to learn more about those people they have recognized only as adversaries, to understand the other point of view, and to propose positive, creative solutions to land management conflicts.

Obviously, this is a major undertaking which requires true commitment and patience on the part of all those involved if it is to produce any meaningful results. I am aware of two recent all-weekend sessions conducted on the Willamette National Forest which appear to hold some real promise. This is particularly significant since the Willamette is the Nation's top timber producing forest of the 155 national forests. It also contains areas of magnificent beauty which offer excellent recreational opportunities and wilderness experiences. The conflicts on this forest have been great, both in num-ber and in intensity. The fact that those involved in these conflicts have been willing to spend their own time in group sessions to open up lines of communication with the "other side" is testimony to their commitment to wise national forest

Mr. President, I believe that this effort warrants special recognition and I wish to offer my thanks to those who have participated. As one who has been deeply involved in national forest management issues. I also wish to state that any concensus achieved by such groups should get very serious consideration by the top levels of the Forest Service and the Congress. I want to encourage those who have been involved thus far on the Willamette National Forest to continue their involvement, and to urge other national

forest managers and those of the Bureau of Land Management to look at this creative approach.

Special recognition is due Mr. Dick Worthington, the Regional Forester for region six; Mr. Mike Kerrick, the Supervisor of the Willamette National Forest, and Mr. Bob Chadwick, who has organized and led the sessions. Mr. Chadwick is a former Forest Supervisor who currently serves on Mr. Worthington's staff. It is often difficult to set aside the traditional methods of problem solving which one has practiced all of one's life, but I believe these times demand that we utilize new techniques which offer true opportunities for public involvement in critical issues. My own staff has participated in some of the meetings and I have received very positive reports. I wish to lend my strong support to the efforts I have outlined.

MAYOR YOUNG RECEIVES SPINGARN AWARD

(By request of Mr. ROBERT C. BYRD the following statement was ordered to be printed in the RECORD:)

 Mr. RIEGLE. Mr. President, recently, the mayor of Detroit, Coleman A. Young, received the NAACP's coveted Spingarn Award—the highest honor the association can bestow.

Mayor Young joins such great Americans as Dr. Martin Luther King, Jr., Rosa Parks, Supreme Court Justice Thurgood Marshall, and George Washington Carver in receiving the award.

Mayor Coleman Young is many things: An outstanding civil leader, a fighter, a compassionate man—a man who has always been willing to lead the battle for civil rights and equality for all

And in some of those battles, he has paid the price for speaking out against the tide. Regardless of this price, Coleman Young fights for what he believes in, with the best interests of the people foremost in his mind. He has been and will continue to be the most able spokesman and leader for the citizens of Detroit.

Coleman Young has been at the forefront of the effort to lead the great ren aissance of the city of Detroit and its

people.

Mr. President, on June 30, 1981, at the NAACP National Convention in Denver, Colo., the Honorable Damon Keith, U.S. circuit court judge, presented the Spingarn Award to Mayor Coleman Young. Judge Keith's introduction of the mayor was as inspiring as the life and example of Coleman Young, and I ask that the introduction be printed in the RECORD at this time.

The introduction follows:

PRESENTATION OF THE 66TH NAACP SPINGARN MEDAL TO MAYOR COLEMAN A. YOUNG OF THE CITY OF DETROIT

Ladies and Gentlemen: This is a great day for the NAACP and black people in America. We are, this evening, honoring Coleman Alexander Young with the highest and most prestigious award that black people can bestow upon a fellow black American. It is the Nobel Peace Prize or the Pulitzer Award. It is the highest award that we, as a struggling

people, can bestow upon one who has done so much to lift aspirations and hopes of 25 million black Americans.

Three of the past recipients of this award provide ample evidence of the significance and the esteem in which the Spingarn Medal is held.

Dr. Martin Luther King, Jr.—a prophet who with "we shall overcome someday" moved an entire Nation, and with his eloquent words "I've been to the Mountain Top" is one of the previous Spingarn medalists.

Justice Thurgood Marshall.—The lone black voice on the Nation's highest court has kept the commitment of the Constitution and those four words inscribed on the U.S. Supreme Court "Equal Justice Under Law."

Justice Marshall has truly been a foot soldier for the Constitution and a drum major for justice. Thurgood is a prior recipient

of the Spingarn Award.

Rosa Parks.—Who by her refusal to get up out of a seat on a bus on a cold December day in 1955 in Montgomery, Ala., turned the entire Nation around to the injustice that was being inflicted upon black people in the South. She is now known, and properly so, as the mother of the civil rights amendment. Rosa Parks is also a recipient of the Spingarn Award.

Other Spingarn Medalists have been no less luminary:

Paul Robeson, W. E. B. DuBois, George Washington Carver, A. Phillip Randolph, Charles Hamilton Houston, John H. Johnson, Mary McLeod Bethune, and Roy Wilkins. I submit to you that the 66th Spingarn

I submit to you that the 66th Spingarn Medalist, Coleman A. Young, is in keeping with this high measure of excellence, self-lessness and commitment that the NAACP measures before it bestows this great and magnificent award. Coleman Young, in my judgment, has a Ph. D. with high honors from the university hard knocks and good common sense. Coleman Young is a political genius and has one of the most disciplined and brilliant minds to be found in America today.

He will not permit anything or anybody to interfere with what he thinks is best for his beloved Detroit and what is best for black people in America. As indicated just a minute ago, he is by all accounts a brilliant politician who has put together in Detroit a coalition of black and white. corporate and labor business people who are working together for the benefit of the people, white and black, rich and poor, of the city of Detroit.

His long career, and his tribulations in many ways are a microcosm of the black experience. His life mirrors the indomitable spirit of black people in America as they have struggled and continue to struggle for complete equality of opportunity. Because Coleman A. Young would not compromise his principles, he has in his long career been unemployed, blacklisted, maligned, discriminated against and persecuted. Coleman A. Young, the first black mayor of the city of Detroit, once summed up his life in a single sentence:

"Let's just say I've had some peaks and valleys, baby."

But no matter what adversity he has encountered, he has never once wavered in his commitment to the principles that we who are assembled here hold so dear.

Coleman Young is a man who has always "sailed against the wind." He has never listened when he has been told that there are things that he could not accomplish or things that he could not do.

As a political activist in the 1950's, Coleman Young did not listen when he was told that if he did not buckle under to the House Un-American Activities Committee he would be destroyed, that his career would be

ruined and that he would go to jall. In spite of the very real risks that he faced during his interrogation by the committee, he refused to be intimidated. When asked at one point by Congressman Charles Potter of Michigan what he knew about the Communist Party, Young answered, "You have me mixed up with a stool pidgeon, sir."

Coleman Young did not listen when in 1973 he was told that he could not be elected the first black Mayor of Detroit. It so happened that the law in the State of Michigan prohibited a state senator from running for Mayor at the time that Coleman launched his campaign.

But those who didn't know before soon found out that Coleman A. Young is a fighter. He initiated a lawsuit that eventually struck down the statute which would have kept him off the ballot.

Mayor Young assumed his office at a time when Detroit was at what then appeared to be its lowest point in history. Financially and spiritually the people of Detroit were exhausted. Crime was rampant; the financial base of the city was deteriorating; racial po-larization was widespread. There seemed to be little hope for progress in this city which, with its majority black population, in many ways symbolizes the hopes and frustrations of all black Americans. But those pessimists who said that Detroit had no future had not counted on the charisma, the ingenuity, the resourcefulness and the leadership of Coleman A. Young. There is now hope and progress in Detroit because Coleman Young, largely through the strength of his personality and example, has forged a coalition between the black and white communities, and between working people and the business community, to rebuild that city.

He has challenged the people of his city and the people of America, in Coleman's own words, to "step up and pay the price of the ticket to ride the freedom train of progress and equality."

It is a tribute to the Mayor's influence and powers of persuasion that just a week ago today the people of the city of Detroit, with one of the highest unemployment rates in the country, voted themselves an income tax increase at the Mayor's behest.

City revenues were desperately low, but when Mayor Young began his campaign for the tax increase, the popular perception was that such a thing could never pass. Yet, once again, the mayor would not listen when he was told that something could not be done.

So great is the confidence of the citizens of Detroit in their Mayor that he alone was able to convince them to impose upon themselves the sacrifice of a substantial tax increase.

We in the Judiciary are, of course, removed from the political arena, but even I can tell you that the Detroit man in the street won't hesitate to let you know that Coleman Young is: Strong enough, successful enough, smart enough, effective enough, and when he has to be, mean enough to be the great leader that he is and the great man that we honor this evening.

So I submit to you that no one who received this award has brought more unselfishness, more commitment to the cause of black people in every way.

Coleman, our honoree this evening, can hold his head high knowing full well that his entire life has been lived in such a manner as to reflect credit to his people and to the NAACP and to all that this organization stands for. In doing so, this great man has used his life to do something which outlives life itself. Many people in Detroit believe that they can sleep easier knowing that Coleman A. Young is working to address the concerns of black people in America. They believe that intuitively and instinctively he will come up with the right answer.

They may be correct about Coleman's politics, but more importantly for me as a judge, I believe that he is the type of human being that every black American can be proud of because he is totally committed to the cause of freedom, equality, fair play and yes, he is determined to make America live up to its commitment to all Americans.

In many ways, he challenges America to be true to its cause. In the Declaration of Independence it says:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unallenable rights, that among these are life, liberty and the pursuit of happiness."

Ladies and gentlemen, freedom fighters all, lovers of liberty, justice and equality, please stand up and let us salute and join together in presenting Coleman Alexander Young, a great man and a great leader, with the NAACP's highest honor, the Spingarn Medal.

FREE ENTERPRISE WITHOUT POVERTY

• Mr. MOYNIHAN. Mr. President, nearly every day in committee and on the floor, my colleagues in the Senate discuss problems of the economy. In the course of this ongoing, important debate, we have come to realize that we need to revitalize all segments of our Nation's economic life. And, we can all agree that a primary goal of this revitalization is full employment.

But how can we have a renewed economy which provides economic security for all our citizens?

Dr. Leonard Greene, an economist and mathematician, has considered this question and proposed an answer in his new book, "Free Enterprise Without Poverty," Dr. Greene says that millions of people who are dependent on Government and private sector benefit programs are weighing down the productive potential of our economy. In his research, he has concluded that the welfare system acts as a disincentive to work.

Moreover, Government bureaucracy created to administer Federal benefit programs and industries established to profit from private social benefit programs work together to expand the system.

Dr. Greene has proposed a comprehensive plan for welfare reform that includes a work incentive, promotes the integrity of the family, offers uniform benefits, is integrated into our tax system, and is easy to administer. His proposal is called the graduated income supplement.

Outlined simply, every person in the Nation will receive a taxable income supplement of equal size. The supplement will be applied to the individual's income tax bill, reducing taxes owed by the amount of the supplement. If the amount of taxes owed is less than the supplement, the taxpayer will receive the difference as a cash refund.

A family with no income will receive the full amount of the supplement in cash payments. Because the supplement is taxable income, the net value is greater for those with lower incomes.

Dr. Greene's book outlines a step-bystep plan to reform the existing government "dependency system." The reforms adhere to the following principles:

First. Scattered, duplicatory, and contradictory programs should be consoli-

Second. Benefits should be paid in cash instead of services.

Third. Cash benefits should be subject to taxes in order to recoup part of the payments as recipients move up the economic ladder.

Fourth. The reforms should not increase the Federal Government's welfare budget. (This goal realistically can be achieved by substituting the income supplement for existing programs, by taxing cash benefits, and by saving money through increased efficiency.)

Mr. President and my colleagues, I have found Dr. Leonard Greene's book, "Free Enterprise Without Poverty," to be a thoughtful and thought-provoking analysis of the problems of our welfare system. I urge each and every one of you to study Dr. Greene's proposals carefully. The American nation and its people at all economic levels will be the beneficiaries.

THE TRUTH RESPECTING THE HIGHLY PRAISED AND CONSTITUTIONALLY DEVIOUS VOTING RIGHTS ACT

• Mr. EAST. Mr. President, I would like to share with my colleagues an important article on the Voting Rights Act recently written by Senator Sam Ervin of North Carolina. During his long and distinguished career in the Senate, Senator Ervin was widely recognized as one of this Nation's foremost constitutional authorities, and I daresay his contributions to the principles of limited Government have been exceeded only by his reverence for our Constitution.

When the Voting Rights Act was first considered by this body, it was Senator Ervin, swimming almost alone against the tide of public opinion, who led the opposition.

What the opponents lacked in numbers they more than made up in weighty disputation, thanks primarily to the brilliance of Senator Ervin and the shimmering power of his reasoning.

Now, some 15 years later, Senator Ervin is once again imploring Members to examine the provisions of this act closely and objectively against the constitutional standards of federalism and fairness.

Mr. President, I urge my fellow Senators to study Senator Ervin's analysis of this act and to weight his arguments carefully, not with a view toward the next election but the next generation, not toward the immediate political needs of the hour but the long-range goals of constitutional Government.

Since its adoption in 1965, the Voting Rights Act has undergone a major metamorphosis, in part because of the 1970 and 1975 amendments, but mainly because of Supreme Court interpretations of its key provisions. Thus the many constitutional objections to the act raised by Senator Ervin in 1965 take on an added significance today, as his article makes clear.

Mr. President, I ask that Senator Ervin's article on the Voting Rights Act be printed in the RECORD.

The article follows:

THE TRUTH RESPECTING THE HIGHLY PRAISED AND CONSTITUTIONALLY LE-IOUS VOING RIGHTS ACT

(Statement of Sam J. Ervin, Jr. of Morganton, N.C., a former Justice of the North Carolina Supreme Court and a former United States Senator from North Carolina, July 1981.)

THE VOTING RIGHTS ACT

Mark Twain is reputed to have expressed this admonition: Truth is precious, use it sparingly. I will ignore the admonition, and tell the truth concerning the highly praised and constitutionally devious Voting Rights Act.

The Voting Rights Act was enacted by Congress in 1965 as legislation it deemed appropriate to enforce the Fifteenth Amendment. Subsequent to 1965, Congress amended the Act in comparatively minor respects and continued it in force .t is scheduled to expire soon, however, unless Congress extends it again. Hence, the current clamor in some quarters for its extension.

I will endeavor to explain in simple language why the Voting Rights Act, which applies primarily to six Southern states in their entirety, and to 40 counties in a seventh Southern state, is repugnant to the system of government the Constitution was orgained to establish. The major provisions of the Act were originally embodied in Public Law 89–110 and are now codified in sections 1973b, 1973c, 1973e and 19731 of Title 42 of the United States Code.

In explaining the Act, I will hold to a minimum the multitude of judicial decisions which corroborate what I say in respect to the constitutional provisions and principles I cite.

THE CONSTITUTION

As William Ewart Gladstone, the British statesman, affirmed, the Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man. It delegates to the federal government enumerated powers to enable it to act as the national government for all the states and all the people. It confers upon the states or reserves to them or the people all other powers. It undertakes to ensure liberty by forbidding governmental tyranny.

forbidding governmental tyranny.

The Constitution consists of words inscribed on paper. If it is to be an effective instrument of government instead of a worthless scrap of paper, two things are indispensable. The provisions of the Constitution must be permanent in meaning until they are changed by a duly adopted amendment, and the words of the Constitution must be interpreted and applied to mean what they say. (Marbury v. Madison. 1 Cranch 137, 2 L.Ed. 60; Gibbons v. Ogden,

9 Wheat 1, 6 L.Ed. 23.)

The great and wise men who framed and ratified the Constitution knew this to be true. In consequence, they inserted in Article VI, clause 3 of the Constitution this specific provision: "The Senators and Representatives * * * and the members of the several state legislatures, and all executive and judicial officers both of the United States and of the several states, shall be bound by oath or affirmation to support this Constitution."

Chief Justice John Marshall, America's greatest jurist of all time, rightly ruled in Marbury v. Madison, 1 Cranch 137, 2 L.Ed. 60. that a Supreme Court Justice who does not conform his official action to the Constitution makes his oath to support it worse than a solemn mockery.

Before discussing the repugnancy of the Voting Rights Act to the Constitution, I

deem it appropriate to make observations respecting other relevant matters.

THE THIRTEENTH, FOURTEENTH, AND FIFTEENTH AMENDMENTS

After it ratified the Thirteenth Amendment, which prohibits slavery, i.e., the forced labor of one man for another against his will, the nation undertook to confer upon the recently emancipated blacks equality of legal rights with white people. To this end, Congress enacted the Civil Rights Act of 1863, which specifies, in essence, that they are entitled to enjoy virtually the same rights as those enjoyed by white people under state laws.

knowledgeable constitutional scholars doubted whether the Thirteenth Amendment sufficed to vest in Congress power to enact the Civil Rights Act. To remove this doubt and the possibility that a subsequent Congress might repeal it, the nation added to the Constitution the Fourteenth Amendment, which includes the equal protection clause. This clause undoubtedly gave the blacks legal equality with white people under state law by decreeing, in substance, that state laws must treat in like manner all persons in like circumstances. Subsequent decisions of the Supreme Court adjudged that the due process clause of the Fifth Amendment imposes a similar requirement on acts of Congress.

The Fourteenth Amendment also made the recently emanicipated blacks citizens by providing that "all persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they

reside."

To make secure to blacks possessing the qualifications prescribed by law the right to vote, the nation added to the Constitution the Fifteenth Amendment which specifies that "the right of citizens of the United States to vote shall not be denied or abridged by the United States or any state on account of race, color, or previous condition of servitude," and which confers on Congress the power to enforce that declaration by appropriate legislation.

The Supreme Court had these constitutional and legislative actions in mind when it made this comment in the Civil Rights Cases of 1883, 109 U.S. 3, 27 L.Ed. 835: "When a man has emerged from slavery, and by the aid of beneficient legislation has shaken off the inseparable concomitants of that state, there must be some stage in the progress of his elevation when he takes the rank of mere citizen, and ceases to be a special favorite of the laws, and when his rights, as a citizen or a man, are to be protected in the ordinary modes by which other men's rights are protected."

OBJECTIVE OF ADVOCATES OF VOTING RIGHTS ACT

The Voting Rights Act was the brainchild of impatient and zealous men who spurned this comment. They were bent on abolishing literacy tests in Southern States employing them as qualifications for voting, and thus securing to blacks residing in those states the power to vote irrespective of their ability to read and write, anything in the Constitution to the contrary notwithstanding.

To be sure, these impatient and zealous men professed that they merely desired to prevent these Southern States denying of abridging the rights of blacks residing in them to vote on account of their race or color.

If this had been their objective, there would have been no reason for them to persuade Congress to enact the Voting Rights Act.

OTHER FEDERAL LAWS

This is true because at the time of its enactment the United States Code was replete with federal statutes sufficient to prevent and punish any denial or abridgement by any of these Southern States of the right of any literate black to vote on account of his race or color.

Some of these statutes provided for the imposition of criminal penalties upon offending state or local officers. Others subjected them to liability for civil damages to the aggrieved persons. And others authorized the Department of Justice and agrieved individuals or groups to prosecute equitable proceedings triable by federal judges sitting without juries, and to obtain in such proceedings judicial decrees compelling recalcitrant states and their officers under threat of punishment for contempt to register literate blacks and permit them

By means of these equitable proceedings, the Department of Justice or the aggrieved individuals or groups could have obtained States or subdivisions of Southern States the residing in recalcitrant areas in Southern States the right to vote. They could have accomplished this purpose with dispatch because federal district judges sitting without juries or special masters appointed by them could have administered literacy tests to multitudes of blacks speedily either singly or en masse, and thereby established in short order the facts necessary to support decrees enforcing the rights of literate blacks to vote.

To be sure, the criminal prosecutions, civil actions, and equitable proceedings authorized by the federal statutes were triable in federal district courts in accordance with procedures and rules of evidence conforming to constitutional principles governing the administration of civil and criminal justice. Hence, it was incumbent upon the Department of Justice or the aggrieved individuals or groups to establish in them by credible evidence the literacy of blacks allegedly denied the right to vote in violation of the Fifteenth amendment.

RELUCTANCE OF ADVOCATES OF VOTING RIGHTS
ACT TO INVOKE OTHER FEDERAL LAWS

For these reasons, politically-minded Attorneys General and advocates of the Voting Rights Act were reluctant to invoke these federal laws. They found it more profitable politically to agitate for the enactment of the Voting Rights Act before the nation-wide news media and in Congress than to assume the burden of establishing the truth of their allegations against the South by constitutional procedures and rules in the judicial calm of courts of justice. Besides, advocates of the Voting Rights Act also found it financially profitable to agitate in this manner because the agitation induced benevolently-minded citizens to make contributions to the causes they espoused.

I interrogated all of the occupants of the office of Attorney General during my 20 years in the Senate in various hearings concerning the rejuctance of the Department of Justice to invoke existing federal statutes to enforce the Fifteenth Amendment. They invariably gave excuses rather than justifications for the Pepartment's rejuctance. They confessed that the Department had not sought criminal prosecutions of any Southern State or local officer for alleredly denying literate blacks the right to vote Guring their tenures. They explained the Department's inaction in this respect by asserting that Southern juries would not convict state or local officers in such prosecutions.

Since the Department of Justice had not instituted any criminal prosecutions of this nature against Southern State or local officers during their tenures their assertion was simply an unsupported attack upon the interrity of Southern people.

I suggested that they harbored prejudices against Southerners akin to those they professed to be desirous of eradicating from

Southern minds, and reminded them that the equitable proceedings authorized by existing federal laws were triable by federal district judges without Southern juries. They then asserted that the statutes authorizing civil actions and equitable proceedings were substantially ineffective—an assertion which my long experience as a trial lawyer and trial and appellate judge disabled me to accept. I was convinced that a competent lawyer could have obtained a decree in an authorized equitable proceeding securing the right to vote to any literate black.

The assertion of the Attorneys General to the contrary was disproved in a number of equitable proceedings which the Department of Justice prosecuted to successful conclusion in recalcitrant areas in Alabama, Louisiana, and Mississippi.

ILLITERACY

I digress to observe that although it is undoubtedly more prevalent in the South than it is in other regions, illiteracy is not exclusively a Southern problem, or exclusively the product of Southern discrimination against blacks in education.

blacks in education.

The validity of this observation was revealed in a Senate hearing. Attorney General Robert F. Kennedy twitted me with the fact that the census of 1960 disclosed that my home State, North Carolina, numbered about 30 thousand illiterate blacks among the people inhabiting it. He charged that this fact, standing alone, conclusively proved that North Carolina discriminated against blacks in education.

I thereupon scrutinized the census of 1960 for myself, and discovered to my surprise and to Attorney General Kennedy's consternation that it revealed that his home state, Massachusetts, was the domicile of about 60 thousand illiterate whites. I hastened to assure Kennedy that I did not accept this fact as proof that Massachusetts discriminated against whites in education.

I also digress to express my abiding conviction that it is reprehensible for any state, or any public officer, willfully to deny or abridge the right of any qualified person of any race to vote for any reason.

THE VOTING RIGHTS ACT IS A BILL OF ATTAINDER

Article I, Section IX. Clause 3 of the Constitution expressly forbids Congress to practice what may well be described as the most contemptible of all tyrannies. It forbids Congress to pass any bill of attainder.

A bill of attainder is a legislative act which declares a person guilty of a past offense and inflicts punishment upon him for it without a judicial trial.

To constitute a bill of attainder under Article I, Section IX. clause 3 of the Constitution, an act of Congress must have these characteristics: (1) It must apply either to named persons or to a class or group of ascertainable persons; (2) it must declare by legislative flat that the named persons or the class or group of ascertainable persons are guilty of a past offense; and (3) it must inflict punishment on the persons named or the class or group of ascertainable persons for the offense without a judicial trial.

The Supreme Court has adjudged that various classes or groups, such as persons who supported the Confederacy during the Civil War, or members of the Communist Party, constitute ascertainable persons within the purview of bills of attainder. These adjudications compel the conclusion that legislators, executive officers, or citizens of a particular state are ascertainable persons within the purview of bills of attainder.

The punishment inflicted by a bill of attainder need not be a fine, or imprisonment, or a death sentence. It may consist of the denial of the right to engage in a profession, trade, or business, or the deprivation or suspension of constitutional, political, or legal powers and rights.

The Voting Rights Act is clearly a bill of attainder. It applies to the states and subdivisions of states it covers, and to ascertainable classes or groups of their officers and citizens; it declares them guilty of past offenses, i.e., denying or abridging the rights of black citizens to vote in violation of the Fifteenth Amendment; and it punishes them for the alleged past offenses by the deprivation or suspension of various constitutional and political powers vested in them by the Constitution.

LITERACY TESTS AS QUALIFICATIONS FOR VOTING

The Constitution provides that electors of the United States House of Representatives "in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature" (Article I, Section II); that the presidential and vice presidential electors of each State shall be appointed "in such manner as the legislature thereof may direct" (Article II, Section II, Clause 3); and that the electors of United States Senators "in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature" (Seventeenth Amendment).

The Tenth Amendment reserves to the States the power to prescribe the qualifications for voting in state and local elections. As the Supreme Court and State and in-

As the Supreme Court and State and inferior federal courts have rightly adjudged in cases past numbering, these four constitutional provisions empower a State to establish and employ literacy tests as qualifications for voting in all Federal, State and local elections within its borders.

The power of a State to prescribe qualifications for voting in all elections is subject to five narrow limitations specified by the Constitution itself. A State cannot make race (Fifteenth Amendment), sex (Nineteenth Amendment), the age of persons eighteen years or over (Twenty Sixth Amendment), or the payment of a poll or other tax (Twenty Fourth Amendment) a qualification for voting. Moreover, qualifications for voting established and employed by a State must apply in like manner to all persons of all races similarly situated (Equal Protection Clause of the Fourteenth Amendment).

INDISPENSABLE CONSTITUTIONAL PRINCIPLES

The Constitution establishes certain fundamental principles which must control the official actions of Congress, the President and the Supreme Court if the United States is to endure as a federal system of government, and the United States, the States, and the people are to be ruled by the Constitution and equal, impartial, and uniform laws conforming to that instrument. Insofar as they are presently germane, these principles are as follows:

1. As the Supreme Court so well declares in Texas v. White, 67 Wall. 700, 19 L.Ed. 227, "the preservation of the States, and the maintenance of their governments, are as much within the design and care of the Constitution as the preservation of the Union and the maintenance of the National Government. The Constitution, in all its provisions, looks to an indestructible Union, composed of indestructible States."

2. To this end, our system of government is based on dual sovereignties, state and federal, each of which is supreme within its own sphere. Under it, the States possess all the attributes of sovereignty, except as to the powers granted to the federal government by the Constitution, or denied to the States by that instrument. (72 Am. Jur. 2d. States, Territories, and Dependencies, Section 16)

3. The Constitution consists of harmonious provisions of equal dignity. None of them may be so interpreted, applied, or enforced as to nullify or suspend any others.

 Neither the Congress nor the President nor the Supreme Court has power to nullify or suspend any provision of the Constitution. As the Supreme Court rightly ruled in its most courageous and intelligent decision of all time, Ex Parte Milligan, 4 Wall. 2, 18 L.Ed. 281, "The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men, at all times, and under all circumstances. No doctrine, involving more pernicious consequences, was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false; for the government, within the Constitution, has all the powers granted to it which are necessary to preserve its existence, as has been happly proved by the result of the great effort to throw off its just authority."

throw off its just authority."

5. Under the Constitution, the United States is a union of political equals, and all the States stand on an equal footing in respect to the constitutional powers they possess. As the Supreme Court rightly adjudged in Coyle v. Smith, 221 U.S. 559, 55 L.Ed. 853, "The constitutional equality of the States is essential to the harmonious operation of the scheme upon which the Republic was organized. When that equality disappears we may remain a free people, but the Union will not be the Union of the Constitution."

tion."

6. The Fifth and Sixth Amendments as well as Articles I and III of the Constitution plainly forbid the federal government to punish any person for any offense unless his guilt is established in a fair trial in a

his guilt is established in a fair trial in a court of justice.

7. The Constitution and federal statutes conforming to it establish appropriate sanctions to remedy or punish state or local legislative or administrative action which denies or abridges the right of United States citizens to vote on acount of race or color. If the action is based on state law, the law is void, and the judiclary is empowered by Arti-

cle III and the Supremacy Clause of the Constitution to so adjudge and restrain its execution. If the action is based on misconduct of state or local officials, the judiciary is empowered by federal statutes to punish or restrain the misconduct, and to enforce the right to vote by suitable rulings. The Constitution clearly forbids the Congress, the President, or the federal judiciary to undertake to remedy or punish it by nullifying or suspending the power vested by it in state or local officials to establish and employ literacy tests as qualifications for

voting.

The Voting Rights Act treats with contempt all of these fundamental and indispensable constitutional principles.

THE ARTIFICIAL FORMULA OF THE VOTING RIGHTS ACT

The advocates of the Voting Rights Act were pragmatic politicians. As such, they knew that they could not induce Congress to approve its drastic provisions unless the legislation embodying them plainly exempted from its coverage virtually all sections of the nation outside the areas of the South targeted by them.

Hence, they cleverly contrived an artificial legal formula to trigger the Voting Rights Act into automatic operation without a judicial trial in the areas of the South targeted by them, and to exclude from its coverage virtually all areas of the nation outside the targeted areas.

They were able to do this by differences in voting patterns in the South and other sections. At the time of the passage of the Voting Rights Act, the Democratic Party dominated the South, while the Democratic and Republican parties had substantially equal strength in virtually all other sections. Hence, there was low registering and voting in presi-

dential elections in the South because all federal officers except the President and all state and local officers were chosen for all practical purposes in primaries and the ultimate choice of the presidential candidate was a foregone conclusion; whereas there was high registering and voting in presidential elections in other sections of the nation because the choice of their voters for President as well as for other federal and state and local officers were determined in them.

For this reason, the advocates of the Voting Rights Act devised the artificial formula embodied in Section 1973b(b) of Title 42 of the United States Code which automatically applies the major provisions of the Act to the areas in the South targeted by them and excludes virtually all other sections of the land from them.

The provisions creating the artificial formula specify that the Voting Rights Act automatically applies in any State or in any subdivision of a State (1) which the Attorney General determines employed a literacy test as a qualification for voting on November 1, 1964, and with respect to which (2) the Director of the Census determines that less than 50 percent of the persons of voting age residing in it were registered on November 1, 1964, or less than 50 percent of such persons voted in the presidential election of 1964.

These determinations are made by the Attorney General and the Director of the Census without a hearing, and are not subject to review in any court of justice. Moreover, they totally ignore the race of the persons of voting age who were registered on November 1, 1964, and the race of the persons of voting age who voted in the presidential election of 1964. As a consequence, the formula applies to any State or subdivision of any State embraced within the determination if less than 50 percent of the persons of voting age of all races residing in it were registered on November 1, 1964, or voted in the presidential election of November 1964, even though all its black residents of voting age were registered at the specified time and all of them voted in the specified presidential election.

Nevertheless, the formula creates, in substance, a conclusive presumption that States or subdivisions of States embraced within the determinations denied or abridged the right of black citizens to vote on account of race or color in violation of the Fifteenth Amendment; and on that basis alone punishes such States and subdivision of States and their officers and citizens by the deprivation or suspension of the constitutional powers and rights previously enumerated in the manner hereafter stated.

UNCONSTITUTIONALITY OF FORMULA

The formula created by the Voting Rights Act is unconstitutional as well as artificial. It violates the due process clause of the Fifth Amendment in two ways. First, the Act creates a conclusive presumption; and second, the factual determinations of the Attorney General and the Director of the Census have no rational connection with the ultimate fact presumed, i.e., that the States or subdivisions of States embraced within the determinations denied the rights of black citizens to vote on account of race or color in violation of the Fifteenth Amendment.

CONSTITUTIONAL INFIRMITIES OF THE VOTING

As originally enacted in 1965, the Voting Rights Act condemns the areas in the South targeted by it, namely, the entire States of Alabama, Georgia, Louisiana, Mississippi, South Carolina, and Virginia, and 40 of North Carolina's 100 counties. At the same time the Act repudiates the doctrine of the constitutional equality of the States by exempting from its crucial provisions the 21 other States employing literacy tests as

qualifications for voting in their entirety with the exception of the State of Alaska and about five counties in three other States. Alaska and these five counties were impaled by the formula, notwithstanding few blacks, if any, resided in them, and they had never violated the Fifteenth Amendment as to any of them.

When it subsequently amended the Act by extending its coverage on the basis of registration and voting in the presidential election of 1968, Congress continued in force the Act's original condemnation and punishment of the six Southern States and the 40 North Carolina counties. This amendment may have ensnared a few isolated counties in Northern or Western States, which, like Alaska and the five counties previously condemned, had few black residents, if any, and had never violated the Fifteenth Amendment as to any of them.

For reasons already detailed, the Voting Rights Act treats with contempt the constitutional prohibition of congressional bills of attainder, the due process clause of the Fifth Amendment, and the doctrine of the constitutional equality of the States. In addition, the Act is repugnant to the other fundamental and indispensable constitutional principles which have been previously enumerated.

The provisions of the Act, now codified as Section 1973b(a) is based on the unconstitutional assumption that the Fifteenth Amendment takes precedence over the four provisions of the Constitution plainly vest-ing in the States the power to employ literacy tests as qualifications for voting, and empowers Congress, a creature of the Constitution, to nullify or suspend these four provisions by an irrefutable bill of attainder. On the basis of this unconstitutional assumption, the Voting Rights Act punishes any State or subdivision condemned by its formula by the deprivation or suspension of its constitutional power to employ literacy tests as qualifications for voting, and decrees that such deprivation or suspension remains in effect until a specific federal court, i.e., the District Court of the District of Columbia, "in an action for a declaratory judgment brought by such State or subdivision against the United States has deter-mined that" no literacy test "has been used during the ten years preceding the filing of the action for the purpose or with the effect of denying or abridging the right to vote on account of race or color."

The Supreme Court ruled in Gaston County v. United States, 395 U.S. 285, 23 L.Ed.2d 309, that a state or subdivision condemned by the formula of the Voting Rights Act has the burden of proving in an action for a declaratory judgment under Section 1973b(a) that it has not violated that section during the prescribed period. The same decision makes it virtually impossible for a condemned Southern State or subdivision to carry this burden of proof successfully by concluding that such State or subdivision produced the illiteracy of its black citizens by prior discrimination against them in education.

The provision of the Voting Rights Act now codified as Section 1973c suspends the power of any State or political subdivision condemned by the formula to exercise its power under the Constitution of the United States or its own Constitution to make any change in its voting laws in effect on November 1, 1968, without securing in advance either (1) a ruling of the United States District Court of the District of Columbia in an action brought by it against the United States for a declaratory judgment, or (2) a ruling of the Attorney General, that the change "will not have the effect of denying or abridging the right to vote on account of race or color." This provision of the Voting Rights Act robs a condemned State or

subdivision of the power to legislate in an area vital to its practical operation without the prior approval of the United States District Court of the District of Columbia or that of the Attorney General.

Even apart from the constitutional evil it does, the Voting Rights Act is grossly unfair to many of the areas of the South it condemns. While the officers in some of these areas discriminated against blacks in voting, the officers in many others administered literacy tests with impartiality as required by the Fifteenth Amendment. The Voting Rights Act condemns the recalcitrant and law-abiding States and officers in like manner, and inflicts identical punishment upon them and the areas for which they act.

The Voting Rights Act, I submit, is subject to a constitutional informity additional to those already discussed.

The Act denies each condemned State or subdivision access to any court to contest the constitutionality of its original condemnation and punishment. It vests exclusive jurisdiction of subsequent actions for declaratory decrees under Sections 1973b(a) and 1973c of Title 42 of the United States Code in the United States District Court for the District of Columbia, a court sitting in Washington, D.C., 200 miles from the capital of the nearest condemned Southern State and 1000 miles or more from some of the others. (42 U.S.C. 1973b(b)) As a consequence, a State or subdivision con-demned by the Act has the herculean, if not the impossible task and expense, of presenting its case to this court by securing the appearance of witnesses essential to its exoneration at hearings conducted hundreds of miles from their places of abode. The task is aggravated by the provision of 42 U.S.C. Sec. 1973(1)(d) which denies the condemned State or subdivision subpoenas to compel the attendance of any witnesses residing more than 100 miles from Washington without the consent of the court.

I submit that the venue and rules established by the Voting Rights Act in actions for declaratory judgments under Sections 1973b(a) and 1973c deny the condemned State or subdivision a fair trial, and for that reason offend the due process clause of the Fifth Amendment, which mandates that all trials in federal district courts must be fair.

They undoubtedly disgrace the Congress of a nation whose Declaration of Independence assigned as one of the reasons for the severance of its political bonds to England that King George transported Americans "beyond seas" to try to them "for pretended offences."

THE VOTING RIGHTS ACT AND THE SUPREME COURT

Chief Justice Harlan F. Stone declared that "where the courts deal, as ours do, with great public questions, the only protection against unwise decisions, and even judicial usurpation, is careful scrutiny of their action, and fearless comment upon it."

Despite its manifold arbitrary provisions and constitutional infirmities, the Supreme Court ruled in South Carolina v. Katzenbach, 383 U.S. 301, 15 L.Ed.2d 769, that the Voting Rights Act constitutes appropriate legislation to enforce the Fifteenth Amendment within the purview of its second section.

I have carefully scrutinized that ruling on many occasions, and will make some fearless and truthful comments upon it. The decision in South Carolina v. Katzenbach is as bizarre as the Voting Rights Act itself.

In the opinion underlying the decision, the Supreme Court rejects all the constitutional complaints against the Voting Rights Act by assertions which are neither constitutionally permissible nor intellectually satisfying. The assertions are quite intriguing.

The Supreme Court conceded, in essence, that the Voting Rights Act is a bill of attainder and violates the due process clause. It asserts, however, that this fact is wholly immaterial. The immateriality, the Supreme Court says, arises out of the circumstances that States of the Union are not persons in the context of the prohibition of congressional bills of attainder under Ariticle I, Section IX, Clause 3 of the Constitution, or the due process clause of the Fifth Amendment. (383 U.S. 301, 323-324, 15 L.Ed.2d 769, 784)

Diligent research reveals no authoritative precedent supporting this assertion. To be sure, there are some cases in which courts have made careless statements that states are not persons. These are cases in which the courts were construing laws imposing liabilities and conferring legal rights on individuals and organizations under the designation of "persons" and they were merely adjudging in them that the laws did not apply to States.

The Supreme Court's assertion of the inapplicability of the constitutional prohibition of congressional bills of attainder and the due process clause to the Voting Rights Act is something which Alice In Wonderland would have described as an impossible and unbelievable thing. This is so because if it were sound law instead of a judicial aberration, it would mean that Congress, a creature of the Constitution, has the arbitrary and autocratic power under the Constitution to destroy the federal system of government ordained by the Constitution by nullifying or suspending governmental powers conferred upon, or reserved to, the States as indestructible members of an indestructible union by the Constitution without notice, hearing, or proof by passing irrefutable bills of attainder alleging that the States had been guilty of wrong-doing in exercising their governmental powers. Every syllable in the Constitution refutes this fantasy.

The assertion is incompatible with sound Supreme Court decisions defining and explaining what States are in a constitutional sense, and the plain language in which constitutional prohibition of congressional bills of attainder and the due process clause are expressed.

Since it handed down its decision in *Chisholm* v. *Georgia*, 2 Dall. 419, 1 L.Ed. 440, in 1792, the Supreme Court has consistently and rightly held that a State is an artificial or corporate person which has the capacity to sue to vindicate its constitutional powers or protect its proprietary interests.

Other Supreme Court decisions consistently and rightly hold that a State is far more than a mere geographical spot on the nation's map. They adjudge that a State is a political community of free citizens; that it is composed of the becole residing within its borders; that in the nature of things it necessarily acts through legislative, executive, and judicial officers, who are natural persons; and that it acts through such officers to exercise the governmental powers which it and its citizens, who are natural persons, possess in their sovereign, corporate, and collective capacities.

Article I, Section IX, Clause 3 of the Constitution declares in plain words that "no bill of attainder * • * shall be passed", and the Fifth Amendment decrees in plain words that "no person * • * shall be deprived of life, liberty, or property without due process of law."

These provisions are absolute, and subject to no exceptions. Since they have no power to amend or distort them while professing to construe them. Supreme Court Justices cannot adjudge that they do not extend their protections to States, or subdivisions of States, or their officers or citizens without converting their oaths to support the Con-

stitution in Chief Justice Marshall's unhappy phrase into worse than solemn mockeries. And that is exactly what they did in South Carolina v. Katzenbach.

The Supreme Court declares in South Carolina v. Katzenbach that a State has no standing as a parent of its citizens to invoke the constitutional prohibition of congressional bills of attainder or the due process clause. What relevancy this declaration had I cannot imagine. South Carolina was not suing as the parent of its citizens. It was suing in its own right to protect its own constitutional powers against congressional nullifications or suspension, and to protect its own right to exercise those powers in the only way it could, i.e., through its officers. To circumvent the invalidation of the Vot-

To circumvent the invalidation of the Voting Rights Act by the doctrine of the constitutional equality of the States, the Supreme Court assigns to this doctrine in South Carolina v. Katzenbach a new meaning, which is alien to the objective of the doctrine and makes it virtually impotent as a protection to States. In so doing, the Supreme Court declares that the doctrine protects a State only at the precise moment of its admission to statehood, and that thereafter Congress can reduce it to the status of a second class State with constitutional powers inferior to those of other States by passing a bill of attainde? (383 U.S. 301, 328-329, 15 L.Ed. 2d 769, 787).

The assertions which the Supreme Court makes to avoid invalidating the Voting Rights Act under the due process clause of the Fifth Amendment are also intriguing, but constitutionally impermissible and intellectually unsatisfying. They are, in substance, that the due process clause permits Congress to create conclusive and irrational presumptions in all its enactments except those relating directly to criminal prosecu-(383 U.S. 301, 328-329, 330-331, 15 L. Ed.2d 769, 788), and that the constitutional objections to the jurisdiction the Act vests in the United States District Court for the District of Columbia is without substance because Article III, Section 1 of the Con-stitution empowers Congress to establish inferior federal courts and to define or limit their jurisdiction (383 U.S. 301, 331, 15 L. Ed.2d 769, 788-789). This constitutional provision does confer upon Congress power to create inferior federal courts and to define or limit their jurisdiction, but it does not authorize Congress to limit the jurisdiction of such courts or to prescribe precedures or rules of evidence which limit their exercise of such jurisdiction in ways which deny litigants a fair trial as guaranteed by the due process clause.

As interpreted and applied in Gaston County v. United States, the Voting Rights Act condemns a State of wrongdoing by a conclusive, irrational and unconstitutional presumption, and on that basis robs the State of its constitutional power, and simultaneously establishes a rule of evidence which precludes it from afterwards resuming its constitutional powers unless it rebuts the conclusive, irrational, and unconstitutional presumption.

SUMMATION

The Voting Rights Act and South Carolina v. Katzenbach treat with contempt the undeniable truth that apart from the faithful observation of the Constitution by Congress, the President, and the Supreme Court, America has no protection against anarchy, and Americans have no protection against tyranny.

What has been said proves that the Voting Rights Act commits these linguistic mayhems on the Constitution:

 It robs the States its irrational formula condemns of constitutional powers it permits their sister States to retain and exercise.

2. It robs the States its irrational formula condemns, and their citizens of essential protections which the Constitution makes inviolate when they are invoked by others, including those who commit treason against the united States, and those who seek to decrey the United States by violence or other unlawful means.

3. It robs the States condemned by its irrational formula of sovereignty essential to their proper functioning under the Constitution.

What has been said also reveals that the decision in South Carolina v. Katzenbach is repugnant to multitudes of sound Supreme Court decisions. Notable among them are the cases I have cited and the additional unanswerable ruling in Ashton v. Cameron County Water improvement District, 298 U.S. 513, 531, 80 L.Ed. 1309, 1314.

The Voting Rights Act was not necessary to punish violators of the Fifteenth Amendment, or to secure to any qualified black the right to vote in any area of the nation. Other federal laws conforming to the Constitution were adequate to accomplish these beneficient purposes.

As the Supreme Court has rightly adjudged, a literacy test meeting constitutional limitations affords a State constitutional means for securing an informed electorate. (Lassiter v. Northampton County Board of Elections, 360 U.S. 45, 3 L.Ed.2d 1072)

Americans who cherish the belief that illiterate persons ought to be allowed to vote have a constitutional and intellectually honest way to seek the consummation of their belief. They may advocate a constitutional amendment to outlaw literacy tests.

amendment to outlaw literacy tests.

Instead of doing this, advocates of the Voting Rights Act sought to nullify the use of literacy tests in the States targeted by them by suspending powers plainly secured to those States by the Constitution, and by converting them from indestructible members of an indestructible Union and their officers and citizens from free persons to constitutional and legal parials.

I do not condemn advocates of the Voting Rights Act who are justifiably ignorant of the Constitution. But I can find nothing to say in extenuation of the action of supporters of the Act who are either contemptuous of its impact upon constitutional principles and protections, or are too lazy to ascertain what its impact on such principles and protections is.

I cannot accept as a justification for the Act the claim of its advocates that it has secured the power to vote to untold thousands of blacks in the Southern States impaneled by its irrational formula. Constitutional evil cannot be condoned because those responsible for it are actuated by motives they deem righteous.

The Act has undoubtedly secured the power to vote to many liliterate blacks. The claim of its advocates that it has also secured the power to vote to all the literate blacks registered in the condemned States after its enactment is certainly overbroad and insupportable. Most of them would have been registered in the absence of the Act because discrimination against literate blacks in voting has been virtually abandoned in Georgia, North Carolina, South Carolina, and Virginia, and has substantially decreased in Alabama, Louisiana, and Mississippi.

When one seeks an explanation for the enactment of the Voting Rights Act and the adjudication that it is a constitutionally appropriate means for the enforcement of the Fifteenth Amendment, he is compelled by intellectual integrity to reach this sad conclusion: Congress enacted the Voting Rights Act and the Supreme Court approved its action because they were determined to arrogate to themselves the arbitrary and autocratic power to secure to blacks residing in the States condemned by the irrational formula the power to vote irrespective of their ability to read or write, all the provisions

and principles of the Constitution to the contrary notwithstanding. The Voting Rights Act evokes the recol-

The Voting Rights Act evokes the recollection of a relevant comment Pope Julius III made to a Portuguese Monk centuries ago. The Pope said: "Learn, my son, with how little wisdom the world is governed."

Congress will allow the Act to expire unless a majority of its members wish to demonstrate that their oaths to support the Constitution are worse than solemn mockeries.

CONGRESS MUST DEFEND THE SOCIAL SECURITY SYSTEM

• Mr. SARBANES. Mr. President, the Congress must reject the unwarranted cuts in our social security system proposed by the administration. It must reassure current beneficiaries, those about to retire, and younger members of our society contributing to the system that commitments made by our Government to them with regard to their benefits will be upheld. The social security system, established in 1935, is our country's basic program in assisting retirees and families to retain economic independence after retirement, disability, or death. Over 35 million beneficiaries receive and rely on monthly social security pay-ments; for many it is their sole source of income.

The administration's announcement of \$88 billion in cuts in social security benefits over the next 5 years has caused deep concern, fear, and anxiety among all Americans. Millions, young and old, would be adversely affected and would find what they thought they could count on in social security benefits for their families in case of disability, retirement, or death greatly reduced or taken away.

The first step in social security benefit reductions was taken in February 1981, when the administration's budget recommended the termination of the social security minimum benefit for those currently receiving the benefit and those who would be eligible in the future. This recommendation, which unfortunately has been passed by both the House and the Senate, strikes many of those least able to afford any reduction in their already low income. Fifty percent of the 3 million elderly who receive the benefit are already below the poverty line. Several efforts were made in the Congress to maintain the minimum benefit for those currently receiving it and relying on it. An amendment to accomplish this objective, which I cosponsored, failed on July 21, 1981, by a 45-to-52 vote.

The second step to reduce social security benefits came when the administration announced on May 12, 1981 deep and wide-ranging social security benefits cuts totaling \$88 billion which would affect those currently receiving benefits and those who will be receiving benefits in the future. The administration claimed that the social security benefit reduction of \$68 billion is needed because we will have the greatest bankruptcy in history on November 3, 1982, when the old age and survivors trust fund will experience a slight shortfall of funds. This statement was clearly an example of rhetorical overkill unrelated to the realities of the situation. It was irresponsible and needlessly alarmed millions of people. In fact

many experts believe that transfer of funds among the three social security trust funds (two of which project surpluses) would solve the short-term cash flow problem.

One of the most unwarranted and patently unfair proposals by the administration is to immediately and drastically reduce the social security benefit for people who retire at age 62 from 80 percent of full benefits to 55 percent of full benefits. What this would mean is that a worker retiring under the current social security law who is entitled to \$240 a month, would receive only \$165 a month under the administration's plan. Currently, 70 percent of people retiring take their benefits before age 65, many for reasons of ill health, unemployment, or obsolete skills. Workers currently deciding to take their social security benefits before age 65 are already accepting reduced benefits which remain at the lower level the entire time they are receiving them. The administration's recommendation to abruptly and unjustly penalize those retiring before age 65 by reducing their benefits an even greater amount, from 80 to 55 percent of full benefits, will result in no retiree at age 62, no matter how much paid into social security, receiving a benefit even as high as the poverty level.

Many well-respected economists and experts in social security matters have written articles regarding the administration's recent proposals and the current financial health of the social security system indicating that the actual financial outlook does not warrant the drastic and frightening recommendations being put forth by the administration. I recommend the following thoughtful articles on social security to my colleagues and ask that they be printed in full: "The Current Status of our Social Security Program" by Sylvia Porter, Evening Sun, July 24, 1981; "The Social Security Scare" by Clayton Fritchey, Washington Post, July 27, 1981.

The material follows:

THE CURRENT STATUS OF OUR SOCIAL SECURITY PROGRAM (By Sylvia Porter)

Are we, the American public, being brainwashed into accepting a dismantling of our Social Security program? Or has justified concern over improving the bottom-line figures of the national budget driven the politicians into forgetting that "politics is people"?

Why else would we seriously listen to proposed cutbacks in promised Social Security benefits amounting to twice as much as needed to assure the financial stability of the entire Social Security system on into the long-range future?

Why else would almost all of the 3,400 employees of the Memorial Hospital Medical Center in Long Beach, Calif., endorse a plan to leave Social Security and join a private program providing benefits that lets workers pocket 6.65 percent of their wages previously earmarked for Social Security—but that could not possibly give them equal protection?

Under the Reagan administration's own economic assumptions, Social Security expenditures from 1982 to 1986 will run \$11 billion over income. But the cuts originally proposed by the administration came to an estimated total of about \$82 billion in that span.

span.
"Cold and outrageous," were the words

used by Rep. Claude Pepper (D-Fla.), chairman of the House Select Committee on Aging, to describe proposals he denounced as beyond any rational or reasonable limits.

There is no reason to panic over the short-term financing problem the system faces between now and the time the tax hike scheduled in the law for 1986 begins to produce more revenue. I'll repeat this and repeat this, because your panic makes no sense at all. The shortfall is temporary, caused entirely by economic conditions that won't last, and can easily be met by borrowing from the other two Social Security trust funds, both of which are in good shape.

There are many ways, too, to meet the temporary shortfall other than by cutting benefits (although I agree some benefits should be and almost surely will be reduced). You may be hearing more of one idea, strongly endorsed by Rep. Millicent Fenwick (R-N.J.), a member of the Select Committee on Aging. This program would increase SS taxes and would simultaneously reduce income taxes paid by workers by permitting them to deduct Social Security taxes from gross income, just as they now deduct state and local taxes, Employers have that option now; they can deduct the employer's share of Social Security taxes from income taxes as a business expense. Employees not only pay Social Security taxes, but also pay the income taxes on the Social Security deductions.

It wasn't until hit by an uproar of protest over the impact of the SS cuts the administration had proposed that President Reagan backed down and indicated a great willingness to negotiate any or all of them. Under some of the proposed SS cuts:

All 37.5 million people currently receiving Social Security benefits would lose about \$100 next year as the result of a proposed three-month delay in the annual cost-of-living adjustment.

More than 7 million workers and their spouses retiring before age 65 during the next five years would have their benefits cut by one-third.

More than 1.26 million workers, the majority age 50 or over, who otherwise would have been able to collect disability benefits over the next five years, would not be able to qualify for those benefits.

to qualify for those benefits.

The cuts would hit particularly hard at those who take their SS benefits before age 65—and that would include men and women in ill health or out of work because they couldn't find jobs.

No age 62 retiree, single or married, no matter how much he or she had contributed to SS, could receive a benefit even as high as the official poverty line.

THE SOCIAL SECURITY SCARE (By Clayton Fritchey)

It is time for those who know better to stop frightening millions of Social Security beneficiaries with scare talk about the system's going broke.

Social Security does warrant attention. There are a number of changes and refinements that could bolster it, but it is irresponsible to yell "fire" in order to win support for hacking at the system's problems, all of which can be constructively resolved with little or no harm to the retirees.

Despite all the dire warnings that retirement funds may run out in the next year or so, there is no real danger that payments will be cut off. Congress would not dare let that happen. Nevertheless, many retirees and near-retirees have been needlessly upset.

Sen. Daniel P. Moynihan (D-N.Y.) accuses the Republicans of conducting "a campaign of terrorism" by exaggerating the situation to frighten Congress into taking extreme

President Reagan, in turn, accused House Democrats, who have been fighting to preserve the minimum benefit, of "opportunistic political maneuvering, especially designed to play on the fears of many Americans."

Speaker Thomas P. O'Neill's prompt rejoinder was that Reagan was "distorting the issue." It is unconscionable, he said, to "exploit fears," about the condition of the system "so as to make deep cuts in benefit levels."

That there is widespread uneasiness has just been confirmed by a national CBS-New York Times poll that shows 54 percent of the American people today doubt the Social Security system will have the money to pay the full benefits they are entitled to. Moreover, even among those already receiving benefits, 37 percent fear the system will not be able to cover its obligations and 26 percent believe their own benefits will not continue because of a fund shortage.

At the same time, however, the polls again demonstrated how strongly the people support Social Security. Even if a tax increase becomes necessary, 66 percent said, they would favor it. Only 27 percent were opposed. Congress showed it is well aware of this sentiment when the Senate voted unanimously to reject a package of benefit slashes sought by the administration and the House later voted 405 to 13 against the administration's proposed cuts in minimum benefits.

The continuing popularity of Social Security is remarkable, considering all the attacks that have been made on it over the years, especially charges that it is a "ripoff" and doesn't deliver as well as European retirement systems.

Actually, the U.S. worker, compared with workers in other leading industrial countries, has a much lighter Social Security tax burden. The employee payroll tax is now 6.65 percent in the United States, compared with 12.04 percent in France, 16.4 in Germany and 23.42 in the Netherlands.

As for benefits, figures for 1979 show a typical U.S. \$15,000-a-year worker, with a dependent wife, gets \$8,780 annually. In France, it was \$6,629 for a couple, and in Germany a retiree got \$7,352, but nothing more for a dependent wife. In most of these countries, retirees got some additional benefits, but even so, the U.S. system is a comparative bargin.

Stanford Ross, former commissioner of Social Security, says he found in Europe a greater sense of "solidarity" between the elderly and young workers than he perceives in the United States. In West Germany and Sweden especially, he says, young workers "identify with the need to support the elderly and the handicapped," and the elderly are "concerned about the burdens placed on the young."

Doubts about the future of Social Security have been largely inspired by emphasis on the supposed threat of a shrinking work force and an expanding army of retirees. Today, for every person over 65, there are three between 18 and 64. In the next century, it is projected to be 1 for every 2. Thus, it is argued, we will end up with too few workers supporting too many retirees. Actually, the current ratio is considerably less than 3 to 1, for it treats all those between 18 and 65 as "wage earners," whereas millions of youngsters are now unemployed or still in school. It also doesn't allow for the fact that many elect to retire before they are 65.

The upshot is that the future change in the ratio will not be as dramatic as pictured. Also, a dwindling work force can easily be augmented by immigration, plus the addition to the work force of millions of currently underemployed women, plus the availability of many retirees who would welcome the opportunity to work under well-paid, full-employment conditions. So, in the decades ahead, there should be enough workers to support the retirees comfortably.

ARMS CONTROL POLICY

• Mr. DURENBERGER. Mr. President, ever since President Carter requested that the SALT II treaty be withheld from consideration, and particularly since the election of President Reagan, there has been considerable curiosity about the future of arms control. Unfortunately, many pundits took President Reagan's criticisms of the SALT II treaty-criticisms which were echoed in the Senate—as a sign that this administration is somehow opposed to arms control or that it somehow lacks the imagination and courage to venture into new and pressing issues of security policy. This is particularly ironic, since it was President Carter and not President Reagan who ultimately recognized that any arms control agreement entered into by the United States must enjoy the essential confidence of the American people if it is to be successful, and it was President Carter and not President Reagan who therefore overturned several years of rhetoric and withdrew the SALT II treaty.

Nonetheless, there has been extensive interest in the position which the Reagan administration holds about the arms control process in general and strategic nuclear arms limitations in particular. I am therefore extremely encouraged that Secretary of State Haig has outlined a comprehensive, articulate, and bold statement of this country's policy under President Reagan.

Three points stand out in an analysis of this statement. First, Secretary Haig clearly points out that this administration, like its predecessors, remains fundamentally and inalterably committed to strategic nuclear arms control as an essential element of our overall security policy. Like every American President since Harry Truman, President Reagan recognizes that nuclear weaponry represents a threat to our very survival as a species, and that our supreme national interest therefore lies in preventing the use of nuclear weapons by any nation. In other words, Secretary Haig has underscored the fundamental continuity of long-standing American policy.

Second, however, Secretary Haig has clearly and concisely articulated the basic premises and principles which must underly our approach to arms control. In this regard, Secretary Haig has made a signal contribution to our understanding of arms control and national security policy. He has cut a Gordion knot which has plagued analysts for many years by defining the leading priority of arms control under the Reagan administration. I refer, of course, to his statement that "the paramount aim of arms control must be to reduce the risk of war." It is this aim-"crisis stability" in the jargon—which must override such other worthy aims as "arms race stability"-economic savings-or "damage limitations." For without a world which is safe from the threat of nuclear war, all other security goals pale into insignificance.

Just as important as a clear statement of the fundamental goal of this administration is the recognition that we must avoid simplistic or one-sided assessments of the overall military balance between the United States and the Soviet Union. A partial examination of this area can lead to the conclusion that the United States is either decisively stronger or decisively weaker than the Soviet Union. Such conclusions, while comforting to those who offer them, can undermine our conduct of arms control negotiations. Simple "bean counting" will not suffice when considering strategic nuclear weapons. Instead, as Secretary Haig points out, "balance is more than a matter of numbers."

Third, having laid the conceptual groundwork for an approach to arms control talks, Secretary Haig has pro-posed some innovative and important ideas. Chief among these are his explicit recognition that arms control must deal with allied security policy, and that negotiations on theater nuclear forces and other weaponry in Europe are inextricably linked with our approach to SALT. This is a point which has been tacitly recognized by many people, but which bears repetition, particularly when our allies are undertaking an improvement in their military capability. I am par-ticularly encouraged, therefore, Secretary Haig has announced that he will soon undertake negotiations on theater nuclear forces, that he has proposed the adoption of the French proposal at Madrid, and that he suggests that we consider some new solutions to new and complex problems.

Mr. President, I ask that the full text of Secretary Haig's speech be introduced into the RECORD.

The speech follows: ARMS CONTROL FOR THE 1980s: AN AMERICAN

POLICY
(Address by Secretary Haig before the Foreign
Policy Association in New York on July 14,
1981)

I do want to say I'm verv, very pleased to have an opportunity to talk again before the Foreign Policy Association. I've always believed that an effective policy abroad must be the product of support for that policy here at home. And this Association and its activities have clearly made a major contribution to that requirement here in America. It has always sharpened the issues for the American people and enabled them to decide for themselves on these fundamental issue. And it is just such an issue that I would like to discuss today, and that is the vitally important issue of the future of arms control in this decade of the 1990s facing Americans. There is hardly a subject which enjoys or is a focus of greater international attention, especially recently, among our allies in Western Europe, and with good cause.

This is true because we are living in an age when man has conceived the means of his own destruction. The supreme interest of the United States has been to avoid the extremes of either nuclear catastrophe or nuclear blackmail. Beginning with the Baruch Plan, every President has sought international agreement to control nuclear weapons and to prevent their proliferation. But each chief executive has also recognized that our national security and the security of our allies depend on American nuclear forces as

President Reagan stands in this tradition. He understands the dangers of unchecked nuclear arms. He shares the universal aspiration for a more secure and peaceful world. But he also shares the universal disappointment that the arms control process has de-

livered less than it has promised.

One of the President's first acts was to order an intense review of arms control policy, the better to learn the lessons of the past in the hope of achieving more lasting progress for the future. Two fundamental con-clusions have emerged from this review.

First, the search for sound arms control agreements should be an essential element of our program for achieving and maintain-

Second, such agreements can be reached if negotiations among adversaries about their national security interests are not dominated by pious hopes and simplistic solutions.

The task of arms control is enormously complex. It must be related to the nation's security needs and perspectives. Above all, arms control policy must be seen in the light of international realities. As Churchill put You must look at the facts because they look at you." An American arms control policy for this decade must take into account the facts about our security and the lessons that we have learned about what worksand what does not work-in arms control.

Despite the extraordinary efforts at arms control during the 1970s, the world is a less secure place than it was 10 years ago. We began the process with the expectation that it would help to secure the deterrent forces of both the United States and the Soviet Union. But Moscow's strategic buildup has put at risk both our crucial land-based missiles and our bombers. Simultaneously, the Soviets have continued a massive buildup of conventional forces and have used them with increasing boldness. Their armies and those of their surrogates have seized positions that threaten resources and routes critical

to Western security.

We cannot blame our approach to arms control alone for our failure to restrain the growth and use of Soviet power. The Soviet Union did not feel compelled to agree to major limitations and adequate verification part because the United States did not take steps needed to maintain its own strategic and conventional capabilities. Nor did we respond vigorously to the use of Soviet force. The turmoil of the 1960s, Vietnam, and Watergate all contributed to this passivity. As a result, the basis for arms control was undermined. We overestimated the extent to which the Strategic Arms Limitation Talks would help to ease other tensions. We also underestimated the impact that such tensions would have on the arms control process itself.

This experience teaches us that arms control can only be one element in a comprehensive structure of defense and foreign policy designed to reduce the risks of war. It can-not be the political centerpiece or the crucial barometer of U.S.-Soviet relationships, burdening arms control with a crushing political weight. It can hardly address such issues as the Soviet invasion of Afghanistan, the Iran-Iraq war, the Vietnamese invasion of Cambodia -which is the subject of our U.N. conference here this week—the Libyan inva-sion of Chad, or Cuban intervention in Africa and Latin America. Instead, arms control should be an element—a single ele-ment—in a full range of political, economic, and military efforts to promote peace and security.

PRINCIPLES

The lessons of history and the facts of international life provide the basis for a realistic set of principles to guide a more effective approach to arms control. All of our princi-ples are derived from a recognition that the paramount aim of arms control must be to reduce the risks of war. We owe it to ourselves and to our posterity to follow principles wedded exclusively to that aim.

Our first principle is that our arms con-trol efforts will be an instrument of, not a replacement for, a coherent allied security

policy. Arms control proposals should be designed in the context of the security situation we face, our military needs, and our defense strategy. Arms control should complement military programs in meeting these needs. Close consultation with our allies is an essential part of this process, both to protect their interests and to strengthen the Western position in negotiations with the Soviet Union.

If conversely, we make our defense programs dependent on progress in arms con-trol, then we will give the Soviets a veto over our defenses and remove their incentive to negotiate fair arrangements. Should we expect Moscow to respect parity if we demonstrate that we are not prepared to sacrifice to sustain it? Can we expect the Soviets to agree to limitations if they realize that, in the absence of agreement, we shall not match their efforts? In the crucial relationship between arms and arms control, we must not put the cart before the horse. There is little prospect of agreements with the Soviet Union will help solve such a basic security problem as the vulnerability of our land-based missiles until we demonstrate that we have the will and the capacity to solve them without arms control, should that be necessary.

Our second principle is that we will seek arms control agreements that truly enhance security. We will work for agreements that make world peace more secure by reinforcing deterrence. On occasion it has been urged that we accept defective agreements in order "to keep the arms control process alive." But we are seeking much more than agreements for their own sake. We will design our pro-posals not simply in the interest of a speedy negotiation but so that they will result in agreements which genuinely enhance the security of both sides.

That is the greatest measure of the worth of arms control, not the money saved nor the arms eliminated. Indeed, valuable agree-ments can be envisioned that do not save money and that do not eliminate arms. The vital task is to limit and to reduce arms in a way that renders the use of the remaining arms less likely.

Just as arms control could not aim simply at reducing numbers, so it should not try simply to restrict the advance of technology. Some technological advances make everyone safer. Reconnaissance satellites, for instance. discourage surprise attacks by increasing warning and make verification of agreements possible. Submarines and other means of giving mobility to strategic systems enhance their survivability, reduce the advantage of preemptive strikes, and thus help to preserve the peace. Our proposals will take account of both the positive and the negative effects of advancing technology.

Whether a particular weapons system, and therefore a particular agreement, undermines or supports deterrence may change with the development of other weapons systems. At one time, fixed intercontinental ballistic missiles (ICBMs) were a highly stable form of strategic weapons deployments, but technological change has altered that. We need to design arms control treaties so that they can adapt flexibly to long-term changes. A treaty that, for example, had the effect of locking us into fixed ICBM deployments would actually detract from the ob-

jectives of arms control.

Our third principle is that we will seek arms control bearing in mind the whole context of Soviet conduct worldwide. Escalation of a crisis produced by Soviet aggression could lead to a nuclear war, particularly if we allowed an imbalance of forces to provide an incentive for a Soviet first strike. Ameri-

can foreign policy and defense policy, of which arms control is one element, must deter aggression, contain crisis, reduce sources of conflict, and achieve a more stable military balance—all for the purpose of

securing the peace. These tasks cannot be undertaken successfully in isolation one from the other.

Soviet international conduct directly affects the prospects for success in arms con-trol. Recognition of this reality is essential for a healthy arms control process in the long run. Such "linkage" is not the creation of U.S. policy: It is a fact of life. A policy of pretending that there is no linkage promotes reverse linkage. It ends up by saying that in order to preserve arms control, we have to tolerate Soviet aggression. This Administration will never accept such an appalling conclusion.

Our fourth principle is that we will seek balanced arms control agreements. Balanced agreements are necessary for a relationship based on reciprocity and essential to maintaining the security of both sides. The Soviet Union must be more willing in the future to accept genuine parity for arms control to move ahead. Each agreement must be balanced in itself and contribute to an overall

Quantitative parity is important, but balance is more than a matter of numbers. One cannot always count different weapons systems as if they were equivalent. What matters is the capacity of either side to make decisive gains through military operations or threat of military operations. Agreements that do not effectively reduce the incentives to use force, especially in crisis situations, do nothing at all to enhance security.

Our fifth principle is that we will seek arms controls that include effective means of verification and mechanisms for securing compliance. Unverifiable agreements only increase uncertainty, tensions, and risks. The critical obstacle in virtually every area of arms control in the 1970s was Soviet unwillingness to accept the verification measures needed for more ambitious limitations. As much as any other single factor, whether the Soviets are forthcoming on this question will determine the degree of progress in arms control in the 1980s.

Failure of the entire arms control process in the long run can be avoided only if compliance issues are clearly resolved. For example, there have been extremely disturbing reports of the use of chemical weapons by the Soviets or their proxies in Afghanistan and in Southeast Asia. With full Western support the United Nations is now investigating the issue of chemical weapons. Similarly, in the spring of 1979, there was an extraordinary outbreak of anthrax in the Soviet city of Sverdlovsk. Despite continued probing, we still await a serious Soviet explanation as to whether it was linked to activities prohibited under the biological weapons convention.

Our sixth principle is that our strategy must consider the totality of the various arms control processes and various weapons systems, not only those that are being spe-cifically negotiated. Each U.S. weapons system must be understood not merely in connection with a corresponding Soviet system, but in relation to our whole strategy for deterring the Soviets from exploiting mili-tary force in general. In developing our theater nuclear arms control proposals, for example, we should consider the relationship of theater nuclear forces to NATO's overall strategy for deterring war in Europe. cannot overlook the fact that our European strategy has always compensated for short-falls in conventional capability through a greater reliance on theater and strategic nuclear forces. If we are to rely less on the nuclear elements in the future, the conven-tional elements will have to be strengthened.

PROSPECTS

What then are the prospects for arms control in the 1980s? We could achieve quick agreements and an appearance of progress if we pursued negotiation for its own sake or for the political symbolism of continuing the

process. But we are committed to serious arms control that truly strengthens interna-tional security. That is why our approach must be prudent, paced, and measured.

With a clear sense of direction and a dedication to the serious objectives of arms control, this Administration will strive to make arms control succeed. We will put our principals into action. We will conduct negotiations based on close consultation with our allies, guided by the understanding that our objective is enhanced security for all of our allies, not just for the United States. We will work with the Congress to insure that our arms control proposals reflect the desires of our people, and that, once agreements are negotiated, they will be ratified and their implementation fully supported. We will comply with agreements we make, and we will demand that others do likewise.

By the end of the year, the United States will be embarked upon a new arms control endeavor of fundamental importance, one designed to reduce the Soviet nuclear threat to our European allies. The impetus for these negotiations dates back to the mid-1970s when the Soviets began producing and deploying a whole new generation of nuclear systems designed not to threaten the United States-for their range was too short-but to threaten our European allies. These new weapons, and in particular the nearly 3,000mile range SS-20 missile, were not just mod-ernized replacements for older systems. Because of their much greater range, their mobility, and above all their multiplication of warheads on each missile, these new systems presented the alliance with a threat of a new order of magnitude.

The pace of the Soviet buildup is increasing. Since the beginning of last year, the Soviets have more than doubled their SS-20 force. Already 750 warheads have been de-ployed on SS-20 launchers. The Soviet Union has continued to deploy the long-range Backfire bomber and a whole array of new medium- and short-range nuclear missiles and nuclear-capable aircraft. This comprehensive Soviet arms buildup is in no sense a reaction to NATO's defense program. Indeed, NATO did very little as this alarming build-

up progressed.

In December 1979 the alliance finally responded in two ways. First, it agreed to deploy 464 new U.S. ground-launched cruise missiles in Europe and to replace 108 medium-range Pershing ballistic missiles already located there with modernized versions of greater range. Second, the alliance agreed United States should pursue the negotiated limits on U.S. and Soviet systems in this category.

This two-track decision represents explicit recognition that arms control cannot succeed unless it is matched by a clear determination to take the defense measures necessary to restore a secure balance. On taking office, as one of its first foreign policy initiatives, this Administration announced its commitment to both tracks of the alliance decision-deployments and arms control. Last May, in Rome, we secured unanimous alliance endorsement of our decision to move ahead on both tracks and of our plan for doing so.

Since than I have begun discussions in Washington with the Soviet Ambassador on this issue. When I meet with Soviet Foreign Minister Gromyko at the United Nations this September, I will seek agreement to start the U.S.-Soviet negotiations on these weapons systems by the end of this year. We would like to see the U.S. and Soviet negotiators meet to begin formal talks between mid-November and mid-December of this year. We intend to appoint a senior U.S. official with the rank of Ambassador as our representative at these talks.

Extensive preliminary preparations for this entirely new area of arms control are already underway in Washington and in consultation

with our NATO allies in Brussels. Senior U.S. and European officials will continue to consult after the beginning of U.S.-Soviet exchanges. We and our allies recognize that progress can only come through complex, extensive and intensive negotiations.

We approach these negotiations with a clear sense of purpose. We want equal, verifiable limits on the lowest possible level on U.S. and Soviet theater nuclear forces. Such limits would reduce the threat to our allies and bring to Europe the security undermined today by the Soviet buildup. We regard the threat to our allies as a threat to ourselves, and we will, therefore, spare no effort to succeed.

We are proceeding with these negotiations to limit the theater threat within the framework of SALT-the Strategic Arms Limitation Talks designed to limit the nuclear threat to the United States and to the Soviet Union. In this area, too, we have initiated intense preparations. These preparations must take into account the decisions we will take shortly on modernizing our intercontinental ballistic missiles and our strategic bombers.

In the course of 10 years of SALT negotiations, conceptual questions have arisen which must be addressed. For instance, how have improvements in monitoring capabilities, on the one hand, and new possibilities for deception and concealment, on the other, affected our ability to verify agreements and to improve verification? Which systems are to be included in a SALT negotiation, and which should be discussed in other forums? How can we compare and limit the diverse U.S. and Soviet military arsenals in the light of new systems and new technologies emerging on both sides?

In each of these areas there are serious and pressing questions which must be answered to insure the progress of SALT in the 1980s and beyond. Only in this way can SALT become again a dynamic process that will promote greater security in the U.S.-Soviet relationship. We are determined to solve these problems and to do everything necessary to arrive at balanced reductions in

strategic arsenals on both sides.

We should be prepared to pursue innova-tive arms control ideas. For example, negotiated confidence-building measures in Europe could provide a valuable means to reduce uncertainty about the character and purpose of the other side's military activities. While measures of this sort will not lessen the imperative of maintaining a military balance in Europe, they can reduce the dangers of miscalculation and surprise.

We are eager to pursue such steps in the framework of a European disarmament conference based on an important French proposal now being considered at the Madrid meeting of the Conference on Security and Cooperation in Europe. We call upon the Soviets to accept this proposal, which could cover Soviet territory to the Urals. As we proceed in Madrid, we will do so on the basis of a firm alliance solidarity, which is the key to bringing the Soviets to accept serious and effective arms control measures.

Our efforts to control existing nuclear arsenals will be accompanied by new at-tempts to prevent the spread of nuclear weapons. The Reagan Administration is developing more vigorous policies for inhibit-ing nuclear proliferation. We expect the help of others in this undertaking, and we intend to be a more forthcoming partner to those who share responsibility for nonproliferation practices. Proliferation complicates the task of arms control: It increases the risk of preemptive and accidental war, it detracts from the maintenance of balance of conventional forces, and it brings weapons of unparalleled destructiveness to volatile and developing regions. No shortterm gain in export revenue or regional prestige can be worth such risks.

It may be argued that the "genie is out of the bottle," that technology is already out of control. But technology can also be tapped for the answers. Our policies can diminish the insecurities that motivate proliferation. Responsible export practices can reduce dangers. And international norms can increase the cost of nuclear violations. With effort we can help to assure that nuclear plowshares are not transformed into nuclear swords.

In sum, the United States has a broad agenda of specific arms control efforts and negotiations already underway or soon to be launched. The charge that we are not interested in arms control or that we have cut off communications with the Soviets on

these issues is simply not true.

The approach I have discussed today stands in a long and distinguished American tradition. We are confident that it is a serious and realistic approach to the enduring problems of arms control. The United States wants a more secure and a more peaceful world. And we know that balanced, verifiable arms control can contribute to that objec-

We are also confident that the Soviet leaders will realize the seriousness of our intent. They should soon tire of the proposals that to freeze NATO's modernization of theater nuclear weapons before it has even begun, while reserving for themselves the advantages of hundreds of SS-20s already deployed. They should see that the propaganda campaign intended to intimidate our allies and frustrate NATO's modernization program cannot and must not succeed. Arms control requires confidence, but it also requires patience.

Americans dream of a peaceful world, and we are willing to work long and hard to create it. This Administration is confident that its stance of patient optimism on arms control expresses the deepest hopes and the clearest thoughts of the American people.

It is one of the paradoxes of our time that the prospects for arms control depend upon the prospects for a halance of arms. We the achievement of a balance of arms. We seek to negotiate a balance at less dangerous levels but meanwhile we must maintain our strength. Let us take to heart John F. Kennedy's reminder that negotiations "are not a substitute for strength—they are an instrument for the translation of strength into survival and peace."

UNITED STATES, IN CHANGE, IS BACKING LOANS TO FOUR LATIN LANDS

• Mr. MOYNIHAN. Mr. President, the New York Times recently carried a report that the Reagan administration has reversed a standing U.S. human rights policy by instructing American delegates to international development banks to vote in favor of loans to Argentina. Chile, Paraguay, and Uruguay. Since 1977 the United States has opposed all such loans to Chile, and has abstained on international loan proposals for Uruguay, Paraguay and Argentina, because of persistent human rights violations by the governments of those countries. The recent change in policy follows a State Department determination that, in the words of the Department spokesman, "there have been significant improvements in the human rights situation in those countries." Would that this were true.

Consider the case of Argentina. In the center of Buenos Aires, across the way from the offices of the president of the country, there is an open square called the "Plaza de Mayo." Every Thursday

afternoon a group of women assembles there and stands silently facing the

president's quarters.

They are seeking information about sons and daughters and other relations who have disappeared since the military took power in Argentina in 1975. Amnesty International estimates that there are between 15,000 and 20,000 of what are known in Spanish as los desaparecidos-people who have simply disappeared after being arrested by the mili-tary or the police. The majority of los desaparecidos are presumed to be dead. Some are probably alive, but their whereabouts are unknown by their families.

Officials in the Government of Argentina, including Roberto Eduardo Viola, the new President, have on various oc-casions promised to provide the mothers of the Plaza de Mayo with the accounting they seek. This accounting has not yet been provided. Worse, meetings of the mothers have been disrupted by security forces and individual members have been subjected to a wide range of harassment and abuse-arrests, detentions, housebreaking, thefts of records and papers, accusations of subversive intent.

On June 25, along with 13 other Americans long concerned about the human rights situation in Argentina, I became a charter member of an informal group known as the U.S. Friends of the Mothers of the Plaza de Mayo. The group was formed to serve three purposes:

First. To attempt to protect the mothers against harassment and reprisal by publicizing attacks against them and by pursuing such legal remedies as may be available in national and international bodies.

Second. To support their demands for an accounting of what has happened to their children and to persist in this demand until a full accounting is provided.

Third. To demonstrate support by U.S. citizens for the restoration of the rule of law and human rights in Argentina.

The names of the Friends follow:

Senator Daniel Patrick Moynihan. Senator Edward M. Kennedy.

Representative Millicent Fenwick.

Representative Don Bonker.

Vincent McGhee, President of Amnesty International USA.

John J. O'Callaghan, President of the Jesuit Conference of America.

Patricia Derian, former Assistant Secretary of State for Human Rights and Humanitarian Affairs

Chauncey Alexander, Executive Director of National Association of Social Workers.

Orville Schell, attorney (former President of the Association of the Bar of the City of New York).

Robert L. Bernstein, Chairman and President of the Random House (and Chairman of U.S. Helsinki Watch Committee).

Adrian DeWind, attorney (former President of the Association of the Bar of the City of New York).

Marvin Frankel, attorney (former Federal District Judge and Chairman of the Committee on International Human Rights of the Association of the Bar of the City of New York)

M. William Howard, President of the National Council of Churches of Christ in the USA.

Rose Styron, a writer.

We are committed to the goal of the Mothers of the Plaza de Mayo: We too insist that the Government of Argentina explain what has happened to los desaparecidos.

Mr. President, there is a postscript to the founding of the Friends organization that is significant in light of the news about the administration's finding of an improvement in the human rights situation in Argentina.

Two women who have been prominent in the Mothers of the Plaza de Mayo attended the meeting in New York City on June 25 at which the founding of the U.S. Friends group was announced. Mrs. Hebe de Bonasini and Mrs. Adela de Antokoletz were there and they expressed appreciation for our support. They then embarked upon a 2-week tour of the United States, during which time they spoke to a good many Americans and generally solicited support for their cause. Mrs. de Bonasini and Mrs. de Antokoletz also gathered written information about human rights standards and American views on Argentina.

The two women returned home Buenos Aires 2 weeks ago, on the day before the New York Times reported the Reagan administration decision that the human rights situation had improved "significantly." They were met at the airport and immediately taken into custody by Air Force policemen. Mrs. de Bonasini and Mrs. de Antokoletz were kept in detention for 2 hours, subjected to verbal and psychological abuse, and then released. The booklets and papers they had accumulated during their stay in the United States were confiscated.

Mr. President, I remain unconvinced that the human rights situation in Argentina has improved significantly, the Reagan administration's recent determination notwithstanding. Fifteen thousand desaparecidos remain unaccounted for. The Mothers of the Plaza de Mayo, peaceful protestors with a legitimate complaint, continue to be harassed in callous and lawless fashion. We should not act as if we are unaware. We dare not leave the impression that we do not care. While I, too. desire better relations between Argentina and the States, I do not believe that this is possible until the government of Argentina explains what has happened to los desaparecidos.

I ask that the New York Times article on the administration's decision be printed in the RECORD.

The article follows:

U.S., IN CHANGE, IS BACKING LOANS TO 4 LATIN LANDS

(By Judith Miller)

Washington.-The Reagan Administration has ordered American delegates to interna-tional development banks to support loans to Chile, Argentina, Paraguay and Uruguay.

The order, which reverses the Carter Administration's policy of not voting for such loans on human rights grounds, was based on a State Department determination that 'there have been significant improvements in the human rights situation in those countries," according to a department sporesman.

The decision has drawn criticism on Capitol Hill from human rights activists, including Representative Tom Harkin, Democrat of Iowa.

CONGRESS WAS TOLD ON JULY 1

"That is simply not true," asserted Mr. Harkin, the primary author of a 1977 law that instructs the Government to oppose loans by international banks to countries that engage in "a consistent pattern of gross violations of human rights." He said, "This decision quite clearly violates the spirit and letter of the law.'

Negative votes by the United States did not block development bank loans. A State Department official today described them as

symbolic.

Congress was informed of the Reagan Administration's action in a private letter dated July 1 from W. Dennis Tho nas. Assistant Secretary of the Treasury for Legislative Affairs, to Representative Jerry M. Patterson, chairman of a banking subcommittee that oversees the international development banks.

"The Department of State has reviewed the current human rights situation in Argentina Chile, Paraguay and Uruguay," it said, "and has determined that the human rights legislation enacted in 1977 does not require U.S. opposition to loans to those countries."

Since 1977, the United States has opposed all loans to Chile and has abstained on international loan proposals for Uruguay, Paraguay and Argentina. The State Department said the Carter Administration voted no or abstained on 122 loans to 16 countries.

Judith Jamison, public affairs adviser to the State Department's Bureau of Human Rights, noted, however, that "the previous Administration never formally designated any countries as falling within the definition" of the 1977 law.

According to the Treasury Department letter, delegates to the International Bank for Reconstruction and Development, the International Finance Corporation and the Inter-American Development Bank have been instructed to support \$483.8 million in loans to the four countries this month. The Inter-American Development Bank today approved a \$126 million loan to finance highway construction in Chile.

In denouncing the decision, Mr. Harkin said that the human rights records of all four countries had repeatedly been criticized. In May, Amnesty International, a Londonbased group that monitors human rights violations, issued a statement concluding that there had been a "marked deterioration" in the human rights situation in Chile last year. Mr. Harkin said that this year there had been a "wave of new arrests in Chile, more than 200." and that Chile had refused to prosecute people indicted by an American court in connection with the assassinations of Orlando Letelier in 1976 in Washington.

The State Department spokesman replied that "there have been no disappearances in Chile since 1977" and "almost all political prisoners had been released by early 1978. The official statement said that although the Administration regretted Chile's failure to prosecute in the Letelier case, "We believe our voting policy should reflect the actual human rights situation in the country."

Mr. Harkin said that Argentina had not explained the disappearance of 10,000 to 15.000 people and that it continued to hold about 1,000 people. 900 of them under decrees that require neither formal charges nor a fixed term of imprisonment. Torture continues. Mr. Harkin charged.

The State Department asserted that "the level of violence in Argentina to which terrorist activity was a major contributing factor peaked in the years 1976-78." The statement added that there were "44 credibly documented disappearances" in 1979, 12 last year and "no confirmed disappearances since last August." While the number of prisoners being held under special decrees is about 900, the statement says, this is a decline from 8,000 and "releases continue."

INTELLIGENCE MERITS AS MUCH PROTECTION AS SOYBEANS

Mr. HOLLINGS. Mr. President, a former Soviet intelligence official is on record as saying: "We were always taught that our highest priority was to put out the eyes of the enemy by disrupting his intelligence service."

Sad to report, certain American actions condoned over the past several years have given the Soviets inestimable help in disrupting our intelligence operations. Chief among these has been the public disclosure of intelligence officers' identities. As Jack Maury pointed out on July 31 in the Washington Star:

Nothing is more disruptive or demoralizing to a clandestine organization than the constant exposure, or threat of exposure, of its undercover operatives.

The results have been, literally, lethal. Agents such as Dick Welsh in Athens and others have been murdered. Many others have found their ability to continue working made impossible by disclosure. The credibility of our intelligence organization has suffered, and its ability to elicit the cooperation of other nations' intelligence services has been seriously compromised. So has CIA morale.

As the leading country in the free world, the United States must always have an effective intelligence organization. We live in the real world, where life is hard and choices are sometimes difficult. The challenges to freedom are everywhere, and in this era of terrorism and revolution, national security requires a strong and confident Central Intelligence Agency.

Happily our court system is moving against the excesses of recent years, and hopefully this belated action will finally put an end to this wholesale crime—and I use the term advisedly.

Mr. President, Jack Maury's column merits wide reader attention, and I hope my colleagues will take a couple of minutes to look it over. For that reason, I ask that the piece be printed in today's edition of the Record.

The column follows:

INTELLIGENCE MERITS AS MUCH PROTECTION AS SOY BEANS

(By Jack Maury)

In the recent Supreme Court case involving the State Department's revocation of the passport of Philip Agee, the Chief Justice, speaking for the majority, held that Agee's disclosure of details of our foreign intelligence operations was "clearly not protected by the Constitution." Despite several high court decisions that First Amendment rights are not absolute where national security is involved, a noisy claque of civil libertarians persists in the contention that legal restraint on the deliberate exposure of our undercover intelligence personnel would, in the words of one leading national daily, "leave constitutional freedoms in shreds."

During a stopover in Athens in late 1975, I paid a visit to my old friend and successor as CIA station chief there, Dick Welch. Dick's position had been just publicized in the Athens Daily News, based on revelations in Counterspy, a journal published in the United States by a group including CIA's first publicly identified defector, the same Philip Agee. Less than a month later, Welch was assassinated on the steps of his Athens

home as he and his wife were returning from an American Embassy Christmas party.

In the five years since then, Congress has still not passed any legislation dealing with this problem of "naming names" of undercover personnel. Louis Wolf, a current leader in this endeavor, claims to have exposed the identities of over 2,000 covert American intelligence personnel around the world. Last the home of one of these, in Jamaica, was sprayed by machine fire within 48 hours after his name was revealed, and early this year two American labor officials involved in a project that Agee had some time before claimed was a CIA operation were murdered in El Salvador. Other victims of such allegations-whether true or false-have been harassed and their professional effectiveness has been irreparably damaged. Which brings to mind the words of a former senior Soviet intelligence officer: "We were always taught that our highest priority was to put out the eyes of the enemy by disrupting his intelligence service.

Whatever the motives of those engaged in this "naming names" activity, any old intelligence hand knows that nothing is more disruptive or demoralizing to a clandestine organization than the constant exposure, or threat of exposure, of its undercover operatives.

These people have special problems and pressures. They work very much alone, usually far from home in alien cultures and often hostile environments where a single misstep could damage the national interest or have fatal consequences for themselves, their families, or their collaborators. Clearly, we cannot offer them public acclaim for a job well done, nor can we adequately reward them materially lest unexplained affluence attract suspicion. But we can show appreciation for their services by giving them the protection they need to do their tob. And how can we expect to get the often invaluable collaboration of friendly foreign intelligence services, or private institutions, businessman and others who might be willing secretly to help us if we are unable or unwilling to protect the identities of our covert personnel?

It is ironic that we have laws providing clear-cut criminal penalties for the unauth-orized disclosure of such government information as future crop estimates from the Department of Agriculture, identities of recipients of federal welfare, income tax information, selective service records, applicants for Land Bank loans, formulas for insecticides, etc., but no effective protection for some of our most sensitive intelligence sources, methods, and identities.

Legislation has recently been introduced to deal with this problem. It is being opposed on two grounds. First, it is said that such legislation would violate First Amendment rights of free speech and press. The answer is that there is no case law to support this contention. In such cases as those of former CIA employees Marchetti and Snepp, the courts have held that First Amendment rights are not absolute, and that the Government can take appropriate action to protect its sensitive secrets. The second objection is that such laws would have a "chilling effect" on public disclosure and discussion of intelligence matters. In fact, the legislation in question would in no way hamper legitimate discussion and criticism of intelligence activities. Its application is strictly limited to those who expose the identities of covert personnel with intent to "impair or impede intelligence operations.

A wise veteran of White House councils once said that the greatest danger to peace in our time might be an ill-informed American President. Cerainly in today's world we are, without good intelligence, a blind man stumbling through an uncharted minefield. Our great technical systems can tell us much

of hostile capabilities but little of intentions, and here human sources are more important than ever. But we will not have the human sources we need so long as our laws give better protection to statistics on soy bean crops than to the lives of people like Dick Welch.

THE ECONOMIC RECOVERY TAX

Mr. BAKER. Mr. President, I wish to take this moment once again to commend the distinguished chairman of the Finance Committee, Senator Dole, for his leadership and effective management of the Economic Recovery Tax Act of 1981.

His resolve and determination provided for efficient Senate action on the largest comprehensive tax measure in history, a measure which will be one of the cornerstones to restoring our Nation's economic strength.

Chairman Dole played a crucial role during the budget reconciliation process, and I am sure that I join with all of my colleagues in extending to him our deposit theories.

deepest thanks and gratitude.

Mr. President, by the same token, may I extend my congratulations to the distinguished ranking minority member of the Finance Committee, Senator Long, who was for so long the chairman of the Finance Committee, and who has once again brought to this measure the full flavor of bipartisan cooperation. I am especially grateful to Senator Long for his guidance and counsel based on his long experience in this field in bringing this matter to a successful and prompt conclusion.

Mr. President, I should be remiss if I did not once again express my gratitude, and I believe I speak for every Senator, to the distinguished professional staff of the Finance Committee, the bipartisan staff. They are truly extraordinary in their ability, especially the majority staff director, Robert Lighthizer, and his counterpart, Mike Stern, who has also contributed significantly in this respect.

Mr. President, I wish to congratulate all Senators for their participation, all of those who favored and those who opposed this measure. I believe it is a mark of accomplishment for the Senate that this difficult piece of legislation was transacted and brought to final passage as we have now done in what I believe to be virtually record time.

SENATOR HARRISON WILLIAMS

Mr. BAKER. Mr. President, it is with a note of frustration that I rise to speak of an article which appeared in today's New York Post. The article alleges that I, along with the Senate Ethics Committee chairman, Senator Wallop, have quote "decide to begin proceedings to expel" Senator Harrison Williams of New Jersey.

Mr. President, I want to clearly state that this story is totally inaccurate in every respect. Aside from several reports that I have received from the committee for scheduling considerations, I have neither discussed privately nor publicly the allegations against Senator

It is imperative, Mr. President, that the public record on this important matter be absolutely clear. I have not had such conversations nor has the chairman of the committee, Senator WALLOP.

ADJOURNMENT OF THE SENATE AND HOUSE UNTIL SEPTEMBER 9,

Mr. BAKER. Mr. President, I am happy that we have reached the place where I can offer the following resolu-

Mr. President, I send to the desk a concurrent resolution and ask its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows: A concurrent resolution (S. Con. Res. 27) providing for an adjournment of the Senate from August 3, 1981 to September 9, 1981, and an adjournment of the House from August 4, 1981, to September 9, 1981.

The Senate proceeded to consider the concurrent resolution.

Mr. BAKER. Mr. President, before the Chair puts the question, I would point out that I will shortly send a second concurrent resolution to the desk, Senate Concurrent Resolution 28, which will provide for the adjournment of the Senate from August 3 until September 9 and of the adjournment of the House from Wednesday, August 5 until September 9.

The reason for agreeing to both of these resolutions is to give the House maximum flexibility in accommodating to their requirements at the same time.

The PRESIDING OFFICER. The question is on agreeing to Senate Concurrent Resolution 27.

The resolution (S. Con. Res. 27) was agreed to as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Monday, August 3, 1981, it stand adjourned until 12:00 o'clock noon on Wednesday, September 9, 1981, and that when the House adjourns on Tuesday, August 4, 1981, it stand adjourned until 12:00 o'clock noon on Wednesday, September 9, 1981.

ADJOURNMENT OF THE SENATE AND HOUSE UNTIL SEPTEMBER 9,

Mr. BAKER. Mr. President, I send to the desk another resolution, Senate Concurrent Resolution 28.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 28) providing for an adjournment of the Senate from August 3, 1981 to September 9, 1981, and an adjournment of the House from August 5, 1981 to September 9, 1981.

The Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 28) was agreed to as follows:

Resolved by the Senate (the House of Representatives concurring). That when the

Senate adjourns on Monday, August 3, 1981, it stand adjourned until 12:00 o'clock noon on Wednesday, September 9, 1981, and that when the House adjourns on Wednesday, August 5, 1981, it stand adjourned until 12:00 o'clock noon on Wednesday, September 9,

DIRECTING THE CLERK OF THE HOUSE OF REPRESENTATIVES TO MAKE CORRECTIONS IN THE EN-ROLLMENT OF H.R. 4242.

Mr. BAKER. Mr. President, I now send to the desk on behalf of the distinguished chairman of the Committee on Finance (Mr. Dole) a concurrent resolution (S. Con. Res. 30) and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk

will state the resolution by title. The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 30) directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 4242.

The Senate proceeded to consider the concurrent resolution.

Mr. BAKER, Mr. President, before the Chair puts the question on this, I might say it is the usual resolution for the correction of technical errors in the justpassed conference report. It has been cleared with the minority, and has attached to it the substance of the changes that are to be made.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 30) was agreed to as follows:

Resolved by the Senate (the House of Representatives concurring), That in the That in the enrollment of the bill (H.R. 4242), to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In the table of contents, in the item relating to section 102, strike out ", decrease in holding period".

(2) In the table of contents, in the item relating to section 601, strike out "\$22,500" and insert in lieu thereof "\$2,500".

(3) In the table of contents, after the item relating to section 823, insert the following: SUBTITLE D-OTHER PROVISIONS

Sec. 831. Technical amendments relating to dispositions of investment in United States real property. Sec. 832. Modification of foreign investment

company provisions.

(4) In the section heading to section 102 of the bill, strike out ", DECREASE IN HOLDING

(5) In section 209(c)(1)(B) of the bill, strike out "subparagraph (B)" and insert in lieu thereof "subparagraph (B)(i)

In paragraph (2) of section 313(b) of the bill, strike out "Sections 219(c)(2)" and insert in lieu thereof "Sections 219(d)(2) (as amended by section 311(a) of this Act)".

(7) In section 305(e)(3)(A) of the Internal Revenue Code of 1954, as added by section 321(a) of the bill, strike out "tangible personal depreciable property" and insert in lieu thereof "tangible property described in section 1245(a)(3) (other than subparagraphs (C) and (D) thereof)".

(8) In subparagraph (B) of section 2032A

(e) (7) of the Internal Revenue Code of 1954, as added by section 421(f)(1) of the bill—
(A) strike out "average net share rental"

place it appears and insert in lieu thereof "average annual net share rental".

(B) strike out "average gross cash rental" and insert in lieu thereof "average annual gross cash rental".

(9) In paragraph (5) of section 509(a), strike out "section 6601(b)" and insert in lieu thereof "section 6601".

(10) Amend the title so as to read: "A bill to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers, acceleration of capital cost recovery of investment in plant, equipment, and real property, and incentives for savings, and for other purposes."

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STFNNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, while I ascertain whether the Senate has any further business to come before it, I will shortly suggest the absence of a quorum, but before I do so may I inquire is there a convening hour for Thursday of this week, for the recess over of the Senate until Thursday of this week?

The PRESIDING OFFICER. The Senator is correct. It is 12 noon.

Mr. BAKER. I thank the Chair.

Mr. President, the concurrent resolution provides for the convening of the Senate at noon on the 9th of September; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Is there an order for the convening of the Senate on the 10th day of September?

The PRESIDING OFFICER. There is not an order.

Mr. BAKER. I will not make that request at this time, Mr. President.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR BAKER AND SENATOR ROBERT C. BYRD ON WEDNESDAY, SEPTEMBER 9, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Wednesday, September 9, when the Senate reconvenes, that after the two leaders are recnized under the standing order, the Senator from West Virginia (Mr. ROBERT C. Byrn) and the Senator from Tennessee (Mr. Baker) be recognized on special orders for not to exceed 15 minutes.

objection, it is so ordered.

ADJOURNMENT UNTIL WEDNESDAY, SEPTEMBER 9, 1981

Mr. BAKER, Mr. President, I know of no further business to come before the Senate, and I now ask unanimous consent that the Senate stand in recess No. 28, the Senate will stand in adjourn-

House of Representatives agrees to either 1981, at 12 noon. Senate Concurrent Resolution No. 27 or No. 28, as adopted by the Senate.

There being no objection, the Senate, at 3:16 p.m., recessed until August 6, 1981, at 12 noon, provided, that if the House of Representatives agrees to either Senate Concurrent Resolution No. 27 or

The PRESIDING OFFICER. Without until Thursday next unless and until the ment until Wednesday, September 9,

CONFIRMATION

Executive nomination confirmed by the Senate August 3, 1981:

DEPARTMENT OF DEFENSE

Richard N. Perle, of Maryland, to be an Assistant Secretary of Defense, vice Gerald Paul Dineen, resigned.

HOUSE OF REPRESENTATIVES-Monday, August 3, 1981

CONFERENCE REPORT ON H.R. 4242

Pursuant to the order of Friday, July 31, 1981, Mr. Rostenkowski submitted the following conference report and statement on the bill (H.R. 4242) to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 97-215)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4242) to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Economic Recovery Tax Act of 1981".

(b) Table of Contents.—

Sec. 1. Short title; table of contents; amendment of 1954 Code.

TITLE I—INDIVIDUAL INCOME TAX PROVISIONS

Subtitle A-Tax Reductions

Sec. 101. Rate cuts; rate reduction credit. Sec. 102. 20-percent maximum rate on net capital gain for portion of 1981, decrease in holding period.

Sec. 103. Deduction for two-earner married couples.

Sec. 104. Adjustment to prevent inflationcaused tax increase.

Subtitle B-Income Earned Abroad

Sec. 111. Partial exclusion for earned income from sources without the United States and foreign housing costs.

Sec. 112. Repeal of deduction for certain expenses of living abroad.

Sec. 113. Employees living in camps.

Sec. 114. Reports by Secretary.

Sec. 115. Effective date.

Subtitle C-Miscellaneous Provisions

Sec. 121. Deduction for charitable contributions to be allowed for individuals who do not itemize deductions.

Sec. 122. 18-month period for rollover principal residence increased to 2 years.

Sec. 123. One-time exclusion of gain increased to 2 years. Sec. 124. Increases in credit allowable for expenses for household and dependent care services necessary for gainful employment.

Sec. 125. Deduction for adoption expenses paid by an individual.

Sec. 126. Maximum rate of imputed interest for sale of land between related persons.

Sec. 127. State legislators travel expenses away from home.

Sec. 128. Rates of tax for principal campaign committees.

TITLE II—BUSINESS INCENTIVE PROVISIONS

Subtitle A—Cost Recovery Provisions

Sec. 201. Accelerated cost recovery system. Sec. 202. Election to expense certain depre-

ciable business assets.

Sec. 203. Amendments related to depreciation.

Sec. 204. Recapture on disposition of recovery property.

Sec. 205. Minimum tax treatment.

Sec. 206. Earnings and profits.

Sec. 207. Extension of carryover period for net operating losses and certain credits.

Sec. 208. Carryover of recovery attribute in section 381 transactions.

Sec. 209. Effective dates.

Subtitle B—Investment Tax Credit Provisions

Sec. 211. Modification of investment tax credit to reflect accelerated

cost recovery.

Sec. 212. Increase in investment tax credit
for qualified rehabilitation expenditures.

Sec. 213. Investment credit for used property; increase in dollar limit.

Sec. 214. Investment tax credit allowed for certain rehabilitated buildings leased to tax-exempt organizations or to governmental units.

Subtitle C—Incentives for Research and Experimentation

Sec. 221. Credit for increasing research activities.

Sec. 222. Charitable contributions of scientific property used for research.

Sec. 223. Suspension of regulations relating to allocation under section 861 of research and experimental expenditures.

Subtitle D-Small Business Provisions

Sec. 231. Reduction in corporate rate tax.

Sec. 232. Increase in accumulated earnings credit.

Sec. 233. Subchapter S shareholders.

Sec. 234. Treatment of trusts as subchapter S shareholders.

Sec. 235. Simplification of LIFO by use of Government indexes to be provided by regulations.

Sec. 236. Three-year averaging permitted for increases in inventory value.

Sec. 237. Election by small business to use one inventory pool when LIFO is elected. Subtitle E-Savings and Loan Associations

Sec. 241. Reorganizations involving financially troubled thrift institutions.

Sec. 242. Limitations on carryovers of financial institutions.

Sec. 243. Reserves for losses on loans. Sec. 244. FSLIC financial assistance.

Sec. 245. Mutual savings banks with capital stock.

Sec. 246. Effective dates.

Subtitle F-Stock Options, Etc.

Sec. 251. Stock options.

Sec. 252. Property transferred to employees subject to certain restrictions.

Subtitle G-Miscellaneous Provisions

Sec. 261. Adjustments to new jobs credit.

Sec. 262. Section 189 made inapplicable to low-income housing.

Sec. 263. Increase in deduction allowable to a corporation in any taxable year for charitable contributions.

Sec. 264. Amortization of low-income housing.

Sec. 265. Deductibility of gifts by employers to employees.

Sec. 266. Deduction for motor carrier operating authority.

Sec. 267. Limitation on additions to bank loss reserves.

TITLE III—SAVINGS PROVISIONS

Subtitle A-Interest Exclusion

Sec. 301. Exclusion of interest on certain savings certificates.

Sec. 302. Partial exclusion of interest.

Subtitle B—Retirement Savings Provisions

Sec. 311. Retirement savings.

Sec. 312. Increase in amount of self-employed retirement plan deduction.

Sec. 313. Rollovers under bond purchase plans.

Sec. 314. Miscellaneous provisions.

Subtitle C—Reinvestment of Dividends in Public Utilities

Sec. 321. Encouragement of reinvestment of dividends in the stock of public utilities.

Subtitle D—Employee Stock Ownership Provisions

Sec. 331. Payroll-based credit for establishing employee stock ownership plan.

Sec. 332. Termination of the portion of the investment credit attributable to employee plan percentage.

Sec. 333. Tax treatment of contributions attributable to principal and interest payments in connection with an employee stock ownership plan.

Sec. 334. Cash distributions from an employee stock ownership plan.

Sec. 335. Put option for stock bonus plans.

Sec. 336. Put option requirements for banks; put option period.

Sec. 337. Distribution of employer securi-

Sec. 337. Distribution of employer securities from a tax credit employee stock ownership plan in the case of a sale of employer

[☐] This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

[•] This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

assets or stock.

Sec. 338. Pass through of voting rights on employer securities.

Sec. 339. Effective date.

TITLE IV-ESTATE AND GIFT TAX **PROVISIONS**

Subtitle A-Increase in Unified Credit; Rate Reduction; Unlimited Marital Deduction

Sec. 401. Increase in unified credit.

Sec. 402. Reduction in maximum rates of tax.

Sec. 403. Unlimited marital deduction.

Subtitle B-Other Estate Tax Provisions

Sec. 421. Valuation of certain farm, etc., real property.

Sec. 422. Coordination of extensions of time for payment of estate tax where estate consists largely of interest in closely held business.

Sec. 423. Treatment of certain contributions of works of art, etc.

Sec. 424. Gifts made within 3 years of decendent's death not included in gross estate.

Sec. 425. Basis of certain appreciated property transferred to decedent by gift within one year of death.

Sec. 426. Disclaimers.

Sec. 427. Repeal of deduction for bequests, etc., to certain minor children.

Sec. 428. Postponement of generation-skipping tax effective date.

Sec. 429. Credit against estate tax for transfer to Smithsonian.

Subtitle C-Other Gift Tax Provisions

Sec. 441. Increase in annual gift tax exclusion; unlimited exclusion for certain transfers.

Sec. 442. Time for payment of gift taxes. TITLE V-TAX STRADDLES

Sec. 501. Postponement of recognition of losses, etc.

Sec. 502. Capitalization of certain interest and carrying charges in the case of straddles.

Sec. 503. Regulated futures contracts marked to market.

Sec. 504. Carryback of losses from regulated futures contracts to offer prior gains from such contracts.

Sec. 505. Certain governmental obligations issued at discount treated as capital assets.

Sec. 506. Prompt identification of securities by dealers in securities.

Sec. 507. Treatment of gain or loss from certain terminations.

Sec. 508. Effective dates.

Sec. 509. Election for extension of time for payment and application of section 1256 for the taxable year including June 23, 1981.

TITLE VI-ENERGY PROVISIONS

Subtitle A-Changes in Windfall Profit Tax Sec. 601. \$22,500 royalty credit for 1981; exemption for 1982 and thereaf-

in tax imposed on Sec. 602. Reduction newly discovered oil.

Sec. 603. Exempt independent producer

stripper well oil.
Sec. 604. Exemption from windfall profit tax of oil produced from interests held by or for the benefit of residential child care agencies

Subtitle B-Miscellaneous Provision

Sec. 611. Application of credit for producing natural gas from a nonconventional source with the Natural Gas Policy Act of 1978.

TITLE VII-ADMINISTRATIVE PROVISIONS

Subtitle A-Prohibition of Disclosure of **Audit Methods**

Sec. 701. Prohibition of disclosure of methods for selection of tax returns for audits

Subtitle B-Changes in Interest Rate for Overpayments and Underpayments

Sec. 711. Changes in rate of interest for overpayments and underpayments.

Subtitle C-Changes in Certain Penalties and in Requirements Relating to Returns

Sec. 721. Changes in penalties for false information with respect to withholding.

Sec. 722. Additions to tax in the case of valuation overstatements, increase in negligence penalty.

Sec. 723. Changes in requirements relating to information returns.

Sec. 724. Penalty for overstated deposit claims.

Sec. 725. Declaration of estimated tax not required in certain cases.

Subtitle D-Cash Management

Sec. 731. Cash management.

Subtitle E-Financing of Railroad Retirement System

Sec. 741. Increases in employer and employee taxes.

Sec. 742. Advance transfer of amounts payable under social security financial interchange.

Sec. 743. Amendments to section 3231 clarifying definition of compensation.

Subtitle F-Filing Fees

Sec. 751. Fees for filing petitions.

TITLE VIII-MISCELLANEOUS PROVISIONS

Subtitle A-Extensions

Sec. 801. Fringe benefits.

Sec. 802. Exclusion for prepaid legal services 3 vears.

Subtitle B-Tax-Exemption Obligations Sec. 811. Tax-exempt financing for vehicles

used for mass commuting. Sec. 812. Obligations of certain volunteer fire departments.

Subtitle C-Excise Taxes

Sec. 821. Extension of telephone excise tax. Sec. 822. Exclusion of certain services from Federal Unemployment Tax Act.

Sec. 823. Private foundation distributions.

(c) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I-INDIVIDUAL INCOME TAX **PROVISIONS**

Subtitle A-Tax Reductions

SEC. 101. RATE CUTS: RATE REDUCTION CREDIT.

(a) RATE REDUCTION.—Section 1 (relating to tax imposed) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES .- There is hereby imposed on the taxable income of every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined in accordance with the following tables:

"(1) FOR TAXABLE YEARS BEGINNING IN

"If taxable income is: The tax is: Not over \$3,400 .. No tax. Over \$3,400 but not over 12% of the excess over \$3,400. \$5,500. Over \$5,500 but not over \$252, plus 14% \$7,600. excess over \$5,500. Over \$7,600 but not over \$546, plus 16% of the ss over \$7,600. \$11,900. Over \$11,900 over \$16,000. Over \$16,000 but not \$1,234, plus 19% of the excess over \$11,900 but not \$2.013, plus 22% of the over \$20,200. excess over \$16,000 Over \$20,200 over \$24,600. but not \$2,937, plus 25% of the excess over \$20,200. Over \$24,600 over \$29,900. but not \$4,037, plus 29% of the excess over \$24,600. Over \$29,900 over \$35,200. \$5,574, plus 33% of the but excess over \$29 900 Over \$35,200 but \$7,323, plus 39% of the over \$45,800 excess over \$35,200. but not \$11,457, plus 44% of the Over \$45,800 excess over \$45,800. but not \$17,705, plus 49% of the over \$60,000. Over \$60,000 over \$85,600 excess over \$60,000. \$30,249, plus 50% of the Over \$85,600... excess over \$85,600.

"(2) FOR TAXABLE YEARS BEGINNING IN 1983.-

"If taxable income is: The tax is: Not over \$3,400 Over \$3,400 but not over No tax. 11% of the excess over \$5 500 \$3,400 Over \$5,500 but not over \$231, plus 13% of the \$7,600. excess over \$5,500.

Over \$7,600 but not over \$504, plus 15% of the \$11,900. Over \$11,900 over \$16,000. excess over \$7,600 but not \$1,149, plus 17% of the excess over \$11,900. Over \$16,000 over \$20,200. but not \$1,846, plus 19% of the excess over \$16,000. Over \$20,200 over \$24,600. but not \$2,644, plus 23% of the excess over \$20,200. Over \$24,600 over \$29,900. \$3,656, plus 26% but excess over \$24,600. Over \$29,900 but \$5,034, plus 30% of the over \$35,200. excess over \$29,900. \$6,624, plus 35% of the Over \$35,200 but not over \$45,800. Over \$45,800 excess over \$35,200. \$10,334, plus 40% of the but not over \$60,000. Over \$60,000 excess over \$45,800. \$16,014, plus 44% of the but not excess over \$60,000. \$27,278, plus 48% of the over \$85,600. Over \$85,600 but not excess over \$85,600. \$38,702, plus 50% of the excess over \$109,400. over \$109,400. Over \$109,400.

"(3) FOR TAXABLE YEARS BEGINNING AFTER 1983.-

"If taxable income is: The tax is: Not over \$3,400 Over \$3,400 but not over No tax. 11% of the excess over \$3,400. \$5.500 Over \$5,500 but not over \$231, plus 12% \$7,600. excess over \$5,500.

Over \$7,600 but not over \$483, plus 14% of the \$11,900. excess over \$7,600. Over \$11,900 but not \$1,085, plus 16% of the over \$16,000. Over \$16,000 over \$20,200. excess over \$11,900. but not \$1,741, plus 18% of the excess over \$16,000. but not \$2,497, plus 22% of the Over \$20,200 excess over \$20,200. but not \$3,465, plus 25% of the over \$24,600 Over \$24,600 over \$29,900. excess over \$24,600 Over \$29,900 but not \$4,790, plus 28% of the excess over \$29,900.
but not \$6,274, plus 33% of the
excess over \$35,200.
but not \$9,772, plus 38% of the over \$35,200. Over \$35,200 over \$45,800. Over \$45,800 over \$60,000. excess over \$45,800. but not \$15,168, plus 42% of the Over over \$85,600. excess over \$60,000.

"If taxable income is:

The tax is:

"If taxable income is:	The tax is:
Over \$85,600 but not	\$25,920, plus 45% of the
over \$109,400.	excess over \$85,600.
Over \$109,400 but not	\$36,630, plus 49% of the
over \$162,400.	excess over \$109,400.
Over \$162,400	\$62,600, plus 50% of the
0101 4102,100	excess over \$162,400.
"(b) HEADS OF H	OUSEHOLDS.—There is
	he taxable income of
	s the head of a house-
	ction 2(b)) a tax deter-
	with the following
tables:	
"(1) FOR TAXABLE	YEARS BEGINNING IN
1982.—	
"If taxable income is:	The tax is:
Not over \$2,300	No tax.
Over \$2,300 but not over	12% of the excess over
\$4,400.	\$2,300.
Over \$4,400 but not over	\$252, plus 14% of the
\$6,500.	excess over \$4,400.
Over \$6,500 but not over	\$546, plus 16% of the
\$8,700.	excess over \$6,500.
Over \$8,700 but not over	\$898, plus 20% of the
\$11,800. Over \$11,800 but not	excess over \$8,700. \$1,518, plus 22% of the
Over \$11,800 but not over \$15,000.	excess over \$11,800.
Over \$15,000 but not	\$2,222, plus 23% of the
over \$18,200.	excess over \$15,000.
Over \$18,200 but not	\$2,958, plus 28% of the
over \$23,500.	excess over \$18,200.
Over \$23,500 but not	\$4,442, plus 32% of the
over \$28,800.	excess over \$23,500.
Over \$28,800 but not	\$6,138, plus 38% of the
over \$34,100.	excess over \$28,800.
Over \$34,100 but not	\$8,152, plus 41% of the
over \$44,700.	excess over \$34,100.
Over \$44,700 but not over \$60,600.	\$12,498, plus 49% of the excess over \$44,700.
Over \$60,600	\$20,289, plus 50% of the
Otto Godjoodiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	excess over \$60,600.
"(2) FOR TAXABLE	YEARS BEGINNING IN
1983.—	
"If taxable income is:	The toy in
Not over \$2,300	The tax is: No tax.
Over \$2,300 but not over	11% of the excess over
	\$2 300
\$4,400.	\$2,300.
\$4,400. Over \$4,400 but not over \$6,500.	\$2,300. \$231, plus 13% of the excess over \$4,400.
\$4,400. Over \$4,400 but not over \$6,500. Over \$6,500 but not over	\$2,300. \$231, plus 13% of the
\$4,400. Over \$4,400 but not over \$6,500. Over \$6,500 but not over \$8,700.	\$2,300. \$231, plus 13% of the excess over \$4,400. \$504, plus 15% of the excess over \$6,500.
\$4,400. Over \$4,400 but not over \$6,500. Over \$6,500 but not over \$8,700. Over \$8,700 but not over	\$2,300. \$231, plus 13% of the excess over \$4,400. \$504, plus 15% of the excess over \$6,500. \$834, plus 18% of the
\$4,400. Over \$4,400 but not over \$6,500. Over \$6,500 but not over \$8,700. Over \$8,700 but not over \$11,800.	\$2.300. \$231, plus 13% of the excess over \$4,400. \$504, plus 15% of the excess over \$6,500. \$834, plus 18% of the excess over \$8,700.
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\$4,400. Over \$4,400 but not over \$6,500. Over \$6,500 but not over \$8,700. Over \$8,700 but not over \$11,800. Over \$11,800 but not over \$11,800. Over \$15,000 but not over \$15,000. Over \$15,000 but not over \$18,200 but not over \$23,500. Over \$23,500 but not over \$23,500 but not over \$24,400. Over \$34,100 but not over \$44,700. Over \$44,700 but not over \$44,700. Over \$18,200 but not over \$18,200 but not over \$18,200. Over \$1,200 but not over \$1,200. Over \$1,200 but not over \$1,200. Over \$2,300 but not over \$4,400. Over \$4,400 but not over \$4,400. Over \$4,400 but not over \$4,500. Over \$4,700 but not over \$1,800. Over \$1,800 but not over \$2,300. Over \$1,800 but not over \$2,300. Over \$23,500 but not over \$23,500. Over \$23,500 but not over \$23,500 but not over \$23,500.	\$2,300. \$231, plus 13% of the excess over \$4,400. \$504, plus 15% of the excess over \$6,500. \$834, plus 18% of the excess over \$8,700. \$1,392, plus 19% of the excess over \$11,800. \$2,000, plus 21% of the excess over \$15,000. \$2,000, plus 21% of the excess over \$15,000. \$3,997, plus 29% of the excess over \$23,500. \$3,997, plus 29% of the excess over \$23,500. \$5,534, plus 34% of the excess over \$23,800. \$5,534, plus 34% of the excess over \$34,100. \$11,258, plus 44% of the excess over \$34,100. \$11,258, plus 44% of the excess over \$44,700. \$18,254, plus 48% of the excess over \$81,800. EARS BEGINNING AFTER The tax is: No tax. 11% of the excess over \$2,300. \$231, plus 12% of the excess over \$6,500. \$23,10, plus 12% of the excess over \$6,500. \$1,318, plus 14% of the excess over \$8,700. \$1,318, plus 18% of the excess over \$15,000. \$1,319, plus 20% of the excess over \$15,000. \$2,534, plus 24% of the excess over \$15,000. \$2,534, plus 24% of the excess over \$18,200. \$3,806, plus 28% of the excess over \$23,500.
\$4,400. Over \$4,400 but not over \$6,500. Over \$6,500 but not over \$8,700. Over \$8,700 but not over \$11,800. Over \$11,800 but not over \$11,800. Over \$15,000 but not over \$15,000. Over \$15,000 but not over \$18,200 but not over \$18,200 but not over \$23,500. Over \$23,500 but not over \$28,800. Over \$28,800 but not over \$24,100 but not over \$44,700. Over \$44,700 but not over \$6,600. Over \$44,700 but not over \$81,800. Over \$18,200 but not over \$1,800. Over \$1,800 but not over \$1,800. Over \$1,800 but not over \$1,800. Over \$1,800 but not over \$1,500. Over \$1,500 but not over \$23,500. Over \$23,500 but not over \$23,500.	\$2,300. \$231, plus 13% of the excess over \$4,400. \$504, plus 15% of the excess over \$6,500. \$834, plus 18% of the excess over \$8,700. \$1,392, plus 19% of the excess over \$11,800. \$2,000, plus 21% of the excess over \$11,800. \$2,000, plus 21% of the excess over \$15,000. \$2,672, plus 25% of the excess over \$18,200. \$3,997, plus 29% of the excess over \$23,500. \$5,534, plus 34% of the excess over \$23,500. \$1,354, plus 34% of the excess over \$34,100. \$11,258, plus 44% of the excess over \$44,700. \$11,258, plus 44% of the excess over \$44,700. \$18,254, plus 48% of the excess over \$81,800. EARS BEGINNING AFTER The tax is: No tax. 11% of the excess over \$2,300. \$231, plus 12% of the excess over \$4,400. \$483, plus 14% of the excess over \$6,500. \$791, plus 17% of the excess over \$6,500. \$791, plus 17% of the excess over \$1,1800. \$1,394, plus 20% of the excess over \$15,000. \$2,534, plus 24% of the excess over \$15,000. \$3,806, plus 22% of the excess over \$3,500. \$5,290, plus \$2% of the excess over \$2,500.
\$4,400. Over \$4,400 but not over \$6,500. Over \$6,500 but not over \$8,700. Over \$8,700 but not over \$11,800. Over \$11,800 but not over \$11,800. Over \$15,000 but not over \$15,000. Over \$15,000 but not over \$18,200 but not over \$18,200 but not over \$23,500. Over \$23,500 but not over \$28,800. Over \$28,800 but not over \$24,100 but not over \$44,700. Over \$44,700 but not over \$6,600. Over \$44,700 but not over \$81,800. Over \$18,200 but not over \$1,800. Over \$1,800 but not over \$1,800. Over \$1,800 but not over \$1,800. Over \$1,800 but not over \$1,500. Over \$1,500 but not over \$23,500. Over \$23,500 but not over \$23,500.	\$2,300. \$231, plus 13% of the excess over \$4,400. \$504, plus 15% of the excess over \$6,500. \$834, plus 18% of the excess over \$8,700. \$1,392, plus 19% of the excess over \$11,800. \$2,000, plus 21% of the excess over \$15,000. \$2,000, plus 21% of the excess over \$15,000. \$3,997, plus 29% of the excess over \$23,500. \$3,997, plus 29% of the excess over \$23,500. \$5,534, plus 34% of the excess over \$23,800. \$5,534, plus 34% of the excess over \$34,100. \$11,258, plus 44% of the excess over \$34,100. \$11,258, plus 44% of the excess over \$44,700. \$18,254, plus 48% of the excess over \$81,800. EARS BEGINNING AFTER The tax is: No tax. 11% of the excess over \$2,300. \$231, plus 12% of the excess over \$6,500. \$23,10, plus 12% of the excess over \$6,500. \$1,318, plus 14% of the excess over \$8,700. \$1,318, plus 18% of the excess over \$15,000. \$1,319, plus 20% of the excess over \$15,000. \$2,534, plus 24% of the excess over \$15,000. \$2,534, plus 24% of the excess over \$18,200. \$3,806, plus 28% of the excess over \$23,500.

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Over $34,100 but not $6,986, plus 35% of the
 over $44,700.
                            excess over $34,100.
Over $44,700 but not $10,696, plus 42% of the
 over $60,600
                            excess over $44,700.
Over $60,600 but not $17,374, plus 45% of the
 over $81,800.
                            excess over $60,600.
Over $81,800 but not $26,914, plus 48% of the over $108,300. excess over $81,800.
                          $39,634, plus 50% of the
                            excess over $108,300.
 "(c) UNMARRIED INDIVIDUALS (OTHER THAN
SURVIVING SPOUSES AND HEADS OF HOUSE-
HOLDS).-There is hereby imposed on the
taxable income of every individual (other
than a surviving spouse as defined in section
2(a) or the head of a household as defined
in section 2(b)) who is not a married individ-
ual (as defined in section 143) a tax deter-
mined in accordance with the following
tables:
 "(1) FOR TAXABLE YEARS BEGINNING IN
1982.
"If taxable income is:
                          The tax is:
Not over $2,300 ...
                          No tax.
Over $2,300 but not over 12% of the excess over
                            $2,300.
Over $3,400 but not over $132, plus 14% of the
                            excess over $3,400.
Over $4,400 but not over $272, plus 16% $6.500.
                            excess over $4,400.
Over $6,500 but not over $608, plus 17%
                            excess over $6.500.
 $8,500.
Over $8,500 but not over $948, plus 19% of the
 $10,800.
                            exce
                                 ess over $8,500.
Over $10,800 but not $1,385, plus 22% of the
 over $12,900.
                            excess over $10,800
Over $12,900 but not $1,847, plus 23% of the
                            excess over $12,900.
 over $15,000.
Over $15,000 but not $2,330, plus 27% of the over $18,200. excess over $15,000.
              but not $3,194, plus 31%
Over
      $18,200
 over $23,500.
                            excess over $18,200.
               but not $4,837, plus 35% of the
Over $23,500
 over $28,800.
                            excess over $23,500.
Over $28,800 but not $6,692, plus 40% of the
                            excess over $28,800.
 over $34,100.
Over $34,100 but not $8,812 plus 44% of the
                            excess over $34,100.
 over $41,500.
                          $12,068, plus 50% of the excess over $41,500.
Over $41,500.
 "(2) FOR TAXABLE YEARS BEGINNING IN
1983.-
"If taxable income is:
                          The tax is:
Not over $2,300 ..
                          No tax.
Over $2,300 but not over 11% of the excess over
 $3,400.
                            $2,300
                          $121, plus 13% of the
Over $3,400 but not over
 $4,400
                                 ss over $3,400.
                            exce
Over $4,400 but not over $251, plus 15% of the
 $8.500
                            excess over $4,400.
Over $8,500 but not over $866, plus 17% of the
                            excess over $8,500.
Over $10,800 but not $1,257, plus 19% of the over $12,900. excess over $10,800.
Over $12,900 but not $1,656, plus 21% of the over $15,000. excess over $12,900.
Over $15,000
              but not $2,097, plus 24% of the
 over $18,200
                            excess over $15,000.
Over $18,200 but not $2,865, plus 28% of the
 over $23,500.
                            excess over $18,200.
Over $23,500 but not $4,349, plus 32% of the
 over $28,800.
                            excess over $23,500.
Over $28,800 but not $6,045, plus 36% of the over $34,100. excess over $28,800.
Over $34,100 but not $7,953, plus 40% of the over $41,500. excess over $34,100.
Over $41,500 but not $10,913, plus 45% of the over $55,300. excess over $41,500.
Over $55,300...
                          $17,123, plus 50% of the
                            excess over $55,300.
 "(3) FOR TAXABLE YEARS BEGINNING AFTER
1983.-
"If taxable income is:
                          The tax is:
                          No tax.
Over $2,300 but not over 11% of the excess over $3,400.
Over $3,400 but not over $121, plus 12% of the
 $4,400.
                            excess over $3,400.
Over $4,400 but not over $241, plus 14% of the
 $6,500.
                            excess over $4,400.
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19405
                             The tax is:
 "If taxable income is:
Over $6,500 but not over $535, plus 15% of the
                               excess over $6,500
  $8.500
Over $8,500 but not over $835, plus 16% of the
  $10,800.
                               excess over $8,500.
Over $10,800 but not $1,203, plus 18% of the over $12,900. excess over $10,800.
                 but not $1,581, plus 20% of the
Over $12,900
  over $15,000.
                               excess over $12,900.
Over $15,000
                 but not $2,001, plus 23% of the
over $18,200.
Over $18,200
                               excess over $15,000.
                 but not $2,737, plus 26% of the
                               excess over $18,200
  over $23,500
Over $23,500
over $28,800.
                 but not $4,115, plus 30% of the
                               excess over $23,500.
Over $28,800
                 but not $5,705, plus 34% of the
  over $34,100.
                               excess over $28,800.
Over $34,100
                 but not $7,507, plus 38% of the
  over $41,500.
                               excess over $34,100.
                 but not $10,319, plus 42% of the
Over $41,500
                 excess over $41,500.
but not $16,115, plus 48% of the
  over $55,300
Over $55,300
  over $81,800.
                               excess over $55,300.
Over $81,800...
                            $28,835, plus 50% of the excess over $81,800.
  "(d) MARRIED INDIVIDUALS FILING SEPARATE
RETURNS.-There is hereby imposed on the
taxable income of every married individual
(as defined in section 143) who does not
make a single return jointly with his spouse
under section 6013 a tax determined in accordance with the following tables:
   "(1) FOR TAXABLE YEARS BEGINNING IN
1982 .-
"If taxable income is:
                             The tax is:
Not over $1,700 ...
                             No tax.
Over $1,700 but not over 12% of the excess over
  $2.750
                               $1 700
Over $2,750 but not over $126, plus 14% of the
  $3,800
                               excess over $2,750
Over $3,800 but not over $273, plus 16% of the
                               excess over $3,800.
Over $5,950 but not over $617, plus 19%
                                               of the
                               excess over $5,950.
  $8,000.
Over $8,000 but not over $1,006, plus 22% 
$10,100. excess over $8,0
                               excess over $8,000.
Over $10,100 but not $1,468, plus 25% over $12,300. excess over $10,
                               excess over $10,100.
Over $12,300
                 but not $2,018, plus 29% of the
  over $14,950.
                               excess over $12,300.
Over $14,950 but not $2,787, plus 33% of the
  over $17,600.
                               excess over $14,950.
Over $17,600
                 but not $3,661, plus 39% of the
  over $22,900.
                               excess over $17,600
Over $22,900
over $30,000.
                 but not $5,728, plus 44% of excess over $22,900.
                                                of the
Over $30,000
over $42,800.
                 but not $8,852, plus 49%
                               excess over $30,000.
                             $15,124, plus 50% of the excess over $42,800.
Over $42,800 .....
  "(2) FOR TAXABLE YEARS BEGINNING IN
1983.-
"If taxable income is:
                             The tax is:
Not over $1,700 ...
                             No tax.
Over $1,700 but not over 11% of the excess over
                               $1,700.
  $2,750
Over $2,750 but not over $115, plus 13%
$3,800. excess over $2,750.
Over $3,800 but not over $252, plus 15% of the
  $5.950
                               excess over $3,800.
Over $5,950 but not over $574, plus 17% of the
                               excess over $5,950
  $8,000.
Over $8,000 but not over $923, plus 19% of the
                               excess over $8,000.
Over $10,100 but not $1,322, plus 23% of the over $12,300. excess over $10,100.
Over $12,300 but not $1,828, plus 26% of the over $14,950.

Over $14,950 but not $2,517, plus 30% of the over $17,600.
Over $17,600
                 but not $3,312, plus 35% of the excess over $17,600.
  over $22,900.
Over $22,900
                 but not $5,167, plus 40%
  over $30,000.
                               excess over $22,900.
Over $30,000
over $42,800.
                 but not $8,007, plus 44% of the
                               excess over $30,000.
Over $42,800
over $54,700.
                 but not $13,639, plus 48% of the
                             excess over $42,800.
$19,351, plus 50% of the
excess over $54,700.
Over $54,700 ....
```

"(3) FOR TAXABLE YEARS BEGINNING AFTER 1983.—

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"If taxable income is:	The tax is:
Not over \$1,700	No tax.
Over \$1,700 but not over	11% of the excess over
\$2,750.	\$1,700.
Over \$2,750 but not over \$3,800.	\$115, plus 12% of the excess over \$2,750.
Over \$3,800 but not over \$5,950.	\$241, plus 14% of the excess over \$3,800.
Over \$5,950 but not over \$8,000.	\$542, plus 16% of the excess over \$5,950.
Over \$8,000 but not over \$10,100.	\$870, plus 18% of the excess over \$8,000.
Over \$10,100 but not over \$12,300.	\$1,248, plus 22% of the excess over \$10,100.
Over \$12,300 but not over \$14,950.	\$1,732, plus 25% of the excess over \$12,300.
Over \$14,950 but not over \$17,600.	\$2,395, plus 28% of the excess over \$14,950.
Over \$17,600 but not over \$22,900.	\$3,137, plus 33% of the excess over \$17,600.
Over \$22,900 but not over \$30,000.	\$4,886, plus 38% of the excess over \$22,900.
Over \$30,000 but not over \$42,800.	
Over \$42,800 but not over \$54,700.	\$12,960, plus 45% of the excess over \$42,800.
Over \$54,700 but not over \$81,200.	\$18,315, plus 49% of the excess over \$54,700.
Over \$81,200	\$31,300, plus 50% of the excess over \$81,200.
"(e) ESTATES AND TR	usts.—There is hereby
imposed on the tax	able income of every
	ble under this subsec-
	ed in accordance with
the following tables:	
"(1) FOR TAXABLE	YEARS BEGINNING IN
1982.—	
"If taxable income is:	The tax is:
Not over \$1,050	12% of taxable income.
Over \$1,050 but not over \$2,100.	\$126, plus 14% of the excess over \$1,050.
Over \$2,100 but not over \$4,250.	\$273, plus 16% of the excess over \$2,100.
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Over \$4,250 but not over \$617, plus 19% of the excess over \$4,250. Over \$6,300 but not over \$1,006, plus 22% of the \$8,400. excess over \$6,300. Over \$8,400 but not over \$1,468, plus 25% \$10,600. s over \$8,400. exces Over \$10,600 but not \$2,018, plus 29% of the over \$13,250. excess over \$10,600. Over \$13,250 but not \$2,787, plus 33% of the over \$15,900. excess over \$13,250. Over \$15,900 over \$21,200. but not \$3,661, plus 39% of the excess over \$15,900. but not \$5,728, plus 44% of the Over \$21,200 over \$28,300. excess over \$21,200. Over \$28,300 but not \$8,852, plus 49% of the over \$41.100 excess over \$28,300. Over \$41,100... \$15,124, plus 50% of the excess over \$41,100.

"(2) FOR TAXABLE YEARS BEGINNING IN

"If taxable income is: The tax is: Not over \$1,050 ... 11% of taxable income. Over \$1,050 but not over \$115, plus 13% excess over \$1.050. Over \$2,100 but not over \$252, plus 15% \$4,250. excess over \$2,100. Over \$4,250 but not over \$574, plus 17% of \$6,300 s over \$4,250. Over \$6,300 but not over \$923, plus 19% \$8.400 excess over \$6,300. Over \$8,400 but not over \$1,322, plus 23% of the \$10,600. excess over \$8,400.

Over \$10,600 but not \$1,828, plus 26% of the over \$13,250. excess over \$10,600. Over \$13,250 over \$15,900. but not \$2,517, plus 30% of the Over \$15,900 but not \$3,312, plus 35% of the over \$21,200. Over \$21,200 over \$28,300. but not \$5,167, plus 40% of the Over \$28,300 but not over \$41,100. Over \$41,100 over \$53,000.

Over \$53,000...

excess over \$41,100. \$19,351, plus 50% of the over \$53,000 "(3) FOR TAXABLE YEARS BEGINNING AFTER 1983.-

'If taxable income is: Not over \$1,050 Over \$1,050 but not over 11% of taxable income. \$115, plus 12% of the \$2,100 ss over \$1,050. Over \$2,100 but not over \$241, plus 14% of the \$4,250. excess over \$2,100. Over \$4,250 but not over \$542, plus 16% of of the \$6,300, excess over \$4,250. Over \$6,300 but not over \$870, plus 18% of \$8,400 ess over \$6,300. Over \$8,400 but not over \$1,248, plus 22% of the \$10,600. Over \$10,600 excess over \$8,400. \$1,732, plus 25% of the but not over \$13,250. Over \$13,250 over \$15,900. excess over \$10,600 but not \$2,395, plus 28% of the excess over \$13,250. Over \$15,900 but not \$3,137, plus 33% of the over \$21,200. excess over \$15,900 Over \$21,200 over \$28,300. but not \$4,886, plus 38% of the excess over \$21,200. \$7,584, plus 42% of the excess over \$28,300. Over \$28,300 but not over \$41,100. Over \$41,100 over \$53,000. but not \$12,960, plus 45% of the excess over \$41,100. Over \$53,000 but not \$18,315, plus 49% over \$79,500. excess over \$53,000. \$31,300, plus 50% of the excess over \$79,500. (b) CREDIT TO REFLECT EQUIVALENT 1981

RATE REDUCTION .-

(1) In general.-Section 6428 (relating to refund of 1974 individual income taxes) is amended to read as follows:

"SEC. 6428. 1981 RATE REDUCTION TAX CREDIT.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by section 1, or against a tax imposed in lieu of the tax imposed by section 1, for any taxable year beginning in 1981, an amount equal to the product of—

"(1) 1.25 percent, multiplied by

"(2) the amount of tax imposed by section 1 (or in lieu thereof) for such taxable year. "(b) SPECIAL RULES FOR APPLICATION OF THIS SECTION.-

"(1) APPLICATION WITH OTHER CREDITS.—In determining any credit allowed under subpart A of part IV of subchapter A of chapter 1 (other than under sections 31, 39, and 43), the tax imposed by chapter 1 shall (before any other reductions) be reduced by the credit allowed under subsection (a).

"(2) CREDIT TREATED AS SUBPART A CREDIT. For purposes of this title, the credit allowed under subsection (a) shall be treated as a credit allowed under subpart A of part IV of subchapter A of chapter 1.

'(c) Tables To Reflect Credit.

"(1) Section 3 tables.—The tables prescribed by the Secretary under section 3 shall reflect the credit allowed under subsection (a).

'(2) OTHER TABLES.—In order to reflect the amount of the credit under subsection (a) for different levels of tax or taxable income, the Secretary may-

'(A) modify the tables under section 1, or "(B) prescribe such other tables as he determines necessary."

(2) CONFORMING AMENDMENTS.

(A) The table of sections for subchapter B of chapter 65 is amended by striking out the item relating to section 6428 and inserting in lieu thereof the following new item:

"Sec. 6428. 1981 rate reduction tax credit."

(B) Paragraph (1) of section 3(a) (relating to imposition of tax table tax) is amended by inserting "and which shall be in such form as he determines appropriate" after 'Secretary"

(C) Subsection (a) of section 3 (relating to tax tables for individuals) is amended by adding at the end thereof the following new

paragraph:

the

the

excess over \$10,600.

excess over \$13,250.

excess over \$15,900.

excess over \$21,200

but not \$13,639, plus 48% of the

\$8,007, plus 44% of the

s over \$28,300.

"(5) SECTION MAY BE APPLIED ON THE BASIS OF TAXABLE INCOME.—The Secretary may provide that this section shall be applied for any taxable year on the basis of taxable income in lieu of tax table income.'

(c) REPEAL OF MAXIMUM TAX ON PERSONAL SERVICE INCOME.

(1) IN GENERAL.—Part VI of subchapter Q of chapter 1 (relating to maximum rate on personal service income) is repealed.

(2) CONFORMING AMENDMENTS.

(A) Paragraph (1) of section 3(b) (relating to tax tables for individuals) is amended to read as follows:

'(1) an individual to whom section 1301 (relating to income averaging) applies for the taxable year,"

(B) Subsection (b) of section 1304 (relating to special rules for income averaging) is

(i) by inserting "and" at the end of paragraph (1),

(ii) by striking out ", and" at the end of paragraph (2) and inserting in lieu thereof a period, and

(iii) by striking out paragraph (3).

(C) The table of parts for subchapter Q of chapter 1 is amended by striking out the item relating to part VI.

(d) Conforming Amendments .-

ALTERNATIVE MINIMUM TAX.-Paragraph (1) of section 55(a) (relating to alternative minimum tax) is amended-

(A) by striking out all that follows \$60,000" in subparagraph (B) and inserting in lieu thereof ", exceeds", and
(B) by striking out subparagraph (C).

(2) PERSONAL HOLDING COMPANY TAX.—Section 541 (relating to personal holding company tax) is amended by striking out percent" and inserting in lieu thereof "50 percent".

(3) AMENDMENT TO SECTION 21.—Section 21 (relating to effect of changes in rates during taxable year) is amended by striking out subsections (d), (e), and (f) and inserting in

lieu thereof the following:

"(d) Section Not To Apply to Section 1 RATE CHANGES MADE BY ECONOMIC RECOVERY TAX ACT OF 1981.—This section shall not apply to any change in rates under section 1 attributable to the amendments made by section 1010 of the Economic Recovery Tax Act of 1981 or subsection (f) of section 1 (relating to adjustments in tax tables so that inflation will not result in tax increases)."

(e) WITHHOLDING TABLES .-

(1) DETERMINATION OF WITHHOLDING.—Section 3402(a) (relating to requirement of withholding income tax at source) is amended to read as follows:

(a) REQUIREMENT OF WITHHOLDING .-"(1) In general.-Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary. Any tables or procedures prescribed under this paragraph shall-

"(A) apply with respect to the amount of wages paid during such periods as the Secre-

tary may prescribe, and

"(B) be in such form, and provide for such amounts to be deducted and withheld, as the Secretary determines to be most appropriate to carry out the purposes of this chapter and to reflect the provisions of chapter 1 applicable to such periods.

"(2) Amount of wages.-For purposes of applying tables or procedures prescribed under paragraph (1), the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed multiplied by the amount of one such exemption. The amount of each withholding exemption shall be equal to the

amount of one personal exemption provided in section 151(b), prorated to the payroll period. The maximum number of withholding exemptions permitted shall be calculated in accordance with regulations prescribed by the Secretary under this section, taking into account any reduction in withholding to which an employee is entitled under this section.

"(3) CHANGES MADE BY SECTION 101 OF THE ECONOMIC RECOVERY TAX ACT OF 1981.—Not-withstanding the provisions of this subsection, the Secretary shall modify the tables and procedures under paragraph (1) to reflect

"(A) the amendments made by section 101(b) of the Economic Recovery Tax Act of 1981, and such modification shall take effect on October 1, 1981, as if such amendments made a 5-percent reduction effective on such date, and

"(B) the amendments made by section 101(a) of such Act, and such modifications

shall take effect-

"(i) on July 1, 1982, as if the reductions in the rate of tax under section 1 (as amended by such section) were attributable to a 10percent reduction effective on such date,

"(ii) on July 1, 1983, as if such reductions were attributable to a 10-percent reduction effective on such date."

- (2) Wages Paid for Period Less than 1 Week.—Section 3402(b) (relating to the percentage method of withholding) is amended-
- (A) by striking out paragraph (1), and redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively;

(B) by striking out paragraph (3), as redesignated by subparagraph (A), and inserting in lieu thereof the following:

'(3) In any case in which the period, or the time described in paragraph (2), in respect of any wages is less than one week, the Secretary, under regulations prescribed by him, may authorize an employer to compute the tax to be deducted and withheld as if the aggregate of the wages paid to the employee during the calendar week were paid for a weekly payroll period."

(3) ZERO BRACKET AMOUNT.—Paragraph (1)(G) of section 3402(f) (relating to withholding exemptions) is amended by inserting "(or more than one exemption if so prescribed by the Secretary)" after "one ex-

emption"

(4) CHANGES IN WITHHOLDING.—Section 3402(i) (relating to additional withholding) is amended to read as follows:

"(i) Changes in Withholding.

"(1) In GENERAL.—The Secretary may by regulations provide for increases or de-creases in the amount of withholding otherwise required under this section in cases where the employee requests such changes.

"(2) TREATMENT AS TAX.-Any increased withholding under paragraph (1) shall for all purposes be considered tax required to be deducted and withheld under this chapter.

(5) WITHHOLDING ALLOWANCES.—Subsection (m) of section 3402 (relating to withholding allowances based on itemized deductions) is amended to read as follows:

"(m) WITHHOLDING ALLOWANCES.—Under regulations prescribed by the Secretary, an employee shall be entitled to additional withholding allowances or additional reductions in withholding under this subsection. determining the number of additional withholding allowances or the amount of additional reductions in withholding under

this subsection, the employee may take into account (to the extent and in the manner

provided by such regulations)-

(1) estimated itemized deductions allowable under chapter 1 (other than the deductions referred to in section 151 and other than the deductions required to be taken into account in determining adjusted gross income under section 62) (other than paragraph (13) thereof).

'(2) estimated tax credits allowable under

chapter 1, and

"(3) such additional deductions and other items as may be specified by the Secretary in regulations."

(f) EFFECTIVE DATES.

(1) In general.—The amendments made by subsections (a), (c), and (d) shall apply to taxable years beginning after December 31,

WITHHOLDING AMENDMENTS.-The amendments made by subsection (e) shall apply to remuneration paid after September 30, 1981; except that the amendment made by subsection (e)(5) shall apply to remuneration paid after December 31, 1981.

SEC. 102. 20-PERCENT MAXIMUM RATE ON NET CAP-ITAL GAIN FOR PORTION OF 1981, DE-CREASE IN HOLDING PERIOD.

- (a) In General.-If for any taxable year ending after June 9, 1981, and beginning before January 1, 1982, a taxpayer other than a corporation has qualified net capital gain, then the tax imposed under section 1 of the Internal Revenue Code of 1954 for such taxable year shall be equal to the lesser of-
- (1) the tax imposed under such section determined without regard to this subsection,

(2) the sum of-

- (A) the tax imposed under such section on the excess of-
- (i) the taxable income of the taxpayer,
- (ii) 40 percent of the qualified net capital
- gain of the taxpayer, and
 (B) 20 percent of the qualified net capital

(b) APPLICATION WITH ALTERNATIVE MINI-MUM TAX.

(1) In general.-If subsection (a) applies to any taxpayer for any taxable year, then the amount determined under section 55(a)(1) of the Internal Revenue Code of 1954 for such taxable year shall be equal to the lesser of-

(A) the amount determined under such section 55(a)(1) determined without regard to this subsection, or

(B) the sum of-

(i) the amount which would be determined under such section 55(a)(1) if the alternative minimum taxable income was the excess of-

(I) the alternative minimum taxable income (within the meaning of section 55(b)(1) of such Code) of the taxpayer, over

(II) the qualified net capital gain of the taxpayer, and

(ii) 20 percent of the qualified net capital

(2) No credits allowable.—For purposes of section 55(c) of such Code, no credit allowable under subpart A of part IV of subchapter A of chapter 1 of such Code (other than section 33(a) of such Code) shall be allowable against the amount described in paragraph (1)(B)(ii).

(c) QUALIFIED NET CAPITAL GAIN.

(1) In general.—For purposes of this section, the term "qualified net capital gain" means the lesser of-

(A) the net capital gain for the taxable

(B) the net capital gain for the taxable year taking into account only gain or loss from sales or exchanges occurring after June 9, 1981.

(2) NET CAPITAL GAIN.-For purposes of this subsection, the term "net capital gain" has the meaning given such term by section 1222(11) of the Internal Revenue Code of 1954

(d) SPECIAL RULE FOR PASS-THRU ENTI-TIES

- (1) In general.—In applying subsections (a), (b), and (c) with respect to any pass-thru entity, the determination of when a sale or exchange has occurred shall be made at the entity level.
- (2) PASS-THRU ENTITY DEFINED.—For purposes of paragraph (1), the term "pass-thru entity" means
 - (A) a regulated investment company,
 - (B) a real estate investment trust,
 - (C) an electing small business corporation,

(D) a partnership,

(E) an estate or trust, and

(F) a common trust fund.

SEC. 103. DEDUCTION FOR TWO-EARNER MARRIED COUPLES.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. DEDUCTION FOR TWO-EARNER MARRIED COUPLES.

"(a) DEDUCTION ALLOWED .-

"(1) In general.—In the case of a joint return under section 6013 for the taxable year, there shall be allowed as a deduction an amount equal to 10 percent of the lesser

"(A) \$30,000, or

"(B) the qualified earned income of the spouse with the lower qualified earned income for such taxable year.

"(2) SPECIAL RULE FOR 1982.—In the case of a taxable year beginning during 1982, paragraph (1) shall be applied by substituting '5 percent' for '10 percent'.

"(b) QUALIFIED EARNED INCOME DEFINED .-"(1) In general.-For purposes of this section, the term 'qualified earned income' means an amount equal to the excess of

"(A) the earned income of the spouse for the taxable year, over

"(B) an amount equal to the sum of the deductions described in paragraphs (1), (2), (7), (9), (10), and (15) of section 62 to the extent such deductions are properly allocable to or chargeable against earned income described in subparagraph (A).

The amount of qualified earned income shall be determined without regard to any community property laws.

"(2) EARNED INCOME.—For purposes of paragraph (1), the term 'earned income' means income which is earned income within the meaning of section 911(d)(2) or 401(c)(2)(C), except that-

"(A) such term shall not include any amount

"(i) not includible in gross income

"(ii) received as a pension or annuity, "(iii) paid or distributed out of an individ-

ual retirement plan (within the meaning of section 7701(a)(37)).

"(iv) received as deferred compensation, or "(v) received for services performed by an individual in the employ of his spouse (within the meaning of section 3121(b)(3)(A)), and

"(B) section 911(d)(2)(B) shall be applied without regard to the phrase 'not in excess

of 30 percent of his share of net profits of such trade or business'

(c) DEDUCTION DISALLOWED FOR INDIVID-UAL CLAIMING BENEFITS OF SECTION 911 OR 931.-No deduction shall be allowed under this section for any taxable year if either spouse claims the benefits of section 911 or 931 for such taxable year."

(b) DEDUCTION ALLOWED IN COMPUTING AD-JUSTED GROSS INCOME.—Section 62 (defining adjusted gross income), as amended by section 112(b)(2) of this Act, is amended by inserting after paragraph (15) the following new paragraph:

"(16) DEDUCTION FOR TWO-EARNER MARRIED COUPLES.—The deduction allowed by section

(c) Other Conforming Amendments.—
(1) Subsection (a) of section 85 (relating to unemployment compensation) is amended by striking out "and without regard to sec-tion 105(d)" and inserting in lieu thereof ". section 105(d), and section 221"

(2) Subsection (d)(3) of section 105 (relating to amounts received under accident and health plans) is amended by inserting "and the first section 221" after "subsection"

place it appears.

(3) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following new items:

"Sec. 221. Deduction for two-earner married couples.

"Sec. 222. Cross references."

(d) Effective Dates.-The amendments made by this section shall apply to taxable years beginning after December 31, 1981. SEC. 104. ADJUSTMENT TO PREVENT INFLATION-CAUSED TAX INCREASE.

(a) ADJUSTMENTS TO INDIVIDUAL INCOME Tax Brackets.-Section 1 (relating to tax imposed) is amended by adding at the end

thereof the following new subsection: "(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX IN-

CREASES.

- "(1) In general.—Not later than December 15 of 1984 and each subsequent calendar year, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in paragraph (3) of subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar
- "(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1) is to apply in lieu of the table contained in paragraph (3) of subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed-

"(A) by increasing-

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table, by the costof-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under sub-

paragraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.

If any increase determined under subparagraph (A) is not a multiple of \$10, such increase shall be rounded to the nearest multiple of \$10 (or if such increase is a multiple of \$5, such increase shall be increased to the next highest multiple of \$10).

"(3) Cost-of-living adjustment.-For purposes of paragraph (2), the cost-of-living ad-

justment for any calendar year is the percentage (if any) by which-

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for the calendar year 1983.

"(4) CPI FOR ANY CALENDAR YEAR.-For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such calendar year.

(5) Consumer price index.—For purposes of paragraph (4), the term 'Consumer Price Index' means the last Consumer Price Index for all-urban consumers published by the

Department of Labor."

OF (b) DEFINITION ZERO AMOUNT.-Subsection (d) of section 63 (defining zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.-For purposes of this subtitle, the term 'zero bracket

amount' means-

"(1) in the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies the maximum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case."

(c) PERSONAL EXEMPTIONS .-

(1) GENERAL RULE.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by striking out \$1,000" each place it appears and inserting in lieu thereof "the exemption amount"

(2) EXEMPTION AMOUNT.—Section 151 is amended by adding at the end thereof the

following new subsection:

- "(f) Exemption Amount.-For purposes of this section, the term 'exemption amount' means, with respect to any taxable year, \$1,000 increased by an amount equal to \$1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3)) for the calendar year in which the taxable year begins. If the amount determined under the preceding sentence is not a multiple of \$10. such amount shall be rounded to the nearest multiple of \$10 (or if such amount is a multiple of \$5, such amount shall be increased to the next highest multiple of \$10).
- (d) RETURN REQUIREMENTS .-

(1) AMENDMENTS TO SECTION 6012.-

(A) Clause (i) of section 6012(a)(1)(A) is amended by striking out "\$3,300" and inserting in lieu thereof "the sum of the ex-emption amount plus the zero bracket amount applicable to such an individual'

(B) Clause (ii) of section 6012(a)(i)(A) is amended by striking out "\$4,400" and in-serting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(C) Clause (iii) of section 6012(a)(1)(A) is amended by striking out "\$5,400" and in-serting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return"

(D) Paragraph (1) of section 6012(a) is amended by striking out "\$1,000" each place it appears and inserting in lieu thereof "the

exemption amount".

(E) Paragraph (1) of section 6012(a) is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph-

"(i) The term 'zero bracket amount' has the meaning given to such term by section

'(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)."

- (2) AMENDMENTS TO SECTION 6013.—Subparagraph (A) of section 6013(b)(3) is amended-
- (A) by striking out "\$1,000" each place it appears and inserting in lieu thereof "the exemption amount".
- (B) by striking out "\$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and
- (C) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."
- (e) Effective Date.-The amendments made by this section shall apply to taxable years beginning after December 31, 1984.

Subtitle B-Income Earned Abroad

- SEC. 111. PARTIAL EXCLUSION FOR EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES AND FOREIGN HOUSING COSTS.
- (a) In General.-Section 911 (relating to income earned by individuals in certain camps) is amended to read as follows:
- "SEC. 911. CITIZENS OR RESIDENTS OF THE UNITED STATES LIVING ABROAD.
- "(a) Exclusion From Gross Income.-At the election of a qualified individual (made separately with respect to paragraphs (1) and (2)), there shall be excluded from the gross income of such individual, and exempt from taxation under this subtitle, for any taxable year-
- "(1) the foreign earned income of such individual, and
- (2) the housing cost amount of such individual.
- "(b) Foreign Earned Income .-
- "(1) DEFINITION.—For purposes of this section-
- "(A) In general.-The term 'foreign earned income' with respect to any individual means the amount received by such individual from sources within a foreign country or countries which constitute earned income attributable to services performed by such individual during the period described in subparagraph (A) or (B) of subsection (d)(1), whichever is applicable.
- "(B) CERTAIN AMOUNTS NOT INCLUDED IN FOREIGN EARNED INCOME.—The foreign earned income for an individual shall not include amounts
 - "(i) received as a pension or annuity,
- "(ii) paid by the United States or an agency thereof to an employee of the United States or an agency thereof,
- "(iii) included in gross income by reason of section 402(b) (relating to taxability of beneficiary of nonexempt trust) or section 403(c) (relating to taxability of beneficiary under a nonqualified annuity), or
- "(iv) received after the close of the taxable year following the taxable year in which the services to which the amounts are attributable are performed.
- "(2) LIMITATION ON FOREIGN INCOME.-
- "(A) In GENERAL.-The foreign earned income of an individual which may be excluded under subsection (a)(1) for any taxable year shall not exceed the amount of foreign earned income computed on a daily basis at the annual rate set forth in the fol-lowing table for each day of the taxable year within the applicable period described in subparagraph (A) or (B) of subsection (d)(1):

"In the case of taxable years beginning in:	annual rate is:
1982	\$75,000
1983	80,000
1984	85,000
1985	90,000
1986 and thereafter	95,000

"(B) ATTRIBUTION TO YEAR IN WHICH SERV-ICES ARE PERFORMED.-For purposes of applysubparagraph (A), amounts received shall be considered received in the taxable year in which the services to which the amounts are attributable are performed.

"(C) TREATMENT OF COMMUNITY INCOME. In applying subparagraph (A) with respect to amounts received from services per-formed by a husband or wife which are community income under community property laws applicable to such income, the aggregate amount which may be excludable from the gross income of such husband and wife under subsection (a)(1) for any taxable year shall equal the amount which would be so excludable if such amounts did not constitute community income.

(c) Housing Cost Amount.—For purposes of this section-

"(1) In general.—The term 'housing cost amount' means an amount equal to the excess of-

"(A) the housing expenses of an individual

for the taxable year, over

'(B) an amount equal to the product of-"(i) 16 percent of the salary (computed on a daily basis) of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS-14. multiplied by

"(ii) the number of days of such taxable year within the applicable period described in subparagraph (A) or (B) of subsection

"(2) Housing expenses.-

"(A) In GENERAL .- The term 'housing expenses' means the reasonable expenses paid or incurred during the taxable year by or on behalf of an individual for housing for the individual (and, if they reside with him, for his spouse and dependents) in a foreign country. The term-

"(i) includes expenses attributable to the housing (such as utilities and insurance),

"(ii) does not include interest and taxes of the kind deductible under section 163 or 164 or any amount allowable as a deduction under section 216(a).

Housing expenses shall not be treated as reasonable to the extent such expenses are lavish or extravagant under the circum-

"(B) SECOND FOREIGN HOUSEHOLD.

"(i) In general.-Except as provided in clause (ii), only housing expenses incurred with respect to that abode which bears the closest relationship to the tax home of the individual shall be taken into account under paragraph (1).

"(ii) SEPARATE HOUSEHOLD FOR SPOUSE AND DEPENDENTS.-If an individual maintains a separate abode outside the United States for his spouse and dependents and they do not reside with him because of living conditions which are dangerous, unhealthful, or otherwise adverse, then-

"(I) the words 'if they reside with him' in subparagraph (A) shall be disregarded, and

"(II) the housing expenses incurred with respect to such abode shall be taken into account under paragraph (1).

"(3) SPECIAL RULES WHERE HOUSING EX-PENSES NOT PROVIDED BY EMPLOYER.

"(A) In general.-To the extent the housing cost amount of any individual for any taxable year is not attributable to employer provided amounts, such amount shall be treated as a deduction allowable in computing adjusted gross income to the extent of the limitation of subparagraph (B).

"(B) LIMITATION.—For purposes of sub-paragraph (A), the limitation of this sub-

paragraph is the excess of-

"(i) the foreign earned income of the individual for the taxable year, over

"(ii) the amount of such income excluded from gross income under subsection (a)(1) for the taxable year.

"(C) 1-YEAR CARRYOVER OF HOUSING AMOUNTS NOT ALLOWED BY REASON OF SUB-PARAGRAPH (B) .-

(i) In general.—The amount not allowable as a deduction for any taxable year under subparagraph (A) by reason of the limitation of subparagraph (B) shall be treated as a deduction allowable in computing adjusted gross income for the succeeding taxable year (and only for the succeeding taxable year) to the extent of the limitation of clause (ii) for such succeeding taxable year.

"(ii) LIMITATION.—For purposes of clause (i), the limitation of this clause for any taxable year is the excess of-

"(I) the limitation of subparagraph (B)

for such taxable year, over

"(II) amounts treated as a deduction under subparagraph (A) for such taxable

"(D) EMPLOYER PROVIDED AMOUNTS .- For purposes of this paragraph, the term 'employer provided amounts' means any amount paid or incurred on behalf of the individual by the individual's employer which is foreign earned income included in the individual's gross income for the taxable year (without regard to this section).

"(E) FOREIGN EARNED INCOME. poses of this paragraph, an individual's foreign earned income for any taxable year shall be determined without regard to the limitation of subparagraph (A) of subsec-

tion (b)(2).

"(d) DEFINITIONS AND SPECIAL RULES.-For

purposes of this section-

QUALIFIED INDIVIDUAL.-The term 'qualified individual' means an individual whose tax home is in a foreign country and

"(A) a citizen of the United States and establishes to the satisfaction of the Secretary that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, or

"(B) a citizen or resident of the United States and who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days in such period.

(2) EARNED INCOME.-

"(A) In general.-The term 'earned income' means wages, salaries, or professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

"(B) TAXPAYER ENGAGED IN TRADE OR BUSI-NESS.-In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material incomeproducing factors, under regulations prescribed by the Secretary, a reasonable allowance as compensation for the personal services rendered by the taxpayer, not in excess of 30 percent of his share of the net profits of such trade or business, shall be consid-

ered as earned income.
"(3) Tax home.—The term 'tax home' means, with respect to any individual, such individual's home for purposes of section 162(a)(2) (relating to traveling expenses while away from home). An individual shall not be treated as having a tax home in a foreign country for any period for which his abode is within the United States.

"(4) Waiver of Period of Stay in Foreign country.-Notwithstanding paragraph (1),

an individual who-

"(A) is a bona fide resident of, or is present in, a foreign country for any period, "(B) leaves such foreign country after August 31, 1978-

'(i) during any period during which the Secretary determines, after consultation with the Secretary of State or his delegate, that individuals were required to leave such foreign country because of war, civil unrest, or similar adverse conditions in such foreign country which precluded the normal conduct of business by such individuals, and

"(ii) before meeting the requirements of

such paragraph (1), and

"(C) establishes to the satisfaction of the Secretary that such individual could reasonably have been expected to have met such requirements but for the conditions referred to in clause (i) of subparagraph (B),

shall be treated as a qualified individual with respect to the period described in subparagraph (A) during which he was a bona fide resident of, or was present in, the foreign country, and in applying subsections (b)(2)(A) and (c)(1)(B)(ii) with respect to such individual, only the days within such period shall be taken into account.

"(5) TEST OF BONA FIDE RESIDENCE.-

"(A) an individual who has earned income from sources within a foreign country submits a statement to the authorities of that country that he is not a resident of that country, and

"(B) such individual is held not subject as a resident of that country to the income tax of that country by its authorities with re-

spect to such earnings.

then such individual shall not be considered a bona fide resident of that country for purposes of paragraph (1)(A).

"(6) DENIAL OF DOUBLE BENEFITS.—No deduction or exclusion from gross income under this subtitle or credit against the tax imposed by this chapter (including any credit or deduction for the amount of taxes paid or accrued to a foreign country or possession of the United States) shall be allowed to the extent such deduction, exclusion, or credit is properly allocable to or chargeable against amounts excluded from gross income under subsection (a).

'(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations

providing rules-

(A) for cases where a husband and wife each have earned income from sources outside the United States, and

"(B) for married individuals filing separate returns.

"(e) ELECTION .-

"(1) In GENERAL.—An election under subsection (a) shall apply to the taxable year for which made and to all subsequent taxable years unless revoked under paragraph

"(2) REVOCATION.—A taxpayer may revoke an election made under paragraph (1) for any taxable year after the taxable year for which such election was made. Except with the consent of the Secretary, any taxpayer who makes such a revocation for any taxable year may not make another election under this section for any subsequent taxable year before the 6th taxable year after the taxable year for which such revocation was made.

"(f) Cross References .-

"For administrative and penal provisions relating to the exclusions provided for in this section, see sections 6001, 6011, 6012(c), and the other provisions of subtitle F.

(b) Conforming Amendments.

(1) The table of sections for subpart B of part III of subchapter N of chapter 1 is amended by striking out the item relating to section 911 and inserting in lieu thereof the following:

"Sec. 911. Citizens or residents of the United States living abroad.'

(2) Section 43(c)(1)(C)(i) is amended by striking out "relating to income earned by individuals in certain camps outside the United States" and inserting in lieu thereof "relating to citizens or residents of the United States living abroad".

(3) Sections 1302(b)(2)(A)(i), 1304(b)(1), 1402(a)(8), 6012(c), and 6091(b)(1)(B)(iii) are each amended by striking out "relating to income earned by employees in certain camps" and inserting in lieu thereof "relating to citizens or residents of the United

States living abroad"

37(e)(9)(B), 63(e)(2), (4) Sections 105(h)(3)(B)(v), 410(b)(3)(C), 879(a)(1), 1303(c)(2), and 1304(c)(3) are each amended by striking out "section 911(b)" each place it appears and inserting in lieu thereof "section 911(d)(2)

(5) Paragraph (11) of section 1402(a) is

amended to read as follows:

"(11) in the case of an individual described in section 911(d)(1)(B), the exclusion from gross income provided by section 911(a)(1) shall not apply; and"

SEC. 112. REPEAL OF DEDUCTION FOR CERTAIN EX-PENSES OF LIVING ABROAD.

(a) In General.-Section 913 (relating to deduction for certain expenses of living abroad) is hereby repealed.

(b) CONFORMING AMENDMENTS .-

(1) The table of sections for subpart B of part III of subchapter N of chapter 1 is amended by striking out the item relating to section 913.

(2) Section 62 (relating to definition of adjusted gross income) is amended by striking out paragraph (14) and redesignating paragraphs (15) and (16) as paragraphs (14) and (15), respectively.

(3) Subparagraph (C) of section 43(c)(1)

(relating to earned income) is amended—
(A) by striking out "913," in the caption thereof.

(B) by striking out clause (ii), and

(C) by redesignating clause (iii) as clause

(4) Subsection (k) of section 1034 (relating to rollover of gain on sale of principal residence) is amended by striking out "section 913(j)(1)(B)" and inserting in lieu thereof "section 911(d)(3)"

(5) Section 3401 (relating to the definition of wages) is amended by striking out para-graph (18) and redesignating paragraphs

(19) and (20) as paragraphs (18) and (19), respectively.

(6) Subparagraph (B) of section 6091(b)(1) (relating to place for filing returns and other documents) is amended by striking out "section 913 (relating to deduction for certain expenses of living abroad)"

SEC. 113. EMPLOYEES LIVING IN CAMPS.

Section 119 (relating to meals or lodging furnished for the convenience of the employer) is amended by adding at the end thereof the following new subsection:

"(c) EMPLOYEES LIVING IN CERTAIN CAMPS.

'(1) In general.-In the case of an individual who is furnished lodging in a camp located in a foreign country by or on behalf of his employer, such camp shall be considered to be part of the business premises of the employer.

"(2) CAMP.-For purposes of this section, a camp constitutes lodging which is-

"(A) provided by or on behalf of the employer for the convenience of the employer because the place at which such individual renders services is in a remote area where satisfactory housing is not available on the open market,

"(B) located, as near as practicable, in the vicinity of the place at which such individ-

ual renders services, and

"(C) furnished in a common area (or enclave) which is not available to the public and which normally accommodates 10 or more employees."

SEC. 114. REPORTS BY SECRETARY.

Section 208 of the Foreign Earned Income Act of 1978 is amended to read as follows: "SEC. 268, REPORTS BY SECRETARY.

"(a) GENERAL RULE.—As soon as practicable after the date of the enactment of the Economic Recovery Tax Act of 1981, and as soon as practicable after the close of each fourth calendar year thereafter, the Secretary of the Treasury shall transmit a report to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate on the operation and effects of sections 911 and 912 of the Internal Revenue Code of 1954.

"(b) Information From Federal Agen-cies.—Each agency of the Federal Governwhich pays allowances excludable from gross income under section 912 of such Code shall furnish to the Secretary of the Treasury such information as he determines to be necessary to carry out his responsibility under subsection (a).

SEC. 115. EFFECTIVE DATE.

The amendments made by this subtitle (other than section 114) shall apply with respect to taxable years beginning after December 31, 1981.

Subtitle C-Miscellaneous Provisions

SEC. 121. DEDUCTION FOR CHARITABLE CONTRIBU-TIONS TO BE ALLOWED FOR INDIVID-UALS WHO DO NOT ITEMIZE DEDUC-TIONS.

(a) In General.-Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsections (i) and (j) as subsections (j) and (k), respectively, and by inserting after subsection (h) the following new subsection:

"(i) Rule for Nonitemization of Deduc-TIONS

"(1) In general.—In the case of an individual who does not itemize his deductions for the taxable year, the applicable percentage of the amount allowable under subsection (a) for the taxable year shall be taken into account as a direct charitable deduction under section 63.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined under the following table:

"For taxable years beginning in—	The applicable percentage is—
1982, 1983 or 1984	25
1985	50
1986 or thereafter	100.

"(3) LIMITATION FOR TAXABLE YEARS BEGIN-NING BEFORE 1985.-In the case of a taxable year beginning before 1985, the portion of the amount allowable under subsection (a) to which the applicable percentage shall be applied-

"(A) shall not exceed \$100 for taxable years beginning in 1982 or 1983, and

"(B) shall not exceed \$300 for taxable years beginning in 1984.

In the case of a married individual filing a separate return, the limit under subparagraph (A) shall be \$50, and the limit under subparagraph (B) shall be \$150.

"(4) TERMINATION.—The provisions of this subsection shall not apply to contributions made after December 31, 1986."

(b) DEFINITION OF TAXABLE INCOME.-(1) In general.—Paragraph (1) of section 63(b) (relating to individuals) is amended-

(A) by striking out "and" at the end of subparagraph (A), and

(B) by inserting after subparagraph (B) the following new subparagraph:

"(C) the direct charitable deduction, and". (2) DIRECT CHARITABLE DEDUCTION DE-FINED.—Section 63 (defining taxable income)

is amended by adding at the end thereof the following new subsection:

(i) DIRECT CHARITABLE DEDUCTION.-For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(i)."

(c) Conforming Amendments.

(1) Paragraph (1) of section 57(b) (relating to adjusted itemized deductions) is amended by inserting "without regard to paragraph (3) thereof" after "section 63(f)".

(2) Subsection (f) of section 63 (relating to

itemized deductions) is amended-

(A) by striking out "and" at the end of paragraph (1),

(B) by striking out the period at the end of paragraph (2) and inserting in lieu there-of ", and", and f", and", and
(C) by adding at the end thereof the fol-

lowing new paragraph: '(3) the direct charitable deduction.'

(3) Subparagraph (A) of section 3(a)(4) (relating to imposition of tax table tax) is amended to read as follows:

"(A) reduced by the sum of-

"(i) the excess itemized deductions, and

"(ii) the direct charitable deduction, and". EFFECTIVE DATE.—The amendments (d) made by this section shall apply to contributions made after December 31, 1981, in taxable years beginning after such date.

SEC. 122. 18-MONTH PERIODS FOR ROLLOVER OF PRINCIPAL RESIDENCE INCREASED TO 2 YEARS.

(a) In General.-Section 1034 (relating to rollover of gain on sale of principal residence) is amended by striking out "18 months" each place it appears and inserting in lieu thereof "2 years". (b) Conforming Amendments.-

(1) Paragraph (4) of section 1034(c) is amended by striking out "18-month" and inserting in lieu thereof "2-year"

(2) Paragraph (5) of section 1034(c) is

hereby repealed.

(c) Effective Date.-The amendments made by this section shall apply to old residences (within the meaning of section 1034 of the Internal Revenue Code of 1954) sold or exchanged-

(1) after July 20, 1981, or (2) on or before such date, if the rollover period under such section (determined without regard to the amendments made by this section) expires on or after such date.

SEC. 123. ONE-TIME EXCLUSION OF GAIN IN-**CREASED TO \$125,00**

(a) In General.—Paragraph (1) of section 121(b) (relating to one-time exclusion of gain from sale of principal residence by individual who has attained age 55) is amended by striking out "\$100,000 (\$50,000" and inserting in lieu thereof "\$125,000 (\$62,500"

(b) EFFECTIVE DATE.-The amendment made by this section shall apply to resiexchanged dences sold or

July 20, 1981.

SEC. 124. INCREASES IN CREDIT ALLOWABLE FOR EXPENSES FOR HOUSEHOLD AND DE PENDENT CARE SERVICES NECES SARY FOR GAINFUL EMPLOYMENT. NECES.

(a) INCREASE IN PERCENTAGE OF EXPENSES ALLOWED AS CREDIT.-Subsection (a) of section 44A (relating to expenses for household and dependent care services necessary for gainful employment) is amended to read as

"(a) ALLOWANCE OF CREDIT.-

"(1) In GENERAL.—In the case of an individual who maintains a household which includes as a member one or more qualifying individuals (as defined in subsection (c)(1)), there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage of the employment-related expenses (as defined in subsection (c)(2)) paid by such individual during the the taxable year.

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'appli-cable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each \$2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds \$10,000."

(b) INCREASES IN DOLLAR LIMITS ON AMOUNT CREDITABLE.

(1) IN GENERAL.—Subsection (d) of section 44A (relating to dollar limit on amount creditable) is amended-

(A) by striking out "\$2,000" and inserting in lieu thereof "\$2,400", and

(B) by striking out "\$4,000" and inserting in lieu thereof "\$4,800".

(2) Conforming amendments.—Paragraph (2) of section 44A(e) (relating to earned income limitation) is amended-

(A) by striking out "\$166" and inserting in

lieu thereof "\$200", and
(B) by striking out "\$333" and inserting in lieu thereof "\$400".

(c) CREDIT ALLOWED FOR CERTAIN SERVICES OUTSIDE THE TAXPAYER'S HOUSEHOLD.—Subparagraph (B) of section 44A(c)(2) is amended to read as follows:

"(B) Exception.-Employment-related expenses described in subparagraph (A) which are incurred for services outside the taxpayer's household shall be taken into account only if incurred for the care of-

"(i) a qualifying individual described in

paragraph (1)(A), or

"(ii) a qualifying individual (not described paragraph (1)(A)) who regularly spends at least 8 hours each day in the taxpayer's household."

(d) DAY CARE CENTERS MUST MEET STATE LAW REQUIREMENTS.-Paragraph (2) of section 44A(c) (defining employment-related expenses) is amended by adding at the end thereof the following new subparagraphs:

"(C) DEPENDENT CARE CENTERS.-Employment-related expenses described in subparagraph (A) which are incurred for services provided outside the taxpayer's household by a dependent care center (as defined in subparagraph (D)) shall be taken into account only if-

"(i) such center complies with all applicable laws and regulations of a State or unit of

local government, and

"(ii) the requirements of subparagraph

(B) are met.

(D) DEPENDENT CARE CENTER DEFINED .- For purposes of this paragraph, the term 'dependent care center' means any facility

"(i) provides care for more than six individuals (other than individuals who reside

at the facility), and
"(ii) receives a fee, payment, or grant for providing services for any of the individuals (regardless of whether such facility is operated for profit).'

(e) Exclusion of Dependent Care Assist-ANCE FROM THE INCOME OF EMPLOYEES

(1) IN GENERAL.—Part III of subchapter B of chapter 1 (as amended by section 301) is amended by redesignating section 129 section 130 and inserting after section 128 the following new section:

"SEC. 129. DEPENDENT CARE ASSISTANCE PRO-GRAMS.

"(a) In GENERAL.-Gross income of an employee does not include amounts paid or incurred by the employer for dependent care assistance provided to such employee if the assistance is furnished pursuant to a program which is described in subsection (d).

(b) EARNED INCOME LIMITATION.

"(1) In GENERAL.—The amount excluded from the income of an employee under subsection (a) for any taxable year shall not exceed-

'(A) in the case of an employee who is not married at the close of such taxable year, the earned income of such employee for

such taxable year, or

"(B) in the case of an employee who is married at the close of such taxable year, the lesser of-

"(i) the earned income of such employee for such taxable year, or "(ii) the earned income of the spouse of

such employee for such taxable year.

"(2) SPECIAL RULE FOR CERTAIN SPOUSES. For purposes of paragraph (1), the provisions of section 44A(e)(2) shall apply in determining the earned income of a spouse who is a student or incapable of caring for

"(c) PAYMENTS TO RELATED INDIVIDUALS.— No amount paid or incurred during the taxable year of an employee by an employer in providing dependent care assistance to such employee shall be excluded under subsection (a) if such amount was paid or incurred to an individual-

(1) with respect to whom, for such taxable year, a deduction is allowable under section 151(e) (relating to personal exemptions for dependents) to such employee or

the spouse of such employee, or

"(2) who is a child of such employee (within the meaning of section 151(e)(3)) under the age of 19 at the close of such taxable year.

"(d) DEPENDENT CARE ASSISTANCE PRO-GRAM.

"(1) In general.-For purposes of this section a dependent care assistance program is a separate written plan of an employer for the exclusive benefit of his employees to provide such employees with dependent care assistance which meets the requirements of paragraphs (2) through (6) of this subsection.

"(2) ELIGIBILITY.—The program shall benefit employees who qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of employees who are officers, owners, or highly compensated, or their dependents. For purposes of this paragraph, there shall be excluded from consideration employees not included in the program who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and one or more employers, if there is evidence that dependent care benefits were the subject of good faith bargaining between such employee representatives and such employer or employers.

"(3) PRINCIPAL SHAREHOLDERS OR OWNERS. Not more than 25 percent of the amounts paid or incurred by the employer for dependent care assistance during the year may be provided for the class of individuals who are shareholders or owners (or their spouses or dependents), each of whom (on any day of the year) owns more than 5 percent of the stock or of the capital or profits interest

in the employer.

'(4) No funding required.-A program referred to in the paragraph (1) is not required to be funded.

"(5) NOTIFICATION OF ELIGIBLE EMPLOY--Reasonable notification of the availability and terms of the program shall be provided to eligible employees.

"(6) STATEMENT OF EXPENSES.-The plan shall furnish to an employee, on or before January 31, a written statement showing the amounts paid or expenses incurred by the employer in providing dependent care assistance to such employee during the previous calendar year.

"(e) DEFINITIONS AND SPECIAL RULES.—FOR

purposes of this section-

"(1) DEPENDENT CARE ASSISTANCE.-The term 'dependent care assistance' means the payment of, or provision of, those services which if paid for by the employee would be considered employment-related expenses under section 44A(c)(2) (relating to expenses for household and dependent care services necessary for gainful employment).

"(2) EARNED INCOME.—The term 'earned income' shall have the meaning given such term in section 43(c)(2), but such term shall not include any amounts paid or incurred by an employer for dependent care assistance

to an employee.

'(3) EMPLOYEE.-The term 'employee' includes, for any year, an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).

"(4) EMPLOYER.—An individual who owns the entire interest in an unincorporated trade or business shall be treated as his own employer. A partnership shall be treated as the employer of each partner who is an employee within the meaning of paragraph (3).

(5) ATTRIBUTION RULES.

"(A) OWNERSHIP OF STOCK.—Ownership of stock in a corporation shall be determined in accordance with the rules provided under subsections (d) and (e) of section 1563 (without regard to section 1563(e)(3)(C)).

"(B) INTEREST IN UNINCORPORATED TRADE OR BUSINESS.—The interest of an employee in a trade or business which is not incorporated shall be determined in accordance with regulations prescribed by the Secretary, which shall be based on principles similar to the principles which apply in the case of subparagraph (A).

(6) UTILIZATION TEST NOT APPLICABLE.dependent care assistance program shall not be held or considered to fail to meet any requirements of subsection (d) merely because of utilization rates for the different types of assistance made available under the pro-

gram.

- "(7) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION .- No deduction or credit shall be allowed under any other section of this chapter for any amount excluded from income by reason of this section.
 - (2) EXCLUSION FROM WAGES .-
- (A) EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX.—Subtitle C is amended striking out "section 127" in section in section 3121(a)(18) (relating to the Federal Insurance Contributions Act), section 3306(b)(13) (relating to the Federal Unemployment Tax Act), and section 3401(a)(19) (relating to collection of income at source on wages) and inserting in lieu thereof "section 127 or
- (B) Social Security Act.—Subsection (q) of section 209 of the Social Security Act (defining wages) is amended by striking out "section 127" and inserting in lieu thereof "section 127 or 129"

(f) EFFECTIVE DATE.

- (1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1981.
- (2) The amendments made by subsection (e)(2) shall apply to remuneration paid after December 31, 1981.
- SEC. 125. DEDUCTION FOR ADOPTION EXPENSES PAID BY AN INDIVIDUAL.
- (a) In GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals), as amended by section 103, is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section: "SEC. 222. ADOPTION EXPENSES.
- "(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

(b) LIMITATIONS.

"(1) MAXIMUM DOLLAR AMOUNT.-The aggregate amount of adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed \$1,500.

"(2) DENIAL OF DOUBLE BENEFIT .-

- "(A) In general.-No deduction shall be allowable under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.
- '(B) GRANTS .- No deduction shall be allowable under subsection (a) for any expenses paid from any funds received under any Federal, State, or local program.

(c) Definitions.—For purposes of this

section-

"(1) QUALIFIED ADOPTION EXPENSES .- The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other ex-

penses which are directly related to the legal adoption of a child with special needs by the taxpayer and which are not incurred in violation of State or Federal law.

"(2) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means a child with respect to whom adoption assistance payments are made under section 473 of the Social Security Act.'

(b) Conforming Amendment.—The table of sections for such part VII is amended by striking out the item relating to section 222 and inserting in lieu thereof the following:

"Sec. 222. Adoption expenses. "Sec. 223. Cross references."

(c) Effective Date.-The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

SEC. 126. MAXIMUM RATE OF IMPUTED INTEREST FOR SALE OF LAND BETWEEN RELAT-ED PERSONS.

(a) GENERAL RULE.—Section 483 (relating to interest on certain deferred payments) is amended by adding at the end thereof the following new subsection:

"(g) MAXIMUM RATE OF INTEREST ON CER-TAIN TRANSFERS OF LAND BETWEEN RELATED

PARTIES.

'(1) In general .- In the case of any qualified sale, the maximum interest rate used in determining the total unstated interest rate under the regulations under subsection (b) shall not exceed 7 percent, compounded semiannually.

(2) QUALIFIED SALE.—For purposes of this subsection, the term 'qualified sale' means any sale or exchange of land by an individual to a member of such individual's family (within the meaning of section (267(c)(4)).

"(3) \$500,000 LIMITATION.—Paragraph (1) shall not apply to any qualified sale between individuals made during any calendar year to the extent that the sales price for such sale (when added to the aggregate sales price for prior qualified sales between such individuals during the calendar year) exceeds \$500,000.

"(4) NONRESIDENT ALIEN INDIVIDUALS. This section shall not apply to any sale or exchange if any party to such sale or exchange is a nonresident alien individual."

(b) Effective Date.-The amendment made by subsection (a) shall apply to payments made after June 30, 1981, pursuant to sales or exchanges after such date.

SEC. 127. STATE LEGISLATORS TRAVEL EXPENSES

AWAY FROM HOME.

(a) In GENERAL.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) STATE LEGISLATORS' TRAVEL EXPENSES

AWAY FROM HOME .-

"(1) In general.-For purposes of subsection (a), in the case of any individual who is a State legislator at any time during the taxable year and who makes an election under this subsection for the taxable year-

"(A) the place of residence of such individual within the legislative district which he

represented shall be considered his home,
"(B) he shall be deemed to have expended for living expenses (in connection with his trade or business as a legislator) an amount to the sum of the amounts deter mined by multiplying each legislative day of such individual during the taxable year by the greater of-

"(i) the amount generally allowable with respect to such day to employees of the State of which he is a legislator for per diem while away from home, to the extent such

amount does not exceed 110 percent of the amount described in clause (ii) with respect to such day, or

(ii) the amount generally allowable with respect to such day to employees of the executive branch of the Federal Government for per diem while away from home but serving in the United States, and

"(C) he shall be deemed to be away from home in the pursuit of a trade or business

on each legislative day.

"(2) LEGISLATIVE DAYS.—For purposes of paragraph (1), a legislative day during any taxable year for any individual shall be any day during such year on which-

(A) the legislature was in session (including any day in which the legislature was not in session for a period of 4 consecutive days

"(B) the legislature was not in session but the physical presence of the individual was formally recorded at a meeting of a committee of such legislature.

"(3) ELECTION.—An election under this subsection for any taxable year shall be made at such time and in such manner as the Secretary shall by regulations prescribe.

- (4) SECTION NOT TO APPLY TO LEGISLATORS WHO RESIDE NEAR CAPITOL.-For taxable years beginning after December 31, 1980, this subsection shall not apply to any legislator whose place of residence within the legislative district which he represents is 50 or fewer miles from the capitol building of the State
- (b) The amendment made by subsection (a) shall apply to taxable years beginning on or after January 1, 1976.

SEC. 128. RATES OF TAX FOR PRINCIPAL CAMPAIGN COMMITTEES.

- (a) In General.-Section 527 (relating to political organizations) is amended by adding at the end thereof the following new subsection:
- "(h) SPECIAL RULE FOR PRINCIPAL CAM-PAIGN COMMITTEES,-
- "(1) In general.—In the case of a political organization which is a principal campaign committee, paragraph (1) of subsection (b) shall be applied by substituting 'the appropriate rates' for 'the highest rate'.
- (2) PRINCIPAL CAMPAIGN COMMITTEE DE-

FINED.

- "(A) In general.-For purposes of this subsection, the term 'principal campaign committee' means the political committee designated by a candidate for Congress as his principal campaign committee for purposes of-
- "(i) section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)), and

"(ii) this subsection.

- "(B) DESIGNATION.-A candidate may have only 1 designation in effect under subparagraph (A)(ii) at any time and such designa-
- "(i) shall be made at such time and in such manner as the Secretary may prescribe by regulations, and

'(ii) once made, may be revoked only with

the consent of the Secretary.".

EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

TITLE II-BUSINESS INCENTIVE PROVISIONS

Subtitle A-Cost Recovery Provisions SEC. 201. ACCELERATED COST RECOVERY SYSTEM.

(a) In GENERAL.-Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

"SEC. 168. ACCELERATED COST RECOVERY SYSTEM.

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction for any taxable year the amount determined under this section with respect to recovery property.

"(b) AMOUNT OF DEDUCTION.-

"(1) IN GENERAL.—Except as otherwise provided in this section, the amount of the deduction allowable by subsection (a) for any taxable year shall be the aggregate amount determined by applying to the unadjusted basis of recovery property the applicable percentage determined in accordance with the following tables:

"(A) For Property placed in service after DECEMBER 31, 1980, AND BEFORE JANUARY 1, 1985.—

"(B) FOR PROPERTY PLACED IN SERVICE IN 1985.—

	The applicable percentage for the class of property is:			
"If the recovery year is:	3-year	5-year	10- year	15-year public utility
0	29 47 24	18 33 25 16 8	9 19 16 16 14 12 10 8 6 6 4 2	6 12 12 11 10 9 8 7 6 5 4 4 4 3 2

"(C) FOR PROPERTY PLACED IN SERVICE AFTER DECEMBER 31, 1985.—

	The applicable percentage for the class of property is:			
"If the recovery year is:	3-year	5-year	10- year	15-year public utility
6	33 45 22	20 32 24 16 8	10 18 16 14 12 10 8 6 4	7 12 12 11 10 9 8 7 6 5
2 3 4			•••••••	3 3 2

"(2) 15-YEAR REAL PROPERTY .-

"(A) In general.—In the case of 15-year real property, the applicable percentage

shall be determined in accordance with a table prescribed by the Secretary. In prescribing such table, the Secretary shall—

"(i) assign to the property a 15-year recovery period, and

"(ii) assign percentages generally determined in accordance with use of the 175 percent declining balance method (200 percent declining balance method in the case of low-income housing), switching to the method described in section 167(b)(1) at a time to maximize the deduction allowable under subsection (a).

For purposes of this subparagraph, the applicable percentage in the taxable year in which the property is placed in service shall be determined on the basis of the number of months in such year during which the property was in service. For purposes of this subparagraph, the term 'low-income housing' means property described in clause (i), (ii), (iii), or (iy) of section 1250(a)(1)(B).

"(B) SPECIAL RULE FOR YEAR OF DISPOSI-TION.—In the case of a disposition of 15-year real property, the deduction allowable under subsection (a) for the taxable year in which the disposition occurs shall reflect only the months during such year the property was in service.

"(3) ELECTION OF DIFFERENT RECOVERY PER-CENTAGE.—

"(A) In general.—Except as provided in subsection (f)(2), in lieu of any applicable percentage under paragraphs (1) and (2), the taxpayer may elect, with respect to one or more classes of recovery property placed in service during the taxable year, the applicable percentage determined by use of the straight line method over the recovery period elected by the taxpayer in accordance with the following table:

"(B) OPERATING RULES.—

"(i) In general.—Except as provided in clause (ii), the taxpayer may elect under subparagraph (A) only a single percentage for property in any class of recovery property placed in service during the taxable year. The percentage so elected shall apply to all property in such class placed in service during such taxable year and shall apply throughout the recovery period elected for such property.

"(ii) REAL PROPERTY.—In the case of 15year real property the taxpayer shall make the election under subparagraph (A) on a

property-by-property basis.

"(iii) Convention.—Under regulations prescribed by the Secretary, the half-year convention shall apply to any election with respect to any recovery property (other than 15-year real property) with respect to which an election is made under this paragraph.

"(c) RECOVERY PROPERTY.—For purposes of this fitle—

"(1) RECOVERY PROPERTY DEFINED.—Except as provided in subsection (e), the term 'recovery property' means tangible property of a character subject to the allowance for depreciation—

"(A) used in a trade or business, or

"(B) held for the production of income.

"(2) Classes of recovery property.—Each item of recovery property shall be assigned to one of the following classes of property:

"(A) 3-YEAR PROPERTY.—The term '3-year property' means section 1245 class property—

"(i) with a present class life of 4 years or less; or

"(ii) used in connection with research and experimentation.

"(B) 5-YEAR PROPERTY.—The term '5-year property' means recovery property which is section 1245 class property and which is not 3-year property, 10-year property, or 15-year public utility property.

"(C) 10-YEAR PROPERTY.—The term '10-year property' means—

"(i) public utility property (other than section 1250 class property or 3-year property) with a present class life of more than 18 years but not more than 25 years; and

"(ii) section 1250 class property with a present class life of 12.5 years or less.

"(D) 15-YEAR REAL PROPERTY.—The term '15-year real property' means section 1250 class property which does not have a present class life of 12.5 years or less.

"(E) 15-YEAR PUBLIC UTILITY PROPERTY.— The term '15-year public utility property' means public utility property (other than section 1250 class property or 3-year property) with a present class life of more than 25 years.

"(d) Unadjusted Basis; Adjustments.-

"(1) UNADJUSTED BASIS DEFINED.—

"(A) In general.—For purposes of this section, the term 'unadjusted basis' means the excess of—

"(i) the basis of the property determined under part II of subchapter O of chapter 1 for purposes of determining gain (determined without regard to the adjustments described in paragraph (2) or (3) of section 1016(a)), over

"(ii) the sum of-

"(I) that portion of the basis for which the taxpayer properly elects amortization (including the deduction allowed under section 167(k)) in lieu of depreciation, and

"(II) that portion of the basis which the taxpayer properly elects to treat as an expense under section 179.

"(B) Time for taking basis into account.-

"(i) IN GENERAL.—The unadjusted basis of property shall be first taken into account under subsection (b) for the taxable year in which the property is placed in service.

"(ii) REDETERMINATIONS.—The Secretary shall by regulation provide for the method of determining the deduction allowable under subsection (a) for any taxable year (and succeeding taxable years) in which the basis is redetermined (including any reduction under section 1017).

"(2) DISPOSITIONS.-

"(A) Mass asset accounts.—In lieu of recognizing gain or loss under this chapter, a taxpayer who maintains one or more mass asset accounts of recovery property may, under regulations prescribed by the Secretary, elect to include in income all proceeds realized on the disposition of such property.

"(B) ADJUSTMENT TO BASIS.—Except as provided under regulations prescribed by the Secretary under subsection (f)(7), if any recovery property (other than 15-year real property or property with respect to which an election under subparagraph (A) is made) is disposed of, the unadjusted basis of such property shall cease to be taken into account in determining any recovery deduction allowable under subsection (a) as of the

beginning of the taxable year in which such disposition occurs.

"(C) DISPOSITION INCLIDES PETIPEMENT -For purposes of this subparagraph, the term 'disposition' includes retirement.

"(e) PROPERTY EXCLUDED FROM APPLICA-TION OF SECTION.-For purposes of this sec-

"(1) PROPERTY PLACED IN SERVICE BEFORE JANUARY 1, 1981.-The term 'recovery property' does not include property placed in service by the taxpayer before January 1,

"(2) CERTAIN METHODS OF DEPRECIATION .-The term 'recovery property' does not include property if-

"(A) the taxpayer elects to exclude such property from the application of this section, and

"(B) for the first taxable year for which a deduction would (but for this election) be allowable under this section with respect to such property in the hands of the taxpayer, the property is properly depreciated under the unit-of-production method or any method of depreciation not expressed in a term of years (other than the retirement-replacement-betterment method).

"(3) SPECIAL RULE FOR CERTAIN PUBLIC UTIL-

ITY PROPERTY.

"(A) In GENERAL.-The term property' does not include public utility property (within the meaning of section 167(1)(3)(A)) if the taxpayer does not use a normalization method of accounting.

"(B) USE OF NORMALIZATION METHOD DE-FINED.-For purposes of subparagraph (A), in order to use a normalization method of accounting with respect to any public utility

"(i) the taxpayer must, in computing its tax expense for purposes of establishing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, use a method of depreciation with respect to such property that is the same as, and a depreciation period for such property that is no shorter than, the method and period used to compute its depreciation expense for such purposes; and

(ii) if the amount allowable as a deduction under this section with respect to such property differs from the amount that would be allowable as a deduction under section 167 (determined without regard to section 167(1)) using the method (including the period, first and last year convention, and salvage value) used to compute regulated tax expense under subparagraph (B)(i), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such difference.

(C) PUBLIC UTILITY PROPERTY WHICH IS NOT RECOVERY PROPERTY .- In the case of public utility property which, by reason of this paragraph, is not treated as recovery property, the allowance for depreciation under section 167(a) shall be an amount computed using the method and period referred to in subparagraph (B)(i).

"(4) CERTAIN TRANSACTIONS IN PROPERTY PLACED IN SERVICE BEFORE 1986 .-

(A) SECTION 1245 CLASS PROPERTY.-The term 'recovery property' does not include section 1245 class property acquired by the taxpayer after December 31, 1980, if-

"(i) the property was owned or used at any time during 1980 by the taxpayer or a

related person,

"(ii) the property is acquired from a person who owned such property at any time during 1980, and, as part of the transaction, the user of such property does not change.

"(iii) the taxpayer leases such property to a person (or a person related to such person) who owned or used such property at any time during 1980, or

(iv) the property is acquired in a transaction as part of which the user of such property does not change and the property is not recovery property in the hands of the person from which the property is so ac-

quired by reason of clause (ii) or (iii).

For purposes of this subparagraph and subparagraph (B), property shall not be treated as owned before it is placed in service. For purposes of this subparagraph, whether the user of property changes as part of a transaction shall be determined in accordance with regulations prescribed by the Secre-

"(B) SECTION 1250 CLASS PROPERTY.—The term 'recovery property' does not include section 1250 class property acquired by the taxpayer after December 31, 1980, if-

(i) such property was owned by the taxpayer or by a related person at any time during 1980:

"(ii) the taxpayer leases such property to a person (or a person related to such person) who owned such property at any time during 1980; or

'(iii) such property is acquired in an exchange described in section 1031, 1033, 1038, or 1039 to the extent that the basis of such property includes an amount representing the adjusted basis of other property owned by the taxpayer or a related person during

"(C) CERTAIN NONRECOGNITION TRANSAC-TIONS.-The term 'recovery property' does not include property placed in service by the transferor or distributor before January 1. 1981, which is acquired by the taxpayer after December 31, 1980, in a transaction described in section 332, 351, 361, 371(a), 374(a), 721, or 731 (or such property acquired from the transferee or acquiring corporation in a transaction described in such section), to the extent that the basis of the property is determined by reference to the basis of the property in the hands of the transferor or distributor. In the case of property to which this subparagraph applies, rules similar to the rules described in section 381(c)(6) shall apply.

(D) RELATED PERSON DEFINED.—Except as provided in subparagraph (E), for purposes of this paragraph a person (hereinafter referred to as the related person) is related to any person if-

"(i) the related person bears a relationship to such person specified in section 267(b) or

section 707(b)(1), or

"(ii) the related person and such person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52).

For purposes of clause (i), in applying section 267(b) and section 707(b)(1) '10 percent' shall be substituted for '50 percent'. The determination of whether a person is related to another person shall be made as of the time the taxpayer acquires the property involved.

"(E) LIQUIDATION OF SUBSIDIARY, ETC.-For purposes of this paragraph, a corporation is not a related person to the taxpayer

"(i) if such corporation is a distributing corporation in a transaction to which section 334(b)(2)(B) applies and the stock of such corporation referred to in such subparagraph (B) was acquired by the taxpayer by purchase after December 31, 1980, or

(ii) if such corporation is liquidated in a liquidation to which section 331(a) applies

and the taxpayer (or a related person) by himself or together with 1 or more other persons acquires the stock of the liquidated corporation by purchase (meeting the reguirements of section 334(b)(2)(B)) after December 31, 1980.

'(F) ANTIAVOIDANCE RULE.-The term 'recovery property' does not include property acquired by the taxpayer after December 31, 1980, which, under regulations prescribed by the Secretary, is acquired in a transaction one of the principal purposes of which is to avoid the principles of paragraph (1) and this paragraph.

(G) REDUCTION IN UNADJUSTED BASIS.-In the case of an acquisition of property described in subparagraph (B) or (C), the unadjusted basis of the property under subsection (d) shall be reduced to the extent that such property acquired is not recovery prop-

"(H) SPECIAL RULES FOR PROPERTY PLACED IN SERVICE BEFORE CERTAIN PERCENTAGES TAKE EFFECT.—Under regulations prescribed by

the Secretary.

"(i) rules similar to the rules of this paragraph shall be applied in determining whether the tables contained in subparagraph (B) or (C) of subsection (b)(1) apply with respect to recovery property, and

"(ii) if the tables contained in subparagraph (B) or (C) of subsection (b)(1) do not apply to such property by reason of clause (i), the deduction allowable under subsection (a) shall be computed-

"(I) In the case of a transaction described in subparagraph (C), under rules similar to the rules described in section 381(c)(6); and

"(II) in the case of a transaction otherwise described in this paragraph, under the recovery period and method (including rates prescribed under subsection (b)(1)) used by the person from whom the taxpayer acquired such property (or, where such person had no recovery method and period for such property, under the recovery period and method (including rates prescribed under subsection (b)(1)) used by the person which transferred such property to such person).

"(f) SPECIAL RULES FOR APPLICATION OF THIS SECTION.-For purposes of this section-

"(1) COMPONENTS OF SECTION 1250 CLASS PROPERTY.

"(A) In general.—Except as otherwise provided in this paragraph-

"(i) the deduction allowable under subsection (a) with respect to any component (which is section 1250 class property) of a building shall be computed in the same manner as the deduction allowable with respect to such building, and

"(ii) the recovery period for such component shall begin on the later of-

"(I) the date such component is placed in service, or

'(II) the date on which the building is placed in service.

"(B) TRANSITIONAL RULE.-In the case of any building placed in service by the taxpayer before January 1, 1981, for purposes of applying subparagraph (A) to components of such buildings placed in service after December 31, 1980, the deduction allowable under subsection (a) with respect to such components shall be computed in the same manner as the deduction allowable with respect to the first such component placed in service after December 31, 1980. For purposes of the preceding sentence, the method of computing the deduction allow-able with respect to such first component shall be determined as if it were a separate building.

"(C) EXCEPTION FOR SUBSTANTIAL IMPROVE-

"(i) In general.-For purposes of this paragraph, a substantial improvement shall be treated as a separate building.

"(ii) SUBSTANTIAL IMPROVEMENT.-For purposes of clause (i), the term 'substantial improvement' means the improvements added to capital account with respect to any building during any 24-month period, but only if the sum of the amounts added to such account during such period equals or exceeds 25 percent of the adjusted basis of the building (determined without regard to the adjustments provided in paragraphs (2) and (3) of section 1016(a)) as of the first day of such period.

"(iii) IMPROVEMENTS MUST BE MADE AFTER BUILDING IN SERVICE FOR 3 YEARS.-For purposes of this paragraph, the term 'substantial improvement' shall not include any improvement made before the date 3 years after the building was placed in service.

(2) RECOVERY PROPERTY USED PREDOMI-NANTLY OUTSIDE THE UNITED STATES.

"(A) In general.—Except as provided in subparagraphs (B) and (C), in the case of recovery property which, during the taxable year, is used predominantly outside the United States, the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under tables prescribed by the Secretary. For purposes of the preceding sentence, in prescribing such tables, the Secretary shall-

'(i) assign the property described in this subparagraph to classes in accordance with the present class life (or 12 years in the case of personal property with no present class

life) of such property; and

"(ii) assign percentages (taking into account the half-year convention) determined in accordance with use of the method of depreciation described in section 167(b)(2), switching to the method described in section 167(b)(1) at a time to maximize the deduction allowable under subsection (a).

"(B) REAL PROPERTY.

"(i) In general.-Except as provided in subparagraph (C), in the case of 15-year real property which, during the taxable year, is predominantly used outside the United States, the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under tables prescribed by the Secretary. For purposes of the preceding sentence in prescribing such tables, the Secretary shall-

"(I) assign to the property described in this subparagraph a 35-year recovery

period; and

'(II) assign percentages (taking into account the last sentence of subsection (b)(2)(A)) determined in accordance with use of the method of depreciation described in section 167(j)(1)(B), switching to the method described in section 167(b)(1) at a time to maximize the deduction allowable under subsection (a).

"(ii) SPECIAL RULE FOR DISPOSITION.—In the case of a disposition of 15-year real property described in clause (i), subsection (b)(2)(B) shall apply.

"(C) ELECTION OF DIFFERENT RECOVERY PER-CENTAGE.

"(i) GENERAL RULE.—The taxpayer may elect, with respect to one or more classes of recovery property described in this paragraph, to determine the applicable percentage under this paragraph by use of the straight-line method over the recovery period determined in accordance with the following table:

The taxpayer may elect a recovery period of:
The present class life, 5 or 12 years.
The present class life, 12 or 25 years.
The present class life, 25 or 35 years.
5 or 45 years.
The present class life, 35 or 45 years.
life, 5 or 12 The present c life, 12 or 25 The present c life, 25 or 35 5 or 45 years The present c

"(ii) OPERATING RULES .-

"(I) PERIOD ELECTED BY TAXPAYER.—Except as provided in subclause (II), the taxpayer may elect under clause (i) for any taxable year only a single recovery period for recovery property described in this paragraph which is placed in service during such taxable year, which has the same present class life, and which is in the same class under subsection (c)(2). The period so elected shall not be shorter than such present class life.

"(II) REAL PROPERTY.-In the case of 15year real property, the election under clause (i) shall be made on a property-by-property

"(D) DETERMINATION OF PROPERTY USED PREDOMINANTLY OUTSIDE THE STATES.—For purposes of this paragraph, under regulations prescribed by the Secretary, rules similar to the rules under section 48(a)(2) (including the exceptions under subparagraph (B)) shall be applied in determining whether property is used predominantly outside the United States.

(E) Convention.-Under regulations prescribed by the Secretary, the half-year convention shall apply for purposes of any determination under subparagraph (C) (other than any determination with respect to 15-

year real property).

(3) RRB REPLACEMENT PROPERTY.

(A) In general .- In the case of RRB replacement property placed in service before January 1, 1985, the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under tables prescribed by the Secretary. For purposes of the preceding sentence, in prescribing such

tables, the Secretary shall—
"(i) use the recovery period determined in accordance with the following table:

"If the year property is placed in service is:	The recovery period is:
1981	1
1982	2
1983	3
1984	4

"(ii) assign percentages determined in accordance with use of the method of depreciation described in section 167(b)(2), switching to the method described in section 167(b)(3) at a time to maximize the deduction allowable under subsection (a) (taking into account the half-year conven-

"(B) RRB REPLACEMENT PROPERTY DE-FINED.—For purposes of this section, the term 'RRB replacement property' means replacement track material (including rail, ties, other track material, and ballast) installed by a railroad (including a railroad switching or terminal company) if-

'(i) the replacement is made pursuant to a

scheduled program for replacement,

'(ii) the replacement is made pursuant to observations by maintenance-of-way personnel or specific track material needing replacement,

"(iii) the replacement is made pursuant to the detection by a rail-test car of specific track material needing replacement, or

"(iv) the replacement is made as a result

Replacements made as a result of a casualty shall be RRB replacement property only to the extent that, in the case of each casualty, the replacement cost with respect to the replacement track material exceeds \$50,000.

"(4) MANNER AND TIME FOR MAKING ELEC-TIONS.

"(A) In general.—Any election under this section shall be made for the taxable year in which the property is placed in service.

'(B) Made on return.-Any election under this section shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year concerned.

"(C) REVOCATION ONLY WITH CONSENT .-Any election under this section, once made, may be revoked only with the consent of

the Secretary.

"(5) SHORT TAXABLE YEARS.—In the case of a taxable year that is less than 12 months, the amount of the deduction under this section shall be an amount which bears the same relationship to the amount of the de-duction, determined without regard to this paragraph, as the number of months in the short taxable year bears to 12. In such case, the amount of the deduction for subsequent taxable years shall be appropriately adjusted in accordance with regulations prescribed by the Secretary. The determination of when a taxable year begins shall be made in accordance with regulations prescribed by the Secretary. This paragraph shall not apply to any deduction with respect to any property for the first taxable year of the lessor for which an election under paragraph (8) is in effect with respect to such property.

"(6) LEASEHOLD IMPROVEMENTS.-For purposes of determining whether a leasehold improvement which is recovery property shall be amortized over the term of the lease, the recovery period (taking into account any election under paragraph (2)(C) of this subsection or under subsection (b)(3) with respect to such property) of such property shall be taken into account in lieu of its

useful life.

"(7) SPECIAL RULE FOR ACQUISITIONS AND DISPOSITIONS IN NONRECOGNITION TRANSAC-TIONS.-Notwithstanding any other provision of this section, the deduction allowed under this section in the taxable year in which recovery property is acquired or is disposed of in a transaction in which gain or loss is not recognized in whole or in part shall be determined in accordance with regulations prescribed by the Secretary.

"(8) SPECIAL RULE FOR LEASES.

"(A) In general.-In the case of an agreement with respect to qualified leased property, if all of the parties to the agreement characterize such agreement as a lease and elect to have the provisions of this para-graph apply with respect to such agreement, and if the requirements of subparagraph (B) are met, then, for purposes of this subtitle.

"(i) such agreement shall be treated as a lease entered into by the parties (and any party which is a corporation described in subparagraph (B)(i)(I) shall be deemed to have entered into the lease in the course of carrying on a trade or business), and

"(ii) the lessor shall be treated as the owner of the property and the lessee shall

be treated as the lessee of the property.

"(B) Certain requirements must be met.—The requirements of this subparagraph are met if-

(i) the lessor is-

"(I) a corporation (other than an electing business corporation (within the meaning of section 1371(b)) or a personal holding company (within the meaning of section 542(a))).

"(II) a partnership all of the partners of which are corporations described in sub-

clause (I), or

"(III) a grantor trust with respect to which the grantor and all beneficiaries of the trust are described in subclause (I) or

"(ii) the minimum investment of the

lessor—
"(I) at the time the property is first placed in service under the lease, and

"(II) at all times during the term of the

is not less than 10 percent of the adjusted

basis of such property, and "(iii) the term of the lease (including any

extensions) does not exceed the greater of—
"(I) 90 percent of the useful life of such property for purposes of section 167, or

"(II) 150 percent of the present class life

of such property.

"(C) No other factors taken into account.—If the requirements of subparagraphs (A) and (B) are met with respect to any transaction described in subparagraph (A), no other factors shall be taken into account in making a determination as to whether subparagraph (A) (i) or (ii) applies with respect to such transaction.

"(D) QUALIFIED LEASED PROPERTY DE-FINED.—For purposes of subparagraph (A), the term 'qualified leased property' means recovery property (other than a qualified rehabilitated building within the meaning

of section 48(g)(1)) which is-

"(i) new section 38 property (as defined in section 48(b)) of the lessor which is leased within 3 months after such property was placed in service and which, if acquired by the lessee, would have been new section 38 property of the lessee,

"(ii) property

"(I) which was new section 38 property of the lessee.

"(II) which was leased within 3 months after such property was placed in service by the lessee, and
"(III) with respect to which the adjusted

basis of the lessor does not exceed the adjusted basis of the lessee at the time of the lease, or

"(iii) property which is a qualified mass commuting vehicle (as defined in section 103(b)(9)) and which is financed in whole or in part by obligations the interest on which excludable from income under section 103(a).

For purposes of this title (other than this subparagraph), any property described in clause (i) or (ii) to which subparagraph (A) applies shall be deemed originally placed in service not earlier than the date such property is used under the lease. In the case of

property placed in service after December 31, 1980, and before the date of the enactment of this subparagraph, this subparagraph shall be applied by submitting 'the date of the enactment of this subparagraph' for 'such property was placed in service'.

(E) MINIMUM INVESTMENT -

"(i) In general.-For purposes of subparagraph (A), the term 'minimum investment' means the amount the lessor has at risk with respect to the property (other than financing from the lessee or a related party of the lessee).

"(ii) SPECIAL RULE FOR PURCHASE REQUIRE-MENT.-For purposes of clause (i), an agreement between the lessor and lessee requiring either or both parties to purchase or sell the qualified leased property at some price (whether or not fixed in the agreement) at the end of the lease term shall not affect the amount the lessor is treated as having at risk with respect to the property.

"(F) CHARACTERIZATION BY PARTIES.-For purposes of this paragraph, any determination as to whether a person is a lessor or lessee or property is leased shall be made on the basis of the characterization of such person or property under the agreement de-

scribed in subparagraph (A).

"(G) REGULATIONS.-The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph, including (but not limited to) regulations consistent with such purposes which limit the aggregate amount of (and timing of) deductions and credits in respect of qualified leased property to the aggregate amount (and the timing) allowable without regard to this paragraph.

(H) CROSS REFERENCE.

"For special recapture in cases where lessee ac-

quires qualified leased property, see section 1245.

"(9) SALVAGE VALUE.—No salvage value shall be taken into account in determining the deduction allowable under subsection

"(10) TRANSFEREE BOUND BY TRANSFEROR'S PERIOD AND METHOD IN CERTAIN CASES

"(A) In general.-In the case of recovery property transferred in a transaction de scribed in subparagraph (B), the transferee shall be treated as the transferor for purposes of computing the deduction allowable under subsection (a) with respect to so much of the basis in the hands of the transferee as does not exceed the adjusted basis in the hands of the transferor.

"(B) Transfers covered.-The transactions described in this subparagraph are

"(i) a transaction described in section 332 (other than a transaction with respect to which the basis is determined under section 334(b)(2)), 351, 361, 371(a), 374(a), 721, or

"(ii) an acquisition (other than described in clause (i)) from a related person (as defined in subparagraph (D) of subsection (e)(4)); and

"(iii) an acquisition followed by a leaseback to the person from whom the property is acquired.

"(C) PROPERTY REACQUIRED BY THE TAXPAY-ER.-Under regulations prescribed by the Secretary, recovery property which is disposed of and then reacquired by the taxpayer shall be treated for purposes of comput-ing the deduction allowable under subsection (a) as if such property had not been disposed of.

"(D) Exception.—This paragraph shall not apply to any transaction to which subsection (e)(4) applies.

"(11) SPECIAL RULES FOR COOPERATIVES .the case of a cooperative organization described in section 1381(a), the Secretary may by regulations provide-

"(A) for allowing allocation units to make separate elections under this section with respect to recovery property, and

"(B) for the allocation of the deduction allowable under subsection (a) among alloca-

tion units.

"(g) DEFINITIONS.-For purposes of this section-

"(1) Public utility property.—The term 'public utility property' means property described in section 167(1)(3)(A).

"(2) PRESENT CLASS LIFE.—The term present class life means the class life (if any) which would be applicable with respect to any property as of January 1, 1981, under subsection (m) of section 167 (determined without regard to paragraph (4) thereof and as if the taxpayer had made an election under such subsection).

"(3) SECTION 1245 CLASS PROPERTY.-The 'section 1245 class property' means tangible property described in section 1245(a)(3) other than subparagraphs (C) and (D).

"(4) SECTION 1250 CLASS PROPERTY.-The term 'section 1250 class property' means property described in section 1250(c) and property described in section 1245(a)(3)(C).

"(5) RESEARCH AND EXPERIMENTATION.—The term 'research and experimentation' has the same meaning as the term research or experimental has under section 174.

"(6) RRB PROPERTY DEFINED .- For purposes of this section, the term 'RRB property' means property which under the taxpayer's method of depreciation before January 1, 1981, would have been depreciated using retirement-replacement-betterment method.

"(7) MANUFACTURED HOMES.-The term 'manufactured home' has the same meaning as in section 603(6) of the Housing and Community Development Act of 1974, which is 1250 class property used as a dwelling unit.

"(8) QUALIFIED COAL UTILIZATION PROPER-

"(A) In general.-The term 'qualified coal utilization property' means that portion of the unadjusted basis of coal utilization property which bears the same ratio (but not greater than 1) to such unadjusted basis

"(i) the Btu's of energy produced by the powerplant or major fuel-burning installation before the conversion or replacement involving coal utilization property, bears to

"(ii) the Btu's of energy produced by such powerplant or installation after such conversion or replacement.

"(B) In GENERAL.—The term 'coal utilization property' means-

"(i) a boiler or burner-

"(I) the primary fuel for which is coal (including lignite), and

"(II) which replaces an existing boiler or burner which is part of a powerplant or major fuel-burning installation and the primary fuel for which is oil or natural gas or any product thereof, and

"(ii) equipment for converting an existing boiler or burner described in clause (i)(II) to a boiler or burner the primary fuel for which will be coal.

"(C) POWERPLANT AND MAJOR FUEL-BURNING INSTALLATION.-The terms 'powerplant' and 'major fuel-burning installation' have the meanings given such terms by paragraphs (7) and (10) of section 103(a) of the Powerplant and Industrial Fuel Use Act of 1978,

"(D) Existing Boiler or Burner.—The term 'existing boiler or burner' means a boiler or burner which was placed in service

before January 1, 1981.

'(E) REPLACEMENT OF EXISTING BOILER OR BURNER.-A boiler or burner shall be treated as replacing a boiler or burner if the taxpayer certifies that the boiler or burner which is to be replaced-

"(i) was used during calendar year 1980 for more than 2,000 hours of full load peak

use (or equivalent thereof), and

"(ii) will not be used for more than 2,000 hours of such use during any 12-month period after the boiler or burner which is to replace such boiler or burner is placed in

"(h) SPECIAL RULES FOR RECOVERY PROPER-TY CLASSES.—For purposes of this section—
"(1) CERTAIN HORSES.—The term '3-year

property' includes-

"(A) any race horse which is more than 2 years old at the time such horse is placed in service; or

"(B) any other horse which is more than 12 years old at such time.

"(2) RAILROAD TANK CARS .- The term '10-

year property' includes railroad tank cars.
"(3) MANUFACTURED HOMES.—The term '10property' includes manufactured vear homes.

'(4) QUALIFIED COAL UTILIZATION PROPER-TY.—The term '10-year property' includes qualified coal utilization property which is not 3-year property, 5-year property, or 10year property (determined without regard to this paragraph).

(5) APPLICATION WITH OTHER CLASSES .-Any property which is treated as included in a class or property by reason of this subsection shall not be treated as property includ-

ed in any other class. "(i) Cross Reference.

"For special rules with respect to certain gain derived from disposition of recovery property, see sections 1245 and 1250."

(b) SINGLE PURPOSE AGRICULTURAL OR HOR-TICULTURAL STRUCTURES AND PETROLEUM PRODUCT STORAGE FACILITIES TREATED AS SEC-TION 1245 PROPERTY.-Paragraph (3) of section 1245(a) (defining section 1245 property) is amended by striking out "or" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D), and by adding at the end thereof the following new subparagraphs:

'(E) a single purpose agricultural or horticultural structure (as defined in section

48(p)), or

"(F) a storage facility used in connection with the distribution of petroleum or any primary product of petroleum.'

(c) Repeal of Section 263(e).—Subsection (e) of section 263 is hereby repealed.

(d) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 167 the following new item:

"Sec. 168. Accelerated cost recovery system."

SEC. 202. ELECTION TO EXPENSE CERTAIN DEPRE-CIABLE BUSINESS ASSETS.

(a) In General.—Section 179 (relating to additional first-year depreciation allowance for small business) is amended to read as follows:

"SEC. 179. ELECTION TO EXPENSE CERTAIN DEPRE-CIABLE BUSINESS ASSETS.

"(a) TREATMENT AS EXPENSES.—A taxpayer may elect to treat the cost of any section 179 property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for

the taxable year in which the section 179 property is placed in service.

"(b) DOLLAR LIMITATION.

"(1) IN GENERAL.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed the following applicable amount:

"If the taxable year begins in:	applicable amount is
1981	\$0
1982	\$5,000
1983	\$5,000
1984	\$7,500
1985	\$7,500
1986 or thereafter	\$10,000.

"(2) MARRIED INDIVIDUALS FILING SEPARATE-LY.—In the case of a husband and wife filing separate returns for a taxable year, the applicable amount under paragraph (1) shall be equal to 50 percent of the amount otherwise determined under paragraph (1).

(c) ELECTION.

"(1) In GENERAL.—An election under this section for any taxable year shall-

'(A) specify the items of section 179 property to which the election applies and the portion of the cost of each of such items which is to be taken into account under subsection (a), and

"(B) be made on the taxpayer's return of the tax imposed by this chapter for the tax-

able year.

Such election shall be made in such manner as the Secretary may by regulations pre-

(2) ELECTION IRREVOCABLE.—Any election made under this section, and any specification contained in any such election, may not be revoked except with the consent of the Secretary.

"(d) DEFINITIONS AND SPECIAL RULES.—
"(1) SECTION 179 PROPERTY.—For purposes of this section, the term 'section 179 property' means any recovery property which is section 38 property and which is acquired by purchase for use in a trade or business.

"(2) Purchase defined.—For purposes of paragraph (1), the term 'purchase' means

any acquisition of property, but only if—
"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descend-

(B) the property is not acquired by one component member of a controlled group from another component member of the

same controlled group, and
"(C) the basis of the property in the hands of the person acquiring it is not de-

termined-(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014(a) (relating to property acquired from a decedent).

(3) Cost.-For purposes of this section, the cost of property does not include so much of the basis of such property as is determined by reference to the basis of other property held at any time by the person ac-

quiring such property.

"(4) Section not to apply to estates and TRUSTS.-This section shall not apply to es-

tates and trusts.

"(5) SECTION NOT TO APPLY TO CERTAIN NON-CORPORATE LESSORS.-This section shall not apply to any section 179 property purchased by any person described in section 46(e)(3) unless the credit under section 38 is allowable with respect to such person for such property (determined without regard to this

"(6) DOLLAR LIMITATION OF CONTROLLED group.-For purposes of subsection (b) of

this section-

"(A) all component members of a controlled group shall be treated as one taxpay-

er, and "(B) the Secretary shall apportion the dollar limitation contained in subsection (b)(1) among the component members of such controlled group in such manner as he

shall by regulations prescribe.

"(7) CONTROLLED GROUP DEFINED .- For purposes of paragraphs (2) and (6), the term 'controlled group' has the meaning assigned to it by section 1563(a), except that, for such purposes, the phrase 'more than 50 percent' shall be substituted for the phrase at least 80 percent' each place it appears in section 1563(a)(1).

(8) DOLLAR LIMITATION IN CASE OF PART-NERSHIPS.-In the case of a partnership, the dollar limitation contained in subsection (b)(1) shall apply with respect to the partnership and with respect to each partner.

"(9) COORDINATION WITH SECTION 38.-No credit shall be allowed under section 38 with respect to any amount for which a deduction is allowed under subsection (a).

(b) RECAPTURE RULE.—Subsection (a) of section 1245 (relating to gains from dispositions from certain depreciable property) is amended-

(1) by striking out "169, 184" each place it appears in paragraph (2) and inserting in lieu thereof "169, 179, 184", (2) by striking out "section 190" in para-

graph (2) and inserting in lieu thereof "sec-

tion 179, 190", and
(3) by striking out "169, 185" in paragraphs (2)(D) and (3)(D) and inserting in

lieu thereof "169, 179, 185"

(c) Installment Sales.—Section 453 (relating to the installment method) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Application With Section 179.—
"(1) In general.—In the case of an install-

ment sale of section 179 property, subsection (a) shall not apply, and for purposes of this title, all payments to be received shall be deemed received in the year of disposi-

"(2) Limitation.—Paragraph (1) shall apply only to the extent of the amount allowed as a deduction under section 179 with respect to the section 179 property."

(d) TECHNICAL AMENDMENTS

(1) Paragraph (1) of section 263(a) (relating to capital expenditures) is amended-

(A) by striking "or" at the end of subpara-

(B) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and "or", and

(C) by adding at the end thereof the following new subparagraph:

"(H) expenditures for which a deduction

is allowed under section 179." (2) Subparagraph (A) of section 1033(g)(3)

(relating to condemnation of real property held for productive use in trade or business or for investment) is amended by striking out "(relating to additional first-year depreciation allowance for small business)" and inserting in lieu thereof "(relating to election to expense certain depreciable business

(3) The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 179 and inserting in lieu thereof the following:

"Sec. 179. Election to expense certain depreciable business assets.'

SEC. 203. AMENDMENTS RELATED TO DEPRECIA-TION.

(a) RECOVERY DEDUCTION TREATED AS DE-PRECIATION.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of recovery property (within the meaning of section 168), the deduction allowable under section 168 shall be deemed to constitute the reasonable allowance provided by this section, except with respect to that portion of the basis of such property to which subsection (k) applies.'

(b) TERMINATION OF CLASS LIFE SYSTEM. Subsection (m) of section 167 (relating to class lives) is amended by adding at the end

thereof the following new paragraph:
"(4) TERMINATION.—This subsection shall not apply with respect to recovery property (within the meaning of section 168) placed in service after December 31, 1980."

RETIREMENT-REPLACEMENT-BETTER-MENT METHOD OF DEPRECIATION.

(1) REPEAL OF SECTION 167(r).—Section 167 (relating to depreciation) is amended by striking out subsection (r) and redesignating subsection (s) as subsection (r).

(2) Change in method of accounting.— Sections 446 and 481 of the Internal Revenue Code of 1954 shall not apply to the change in the method of depreciation to comply with the provisions of this subsec-

(3) TRANSITIONAL RULE.—The adjusted basis of RRB property (as defined in section 168(g)(6) of such Code) as of December 31, 1980, shall be depreciated using a useful life of no less than 5 years and no more than 50 years and a method described in section 167(b) of such Code, including the method described in section 167(b)(2) of such Code, switching to the method described in section 167(b)(3) of such Code at a time to maximize the deduction.

(d) AGREEMENT AS TO USEFUL LIFE ON WHICH DEPRECIATION RATE IS BASED.—Subsection (d) of section 167 is amended by adding at the end thereof the following: "This subsection shall not apply with respect to recovery property defined in section 168."

(e) CONFORMING AMENDMENT.—The Secretary of Health and Human Services is not required to apply any provision of the Internal Revenue Code of 1954, as amended, in calculating depreciation (for the purpose of determining any cost under a program administered by the Secretary), unless a provision of law requires so expressly.

SEC. 204. RECAPTURE ON DISPOSITION OF RECOV-ERY PROPERTY

(a) GENERAL RULE.—Paragraph (1) of section 1245(a) (relating to ordinary income) is amended by inserting after "December 31, 1962," the following "or section 1245 recovery property is disposed of after December 31, 1980."

(b) RECOMPUTED BASIS.—Paragraph (2) of section 1245(a) (relating to recomputed basis) is amended-

(1) by striking out "or" at the end of sub-

paragraph (C), (2) by inserting ", or" at the end of sub-

paragraph (D), and
(3) by inserting immediately after sub-paragraph (D) the following new subpara-

"(E) with respect to any section 1245 recovery property, the adjusted basis of such property recomputed by adding thereto all adjustments attributable to periods which a deduction is allowed under section 168(a) (as added by the Economic Recovery Tax Act of 1981) with respect to such propertv

(c) Section 1245 Recovery Property De-FINED.—Subsection (a) of section 1245 is amended by adding at the end thereof the

following new paragraph:

"(5) SECTION 1245 RECOVERY PROPERTY .-For purposes of this section, the term 'section 1245 recovery property' means recovery property (within the meaning of section 168) other than-

"(A) 15-year real property which is residential rental property (as defined in section 167(j)(2)(B)),

"(B) 15-year real property which is described in section 168(f)(2),

"(C) 15-year real property with respect to which an election under subsection (b)(3) of section 168 to use a different recovery percentage is in effect, and

"(D) 15-year real property which is described in clause (i), (ii), (iii), or (iv) of sec-

tion 1250(a)(1)(B).

If only a portion of a building (or other structure) is section 1245 recovery property, gain from any disposition of such building (or other structure) shall be allocated first to the portion of the building (or other structure) which is section 1245 recovery property (to the extent of the amount which may be treated as ordinary income under this section) and then to the portion of the building or other structure which is not section 1245 recovery property.'

(d) QUALIFIED LEASED PROPERTY.-Subsection (a) of section 1245 (relating to recomputed basis) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR QUALIFIED LEASED

PROPERTY.-In any case in which-

"(A) the lessor of qualified leased proper-(within the meaning of 168(f)(8)(D)) is treated as the owner of such property for purposes of this subtitle under section 168(f)(8), and

"(B) the lessee acquires such property, the recomputed basis of the lessee under this subsection shall be determined by taking into account any adjustments which would be taken into account in determining the recomputed basis of the lessor.

(e) APPLICATION WITH SECTION 1250.—Subsection (d) of section 1250 (relating to exceptions and limitations) is amended by adding at the end thereof the following new

paragraph:

"(11) SECTION 1245 RECOVERY PROPERTY.-Subsection (a) shall not apply to the disposition of property which is section 1245 recovery property 1245(a)(5))." (as defined in section

SEC. 205. MINIMUM TAX TREATMENT.

(a) In General.—Subsection (a) of section 57 (defining items of tax preference) is amended by inserting immediately after paragraph (11) the following new paragraph:

"(12) ACCELERATED COST RECOVERY DEDUC-

"(A) In general.-With respect to each recovery property (other than 15-year real property) which is subject to a lease, the amount (if any) by which the deduction allowed under section 168(a) for the taxable year exceeds the deduction which would have been allowable for the taxable year had the property been depreciated using the straight-line method (with a half-year con-

vention and without regard to salvage value) and a recovery period determined in accordance with the following table:

The recovery period "In the case of: 3-year property..... 5 years. 5-year property...... 8 years. 10-year property..... 15 years. 15-year public utility 22 years. property.

"(B) 15-YEAR REAL PROPERTY.-With respect to each recovery property which is 15-year real property, the amount (if any) by which the deduction allowed under section 168(a) for the taxable year exceeds the deduction which would have been allowable for the taxable year had the property been depreciated using a 15-year period and the straightline method (without regard to salvage value).

"(C) PARAGRAPHS (2) AND (3) SHALL NOT APPLY.-Paragraphs (2) and (3) shall not

apply to recovery property.

"(D) DEFINITIONS.-For purposes of this paragraph, the terms '3-year property', year property', '10-year property', '15-year public utility property', '15-year real property', and 'recovery property', shall have the same meanings given such terms under section 168.'

(b) CONFORMING AMENDMENT.—The next to the last sentence of section 57(a) is amended by striking out "and (11)" and inserting in lieu thereof ", (11), and (12)".

SEC. 206. EARNINGS AND PROFITS.

(a) In General.-Subsection (k) of section 312 (relating to earnings and profits) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

(3) EXCEPTION FOR RECOVERY AND SECTION

179 PROPERTY. "(A) RECOVERY PROPERTY.-Except as provided in subparagraphs (B) and (C), in the case of recovery property (within the meaning of section 168), the adjustment to earnings and profits for depreciation for any taxable year shall be the amount determined under the straight-line method (using a half year convention in the case of property other than the 15-year real property and without regard to salvage value) and using a recovery period determined in ac-

The applicable "In the case of: recovery period is: 3-year property...... 5 years. 5-year property..... 12 years. 10-year property...... 25 years. 15-year real property.. 35 years. 15-year public utility 35 years. property.

cordance with the following table:

For purposes of this subparagraph, no adjustment shall be allowed in the year of disposition (except with respect to 15-year real property), and rules similar to the rules under the last sentence of section 168(b)(2)(A) and section 168(b)(2)(B) shall apply.

"(B) TREATMENT OF AMOUNTS DEDUCTIBLE UNDER SECTION 179.—For purposes of computing the earnings and profits of a corporation, any amount deductible under section 179 shall be allowed as a deduction ratably over the period of 5 years (beginning with

the year for which such amount is deductible under section 179).

"(C) FLEXIBILITY.—In any case where a different recovery percentage is elected under section 168(b)(3) or (f)(2)(C) based on a recovery period longer than the recovery period provided in subparagraph (A), the adjustment to earnings and profits shall be based on such longer period under rules similar to those provided in subparagraph (A)."

(b) Foreign Corporations.—Paragraph (4) of section 312(k), as redesignated by subsection (a), is amended—

(1) by striking out "paragraph (1)" and inserting in lieu thereof "paragraphs (1) and (3)", and

(2) by adding at the end thereof the following new sentence: "In determining the earnings and profits of such corporation in the case of recovery property (within the meaning of section 168), the rules of section 168(f)(2) shall apply."

(c) Conforming Amendment.—Subsection (a) of section 964 (relating to miscellaneous provisions involving controlled foreign corporations) is amended by striking out "section 312(k)(3)" and inserting in lieu thereof "section 312(k)(4)".

SEC. 207. EXTENSION OF CARRYOVER PERIOD FOR NET OPERATING LOSSES AND CER-TAIN CREDITS.

(a) NET OPERATING LOSS .-

(1) In general.—Subparagraph (B) of section 172(b)(1) (relating to net operating loss carryovers) is amended by striking out "7" and inserting in lieu thereof "15".

(2) CONFORMING AMENDMENTS .-

- (A) Subparagraph (C) of section 172(b)(1) is amended—
- (i) by inserting "and before January 1, 1976," after "1955,", and
- (ii) by striking out the last sentence thereof.
- (B)(i) Subparagraph (E)(i)(II) of section 172(b)(1) is amended by striking out "8" and inserting in lieu thereof "15".

(ii) Clause (ii) of section 172(b)(1)(E) is

amended to read as follows:

"(ii) In the case of any net operating loss for a taxable year which is not a REIT year, such loss shall not be carried back to any taxable year which is a REIT year."

(C) Paragraph (3) of section 172(g) (relating to certain regulated transportation cor-

porations) is amended—

(i) by inserting "and" at the end of subparagraph (A),

(ii) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof a period, and

(iii) by striking out subparagraph (C).

(b) Certain Losses of Life Insurance Companies.—Paragraph (1) of section 812(b) (relating to operations loss carrybacks and carryovers of life insurance companies) and paragraph (1) of section 825(d) (relating to unused loss carrybacks and carryovers of mutual life insurance companies) are each amended by striking out "7" and inserting in lieu thereof "15".

(c) CARRYOVER OF TAX CREDITS .-

(1) INVESTMENT CREDIT AND WIN CREDIT.—Paragraph (1) of section 46(b) (relating to carryback and carryovers of unused investment credits) and paragraph (1) of section 50A(b) (relating to carryback and carryover of unused work incentive program credit) are each amended by adding at the end thereof the following new sentence: "In the case of an unused credit for an unused credit year ending after December 31, 1973, this paragraph shall be applied by substituting '15' for '7' in subparagraph (B), and by

substituting '18' for '10', and '17' for '9' in the second sentence."

(2) New employee credit.—Paragraph (1) of section 53(c) (relating to carrybacks and carryovers of new employee credit) is amended—

(A) by striking out "7" in subparagraph (B) and inserting in lieu thereof "15",

(B) by striking out "10" and inserting in lieu thereof "18", and

(C) by striking out "9" and inserting in lieu thereof "17".

(3) ALCOHOL FUELS CREDIT.—Subparagraph (A) of section 44E(e)(2) (relating to carry-over of unused credit) is amended—

(A) by striking out "7" each place it appears and inserting in lieu thereof "15", and (B) by striking out "6" and inserting in lieu thereof "14".

SEC. 208. CARRYOVER OF RECOVERY ATTRIBUTE IN SECTION 381 TRANSACTIONS.

Subsection (c) of section 381 is amended by adding at the end thereof the following

new paragraph:

"(28) METHOD OF COMPUTING RECOVERY ALLOWANCE FOR RECOVERY PROPERTY.—The acquiring corporation shall be treated as the distributor or transferor corporation for purposes of computing the deduction allowable under section 168(a) on property acquired in a distribution or transfer with respect to so much of the basis in the hands of the acquiring corporation as does not exceed the adjusted basis in the hands of the distributor or transferor corporation."

SEC. 209. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by this subtitle shall apply to property placed in service after December 31, 1980, in taxable years ending after such date.

(b) Special Rule for RRB Property.— The amendment made by subsection (c) of section 203 shall take effect on January 1, 1981, and shall apply with respect to taxable years ending after such date.

(c) Special Rule for Carryovers.-

(1)(A) Except as provided in subparagraph (B), the amendments made by subsections (a) and (b) of section 207 shall apply to net operating losses in taxable years ending after December 31, 1975.

(B) The amendments made by subparagraph (B) of section 207(a)(2) shall take effect as if they had been included in the amendments made by section 1(a) of Public Law 96-595; except that the amendments made by such subparagraph shall apply only to net operating losses in taxable years ending after December 31, 1972.

(2)(A) The amendments made by subsection (c)(1) of section 207 shall apply to unused credit years ending after December

31, 1973.

(B) The amendment made by subsection (c)(2) of section 207 shall apply to unused credit years beginning after December 31, 1976.

(C) The amendments made by subsection (c)(3) of section 207 shall apply to unused credit years ending after September 30, 1980

(d) Special Rule for Public Utilities.—
(1) Transitional rule for normalization requirements.—If, by the terms of the applicable rate order last entered before the date of the enactment of this Act by a regulatory commission having appropriate jurisdiction, a regulated public utility would (but for this provision) fall to meet the requirements of section 168(e)(3) of the Internal Revenue Code of 1954 with respect to property because, for an accounting period ending after December 31, 1980, such public

utility used a method of accounting other than a normalization method of accounting, such regulated public utility shall not fail to meet such requirements if, by the terms of its first rate order determining cost of service with respect to such property which becomes effective after the date of the enactment of this Act and on or before January 1, 1983, such regulated public utility uses a normalization method of accounting. This provision shall not apply to any rate order which, under the rules in effect before the date of the enactment of this Act, required a regulated public utility to use a method of accounting with respect to the deduction allowable by section 167 which, under section 167(1), it was not permitted to use.

- (2) TRANSITIONAL RULE FOR REQUIREMENTS of section 46(f) .- If, by the terms of the applicable rate order last entered before the date of the enactment of this Act by a regulatory commission having appropriate jurisdiction, a regulated public utility would (but for this provision) fail to meet the requirements of paragraph (1) or (2) of section 46(f) of the Internal Revenue Code of 1954 with respect to property for an accounting period ending after December 31, 1980, such regulated public utility shall not fail to meet such requirements if, by the terms of its first rate order determining cost of service with respect to such property which becomes effective after the date of the enactment of this Act and on or before January 1, 1983, such regulated public utility meets such requirements. This provision shall not apply to any rate order which, under the rules in effect before the date of the enactment of this Act, was inconsistent with the requirements of paragraph (1) or (2) of section 46(f) of such Code (whichever would have been applicable).
- (3) CLARIFICATION.—Subparagraph (C) of section 167(1)(3) is amended by inserting "and which is placed in service before January 1, 1981" immediately before the period at the end thereof.
- (4) AUTHORITY TO PRESCRIBE INTERIM REGULATIONS WITH RESPECT TO NORMALIZATION.—Until Congress acts further, the Secretary of the Treasury or his delegate may prescribe such interim regulations as may be necessary or appropriate to determine whether the requirements of section 168(e)(3)(B) of the Internal Revenue Code of 1954 have been met with respect to property placed in service after December 31, 1980.

Subtitle B—Investment Tax Credit Provisions

SEC. 211. MODIFICATION OF INVESTMENT TAX CREDIT TO REFLECT ACCELERATED COST RECOVERY.

(a) APPLICABLE PERCENTAGE.-

(1) In general.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(7) APPLICABLE PERCENTAGE FOR RECOVERY PROPERTY.—Notwithstanding paragraph (2), the applicable percentage for purposes of paragraph (1) shall be—

"(A) in the case of 15-year public utility, 10-year, or 5-year property (within the meaning of section 168(c)), 100 percent, and

"(B) in the case of 3-year property (within the meaning of section 168(c)), 60 percent. For purposes of subparagraph (A), RRB replacement property (within the meaning of section 168(f)(3)(B)) shall be treated as 5-year property."

- (2) Subsection (a) of section 48 (defining section 38 property) is amended by striking out paragraph (9).
- (b) REVISION OF PROGRESS EXPENDITURE RULES.
- (1) In general.—Paragraph (1) of section 46(d) (defining qualified progress expenditures) is amended to read as follows:

"(1) INCREASE IN QUALIFIED INVESTMENT.

"(A) In general.-In the case of any taxpayer who has made an election under paragraph (6), the amount of the qualified investment of such taxpayer for the taxable year (determined under subsection (c) without regard to this subsection) shall be increased by an amount equal to the aggregate of the applicable percentage of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

"(B) APPLICABLE PERCENTAGE.-

- "(i) RECOVERY PROPERTY.—For purposes of subparagraph (A), the applicable percentage for recovery property (within the meaning of section 168) shall be determined under subsection (c)(7) based on a reasonable expectation of what the character of the property will be when it is placed in service.
- "(ii) NONRECOVERY PROPERTY.-For poses of subparagraph (A), the applicable percentage for property which is not recovery property (within the meaning of section 168) shall be determined under subsection (c)(2) based on a reasonable expectation of what the useful life of the property will be when it is placed in service.
- "(iii) APPLICATION ON BASIS OF FACTS known.-Clauses (i) and (ii) shall be applied on the basis of the facts known at the close of the taxable year of the taxpayer in which the expenditure is made."
- (2) Conforming amendment.—Clause (ii) of section 46(d)(2)(A) (defining progress expenditure property) is amended by striking out "having a useful life of 7 years or more"
- (c) Petroleum Product Storage Facili-TIES.-Paragraph (1) of section 48(a) (defining section 38 property) is amended-
- (1) by striking out the period at the end of subparagraph (F) and inserting in lieu
- thereof ", or"; and
 (2) by inserting immediately after subparagraph (F) the following new subparagraph:
- (G) a storage facility used in connection with the distribution of petroleum or any primary product of petroleum."
- (d) TECHNICAL AMENDMENT RELATING TO Noncorporate Lessons.-Paragraph (3) of section 46(e) (relating to limitations on noncorporate lessors) is amended by adding at the end thereof the following new sentence: "For purposes of subparagraph (B), in the case of any recovery property (within the meaning of section 168), the useful life shall be the present class life for such property (as defined in section 168(g)(2))."
 - (e) Conforming Amendments.
- (1) The heading and so much of paragraph (2) of section 46(c) as precedes the table is amended to read as follows:
- "(2) APPLICABLE PERCENTAGE IN CERTAIN cases.-Except as provided in paragraphs (3), (6), and (7), the applicable percentage for purposes of paragraph (1) for any property shall be determined under the following table:
- (2) Subparagraph (A) of section 46(c)(6) (relating to special rules for commuter highway vehicles) is amended to read as follows:
- "(A) In general.—Notwithstanding paragraph (2) or (3), in the case of a commuter highway vehicle the useful life of which is 3

years or more, or which is recovery property (within the meaning of section 168), the applicable percentage for purposes of paragraph (1) shall be 100 percent."

(3) Subparagraph (C) of section 48(1)(2) (defining energy property) is amended by inserting before the period at the end thereof "or which is recovery property (within the meaning of section 168)".

(4) The second sentence of section 48(a)(1) (defining section 38 property) is amended by striking out "includes only property" and inserting in lieu thereof "includes only recovery property (within the meaning of section 168 without regard to any useful life) and any other property"

(f) APPLICATION OF AT RISK RULES TO IN-ESTMENT CREDIT.-

(1) In general.—Subsection (c) of section 46 (relating to qualified investment) amended by adding at the end thereof the following new paragraphs:

(8) LIMITATION TO AMOUNT AT RISK .-

"(A) In general .- In the case of new or used section 38 property which-

"(i) is placed in service during the taxable year by a taxpayer described in section 465(a)(1), and

"(ii) is used in connection with an activity with respect to which any loss is subject to limitation under section 465,

the basis of such property for purposes of paragraph (1) shall not exceed the amount the taxpayer is at risk with respect to such property as of the close of such taxable year.

(B) AMOUNT AT RISK .-

"(i) In general.-Except as provided in clause (ii), the term 'at risk' has the same meaning given such term by section 465(b) (without regard to paragraph (5) thereof).

"(ii) CERTAIN FINANCING.-In the case of a taxpayer who at all times is at risk (determined without regard to this clause) in an amount equal to at least 20 percent of the (determined under section 168(d)(1)(A)(i)) of property described in subparagraph (A) and who acquired such property from a person who is not a related person, such taxpayer shall for purposes of this paragraph be considered at risk with respect to any amount borrowed in connection with such property (other than convertible debt) to the extent that such amount-

"(I) is borrowed from a qualified person,

"(II) represents a loan from any Federal, State, or local government or instrumentality thereof, or is guaranteed by, any Federal, State, or local government.

"(C) SPECIAL RULE FOR PARTNERSHIPS AND SUBCHAPTER S CORPORATIONS.-In the case of any partnership or electing small business corporation (within the meaning of section 1371(b)), any amount treated as at risk under subparagraph (B)(ii) shall be allocated among the partners or shareholders (and treated as an amount at risk with respect to such persons) in the same manner as the credit allowable by section 38.

"(D) QUALIFIED PERSON.—For purposes of this paragraph, the term 'qualified person'

means any person-

"(i) which-

"(I) is an institution described in clause (i), (ii), or (iii) of subparagraph (A) or subparagraph (B) of section 128(c)(2) or an insurance company to which subchapter L applies, or

'(II) is a pension trust qualified under section 401(a) or a person not described in subclause (I) and which is actively and regularly engaged in the business of lending money.

"(ii) which is not a related person with respect to the taxpayer,

"(iii) which is not a person who receives a fee with respect to the taxpayer's investment in property described in subparagraph (A) or a related person to such person, and

"(iv) which is not a person from which the taxpayer acquired the property described in subparagraph (A) or a related person to such person.

"(E) RELATED PERSON.—For purposes of this paragraph, the term 'related person' has the same meaning as such term is used in section 168(e)(4), except that in applying section 168(e)(4)(D)(i) in the case person described in subparagraph (D)(i)(II) this paragraph, sections 267(b) and 707(b)(1) shall be applied by substituting '0 percent' for '50 percent'.

"(F) SPECIAL RULE FOR CERTAIN ENERGY

PROPERTY .-

"(i) IN GENERAL.—The provisions of sub-paragraph (A) shall not apply to amounts borrowed with respect to qualified energy property (other than amounts described in subparagraph (B)).

"(ii) QUALIFIED ENERGY PROPERTY.-The term 'qualified energy property' means energy property to which (but for this subparagraph) subparagraph (A) applies and-

"(I) which is described in clause (iii), "(II) with respect to which the energy percentage determined under section 46(a)(2)(C) at the time such property is placed in service is greater than zero.

'(III) with respect to which the taxpayer, as of the close of the taxable year in which the property is placed in service, is at risk (within the meaning of section 465(b) without regard to paragraph (5) thereof) in an amount equal to at least 25 percent of the

basis of the property, and "(IV) with respect to which any nonrecourse financing (other than financing described in section 46(c)(8)(B)(ii)) in connection with such property consists of a level

payment loan.

For purposes of subclause (II), the energy percentage for property described in clause (iii)(V) shall be treated as being greater than zero during any period the energy percentage for property described in section 48(1)(14) is greater than zero.

"(iii) PROPERTY TO WHICH THIS SUBPARA-GRAPH APPLIES.—Energy property is described in this clause if such property is—

'(I) described in clause (ii), (iv), or (vii) or section 48(1)(2),

(II) described in section 48(1)(15),

"(III) described in section 48(1)(3)(A)(iii) (but only to the extent such property is used for converting an alternate substance into alcohol for fuel purposes),

"(IV) described in clause (i) of section 48(1)(2)(A) (but only to the extent such property is also described in section 48(1)(3)(A) (viii) or (ix)), or

"(V) property comprising a system for using the same energy source for the sequential generation of electrical power, mechanical shaft power, or both, in combination with steam, heat, or other forms of useful energy.

"(iv) LEVEL PAYMENT LOAN DEFINED .- The term 'level payment loan' means a loan in which each installment is substantially equal, a portion of each installment is attributable to the repayment of principal, and that portion is increased commensurate with decreases in the portion of the payment attributable to interest.

"(9) SUBSEQUENT INCREASES IN THE TAXPAY-ER'S AMOUNT AT RISK WITH RESPECT TO THE

PROPERTY .-

"(A) In general.—If, at the close of a taxable year subsequent to the year in which property was placed in service, the amount which the taxpayer has at risk with respect to such property has increased (as determined under subparagraph (B)), such increase shall be taken into account as additional qualified investment in such property in accordance with subparagraph (C).

"(B) Increases to be taken into account.—For purposes of subparagraphs (A) and (C), the amount which a taxpayer has at risk with respect to the property shall be treated as increased by the sum of the cash and the fair market value of property (other than property with respect to which the taxpayer is not at risk) used during the taxable year to reduce the principal sum of any amount with respect to which the taxpayer is not at risk.

"(C) MANNER IN WHICH TAKEN INTO AC-COUNT .- For purposes of determining the amount of credit allowed under section 38 and the amount of credit subject to the early disposition rules under section 47, an increase in a taxpayer's qualified investment in property (determined under subparagraph (B)) shall be deemed to be additional qualified investment made by the taxpayer in the year in which the property referred to in subparagraph (A) was first placed in service. However, the credit determined by taking into account the increase in qualified investment under this paragraph shall be considered a credit earned in the taxable year of such increase."

(2) RECAPTURE.—Section 47 (relating to certain dispositions of section 38 property), is amended by adding at the end thereof the

following new subsection:

"(d) PROPERTY CEASING TO BE AT RISK .-

"(1) In general.—If the taxpayer ceases to any extent to be at risk (within the meaning of section 46(c)(8)(B)) with respect to any amount in connection with section 38 property, then the tax under this chapter for such taxable year shall be increased by an amount equal to the aggregate decrease in credits allowed under section 38 for all prior taxable years which would have resulted from substituting, in determining qualified investment, the amount determined under section 46(c)(8) with respect to such property if, on the date the property was placed in service, the taxpayer had not been at risk with respect to the amount he ceased to be at risk to.

"(2) CERTAIN TRANSFERS NOT TREATED AS CEASING TO BE AT RISK.—If, after the 12-month period after the date on which a tax-payer borrows an amount from a qualified person (within the meaning of section 48(c)(8)(D)) with respect to which such tax-payer is considered at risk under section 48(c)(8)(B), the qualified person transfers or agrees to transfer any evidence of such indebtedness to a person who is not a qualified person, then, for purposes of paragraph (1), the taxpayer shall not be treated as ceasing to be at risk with respect to such amount.

"(3) SPECIAL RULES FOR CERTAIN ENERGY PROPERTY.—

"(A) IN GENERAL.—In the case of the second taxable year following the taxable year in which any qualified energy property (within the meaning of section 46(c)(8)(E)) is placed in service by the taxpayer and any succeeding taxable year, the taxpayer, for purposes of paragraph (1), shall be treated as ceasing to be at risk with respect to such property for such taxable year in an amount equal to the credit recapture amount (if any).

"(B) CREDIT RECAPTURE AMOUNT.—For purposes of this paragraph, the term 'credit recapture amount' means an amount equal to the excess (if any) of—

"(i) the total amount of principal to be paid as of the close of any taxable year under a nonrecourse level payment loan (as defined in section 46(c)(8)(F)(iv) other than a loan described in section 46(c)(8)(B)(ii)) with respect to such property, over

"(ii) the sum of-

"(I) the amount of principal actually paid as of the close of such taxable year, plus

"(II) the sum of the credit recapture amounts with respect to such property for

all preceding taxable years.

"(C) SPECIAL RULES FOR DETERMINING PRIN-CIPAL TO BE PAID.—For purposes of subparagraph (B)(i), in determining the amount of the principal to be paid under a level payment loan, such determination shall be made as if such loan was to be fully repaid by the end of a period equal to the earlier of—

"(i) the present class life (as defined in section 188(g)(2)) of the property or, if the property has no present class life, a similar period determined by the Secretary. or

"(ii) the period at the end of which full repayment is to occur under the terms of the loan.

"(D) Special rule for certain cumulative deficiencies.—If the excess of—

"(i) the amount of the total scheduled principal payments under a loan described in subparagraph (B)(i) as of the close of the taxable year, over

"(ii) the total principal actually paid under such loan as of the close of such tax-

able year.

is equal to or greater than the amount of such total scheduled payments for the 5-taxable year period ending with such taxable year, then, notwithstanding subparagraph (B), the credit recapture amount for such taxable year shall be equal to the principal remaining to be paid as of the close of such taxable year over the sum of the credit recapture amounts with respect to such property for all preceding taxable years.

"(E) SPECIAL RULE FOR CERTAIN DISPOSI-TIONS.—

"(i) In general.—If any property which is held by the taxpayer and to which this paragraph applies is disposed of by the taxpayer, then for purposes of paragraph (1) and notwithstanding subparagraph (B), the credit recapture amount for the taxpayer shall be an amount equal to the unpaid principal on the loan described in subparagraph (B)(i) as of the date of disposition;

"(ii) Assumptions, etc.—Any amount of the loan described in subparagraph (B)(i) which is assumed or taken subject to by any person shall be treated for purposes of clause (i) as not reducing unpaid principal

with respect to such loan.

"(F) APPLICATION WITH SUBSECTION (a).—
The amount of any increase in tax under subsection (a) with respect to any property to which this paragraph applies shall be determined by reducing the qualified investment with respect to such property by the aggregate credit recapture amounts for all taxable years under this paragraph.

"(G) ADDITIONAL INTEREST.—In the case of any increase in tax under paragraph (1) by reason of the application of this paragraph, there shall be added to such tax interest on such tax (determined under section 6621) as if the increase in tax under paragraph (1) was for the taxable year in which the prop-

erty was placed in service."
(g) Amendment of Recapture Rules.—

(1) In general.—Subsection (a) of section 47 (relating to certain dispositions, etc., of section 38 property) is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) Special rules for recovery property.—

"(A) General rule.—If, during any taxable year, section 38 recovery property is disposed of, or otherwise ceases to be section 38 property with respect to the taxpayer before the close of the recapture period, then, except as provided in subparagraph (D), the tax under this chapter for such taxable year shall be increased by the recapture percentage of the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from reducing to zero the qualified investment taken into account with respect to such property.

"(B) RECAPTURE PERCENTAGE.—For purposes of subparagraph (A), the recapture percentage shall be determined in accordance with the following table:

	The recap percentag	
"If the recovery property ceases to be section 38 property within	For 15- year, 10- year, and 5-year property	For 3- year property
One full year after placed in service	100	100
One full year after the close of the period described in clause (i)	80	66
One full year after the close of the period described in clause (ii)	60	33
One full year after the close of the period described in clause (iii)	40	0
One full year after the close of the period described in clause (iv)	20	0

"(C) PROPERTY CEASES TO BE PROGRESS EXPENDITURE PROPERTY.—If, during any taxable year, any recovery property taken into account in determining qualified investment under section 46(d)(1) ceases to be progress expenditure property (as determined under paragraph (3)) or becomes, with respect to the taxpayer, recovery property of a character other than that expected in determining the applicable percentage under section 46(d)(1)(B)(i), then the tax under this chapter for such taxable year shall be adjusted in accordance with regulations prescribed by the Secretary.

"(D) LIMITATION.—The tax for the taxable year shall be increased under subparagraph (A) only with respect to the credits allowed under section 38 which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carrybacks and carryovers under section 46(b) shall be appropriately adjusted.

"(E) DEFINITIONS AND SPECIAL RULES .-

"(i) Section 38 Recovery Property.—For purposes of this paragraph, the term 'section 38 recovery property' means any section 38 property which is recovery property (within the meaning of section 168).

"(ii) RECAPTURE PERIOD.—For purposes of this paragraph, the term 'recapture period' means, with respect to any recovery property, the period consisting of the first full year after the property is placed in service and the 4 succeeding full years (the 2 succeeding full years in the case of 3-year property).

"(iii) CLASSIFICATION OF PROPERTY.-For purposes of this paragraph, property shall be classifed as provided in section 168(c).

"(iv) Paragraph (1) NOT TO APPLY.-Paragraph (1) shall not apply with respect to any recovery property."

(2) TECHNICAL AMENDMENTS.

(A) Subparagraph (D) of section 47(a)(3)

is amended to read as follows:

"(D) Coordination with paragraphs (1) AND (5) .- If, after property is placed in service, there is a disposition or other cessation described in paragraph (1), or a disposition, cessation, or change in expected use described in paragraph (5), then paragraph (1) or (5), as the case may be, shall be applied as if any credit, which was allowable by reason of section 46(d) and which has not been required to be recaptured before such disposition, cessation, or change in use were allowable for the taxable year the property was placed in service."

(B) Paragraph (6) of section 47(a) (as redesignated by paragraph (1) of this subsection) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (5)".

(C) Subparagraph (B) of section 47(a)(7)

(as redesignated by paragraph (1)) is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (6)"

(h) TREATMENT OF CERTAIN LEASED ROLLING STOCK.—Clause (ii) of section 48(a)(2)(B) is

amended to read as follows:

'(ii) rolling stock which is used within and without the United States and which is-

"(I) of a domestic railroad corporation providing transportation subject to subchapter I of chapter 105 of title 49, or

"(II) of a United States person (other than a corporation described in subclause (I)) but only if the rolling stock is not leased to one or more foreign persons for periods aggregating more than 12 months in any 24month period:

(i) EFFECTIVE DATE.-

(1) In general.-Except as provided in this subsection, the amendments made by this section shall apply to property placed in service after December 31, 1980.

(2) PROGRESS EXPENDITURES.—The amendments made by subsection (b) shall apply to progress expenditures made after December

31, 1980

- (3) PETROLEUM STORAGE FACILITIES.—The amendments made by subsection (c) shall apply to periods after December 31, 1980, under rules similar to the rules under section 48(m).
- (4) NONCORPORATE LESSORS.—The amendments made by subsection (d) shall apply to leases entered into after June 25, 1981

(5) AT RISK RULES.

(A) In general.—The amendment made by subsection (f) shall not apply to-

(i) property placed in service by the tax-

payer on or before February 18, 1981, and (ii) property placed in service by the taxpayer after February 18, 1981, where such property is acquired by the taxpayer pursuant to a binding contract entered into on or before that date.

- (B) BINDING CONTRACT.—For purposes of subparagraph (A)(ii), property acquired pursuant to a binding contract shall, under regulations prescribed by the Secretary, include property acquired in a manner so that it would have qualified as pretermination property under section 49(b) (as in effect before its repeal by the Revenue Act of 1978).
- (6) LEASED ROLLING STOCK.—The amendment made by subsection (h) shall apply to taxable years beginning after December 31,

SEC. 212. INCREASE IN INVESTMENT TAX CREDIT FOR QUALIFIED REHABILITATION EX-PENDITURES.

(a) INCREASE IN AMOUNT OF CREDIT.

(1) In general.-Subparagraph (A) of section 46(a)(2) (relating to amount of investment tax credit) is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii), by inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iv) in the case of that portion of the basis of any property which is attributable to qualified rehabilitation expenditures, the

rehabilitation percentage."

(2) REHABILITATION PERCENTAGE DEFINED .-Paragraph (2) of section 46(a) is amended by adding at the end thereof the following new subparagraph:

"(F) REHABILITATION PERCENTAGE.-For

purposes of this paragraph-

"(i) IN GENERAL.

"In the case of qualified rehabilitation expenditures with respect to a:	rehabilita- tion percent- age is:
30-year building	15
40-year building	20
Certified historic structure	25.

"(ii) REGULAR AND ENERGY PERCENTAGES NOT TO APPLY.-The regular percentage and the energy percentage shall not apply to that portion of the basis of any property which is attributable to qualified rehabilitation expenditures.

"(iii) DEFINITIONS .-

"(I) 30-YEAR BUILDING.—The term '30-year building' means a qualified rehabilitated building other than a 40-year building and other than a certified historic structure.

(II) 40-YEAR BUILDING .- The term '40-year building' means any building (other than a certified historic structure) which would meet the requirements of section 48(g)(1)(B) if '40' were substituted for '30' section each place it appears in subparagraph (B) thereof.

"(III) CERTIFIED HISTORIC STRUCTURE.— The term 'certified historic structure' has the meaning given to such term by section

48(g)(3)."

CONFORMING AMENDMENT.—Section 48(o) (defining certain credits) is amended by adding at the end thereof the following new paragraph:

"(8) REHABILITATION INVESTMENT CREDIT The term 'rehabilitation investment credit' means that portion of the credit allowable by section 38 which is attributable to the re-

habilitation percentage."

(b) QUALIFIED REHABILITATED BUILDINGS AND EXPENDITURES.—Subsection (g) of section 48 (relating to special rules for qualified rehabilitated buildings) is amended to read as follows:

"(g) SPECIAL RULES FOR QUALIFIED REHA-BILITATED BUILDINGS.—For purposes of this

"(1) QUALIFIED REHABILITATED BUILDING DE-FINED.

"(A) In general.-The term 'qualified rehabilitated building' means any building (and its structural components)

(i) which has been substantially rehabili-

"(ii) which was placed in service before the beginning of the rehabilitation, and "(iii) 75 percent or more of the existing

external walls of which are retained in place

as external walls in the rehabilitation proc-

"(B) 30 YEARS MUST HAVE ELAPSED SINCE construction.—In the case of a building other than a certified historic structure, a building shall not be a qualified rehabilitated building unless there is a period of at least 30 years between the date the physical work on the rehabilitation began and the date the building was first placed in service.

"(C) SUBSTANTIALLY REHABILITATED DE-

FINED.

"(i) In general.-For purposes of subparagraph (A)(i), a building shall be treated as having been substantially rehabilitated only if the qualified rehabilitation expenditures during the 24-month period ending on the last day of the taxable year exceed the greater of-

"(I) the adjusted basis of such property,

"(II) \$5,000.

The adjusted basis of the property shall be determined as of the beginning of the first day of such 24-month period, or of the holding period of the property (within the meaning of section 1250(e)), whichever is later

"(ii) SPECIAL RULE FOR PHASED REHABILITA-TION.—In the case of any rehabilitation which may reasonably be expected to be completed in phases set forth in architectural plans and specifications completed before the rehabilitation begins, clause (i) shall be applied by substituting '60-month period' for '24-month period'.

"(iii) Lessees.-The Secretary shall prescribe by regulation rules for applying this

provision to lessees.

(D) RECONSTRUCTION.—Rehabilitation includes reconstruction.

"(2) QUALIFIED REHABILITATION EXPENDI-TURE DEFINED .-

"(A) In general.—The term 'qualified rehabilitation expenditure' means any amount properly chargeable to capital account which is incurred after December 31,

"(i) for property (or additions or improvements to property) which have a recovery period (within the meaning of section 168) of 15 years, and

'(ii) in connection with the rehabilitation of a qualified rehabilitated building.

"(B) CERTAIN EXPENDITURES NOT INCLUD--The term 'qualified rehabilitation expenditure' does not include-

"(i) Accelerated methods of depreciation MAY NOT BE USED .- Any expenditures with respect to which an election has not been made under section 168(b)(3) (to use the straight-line method of depreciation).

(ii) Cost of acquisition.—The cost of acquiring any building or interest therein.

"(iii) ENLARGEMENTS.-Any expenditure attributable to the enlargement of an existing building.

"(iv) CERTIFIED HISTORIC STRUCTURE, ETC.-Any expenditure attributable to the rehabilitation of a certified historic structure or a building in a registered historic district, unless the rehabilitation is a certified rehabilitation (within the meaning of subparagraph (C)). The preceding sentence shall not apply to a building in a registered historic district if-

"(I) such building was not a certified his-

toric structure.

"(II) the Secretary of the Interior certified to the Secretary that such building is not of historic significance to the district,

'(III) if the certification referred to in subclause (II) occurs after the beginning of the rehabilitation of such building, the taxpayer certifies to the Secretary that, at the beginning of such rehabilitation, he in good faith was not aware of the requirements of subclause (II).

"(v) EXPENDITURES OF LESSEE.—Any expenditure of a lessee of a building if, on the date the rehabilitation is completed, the remaining term of the lease (determined without regard to any renewal periods) is less

than 15 years.

"(C) CERTIFIED REHABILITATION .- For purposes of subparagraph (B), the term 'certified rehabilitation' means any rehabilitation of a certified historic structure which the Secretary of the Interior has certified to the Secretary as being consistent with the historic character of such property or the district in which such property is located.

"(3) CERTIFIED HISTORIC STRUCTURE DE-

"(A) In general.-The term 'certified historic structure' means any building (and its structural components) which-

(i) is listed in the National Register, or "(ii) is located in a registered historic dis-

trict and is certified by the Secretary of the Interior to the Secretary as being of historic significance to the district.

(B) REGISTERED HISTORIC DISTRICT.—The term 'registered historic district' means

"(i) any district listed in the National Register, and

"(ii) any district-

"(I) which is designated under a statute of the appropriate State or local government. if such statute is certified by the Secretary of the Interior to the Secretary as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance to the district, and

"(II) which is certified by the Secretary of the Interior to the Secretary as meeting substantially all of the requirements for the listing of districts in the National Register.

"(4) PROPERTY TREATED AS NEW SECTION 38 PROPERTY.-Property which is treated as sec-38 property by reason of subsection (a)(1)(E) shall be treated as new section 38 property.

"(5) ADJUSTMENT TO BASIS.-

"(A) In general.-For purposes of this subtitle, if a credit is allowed under this section for any qualified rehabilitation expenditure in connection with a qualified rehabilitated building other than a certified historic structure, the increase in basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any qualified rehabilitated building the basis of which was reduced under subparagraph (A), the basis of such building (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under section 47(a)(5)."

(c) LODGING TO QUALIFY.-Paragraph (3) of section 48(a) (relating to property used for lodging) is amended-

(1) by striking out "and" at the end of subparagraph (B)

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu

thereof ", and", and
(3) by adding at the end thereof the following new subparagraph:

"(D) a certified historic structure to the extent of that portion of the basis which is attributable to qualified rehabilitation ex-

(d) REPEAL OF CERTAIN PROVISIONS RELAT-ING TO HISTORIC STRUCTURES

(1) In general.-Section 191 (relating to amortization of certain rehabilitation ex-penditures for certified historic structures) and subsections (n) and (o) of section 167 (relating to depreciation) are hereby re-

(2) CONFORMING AMENDMENTS.

(A) Paragraph (8) of section 48(a) (relating to amortized property) is amended by striking out "188, or 191" and inserting in lieu thereof "or 188".

(B) Paragraph (2) of section 57(a) (relating to items of tax preference) is amended

by striking out "or 191"

(C) Section 280B (relating to demolition of certain historic structures) is amended-

(i) by striking out "section 191(d)(1)" in subsection (a), and inserting in lieu thereof "48(g)(3)(A)", and

(ii) by striking out "section 191(d)(2)" in subsection (b) and inserting in lieu thereof section 48(g)(3)(B)"

(D) Subsection (f) of section 642 (relating to special rules for credits and deductions) is amended by striking out "188, and 191" and inserting in lieu thereof "and 188".

Subparagraph (B) of section 1082(a)(2) (relating to basis for determining gains or loss) is amended by striking out 188, or 191" and inserting in lieu thereof

or 188"

(F) Paragraph (2) of section 1245(a) (relating to gain from dispositions of certain depreciable property) and paragraph (4) of section 1250(b) (relating to gain from dispositions of certain depreciable realty) are each amended by inserting "(as in effect before its repeal by the Economic Recovery Tax Act of 1981)" after "191" each place it appears

(G) Subsection (a) of section 1016 (relating to adjustments to basis) is amended-

(i) by striking out "and" at the end of paragraph (22),

(ii) by striking out the period at the end of paragraph (23) and inserting in lieu thereof , and", and

(iii) by adding at the end thereof the fol-

lowing new paragraph:

"(24) to the extent provided in section 48(g)(5), in the case of expenditures with respect to which a credit has been allowed under section 38.

(e) EFFECTIVE DATES .-

(1) In GENERAL.-Except as provided in paragraph (2), the amendments made by this section shall apply to expenditures incurred after December 31, 1981, in taxable years ending after such date.

(2) TRANSITIONAL RULE.—The amendments made by this section shall not apply with respect to any rehabilitation of a building if-

(A) the physical work on such rehabilitation began before January 1, 1982, and

(B) such building meets the requirements of paragraph (1) of section 48(g) of the Internal Revenue Code of 1954 (as in effect on the day before the date of enactment of this Act) but does not meet the requirements of such paragraph (1) (as amended by this

SEC. 213. INVESTMENT CREDIT FOR USED PROPER-TY; INCREASE IN DOLLAR LIMIT.

(a) In GENERAL.—Paragraph (2) of section 48(c) (relating to used section 38 property) is amended by amending subparagraphs (A), (B), and (C) to read as follows:

(2) DOLLAR LIMITATION.—

"(A) In general.—The cost of used section 38 property taken into account under section 46(c)(1)(B) for any taxable year shall not exceed \$150,000 (\$125,000 for taxable years beginning in 1981, 1982, 1983, or 1984). If such cost exceeds \$150,000 (or \$125,000 as the case may be), the taxpayer shall select (at such time and in such manner as the Secretary shall by regulations prescribe) the items to be taken into account, but only to the extent of an aggregate cost of \$150,000 (or \$125,000). Such a selection, once made, may be changed only in the manner, and to the extent, provided by such regulations.

"(B) MARRIED INDIVIDUALS.—In the case of husband or wife who files a separate return, the limitation under subparagraph (A) shall be \$75,000 (\$62,500 for taxable years beginning in 1981, 1982, 1983, or 1984). This subparagraph shall not apply if the spouse of the taxpayer has no used section 38 property which may be taken into account as qualified investment for the taxable year of such spouse which ends within or with the taxpayer's taxable year.

"(C) CONTROLLED GROUPS.—In the case of a controlled group, the amount specified under subparagraph (A) shall be reduced for each component member of the group by apportioning such amount among the component members of such group in accordance with their respective amounts of used section 38 property which may be taken into account.'

(b) Effective Date.-The amendment made by this section shall apply to property placed in service after December 31, 1980.

SEC. 214. INVESTMENT TAX CREDIT ALLOWED FOR CERTAIN REHABILITATED BUILDINGS LEASED TO TAX-EXEMPT ORGANIZA-TIONS OR TO GOVERNMENTAL UNITS.

(a) USE BY TAX-EXEMPT ORGANIZATIONS .-Paragraph (4) of section 48(a) (relating to property used by certain tax-exempt organiis amended by adding at the end thereof the following new sentence: "If any qualified rehabilitated building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply to that portion of the basis of such building which is attributable to qualified rehabilitation expenditures.

(b) Use by Governmental Units .- Paragraph (5) of section 48(a) (relating to governmental units) is amended by adding at the end thereof the following new sentence: "If any qualified rehabilitated building is used by the governmental unit pursuant to a lease, this paragraph shall not apply to that portion of the basis of such building which is attributable to qualified rehabilitation expenditures."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to uses after July 29, 1980, in taxable years ending after such date.

Subtitle C-Incentives for Research and Experimentation

SEC. 221. CREDIT FOR INCREASING RESEARCH AC-TIVITIES.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44E the following new section: "SEC. 44F. CREDIT FOR INCREASING RESEARCH AC-TIVITIES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the excess (if any) of-

"(1) the qualified research expenses for the taxable year, over

"(2) the base period research expenses.

"(b) QUALIFIED RESEARCH EXPENSES.—For purposes of this section—

"(1) QUALIFIED RESEARCH EXPENSES.—The term 'qualified research expenses' means the sum of the following amounts which are paid or incurred by the taxpayer during the taxable year in carrying on any trade or business of the taxpayer—

"(A) in-house research expenses, and

"(B) contract research expenses.

"(2) In-house research expenses.—

"(A) In general.—The term 'in-house research expenses' means—

"(i) any wages paid or incurred to an employee for qualified services performed by such employee,

"(ii) any amount paid or incurred for supplies used in the conduct of qualified research, and

"(iii) any amount paid or incurred to another person for the right to use personal property in the conduct of qualified research.

"(B) QUALIFIED SERVICES.—The term 'qualified services' means services consisting of—

"(i) engaging in qualified research, or

"(ii) engaging in the direct supervision or direct support of research activities which constitute qualified research.

If substantially all of the services performed by an individual for the taxpayer during the taxable year consists of services meeting the requirements of clause (i) or (ii), the term 'qualified services' means all of the services performed by such individual for the taxpayer during the taxable year.

"(C) Supplies.—The term 'supplies' means any tangible property other than—

"(i) land or improvements to land, and

"(ii) property of a character subject to the allowance for depreciation.

"(D) WAGES .-

"(i) In GENERAL.—The term 'wages' has the meaning given such term by section 3401(a).

"(ii) Self-employed individuals and owner-employees.—In the case of an employee (within the meaning of section 401(c)(1)), the term 'wages' includes the earned income (as defined in section 401(c)(2)) of such employee.

"(iii) Exclusion for wages to which new Jobs or win credit applies.—The term 'wages' shall not include any amount taken into account in computing the credit under section 40 or 44B.

"(3) CONTRACT RESEARCH EXPENSES.—

"(A) In general.—The term 'contract research expenses' means 65 percent of any amount paid or incurred by the taxpayer to any person (other than an employee of the taxpayer) for qualified research.

"(B) PREPAID AMOUNTS.—If any contract research expenses paid or incurred during any taxable year are attributable to qualified research to be conducted after the close of such taxable year, such amount shall be treated as paid or incurred during the period during which the qualified research is conducted.

"(c) Base Period Research Expenses.— For purposes of this section—

"(1) In general.—The term 'base period research expenses' means the average of the qualified research expenses for each year in the base period.

"(2) BASE PERIOD .-

"(A) In GENERAL.—For purposes of this subsection, the term 'base period' means the 3 taxable years immediately preceding the taxable year for which the determination is being made (hereinafter in this subsection referred to as the 'determination year').

"(B) Transitional Rules.—Subparagraph (A) shall be applied—

"(i) by substituting 'first taxable year' for '3 taxable years' in the case of the first determination year ending after June 30, 1981, and

"(ii) by substituting '2' for '3' in the case of the second determination year ending after June 30, 1981.

"(3) MINIMUM BASE PERIOD RESEARCH EX-PENSES.—In no event shall the base period research expenses be less than 50 percent of the qualified research expenses for the determination year.

"(d) QUALIFIED RESEARCH.—For purposes of this section the term 'qualified research' has the same meaning as the term research or experimental has under section 174, except that such term shall not include—

"(1) qualified research conducted outside

the United States,

"(2) qualified research in the social sci-

ences or humanities, and

"(3) qualified research to the extent funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(e) CREDIT AVAILABLE WITH RESPECT TO CERTAIN BASIC RESEARCH BY COLLEGES, UNI-VERSITIES, AND CERTAIN RESEARCH ORGANIZA-TIONS.—

"(1) In general.—65 percent of any amount paid or incurred by a corporation (as such term is defined in section 170(e)(4)(D)) to any qualified organization for basic research to be performed by such organization shall be treated as contract research expenses. The preceding sentence shall apply only if the amount is paid or incurred pursuant to a written research agreement between the corporation and the qualified organization.

"(2) QUALIFIED ORGANIZATION.—For purposes of this subsection, the term 'qualified

organization' means-

"(A) any educational organization which is described in section 170(b)(1)(A)(ii) and which is an institution of higher education (as defined in section 3304(f)), and

"(B) any other organization which—
"(i) is described in section 501(c)(3) and exempt from tax under section 501(a).

"(ii) is organized and operated primarily to conduct scientific research, and

"(iii) is not a private foundation.
"(3) Basic research.—The term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective,

except that such term shall not include—
"(A) basic research conducted outside the
United States, and

"(B) basic research in the social sciences or humanities.

"(4) SPECIAL RULES FOR GRANTS TO CERTAIN

"(A) In general.—For purposes of this subsection, a qualified fund shall be treated as a qualified organization and the requirements of paragraph (1) that the basic research be performed by the qualified organization shall not apply.

"(B) QUALIFIED FUND.—For purposes of subparagraph (A), the term 'qualified fund' means any organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a) and is not a private foundation,

"(ii) is established and maintained by an organization established before July 10, 1981, which meets the requirements of clause (f).

"(iii) is organized and operated exclusively for purposes of making grants pursuant to

written research agreements to organizations described in paragraph (2)(A) for purposes of basic research, and

"(iv) makes an election under this paragraph.

"(C) EFFECT OF ELECTION .-

"(1) IN GENERAL.—Any organization which makes an election under this paragraph shall be treated as a private foundation for purposes of this title (other than section 4940, relating to excise tax based on investment income).

"(ii) ELECTION REVOCABLE ONLY WITH CON-SENT.—An election under this paragraph, once made, may be revoked only with the consent of the Secretary.

"(f) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION OF EXPENDITURES.-

"(A) CONTROLLED GROUP OF CORPORA-TIONS.—In determining the amount of the credit under this section—

"(i) all members of the same controlled group of corporations shall be treated as a

single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the increase in qualified research expenses giving rise to the credit.

"(B) COMMON CONTROL.—Under regulations prescribed by the Secretary, in determining the amount of the credit under this section—

"(i) all trades or businesses (whether or not incorporated) which are under common control shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such person shall be its proportionate share of the increase in qualified research expenses giving rise to the credit. The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(2) ALLOCATIONS .-

"(A) PASSTHROUGH IN THE CASE OF SUBCHAP-TER S CORPORATIONS, ETC.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(B) ALLOCATION IN THE CASE OF PARTNER-SHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(3) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by

the Secretary—

"(A) Acquisitions.—If, after June 30, 1980, a taxpayer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section for any taxable year ending after such acquisition, the amount of qualified research expenses paid or incurred by the taxpayer during periods before such acquisition shall be increased by so much of such expenses paid or incurred by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business or separate unit acquired by the taxpayer.

"(B) DISPOSITIONS.—If, after June 30,

"(i) a taxpayer disposes of the major portion of any trade or business or the major portion of a separate unit of a trade or business in a transaction to which subparagraph (A) applies, and "(ii) the taxpayer furnished the acquiring person such information as is necessary for the application of subparagraph (A),

then, for purposes of applying this section for any taxable year ending after such disposition, the amount of qualified research expenses paid or incurred by the taxpayer during periods before such disposition shall be decreased by so much of such expenses as is attributable to the portion of such trade or business or separate unit disposed

of by the taxpayer.

(C) INCREASE IN BASE PERIOD.—If during any of the 3 taxable years following the taxable year in which a disposition to which subparagraph (B) applies occurs, the disposing taxpayer (or a person with whom the taxpayer is required to aggregate expenditures under paragraph (1)) reimburses the acquiring person (or a person required to so aggregate expenditures with such person) for research on behalf of the taxpayer, then the amount of qualified research expenses of the taxpayer for the base period for such taxable year shall be increased by the lesser

"(i) the amount of the decrease under subparagraph (B) which is allocable to such base period, or

"(ii) the product of the number of years in the base period, multiplied by the amount of the reimbursement described in this subparagraph.

"(4) SHORT TAXABLE YEARS.—In the case of any short taxable year, qualified research expenses shall be annualized in such circumstances and under such methods as the Secretary may prescribe by regulation.

"(5) CONTROLLED GROUP OF CORPORATIONS. The term 'controlled group of corporations' has the same meaning given to such term by

section 1563(a), except that-

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(g) LIMITATION BASED ON AMOUNT OF

"(1) LIABILITY FOR TAX .-

- "(A) In general.-Except as provided in subparagraph (B), the credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not in-clude any tax treated as not imposed by this chapter under the last sentence of section
- "(B) SPECIAL RULE FOR PASSTHROUGH OF CREDIT.-In the case of an individual who

"(i) owns an interest in an unincorporated

trade or business

'(ii) is a partner in a partnership,

"(iii) is a beneficiary of an estate or trust,

"(iv) is a shareholder in an electing small business corporation (within the meaning of section 1371(b)),

the credit allowed by subsection (a) for any taxable year shall not exceed the lesser of the amount determined under subpara-graph (A) for the taxable year or an amount (separately computed with respect to such person's interest in such trade or business or entity) equal to the amount of tax attributable to that portion of a person's taxable income which is allocable or apportionable to the person's interest in such trade or business or entity.

"(2) CARRYBACK AND CARRYOVER OF UNUSED CREDIT

"(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided by paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be-

"(i) a research credit carryback to each of the 3 taxable years preceding the unused

credit year, and

'(ii) a research credit carryover to each of the 15 taxable years following the unused

credit year, and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before July 1, 1981, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 18 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other 17 taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.-The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by paragraph (1) for such taxable year exceeds

the sum of-

(i) the credit allowable under this section

for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.'

(b) Technical Amendments Related to Carryover and Carryback of Credits.—

(1) CARRYOVER OF CREDIT.

(A) Subparagraph (A) of section 55(c)(4) (relating to carryover and carryback of certain credits) is amended by striking out "section 44E(e)(1)" and inserting in lieu thereof section 44F(g)(1), 44E(e)(1)

(B) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

(28) CREDIT UNDER SECTION 44F .- The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44F, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44F in respect of the distributor or transferor corporation.

(C) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, foreign taxes, and capital losses), as in effect for taxable years

beginning after June 30, 1982, is amended—
(i) by inserting "to any unused credit of

the corporation under section 44F(g)(2)," after "44E(e)(2),", and
(ii) by inserting "RESEARCH CREDITS," after "ALCOHOL FUEL CREDITS," in the section head-

(D) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended-

- (i) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44F(g)(2),'
- after "44E(e)(2),", and

 (ii) by inserting "RESEARCH CREDITS," after ALCOHOL FUEL CREDITS," in the section head-
- (E) The table of sections for part V of subchapter C of chapter 1 is amended by inserting "alcohol fuel credits, research credits," after "new employee credits," in the item relating to section 383.

(2) CARRYBACK OF CREDIT .-

- Subparagraph (C) of section 6511(d)(4) (defining credit carryback) is amended by striking out "and new employee credit carryback" and inserting in lieu thereof "new employee credit carryback, and research credit carryback".
- (B) Section 6411 (relating to quick refunds in respect of tentative carryback adjustments) is amended-
- (i) by striking out "or unused new employee credit" each place it appears and inserting in lieu thereof "unused new employee credit, or unused research credit";
- (ii) by inserting "by a research credit carryback provided in section 44F(g)(2)," after '53(b)," in the first sentence of subsection
- (iii) by striking out "or a new employee credit carryback from" each place it appears and inserting in lieu thereof "a new employee credit carryback, or a research credit carryback from"; and
- (iv) by striking out "work incentive program carryback)" and inserting in lieu thereof "work incentive program carryback, or, in the case of a research credit carryback, to an investment credit carryback, a work incentive program carryback, or a new employee credit carryback)".
- (c) OTHER TECHNICAL AND CLERICAL AMEND-
- (1) Subsection (b) of section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting in lieu thereof "44E, and 44F"
- (2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Credit for increasing research activities."

(d) EFFECTIVE DATE .-

(1) In general.-The amendments made by this section shall apply to amounts paid or incurred after June 30, 1981, and before January 1, 1986.

(2) TRANSITIONAL RULE.-

- (A) In general.-If, with respect to the first taxable year to which the amendments made by this section apply and which ends in 1981 or 1982, the taxpayer may only take into account qualified research expenses paid or incurred during a portion of such taxable year, the amount of the qualified research expenses taken into account for the base period of such taxable year shall be the amount which bears the same ratio to the total qualified research expenses for such base period as the number of months in such portion of such taxable year bears to the total number of months in such taxable year. A similar rule shall apply in the case of a taxpayer's first taxable year ending after December 31, 1985.
- (B) DEFINITIONS.—For purposes of the preceding sentence, the terms "qualified research expenses" and "base period" have the meanings given to such terms by section

44F of the Internal Revenue Code of 1954 (as added by this section).

SEC. 222. CHARITABLE CONTRIBUTIONS OF SCIEN-PROPERTY SEARCH.

(a) In General.—Subsection (e) of section 170 (relating to deductions for charitable, etc., contributions and gifts) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE FOR CONTRIBUTIONS OF SCIENTIFIC PROPERTY USED FOR RESEARCH.

"(A) LIMIT ON REDUCTION.—In the case of a qualified research contribution, the reduction under paragraph (1)(A) shall be no greater than the amount determined under paragraph (3)(B).

(B) QUALIFIED RESEARCH CONTRIBUTIONS .-For purposes of this paragraph, the term 'qualified research contribution' means a charitable contribution by a corporation of tangible personal property described in paragraph (1) of section 1221, but only if—

(i) the contribution is to an educational organization which is described in subsection (b)(1)(A)(ii) of this section and which is an institution of higher education (as defined in section 3304(f)),

'(ii) the property is constructed by the

"(iii) the contribution is made not later than 2 years after the date the construction of the property is substantially completed,

(iv) the original use of the property is by

the donee.

'(v) the property is scientific equipment or apparatus substantially all of the use of which by the donee is for research or experimentation (within the meaning of section 174), or for research training, in the United States in physical or biological sciences

'(vi) the property is not transferred by the donee in exchange for money, other

property, or services, and

"(vii) the taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of clauses (v) and (vi).

- "(C) CONSTRUCTION OF PROPERTY BY TAX-PAYER .- For purposes of this paragraph, property shall be treated as constructed by the taxpayer only if the cost of the parts used in the construction of such property (other than parts manufactured by the taxpayer or a related person) do not exceed 50 percent of the taxpayer's basis in such prop-
- "(D) Corporation.-For purposes of this paragraph, the term 'corporation' shall not include
- '(i) an electing small business corporation (as defined in section 1371(b)).

"(ii) a personal holding company (as defined in section 542), and

"(iii) a service organization (as defined in

section 414(m)(3))."

(b) Effective Date.-The amendment made by subsection (a) shall apply to charitable contributions made after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 223. SUSPENSION OF REGULATIONS RELATING TO ALLOCATION UNDER SECTION 861 OF RESEARCH AND EXPERIMENTAL

EXPENDITURES.

(a) 2-YEAR SUSPENSION.—In the case of the taxpayer's first 2 taxable years beginning within 2 years after the date of the enactment of this Act, all research and experi-mental expenditures (within the meaning of section 174 of the Internal Revenue Code of 1954) which are paid or incurred in such year for research activities conducted in the United States shall be allocated or apportioned to sources within the United States.

(b) STUDY .-

In general.-The Secretary of the Treasury shall conduct a study with respect to the impact which section 1.861-8 of the Internal Revenue Service Regulations would have (A) on research and experimental activities conducted in the United States and (B) on the availability of the foreign tax credit.

(2) REPORT.-Not later than the date 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the study conducted under paragraph (1) (together with such recommendations as he may deem advisable).

Subtitle D-Small Business Provisions SEC. 231. REDUCTION IN CORPORATE TAX RATES.

(a) In General.-Subsection (b) of section 11 (relating to amount of corporate tax) is amended-

(1) by striking out "17 percent" in paragraph (1) and inserting in lieu thereof "15 percent" (16 percent for taxable years be-

ginning in 1982)", and
(2) by striking out "20 percent" in paragraph (2) and inserting in lieu thereof "18 percent (19 percent for taxable years beginning in 1982)"

(b) CONFORMING AMENDMENTS.

(1) Paragraph (2) of section 821(a) (relating to imposition of tax on mutual insurance companies to which part II applies) is amended to read as follows:

(2) CAP ON TAX WHERE INCOME IS LESS THAN \$12,000.-The tax imposed by paragraph (1) on so much of the mutual insurance company taxable income as does not exceed \$12,000 shall not exceed 32 percent (30 percent for taxable years beginning after December 31, 1982) of the amount by which such income exceeds \$6,000.

(2) Subparagraph (B) of section 821(c)(1) (relating to imposition of alternative tax for certain small companies) is amended to read

as follows:

(B) CAP WHERE INCOME IS LESS THAN \$6,000.—The tax imposed by subparagraph (A) on so much of the taxable investment income as does not exceed \$6,000 shall not exceed 32 percent (30 percent for taxable years beginning after December 31, 1982) of the amount by which such income exceeds \$3.000."

(3) The amendments made by paragraphs (1) and (2) shall apply to taxable years beginning after December 31, 1978; except that for purposes of applying sections 821(a)(2) and 821(c)(1)(B) of the Internal Revenue Code of 1954 (as amended by this subsection) to taxable years beginning before January 1, 1982, the percentage referred to in such section shall be deemed to be 34 percent.

(c) EFFECTIVE DATE.-The amendments made by subsection (a) shall apply to taxable years beginning after December 31,

SEC. 232. INCREASE IN ACCUMULATED EARNINGS CREDIT.

(a) INCREASE IN CREDIT FOR CERTAIN COR-PORATIONS.—Paragraph (2) of section 535(c) (relating to accumulated earnings credit) is amended to read as follows:

"(2) MINIMUM CREDIT .-

"(A) In GENERAL.—The credit allowable under paragraph (1) shall in no case be less than the amount by which \$250,000 exceeds the accumulated earnings and profits of the corporation at the close of the preceding taxable year.

- (B) CERTAIN SERVICE CORPORATIONS.-In the case of a corporation the principal function of which is the performance of services in the field of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting, subparagraph (A) shall be applied by substituting \$150,000' for '\$250,000'."
 - (b) CONFORMING AMENDMENTS.

(1) Paragraph (3) of section 535(c) is amended by striking out "\$150,000" and inserting in lieu thereof "\$250,000"

(2) Sections 243(b)(3)(C)(i) (relating to qualifying dividends for purposes of dividends received deduction) and 1551(a) (relating to disallowance of surtax exemption and accumulated earnings credit) are each amended by striking out "\$150,000"

(3) Section 1561(a)(2) (relating to limitations on certain multiple tax benefits in the case of certain controlled corporations) is amended by striking out "\$150,000" and inserting in lieu thereof "\$250,000 (\$150,000 if any component member is a corporation described in section 535(c)(2)(B))"

(c) Effective Date.-The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 233. SUBCHAPTER S SHAREHOLDERS.

(a) INCREASE IN NUMBER OF SHAREHOLD-ERS.-Section 1371(a) (defining small business corporation) is amended by striking out "15 shareholders" in paragraph (1) and inserting in lieu thereof "25 shareholders"

(b) Effective Date.-The amendment made by this section shall apply with respect to taxable years beginning after December 31, 1981.

SEC. 234. TREATMENT OF TRUSTS AS SUBCHAPTER S SHAREHOLDERS

(a) In General.—Subsection (e) of section 1371 (relating to certain trusts permitted as shareholders) is amended to read as follows:

"(e) CERTAIN TRUSTS PERMITTED AS SHARE-HOLDERS .-

"(1) In general.-For purposes of subsection (a), the following trusts may be shareholders:

"(A) A trust all of which is treated (under subpart E of part I of subchapter J of this chapter) as owned by an individual who is a citizen or resident of the United States.

"(B) A trust which was described in sub paragraph (A) immediately before the death of the deemed owner and which continues in existence after such death, but only for the 60-day period beginning on the day of the deemed owner's death. If a trust is described in the preceding sentence and if the entire corpus of the trust is includible in the gross estate of the deemed owner, the preceding sentence shall be applied by substituting '2-year period' for '60-day period'.

"(C) A trust with respect to stock transferred to it pursuant to the terms of a will, but only for the 60-day period beginning on the day on which such stock is transferred

"(D) A trust created primarily to exercise the voting power of stock transferred to it.

"(2) TREATMENT AS SHAREHOLDERS.-For purposes of subsection (a)-

"(A) In the case of a trust described in subparagraph (A) of paragraph (1), the deemed owner shall be treated as the share-

"(B) In the case of a trust described in subparagraph (B) of paragraph (1), the estate of the deemed owner shall be treated as the shareholder.

"(C) In the case of a trust described in subparagraph (C) of paragraph (1), the

estate of the testator shall be treated as the shareholder.

"(D) In the case of a trust described in subparagraph (D) of paragraph (1), each beneficiary of the trust shall be treated as a shareholder."

(b) QUALIFIED SUBCHAPTER S TRUSTS.—Section 1371 is amended by adding at the end thereof the following new subsection:

"(g) Special Rule for Qualified Subchapter S Trust.—

"(1) In general.—In the case of a qualified subchapter S trust with respect to which a beneficiary makes an election under paragraph (2)—

"(A) such trust shall be treated as a trust described in subsection (e)(1)(A), and

"(B) for purposes of section 678(a), the beneficiary of such trust shall be treated as the owner of that portion of the trust which consists of stock in an electing small business corporation with respect to which the election under paragraph (2) is made.

"(2) ELECTION.-

"(A) In general.—A beneficiary of a qualified subchapter S trust (or his legal representative) may elect to have this subsection apply.

"(B) MANNER AND TIME OF ELECTION.—An election under this paragraph shall be made—

"(i) separately with respect to each electing small business corporation the stock of which is held by the trust,

"(ii) separately with respect to each successive income beneficiary of the trust, and "(iii) in such manner and form, and at such time, as the Secretary may prescribe.

"(C) ELECTION IRREVOCABLE.—An election under this paragraph, once made, may be revoked only with the consent of the Secretary

"(D) Grace Period.—An election under this paragraph shall be effective up to 60 days before the date of the election.

"(3) QUALIFIED SUBCHAPTER S TRUST.—For purposes of this subsection, the term 'qualified subchapter S trust' means a trust—

"(A) which owns stock in 1 or more electing small business corporations,

"(B) all of the income of which is distributed currently to one individual who is a citizen or resident of the United States, and

"(C) the terms of which require that—
"(i) at any time, there shall be only one income beneficiary of the trust,

"(ii) any corpus distributed during the term of the trust may be distributed only to the current income beneficiary thereof,

"(iii) each income interest in the trust shall terminate on the earlier of the death of the income beneficiary or the termination of the trust, and

"(iv) upon the termination of the trust during the life of an income beneficiary, the trust shall distribute all of its assets to such income beneficiary.

"(4) TRUST CEASING TO BE QUALIFIED.—If a qualified subchapter S trust ceases to meet any requirement under paragraph (3), the provisions of this subsection shall not apply to such trust as of the date it ceases to meet such requirements."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 235. SIMPLIFICATION OF LIFO BY USE OF GOV-ERNMENT INDEXES TO BE PROVIDED BY REGULATIONS.

Section 472 is amended by adding at the end thereof the following new subsection:

"(f) Use of Government Price Indexes in Pricing Inventory.—The Secretary shall prescribe regulations permitting the use of suitable published governmental indexes in such manner and circumstances as determined by the Secretary for purposes of the method described in subsection (b)."

SEC. 236. 3-YEAR AVERAGING PERMITTED FOR IN-CREASES IN INVENTORY VALUE.

(a) GENERAL RULE.—Subsection (d) of section 472 is amended to read as follows:

"(d) 3-Year Averaging for Increases in Inventory Value.—The beginning inventory for the first taxable year for which the method described in subsection (b) is used shall be valued at cost. Any change in the inventory amount resulting from the application of the preceding sentence shall be taken into account ratably in each of the 3 taxable years beginning with the first taxable year for which the method described in subsection (b) is first used."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1981

SEC. 237. ELECTION BY SMALL BUSINESS TO USE ONE INVENTORY POOL WHEN LIFO IS ELECTED.

(a) In GENERAL.—Subpart D of part II of subchapter E of chapter 1 (relating to inventories) is amended by adding at the end thereof the following new section:

"SEC. 474. ELECTION BY CERTAIN SMALL BUSI-NESSES TO USE ONE INVENTORY POOL.

"(a) In General.—A taxpayer which is an eligible small business and which uses the dollar-value method of pricing inventories under the method provided by section 472(b) may elect to use one inventory pool for any trade or business of such taxpayer.

"(b) ELIGIBLE SMALL BUSINESS DEFINED.— For purposes of this section, a taxpayer is an eligible small business for any taxable year if the average annual gross receipts of the taxpayer do not exceed \$2,000,000 for the 3-taxable-year period ending with the taxable year.

"(c) Special Rules.—For purposes of this section—

"(1) CONTROLLED GROUPS .-

"(A) In general.—In the case of a taxpayer which is a member of a controlled group, all persons which are component members of such group at any time during the calendar year shall be treated as one taxpayer for such year for purposes of determining the gross receipts of the taxpayer.

"(B) CONTROLLED GROUP DEFINED.—For purposes of subparagraph (A), persons shall be treated as being members of a controlled group if such persons would be treated as a single employer under the regulations prescribed under section 52(b).

"(2) ELECTION.-

"(A) IN GENERAL.—The election under this section may be made without the consent of the Secretary and shall be made at such time and in such manner as the Secretary may by regulations prescribe.

"(B) PERIOD TO WHICH ELECTION APPLIES.— The election under this section shall apply— "(i) to the taxable year for which it is

made, and
"(ii) to all subsequent taxable years for
which the taxpayer is an eligible small busi-

unless the taxpayer secures the consent of the Secretary to the revocation of such elec-

"(3) Transitional rules.—In the case of a taxpayer who changes the number of inventory pools maintained by him in a taxable year by reason of an election (or cessation thereof) under this section—

"(A) the inventory pools combined or separated shall be combined or separated in the manner provided by regulations under section 472:

"(B) the aggregate dollar value of the taxpayer's inventory as of the beginning of the first taxable year—

"(i) for which an election under this sec-

tion is in effect, or

"(ii) after such election ceases to apply, shall be the same as the aggregate dollar value as of the close of the taxable year preceding the taxable year described in clause (1) or (ii) (as the case may be), and

"(C) the first taxable year for which an election under this section is in effect or after such election ceases to apply (as the case may be) shall be treated as a new base year in accordance with procedures provided by regulations under section 472."

(b) CLERICAL AMENDMENT.—The table of sections for such subpart D is amended by adding at the end thereof the following new item:

"Sec. 474. Election by certain small businesses to use one inventory pool."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 238. STUDY OF ACCOUNTING METHODS FOR IN-VENTORY.

(a) STUDY.—The Secretary of the Treasury shall conduct a full and complete study of methods of tax accounting for inventory with a view toward the development of simplified methods. Such study shall include (but shall not be limited to) an examination of the last-in first-out method and the cash receipts and disbursements method.

(b) Report.—Not later than December 31, 1982, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate a report on the study conducted under subsection (a), together with such recommendations as he deems appropriate.

Subtitle E—Savings and Loan Associations

SEC. 241. REORGANIZATIONS INVOLVING FINAN-CIALLY TROUBLED THRIFT INSTITU-TIONS.

AMENDMENT OF SECTION 368(a)(3)(D).—Section 368(a)(3)(D) (relating to agency receivership proceedings which involve financial institutions) is amended to read as follows:

"(D) Agency proceedings which involve financial institutions.—

"(i) For purpose of subparagraphs (A) and (B)—

"(I) In the case of a receivership, foreclosure, or similar proceeding before a Federal or State agency involving a financial institution to which section 585 applies, the agency shall be treated as a court, and

"(II) In the case of a financial institution to which section 593 applies, the term 'title 11 or similar case' means only a case in which the Board (which will be treated as the court in such case) makes the certification described in clause (ii).

"(ii) A transaction otherwise meeting the requirements of subparagraph (G) of paragraph (1), in which the transferor corporation is a financial institution to which section 593 applies, will not be disqualified as a reorganization if no stock or securities of the corporation to which the assets are transferred (transferee) are received or distributed, but only if all of the following contributed, but only if all of the following con-

ditions are met:
"(I) the requirements of subparagraphs
(A) and (B) of section 354(b)(1) are met with
respect to the acquisition of the assets,

"(II) substantially all of the liabilities of the transferor immediately before the transfer become, as a result of the transfer,

liabilities of the transferee, and

"(III) the Board certifies that the grounds set forth in section 1464(d)(6)(A) (i), (ii), or (iii) of title 12, United States Code, exist with respect to the transferor or will exist in the near future in the absence of action by the Board.

"(iii) For purposes of this subparagraph, the 'Board' means the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation or, if neither has supervisory authority with respect to the transferor, the equivalent State authority."

SEC. 242. LIMITATIONS ON CARRYOVERS OF FINAN-CIAL INSTITUTIONS.

Section 382(b)(7) (relating to reduction of net operating loss carryovers in title 11 or similar cases), as added by section 2(d) of Public Law 96-589, is amended to read as follows:

"(7) SPECIAL RULE FOR REORGANIZATIONS IN TITLE 11 OR SIMILAR CASES.—FOR DUPPOSES OF

this subsection-

"(A) a creditor who receives stock in a reorganization in a title 11 or similar case (within the meaning of section 368(a)(3)(A)) shall be treated as a stockholder immediately before the reorganization and

"(B) in a transaction qualifying under sec-

tion 368(a)(3)(D)(ii)-

"(i) a depositor in the transferor shall be treated as a stockholder immediately before the reorganization of the loss corporation,

"(ii) deposits in the transferor which become, as a result of the transfer, deposits in the transferee shall be treated as stock of the acquiring corporation owned as a result of owning stock of the loss corporation, and

"(iii) the fair market value of the outstanding stock of the acquiring corporation shall include the amount of deposits in the acquiring corporation immediately after the reorganization.

SEC. 243. RESERVES FOR LOSSES ON LOANS.

Paragraph (1) of section 593(e) (relating to distributions to shareholders of a domestic building and loan association) is amended by striking out "applies." in the last sentence thereof and substituting therefor the following: "applies, or to any distribution to the Federal Savings and Loan Insurance Corporation in redemption of an interest in an association, if such interest was originally received by the Federal Savings and Loan Insurance Corporation in exchange for financial assistance pursuant to section 406(f) of the National Housing Act (12 U.S.C. sec. 1729(f))."

SEC. 244. FSLIC FINANCIAL ASSISTANCE.

(a) In GENERAL.—Part II of subchapter H of subtitle A of chapter 1 is amended by adding at the end thereof the following new section:

"SEC. 597. FSLIC FINANCIAL ASSISTANCE.

"(a) Exclusion From Gross Income.—Gross income of a domestic building and loan association does not include any amount of money or other property received from the Federal Savings and Loan Insurance Corporation pursuant to section 406(f) of the National Housing Act (12 U.S.C. sec. 1729(f)), regardless of whether any note or other instrument is issued in exchange therefor.

"(b) No REDUCTION IN BASIS OF ASSETS.— No reduction in the basis of assets of a domestic building and loan association shall be made on account of money or other proper-

ty received under the circumstances referred to in subsection (a)." (b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter H of chapter 1 is amended by inserting after the item relating to section 596 the following:

"Sec. 597. FSLIC financial assistance."

SEC. 245. MUTUAL SAVINGS BANKS WITH CAPITAL STOCK.

(a) In General.—Section 591 (relating to dividends paid on deposits) is amended—

(1) by inserting "(a) In GENERAL.—" before "In", and

(2) by adding at the end thereof the following new subsection:

"(b) MUTUAL SAVINGS BANK TO INCLUDE CERTAIN BANKS WITH CAPITAL STOCK.—For purposes of this part, the term 'mutual savings bank' includes any bank—

"(1) which has capital stock represented

by shares, and

"(2) which is subject to, and operates under, Federal or State laws relating to mutual savings bank."

(b) PERCENTAGE OF TAXABLE INCOME METHOD.—

(1) Subparagraph (B) of section 593(b)(2) (relating to reduction of applicable percentage in certain cases) is amended by inserting "which is not described in section 591(b)" after "mutual savings bank" each place it appears.

(2) Subparagraph (C) of section 593(b)(2) is amended by inserting "which are not described in section 591(b)" after "mutual sav-

ings banks".

(c) CONFORMING AMENDMENTS.-

(1) Sections 593(a) (relating to reserves for losses on loans) is amended by striking out "not having capital stock represented by shares".

(2) Paragraph (1) of section 593(e) (relating to distributions to shareholders) is amended by inserting "or an institution that is treated as a mutual savings bank under section 591(b)" after "association" each place it appears.

SEC. 246. EFFECTIVE DATES.

(a) The amendment made by sections 241 and 242 shall apply to any transfer made on or after January 1, 1981.

(b) The amendment made by section 243 shall apply to any distribution made on or

after January 1, 1981.

(c) The amendment made by section 244 shall apply to any payment made on or after January 1, 1981.

(d) The amendment made by section 245 shall apply with respect to taxable years ending after the date of the enactment of this Act.

Subtitle F—Stock Options, etc. SEC, 251, STOCK OPTIONS.

(a) In GENERAL.—Part II of subchapter D of chapter 1 (relating to certain stock options) is amended by adding after section 422 the following new section:

"SEC. 422A. INCENTIVE STOCK OPTIONS.

"(a) In General.—Section 421(a) shall apply with respect to the transfer of a share of stock to an individual pursuant to his exercise of an incentive stock option if—

"(1) no disposition of such share is made by him within 2 years from the date of the granting of the option nor within 1 year after the transfer of such share to him, and

"(2) at all times during the period beginning on the date of the granting of the option and ending on the day 3 months before the date of such exercise, such individual was an employee of either the corporation granting such option, a parent or subsidiary corporation of such corporation, or a corporation or a parent or subsidiary corporation of such corporation of such corporation or assum-

ing a stock option in a transaction to which section 425(a) applies.

"(b) Incentive Stock Option.—For purposes of this part, the term 'incentive stock option' means an option granted to an individual for any reason connected with his employment by a corporation, if granted by the employer corporation or its parent or subsidiary corporation, to purchase stock of any of such corporations, but only if—

"(1) the option is granted pursuant to a plan which includes the aggregate number of shares which may be issued under options and the employees (or class of employees) eligible to receive options, and which is approved by the stockholders of the granting corporation within 12 months before or after the date such plan is adopted;

"(2) such option is granted within 10 years from the date such plan is adopted, or the date such plan is approved by the stockholders, whichever is earlier;

"(3) such option by its terms is not exercisable after the expiration of ten years from the date such option is granted;

"(4) the option price is not less than the fair market value of the stock at the time such option is granted;

"(5) such option by its terms is not transferable by such individual otherwise than by will or the laws of descent and distribution, and is exercisable, during his lifetime, only by him;

"(6) such individual, at the time the option is granted, does not own stock possessing more than 10 percent of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation;

"(7) such option by its terms is not exercisable while there is outstanding (within the meaning of subsection (c)(7)) any incentive stock option which was granted, before the granting of such option, to such individual to purchase stock in his employer corporation or in a corporation which (at the time of the granting of such option) is a parent or subsidiary corporation of the employer corporation, or in a predecessor corporation of any of such corporations; and

"(8) in the case of an option granted after December 31, 1980, under the terms of the plan the aggregate fair market value (determined as of the time the option is granted) of the stock for which any employee may be granted options in any calendar year (under all such plans of his employer corporation and its parent and subsidiary corporation) shall not exceed \$100,000 plus any unused limit carryover to such year.

"(c) SPECIAL RULES .-

"(1) EXERCISE OF OPTION WHEN PRICE IS LESS THAN VALUE OF STOCK.—If a share of stock is transferred pursuant to the exercise by an individual of an option which would fail to qualify as an incentive stock option under subsection (b) because there was a failure in an attempt, made in good faith, to meet the requirement of subsection (b)(4), the requirement of subsection (b)(4) shall be considered to have been met.

"(2) Certain disqualifying dispositions where amount realized is less than value at exercise.—If—

"(A) an individual who has acquired a share of stock by the exercise of an incentive stock option makes a disposition of such share within the 2-year period described in subsection (a)(1), and

"(B) such disposition is a sale or exchange with respect to which a loss (if sustained) would be recognized to such individual.

then the amount which is includible in the gross income of such individual, and the which is deductible from amount income of his employer corporation, as compensation attributable to the exercise of such option shall not exceed the excess (if any) of the amount realized on such sale or exchange over the adjusted basis of such share.

'(3) CERTAIN TRANSFERS BY INSOLVENT INDI-VIDUALS.-If an insolvent individual holds a share of stock acquired pursuant to his exercise of an incentive stock option, and if such share is transferred to a trustee, receiver, or other similar fiduciary in any proceeding under title 11 or any other similar insolvency proceeding, neither such transfer, nor any other transfer of such share for the benefit of his creditors in such proceeding, shall constitute a disposition of such share for purposes of subsection (a)(1).

"(4) CARRYOVER OF UNUSED LIMIT."
(A) IN GENERAL.—If—

"(i) \$100,000 exceeds,

"(ii) the aggregate fair market value (determined as of the time the option is granted) of the stock for which an employee was granted options in any calendar year after 1980 (under all plans described in subsection (b) of his employer corporation and its parent and subsidiary corporations),

one-half of such excess shall be unused limit carry-over to each of the 3 succeeding calen-

dar years.

"(B) AMOUNT CARRIED TO EACH YEAR.-The amount of the unused limit carryover from any calendar year which may be taken into account in any succeeding calendar year shall be the amount of such carryover reduced by the amount of such carryover which was used in prior calendar years.

"(C) Special Rules .- For purposes of sub-

paragraph (B)-

"(i) the amount of options granted during any calendar year shall be treated as first using up the \$100,000 limitation of subsection (b)(8), and

"(ii) then shall be treated as using up unused limit carryovers to such year in the order of the calendar years in which the

carryovers arose.

(5) PERMISSIBLE PROVISIONS.—An option which meets the requirements of subsection (b) shall be treated as an incentive stock option even if

(A) the employee may pay for the stock with stock of the corporation granting the

option.

(B) the employee has a right to receive property at the time of exercise of the

"(C) the option is subject to any condition not inconsistent with the provisions of subsection (b).

Subparagraph (B) shall apply to a transfer of property (other than cash) only if section 83 applies to the property so transferred.

(6) COORDINATION WITH SECTIONS 422 AND 424.—Sections 422 and 424 shall not apply

to an incentive stock option.

For purpose '(7) OPTIONS OUTSTANDING. of subsection (b)(7), any incentive stock option shall be treated as outstanding until such option is exercised in full or expires by

reason of lapse of time.

"(8) 10-PERCENT SHAREHOLDER RULE.-Subsection (b)(6) shall not apply if at the time such option is granted the option price is at least 110 percent of the fair market value of the stock subject to the option and such option by its terms is not exercisable after the expiration of 5 years from the date such option is granted.

'(9) SPECIAL RULE WHEN DISABLED .- For purposes of subsection (a)(2), in the case of

an employee who is disabled (within the meaning of section 105(d)(4)), the 3-month period of subsection (a)(2) shall be 1 year.

TECHNICAL AND CONFORMING AMEND-

(1) Section 421 (relating to general rules

in the case of stock options) is amended—
(A) by inserting "422A(a)," after "422(a)," in subsections (a), (b), and (c)(1)(A), and
(B) by inserting "422A(a)(1)," after "sec-

tion 422(a)(1)," in subsection (b).

(2) Section 425(d) (relating to attribution of stock ownership) is amended by inserting '422A(b)(6)," after "422(b)(7),"

(3) Section 425(g) (relating to special rules) is amended by inserting "422A(a)(2),"

after "422(a)(2)."

(4) Section 425(h)(3)(B) (relating to definition of modification) is amended by inserting "422A(b)(5)," after "422(b)(6),

(5) Section 6039 (relating to information required in connection with certain options)

is amended-

(A) by inserting ", an incentive stock option," after "qualified stock option" in subsection (a)(1),

(B) by inserting "incentive stock option," after "qualified stock option," in subsection (b)(1), and

(C) by adding at the end of subsection (c) the following new paragraph:

'(4) The term 'incentive stock option', see

section 422A(b).

(6) The table of sections for part II of subchapter D of chapter 1 is amended by inserting after the item relating to section 422 the following new item:

'Sec. 422A. Incentive stock options."

(c) EFFECTIVE DATES AND TRANSITIONAL RULES

(1) OPTIONS TO WHICH SECTION APPLIES

(A) In GENERAL.—Except as provided in subparagraph (B), the amendments made by this section shall apply with respect to options granted on or after January 1, 1976, and exercised on or after January 1, 1981, or outstanding on such date.

(B) ELECTION AND DESIGNATION OF OP-TIONS.—In the case of an option granted before January 1, 1980, the amendments made by this section shall apply only if the corporation granting such option elects (in the manner and at the time prescribed by the Secretary of the Treasury or his delegate) to have the amendments made by this section apply to such option. The aggregate fair market value (determined at the time the option is granted) of the stock for which any employee was granted options (under all plans of his employer corporation and its parent and subsidiary corporations) to which the amendments made by this section apply by reason of this subparagraph shall not exceed \$50,000 per calendar year and shall not exceed \$200,000 in the aggregate.

(2) Changes in terms of options.-In the case of an option granted on or after January 1, 1976, and outstanding on the date of the enactment of this Act, paragraph (1) of section 425(h) of the Internal Revenue Code of 1954 shall not apply to any change in the terms of such option (or the terms of the plan under which granted, including shareholder approval) made within 1 year after such date of enactment to permit such option to qualify as a incentive stock option.

SEC. 252. PROPERTY TRANSFERRED TO EMPLOY-EES SUBJECT TO CERTAIN RESTRIC-TIONS.

(a) GENERAL RULE.—Subsection (c) of section 83 (relating to special rules) is amended by adding at the end thereof the following new paragraph:

"(3) SALES WHICH MAY GIVE RISE TO SUIT UNDER SECTION 16(b) OF THE SECURITIES AND EXCHANGE ACT OF 1934.—So long as the sale of property at a profit could subject a person to suit under section 16(b) of the Securities and Exhange Act of 1934, such person's rights in such property are

"(A) subject to a substantial risk of for-

feiture, and

"(B) not transferable."

(b) SPECIAL RULE FOR CERTAIN ACCOUNTING Rules.—For purposes of section 83 of the Internal Revenue Code of 1954, property is subject to substantial risk of forfeiture and is not transferable so long as such property is subject to a restriction on transfer to comply with the "Pooling-of-Interests Accounting" rules set forth in Accounting Series Release Numbered 130 ((10/5/72) 37 FR 20937; 17 CFR 211.130) and Accounting Series Release Numbered 135 ((1/18/73) 38 FR 1734; 17 CFR 211.135).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) and the provisions of subsection (b) shall apply to taxable years

ending after December 31, 1981.

Subtitle G-Miscellaneous Provisions SEC. 261. ADJUSTMENTS TO NEW JOBS CREDIT.

(a) EXTENSION.—Paragraph (4) of section 51(c) (defining wages) is amended to read as follows:

"(4) TERMINATION.—The term 'wages' shall not include any amount paid or incurred to an individual who begins work for the employer after December 31, 1982."

(b) Individuals Qualifying as Members OF A TARGETED GROUP .-

(1) In general.—Paragraph (1) of section 51(d) (defining members of targeted groups) is amended by striking out "or" at the end of subparagraph (F), by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma, and by adding at the end thereof the following new subparagraphs:

"(H) an eligible work incentive employee,

"(I) an involuntarily terminated CETA employee,"

(2) DEFINITIONS.-

(A) In general.—Subsection (d) of section 51 is amended by redesignating paragraphs (9), (10), (11), and (12) as paragraphs (11), (12), (13), and (14,) respectively, and by inserting after paragraph (8) the following new paragraph:

(9) ELIGIBLE WORK INCENTIVE EMPLOY-EES .- The term 'eligible work incentive employee' means an individual who has been certified by the designated local agency as-

"(A) being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immendately precedes the date on which such individual is hired by the employer, or

(B) having been placed in employment under a work incentive program established under section 432(b)(1) of the Social Securi-

ty Act.

"(10) INVOLUNTARILY TERMINATED CETA EM-PLOYEE.—The term 'involuntarily terminated CETA employee' means an individual who is certified by the designated local agency as having been involuntarily terminated after December 31, 1980, from employment financed in whole or in part under a program under part D of title I! or title VI of the Comprehensive Employment and Training Act.'

(B) CONFORMING AMENDMENTS .-

(i) Subsection (a) of section 50B (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(5) TERMINATION .- The term 'work incentive program expenses; shall not include any amount paid or incurred in any taxable year beginning after December 31, 1981.'

(ii) subsection (c) of section 51 (defining wages) is amended by striking out paragraph (3) and redesignating paragraph (4)

as paragraph (3).

(iii) Paragraphs (3)(A)(ii), (4)(C), (7)(B) of section 51(d) are each amended by striking out "paragraph (9)" and inserting in lieu therof "paragraph (11)".

(3) REMOVAL OF AGE LIMITATION ON VIETNAM veterans .-- Paragraph (4) of section 51(d) (relating to Vietnam veterans) is amended-

(A) by inserting "and" at the end of subparagraph (B),

(B) by striking out ", and" at the end of subparagraph (C) and inserting in lieu thereof a period, and

(C) by striking out subparagraph (D).

(4) Youths participating in qualified co-OPERATIVE EDUCATION PROGRAMS MUST BE ECO-NOMICALLY DISADVANTAGED. Subparagraph (A) of section 51(d)(8) is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iv) being a member of an economically disadvantaged family (as determined under paragraph (11)."

(c) CERTIFICATIONS .-

(1) CERTIFICATIONS MUST BE MADE BEFORE EMPLOYEE BEGINS WORK, ETC.—Subsection (d) of section 51 is amended by adding at the end thereof the following new paragraph:

"(15) Special rules for certifications.

- "(A) In general.-An individual shall not be treated as a member of a targeted group unless, before the day on which such individual begins work for the employer, the employer-
- "(i) has received a certification from a designated local agency that such individual is a member of a targeted group, or
- "(ii) has requested in writing such certification from the designated local agency.

"(B) INCORRECT CERTIFICATIONS.—If-

"(i) an individual has been certified as a member of a targeted group, and

'(ii) such certification is incorrect because it was based on false information provided by such individual.

the certification shall be revoked and wages paid by the employer after the date on which notice of revocation is received by the employer shall not be treated as qualified wages.

(2) CERTIFICATION OF ECONOMICALLY DISAD-VANTAGED FAMILIES .- Paragraph (11) of section 51(d) (as redesignated by subsection (b)(2)(A)) is amended to read as follows:

"(11) MEMBERS OF ECONOMICALLY DISADVAN-TAGED FAMILIES.—An individual is a member of an economically disadvantaged family if the designated local agency determines that such individual was a member of a family which had an income during the 6 months immediately preceding the month in which such determination occurs, which, on an annual basis, would be 70 percent or less of the Bureau of Labor Statistics lower living standard. Any such determination shall be valid for the 45-day period beginning on the date such determination is made.

(d) ELIGIBILITY.—Section 51 is amended by adding at the end thereof the following new subsection:

"(i) CERTAIN INDIVIDUALS INELIGIBLE.—

"(1) RELATED INDIVIDUALS.—No wages shall be taken into account under subsection (a) with respect to an individual who—

"(A) bears any of the relationships described in paragraphs (1) through (8) of section 152(a) to the taxpayer, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than 50 percent in value of the outstanding stock of the corporation (determined with the application of section 267(c)),

"(B) if the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears any of the relationships described in paragraphs (1) through (8) of section 152(a) to a grantor, beneficiary, or fiduciary of the

estate or trust, or

"(C) is a dependent (described in section 152(a)(9)) of the taxpayer, or, if the taxpay er is a corporation, of an individual described in subparagraph (A), or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or fiduciary of the estate or trust.

"(2) NONQUALIFYING REHIRES.—No wages shall be taken into account under subsection (a) with respect to any individual if, prior to the hiring date of such individual, such individual had been employed by the employer at any time during which he was not a member of a targeted group.'

(e) REPEAL OF PROVISION LIMITING FIRST-YEAR WAGES TO 30 PERCENT OF FUTA

WAGES.

(1) Subsection (e) of section 51 is hereby repealed

(2) Subsection (f) of section 51 is amended-

(A) by striking out paragraph (3), and

(B) by striking out "any year" in paragraphs (1) and (2) and inserting in lieu thereof "any taxable year"

(f) ADMINISTRATION, AUTHORIZATION OF AP-PROPRIATIONS.

(1) ADMINISTRATION .-

(a) DESIGNATED LOCAL AGENCY.-Paragraph (14) of section 51(d) (as redesignated by subsection (b)(2)(A) is amended to read as follows

(14) DESIGNATED LOCAL AGENCY.—The term 'designated local agency' means a State employment security agency established in accordance with the Act of June 6, 1933, as amended (29 U.S.C. 49-49n)."

(B) Notification.—Subsection (g) of section 51 (relating to notification of employers) is amended by striking out "Secretary of Labor" each place it appears in the heading and text and inserting in lieu thereof "United States Employment Service"

(2) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated for fiscal year 1982 the sum of \$30,000,000 to carry out the functions described by the amendments made by paragraph (1), except that, of the amounts appropriated pursuant to this paragraph-

(A) \$5,000,000 shall be used to test whether individuals certified as members of targeted groups under section 51 of such Code are eligible for such certification (including the use of statistical sampling techniques). and

(B) the remainder shall be distributed under performance standards prescribed by the Secretary of Labor.

(g) EFFECTIVE DATES.

(1) AMENDMENTS RELATING TO MEMBERS OF TARGETED GROUPS .-

(A) In general.—Except as provided in subparagraphs (B), (C), and (D), the amendments made by subsections (b), (c)(2), and (d) shall apply to wages paid or incurred with respect to individuals first beginning

work for an employer after the date of the enactment of this Act in taxable years ending after such date.

- (B) ELICIBLE WORK INCENTIVE EMPLOYEES. The amendments made by subsection (b)(2)(A) to the extent relating to the designation of eligible work incentive employees (within the meaning of section 51(d)(9) of the Internal Revenue Code of 1954) as members of a targeted group and subsection (b)(2)(B)(ii) shall apply to taxable years beginning after December 31, 1981. In the case of an eligible work incentive employee, subsections (a) and (b) of section 51 of such Code shall be applied for taxable years beginning after December 31, 1981, as if such employees had been members of a targeted group for taxable years beginning before January 1, 1982.
- (C) COOPERATIVE EDUCATION PROGRAM PAR-TICIPANTS.-The amendments made by subsection (b)(4) shall apply to wages paid or incurred after December 31, 1981, in taxable years ending after such date.
- DESIGNATED LOCAL AGENCY.-The amendments made by subsection (f)(1) shall take effect on the date 60 days after the date of the enactment of this Act.
- (2) CERTIFICATIONS.-
- (A) In general.—The amendment made by subsection (c)(1) shall apply to all individuals whether such individuals began work for their employer before, on, or after the date of the enactment of this Act.
- (B) SPECIAL RULE FOR INDIVIDUALS WHO BEGAN WORK FOR THE EMPLOYER BEFORE 45TH DAY BEFORE DATE OF ENACTMENT.-In the case of any individual (other than an individual described in section 51(d)(8) of the Internal Revenue Code of 1954) who began work for the employer before the date 45 days before the date of the enactment of this Act, paragraph (15) of section 51(d) of the Internal Revenue Code of 1954 (as added by subsection (c)(1)) shall be applied by substituting "July 23, 1981," for the day on which such individual begins work for the employer.
- (C) INDIVIDUALS WHO BEGIN WORK FOR EM-PLOYER WITHIN 45 DAYS BEFORE OR AFTER DATE OF ENACTMENT.-In the case of any individual (other than an individual described in section 51(d)(8) of the Internal Revenue Code of 1954) who begins work for the employer during the 90-day period beginning with the date 45 days before the date of the enactment of this Act, and in the case of an individual described in section 51(d)(8) of such Code who begins work before the end of such 90-day period, paragraph (15) of section 51(d) of such Code (as added by subsection (c)(1)) shall be applied by substituting the last day of the 90-day period beginning with the date 45 days before the date of the enactment of this Act" for the day on which such individual begins work for the employ-
- (3) LIMITATION ON QUALIFIED FIRST-YEAR WAGES .- The amendment made by subsection (e) shall apply to taxable years beginning after December 31, 1981.
- SEC. 262. SECTION 189 MADE INAPPLICABLE TO LOW-INCOME HOUSING.
- (a) In GENERAL.—The table contained in subsection (b) of section 189 (relating to amortization of real property construction period, interest, and taxes) is amended by striking out the column relating to "Lowincome housing"
- (b) CONFORMING AMENDMENT.—Subsection (d) of section 189 (relating to certain residential property excluded) is amended to

"(d) CERTAIN PROPERTY EXCLUDED .- This section shall not apply to any

(1) low-income housing, or

"(2) real property acquired, constructed, or carried if such property is not, and cannot reasonably expected to be, held in a trade or business, or in an activity conducted for profit."

(c) Effective Date.-The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 263. INCREASE IN DEDUCTION ALLOWABLE TO A CORPORATION IN ANY TAXABLE YEAR FOR CHARITABLE CONTRIBU-TIONS.

(a) In General.—Paragraph (2) of section 170(b) (relating to percentage limitations) is amended by striking out "5 percent" and inserting in lieu thereof "10 percent".

(b) Effective Date.—The amendment

made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 264. AMORTIZATION OF LOW-INCOME HOUS-

(a) In General.—Paragraph (2) of section 167(k) (relating to rehabilitation of lowincome rental housing) is amended by strik-ing out "The" in subparagraph (A) and inserting in lieu thereof "Except as provided in subparagraph (B), the", by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following:

"(B) The aggregate amount of rehabilitation expenditures paid or incurred by the taxpayer with respect to any dwelling unit in any low-income rental housing which may be taken into account under paragraph (1) may exceed \$20,000, but shall not exceed \$40,000, if the rehabilitation is conducted pursuant to a program certified by the Secretary of Housing and Urban Development. or his delegate, or by the government of a State or political subdivision of the United States and if:

"(i) the certification of development costs

is required:

"(ii) the tenants occupy units in the property as their principal residence and the program provides for sale of the units to tenants demonstrating home ownership re-

sponsibility; and

'(iii) the leasing and sale of such units are pursuant to a program in which the sum of the taxable income, if any, from leasing of each such unit, for the entire period of such leasing, and the amount realized from sale or other disposition of a unit, if sold, normally does not exceed the excess of the taxpayer's cost basis for such unit of property, before adjustment under section 1016 for deductions under section 167, over the net tax benefits realized by the taxpayer, consisting of the tax benefits from such deductions under section 167 minus the tax incurred on such taxable income from leasing, if any.

EFFECTIVE DATE.—The amendments (h) made by this section shall apply with respect to rehabilitation expenditures incurred after December 31, 1980.

SEC. 265. DEDUCTIBILITY OF GIFTS BY EMPLOYERS TO EMPLOYEES.

(a) In General.—Subparagraph (C) of section 274(b)(1) (relating to limitation on deductibility of gifts) is amended to read as follows:

(C) an item of tangible personal property which is awarded to an employee by reason of length of service, productivity, or safety achievement, but only to the extent that

'(i) the cost of such item to the taxpayer

does not exceed \$400, or

"(ii) such item is a qualified plan award.".

(b) QUALIFIED PLAN AWARD DEFINED .- Subsection (b) of section 274 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFIED PLAN AWARD.—For purposes

of this subsection-

"(A) In general.—The term 'qualified plan award' means an item which is awarded as part of a permanent, written plan or program of the taxpayer which does not discriminate in favor of officers, shareholders, or highly compensated employees as to eligibility or benefits

(B) AVERAGE AMOUNT OF AWARDS.—An item shall not be treated as a qualified plan award for any taxable year if the average cost of all items awarded under all plans described in subparagraph (A) of the taxpayer during the taxable year exceeds \$400.

"(C) MAXIMUM AMOUNT PER ITEM.—An item shall not be treated as a qualified plan award under this paragraph to the extent that the cost of such item exceeds \$1,600.".

EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after the date of the enactment of this Act.

SEC. 266. DEDUCTION FOR MOTOR CARRIER OPER-ATING AUTHORITY

(a) GENERAL RULE.-For purposes of chapter 1 of the Internal Revenue Code of 1954, in computing the taxable income of a taxpayer who, on July 1, 1980, held one or more motor carrier operating authorities, an amount equal to the aggregate adjusted basis of all motor carrier operating authorities held by the taxpayer on July 1, 1980, or acquired subsequent thereto pursuant to a binding contract in effect on July 1, 1980, shall be allowed as a deduction ratably over period of 60 months. Such 60-month period shall begin with the month of July 1980 (or if later, the month in which acquired), or at the election of the taxpayer, the first month of the taxpayer's first taxable year beginning after July 1, 1980.
(b) Definition of Motor Carrier Operat-

ING AUTHORITY.—For purposes of this section, the term "motor carrier operating authority" means a certificate or permit held by a motor common or contract carrier of property and issued pursuant to subchapter II of chapter 109 of title 49 of the United

States Code

(c) SPECIAL RULES .-

(1) ADJUSTED BASIS .- For purposes of the Internal Revenue Code of 1954, proper adjustments shall be made in the adjusted basis of any motor carrier operating authority held by the taxpayer on July 1, 1980, for the amounts allowable as a deduction under this section.

(2) CERTAIN STOCK ACQUISITIONS.

(A) In general.—Under regulations prescribed by the Secretary of the Treasury or his delegate, and at the election of the holder of the authority, in any case in which a corporation

(i) on or before July 1, 1980 (or after such date pursuant to a binding contract in effect on such date), acquired stock in a corpora-tion which held, directly or indirectly, any motor carrier operating authority at the

time of such acquisition, and

(ii) would have been able to allocate to the basis of such authority that portion of the acquiring corporation's cost basis in such stock attributable to such authority if the acquiring corporation had received such authority in the liquidation of the acquired corporation immediately following such acquisition and such allocation would have been proper under section 334(b)(2) of such Code

the holder of the authority may, for purposes of this section, allocate a portion of the basis of the acquiring corporation in the stock of the acquired corporation to the basis of such authority in such manner as the Secretary may prescribe in such regulations

(b) ADJUSTMENT TO BASIS.-Under regulations prescribed by the Secretary of the Treasury or his delegate, proper adjustment shall be made to the basis of the stock or other assets in the manner provided by such regulations to take into account any allocation under subparagraph (A).

(d) Effective Date.-The provisions of this section shall apply to taxable years

ending after June 30, 1980.

SEC. 267. LIMITATION ON ADDITIONS TO BANK LOSS RESERVES.

(a) GENERAL RULE.

(1) The first sentence after subparagraph (B) of paragraph (2) of section 585(b) is amended by striking out "but before 1982; and 0.6 percent for taxable years beginning after 1981" and inserting in lieu thereof "but before 1982; 1.0 percent for taxable years beginning in 1982; and 0.6 percent for taxable years beginning after 1982."

(2) The last sentence of paragraph (2) of section 585(b) is amended by striking out but before 1982, the last taxable year beginning before 1982, and for taxable years beginning after 1981, the last taxable year beginning before 1982" and inserting in lieu thereof "but before 1983, the last taxable year beginning before 1976, and for taxable years beginning after 1982, the last taxable year beginning before 1983"

EFFECTIVE DATE.-The amendment made by subsection (a) shall apply to taxable years beginning after 1981.

TITLE III—SAVINGS PROVISIONS

Subtitle A-Interest Exclusion

SEC. 301. EXCLUSION OF INTEREST ON CERTAIN SAVINGS CERTIFICATES.

(a) GENERAL RULE.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. INTEREST ON CERTAIN SAVINGS CERTIF-ICATES.

"(a) IN GENERAL -Gross income does not include any amount received by any individual during the taxable year as interest on a depository institution tax-exempt savings certificate.

"(b) MAXIMUM DOLLAR AMOUNT.-

"(1) In GENERAL.—The aggregate amount excludable under subsection (a) for any taxable year shall not exceed the excess of-

"(A) \$1,000 (\$2,000 in the case of a joint return under section 6013), over

"(B) the aggregate amount received by the taxpayer which was excludable under

subsection (a) for any prior taxable year.

"(2) Special Rule.—For purposes of paragraph (1)(B), one-half of the amount ex-cluded under subsection (a) on any joint return shall be treated as received by each spouse

"(c) DEPOSITORY INSTITUTION TAX-EXEMPT SAVINGS CERTIFICATE.—For purposes of this section-

'(1) In general.-The term 'depository institution tax-exempt savings certificate' means any certificate-

"(A) which is issued by a qualified savings institution after September 30, 1981, and before January 1, 1983,

(B) which has a maturity of 1 year,

"(C) which has an investment yield equal to 70 percent of the average investment yield for the most recent auction (before the week in which the certificate is issued) of United States Treasury bills with maturities of 52 weeks, and

"(D) which is made available in denomina-

tions of \$500.

"(2) QUALIFIED INSTITUTION.—The term 'qualified institution' means

'(A)(i) a bank (as defined in section 581), "(ii) a mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar institution under Federal or State law,

"(iii) a credit union,

the deposits or accounts of which are insured under Federal or State law or are protected or guaranteed under State law, or

"(B) an industrial loan association or bank chartered and supervised under Federal or State law in a manner similar to a savings and loan institution.

The term "qualified institution" does not include any foreign branch or international banking facility of an institution described in the preceding sentence and such a branch or facility shall not be taken into account under subsection (d).
"(d) Institutions Required to Provide

RESIDENTIAL PROPERTY FINANCING.

"(1) In general.-If a qualified savings institution (other than an institution described in subsection (c)(2)(A)(iii)) issues any depository institution tax-exempt savings certificate during any calendar quarter, the amount of the qualified residential financing provided by such institution shall during the succeeding calendar quarter not be less than the lesser of-

(A) 75 percent of the face amount of depository institution tax-exempt savings certificates issued during the calendar quarter,

or "(B) 75 percent of the qualified net savings for the calendar quarter.

The aggregate amount of qualified taxexempt savings certificates issued by any institution described in subsection (c)(2)(A)(iii) which are outstanding at the close of any calendar quarter may not exceed the limitation determined under paragraph (4) with respect to such institution for such quarter.

"(2) PENALTY FOR FAILURE TO MEET REQUIRE-MENTS.-If, as of the close of any calendar quarter, a qualified institution has not met the requirements of paragraph (1) with respect to the preceding calendar quarter, such institution may not issue any certificates until it meets such requirements.

"(3) QUALIFIED RESIDENTIAL FINANCING. The term 'qualified residential financing' in-

cludes, and is limited to—
"(A) any loan secured by a lien on a single-family or multifamily residence,

"(B) any secured or unsecured qualified home improvement loan (within the meaning of section 103A(1)(6) without regard to the \$15,000 limit),

"(C) any mortgage (within the meaning of section 103A(1)(1)) on a single family or multifamily residence which is insured or guaranteed by the Federal, State, or local government or any instrumentality thereof,

"(D) any loan to acquire a mobile home, any construction loan for the construction or rehabilitation of a single-family

or multifamily residence,

"(F) the purchase of mortgages secured by single-family or multifamily residences on the secondary market but only to the extent

the amount of such purchases exceed the amount of sales of such mortgages by an institution

"(G) the purchase of securities issued or guaranteed by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or securities issued by any other person if such securities are secured by mortgages originated by a qualified institution, but only to the extent the amount of such purchases exceed the amount of sales of such securities by an institution, and

'(H) any loan for agricultural purposes. For purposes of this paragraph, the term single-family residence' includes 2-, 3-, and 4-family residences, and the term 'residence' includes stock in a cooperative housing corporation (as defined in section 216(b)).

'(4) LIMITATION FOR CREDIT UNIONS.-For purposes of paragraph (1), the limitation determined under this paragraph with respect to any institution described in subsection (c)(2)(A)(iii) for any calendar quarter is the sum of-

"(A) the aggregate of the amounts described in subparagraph (A) of paragraph (5) with respect to such institution as of September 30, 1981, plus

'(B) 10 percent of the excess of-

"(i) the aggregate of such amounts as of the close of such calendar quarter, over

"(ii) the amount referred to in subparagraph (A).

(5) QUALIFIED NET SAVINGS.-The term 'qualified net savings' means, with respect to any qualified institution, the excess of-

"(A) the amounts paid into passbook savings account, 6-month money market certifi-30-month small-saver certificates, time deposits with a face amount of less than \$100,000, and depository institution tax-exempt savings certificates issued by such institution, over

"(B) the amounts withdrawn or redeemed in connection with the accounts and certificates described in subparagraph (A).

"(6) CONSOLIDATED GROUPS.-For purposes of this subsection, all members of the same affiliated group (as defined in section 1504) which file a consolidated return for the taxable year shall be treated as 1 corporation.

"(e) PENALTY FOR EARLY WITHDRAWALS.

"(1) In GENERAL.—If any portion of a depository institution tax-exempt savings certificate is redeemed before the date on which it matures-

'(A) subsection (a) shall not apply to any interest on such certificate for the taxable year of redemption and any subsequent taxable year, and

"(B) there shall be included in gross income for the taxable year of redemption the amount of any interest on such certificate excluded under subsection (a) for any preceding taxable year.

"(2) CERTIFICATE PLEDGED AS COLLATERAL. For purposes of paragraph (1), if the taxpayer uses any depository institution taxexempt savings certificate (or portion thereof) as collateral or security for a loan, the taxpayer shall be treated as having redeemed such certificate.

(f) OTHER SPECIAL RULES .-

"(1) COORDINATION WITH SECTION 116 .-Section 116 shall not apply to the interest on any depository institution tax-exempt savings certificate.

"(2) ESTATES AND TRUSTS.
"(A) IN GENERAL.—Except as provided in subparagraph (B), the exclusion provided by this section shall not apply to estates and

"(B) CERTIFICATES ACQUIRED BY ESTATE FROM DECEDENT.-In the case of a depository institution tax-exempt savings certificate acquired by an estate by reason of the death of the decedent-

"(i) subparagraph (A) shall not apply, and "(ii) subsection (b) shall be applied as if

the estate were the decedent.' (b) CONFORMING AMENDMENTS.

(1) The table of sections for part III of subchapter B of chapter 1 is amended by striking out the item relating to section 128 and inserting in lieu thereof the following new items

"Sec. 128. Interest on certain savings certificates.

'Sec. 129. Cross references to other Acts."

(2) Section 265 (relating to expenses and interest relating to tax-exempt income) is amended by inserting ", or to purchase or carry any certificate to the extent the interest on such certificate is excludable under section 128" after "116".

(3) Paragraph (2) of section 584(c) (relating to income of participants in common trust funds), as in effect for taxable years beginning in 1981, is amended by inserting "or 128" after "116".

(4) Paragraph (7) of section 643(a) (defining distributable net income), as in effect for taxable years beginning in 1981, is amended by inserting "or section 128 (relating to interest on certain savings certificates)" after "received)".

(5) Section 702(a)(5) (relating to income and credits of partners), as in effect for taxable years beginning in 1981, is amended by

inserting "or 128" after "116".

(6) Each of the following provisions, as in effect for taxable years beginning after December 31, 1981, are amended by inserting "or interest" after "dividends" each place it appears in the caption or text:

(A) section 584(c)(2).

(B) section 643(a)(7), (C) section 702(a)(5).

(c) STUDY.—The Secretary of the Treasury or his delegate shall conduct a study of the exemption from income of interest earned on depository institution tax-exempt savings certificates established by this section to determine the exemption's effectiveness generating additional savings. Such report shall be submitted to the Congress before June 1, 1983.

(d) EFFECTIVE DATES .-

(1) In general.-Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after September 30, 1981.

CONFORMING AMENDMENTS .amendments made by subsection (b)(6) shall apply to taxable years beginning after December 31, 1981.

SEC. 302. PARTIAL EXCLUSION OF INTEREST

(a) Amount of Exclusion.—Section 128 (relating to the interest on certain savings certificates) is amended to read as follows: "SEC. 128. PARTIAL EXCLUSION OF INTEREST.

"(a) In General.-Gross income does not include the amounts received during the taxable year by an individual as interest.

"(b) MAXIMUM DOLLAR AMOUNT.-The aggregate amount excludable under subsection (a) for any taxable year shall not exceed 15 percent of the lesser of—

"(1) \$3,000 (\$6,000 in the case of a joint

return under section 6013), or

"(2) the excess of the amount of interest received by the taxpayer during such taxable year (less the amount of any deduction under section 62(12)) over the amount of qualified interest expenses of such taxpayer for the taxable year.

"(c) Definitions.—For purposes of this section-

"(1) INTEREST DEFINED.—The term 'interest' means

"(A) interest on deposits with a bank (as

defined in section 581).

'(B) amounts (whether or not designated as interest) paid, in respect of deposits, investment certificates, or withdrawable or repurchasable shares, by-

"(i) an institution which is—
"(I) a mutual savings bank, cooperative bank, domestic building and loan association, or credit union, or

'(II) any other savings or thrift institution which is chartered and supervised under Federal or State law.

the deposits or accounts in which are insured under Federal or State law or which are protected and guaranteed under State

'(ii) an industrial loan association or bank chartered and supervised under Federal or State law in a manner similar to a savings and loan institution.

'(C) interest on-

"(i) evidences of indebtedness (including bonds, debentures, notes, and certificates) issued by a domestic corporation in registered form, and

'(ii) to the extent provided in regulations prescribed by the Secretary, other evidences of indebtedness issued by a domestic corporation of a type offered by corporations to the public.

(D) interest on obligations of the United States, a State, or a political subdivision of a State (not excluded from gross income of the taxpayer under any other provision of

"(E) interest attributable to participation shares in a trust established and maintained by a corporation established pursuant to Federal law, and

"(F) interest paid by an insurance company under an agreement to pay interest on-

(i) prepaid premiums,

"(ii) life insurance policy proceeds which are left on deposit with such company by a

beneficiary, and "(iii) under regulations prescribed by the Secretary, policyholder dividends left on de-

posit with such company.

"(2) QUALIFIED INTEREST EXPENSE DE-FINED.-The term 'qualified interest expense' means an amount equal to the excess of-

"(A) the amount of the deduction allowed the taxpayer under section 163(a) (relating to interest) for the taxable year, over

"(B) the amount of such deduction allowed with respect to interest paid or accrued on indebtedness incurred in-

"(i) acquiring, constructing, reconstructing, or rehabilitating property which is primarily used by the taxpayer as a dwelling unit (as defined in section 280A(f)(1)), or

"(ii) the taxpayer's conduct of a trade or business.

(b) REPEAL OF PARTIAL EXCLUSION OF IN-

(1) In general.—Subsection (c) of section 404 of the Crude Oil Windfall Profit Tax Act of 1980 is amended by striking out "1983" and inserting in lieu thereof "1982".

CONFORMING AMENDMENT.—Section 116(a) (relating to partial exclusion of dividends) is amended to read as follows:

"(a) Exclusion From Gross Income. '(1) In general.-Gross income does not include amounts received by an individual

as dividends from domestic corporations.

"(2) MAXIMUM DOLLAR AMOUNT.-The aggregate amount excluded under subsection (a) for any taxable year shall not exceed \$100 (\$200 in the case of a joint return under section 6013).

(c) CONFORMING AMENDMENTS.—
(1) The table of sections for part III of subchapter B of chapter 1, as amended by section 301(b)(1), is amended by striking out the item relating to section 128 and inserting in lieu thereof the following new item:

"Sec. 128. Partial exclusion of interest."

(2) Section 265 (relating to expenses and interest relating to tax-exempt income), as amended by section 301(b)(2), is amended by striking out "or to purchase or carry any certificate to the extent the interest on such certificate is excludable under section 128" and inserting in lieu thereof "or to purchase or carry obligations or shares, or to make other deposits or investments, the interest on which is described in section 128(c)(1) to the extent such interest is excludable from gross income under section 128"

(3) Section 46(c)(8) (relating to limitation to amount at risk) is amended by striking out "clause (i), (ii), or (iii) of subparagraph subparagraph (B) of section or 128(c)(2)" and inserting in lieu thereof "subparagraph (A) or (B) of section 128(c)(1)'

(4) Subsection (b) of section 854 is amended to read as follows:

"(b) OTHER DIVIDENDS AND TAXABLE INTER-

"(1) DEDUCTION UNDER SECTION 243.-In the case of a dividend received from a regulated investment company (other than a dividend to which subsection (a) applies)-

'(A) if such investment company meets the requirements of section 852(a) for the taxable year during which it paid such divi-

"(B) the aggregate dividends received by such company during such taxable year are

less than 75 percent of its gross income. then, in computing the deduction under section 243, there shall be taken into account only that portion of the dividend which bears the same ratio to the amount of such dividend as the aggregate dividends received by such company during such taxable year bear to its gross income for such taxable

"(2) EXCLUSION UNDER SECTIONS 116 AND 128.—For purposes of sections 116 and 128, in the case of any dividend (other than a dividend described in subsection (a)) re-ceived from a regulated investment company which meets the requirements of section 852 for the taxable year in which it paid the

'(A) the entire amount of such dividend shall be treated as a dividend if the aggregate dividends received by such company during the taxable year equal or exceed 75 percent of its gross income,

"(B) the entire amount of such dividend shall be treated as interest if the aggregate interest received by such company during the taxable year equals or exceeds 75 per-

cent of its gross income, or

"(C) if subparagraphs (A) and (B) do not apply, a portion of such dividend shall be treated as a dividend (and a portion of such dividend shall be treated as interest) based on the portion of the company's gross income which consists of aggregate divi-dends or aggregate interest, as the case may be. For purposes of the preceding sentence, gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year as does not exceed aggregate interest received for the taxable year.

"(3) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a regulated investment company which may be taken into account as a dividend for purposes of the exclusion under section 116 and the deduction under section 243 or as interest for purposes of section 128 shall not exceed the amount so designated by the company in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year.
"(4) DEFINITIONS.—For purposes of this sub-

section-

"(A) The term 'gross income' does not include gain from the sale or other disposition of stock or securities.

"(B) The term 'aggregate dividends received' includes only dividends received from domestic corporations other than dividends described in section 116(b)(2) (relating to dividends excluded from gross income). In determining the amount of any dividend for purposes of this subparagraph, the rules provided in section 116(c)(2) (relating to certain distributions) shall apply.

The term 'aggregate interest received' includes only interest described in

section 128(c)(1).'

(5) Subsection (c) of section 857 is amended to read as follows:

"(c) LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.

"(1) In general.—For purposes of section 116 (relating to an exclusion for dividends received by individuals) and section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

"(2) TREATMENT FOR SECTION 128.—In the case of a dividend (other than a capital gain dividend, as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part for the taxable year in which it paid the div-

"(A) such dividend shall be treated as interest if the aggregate interest received by the real estate investment trust for the taxable year equals or exceeds 75 percent of its gross income, or

'(B) if subparagraph (A) does not apply, the portion of such dividend which bears the same ratio to the amount of such dividend as the aggregate interest received bears to gross income shall be treated as in-

"(3) ADJUSTMENTS TO GROSS INCOME AND AG-GREGATE INTEREST RECEIVED .- For purposes of paragraph (2)-

"(A) gross income does not include the net capital gain.

"(B) gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year (other than for interest on mortgages on real property owned by the real estate investment trust) as does not exceed aggregate interest received by the taxable year, and

'(C) gross income shall be reduced by the sum of the taxes imposed by paragraphs (4),

(5), and (6) of section 857(b).

"(4) AGGREGATE INTEREST RECEIVED .- For purposes of this subsection, the term 'aggregate interest received' means only interest described in section 128(c)(1).

"(5) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a real estate investment trust which may be taken into account as interest for purposes of the exclusion under section 128 shall not exceed

the amount so designated by the trust in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year.'

(d) EFFECTIVE DATES .-

(1) IN GENERAL.—The amendments made by subsections (a) and (c) shall apply to taxable years beginning after December 31, 1984

(2) DIVIDEND EXCLUSION.—The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1981

Subtitle B-Retirement Savings Provisions SEC. 311. RETIREMENT SAVINGS.

(a) GENERAL RULE.—Section 219 (relating to deduction for retirement savings) is amended to read as follows:

"SEC. 219. RETIREMENT SAVINGS.

"(a) ALLOWANCE OF DEDUCTION.-In the case of an individual, there shall be allowed as a deduction an amount equal to the qualified retirement contributions of the in-

dividual for the taxable year.

"(b) MAXIMUM AMOUNT OF DEDUCTION.

"(1) In general.-The amount allowable as a deduction under subsection (a) to any individual for any taxable year shall not exceed the lesser of-

(A) \$2,000, or

"(B) an amount equal to the compensation includible in the individual's gross income for such taxable year.

"(2) SPECIAL RULES FOR EMPLOYER CONTRI-BUTIONS UNDER SIMPLIFIED EMPLOYEE PEN-

"(A) LIMITATION.—If there is an employer contribution on behalf of the employee to a simplified employee pension, an employee shall be allowed as a deduction under subsection (a) (in addition to the amount allowable under paragraph (1) an amount equal to the lesser of-

"(i) 15 percent of the compensation from such employer includible in the employee's gross income for the taxable year (determined without regard to the employer contribution to the simplified employee pen-

sion), or

"(ii) the amount contributed by such employer to the simplified employee pension and included in gross income (but not in

excess of \$7,500).

"(B) CERTAIN LIMITATIONS DO NOT APPLY TO EMPLOYER CONTRIBUTION.—Paragraph (1) of this subsection and paragraph (1) of subsection (d) shall not apply with respect to the employer contribution to a simplified em-

ployee pension.

"(C) SPECIAL RULE FOR APPLYING SUBPARA-GRAPH (A) (ii) .- In the case of an employee who is an officer, shareholder, or owner-employee described in section 408(k)(3), the \$7,500 amount specified in subparagraph (A)(ii) shall be reduced by the amount of tax taken into account with respect to such individual under subparagraph (D) of section 408(k)(3).

"(3) Special rule for individual retire-MENT PLANS .- If the individual has prid any qualified voluntary employee contributions for the taxable year, the amount of the qualified retirement contributions (other than employer contributions to a simplified employee pension) which are paid for the taxable year to an individual retirement plan and which are allowable as a deduction under subsection (a) for such taxable year shall not exceed-

"(A) the amount determined under para-

graph (1) for such taxable year, reduced by "(B) the amount of the qualified voluntary employee contributions for the taxable (4) CERTAIN DIVORCED INDIVIDUALS .-

"(A) In GENERAL.-In the case of an individual to whom this paragraph applies, the limitation of paragraph (1) shall not be less than the lesser of-'(i) \$1.125, or

"(ii) the sum of the amount referred to in paragraph (1)(B) and any qualifying alimony received by the individual during the

taxable year.

(B) QUALIFYING ALIMONY.-For purposes of this paragraph, the term 'qualifying alimony' means amounts includible in the individual's gross income under paragraph (1) of section 71(a) (relating to decree of divorce or separate maintenance).

"(C) Individuals to Whom Section AP-PLIES.—This section shall apply to an indi-

vidual if-

(i) an individual retirement plan was established for the benefit of the individual at least 5 years before the beginning of the calendar year in which the decree of divorce or

separate maintenance was issued, and "(ii) for at least 3 of the former spouse's most recent 5 taxable years ending before the taxable year in which the decree was issued, such former spouse was allowed a deduction under subsection (c) (or the corresponding provisions of prior law) for contributions to such individual retirement plan.

"(c) SPECIAL RULES FOR CERTAIN MARRIED

INDIVIDUALS .-

(1) In general .- In the case of any individual with respect to whom a deduction is otherwise allowable under subsection (a)-

"(A) who files a joint return under section

6013 for a taxable year, and

(B) whose spouse has no compensation (determined without regard to section 911) for such taxable year,

there shall be allowed as a deduction any amount paid in cash for the taxable year by or on behalf of the individual to an individual retirement plan established for the benefit of his spouse.

"(2) LIMITATION.—The amount allowable as a deduction under paragraph (1) shall

not exceed the excess of-

'(A) the lesser of-

"(i) \$2,250, or

"(ii) an amount equal to the compensation includible in the individual's gross income for the taxable year, over

"(B) the amount allowed as a deduction under subsection (a) for the taxable year.

In no event shall the amount allowable as a deduction under paragraph (1) exceed

\$2,000.
"(d) OTHER LIMITATIONS AND RESTRIC-TIONS.

"(1) INDIVIDUALS WHO HAVE ATTAINED AGE 701/2.-No deduction shall be allowed under this section with respect to any qualified retirement contribution which is made for a taxable year of an individual if such individual has attained age 701/2 before the close of such taxable year.

"(2) RECONTRIBUTED AMOUNTS.-No deduction shall be allowed under this section with respect to a rollover contribution described in section 402(a)(5), 402(a)(7), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(3) Amounts contributed under endow-

MENT CONTRACT.-In the case of an endowment contract described in section 408(b), no deduction shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which is properly allocable, under regula-tions prescribed by the Secretary, to the cost of life insurance.

"(e) DEFINITION OF RETIREMENT SAVINGS CONTRIBUTIONS, ETC.-For purposes of this

section-

"(1) QUALIFIED RETIREMENT CONTRIBU-The term 'qualified retirement con-TION.tribution' means

"(A) any qualified voluntary employee contribution paid in cash by the individual

for the taxable year, and

"(B) any amount paid in cash for the taxable year by or on behalf of such individual for his benefit to an individual retirement plan.

For purposes of the preceding sentence, the term 'individual retirement plan' includes a retirement bond described in section 409 only if the bond is not redeemed within 12 months of its issuance.

"(2) QUALIFIED VOLUNTARY EMPLOYEE CON-TRIBUTION .-

"(A) In general.-The term 'qualified voluntary employee contribution' means any voluntary contribution-

"(i) which is made by an individual as an employee under a qualified employer plan or government plan, which plan allows an employee to make contributions which may be treated as qualified voluntary employee contributions under this section, and

"(ii) with respect to which the individual has not designated such contribution as a contribution which should not be taken into

account under this section.

"(B) VOLUNTARY CONTRIBUTION.-For purposes of subparagraph (A), the term 'voluntary contribution' means any contribution which is not a mandatory contribution (within the meaning of section 411(c)(2)(C)),

'(C) DESIGNATION .- For purposes of determining whether or not an individual has made a designation described in subparagraph (A)(ii) with respect to any contribution during any calendar year under a qualified employer plan or government plan, such individual shall be treated as having made such designation if he notifies the plan administrator of such plan, not later than the earlier of-

"(i) April 15 of the succeeding calendar vear, or

"(ii) the time prescribed by the plan administrator.

that the individual does not want such contribution taken into account under this section. Any designation or notification referred to in the preceding sentence shall be made in such manner as the Secretary shall by regulations prescribe and, after the last date on which such designation or notification may be made, shall be irrevocable for such taxable year.

"(3) QUALIFIED EMPLOYER PLAN.-The term 'qualified employer plan' means-

"(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(B) an annuity plan described in section 403(a).

(C) a qualified bond purchase plan described in section 405(a),

"(D) a simplified employee pension (within the meaning of section 408(k)), and '(E) a plan under which amounts are contributed by an individual's employer for an

annuity contract described in section 403(b). "(4) GOVERNMENT PLAN.-The term 'government plan' means any plan, whether or not qualified, established and maintained for its employees by the United States, by a State or political subdivision thereof, or by an agency or instrumentality of any of the

"(5) PAYMENTS FOR CERTAIN PLANS.-The term 'amounts paid to an individual retirement plan' includes amounts paid for an individual retirement annuity or a retirement bond.

"(f) OTHER DEFINITIONS AND SPECIAL RULES -

"(1) COMPENSATION.—For purposes of this section, the term 'compensation' includes earned income as defined in section 401(c)(2).

"(2) Married individuals.—The maximum deduction under subsections (b) and (c) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

"(A) Individual retirement plans.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to an individual retirement plan on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(B) QUALIFIED EMPLOYER OR GOVERNMENT PLANS.—For purposes of this section, if a qualified employer or government plan elects to have the provisions of this subparagraph apply, a taxpayer shall be deemed to have made a voluntary contribution to such plan on the last day of the preceding calendar year (if, without regard to this paragraph, such contribution may be made on such date) if the contribution is made by April 15 of the calendar year or such earlier time as is provided by the plan administrator.

administrator.

"(4) Reports.—The Secretary shall prescribe regulations which prescribe the time and the manner in which reports to the Secretary and plan participants shall be made by the plan administrator of a qualified employer or government plan receiving qualified voluntary employee contributions.

"(5) EMPLOYER PAYMENTS.—For purposes of this title, any amount paid by an employer to an individual retirement plan shall be treated as payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of section 401(c)(1)) includible in his gross income in the taxable year for which the amount was contributed, whether or not a deduction for such payment is allowable under this section to the employee.

(6) "Excess contributions treated as contribution made during subsequent year for which there is an unused limitation.—

"(A) In general.—If for the taxable year the maximum amount allowable as a deduction under this section for contributions to an individual retirement plan exceeds the amount contributed, then the taxpayer shall be treated as having made an additional contribution for the taxable year in an amount equal to the lesser of—

"(i) the amount of such excess, or

"(ii) the amount of the excess contributions for such taxable year (determined under section 4973(b)(2) without regard to subparagraph (C) thereof).

"(B) AMOUNT CONTRIBUTED.—For purposes of this paragraph, the amount contributed—"(i) shall be determined without regard to this paragraph, and

"(ii) shall not include any rollover contri-

"(C) SPECIAL RULE WHERE EXCESS DEDUC-TION WAS ALLOWED FOR CLOSED YEAR.—Proper reduction shall be made in the amount allowable as a deduction by reason of this paragraph for any amount allowed as a deduction under this section for a prior taxable year for which the period for assessing deficiency has expired if the amount so allowed exceeds the amount which should have been allowed for such prior taxable year.

"(g) CROSS REFERENCE.-

"For failure to provide required reports, see section 6652(h)."

(b) TREATMENT OF DISTRIBUTIONS FROM EMPLOYER PLAN TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.—

(1) In general.—Section 72 (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

"(0) SPECIAL RULES FOR DISTRIBUTIONS FROM QUALIFIED PLANS TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.—

"(1) TREATMENT OF CONTRIBUTIONS.—For purposes of this section and sections 402, 403, and 405, notwithstanding section 414(h), any deductible employee contribution made to a qualified employer plan or government plan shall be treated as an amount contributed by the employer which is not includible in the gross income of the employee.

"(2) Additional Tax if amount received

BEFORE AGE 591/2.-If-

"(A) any accumulated deductible employee contributions are received from a qualified employer plan or government plan to which the employee made one or more deductible employee contributions,

"(B) such amount is received by the employee before the employee attains the age

of 591/2, and

"(C) such amount is not attributable to such employee's becoming disabled (within the meaning of subsection (m)(7)),

then the employee's tax under this chapter for the taxable year in which such amount is received shall be increased by an amount equal to 10 percent of the amount so received to the extent that such amount is includible in gross income. For purposes of this title, any tax imposed by this paragraph shall be treated as a tax imposed by subsection (m)(5)(B).

"(3) AMOUNTS CONSTRUCTIVELY RECEIVED.—
"(A) IN GENERAL.—For purposes of this subsection, rules similar to the rules provided by subsection (m) (4) and (8) shall apply.

"(B) Purchase of Life insurance.—To the extent any amount of accumulated deductible employee contributions of an employee are applied to the purchase of life insurance contracts, such amount shall be treated as distributed to the employee in the year so applied.

"(4) SPECIAL RULE FOR TREATMENT OF ROLLover amounts.—For purposes of sections 402(a)(5), 402(a)(7), 403(a)(4), 408(d)(3), and 409(b)(3)(C), the Secretary shall prescribe regulations providing for such allocations of amounts attributable to accumulated deductible employee contributions, and for such other rules, as may be necessary to insure that such accumulated deductible employee contributions do not become eligible for additional tax benefits (or freed from limitations) through the use of rollovers.

"(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) DEDUCTIBLE EMPLOYEE CONTRIBU-TIONS.—The term 'deductible employee contribution' means any qualified voluntary employee contribution (as defined in section 219(e)(2)) made after December 31, 1981, in a taxable year beginning after such date and allowable as a deduction under section 219(a) for such taxable year.

"(B) ACCUMULATED DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—The term 'accumulated deductible employee contributions' means the deductible employee contributions—

"(i) increased by the amount of income and gain allocable to such contributions,

and

"(ii) reduced by the sum of the amount of loss and expense allocable to such contributions and the amounts distributed with respect to the employee which are attributable to such contributions (or income or gain allocable to such contributions).

"(C) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given to such term by section 219(e)(3).

"(D) GOVERNMENT PLAN.—The term 'government plan' has the meaning given such term by section 219(e)(4).

"(6) Ordering rules.—Unless the plan specifies otherwise, any distribution from such plan shall not be treated as being made from the accumulated deductible employee contributions until all other amounts to the credit of the employee have been distribut-

ed."

(2) 10-YEAR AVERAGING AND CAPITAL GAINS NOT TO APPLY.—Subparagraph (A) of section 402(e)(4) (defining lump sum distribution) is amended by adding at the end thereof the following new sentence: "For purposes of this section and section 403, the balance to the credit of the employee does not include the accumulated deductible employee contributions under the plan (within the meaning of section 72(e)(5))."

(3) CONFORMING AMENDMENTS RELATING TO ROLLOVER DISTRIBUTIONS.—

(A) Paragraph (5) of section 402(a) (relating to rollover amounts) is amended—

(i) by inserting "(other than accumulated deductible employee contributions within the meaning of section 72(0)(5))" after "contributions" in subparagraph (B),

(ii) by striking out "or" at the end of subparagraph (D)(i)(I).

(iii) by striking out the period at the end of subparagraph (D)(i)(II) and inserting in lieu thereof ", or", and

lieu thereof ", or", and
(iv) by inserting at the end of subparagraph (D) the following new subclause:

"(III) which constitute a distribution of accumulated deductible employee contributions (within the meaning of section 72(0)(5))."

(B) Paragraph (8) of section 403(b) (relating to rollover amounts) is amended by inserting ", or 1 or more distributions of accumulated deductible employee contributions (within the meaning of section 72(o)(5))" after "subsection (a)" in subparagraph (B)(i).

(c) Unrealized Appreciation of Employer Securities.—

(1) Paragraph (1) of section 402(a) (relating to taxability of beneficiary of exempt trust) is amended by striking out in the second sentence thereof "by the employee" and inserting in lieu thereof "by the employee (other than deductible employee contributions within the meaning of section 72(a)(5))."

(2) Subparagraph (J) of section 402(e) (relating to tax on lump sum distribution) is amended by adding at the end thereof the following new sentence: "This subparagraph shall not apply to distributions of accumulated deductible employee contributions (within the meaning of section 77(o)(5))."

(d) ESTATE AND GIFT TAX EXCLUSION.—

(1) ESTATE TAX.—Subsection (c) of section 2039 (relating to exemption of annuities

under certain trusts and plans) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any deductible employee contributions (within the meaning of paragraph (5) of section 72(0)) shall be considered as made by a person other than the decedent."

(2) GIFT TAX.—Subsection (b) of section 2517 (relating to transfers attributable to employee contributions) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, deductible employee contributions (within the meaning of paragraph (5) of section 72(o)) shall be considered as made by a person other than the employee.'

(e) Repeal of Section 220.—Section 220 (relating to deduction for retirement savings for certain married individuals) is hereby re-

pealed.

(f) PENALTIES FOR FAILURE TO PROVIDE NECESSARY REPORTS.—Section 6652 amended by redesignating subsection (h) as subsection (i) and inserting after subsection

(g) the following new subsection:

- "(h) INFORMATION REQUIRED IN CONNEC-TION WITH DEDUCTIBLE EMPLOYEE CONTRIBU-TIONS.—In the case of failure to make a report required by section 219(f)(4) which contains the information required by such section on the date prescribed therefor (determined with regard to any extension of time for filing), there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the person failing so to file, an amount equal to \$25 for each participant with respect to whom there was a failure to file such information, multiplied by the number of years during which such failure continues, but the total amount imposed under this subsection on any person for failure to file shall not exceed \$10,000."
- (g) AMENDMENTS RELATING TO INCREASE IN IRA LIMITATIONS.
- (1) The following provisions are each amended by striking out "\$1,500" each place it appears and inserting in lieu thereof
- (A) Section 408(a)(1) (defining individual retirement account).
- (B) Section 408(b) (defining individual retirement annuity).
- (C) Section 408(j) (relating to increase in maximum limitations for simplified employ-
- (D) Section 409(a)(4) (defining retirement bond).
- (2) Subparagraph (A) of section 408(d)(5) is amended by striking out "\$1,750" and inserting in lieu thereof "\$2.250"
- (3) Subparagraph (A) of section 409(b)(3) (relating to redemption within 12 months) is amended by adding the following sentence at the end thereof: "The preceding sentence shall not apply to the extent that the bond was purchased with a rollover contribution described in subparagraph (C) of this paragraph or in section 402(a)(5), 402(a)(7),
- 403(a)(4), 403(b)(8), 405(b)(3), or 408(d)(3)."
 (4)(A) Paragraph (2) of section 415(a) is amended to read as follows:
- "(2) Section applies to certain annuities AND ACCOUNTS .- In the case of-
- "(A) an employee annuity plan described in section 403(a). "(B) an annuity contract described in sec-
- tion 403(b).
- (C) a simplified employee pension described in section 408(k), or
- "(D) a plan described in section 405(a) such a contract, plan, or pension shall not be considered to be described in section 403(a), 403(b), 405(a), or 408(k), as the case

may be, unless it satisfies the requirements of subparagraph (A) or subparagraph (B) of paragraph (1), whichever is appropriate, and has not been disqualified under subsection (g). In the case of an annuity contract described in section 403(b), the preceding sentence shall apply only to the portion of the annuity contract which exceeds the limitation of subsection (b) or the limitation of subsection (c), whichever is appropriate, and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)."

(B) The last sentence of paragraph (2) of section 415(c) is amended to read as follows: For the purposes of this paragraph, employee contributions under subparagraph (B) are determined without regard to any rollover contributions (as defined in sections 402(a)(5), 403(a)(4), 403(b)(8), 405(d)(3), 408(d)(3), and 409(b)(3)(C)) without regard to employee contributions to a simplified employee pension allowable as a deduction under section 219(a), and without regard to deductible employee contributions within the meaning of section 72(0)(5).'

(C) Paragraph (5) of section 415(e) is

amended to read as follows:

- "(5) SPECIAL RULES FOR SECTIONS 403(b) AND 408.-For purposes of this section, any annuity contract described in section 403(b) (except in the case of a participant who has elected under subsection (c)(4)(D) to have the provisions of subsection (c)(4)(C) apply) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year. In the case of any annuity described in section 403(b), the contract amount of the contribution disqualified by reason of subsection (g) shall reduce the exclusion allowance as provided in section 403(b)(2).'
- (h) AMENDMENTS CONFORMING TO THE REPEAL OF SECTION 220.
- (1) Paragraph (10) of section 62 (defining adjusted gross income) is amended by striking out "and the deduction allowed by section 220 (relating to retirement savings for certain married individuals)"
- (2) Paragraphs (4) and (5) of section 408(d) (relating to tax treatment of distributions) are each amended by striking out "section 219 or 220" each place it appears and inserting in lieu thereof "section 219"

(3) Subsection (a) of section 415 is amend-

ed by striking out paragraph (3).

(4) Subsection (e) of section 2039 (relating to exclusion of individual retirement accounts, etc.) is amended by striking out "section 219 or 220" each place it appears and inserting in lieu thereof "section 219"

(5) Subsection (d) of section 2503

hereby repealed.

Subparagraph (D) of 3401(a)(12) is amended by striking out "section 219(a) or 220(a)" and inserting in lieu thereof "section 219(a)".

(7) Subsection (b) of section 4973 is amended by striking out "section 219 or each place it appears and inserting in lieu thereof "section 219".

(8) Subsection (d) of section 6047 is amended by striking out "section 219(a) or 220(a)" and inserting in lieu thereof "section 219(a)".

- (9) Subsection (a) of section 4973 is amended by striking out the last sentence and inserting in lieu thereof the following: "The tax imposed by this subsection shall be paid by such individual."
- (10) Subparagraph (C) of section 4973(b)(2) is amended by striking out "sections 219(c)(5) and 220(c)(6)" and inserting in lieu thereof "section 219(f)(6)".
- (11) The table of sections for part VII of subchapter B of chapter 1 is amended by striking out the item relating to section 220.

(i) EFFECTIVE DATES .-

(1) In general.-Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1981.

(2) Transitional Rule.—For purposes of the Internal Revenue Code of 1954, any amount allowed as a deduction under section 220 of such Code (as in effect before its repeal by this Act) shall be treated as if it were allowed by section 219 of such Code.

(3) CERTAIN BOND ROLLOVER PROVISIONS. The amendment made by subsection (g)(3) shall apply to taxable years beginning after December 31, 1974.

(4) Section 415 AMENDMENTS.—The amendments made by subsections (g)(4) and (h)(3) shall apply to years after December 31, 1981.

SEC. 312. INCREASE IN AMOUNT OF SELF-EM-PLOYED RETIREMENT PLAN DEDUCTION.

- (a) In General.—Subsection (e) of section 404 (relating to special limitations for selfemployed individuals) is amended by striking out "\$7,500" in paragraphs (1) and (2) and inserting in lieu thereof "\$15,000".
- (b) MAXIMUM AMOUNT OF COMPENSATION TAKEN INTO ACCOUNT.
- (1) In general.—Paragraph (17) of section 401(a) (relating to maximum amount of compensation which may be taken into account) is amended by striking out all after 'only" and inserting in lieu thereof "if-
- "(A) the annual compensation of each employee taken into account under the plan does not exceed the first \$200,000 of compensation, and

"(B) in the case of-

"(i) a defined contribution plan with respect to which compensation in excess of \$100,000 is taken into account, contributions on behalf of each employee (other than an employee within the meaning of section 401(c)(1)) to the plan or plans are at a rate (expressed as a percentage of compensation) not less than 7.5 percent, or

"(ii) a defined benefit plan with respect to which compensation in excess of \$100,000 is taken into account, the annual benefit accrual for each employee (other than an emplovee within the meaning of section 401(c)(1)) is a percentage of compensation which is not less than one-half of the applicable percentage provided by subsection (j)(3).

(2) SIMPLIFIED EMPLOYEE PENSIONS.—Subparagraph (C) of section 408(k)(3) (relating to uniform relationships of contributions) is amended to read as follows:

"(C) CONTRIBUTIONS MUST BEAR A UNIFORM RELATIONSHIP TO TOTAL COMPENSATION.—For purposes of subparagraph (A), employer contributions to simplified employee pensions shall be considered discriminatory

"(i) contributions thereto bear a uniform relationship to the total compensation (not in excess of the first \$200,000) of each employee maintaining a simplified employee pension, and

"(ii) if compensation in excess of \$100,000 is taken into account under a simplified employee pension for an employee, contributions to a simplified employee pension on behalf of each employee for whom a contribution is required are at a rate (expressed as a percentage of compensation) not less than 7.5 percent."

(c) CONFORMING AMENDMENTS .-

(1) Subparagraphs (A) and (C) of section 219(b)(2), as amended by section 311(a), are each amended by striking out "\$7,500" and inserting in lieu thereof "\$15,000"

(2) Subsection (e) of section 401 is amended by striking out "for all such years exceeds \$7,500" and inserting in lieu thereof "for such taxable year exceeds \$15,000".

(3) Subparagraph (A) of section 401(j)(2) (relating to benefit plans for self-employed individuals and shareholder-employees) is amended by striking out "\$50,000" and in-

serting in lieu thereof "\$100,000".

(4) Paragraph (3) of section 401(j) is amended by adding at the end thereof the following new sentence: "For purposes of this paragraph, a change in the annual compensation taken into account under subparagraph (A) of subsection (j)(2) shall be treated as beginning a new period of plan participation."

(5) Subsections (d)(5) and (j) of section 408 are each amended by striking out and inserting in lieu thereof

"\$15,000".

(6) Subparagraph (B) of section 1379(b)(1) (relating to certain qualified pension, etc., plans) is amended by striking out "\$7,500" and inserting in lieu thereof "\$15,000"

(d) Loans to Participants.—Subsection (m) of section 72 (relating to special rules) is

amended-

(1) by adding at the end of paragraph (6) the following new sentence: "For purposes of the preceding sentence, the term 'owneremployee' shall except in applying paragraph (5), include an employee within the meaning of section 401(c)(1).", and

(2) by adding at the end thereof the fol-

lowing new paragraph:

"(8) LOANS TO OWNER-EMPLOYEES.-If, during any taxable year, an owner-employee receives, directly or indirectly, any amount as a loan from a trust described in section 401(a) which is exempt from tax under section 501(a), such amount shall be treated as having been received by such owner-employee as a distribution from such trust.'

(e) Correction of Excess Contribution

PERMITTED WITHOUT PENALTY .-

(1) Subsection (m) of section 72 (relating to special rules applicable to employee annuities and distributions under employee plans) (as amended by subsection (d)) is amended by adding at the end thereof the following new paragraph:

"(9) RETURN OF EXCESS CONTRIBUTIONS

BEFORE DUE DATE OF RETURN.-

"(A) In general.-If an excess contribution is distributed in a qualified distribution-

"(i) such distribution of such excess contribution shall not be included in gross income, and

"(ii) this section (other than this paragraph) shall be applied as if such excess contribution and such distribution had not been made.

(B) Excess contribution.—For purposes of this paragraph, the term 'excess contribution' means any contribution to a qualified trust described in section 401(a) or under a plan described in section 403(a) or 405(a) made on behalf of an employee (within the meaning of section 401(c)) for

any taxable year to the extent such contribution exceeds the amount allowable as a deduction under section 404(a).

"(C) QUALIFIED DISTRIBUTION. 'qualified distribution' means any distribution of an excess contribution which meets requirements similar to the requirements of subparagraphs (A), (B), and (C) of section 408(d)(4). In the case of such a distribution, the rules of the last sentence of section 408(d)(4) shall apply."

(2) Paragraph (4) of section 401(d) (relating to additional requirements for qualification of trusts and plans benefiting owner-employees) is amended by adding at the end thereof the following new sentence: "Subparagraph (B) shall not apply to any distribution to which section 72(m)(9) applies.'

(3) Subsection (b) of section 4972 (defining excess contributions) is amended by adding at the end thereof the following new

paragraph:

Excess contributions BEFORE DUE DATE.-For purposes of this subsection, any contribution which is distributed in a distribution to which section 72(m)(9) applies shall be treated as an amount not contributed."

(f) EFFECTIVE DATE.-

(1) In general.-Except as provided in paragraph (2), the amendments made by this section shall apply to plans which include employees within the meaning of section 401(c)(1) with respect to taxable years beginning after December 31, 1981.

(2) TRANSITIONAL RULE.—The amendments made by subsection (d) shall not apply to any loan from a plan to a self-employed individual who is an employee within the meaning of section 401(c)(1) which is outstanding on December 31, 1981. For purposes of the preceding sentence, any loan which is renegotiated, extended, renewed, or revised after such date shall be treated as a new loan.

SEC. 313. ROLLOVERS UNDER BOND PURCHASE PLANS.

(a) GENERAL RULE.—Subsection (d) of section 405 (relating to taxability of beneficiary of qualified bond purchase plan) is amended by adding at the end thereof the following new paragraph:

(3) ROLLOVER INTO AN INDIVIDUAL RETIRE-

MENT ACCOUNT OR ANNUITY .-

"(A) IN GENERAL.-If-

"(i) any qualified bond is redeemed,
"(ii) any portion of the excess of the proceeds from such redemption over the basis of such bond is transferred to an individual retirement plan which is maintained for the benefit of the individual redeeming such bond, and

"(iii) such transfer is made on or before the 60th day after the day on which the individual received the proceeds of such re-

demption,

then, gross income shall not include the proceeds to the extent so transferred and the transfer shall be treated as a rollover contribution described in section 408(d)(3).

"(B) QUALIFIED BOND.—For purposes of this paragraph, the term 'qualified bond' means any bond described in subsection (b) which is distributed under a qualified bond purchase plan or from a trust described in section 401(a) which is exempt from tax under section 501(a)."

TECHNICAL AMENDMENTS.

(1) The second sentence of paragraph (1) of section 405(d) is amended by striking out "the proceeds" and inserting "except as provided in paragraph (3), the proceeds".

(2) Sections 219(c)(2), 408(a)(1), and

4973(b)(1)(A) are each amended by inserting

"405(d)(3)," after "403(b)(8),".

(3) Subsection (e) of section 2039 amended by inserting "405(d)(3)," after contract described in subsection (c)(3)),"

Effective Date.-The amendments made by this section shall apply to redemptions after the date of the enactment of this Act in taxable years ending after such date. SEC. 314. MISCELLANEOUS PROVISIONS.

(a) REMOVAL OF FIVE-YEAR BAN ON CONTRI-BUTIONS TO OWNER-EMPLOYEE PLANS WHERE PLAN TERMINATES.

(1) In general.—Paragraph (5) of section 401(d) (relating to additional requirements for qualifications of trusts and plans benefiting owner-employees) is amended by adding at the end thereof the following: "Subparagraph (C) shall not apply to a distribution on account of the termination of the plan."

(2) Effective DATE.—The amendment made by paragraph (1) shall apply to distributions after December 31, 1980, in taxable

years beginning after such date.

(b) INVESTMENT BY INDIVIDUAL RETIREMENT ACCOUNTS, ETC., IN COLLECTIBLES TREATED AS DISTRIBUTIONS.

(1) In GENERAL.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) INVESTMENT IN COLLECTIBLES TREATED

AS DISTRIBUTIONS.

'(1) In general.—The acquisition by an individual retirement account or by an individually-directed account under a plan described in section 401(a) of any collectible shall be treated (for purposes of this section and section 402) as a distribution from such account in an amount equal to the cost to such account of such collectible.

"(2) Collectible defined.—For purposes of this subsection, the term 'collectible'

"(A) any work of art,

"(B) any rug or antique,

"(C) any metal or gem,

"(D) any stamp or coin,

"(E) any alcoholic beverage, or

"(F) any other tangible personal property specified by the Secretary for purposes of this subsection."

EFFECTIVE DATE.-The amendment made by paragraph (1) shall apply to property acquired after December 31, 1981, in taxable years ending after such date.

(c) TAXABILITY OF DISTRIBUTIONS TO EM-PLOYEES.

(1) CONTRIBUTIONS MADE AVAILABLE.-Paragraph (1) of section 402(a) (relating to taxability of beneficiary of exempt trust) is amended by striking out each place it appears "or made available".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31,

Subtitle C-Reinvestment of Dividends in **Public Utilities**

SEC. 321. ENCOURAGEMENT OF REINVESTMENT OF DIVIDENDS IN THE STOCK OF PUBLIC UTILITIES.

(a) AMENDMENT OF SECTION 305.—Section 305 (relating to distributions of stock and stock rights) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) DIVIDEND REINVESTMENT IN STOCK OF PUBLIC UTILITIES.

"(1) In general.-Subsection (b) shall not apply to any qualified reinvested dividend.

"(2) QUALIFIED REINVESTED DIVIDEND DE-FINED.—For purposes of this subsection, the term 'qualified reinvested dividend' means-

(A) a distribution by a qualified public utility of shares of its qualified common stock to an individual with respect to the common or preferred stock of such corporation pursuant to a plan under which shareholders may elect to receive dividends in the form of stock instead of property, but

(B) only if the shareholder elects to have this subsection apply to such shares.

"(3) QUALIFIED PUBLIC UTILITY DEFINED. "(A) In general.-For purposes of this subsection, the term 'qualified public utility' means, for any taxable year of the corporation, a domestic corporation which, for the 10-year period ending on the day before the beginning of the taxable year, acquired public utility recovery property having a cost equal to at least 60 percent of the aggregate cost of all tangible personal depreciable property acquired by the corporation

"(B) Special Rules .- For purposes of sub-

paragraph (A)-

during such period.

"(i) all members of an affiliated group

shall be treated as one corporation,

"(ii) a successor corporation shall take into account the acquisitions of its predecessor, and

"(iii) a new corporation to which clause (ii) does not apply shall substitute its period of existence for the 10-year period set forth in subparagraph (A).

"(C) DEFINITIONS.-For purposes of this

paragraph-

"(i) Affiliated GROUP.-The term 'affiliated group' has the meaning given to such term by subsection (a) of section 1504 (determined without regard to subsection (b) of section 1504).

"(ii) PUBLIC UTILITY RECOVERY PROPERTY. The term 'public utility recovery property' means public utility property (within the meaning of section 167(1)(3)(A)) which is recovery property which is 10-year property or 15-year public utility property (within the meaning of section 168), except that any requirement that the property be placed in service after December 31, 1980, shall not

"(4) QUALIFIED COMMON STOCK DEFINED.

"(A) In general.—For purposes of this subsection, the term 'qualified common stock' means authorized but unissued common stock of the corporation-

"(i) which has been designated by the board of directors of the corporation as issued for purposes of this subsection, but

"(ii) only if the number of shares to be issued to a shareholder was determined by reference to a value which is not less than 95 percent and not more than 105 percent of the stock's fair market value during the period immediately before the distribution (determined under regulations prescribed by

"(B) CERTAIN PURCHASES BY CORPORATION of its own stock.—Except as provided in subparagraph (D), if a corporation has purchased or purchases its common stock within a 2-year period beginning 1 year before the date of the distribution and ending 1 year after such date, such distribution shall be treated as not being a qualified reinvested dividend.

"(C) MEMBERS OF AFFILIATED GROUP .purposes of subparagraph (B), the purchase by any corporation which is a member of the same affiliated group (as defined in paragraph (3)(C)(i)) as the distributing corporation of common stock in any corporation which is a member of such group from group) shall be treated as a purchase by the distributing corporation of its common

"(D) WAIVER OF SUBPARAGRAPH (B) WHERE THERE IS BUSINESS PURPOSE.—Under regulations prescribed by the Secretary, subparagraph (B) shall not apply where the distributing corporation establishes that there was a business purpose for the purchase of the stock and such purchase is not inconsistent with the purposes of this subsection.

(5) SHARE INCLUDES FRACTIONAL SHARE .-For purposes of this subsection, the term 'share' includes a fractional share.

"(6) LIMITATION .-

'(A) In general .- In the case of any individual, the aggregate amount of distribu-tions to which this subsection applies for the taxable year shall not exceed \$750 (\$1,500 in the case of a joint return).

(B) APPLICATION OF CEILING.-If, but for this subparagraph, a share of stock would, by reason of subparagraph (A), be treated as partly within this subsection and partly outside this subsection, such share shall be treated as outside this subsection.

"(7) Basis and Holding Period.-In the case of stock received as a qualified reinvested dividend-

(A) notwithstanding section 307, the basis shall be zero, and

"(B) the holding period shall begin on the date the dividend would (but for this subsec-

tion) be includible in income.

"(8) Election.—An election under this subsection with respect to any share shall be made on the shareholder's return for the taxable year in which the dividend would (but for this subsection) be includible in income. Any such election, once made, shall be revocable only with the consent of the

"(9) DISPOSITIONS WITHIN 1 YEAR OF DIS-TRIBUTION.—Under regulations prescribed by

the Secretary

"(A) DISPOSITION OF OTHER COMMON STOCK.—If-

'(i) a shareholder receives any qualified reinvested dividend from a corporation, and

"(ii) during the period which begins on the record date for the qualified reinvested dividend and ends 1 year after the date of the distribution of such dividend, the shareholder disposes of any common stock of such corporation.

the shareholder shall be treated as having disposed of the stock received as a qualified reinvested dividend (to the extent there remains such stock to which this paragraph has not applied).

"(B) ORDINARY INCOME TREATMENT.-If any stock received as a qualified reinvested dividend is disposed of within 1 year after the date such stock is distributed, such disposition shall be treated as a disposition of property which is not a capital asset.

'(10) NO REDUCTION IN EARNINGS AND PROF-ITS FOR DISTRIBUTION OF QUALIFIED COMMON STOCK .- The earnings and profits of any corporation shall not be reduced by reason of the distribution of any qualified common stock of such corporation pursuant to a plan under which shareholders may elect to receive dividends in the form of stock instead of property.

(11) CERTAIN INDIVIDUALS INELIGIBLE.

"(A) In GENERAL.—This subsection shall not apply to any individual who is-

"(i) a trust or estate, or

"(ii) a nonresident alien individual.

"(B) 5 PERCENT SHAREHOLDERS INELIGIBLE. Any distribution by a corporation to a 5 percent shareholder in such corporation shall

any person (other than a member of such not be treated as a qualified reinvested dividend.

> "(C) 5 PERCENT SHAREHOLDER DEFINED .- For purposes of subparagraph (B), the term '5 percent shareholder' means any individual who, immediately before the distribution, owns (directly or through the application of section 318)

> "(i) stock possessing more than 5 percent of the total combined voting power of the distributing corporation, or

"(ii) more than 5 percent of the total value of all classes of stock of the distributing corporation.

"(12) TERMINATION.—This subsection shall not apply to distributions after December 31, 1985.

(b) AMENDMENT OF SECTION 305(d).-Paragraph (1) of section 305(d) (defining stock) is amended by striking out "this section" and inserting in lieu thereof "this section (other than subsection (e))".

(c) Effective Date.-The amendments made by this section shall apply to distributions after December 31, 1981, in taxable years ending after such date.

Subtitle D-Employee Stock Ownership Provisions

SEC. 331. PAYROLL-BASED CREDIT FOR ESTABLISH-ING EMPLOYEE STOCK OWNERSHIP

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowed), as amended by section 221 of this Act, is further amended by inserting immediately after section 44F the following new section:

SEC. 44G. EMPLOYEE STOCK OWNERSHIP CREDIT.

"(a) GENERAL RULE.-

"(1) CREDIT ALLOWED.—In the case of a corporation which elects to have this section apply for the taxable year and which meets the requirements of subsection (c)(1), there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount of the credit determined under paragraph (2) for such taxable year.

"(2) DETERMINATION OF AMOUNT.-

"(A) In GENERAL.—The amount of the credit determined under this paragraph for the taxable year shall be equal to the lesser

"(i) the aggregate value of employer securities transferred by the corporation for the taxable year to a tax credit employee stock ownership plan maintained by the corporation, or

"(ii) the applicable percentage of the amount of the aggregate compensation (within the meaning of section 415(c)(3)) paid or accrued during the taxable year to all employees under a tax credit employee stock ownership plan.

"(B) APPLICABLE PERCENTAGE.-For poses of applying subparagraph (A)(ii), the applicable percentage shall be determined in accordance with the following table:

"For aggregate compensation paid or accrued during a portion of the taxable year occurring in calendar year:	applica- ble percent- age is:
1983	0.5
1984	0.5
1985	0.75
1986	0.75
1987	0.75
1988 or thereafter	0

"(b) LIMITATION BASED ON AMOUNT OF

(1) LIABILITY FOR TAX.-

"(A) In general.-The credit allowed by subsection (a) for any taxable year shall not exceed an amount equal to the sum of-

'(i) so much of the liability for tax for the taxable year as does not exceed \$25,000, plus "(ii) 90 percent of so much of the liability for tax for the taxable year as exceeds

"(B) LIABILITY FOR TAX DEFINED.-For purposes of this paragraph, the term 'liability for tax' means the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowed under a section of this subpart having a lower number designation than this section, other than credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(C) CONTROLLED GROUPS.—In the case of a controlled group of corporations, \$25,000 amount specified in subparagraph
(A) shall be reduced for each component member of such group by apportioning \$25,000 among the component members of such group in such manner as the Secretary shall by regulations prescribe. For purposes of the preceding sentence, the term 'controlled group of corporations' has the meaning assigned to such term by section 1563(a) (determined without regard to subsections (a)(4) and (e)(3)(C) of such section).

"(2) CARRYBACK AND CARRYOVER OF UNUSED

"(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided under paragraph (1)(A) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be-

"(i) an employee stock ownership credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(ii) an employee stock ownership credit carryover to each of the 15 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year ending before January 1. 1983, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 18 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other 17 taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided under paragraph (1)(A) for such taxable year exceeds the sum of-

"(i) the credit allowable under this section

for such taxable year, and "(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.

"(3) CERTAIN REGULATED COMPANIES.-No credit shall be allowed under this section to a taxpayer if-

'(A) the taxpayer's cost of service for ratemaking purposes or in its regulated books of account is reduced by reason of any portion of such credit which results from the transfer of employer securities or cash to a tax credit employee stock ownership plan which meets the requirements of section 409A;

"(B) the base to which the taxpayer's rate of return for ratemaking purposes is applied is reduced by reason of any portion of such credit which results from a transfer described in subparagraph (A) to such employ-

ee stock ownership plan; or

"(C) any portion of the amount of such credit which results from a transfer described in subparagraph (A) to such employee stock ownership plan is treated for ratemaking purposes in any way other than as though it had been contributed by the taxpayer's common shareholders.

(c) DEFINITIONS AND SPECIAL RULES.

"(1) REQUIREMENTS FOR CORPORATION .corporation meets the requirements of this paragraph if it-

"(A) establishes a plan-

"(i) which meets the requirements of sec-

tion 409A, and

'(ii) under which no more than one-third of the employer contributions for the taxable year are allocated to the group of employees consisting of-

(I) officers,

"(II) shareholders owning more than 10 percent of the employer's stock (within the meaning of section 415(c)(6)(B)(iv)), or

"(III) employees described in section

415(c)(6)(B)(iii), and

"(B) agrees, as a condition for the allowance of the credit allowed by this subsec-

'(i) to make transfers of employer securities to a tax credit employee stock ownership plan maintained by the corporation having an aggregate value of not more than the applicable percentage for the taxable year (determined under subsection (a)(2)) of the amount of the aggregate compensation (within the meaning of section 415(c)(3)) paid or accrued by the corporation during the taxable year, and

"(ii) to make such transfers at the times prescribed in paragraph (2).

(2) TIMES FOR MAKING TRANSFERS.—The transfers required under paragraph (1)(B) shall be made not later than 30 days after the due date (including extensions) for filing the return for the taxable year.

"(3) ADJUSTMENTS TO CREDIT.—If the credit allowed under this section is reduced by a final determination, the employer may reduce the amount required to be transferred to the tax credit employee stock ownership plan under paragraph (1)(B) for the taxable year in which the final determination occurs or any succeeding taxable year by an amount equal to such reduction to the extent such reduction is not taken into account in any deduction allowed under section 404(i)(2).

"(4) CERTAIN CONTRIBUTIONS OF CASH TREATED AS CONTRIBUTIONS OF EMPLOYER SEcurities.-For purposes of this section, a transfer of cash shall be treated as a transfer of employer securities if the cash is, under the tax credit employee stock ownership plan, used within 30 days to purchase employer securities.

(5) DISALLOWANCE OF DEDUCTION.—Except as provided in section 404(i), no deduction shall be allowed under section 162, 212, or 404 for amounts required to be transferred to a tax credit employee stock ownership plan under this section.

(6) EMPLOYER SECURITIES.—For purposes of this section, the term 'employer securities' has the meaning given such term in section 409A(1).

'(7) VALUE.-For purposes of this section,

the term 'value' means-

(A) in the case of securities listed on a national exchange, the average of closing prices of such securities for the 20 consecutive trading days immediately preceding the date on which the securities are contributed to the plan, or

"(B) in the case of securities not listed on a national exchange, the fair market value as determined in good faith and in accordance with regulations prescribed by the Sec-

retary."

(b) DEDUCTIBILITY OF UNUSED PORTIONS OF THE CREDIT.-Section 404 is amended by adding at the end thereof the following new subsection:

"(i) DEDUCTIBILITY OF UNUSED PORTIONS OF EMPLOYEE STOCK OWNERSHIP CREDIT.

"(1) UNUSED CREDIT CARRYOVERS.-There shall be allowed as a deduction (without regard to any limitations provided under this section) for the last taxable year to which an unused employee stock ownership credit carryover (within the meaning of section 44G(b)(2)(A)) may be carried, an amount equal to the portion of such unused credit carryover which expires at the close of such taxable year.

"(2) REDUCTIONS IN CREDIT.—There shall be allowed as a deduction (subject to the limitations provided under this section) an amount equal to any reduction of the credit allowed under section 44G resulting from a final determination of such credit to the extent such reduction is not taken into account in section 44G(c)(3)."

(c) CONFORMING AMENDENTS .-

(1) Section 409A (relating to qualifications for tax credit employee stock ownership plans) is amended-

(A) by inserting "or 44G(c)(1)(B)" after section 48(n)(1)(A)" in subsection section (b)(1)(A).

(B) by inserting "or the credit allowed under section 44G (relating to the employee stock ownership credit)" after "basic employee plan credit" in subsection (b)(4),

(C) by inserting "or 44G(c)(1)(B)" section 48(n)(1)" in subsection (g),

(D) by inserting "or the credit allowed under section 44G (relating to employee stock ownership credit)" after "employee plan credit" in subsection (g),

(E) by inserting "or 44G(c)(1)(B)" after section 48(n)(1)" in subsection (i)(1)(A),

(F) by inserting "section 44G(c)(1)(B), or after "required under" in subsection (m).

(G) by inserting "or employee stock ownership credit" after "employee plan credit" in subsection (n)(2), and

(H) by adding at the end of subsection (n) the following new paragraph:

"(3) For requirements for allowance of an employee stock ownership credit, see section 44G.

(2) Subsection (c) of section 56 (relating to regular tax deductions defined) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44G".

(3) Subsection (a) of section 6699 (relating to assessable penalties relating to tax credit employee stock ownership plan) is amend-

(A) by inserting "or a credit allowable under section 44G (relating to the employee stock ownership credit)" after "employee

(B) by striking out "section 409A, or" in paragraph (1) and inserting in lieu thereof 'section 409A with respect to a qualified investment made before January 1, 1983,'

(C) by inserting after paragraph (2) the following new paragraphs:

"(3) fails to satisfy any requirement provided under section 409A with respect to a

credit claimed under section 44G in taxable years ending after December 31, 1982, or

"(4) fails to make any contribution which required under section 44G(c)(1)(B) within the period required for making such contribution.".

(4) Paragraph (2) of section 6699 is amended to read as follows:

(2) MAXIMUM AND MINIMUM AMOUNT .-

"(A) The amount determined under paragraph (1) with respect to a failure described in paragraph (1) or (2) of subsection (a)-

'(i) shall not exceed the amount of the employee plan credit claimed by the employer to which such failure relates, and

"(ii) shall not be less than the product of one-half of 1 percent of the amount referred to in subparagraph (A), multiplied by the number of months (or parts thereof) during which such failure continues

"(B) The amount determined under paragraph (1) with respect to a failure described in paragraph (3) or (4) of subsection (a)-

"(i) shall not exceed the amount of the credit claimed by the employer under section 44G to which such failure relates, and

"(ii) shall not be less than the product of one-half of 1 percent of the amount re-ferred to in subparagraph (A), multiplied by the number of months (or parts thereof) during which such failure continues."

(d) TECHNICAL AMENDMENTS RELATED TO CARRYOVER AND CARRYBACK OF CREDITS.—

(1) CARRYOVER OF CREDIT.

(A) Subparagraph (A) of section 55(c)(4) (relating to credits), as amended by this Act, is amended by inserting "44G(b)(1)," before

(B) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation), as amended by this Act, is amended by adding at the end thereof the following new paragraph:

"(29) CREDIT UNDER SECTION 44G.-The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44G, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44G in respect of the distributor or transferor corporation.'

(C) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, foreign taxes, and capital losses), as in effect for taxable years beginning with and after the first taxable year to which the amendments made by the Tax Reform Act of 1976 apply, is amended-

(i) by inserting "to any unused credit of

the corporation under section 44G(b)(2)," after "44F(g)(2),", and
(ii) by inserting "EMPLOYEE STOCK OWNER-SHIP CREDITS," after "RESEARCH CREDITS," in the section heading.

(D) Section 383 (as in effect on the day before the date of the enactment of the Tax

Reform Act of 1976) is amended-(i) by inserting "to any unused credit of

the corporation which could otherwise be carried forward under section 44G(b)(2),' after "44F(g)(2),", and

(ii) by inserting "EMPLOYEE STOCK OWNER-SHIP CREDITS," after "RESEARCH CREDITS," in the section heading.

(E) The Table of sections for part V of subchapter C of chapter 1 is amended by in-serting "employee stock ownership credits," after "research credits," in the item relating to section 383.

(2) CARRYBACK OF CREDIT .-

(C) (A) Subparagraph of 6511(d)(4) (defining credit carryback), as amended by this Act, is amended by striking out "and research credit carryback" and inserting in lieu thereof "research credit carryback, and employee stock ownership credit carryback"

(B) Section 6411 (relating to quick refunds in respect of tentative carryback adjust-ments), as amended by this Act, is amend-

(i) by striking out "or unused research each place it appears and inserting in lieu thereof "unused research credit, or unused employee stock ownership credit'

(ii) by inserting "by an employee stock ownership credit carryback provided by section 44G(b)(2)" after "by a research and experimental credit carryback provided in section 44F(g)(2), in the first sentence of subsection (a):

(iii) by striking out "or a research credit carryback from" each place it appears and inserting in lieu thereof "a research credit carryback, or employee stock ownership

credit carryback from"; and
(iv) by striking out "new employee credit carryback)" in the second sentence of subsection (a) and inserting in lieu thereof 'new employee credit carryback, or, in the case of an employee stock ownership credit carryback, to an investment credit carryback, a new employee credit carryback or a research and experimental credit carry-

(e) OTHER TECHNICAL AND CLERICAL AMEND

(1) Subsection (b) of section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund), as amended by this Act, is amended by striking out "and 44F" and inserting in lieu thereof '44F, and 44G".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44F the following new item:

Sec. 44G. Employee stock ownership credit.'

(f) EFFECTIVE DATE .-

(1) The amendments made by subsection (a) shall apply to aggregate compensation (within the meaning of section 415(c)(3) of the Internal Revenue Code of 1954), paid or accrued after December 31, 1982, in taxable years ending after such date.

(2) The amendments made by subsections (b) and (c) shall apply to taxable years ending after December 31, 1982.

SEC. 332. TERMINATION OF THE PORTION OF THE INVESTMENT CREDIT ATTRIBUTABLE TO EMPLOYEE PLAN PERCENTAGE.

(a) In General.-Subparagraph (E) of section 46(a)(2) (relating to employee plan per-

centage) is amended—
(1) by striking out "December 31, 1983" in clauses (i) and (ii) and inserting in lieu thereof "December 31, 1982", (2) by striking out "and" at the end of

clause (i). (3) by striking out the period at the end of clause (ii) and inserting in lieu thereof ",

(4) by inserting after clause (ii) the following new clause:

"(iii) with respect to any period beginning after December 31, 1982, zero."

(b) TECHNICAL AMENDMENT.-Clause (i) of section 48(n)(1)(A) (relating to requirements for allowance of employee plan percentage) is amended by striking out "equal and inserting in lieu thereof "which does not exceed".

(c) EFFECTIVE DATES .-

(1) The amendments made by subsection (a) shall be effective on the date of enactment of this Act.

(2) The amendment made by subsection (b) shall apply to qualified investments made after December 31, 1981.

SEC. 333. TAX TREATMENT OF CONTRIBUTIONS AT-TRIBUTABLE TO PRINCIPAL AND IN-TEREST PAYMENTS IN CONNECTION WITH AN EMPLOYEE STOCK OWNER-SHIP PLAN.

(a) DEDUCTIBILITY.—Section 404(a) (relating to deductions for employer contributions to an employees' trust) is amended by adding at the end thereof the following new paragraph:

"(10) CERTAIN CONTRIBUTIONS TO EMPLOYEE

STOCK OWNERSHIP PLANS .-

"(A) PRINCIPAL PAYMENTS.-Notwithstanding the provisions of paragraphs (3) and (7), if contributions are paid into a trust which forms a part of an employee stock ownership plan (as described in section 4975(e)(7)), and such contributions are, on or before the time prescribed in paragraph (6), applied by the plan to the repayment of the principal of a loan incurred for the purpose of acquiring qualifying employer securities (as described in section 4975(e)(8)), such contributions shall be deductible under this paragraph for the taxable year determined under paragraph (6). The amount deductible under this paragraph shall not, however, exceed 25 percent of the compensation otherwise paid or accrued during the taxable year to the employees under such employee stock ownership plan. amount paid into such trust in any taxable year in excess of the amount deductible under this paragraph shall be deductible in the succeeding taxable years in order of time to the extent of the difference between the amount paid and deductible in each such succeeding year and the maximum amount deductible for such year under the preceding sentence.

"(B) INTEREST PAYMENT.—Notwithstanding the provisions of paragraphs (3) and (7), if contributions are made to an employee stock ownership plan (described in subparagraph (A)) and such contributions are applied by the plan to the repayment of interest on a loan incurred for the purpose of acquiring qualifying employer securities (as described in subparagraph (A)), such contributions shall be deductible for the taxable year with respect to which such contributions are made as determined under paragraph (6).".

(b) Exclusion From Limitation ANNUAL ADDITIONS.

(1) In general.—Section 415(c)(6) (relating to limitations on benefits and contributions made under qualified plans) is amended by adding at the end thereof the following new subparagraph:

"(C) In the case of an employee stock ownership plan (as described in section 4975(e)(7)), under which no more than onethird of the employer contributions for a year which are deductible under paragraph (10) of section 404(a) are allocated to the group of employees consisting of officers, shareholders owning more than 10 percent of the employer's stock (determined under subparagraph (B)(iv)), or employees described in subparagraph (B)(iii), the limitations imposed by this section shall not apply

"(i) forfeitures of employer securities under an employee stock ownership plan (as described in section 4975(e)(7)) if such securities were acquired with the proceeds of a loan (as described in section 404(a)(10)(A)),

"(ii) employer contributions to such an employee stock ownership plan which are deductible under section 404(a)(10)(B) and charged against the participant's account.".

Effective DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 1981.

SEC. 334. CASH DISTRIBUTIONS FROM AN EMPLOY-EE STOCK OWNERSHIP PLAN.

Section 409A(h)(2) (relating to right to demand employer securities) is amended-

(1) by adding at the end thereof the following new sentence: "In the case of an employer whose charter or bylaws restrict the ownership of substantially all outstanding employer securities to employees or to a trust described in section 401(a), a plan which otherwise meets the requirements of this subsection or section 4975(e)(7) shall not be considered to have failed to meet the requirements of section 401(a) merely because it does not permit a participant to exercise the right described in paragraph (1)(A) if such plan provides that participants entitled to a distribution from the plan shall have a right to receive such distribution in cash."; and

(2) by striking out "this section" in the first sentence thereof and inserting in lieu thereof "this subsection"

SEC. 335, PUT OPTION FOR STOCK BONUS PLANS.

Section 401(a)(23) (relating to cash distribution option for stock bonus plans) is amended by striking out "409A(h)(2)" and inserting in lieu thereof "409A(h), except that in applying section 409A(h) for purposes of this paragraph, the term 'employer securities' shall include any securities of the employer held by the plan".

SEC. 336. PUT OPTION REQUIREMENTS FOR BANKS; PUT OPTION PERIOD.

Section 409A(h) (relating to put options for employee stock ownership plans) is amended by adding at the end thereof the

following new paragraphs: '(3) SPECIAL RULE FOR BANKS.—In the case of a plan established and maintained by a bank (as defined in section 581) which is prohibited by law from redeeming or purchasing its own securities, the requirements of paragraph (1)(B) shall not apply if the plan provides that participants entitled to a

distribution from the plan shall have a right to receive a distribution in cash.

(4) Put option period.—An employer shall be deemed to satisfy the requirements of paragraph (1)(B) if it provides a put option for a period of at least 60 days following the date of distribution of stock of the employer and, if the put option is not exercised within such 60-day period, for an additional period of at least 60 days in the following plan year (as provided in regulations promulgated by the Secretary).

SEC. 337. DISTRIBUTION OF EMPLOYER SECURITIES FROM A TAX CREDIT EMPLOYEE STOCK OWNERSHIP PLAN IN THE CASE OF A SALE OF EMPLOYER ASSETS OR STOCK.

(a) In General.—Section 409A(d) (relating to distribution of employer securities) is amended by striking out the last sentence thereof and inserting in lieu thereof the following: "To the extent provided in the plan,

the preceding sentence shall not apply in the case of-

"(1) death, disability, or separation from service;

"(2) a transfer of a participant to the employment of an acquiring employer from the employment of the selling corporation in the case of-

(A) a sale to the acquiring employer of substantially all of the assets used by the selling corporation in a trade or business conducted by the selling corporation, or

'(B) the sale of substantially all of the stock of a subsidiary of the employer, or

"(3) with respect to the stock of a selling corporation, a disposition of such selling corporation's interest in a subsidiary when the participant continues employment with such subsidiary."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions described in section 409A(d) of the Internal Revenue Code of 1954 (or any corresponding provision of prior law) made after March 29, 1975.

SEC. 338. PASS THROUGH OF VOTING RIGHTS ON EMPLOYER SECURITIES

(a) In GENERAL.—Paragraph (22) of section 401(a) (relating to qualified pension, profitsharing, and stock bonus plans) is amended to read as follows:

'(22) if a defined contribution plan (other than a profit-sharing plan)-

'(A) is established by an employer whose stock is not publicly traded, and

"(B) after acquiring securities of the employer, more than 10 percent of the total assets of the plan are securities of the em-

any trust forming part of such plan shall not constitute a qualified trust under this section unless the plan meets the requirements of subsection (e) of section 409A.

(b) Effective Date.—The amendment made by this section shall apply to acquisitions of securities after December 31, 1979. SEC. 339. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this subtitle shall apply to taxable years beginning after December 31,

TITLE IV-ESTATE AND GIFT TAX PROVISIONS

Subtitle A-Increase in Unified Credit; Rate Reduction: Unlimited Marital Deduction

SEC. 401. INCREASE IN UNIFIED CREDIT.

(a) CREDIT AGAINST ESTATE TAX .-

(1) In general.—Subsection (a) of section 2010 (relating to unified credit against estate tax) is amended by striking out "\$47,000" and inserting in lieu thereof "\$192,800".

(2) CONFORMING AMENDMENTS.

(A) Subsection (b) of section 2010 is amended to read as follows:

"(b) Phase-in of Credit.-

Subsection (a) shall be applied by substitut-ing for '\$192,800' "In the case of decedents dying in: the amount: \$62,800 79,300 1983 96.300 1984 121,800 1985. 155,800."

(B) Subsection (a) of section 6018 (relating to estate tax returns by executors) is amended-

(i) by striking out "\$175,000" in paragraph (1) and inserting in lieu thereof "\$600,000";

(ii) by striking out paragraph (3) and inserting in lieu thereof the following:

PHASE-IN OF FILING REQUIREMENT AMOUNT.

"In the case of decedents dying in:	Paragraph (1) shall be applied by substituting for '\$600,000' the following amount:
1982	\$225,000
1983	275,000
1984	325,000
1985	400,000
1986	500,000."

(b) CREDIT AGAINST GIFT TAX .-

(1) In general.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by striking out "\$47,000" and inserting in lieu thereof "\$192,800".

(2) Conforming amendment.—Subsection (b) of section 2505 is amended to read as fol-

"(b) PHASE-IN OF CREDIT .-

"In the case of gifts made in:	Subsection (a)(1) shall be applied by substituting for '\$192,800' the following amount:
1982	\$62,800 79,300 96,300 121,800 155,800."

(c) Effective Dates.-The amendments

(1) by subsection (a) shall apply to the estates of decedents dying after December 31, 1981, and

(2) by subsection (b) shall apply to gifts made after such date. SEC. 402. REDUCTION IN MAXIMUM RATES OF TAX.

(a) 50 PERCENT MAXIMUM RATE.—Subsection (c) of section 2001 (relating to rate schedule) is amended by striking out the item beginning "Over \$2,500,000" and all that follows and inserting in lieu thereof the following new item:

... \$1,025,800, plus 50% of "Over \$2.500.000...... the excess \$2,500,000."

(b) Phase-In of 50 Percent Maximum RATE.—Subsection (c) of section 2001 is amended-

(1) by striking out "(c) RATE SCHEDULE.-" and inserting in lieu thereof the following:

"(c) RATE SCHEDULE.—
"(1) IN GENERAL.—", and

(2) by adding at the end thereof the following new paragraph:

(2) PHASE-IN OF 50 PERCENT MAXIMUM

"(A) In general.-In the case of decedents dying, and gifts made, before 1985, there shall be substituted for the last item in the schedule contained in paragraph (1) the items determined under this paragraph

"(B) For 1982.—In the case of decedents dying, and gifts made, in 1982, the substitution under this paragraph shall be as fol-

"Over \$2,500,000 but not \$1,025,800, plus 53% of the excess \$2,500,000. over \$3,000,000. Over \$3,000,000 but not \$1,290,800, plus 57% of over \$3,500,000. the excess over \$3,000,000. Over \$3,500,000 but not \$1,575,800, plus 61% of over \$4,000,000. the excess \$3,500,000. over Over \$4,000,000... \$1,880,800, plus 65% of the excess over \$4,000,000.

"(C) For 1983.-In the case of decedents dying, and gifts made, in 1983, the substitution under this paragraph shall be as fol-

"Over \$2,500,000 but not \$1,025,800, plus 53% of over \$3,000,000. the exover excess Over \$3,000,000 but not \$1,290,800, plus 57% of over over \$3,500,000. the excess \$3,000,000. Over \$3 500 000 \$1,575,800, plus 60% of over excess \$3.500.000.

"(D) For 1984.—In the case of decedents dying, and gifts made, in 1984, the substitution under this paragraph shall be as fol-

'Over \$2,500,000 but not \$1,025,800, plus 53% of over \$3,000,000. the excess \$2,500,000. Over \$3,000,000. \$1,290,800, plus 55% of the excess over \$3,000,000."

(c) ADJUSTMENT IN COMPUTATION OF TAX FOR GIFTS MADE AFTER DECEMBER 31, 1976. Paragraph (2) of section 2001(b) is amended

to read as follows:
"(2) the aggregate amount of tax which would have been payable under chapter 12 with respect to gifts made by the decedent after December 31, 1976, if the rate schedule set forth in subsection (c) (as in effect at the decedent's death) had been applicable at the time of such gifts."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after, and gifts made

after, December 31, 1981.

SEC. 403. UNLIMITED MARITAL DEDUCTION.

(a) ESTATE TAX DEDUCTION.

(1) In GENERAL.—Section 2056 (relating to bequests, etc., to surviving spouses) amended-

(A) by striking out subsection (c) and redesignating subsection (d) as subsection (c);

(B) by striking out "subsections (b) and (c)" in subsection (a) and inserting in lieu thereof "subsection (b)".

(2) CONFORMING AMENDMENTS.

(A) Paragraph (2) of section 2012(b) (relating to credit for gift tax) is amended to read as follows:

(2) if a deduction with respect to such gift is allowed under section 2056(a) (relating to marital deduction), then by the amount of such value, reduced as provided in paragraph (1); and"

(B) Paragraph (5) of section 2602(c) (relating to coordination with estate tax) is amended by striking out subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respec-

tively.

(C) Subparagraph (A) of section 691(c)(3) (relating to special rules for generation-skipping transfers) is amended by striking out 'section 2602(c)(5)(C)" and inserting in lieu thereof "section 2602(c)(5)(B)".

(b) GIFT TAX DEDUCTION.

(1) In general.—Subsection (a) of section 2523 (relating to gift to spouse) is amended to read as follows:

(a) ALLOWANCE OF DEDUCTION.—Where a donor who is a citizen or resident transfers during the calendar year by gift an interest in property to a donee who at the time of the gift is the donor's spouse, there shall be allowed as a deduction in computing taxable gifts for the calendar year an amount with respect to such interest equal to its value.

(2) TECHNICAL AMENDMENT.—Section 2523 is amended by striking out subsection (f).

(3) CONFORMING AMENDMENTS

(A) So much of section 6019 (relating to gift tax returns) as follows the heading and precedes subsection (b) is amended to read as follows:

'Any individual who in any calendar year makes any transfer by gift other than-

'(1) a transfer which under subsection (b) or (e) of section 2503 is not to be included in the total amount of gifts for such year, or

"(2) a transfer of an interest with respect to which a deduction is allowed under sec-

tion 2523

shall make a return for such year with respect to the gift tax imposed by subtitle B."

(B) Paragraph (2) of section 2035(b) is amended by inserting "(other than by reason of section 6019(a)(2))" after "section 6019'

(c) ESTATE TAX ON PROPERTY HELD JOINTLY BY HUSBAND AND WIFE.

(1) In general.—Paragraph (2) of section 2040(b) (defining qualified joint interest) is amended to read as follows:

"(2) QUALIFIED JOINT INTEREST DEFINED .-For purposes of paragraph (1), the term 'qualified joint interest' means any interest in property held by the decedent and the decedent's spouse as

"(A) tenants by the entirety, or

"(B) joint tenants with right of survivorship, but only if the decedent and the spouse of the decedent are the only joint

(2) TECHNICAL AMENDMENT.—Subsection (a) of section 2040 is amended by striking out "joint tenants" each place it appears and inserting in lieu thereof "joint tenants with right of survivorship".

(3) CONFORMING AMENDMENTS.

(A) Subsections (c), (d), and (e) of section

2040 are hereby repealed.

(B) Section 2515 (relating to tenancies by the entirety in real property), section 2515A (relating to tenancies by the entirety in personal property), and subsection (c) of section 6019 (relating to gift tax return) are hereby repealed.

(C) The table of sections for subchapter B of chapter 12 (relating to transfers) is amended by striking out the items relating

to sections 2515 and 2515A.

(d) Election To Have Certain Life Inter-ESTS QUALIFY FOR MARITAL DEDUCTION.

(1) ESTATE TAX.—Subsection (b) of section 2056 is amended by adding at the end thereof the following new paragraphs:

"(7) ELECTION WITH RESPECT TO LIFE ESTATE FOR SURVIVING SPOUSE

"(A) In general.—In the case of qualified terminable interest property-

"(i) for purposes of subsection (a), such property shall be treated as passing to the surviving spouse, and

"(ii) for purposes of paragraph (1)(A), no part of such property shall be treated as

passing to any person other than the surviving spouse.

"(B) QUALIFIED TERMINABLE INTEREST PROP-ERTY DEFINED .- For purposes of this paragraph-

'(i) In general.-The term 'qualified terminable interest property' means property-

'(I) which passes from the decedent, "(II) in which the surviving spouse has a qualifying income interest for life, and

"(III) to which an election under this paragraph applies.

"(ii) QUALIFYING INCOME INTEREST FOR LIFE.—The surviving spouse has a qualifying income interest for life if-

"(I) the surviving spouse is entitled to all the income from the property, payable annually or at more frequent intervals, and

"(II) no person has a power to appoint any part of the property to any person other than the surviving spouse.

Subclause (II) shall not apply to a power exercisable only at or after the death of the surviving spouse.

"(iii) PROPERTY INCLUDES INTEREST THERE-IN.-The term 'property' includes an interest in property.

"(iv) Specific portion treated as separate PROPERTY.-A specific portion of property shall be treated as separate property

"(v) Election.-An election under this paragraph with respect to any property shall be made by the executor on the return of tax imposed by section 2001. Such an election, once made, shall be irrevocable.

"(8) SPECIAL RULE FOR CHARITABLE REMAIN-DER TRUSTS .-

(A) In general.-If the surviving spouse of the decedent is the only noncharitable beneficiary of a qualified charitable remainder trust, paragraph (1) shall not apply to any interest in such trust which passes or has passed from the decedent to such surviving spouse.

"(B) Definitions.-For purposes of sub-

paragraph (A)-

NONCHARITABLE BENEFICIARY.—The term 'noncharitable beneficiary' means any beneficiary of the qualified charitable remainder trust other than an organization described in section 170(c).

"(ii) QUALIFIED CHARITABLE REMAINDER TRUST.-The term 'qualified charitable remainder trust' means a charitable remainder annuity trust or charitable remainder unitrust (described in section 664)."

(2) GIFT TAX.—Section 2523 is amended by adding at the end thereof the following new subsections:

"(f) ELECTION WITH RESPECT TO LIFE ESTATE FOR DONEE SPOUSE.

"(1) In general.-In the case of qualified terminable interest property-

"(A) for purposes of subsection (a), such property shall be treated as transferred to

the donee spouse, and "(B) for purposes of subsection (b)(1), no part of such property shall be considered as retained in the donor or transferred to any

person other than the donee spouse. "(2) QUALIFIED TERMINABLE INTEREST PROP-ERTY.-For purposes of this subsection, the term 'qualified terminable interest property'

means any property-"(A) which is transferred by the donor

spouse, "(B) in which the donee spouse has a

qualifying income interest for life, and "(C) to which an election under this sub-

section applies.

"(3) CERTAIN RULES MADE APPLICABLE.—For purposes of this subsection, the rules of clauses (ii), (iii), and (iv) of section 2056(b)(7)(B) shall apply.

"(4) ELECTION.-An election under this subsection with respect to any property shall be made on the return of the tax imposed by section 2501 for the calendar year in which the interest was transferred. Such an election, once made, shall be irrevocable.

"(g) SPECIAL RULE FOR CHARITABLE RE-

MAINDER TRUSTS.

"(1) In general.—If, after the transfer, the donee spouse is the only noncharitable beneficiary (other than the donor) of a qualified remainder trust, subsection (b) shall not apply to the interest in such trust which is transferred to the donee spouse.

"(2) DEFINITIONS.-For purposes of paragraph (1), the term 'noncharitable beneficiary' and 'qualified charitable remainder trust' have the meanings given to such terms by section 2056(b)(8)(B)."

(3) TREATMENT OF SPOUSE.-

(A) INCLUSION IN GROSS ESTATE.

(i) IN GENERAL.—Part III of subchapter A of chapter 11 is amended by redesignating sections 2044 and 2045 as sections 2045 and 2046, respectively, and by inserting after section 2043 the following new section:

"SEC. 2044. CERTAIN PROPERTY FOR WHICH MARITAL DEDUCTION WAS PREVIOUSLY ALLOWED.

"(a) GENERAL RULE.—The value of the gross estate shall include the value of any property to which this section applies in which the decedent had a qualifying income interest for life.

"(b) PROPERTY TO WHICH THIS SECTION APPLIES.-This section applies to any prop-

"(1) a deduction was allowed with respect to the transfer of such property to the dece-

"(A) under section 2056 by reason of sub-

section (b)(7) thereof, or

"(B) under section 2523 by reason of sub-

section (f) thereof, and

"(2) section 2519 (relating to dispositions of certain life estates) did not apply with respect to a disposition by the decedent of part or all of such property."

(ii) The table of sections for part III of subchapter A of chapter 11 is amended by redesignating the items relating to sections 2044 and 2045 as sections 2045 and 2046, respectively, and by inserting after the item relating to section 2043 the following new item:

"Sec. 2044. Certain property for which marital deduction was previously allowed."

(B) GIFT TAX .-

(i) In general.—Subchapter B of chapter (relating to transfers) is amended by adding at the end thereof the following new section:

"SEC. 2519. DISPOSITIONS OF CERTAIN LIFE ES-

"(a) GENERAL RULE.—Any disposition of all or part of a qualifying income interest for life in any property to which this section applies shall be treated as a transfer of such property.

'(b) PROPERTY TO WHICH THIS SUBSECTION APPLIES.-This section applies to any property if a deduction was allowed with respect to the transfer of such property to the donor-

"(1) under section 2056 by reason of subsection (b)(7) thereof, or

"(2) under section 2523 by reason of subsection (f) thereof.

(ii) The table of sections for subchapter B of chapter 11 is amended by adding at the end thereof the following new item:

"Sec. 2519. Dispositions of certain life es-

(4)(A) Subchapter C of chapter 11 is amended by inserting after section 2207 the following new section:

"SEC. 2207A. RIGHT OF RECOVERY IN THE CASE OF CERTAIN MARITAL DEDUCTION PROP-

"(a) RECOVERY WITH RESPECT TO ESTATE

TAX.—
"(1) IN GENERAL.—If any part of the gross estate consists of property the value of which is includible in the gross estate by reason of section 2044 (relating to certain property for which marital deduction was previously allowed), the decedent's estate shall be entitled to recover from the person receiving the property the amount by which-

"(A) the total tax under this chapter which has been paid, exceeds

(B) the total tax under this chapter which would have been payable if the value of such property had not been included in the gross estate.

"(2) DECEDENT MAY OTHERWISE DIRECT BY WILL.-Paragraph (1) shall not apply if the decedent otherwise directs by will.

"(b) RECOVERY WITH RESPECT TO GIFT TAX.—If for any calendar year tax is paid under chapter 12 with respect to any person by reason of property treated as transferred by such person under section 2519, such person shall be entitled to recover from the person receiving the property the amount

by which—
"(1) the total tax for such year under chapter 12, exceeds

"(2) the total tax which would have been payable under such chapter for such year if the value of such property had not been taken into account for purposes of chapter

"(c) More Than One Recipient of Prop-ERTY.-For purposes of this section, if there is more than one person receiving the property, the right of recovery shall be against each such person.

"(d) Taxes and Interest.-In the case of penalties and interest attributable to additional taxes described in subsections (a) and (b), rules similar to subsections (a), (b), and (c) shall apply.'

(B) The table of sections for subchapter C of chapter 11 is amended by inserting after the item relating to section 2207 the following new item:

"Sec. 2207A. Right of recovery in the case of certain marital deduction property.'

(e) EFFECTIVE DATES .-

(1) Except as otherwise provided in this subsection, the amendments made by this section shall apply to the estates of decedents dying after December 31, 1981.

(2) The amendments made by paragraphs (1), (2), and (3)(A) of subsection (b), subparagraphs (B) and (C) of subsection (c)(3), and paragraphs (2) and (3)(B) of subsection (d) shall apply to gifts made after December 31, 1981.

(3) If

(A) the decedent dies after December 31, 1981

(B) by reason of the death of the decedent property passes from the decedent or is acquired from the decedent under a will executed before the date which is 30 days after the date of the enactment of this Act, or a trust created before such date, which contains a formula expressly providing that the spouse is to receive the maximum amount of property qualifying for the marital deduction allowable by Federal law,

(C) the formula referred to in subpara-graph (B) was not amended to refer specifically to an unlimited marital deduction at any time after the date which is 30 days after the date of enactment of this Act, and before the death of the decedent, and

(D) the State does not enact a statute applicable to such estate which construes this type of formula as referring to the marital deduction allowable by Federal law as amended by subsection (a),

then the amendment made by subsection (a) shall not apply to the estate of such dece-

Subtitle B—Other Estate Tax Provisions SEC. 421. VALUATION OF CERTAIN FARM, ETC., REAL PROPERTY.

(a) INCREASE IN LIMITATION.—Paragraph (2) of section 2032A(a) (relating to limitation) is amended to read as follows:

"(2) LIMIT ON AGGREGATE REDUCTION IN FAIR MARKET VALUE.—The aggregate decrease in the value of qualified real property taken into account for purposes of this chapter which results from the application of paragraph (1) with respect to any decedent shall not exceed the applicable limit set forth in the following table:

The "In the case of decedents dying applica ble limit in: 1981 \$600,000 700,000 750,000." 1983 or thereafter.....

(b) DEFINITION OF QUALIFIED REAL PROPER-

(1) REQUIRED USE CAN BE BY MEMBER OF FAMILY.—Paragraph (1) of section 2032A(b) (defining qualified real property) is amended by inserting "by the decedent or a member of the decedent's family" after 'qualified use" each place it appears.

(2) SPECIAL RULES FOR DECEDENTS WHO ARE RETIRED OR DISABLED AND FOR SURVIVING SPOUSES.—Subsection (b) of section 2032A is amended by adding at the end thereof the following new paragraphs:

"(4) DECEDENTS WHO ARE RETIRED OR DIS-ABLED.

"(A) In general.—If, on the date of the decedent's death, the requirements of paragraph (1)(C)(ii) with respect to the decedent for any property are not met, and the decedent-

"(i) was receiving old-age benefits under title II of the Social Security Act for a continuous period ending on such date, or

"(ii) was disabled for a continuous period ending on such date,

then paragraph (1)(C)(ii) shall be applied with respect to such property by substituting 'the date on which the longer of such continuous periods began' for 'the date of the decedent's death' in paragraph (1)(C).

"(B) DISABLED DEFINED.-For purposes of subparagraph (A), an individual shall be disabled if such individual has a mental or physical impairment which renders him unable to materially participate in the operation of the farm or other business.

"(C) COORDINATION WITH RECAPTURE.-For purposes of subsection (c)(6)(B)(i), if the requirements of paragraph (1)(C)(ii) are met with respect to any decedent by reason of subparagraph (A), the period ending on the date on which the continuous period taken into account under subparagraph (A) began shall be treated as the period immediately before the decedent's death.

"(5) SPECIAL. RULES FOR SURVIVING SPOUSES.

'(A) In general.-If property is qualified real property with respect to a decedent (hereinafter in this paragraph referred to as the 'first decedent') and such property was acquired from or passed from the first decedent to the surviving spouse of the first decedent, for purposes of applying this subsection and subsection (c) in the case of the estate of such surviving spouse, active management of the farm or other business by the surviving spouse shall be treated as material participation by such surviving spouse in the operation of such farm or business.

'(B) SPECIAL RULE.-For the purposes of subparagraph (A), the determination of whether property is qualified real property with respect to the first decedent shall be made without regard to subparagraph (D) of paragraph (1) and without regard to whether an election under this section was

made

(c) DISPOSITIONS AND FAILURES TO USE FOR QUALIFIED USE -

(1) 10-YEAR RECAPTURE PERIOD .-

(A) In general.—Paragraph (1) of section 2032A(c) (relating to tax treatment of dispositions and failures to use for qualified use) is amended by striking out "15 years" and inserting in lieu thereof "10 years".

(B) CONFORMING AMENDMENTS.

(i) Subsection (c) of section 2032A is amended by striking out paragraph (3) and redesignating paragraphs (4) through (7) as paragraphs (3) through (6), respectively.

(ii) Subparagraph (A) of paragraph (2) of section 2032A(h) (relating to treatment of replacement property) is amended by striking out all that follows "involuntarily converted" and inserting in lieu thereof the following: "; except that with respect to such qualified replacement property the 10-year period under paragraph (1) of subsection (c) shall be extended by any period, beyond the 2-year period referred to in section 1033(a)(2)(B)(i), during which the qualified heir was allowed to replace the qualified real property."

(iii) Subparagraph (C) of such paragraph (2) is amended by striking out "(7)" and in-

serting in lieu thereof "(6)"

(2) CESSATION OF QUALIFIED USE.

(A) In general.—Subsection (c) of section 2032A is amended by adding at the end thereof the following new paragraph:

'(7) SPECIAL RULES .-

"(A) No TAX IF USE BEGINS WITHIN 2 YEARS.-If the date on which the qualified heir begins to use the qualified real property (hereinafter in this subparagraph referred to as the commencement date) is before the date 2 years after the decedent's death-

"(i) no tax shall be imposed under paragraph (1) by reason of the failure by the qualified heir to so use such property before

the commencement date, and

"(ii) the 10-year period under paragraph (1) shall be extended by the period after the decedent's death and before the commencement date.

(B) ACTIVE MANAGEMENT BY ELIGIBLE QUALIFIED HEIR TREATED AS MATERIAL PARTICI-PATION.-For purposes of paragraph (6)(B)(ii), the active management of a farm or other business by(i) an eligible qualified heir, or

"(ii) a fiduciary of an eligible qualified heir described in clause (ii) or (iii) of subparagraph (C).

shall be treated as material participation by such eligible qualified heir in the operation of such farm or business. In the case of an eligible qualified heir described in clause (ii), (iii), or (iv) of subparagraph (C), the preceding sentence shall apply only during periods during which such heir meets the requirements of such clause.

(C) ELIGIBLE QUALIFIED HEIR.—For purposes of this paragraph, the term 'eligible qualified heir' means a qualified heir who-

"(i) is the surviving spouse of the dece-

"(ii) has not attained the age of 21,

"(iii) is disabled (within the meaning of subsection (b)(4)(B)), or

"(iv) is a student.

"(D) STUDENT,-For purposes of subparagraph (C), an individual shall be treated as a student with respect to periods during any calendar year if (and only if) such individual is a student (within the meaning of section 151(e)(4)) for such calendar year.

(B) CONFORMING AMENDMENTS.

(i) Subsection (e) of section 2032A (relating to definitions and special rules) amended by adding at the end thereof the following new paragraph:

'(12) ACTIVE MANAGEMENT.-The 'active management' means the making of the management decisions of a business (other than the daily operating decisions)."

(ii) Paragraph (6) of section 2032A(c) (as redesignated by paragraph (1)) is amended by striking out "3 years or more" and inserting in lieu thereof "more than 3 years" (d) Exchange of Qualified Real Proper-

(1) IN GENERAL.—Section 2032A (relating to valuation of certain farm, etc., real property) is amended by adding at the end thereof the following new subsection:

"(i) EXCHANGES OF QUALIFIED REAL PROPER-

TY.—
"(1) TREATMENT OF PROPERTY EXCHANGED.—
"200 QUALIFIED EX "(A) EXCHANGES SOLELY FOR QUALIFIED EX-CHANGE PROPERTY.-If an interest in qualified real property is exchanged solely for an interest in qualified exchange property in a transaction which qualifies under section 1031, no tax shall be imposed by subsection (c) by reason of such exchange.

"(B) EXCHANGES WHERE OTHER PROPERTY RECEIVED.—If an interest in qualified real property is exchanged for an interest in qualified exchange property and other property in a transaction which qualifies under section 1031, the amount of the tax imposed by subsection (c) by reason of such exchange shall be the amount of tax which (but for this subparagraph) would have been imposed on such exchange under subsection (c)(1), reduced by an amount

"(i) bears the same ratio to such tax, as "(ii) the fair market value of the other property bears to the fair market value of the qualified real property exchanged.

For purposes of clause (ii) of the preceding sentence, fair market value shall be determined as of the time of the exchange.

"(2) TREATMENT OF QUALIFIED EXCHANGE PROPERTY.-For purposes of subsection (c)-

"(A) any interest in qualified exchange property shall be treated in the same manner as if it were a portion of the interest in qualified real property which was exchanged.

"(B) any tax imposed by subsection (c) by reason of the exchange shall be treated as a tax imposed on a partial disposition, and

(C) paragraph (6) of subsection (c) shall be applied by treating material participation with respect to the exchanged property as material participation with respect to the qualified exchange property.

"(3) QUALIFIED EXCHANGE PROPERTY.-For purposes of this subsection, the term 'qualified exchange property' means real proper-ty which is to be used for the qualified use set forth in subparagraph (A), (B), or (C) of subsection (b)(2) under which the real property exchanged therefor originally qualified under subsection (a)."

(2) CONFORMING AMENDMENTS.

(A) Paragraph (1) of section 2032A(f) (relating to statute of limitations) is amend-

(i) by inserting "or exchange" after "conversion"

(ii) by inserting "or (i)" after "(h)", and

(iii) by inserting "or of the exchange of property" after "replace".

(B) Paragraph (2) of section 6324B(c) (relating to special liens) is amended by insert-"and qualified exchange property (within the meaning of section 2032A(i)(3))" before the period at the end thereof.

(e) ELECTION REQUIREMENT OF SPECIAL RULES FOR INVOLUNTARY CONVERSIONS RE-

PEALED.

(1) In general.-Section 2032A(h) (relating to special rules for involuntary conver-sions of qualified real property) is amended-

(A) by striking out "and the qualified heir makes an election under this subsection" in paragraph (1)(A); and

(B) by striking out paragraph (5).

(2) CONFORMING AMENDMENT.-Paragraph (1) of section 2032A(f) is amended by striking out "to which an election under subsection (h)" and inserting in lieu thereof "to which subsection (h)".

(f) METHOD OF VALUING FARMS .-

(1) Paragraph (7) of section 2032A(e) (relating to method of valuing farms) amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) VALUE BASED ON NET SHARE RENTAL IN

CERTAIN CASES.

"(i) In general.—If there is no comparable land from which the average annual gross cash rental may be determined but there is comparable land from which the average net share rental may be determined, subparagraph (A)(i) shall be applied by substituting 'average net share rental' for 'average gross cash rental'.

"(ii) NET SHARE RENTAL.-For purposes of this paragraph, the term 'net share rental'

means the excess of-

"(I) the value of the produce received by the lessor of the land on which such produce is grown, over

'(II) the cash operating expenses of growing such produce which, under the lease, are

paid by the lessor."

(C) Subparagraph of 2032A(e)(7) (as redesignated by paragraph (1)) is amended by inserting after "determined" the following: "and that there is no comparable land from which the average net share rental may be determined"

(g) Basis Increase Where Recapture. Subsection (c) of section 1016 (relating to adjustments to basis) is amended to read as

follows:

"(c) Increase in Basis of Property on Which Additional Estate Tax Is Im-

"(1) Tax imposed with respect to entire interest.—If an additional estate tax is im-

posed under section 2032A(c)(1) with respect to any interest in property and the qualified heir makes an election under this subsection with respect to the imposition of such tax, the adjusted basis of such interest shall be increased by an amount equal to the excess of-

"(A) the fair market value of such interest on the date of the decedent's death (or the alternate valuation date under section 2032, if the executor of the decedent's estate elected the application of such section), over

"(B) the value of such interest determined

under section 2032A(a).

"(2) PARTIAL DISPOSITIONS .-

"(A) In general.—In the case of any par-tial disposition for which an election under this subsection is made, the increase in basis under paragraph (1) shall be an amount-

"(i) which bears the same ratio to the increase which would be determined under paragraph (1) (without regard to this paragraph) with respect to the entire interest, as

"(ii) the amount of the tax imposed under section 2032A(c)(1) with respect to such disposition bears to the adjusted tax difference attributable to the entire interest (as determined under section 2032A(c)(2)(B)).

"(B) PARTIAL DISPOSITION.—For purposes of subparagraph (A), the term 'partial disposition' means any disposition or cessation to which subsection (c)(2)(D), (h)(1)(B), or

(i)(1)(B) of section 2032A applies. (3) TIME ADJUSTMENT MADE.—Any increase in basis under this subsection shall be deemed to have occurred immediately before the disposition or cessation resulting in the imposition of the tax under section

2032A(c)(1). "(4) SPECIAL RULE IN THE CASE OF SUBSTI-TUTED PROPERTY.—If the tax under section 2032A(c)(1) is imposed with respect to qualified replacement property (as defined in section 2032A(h)(3)(B)) or qualified exchange property (as defined in section 2032A(i)(3)), the increase in basis under paragraph (1) shall be made by reference to the property involuntarily converted or exchanged (as

the case may be). "(5) ELECTION .-

"(A) In general.-An election under this subsection shall be made at such time and in such manner as the Secretary shall by regulations prescribe. Such an election, once made, shall be irrevocable.

"(B) INTEREST ON RECAPTURED AMOUNT.-If an election is made under this subsection with respect to any additional estate tax imposed under section 2032A(c)(1), for purposes of section 6601 (relating to interest on underpayments), the last date prescribed for payment of such tax shall be deemed to be the last date prescribed for payment of the tax imposed by section 2001 with respect to the estate of the decedent (as determined for purposes of section 6601)."

(h) SPECIAL RULES FOR WOODLANDS.

(1) VALUE OF TIMBER INCLUDED IN VALU-ATION; ACTIVE MANAGEMENT TREATED AS MATE-RIAL PARTICIPATION.—Subsection (e) of section 2032A is amended by adding at the end thereof the following new paragraph:

"(13) SPECIAL RULES FOR WOODLANDS. "(A) In general .- In the case of any quali-

fied woodland with respect to which the executor elects to have this subparagraph apply, trees growing on such woodland shall

not be treated as a crop.

"(B) QUALIFIED WOODLAND.—The term 'qualified woodland' means any real proper-

ty which-

"(i) is used in timber operations, and

"(ii) is an identifiable area of land such as an acre or other area for which records are

operations

"(C) TIMBER OPERATIONS.-The term timber operations' means

'(i) the planting, cultivating, caring for, or cutting of trees, or

"(ii) the preparation (other than milling) of trees for market.

"(D) ELECTION.—An election under sub-paragraph (A) shall be made on the return of the tax imposed by section 2001. Such election shall be made in such manner as the Secretary shall by regulations prescribe. Such an election, once made, shall be irrevo-

(2) RECAPTURE UPON DISPOSITION TIMBER.—Paragraph (2) of section 2032A(c) (relating to amount of additional tax) is amended by adding at the end thereof the following new subparagraph:

"(E) SPECIAL RULE FOR DISPOSITION OF TIMBER.—In the case of qualified woodland which an election under subsection (e)(13)(A) applies, if the qualified heir disposes of (or severs) any standing timber on such qualified woodland-

'(i) such disposition (or severance) shall be treated as a disposition of a portion of the interest of the qualified heir in such

property, and

"(ii) the amount of the additional tax imposed by paragraph (1) with respect to such disposition shall be an amount equal to the

"(I) the amount realized on such disposition (or, in any case other than a sale or exchange at arm's length, the fair market value of the portion of the interest disposed or severed), or

"(II) the amount of additional tax determined under this paragraph (without regard to this subparagraph) if the entire interest the qualified heir in the qualified woodland had been disposed of, less the sum of the amount of the additional tax imposed with respect to all prior transactions involving such woodland to which this subparagraph applied.

For purposes of the preceding sentence, the disposition of a right to sever shall be treated as the disposition of the standing timber. The amount of additional tax imposed under paragraph (1) in any case in which a qualified heir disposes of his entire interest in the qualified woodland shall be reduced by any amount determined under this subparagraph with respect to such woodland."

(i) DEFINITION OF FAMILY MEMBER.-Paragraph (2) of section 2032A(e) (defining member of family) is amended to read as follows:

"(2) Member of family.—The term 'member of the family' means, with respect to any individual, only-

(A) an ancestor of such individual, "(B) the spouse of such individual,

"(C) a lineal descendant of such individual, of such individual's spouse, or of a parent of such individual, or

'(D) the spouse of any lineal descendant described in subparagraph (C).

For purposes of the preceding sentence, a legally adopted child of an individual shall be treated as the child of such individual by blood."

(j) MISCELLANEOUS AMENDMENTS .-

(1) PROPERTY TRANSFERRED TO CERTAIN DIS-CRETIONARY TRUSTS.—Subsection (g) of section 2032A (relating to application of section 2032A and section 6324B to interests in partnerships, corporations, and trusts) amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, an interest in a dis-

normally maintained in conducting timber cretionary trust all the beneficiaries of which are qualified heirs shall be treated as a present interest.

> (2) PROPERTY PURCHASED FROM DECEDENT'S ESTATE ELIGIBLE FOR SPECIAL VALUATION.

> (A) In general.—Paragraph (9) of section 2032A(e) is amended by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following:

> "(B) such property is acquired by any person from the estate, or

> "(C) such property is acquired by any person from a trust (to the extent such property is includible in the gross estate of the decedent).'

> (B) Nonrecognition of gain.—The section heading and subsections (a) and (b) of section 1040 are amended to read as follows:

SEC. 1040. TRANSFER OF CERTAIN FARM, ETC., REAL PROPERTY.

"(a) GENERAL RULE.—If the executor of the estate of any decedent transfers to a qualified heir (within the meaning of section 2032A(e)(1)) any property with respect to which an election was made under section 2032A, then gain on such transfer shall be recognized to the estate only to the extent that, on the date of such exchange, the fair market value of such property exceeds the value of such property for purposes of chapter 11 (determined without regard to section 2032A).

"(b) SIMILAR RULE FOR CERTAIN TRUSTS .-To the extent provided in regulations prescribed by the Secretary, a rule similar to the rule provided in subsection (a) shall apply where the trustee of a trust (any portion of which is included in the gross estate of the decedent) transfers property with respect to which an election was made under section 2032A."

(C) CLERICAL AMENDMENT.-The table of sections for part III of subchapter O of chapter 1 is amended by striking out the item relating to section 1040 and inserting in lieu thereof the following:

"Sec. 1040. Transfer of certain farm, etc., real property."

- (3) ELECTION MAY BE MADE ON LATE RE-TURNS.—Paragraph (1) of section 2032A(d) (relating to election) is amended to read as follows:
- "(1) ELECTION.—The election under this section shall be made on the return of the tax imposed by section 2001. Such election shall be made in such manner as the Secretary shall by regulations prescribe. Such an election, once made, shall be irrevocable.'
- (4) TREATMENT OF REPLACEMENT PROPERTY.—Subsection (e) of section 2032A is amended by adding at the end thereof the following new paragraph:

"(14) TREATMENT OF REPLACEMENT PROPERTY ACQUIRED IN SECTION 1031 OR 1033 TRANSAC-

"(A) In general.—In the case of any qualified replacement property, any period during which there was ownership, qualified use, or material participation with respect to the replaced property by the decedent or any member of his family shall be treated as a period during which there was such ownership, use, or material participation (as the case may be) with respect to the qualified replacement property.

"(B) LIMITATION.—Subparagraph (A) shall not apply to the extent that the fair market value of the qualified replacement property (as of the date of its acquisition) exceeds the fair market value of the replaced property (as of the date of its disposition).

"(C) Definitions.—For purposes of this paragraph—

"(i) QUALIFIED REPLACEMENT PROPERTY.— The term 'qualified replacement property' means any real property which is—

"(I) acquired in an exchange which quali-

fies under section 1031, or

"(II) the acquisition of which results in the nonrecognition of gain under section 1033.

Such term shall only include property which is used for the same qualified use as the replaced property was being used before the exchange.

"(ii) REPLACED PROPERTY.—The term 're-

placed property' means-

"(I) the property transferred in the exchange which qualifies under section 1031, or

"(II) the property compulsorily or involuntarily converted (within the meaning of section 1033)."

(k) EFFECTIVE DATES .-

(1) In general.—Except as otherwise provided in this subsection, the amendments made by this section shall apply with respect to the estates of decedents dying after December 31, 1981.

(2) INCREASE IN LIMITATION.—The amendment made by subsection (a) shall apply with respect to the estates of decedents

dying after December 31, 1980.

(3) Subsection (d).—The amendments made by subsection (d) shall apply with respect to exchanges after December 31, 1981.

- (4) Subsection (e).—The amendments made by subsection (e) shall apply with respect to involuntary conversions after December 31, 1981.
- (5) CERTAIN AMENDMENTS MADE RETROACTIVE TO 1976.—

(A) In general.—The amendments made by subsections (b)(1), (c)(2), (j)(1), and (j)(2) shall apply with respect to the estates of decedents dying after December 31, 1976.

(B) Timely election required.—Subparagraph (A) shall only apply in the case of an estate if a timely election under section 2032A was made with respect to such estate. If the time for making an election under section 2032A with respect to any estate would have otherwise expired after July 28, 1980, the time for making such election shall not expire before the date 6 months after the date of the enactment of this Act.

(C) REINSTATEMENT OF ELECTIONS.—If any election under section 2032A was revoked before the date of the enactment of this Act, such election may be reinstated within 6 months after the date of the enactment of

this Act.

(D) STATUTE OF LIMITATIONS.—If on the date of the enactment of this Act (or at any time within 6 months after such date of enactment) the making of a credit or refund of any overpayment of tax resulting from the amendments described in subparagraph (A) is barred by any law or rule of law, such credit or refund shall nevertheless be made if claim therefor is made before the date 6 months after such date of enactment.

SEC. 422. COORDINATION OF EXTENSIONS OF TIME FOR PAYMENT OF ESTATE TAX WHERE ESTATE CONSISTS LARGELY OF INTEREST IN CLOSELY HELD BUSI-NESS.

(a) ELIGIBILITY REQUIREMENTS .-

(1) In GENERAL.—Paragraph (1) of section 6166(a) (relating to alternate extension of time for payment of estate tax where estate consists largely of interest in closely held business) is amended by striking out "65 percent" and inserting in lieu thereof "35 percent".

(2) Interests in 2 or more closely held Businesses.—Subsection (c) of section 6166 (relating to interests in 2 or more closely held businesses) is amended by striking out "more than 20 percent" and inserting in lieu thereof "20 percent or more".

(b) Coordination With Section 303.—

(1) In general.—Subparagraph (A) of section 303(b)(2) (relating to relationship of stock to decedent's estate) is amended by striking out "50 percent" and inserting in lieu thereof "35 percent".

(2) Conforming amendment.—Subparagraph (B) of section 303(b)(2) is amended to

read as follows:

"(B) SPECIAL RULE FOR STOCK IN 2 OR MORE CORPORATIONS.—For purposes of subparagraph (A), stock of 2 or more corporations, with respect to each of which there is included in determining the value of the decedent's gross estate 20 percent or more in value of the outstanding stock, shall be treated as the stock of a single corporation. For purposes of the 20-percent requirement of the preceding sentence, stock which, at the decedent's death, represents the surviving spouse's interest in property held by the decedent and the surviving spouse as community property or as joint tenants, tenants by the entirety, or tenants in common shall be treated as having been included in determining the value of the decedent's gross estate."

(c) Acceleration of Payment.-

(1) AMOUNT OF DISPOSITION.—Subparagraph (A) of section 6166(g)(1) (relating to acceleration of payment in the case of disposition of interest or withdrawal of funds from business) is amended to read as follows:

"(A) If-

"(i)(I) any portion of an interest in a closely held business which qualifies under subsection (a)(1) is distributed, sold, exchanged, or otherwise disposed of, or

"(II) money and other property attributable to such an interest is withdrawn from

such trade or business, and

"(ii) the aggregate of such distributions, sales, exchanges, or other dispositions and withdrawals equals or exceeds 50 percent of the value of such interest,

then the extension of time for payment of tax provided in subsection (a) shall cease to apply, and the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary."

(2) FAILURE TO MAKE PAYMENTS.—Paragraph (3) of section 6166(g) (relating to failure to pay installments) is amended to read

as follows:

"(3) FAILURE TO MAKE PAYMENT OF PRINCI-PAL OR INTEREST.—

"(A) In general.—Except as provided in subparagraph (B), if any payment of principal or interest under this section is not paid on or before the date fixed for its payment by this section (including any extension of time), the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary.

"(B) PAYMENT WITHIN 6 MONTHS.—If any payment of principal or interest under this section is not paid on or before the date determined under subparagraph (A) but is

paid within 6 months of such date—
"(i) the provisions of subparagraph (A) shall not apply with respect to such pay-

"(ii) the provisions of section 6601(j) shall not apply with respect to the determination of interest on such payment, and

"(iii) there is imposed a penalty in an amount equal to the product of—

"(I) 5 percent of the amount of such payment, multiplied by

"(II) the number of months (or fractions thereof) after such date and before payment is made.

The penalty imposed under clause (iii) shall be treated in the same manner as a penalty imposed under subchapter B of chapter 68."

- (3) No disqualification in case of subsequent deaths.—Subparagraph (D) of section 6166(g)(1) is amended by adding at the end thereof the following new sentence: "A similar rule shall apply in the case of a series of subsequent transfers of the property by reason of death so long as each transfer is to a member of the family (within the meaning of section 267(c)(4)) of the transferor in such transfer."
- (d) REPEAL OF SECTION 6166A.—Section 6166A (relating to extension of time for payment of estate tax where estate consists largely of interest in a closely held business) is hereby repealed.

(e) TECHNICAL AMENDMENTS .-

- (1) Sections 303(b)(1)C), 2204(c), and 6161(a)(2)(B) are each amended by striking out "or 6166A" each place it appears.
- (2) Paragraph (2) of section 2011(c) is amended by striking out "6161, 6166 or 6166A" and inserting in lieu thereof "6161 or 6166".
- (3) Subsections (a) and (b) of section 2204 are each amended by striking out "6166 or 6166A" and inserting in lieu thereof "or 6166".
- (4) Subsection (b) of section 2621 is amended—
- (A) by striking out "sections 6166 and 6166A (relating to extensions" and inserting in lieu thereof "section 6166 (relating to extension", and
- (B) by striking out "Sections 6166 and 6166A" in the subsection heading and inserting in lieu thereof "Section 6166".
- (5)(A) Subsection (a) of section 6166 is amended by striking out paragraph (4).
- (B) The section heading for section 6166 is amended by striking out "alternate".
- (C) The table of sections for subchapter B of chapter 62 is amended by striking out the items relating to sections 6166 and 6166A and inserting in lieu thereof the following:

"Sec. 6166. Extension of time for payment of estate tax where estate consists largely of interest in closely held business."

(6)(A) Subsections (a), (c)(2), and (e) of section 6324A are each amended by striking out "or 6166A" each place it appears.

(B) Paragraphs (3) and (5) of section 6324A(d) are each amended by striking out "or 6166A(h)".

(C) The section heading for section 6324A is amended by striking out "or 6166a".

- (D) The table of sections for subchapter C of chapter 64 is amended by striking out "or 6166A" in the item relating to section 6324A.
- (7) Subsection (d) of section 6503 is amended by striking out "6163, 6166, or 6166A" and inserting in lieu thereof "6163 or 6166".
- (8) Subsection (a) of section 7403 is amended by striking out "or 6166A(h)".

(f) EFFECTIVE DATE.-

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to the estates of decedents dying after December 31, 1981.

(2) Acceleration by reason of subsequent death.—The amendment made by

subsection (c)(3) shall apply to transfers after December 31, 1981.

SEC. 423. TREATMENT OF CERTAIN CONTRIBUTIONS OF WORKS OF ART, ETC.

(a) ESTATE Tax.—Subsection (e) of section 2055 (relating to disallowance of deduction in certain cases) is amended by adding at the end thereof the following new paragraph:

'(4) Works of art and their copyrights TREATED AS SEPARATE PROPERTIES IN CERTAIN

"(A) In general.—In the case of a qualified contribution of a work of art, the work of art and the copyright on such work of art shall be treated as separate properties for purposes of paragraph (2).

"(B) Work of art defined.-For purposes of this paragraph, the term 'work of art' means any tangible personal property with respect to which there is a copyright under

- Federal law.
 "(C) QUALIFIED CONTRIBUTION DEFINED.— For purposes of this paragraph, the term 'qualified contribution' means any transfer of property to a qualified organization if the use of the property by the organization is related to the purpose or function constituting the basis for its exemption under section
- "(D) QUALIFIED ORGANIZATION DEFINED .-For purposes of this paragraph, the term 'qualified organization' means any organization described in section 501(c)(3) other than a private foundation (as defined in section 509). For purposes of the preceding sentence, a private operating foundation (as defined in section 4942(j)(3)) shall not be treated as a private foundation."

(b) GIFT Tax.—Subsection (c) of section 2522 is amended by adding at the end there-

of the following new paragraph:

"(3) Rules similar to the rules of section 2055(e)(4) shall apply for purposes of paragraph (2)."

(c) EFFECTIVE DATES .-

- (1) Subsection (a).—The amendment made by subsection (a) shall apply to the estates of decedents dying after December 31,
- Subsection (b).—The amendment (2) made by subsection (b) shall apply to transfers after December 31, 1981.

SEC. 424. GIFTS MADE WITHIN 3 YEARS OF DECE-DENT'S DEATH NOT INCLUDED IN GROSS ESTATE.

(a) GENERAL RULE.—Section 2035 (relating to adjustments for gifts made within 3 years of decedent's death) is amended by adding at the end thereof the following new subsec-

"(d) DECEDENTS DYING AFTER 1981.

"(1) In general.—Except as otherwise provided in this subsection, subsection (a) shall not apply to the estate of a decedent dying

after December 31, 1981.

"(2) EXCEPTIONS FOR CERTAIN TRANSFERS. Paragraph (1) shall not apply to a transfer of an interest in property which is included in the value of the gross estate under section 2036, 2037, 2038, 2041, or 2042 or would have been included under any of such sections if such interest had been retained by the decedent.

"(3) 3-YEAR RULE RETAINED FOR CERTAIN PURPOSES.-Paragraph (1) shall not apply

for purposes of-

(A) section 303(b) (relating to distributions in redemption of stock to pay death

taxes),
"(B) section 2032A (relating to special valuation of certain farm, etc., real proper-

ty),
"(C) section 6166 (relating to extension of time for payment of estate tax where estate

consists largely of interest in closely held business), and

"(D) subchapter C of chapter 64 (relating to lien for taxes).'

(b) Effective Date.-The amendment made by subsection (a) shall apply to the estates of decedents dying after December 31, 1981.

SEC. 425. BASIS OF CERTAIN APPRECIATED PROP-ERTY TRANSFERRED TO DECEDENT BY GIFT WITHIN 1 YEAR OF DEATH.

(a) GENERAL RULE.—Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end thereof the following new subsection:

"(e) APPRECIATED PROPERTY ACQUIRED BY DECEDENT BY GIFT WITHIN 1 YEAR OF

DEATH.

"(1) In general.—In the case of a decedent dying after December 31, 1981, if-

'(A) appreciated property was acquired by the decedent by gift during the 1-year period ending on the date of the decedent's death, and

"(B) such property is acquired from the decedent by (or passes from the decedent to) the donor of such property (or the spouse of such donor),

the basis of such property in the hands of such donor (or spouse) shall be the adjusted basis of such property in the hands of the decedent immediately before the death of the decedent.

"(2) DEFINITIONS.-For purposes of paragraph (1)-

"(A) APPRECIATED PROPERTY.—The term appreciated property means any property if the fair market value of such property on the day it was transferred to the decedent by gift exceeds its adjusted basis.

"(B) TREATMENT OF CERTAIN PROPERTY SOLD BY ESTATE.-In the case of any appreciated property described in subparagraph (A) of paragraph (1) sold by the estate of the decedent or by a trust of which the decedent was the grantor, rules similar to the rules of paragraph (1) shall apply to the extent the donor of such property (or the spouse of such donor) is entitled to the proceeds from such sale."

EFFECTIVE DATE.—The amendment (b) made by subsection (a) shall apply to property acquired after the date of the enactment of this Act by decedents dying after December 31, 1981.

SEC. 426. DISCLAIMERS.

(a) In General.—Subsection (c) of section 2518 (relating to disclaimers) is amended by adding at the end thereof the following new

"(3) CERTAIN TRANSFERS TREATED AS DIS-CLAIMERS.—For purposes of subsection (a), a written transfer of the transferor's entire

interest in the property.

'(A) which meets requirements similar to the requirements of paragraphs (2) and (3) of subsection (b), and

"(B) which is to a person or persons who would have received the property had the transferor made a qualified disclaimer (within the meaning of subsection (b)), shall be treated as a qualified disclaimer."

EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers creating an interest in the person disclaiming made after December 31, 1981.

SEC. 427. REPEAL OF DEDUCTION FOR BEQUESTS, ETC., TO CERTAIN MINOR CHILDREN.

(a) In General.-Section 2057 (relating to bequests, etc., to certain minor children) is hereby repealed.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter A of chapter 11 is amended by striking out the item relating to section 2057.

EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1981. SEC. 428. POSTPONEMENT OF GENERATION-SKIP-PING TAX EFFECTIVE DATE.

Section 2006(c) of the Tax Reform Act of 1976 (relating to the effective dates of generation-skipping provisions), as amended by section 702(n)(1) of the Revenue Act of 1978 is amended by striking out "January 1, 1982" in paragraph (2)(B) of such section and inserting in lieu thereof "January 1, 1983".

SEC. 429. CREDIT AGAINST ESTATE TAX FOR TRANS-FER TO SMITHSONIAN

Upon transfer to the Smithsonian Institution, within thirty days following the date of the enactment of this Act, of all right, title, and interests held by the Dorothy Me-Kunhardt trust and the estate of Dorothy Meserve Kunhardt in the collection of approximately seven thousand two hundred and fifty Mathew Brady glass plate negatives and the Alexander Gardner imperial portrait print of Abraham Lincoln, there shall be allowed as a credit, effective as of the date upon which the return was due to be filed, against the tax imposed by section 2001 (relating to the imposition of estate tax) on such estate an amount equal to the lesser of-

(1) such tax,

(2) the fair market value of such negatives and such print, or

(3) \$700,000.

Subtitle C-Other Gift Tax Provisions

SEC. 441. INCREASE IN ANNUAL GIFT TAX EXCLU-SION: UNLIMITED EXCLUSION FOR CERTAIN TRANSFERS.

(a) INCREASE IN ANNUAL EXCLUSION.—Subsection (b) of section 2503 (relating to annual gift tax exclusion) is amended by striking out "\$3,000" and inserting in lieu thereof "\$10,000".

(b) UNLIMITED EXCLUSION FOR CERTAIN Transfers.-Section 2503 (defining taxable gifts) is amended by adding at the end thereof the following new subsection:

"(e) EXCLUSION FOR CERTAIN TRANSFERS FOR EDUCATIONAL EXPENSES OR MEDICAL EX-PENSES.

"(1) In general.—Any qualified transfer shall not be treated as a transfer of property by gift for purposes of this chapter.

"(2) QUALIFIED TRANSFER.—For purposes of this subsection, the term 'qualified transfer' means any amount paid on behalf of an individual-

'(A) as tuition to an educational organization described in section 170(b)(1)(A)(ii) for the education or training of such individual,

"(B) to any person who provides medical care (as defined in section 213(e)) with respect to such individual as payment for such medical care."

(c) Effective Dates .-

(1) In GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to transfers after December 31, 1981.

(2) Transitional rule.—If-

(A) an instrument executed before the date which is 30 days after the date of the enactment of this Act provides for a power of appointment which may be exercised during any period after December 31, 1981,

(B) such power of appointment is expressly defined in terms of, or by reference to, the amount of the gift tax exclusion under section 2503(b) of the Internal Revenue

Code of 1954 (or the corresponding provision of prior law),

(C) the instrument described in subparagraph (A) has not been amended on or after the date which is 30 days after the date of the enactment of this Act, and

(D) the State has not enacted a statute applicable to such gift under which such power of appointment is to be construed as being defined in terms of, or by reference to, the amount of the exclusion under such section 2503(b) after its amendment by subsection (a).

then the amendment made by subsection (a) shall not apply to such gift.

SEC. 442. TIME FOR PAYMENT OF GIFT TAXES.

(a) AMENDMENTS TO SUBCHAPTER A OF CHAPTER 12.—

(1) Section 2501.—Subsection (a) of section 2501 (relating to imposition of gift tax) is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

lieu thereof "calendar year".

(2) Section 2502.—Section 2502 (relating to rate of tax) is amended to read as follows:

"SEC. 2502. RATE OF TAX.

"(a) Computation of Tax.—The tax imposed by section 2501 for each calendar year shall be an amount equal to the excess of—

"(1) a tentative tax, computed in accordance with the rate schedule set forth in section 2001(c), on the aggregate sum of the taxable gifts for such calendar year and for each of the preceding calendar periods, over

"(2) a tentative tax, computed in accordance with such rate schedule, on the aggregate sum of the taxable gifts for each of the

preceding calendar periods.

"(b) PRECEDING CALENDAR PERIOD.—Whenever used in this title in connection with the gift tax imposed by this chapter, the term 'preceding calendar period' means—

"(1) calendar years 1932 and 1970 and all calendar years intervening between calendar

year 1932 and calendar year 1970,

"(2) the first calendar quarter of calendar year 1971 and all calendar quarters intervening between such calendar quarter and the first calendar quarter of calendar year 1982, and

"(3) all calendar years after 1981 and before the calendar year for which the tax

is being computed.

For purposes of paragraph (1), the term 'calendar year 1932' includes only that portion of such year after June 6, 1932.

"(c) Tax To Be Paid by Donor.—The tax imposed by section 2501 shall be paid by the donor."

(3) SECTION 2503.-

(A) Subsection (a) of section 2503 is amended to read as follows:

"(a) GENERAL DEFINITION.—The term 'taxable gifts' means the total amount of gifts made during the calendar year, less the deductions provided in subchapter C (section 2522 and following)."

(B) The first sentence of subsection (b) of section 2503 is amended to read as follows: "In the case of gifts (other than gifts of future interests in property) made to any person by the donor during the calendar year, the first \$10,000 of such gifts to such person shall not, for purposes of subsection (a), be included in the total amount of gifts made during such year."

(4) SECTION 2504.—

(A) Subsection (a) of section 2504 is

amended to read as follows:

"(a) In General.—In computing taxable gifts for preceding calendar periods for purposes of computing the tax for any calendar year.—

"(1) there shall be treated as gifts such transfers as were considered to be gifts under the gift tax laws applicable to the calendar period in which the transfers were made

"(2) there shall be allowed such deductions as were provided for under such laws, and

"(3) the specific exemption in the amount (if any) allowable under section 2521 (as in effect before its repeal by the Tax Reform Act of 1976) shall be applied in all computations in respect of preceding calendar periods ending before January 1, 1977, for purposes of computing the tax for any calendar year."

(B) Subsection (b) of section 2504 is amended—

(i) by striking out "preceding calendar years and calendar quarters" and inserting in lieu thereof "preceding calendar periods",

(ii) by striking out "the years and calendar quarters" and inserting in lieu thereof "the periods",

(iii) by striking out "such years and calendar quarters" and inserting in lieu thereof "such preceding calendar periods", and (iv) by striking out "PRECEDING YEARS AND

(iv) by striking out "Preceding Years and QUARTERS" in the subsection heading and inserting in lieu thereof "Preceding Calendar Periods".

(C) Subsection (c) of section 2504 is amended—

(i) by striking out "preceding calendar year or calendar quarter" each place it appears and inserting in lieu thereof "preceding calendar period"

ing calendar period",

(ii) by striking out "under this chapter for any calendar quarter" and inserting in lieu thereof "under this chapter for any calen-

dar year"

(iii) by striking out "section 2502(c)" and inserting in lieu thereof "section 2502(b)", and

(iv) by striking out "Preceding Calendar Years and Quarters" in the subsection heading and inserting in lieu thereof "Preceding Calendar Periods".

(D) The section heading for section 2504 is amended by striking out "PRECEDING YEARS AND QUARTERS" and inserting in lieu thereof "PRECEDING CALENDAR PERIODS".

(E) The table of sections for subchapter A of chapter 12 is amended by striking out "preceding years and quarters" in the item relating to section 2504 and inserting in lieu

thereof "preceding calendar periods".
(5) Section 2505.—

(A) Subsection (a) of section 2505 is amended—

(i) by striking out "each calendar quarter" and inserting in lieu thereof "each calendar year", and

(ii) by striking out "preceding calendar quarters" and inserting in lieu thereof "preceding calendar periods".

(B) Subsection (d) of section 2505 is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

(b) Amendments to Subchapter B of Chapter 12.—

(1) Section 2512.—Subsection (b) of section 2512 is amended by striking out "calendar quarter" and inserting in lieu thereof "calendar year".

(2) SECTION 2513.-

(A) Section 2513(a) is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

(B) Paragraph (2) of section 2513(b) is amended by striking out "calendar quarter" in the matter preceding subparagraph (A)

and inserting in lieu thereof "calendar year".

(C) Subparagraph (A) of subsection (b)(2) of section 2513 is amended to read as follows:

"(A) The consent may not be signified after the 15th day of April following the close of such year, unless before such 15th day no return has been filed for such year by either spouse, in which case the consent may not be signified after a return for such year is filed by either spouse."

(D) Subparagraph (B) of subsection (b)(2)

of section 2513 is amended—

(i) by striking out "the consent" and in-

serting in lieu thereof "The consent", and
(ii) by striking out "such calendar quar-

(ii) by striking out "such calendar quarter" and inserting in lieu thereof "such year".

(E) Subsection (c) of section 2513 is amended—

(i) by striking out "calendar quarter" and inserting in lieu thereof "calendar year", and

(ii) by striking out "15th day of the second month following the close of such quarter" and inserting in lieu "15th day of April following the close of such year".

(F) Subsection (d) of section 2513 is

amended-

(i) by striking out "any calendar quarter" and inserting in lieu thereof "any calendar year", and

(ii) by striking out "such calendar quarter" and inserting in lieu thereof "such year".

(c) AMENDMENT TO SUBCHAPTER C OF CHAPTER 12.—Section 2522 is amended by striking out "quarter" each place it appears and inserting in lieu thereof "year".

(d) MISCELLANEOUS AMENDMENTS .-

(1) Paragraph (2) of subsection (d) of section 1015 (relating to increased basis for gift tax paid) is amended—

(A) by striking out "calendar quarter (or calendar year if the gift was made before January 1, 1971)" and inserting in lieu thereof "calendar year (or preceding calendar period)", and
(B) by striking out "calendar quarter or

(B) by striking out "calendar quarter or year" each place it appears and inserting in lieu thereof "calendar year or period".

(2) Section 6019 (relating to gift tax returns) is amended by striking out subsection

(3) Subsection (b) of section 6075 (relating to time for filing gift tax returns) is amended to read as follows:

"(b) GIFT TAX RETURNS.-

"(1) GENERAL RULE.—Returns made under section 6019 (relating to gift taxes) shall be filed on or before the 15th day of April following the close of the calendar year.

"(2) EXTENSION WHERE TAXPAYER GRANTED EXTENSION FOR FILING INCOME TAX RETURN.— Any extension of time granted the taxpayer for filing the return of income taxes imposed by subtitle A for any taxable year which is a calendar year shall be deemed to be also an extension of time granted the taxpayer for filing the return under section 6019 for such calendar year.

"(3) COORDINATION WITH DUE DATE FOR ESTATE TAX RETURN.—Notwithstanding paragraphs (1) and (2), the time for filing the return made under section 6019 for the calendar year which includes the date of death of the donor shall not be later than the time (including extensions) for filing the return made under section 6018 (relating to estate tax returns) with respect to such donor."

(4) Paragraph (1) of section 6212(c) (relating to notice of deficiency) is amended by

striking out "calendar quarter" and insert-

ing in lieu thereof "calendar year".

(e) Effective Date.—The amendments made by this section shall apply with respect to gifts made after December 31, 1981,

TITLE V-TAX STRADDLES

SEC. 501. POSTPONEMENT OF RECOGNITION OF LOSSES, ETC.

(a) GENERAL RULE.—Part VII of subchapter O of chapter 1 (relating to wash sales of stock or securities) is amended by adding at the end thereof the following new section: "SEC. 1092, STRADDLES

"(a) RECOGNITION OF LOSS IN CASE OF STRADDLES ETC.

(1) LIMITATION ON RECOGNITION OF LOSS. "(A) In general.-Any loss with respect to 1 or more positions shall be taken into account for any taxable year only to the extent that the amount of such loss exceeds the unrealized gain (if any) with respect to 1 or more positions which-

'(i) were acquired by the taxpayer before the disposition giving rise to such loss,

'(ii) were offsetting positions with respect to the 1 or more positions from which the loss arose, and

"(iii) were not part of an identified straddle as of the close of the taxable year.

"(B) CARRYOVER OF LOSS.—Any loss which may not be taken into account under subparagraph (A) for any taxable year shall, subject to the limitations under subparagraph (A), be treated as sustained in the succeeding taxable year.

"(2) SPECIAL RULE FOR IDENTIFIED STRAD-

"(A) In general.-In the case of any straddle which is an identified straddle as of the close of any taxable year-

"(i) paragraph (1) shall not apply for such

taxable year, and

"(ii) any loss with respect to such straddle shall be treated as sustained not earlier than the day on which all of the positions making up the straddle are disposed of.

"(B) IDENTIFIED STRADDLE.—The identified straddle means any straddle-

"(i) which is clearly identified on the taxpayer's records, before the close of the day on which the straddle is acquired, as an identified straddle,

"(ii) all of the original positions of which (as identified by the taxpayer) are acquired on the same day and with respect to

which-'(I) all of such positions are disposed of on the same day during the taxable year, or

"(II) none of such positions has been disposed of as of the close of the taxable year,

"(iii) which is not part of a larger straddle. "(3) UNREALIZED GAIN.-For purposes of

this subsection-"(A) In GENERAL.-The term 'unrealized means the amount of gain which would be taken into account with respect to any position held by the taxpayer as of the close of the taxable year if such position were sold on the last business day of such taxable year at its fair market value.

"(B) REPORTING OF GAIN.

"(i) In general.-Each taxpayer shall disclose to the Secretary, at such time and in such manner and form as the Secretary may prescribe by regulations-

'(I) each position (whether or not part of a straddle) which is held by such taxpayer as of the close of the taxable year and with respect to which there is unrealized gain,

"(II) the amount of such unrealized gain. "(ii) Reports not required in certain cases.—Clause (i) shall not apply—

"(I) to any position which is part of an identified straddle.

"(II) to any position which, with respect to the taxpayer, is property described in paragraph (1) or (2) of section 1221 or to any position which is part of a hedging transaction (as defined in section 1256(e)). or

"(III) with respect to any taxable year if no loss on a position (including a regulated futures contract) has been sustained during such taxable year or if the only loss sustained on such position is a loss described in subclause (II).

"(b) CHARACTER OF GAIN OR LOSS: WASH SALES.-Under regulations prescribed by the Secretary, in the case of gain or loss with respect to any position of a straddle, rules which are similar to the rules of subsections (a) and (d) of section 1091 and of subsections (b) and (d) of section 1233 and which are consistent with the purposes of this section shall apply.

"(c) STRADDLE DEFINED.—For purposes of this section-

"(1) In GENERAL.-The term 'straddle' means offsetting positions with respect to personal property

(2) Offsetting positions.

"(A) In general.—A taxpayer holds offsetting positions with respect to personal property if there is a substantial diminution of the taxpayer's risk of loss from holding any position with respect to personal property by reason of his holding 1 or more other positions with respect to personal property (whether or not of the same kind).

(B) ONE SIDE LARGER THAN OTHER SIDE.-If 1 or more positions offset only a portion of or more other positions, the Secretary shall by regulations prescribe the method for determining the portion of such other positions which is to be taken into account

for purposes of this section.

"(C) SPECIAL RULE FOR IDENTIFIED STRAD-DLES.—In the case of any position which is not part of an identified straddle (within the meaning of subsection (a)(3)(B)), such position shall not be treated as offsetting with respect to any position which is part of an identified straddle.

"(3) Presumption.—
"(A) In general.—For purposes of paragraph (2), 2 or more positions shall be pre-sumed to be offsetting if—

'(i) the positions are in the same personal property (whether established in such property or a contract for such property),

"(ii) the positions are in the same personal property, even though such property may be in a substantially altered form,

"(iii) the positions are in debt instruments of a similar maturity or other debt instruments described in regulations prescribed by

the Secretary,
"(iv) the positions are sold or marketed as offsetting positions (whether or not such positions are called a straddle, spread, butterfly, or any similar name),

'(v) the aggregate margin requirement for such positions is lower than the sum of the margin requirements for each such position (if held separately), or

"(vi) there are such other factors (or satisfaction of subjective or objective tests) as the Secretary may by regulations prescribe as indicating that such positions are offset-

For purposes of the preceding sentence, 2 or more positions shall be treated as described in clause (i), (ii), (iii), or (vi) only if the value of 1 or more of such positions ordinarily varies inversely with the value of 1 or more other such positions.

"(B) PRESUMPTION MAY BE REBUTTED .- Any presumption established pursuant to subparagraph (A) may be rebutted.

"(d) DEFINITIONS AND SPECIAL RULES .- For

purposes of this section-

"(1) PERSONAL PROPERTY.-The term 'personal property' means any personal property (other than stock) of a type which is actively traded.

"(2) Position .-

"(A) In GENERAL.-The term 'position' means an interest (including a futures or forward contract or option) in personal property

"(B) SPECIAL RULE FOR STOCK OPTIONS. The term 'position' includes any stock option which is a part of a straddle and which is an option to buy or sell stock which is actively traded, but does not include a stock option which-

"(i) is traded on a domestic exchange or on a similar foreign exchange designated by

the Secretary, and

"(ii) is of a type with respect to which the maximum period during which such option may be exercised is less than the minimum period for which a capital asset must be held for gain to be treated as long-term capital gain under section 1222(3).

"(3) Positions held by related persons,

"(A) In GENERAL.—In determining whether 2 or more positions are offsetting, the taxpayer shall be treated as holding any position held by a related person.

"(B) RELATED PERSON.-For purposes of subparagraph (A), a person is a related person to the taxpayer if with respect to any period during which a position is held by such person, such person-

"(i) is the spouse of the taxpayer, or

"(ii) files a consolidated return (within the meaning of section 1501) with the taxpayer for any taxable year which includes a portion of such period.

"(C) CERTAIN FLOWTHROUGH ENTITIES.-If part or all of the gain or loss with respect to a position held by a partnership, trust, or other entity would properly be taken into account for purposes of this chapter by a taxpayer, then, except to the extent otherwise provided in regulations, such position shall be treated as held by the taxpayer.

"(4) SPECIAL RULE FOR REGULATED FUTURES contracts.-In the case of a straddle-

"(A) at least 1 (but not all) of the positions of which are regulated futures contracts, and

"(B) with respect to which the taxpayer has elected not to have the provisions of section 1256 apply.

the provisions of this section shall apply to any regulated futures contract and any other position making up such straddle.

"(5) REGULATED FUTURES CONTRACT.—The term 'regulated futures contract' has the same meaning given such term by section 1256(b).

(e) EXCEPTION FOR HEDGING TRANSAC-TIONS.-This section shall not apply in the case of any hedging transaction (as defined in section 1256(e)).

'(f) Cross Reference -

"For provision requiring capitalization of certain interest and carrying charges where there is a straddle, see section 263(g).'

(b) PENALTY FOR FAILURE TO DISCLOSE .-Section 6653 (relating to failure to pay tax) is amended by adding at the end thereof the following new subsection:

"(g) SPECIAL RULE IN CASES OF FAILURE TO REPORT UNREALIZED GAIN ON POSITION IN PERSONAL PROPERTY.-If-

"(1) a taxpayer fails to make the report required under section 1092(a)(3)(B) in the manner prescribed by such section and such failure is not due to reasonable cause, and

"(2) such taxpayer has an underpayment of any tax attributable (in whole or in part) to the denial of a deduction of a loss with respect to any position (within the meaning of section 1092(d)(2)),

then such underpayment shall, for purposes of subsection (a), be treated as an underpayment due to negligence or intentional disregard of rules and regulations (but without intent to defraud).".

APPLICATION WITH SECTION Paragraph (2) of section 1233(e) (defining property to which section applies) is amended by inserting ", but does not include any position to which section 1092(b) applies" after "taxpayer" in subparagraph (A), (d) CLERICAL AMENDMENTS.—

(1) The table of sections for such part VII is amended by adding at the end thereof the following new item:

'Sec. 1092. Straddles."

(2) The heading for such part VII is amended to read as follows:

"PART VII-WASH SALES; STRADDLES".

(3) The table of parts for subchapter O of chapter 1 is amended by striking out the item relating to part VII and inserting in lieu thereof the following:

'Part VII. Wash sales; straddles."

SEC. 502. CAPITALIZATION OF CERTAIN INTEREST AND CARRYING CH CASE OF STRADDLES. CHARGES IN THE

Section 263 (relating to capital expenditures) is amended by adding at the end thereof the following new subsection:

(g) CERTAIN INTEREST AND CARRYING COSTS IN THE CASE OF STRADDLES.

"(1) GENERAL RULE.—No deduction shall be allowed for interest and carrying charges properly allocable to personal property which is part of a straddle (as defined in section 1092(c)). Any amount not allowed as a deduction by reason of the preceding sentence shall be chargeable to the capital account with respect to the personal property to which such amount relates.
"(2) Interest and carrying charges de-

FINED.-For purposes of paragraph (1), the term 'interest and carrying charges' means

the excess of-"(A) the sum of-

"(i) interest on indebtedness incurred or continued to purchase or carry the personal property, and

(ii) amounts paid or incurred to insure, store, or transport the personal property,

"(B) the sum of-

"(i) the amount of interest (including original issue discount) includible in gross income for the taxable year with respect to the property described in subparagraph (A),

"(ii) any amount treated as ordinary income under section 1232(a)(4)(A) with respect to such property for the taxable year.

"(3) EXCEPTION FOR HEDGING TRANSAC-TIONS.—This subsection shall not apply in the case of any hedging transaction (as defined in section 1256(e))."

SEC. 503. REGULATED FUTURES CONTRACTS MARKED TO MARKET.

(a) GENERAL RULE.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1256. REGULATED FUTURES CONTRACTS MARKED TO MARKET.

"(a) GENERAL RULE.—For purposes of this subtitle-

"(1) each regulated futures contract held by the taxpayer at the close of the taxable year shall be treated as sold for its fair market value on the last business day of such taxable year (and any gain or loss shall be taken into account for the taxable year),

"(2) proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account

by reason of paragraph (1),

(3) any gain or loss with respect to a regulated futures contract shall be treated as-

"(A) short-term capital gain or loss, to the extent of 40 percent of such gain or loss,

"(B) long-term capital gain or loss, to the extent of 60 percent of such gain or loss. and

"(4) if all the offsetting positions making up any straddle consist of regulated futures contracts to which this section applies (and such straddle is not part of a larger straddle), sections 1092 and 263(g) shall not apply with respect to such straddle.

'(b) REGULATED FUTURES CONTRACTS DE-FINED.-For purposes of this section, the term 'regulated futures contract' means a

"(1) which requires delivery of personal property (as defined in section 1092(d)(1)) or an interest in such property

'(2) with respect to which the amount required to be deposited and the amount which may be withdrawn depends on a system of marking to market; and

"(3) which is traded on or subject to the rules of a domestic board of trade designated as a contract market by the Commodity Futures Trading Commission or of any board of trade or exchange which the Secretary determines has rules adequate to carry out the purposes of this section.

"(c) TERMINATIONS.—The rules of paragraphs (1), (2), and (3) of subsection (a) shall also apply to the termination during the taxable year of the taxpayer's obligation with respect to a regulated futures contract by offsetting, by taking or making delivery, or otherwise. For purposes of the preceding sentence, fair market value at the time of the termination shall be taken into account

"(d) ELECTIONS WITH RESPECT TO MIXED

STRADDLES.

"(1) Election.—The taxpayer may elect to have this section not to apply to all regulated futures contracts which are part of a mixed straddle.

(2) TIME AND MANNER.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary may

by regulations prescribe.

(3) ELECTION REVOCABLE ONLY WITH CON-SENT.—An election under paragraph (1) shall apply to the taxpayer's taxable year for which made and to all subsequent taxable years, unless the Secretary consents to a revocation of such election.

"(4) MIXED STRADDLE.—For purposes of this subsection, the term 'mixed straddle' means any straddle (as defined in section

1092(c))-

"(A) at least 1 (but not all) of the positions of which are regulated futures contracts, and

"(B) with respect to which each position forming part of such straddle is clearly identified, before the close of the day on which such position is acquired, as being part of

"(e) MARK TO MARKET NOT TO APPLY TO

HEDGING TRANSACTIONS .-

1) Section not to apply.—Subsection (a) shall not apply in the case of a hedging transaction.

"(2) DEFINITION OF HEDGING TRANSAC-TION.—For purposes of this subsection, the term 'hedging transaction' means any transaction if-

"(A) such transaction is entered into by the taxpayer in the normal course of the taxpayer's trade or business primarily-

"(i) to reduce risk of price change or currency fluctuations with respect to property which is held or to be held by the taxpayer,

"(ii) to reduce risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or obligations incurred or to be incurred, by the taxpayer,

"(B) the gain or loss on such transactions is treated as ordinary income or loss, and

'(C) before the close of the day on which such transaction was entered into, the taxpayer clearly identifies such transaction as being a hedging transaction.

"(3) SPECIAL RULE FOR SYNDICATES.

"(A) In GENERAL.-Notwithstanding paragraph (2), the term 'hedging transaction' shall not include any transaction entered into by or for a syndicate.

"(B) SYNDICATE DEFINED.-For purposes of subparagraph (A), the term 'syndicate' means any partnership or other entity (other than a corporation which is not an electing small business corporation within the meaning of section 1371(b)) if more than 35 percent of the losses of such entity during the taxable year are allocable to limpartners or limited entrepreneurs (within the meaning of section 464(e)(2)).

"(C) HOLDINGS ATTRIBUTABLE TO ACTIVE MANAGEMENT.-For purposes of subparagraph (B), an interest in an entity shall not be treated as held by a limited partner or a limited entrepreneur (within the meaning

of section 464(e)(2))-

"(i) for any period if during such period such interest is held by an individual who actively participates at all times during such period in the management of such entity.

"(ii) for any period if during such period such interest is held by the spouse, children, grandchildren, and parents of an individual who actively participates at all times during such period in the management of such

"(iii) if such interest is held by an individual who actively participated in the management of such entity for a period of not less

than 5 years.

"(iv) if such interest is held by the estate of an individual who actively participated in the management of such entity or is held by the estate of an individual if with respect to such individual such interest was at any time described in clause (ii), or

"(v) if the Secretary determines that such interest should be treated as held by an individual who actively participates in the management of such entity, and that such entity and such interest are not used (or to be used) for tax-avoidance purposes.

For purposes of this subparagraph, a legally adopted child of an individual shall be treated as a child of such individual by blood.

"(4) SPECIAL RULE FOR BANKS.—In the case of a bank (as defined in section 581), subparagraph (A) of paragraph (2) shall be applied without regard to clause (i) or (ii) thereof.

"(f) SPECIAL RULES .-

"(1) DENIAL OF CAPITAL GAINS TREATMENT FOR PROPERTY IDENTIFIED AS PART OF A HEDG-ING TRANSACTION.-For purposes of this title, gain from any property shall in no event be considered as gain from the sale or exchange of a capital asset if such property was at any time personal property (as defined in section 1092(d)(1)) identified under subsection (e)(2)(C) by the taxpayer as being part of a hedging transaction.

"(2) Subsection (a)(3) not to apply to ordinary income property.—Paragraph (3) of subsection (a) shall not apply to any gain or loss which, but for such paragraph, would be ordinary income or loss.".

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 1256. Regulated futures contracts marked to market.".

SEC. 504. CARRYBACK OF LOSSES FROM REGULAT-ED FUTURES CONTRACTS TO OFFSET PRIOR GAINS FROM SUCH CONTRACTS.

Section 1212 (relating to capital loss carrybacks and carryovers) is amended by adding at the end thereof the following new subsection:

"(c) CARRYBACK OF LOSSES FROM REGULATED FUTURES CONTRACTS TO OFFSET PRIOR GAINS FROM SUCH CONTRACTS.—

"(1) IN GENERAL.—If a taxpayer (other than a corporation) has a net commodity futures loss for the taxable year and elects to have this subsection apply to such taxable year, the amount of such net commodity futures loss—

"(A) shall be a carryback to each of the 3 taxable years preceding the loss year, and

"(B) to the extent that, after the application of paragraphs (2) and (3), such loss is allowed as a carryback to any such preceding taxable year—

"(i) 40 percent of the amount so allowed shall be treated as a short-term capital loss from regulated futures contracts, and

"(ii) 60 percent of the amount so allowed shall be treated as a long-term capital loss from regulated futures contracts.

"(2) AMOUNT CARRIED TO EACH TAXABLE YEAR.—The entire amount of the net commodity futures loss for any taxable year shall be carried to the earliest of the taxable years to which such loss may be carried back under paragraph (1). The portion of such loss which shall be carried to each of the 2 other taxable years to which such loss may be carried back shall be the excess (if any) of such loss over the portion of such loss which, after the application of paragraph (3), was allowed as a carryback for any prior taxable year.

"(3) AMOUNT WHICH MAY BE USED IN ANY PRIOR TAXABLE YEAR.—An amount shall be allowed as a carryback under paragraph (1) to any prior taxable year only to the extent—

"(A) such amount does not exceed the net commodity futures gain for such year, and

"(B) the allowance of such carryback does not increase or produce a net operating loss (as defined in section 172(c)) for such year.

"(4) NET COMMODITY FUTURES LOSS.—For purposes of paragraph (1), the term 'net commodity futures loss' means the lesser of—

"(A) the net capital loss for the taxable year determined by taking into account only gains and losses from regulated futures contracts and positions to which section 1256 applies or

"(B) the sum of the amounts which, but for paragraph (6)(A), would be treated as capital losses in the succeeding taxable year under subparagraphs (A) and (B) of subsection (b)(1).

"(5) NET COMMODITY FUTURES GAIN.—For purposes of paragraph (1)—

"(A) In general.—The term 'net commodity futures gain' means the lesser of—

"(i) the capital gain net income for the taxable year determined by taking into account only gains and losses from regulated futures contracts, or

"(ii) the capital gain net income for the

"(B) SPECIAL RULE.—The net commodity futures gain for any taxable year before the loss year shall be computed without regard to the net commodity futures loss for the loss year or for any taxable year thereafter.

"(6) COORDINATION WITH CARRYFORWARD PROVISIONS OF SUBSECTION (b)(1).—

"(A) CARRYFORWARD AMOUNT REDUCED BY AMOUNT USED AS CARRYBACK.—For purposes of applying subsection (b)(1), if any portion of the net commodity futures loss for any taxable year is allowed as a carryback under paragraph (1) to any preceding taxable year.—

"(i) 40 percent of the amount allowed as a carryback shall be treated as a short-term capital gain for the loss year, and

"(ii) 60 percent of the amount allowed as a carryback shall be treated as a long-term

capital gain for the loss year.

"(B) CARRYOVER LOSS RETAINS CHARACTER AS ATTRIBUTABLE TO REGULATED FUTURES CONTRACT.—Any amount carried forward as a short-term or long-term capital loss to any taxable year under subsection (b)(1) (after the application of subparagraph (A)) shall, to the extent attributable to losses from regulated futures contracts, be treated as loss from regulated futures contracts for such taxable year.

"(7) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) REGULATED FUTURES CONTRACT.—The term 'regulated futures contract' means any regulated futures contract (as defined in section 1256(b)) to which section 1256 applies.

"(B) Exclusion for estates and trusts.— This subsection shall not apply to any estate or trust.".

SEC. 505. CERTAIN GOVERNMENTAL OBLIGATIONS ISSUED AT DISCOUNT TREATED AS CAPITAL ASSETS.

(a) GENERAL RULE.—Section 1221 (defining capital asset) is amended by striking out paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) TREATMENT OF AMOUNTS RECEIVED ON SALE OR OTHER DISPOSITION.—Subsection (a) of section 1232 (relating to bonds and other evidences of indebtedness) is amended by adding at the end thereof the following new paragraph:

"(4) CERTAIN SHORT-TERM GOVERNMENT OB-LIGATIONS.—

"(A) In general.—On the sale or exchange of any short-term Government obligation, any gain realized which does not exceed an amount equal to the ratable share of the acquisition discount shall be treated as ordinary income. Gain in excess of such amount shall be considered gain from the sale or exchange of a capital asset held less than 1 year.

"(B) SHORT-TERM GOVERNMENT OBLIGATION.—For purposes of this paragraph, the
term 'short-term Government obligation'
means any obligation of the United States
or any of its possessions, or of a State or any
political subdivision thereof, or of the District of Columbia which is issued on a discount basis and payable without interest at
a fixed maturity date not exceeding 1 year
from the date of issue. Such term does not
include any obligation the interest on which
is not includible in gross income under section 103 (relating to certain governmental
obligations).

"(C) Acquisition discount.—For purposes of this paragraph, the term 'acquisition discount' means the excess of the stated redemption price at maturity over the taxpayer's basis for the obligation.

"(D) RATABLE SHARE.—For purposes of this paragraph, the ratable share of the acquisition discount is an amount which bears the

same ratio to such discount as-

"(i) the number of days which the taxpayer held the obligation, bears to

"(ii) the number of days after the date the taxpayer acquired the obligation and up to (and including) the date of its maturity.".

(c) TECHNICAL AMENDMENTS .-

(1) Subparagraph (D) of section 1231(b)(1) is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

(2) Subparagraph (B) of section 341(c)(2) is amended by striking out "(and governmental obligations described in section 1221(5))".

SEC. 506. PROMPT IDENTIFICATION OF SECURITIES BY DEALERS IN SECURITIES.

(a) In General.—Subsection (a) of section 1236 (relating to dealers in securities) is amended—

(1) by striking out "before the expiration of the 30th day after the date of its acquisition" and inserting in lieu thereof "before the close of the day on which it was acquired (before the close of the following day in the case of an acquisition before January 1, 1982)", and

(2) by striking out "expiration of such 30th day" and inserting in lieu thereof "close of such day".

(b) SPECIAL RULE FOR FLOOR SPECIALISTS.— Section 1236 (relating to dealers in securities) is amended by adding at the end thereof the following new subsection:

"(d) SPECIAL RULE FOR FLOOR SPECIALISTS.—

"(1) IN GENERAL.—In the case of a floor specialist (but only with respect to acquisitions, in connection with his duties on an exchange, of stock in which the specialist is registered with the exchange), subsection (a) shall be applied—

"(A) by inserting 'the 7th business day following' before 'the day' the first place it appears in paragraph (1) and by inserting '7th business' before 'day' in paragraph (2), and

"(B) by striking the parenthetical phrase in paragraph (1).

"(2) FLOOR SPECIALIST.—The term 'floor specialist' means a person who is—

"(A) a member of a national securities exchange,
"(B) is registered as a specialist with the

exchange, and
"(C) meets the requirements for specialists established by the Securities and Ex-

change Commission.".

SEC. 507. TREATMENT OF GAIN OR LOSS FROM CERTAIN TERMINATIONS.

(a) GENERAL RULE.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1234 the following new section:

"SEC. 1234A. GAINS OR LOSSES FROM CERTAIN TER-MINATIONS.

"Gain or loss attributable to the cancellation, lapse, expiration, or other termination of a right or obligation with respect to personal property (as defined in section 1092(d)(1)) which is (or on acquisition would be) a capital asset in the hands of the taxpayer shall be treated as gain or loss from the sale of a capital asset.".

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by inserting after the item relating to section 1234 the following new item:

'Sec. 1234A. Gains or losses from certain terminations.".

SEC. 508. EFFECTIVE DATES.

(a) In General.-Except as otherwise provided in this section, the amendments made by this title shall apply to property acquired and positions established by the taxpayer after June 23, 1981, in taxable years ending after such date.

(b) Identification Requirements.

(1) Under Section 1236 OF CODE.—The amendments made by section 506 shall apply to property acquired by the taxpayer after the date of the enactment of this Act in taxable years ending after such date.

(2) UNDER SECTION 1256(e)(2)(C) OF CODE.-Section 1256(e)(2)(C) of the Internal Revenue Code of 1954 (as added by this title) shall apply to property acquired and positions established by the taxpayer after December 31, 1981, in taxable years ending

after such date.
(c) Election With Respect to Property Held on June 23, 1981.—If the taxpayer so elects (at such time and in such manner as the Secretary of the Treasury or his delegate shall prescribe) with respect to all regulated futures contracts or positions held by the taxpayer on June 23, 1981, the amendments made by this title shall apply to all such contracts and positions, effective for periods after such date in taxable years ending after such date. For purposes of the preceding sentence, the term "regulated fu-tures contract" has the meaning given to such term by section 1256(b) of the Internal Revenue Code of 1954, and the term "position" has the meaning given to such term by section 1092(d)(2) of such Code.

SEC. 509. ELECTION FOR EXTENSION OF TIME FOR PAYMENT AND APPLICATION OF SECTION 1256 FOR THE TAXABLE YEAR IN-CLUDING JUNE 23, 1981.

(a) ELECTION.-

(1) In general.-In the case of any taxable year beginning before June 23, 1981, and ending after June 22, 1981, the taxpayer may elect, in lieu of any election under section 508(c), to have this section apply to all regulated futures contracts held during such taxable year.

(2) APPLICATION OF SECTION 1256.-If a taxpayer elects to have the provisions of this section apply to the taxable year described

in paragraph (1).

(A) the provisions of section 1256 of the Internal Revenue Code of 1954 (other than section 1256(e)(2)(C)) shall apply to regulated futures contracts held by the taxpayer at any time during such taxable year, and

(B) for purposes of determining the rate of tax applicable to gains and losses from regulated futures contracts held at any time during such year, such gains and losses shall be treated as gain or loss from a sale or exchange occurring in a taxable year beginning in 1982.

(3) DETERMINATION OF DEFERRED TAX LIABIL-ITY.—If the taxpayer makes an election

under this subsection.

(A) the taxpayer may pay part or all of the tax for such year in two or more (but not exceeding five) equal installments;

(B) the maximum amount of tax which may be paid in installments under this sec-

tion shall be the excess of—
(i) the tax for such year, determined by taking into account paragraph (2), over

(ii) the tax for such year, determined by taking into account paragraph (2) and by

treating all regulated futures contracts which were held by the taxpayer on the first day of the taxable year described in paragraph (1), and which were acquired before the first day of such taxable year, as having been acquired for a purchase price equal to their fair market value on the last business day of the preceding taxable year.

(4) DATE FOR PAYMENT OF INSTALLMENT (A) If an election is made under this subsection, the first installment under subsection (a)(3)(A) shall be paid on or before the due date for filing the return for the taxable year described in paragraph (1), and each succeeding installment shall be paid on or before the date which is one year after the date prescribed for payment of the preceding installment.

(B) If a bankruptcy case or insolvency proceeding involving the taxpayer is commenced before the final installment is paid, the total amount of any unpaid installments shall be treated as due and payable on the day preceding the day on which such case or

proceeding is commenced. (5) INTEREST ON INSTALLMENT.

(b) FORM OF ELECTION.—An election under this section shall be made not later than the time for filing the return for the taxable year described in subsection (a)(1) and shall be made in the manner and form required by regulations prescribed by the Secretary. The election shall set forth-

(A) the amount determined under subsection (a)(3)(B) and the number of install-

ments elected by the taxpayer,

(B) each regulated futures contract held by the taxpayer on the first day of the taxable year described in subsection (a)(1), and the date such contract was acquired,

(C) the fair market value on the last business day of such taxable year for each regulated futures contract described in subpara-

graph (B), and

(D) such other information for purposes of carrying out the provisions of this section as may be required by such regulations.

(5) INTEREST IMPOSED.—For purposes of section 6601(b) of the Internal Revenue Code of 1954, the time for payment of any tax with respect to which an election is made under this subsection shall be determined without regard to this subsection.

TITLE VI-ENERGY PROVISIONS Subtitle A-Changes in Windfall Profit Tax SEC. 601. \$2,500 ROYALTY CREDIT FOR 1981; EXEMP-TION FOR 1982 AND THEREAFTER.

(a) \$2,500 ROYALTY CREDIT FOR 1981.-

(1) In general.—Subsection (a) of section 6429 (relating to treatment as overpayment)

is amended to read as follows:
"(a) TREATMENT AS OVERPAYMENT.—In the case of a qualified royalty owner, that portion of the tax imposed by section 4986 which is paid in connection with qualified royalty production removed from the premises during calendar year 1981 shall be treated as an overpayment of the tax imposed by section 4986."

(2) INCREASE IN AMOUNT OF CREDIT.-Paragraph (1) of section 6429(c) (relating to \$1,000 limitation on credit or refund) is

amended to read as follows:

"(1) In general.—The aggregate amount which may be treated as an overpayment under subsection (a) with respect to any qualified royalty owner for production re-moved from the premises during calendar ear 1981 shall not exceed \$2,500.

(3) Conforming amendments.—Subsection

(c) of section 6429 is amended-

(A) by striking out "\$1,000" each place it appears and "\$2,500", and and inserting in lieu thereof

(B) by striking out "qualified period" each place it appears and inserting in lieu thereof 'calendar year".

(4) DEFINITION OF QUALIFIED ROYALTY PRO-DUCTION.-Subsection (d) of section 6429 is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the follow-

ing new paragraphs:

"(2) QUALIFIED ROYALTY PRODUCTION.—The term 'qualified royalty production' means, with respect to any qualified royalty owner, taxable crude oil which is attributable to an economic interest of such royalty owner other than an operating mineral interest (within the meaning of section 614(d)). Such term does not include taxable crude oil attributable to any overriding royalty interest, production payment, net profits interest, or similar interest of the qualified royalty owner which-

'(A) is created after June 9, 1981, out of an operating mineral interest in property which is proven oil or gas property (within the meaning of section 613A(c)(9)(A)) on the date such interest is created, and

"(B) is not created pursuant to a binding contract entered into prior to June 10, 1981.

"(3) PRODUCTION FROM TRANSFERRED PROP-

"(A) In general.—In the case of a transfer of an interest in any property, the qualified royalty production of the transferee shall not include any production attributable to an interest that has been transferred after June 9, 1981, in a transfer which-

"(i) is described in section 613A(c)(9)(A). and

"(ii) is

not described in section 613A(c)(9)(B).

(B) Exceptions.—Subparagraph (A) shall not apply in the case of any transfer so long as the transferor and the transferee are required by paragraph (3) or (4) of subsection (c) to share the \$2,500 amount in subsection (c)(1). The preceding sentence shall apply to the case of any property only if the production from the property was qualified royalty production of the transferor.

"(C) TRANSFERS INCLUDE SUBLEASES.-For purposes of this paragraph, a sublease shall be treated as a transfer.

"(D) Estates.—For purposes of this paragraph, property held by any estate shall be treated as owned both by such estate and proportionately by the beneficiaries of such estate."

(5) QUALIFIED FAMILY FARM CORPORATION DEFINED.-Paragraph (4) of section 6429(d) is amended to read as follows:

"(4) QUALIFIED FAMILY FARM CORPORA-TION .- The term 'qualified family farm corporation' means a corporation-

"(A) all the outstanding shares of stock of which at all times during the calendar year are held by members of the same family (within the meaning of section 2032A(e)(2)), and

'(B) 80 percent in value of the assets of which (other than royalty interests described in paragraph (2)(A)) are held by the corporation at all times during such calendar year for use for farming purposes (within the meaning of section 2032A(e)(5))."

(6) CONFORMING AMENDMENTS .-

(A) Paragraph (3) of section 6654(f) (relating to failure by individuals to pay estimated income tax) is amended to read as fol-

"(3) the sum of-

"(A) the credits against tax allowed by part IV of subchapter A of chapter 1, other than the credit against tax provided by section 31 (relating to tax withheld on wages),

"(B) to the extent allowed under regulations prescribed by the Secretary, any amount which is treated under section 6429 as an overpayment of the tax imposed by section 4986.

(B) Paragraph (2) of section 6655(e) (relating to failure by corporation to pay estimated income tax) is amended to read as fol-

"(2) the sum of-

"(A) the credits against tax provided by part IV of subchapter A of chapter 1, plus

"(B) to the extent allowed under regulations prescribed by the Secretary, any amount which is treated under section 6429 as an overpayment of the tax imposed by section 4986.

(b) Exemption for 1982 and Thereafter .-

(1) In general.—Subsection (b) of section 4991 is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4), and in-serting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

(5) exempt royalty oil."

(2) EXEMPT ROYALTY OIL.—Section 4994 is amended by adding at the end thereof the following new subsection:
"(f) EXEMPT ROYALTY OIL.

"(1) IN GENERAL.—For purposes of this chapter, the term 'exempt royalty oil' means that portion of the qualified royalty owner's qualified royalty production for the quarter which does not exceed the royalty limit for such quarter.

"(2) ROYALTY LIMIT.—For purposes of this subsection-

"(A) In general.-A qualified royalty owner's royalty limit for any quarter is the product of-

"(i) the number of days in such quarter, multiplied by

"(ii) the limitation in barrels determined under the following table:

"In the case of qualified royalty production during:	The limitation in barrels is:
1982	2 2 2

"(B) PRODUCTION EXCEEDS LIMITATION.—If a qualified royalty owner's qualified royalty production for any quarter exceeds the royalty limitation for such quarter, such royalty owner may allocate such limit to any qualified royalty production which he selects.

"(3) Definitions.—
"(A) In general.—The terms 'qualified royalty owner' and 'qualified royalty pro-duction' have the meanings given to such terms by section 6429; except that the reference to qualified taxable crude oil in section 6429(d) shall be treated as a reference to oil which would have been taxable crude oil but for this section.

(B) ALLOCATION.-Rules similar to the rules of paragraphs (2), (3), and (4) of section 6429(c) shall apply to the limitation de-

termined under subsection (b)(1)."

(3) ADJUSTMENTS TO WITHHOLDING.—Subsection (a) of section 4995 is amended by adding at the end thereof the following new paragraph:

"(9) ADJUSTMENTS TO TAKE INTO ACCOUNT ROYALTY EXEMPTION.—The Secretary shall

prescribe such regulations as may be necessary so that the withholding required under this subsection shall be reduced to take into account the exemption provided by section 4991(b)(5) (relating to exempt royalty oil), and he may prescribe such other regulations as may be necessary to administer such exemption.'

(c) EFFECTIVE DATES.

(1) Except as provided in paragraph (2), subsection (a) shall take effect on January 1, 1981.

(2) The amendments made by paragraph (6) of subsection (a) shall take effect on

January 1, 1980.

(3) The amendments made by subsection (b) shall apply to oil removed after December 31, 1981.

SEC. 602. REDUCTION IN TAX IMPOSED ON NEWLY DISCOVERED OIL.

(a) In GENERAL.—Paragraph (3) of section 4987(b) (relating to applicable percentage) is amended to read as follows:

"(3) TIER 3 OIL.-

"(A) In general.—The applicable percentage for tier 3 oil which is not newly discov-

ered oil is 30 percent.

(B) NEWLY DISCOVERED OIL.—The applicable percentage for newly discovered oil shall be determined in accordance with the following table:

The

"For taxable periods beginning in:	ble percent- age is:	
1982	271/2	
1983	25	
1984	221/2	
1985	20	
1986 and thereafter	15".	

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable periods beginning after December 31, 1981. SEC. 603. EXEMPT INDEPENDENT PRODUCER STRIP-

PER WELL OIL.

(a) In General.-Subsection (b) of section 4991 (as amended by section 601(b)) is amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5), and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph: "(6) exempt stripper well oil."

(b) EXEMPT STRIPPER WELL OIL.—Section 4994 (as amended by section 601(b)) is amended by adding at the end thereof the following new subsection:

(g) EXEMPT STRIPPER WELL OIL.

In general.-For purposes of this chapter, the term 'exempt stripper well oil' means any oil-

"(A) the producer of which is an inde-pendent producer (within the meaning of section 4992(b)(1)),

"(B) which is from a stripper well property within the meaning of the June 1979

energy regulations, and
"(C) which is attributable to the independent producer's working interest in the

stripper well property.

(2) LIMITATION FOR CERTAIN TRANSFERRED PROPERTIES.-Exempt stripper well oil does not include production attributable to an interest in any property which at any time after July 22, 1981, was owned by a person other than an independent producer (within the meaning of section 4992(b)(1)).

(c) Conforming Amendment.-Paragraph (2) of section 4492(c) (defining independent producer amount) is amended by adding at the end thereof the following new sentence:

"For purposes of the preceding sentence, tier 1 oil and tier 2 oil shall be treated as not

including exempt stripper well oil."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to oil removed from the premises after December 31, 1982,

SEC. 604. EXEMPTION FROM WINDFALL PROFIT TAX OF OIL PRODUCED FROM INTER-ESTS HELD BY OR FOR THE BENEFIT OF RESIDENTIAL CHILD CARE AGEN-CIES.

(a) EXEMPTION OF CHILD CARE AGENCIES FROM TAX.-Subparagraph (A) of section 4994(b)(1) (relating to charitable interests exempt from windfall profit tax) is amended by redesignating clause (ii) as clause (iii) and by adding after clause (i) the following new clause:

"(ii) held by an organization described in section 170(c)(2) which is organized and operated primarily for the residential placement, care, or treatment of delinquent, dependent, orphaned, neglected, or handi-

capped children, or"

(b) PERIOD INTEREST REQUIRED TO BE HELD.

(1) In general.—Subparagraph (B) of section 4994(b)(1) is amended to read as fol-

"(B) such interest was held on January 21, 1980, and at all times thereafter before the last day of the taxable period, by the orgaparagraph (A), or subclause (I) of subparagraph (A)(iii)." nization described in clause (i) or (ii) of sub-

(2) INTERESTS HELD FOR THE BENEFIT OF CHILD CARE AGENCIES .- Paragraph (2) of sec-

tion 4994(b) is amended-

(A) by striking out "paragraph (1)(A)(ii)" and inserting in lieu thereof "clause (ii) or (iii) of paragraph (1)(A)", and

(B) by striking out "paragraph (1)(A)(i)" each place it appears and inserting in lieu thereof "clause (i) or (ii) of paragraph (1)(A)".

(c) Conforming Amendments

(1) Clause (i) of section 4994(b)(1)(A) is amended by striking out "or" at the end thereof.

Subclause (II) of section 4994(b)(1)(A)(ii) is amended by inserting "or (ii)" after "clause (i)"

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable periods beginning after December 31, 1980.

Subtitle B-Miscellaneous Provision

SEC. 611. APPLICATION OF CREDIT FOR PRODUCING NATURAL GAS FROM A NONCONVEN-TIONAL SOURCE WITH THE NATURAL GAS POLICY ACT OF 1978.

(a) In General.—Subsection (e) of section 44D (relating to the credit for producing fuel from a nonconventional source) is amended to read as follows:

"(e) Application With the Natural Gas

POLICY ACT OF 1978.-

"(1) No credit if section 107 of the natu-RAL GAS POLICY ACT OF 1978 IS UTILIZED.— Subsection (a) shall apply with respect to any natural gas described in subsection (c)(1)(B)(i) which is sold during the taxable year only if such natural gas is sold at a lawful price which is determined without regard to the provisions of section 107 of the Natural Gas Policy Act of 1978 and sub-title B of title I of such Act.

"(2) TREATMENT OF THIS SECTION.—For purposes of section 107(d) of the Natural Gas Policy Act of 1978, this section shall not be treated as allowing any credit, exemption, deduction, or comparable adjustment applicable to the computation of any Federal

(b) Effective Date.-The amendment made by this section shall apply to taxable years ending after December 31, 1979.

TITLE VII—ADMINISTRATIVE PROVISIONS

Subtitle A-Prohibition of Disclosure of **Audit Methods**

SEC. 701. PROHIBITION OF DISCLOSURE OF METH-ODS FOR SELECTION OF TAX RE-TURNS FOR AUDITS.

- (a) GENERAL RULE.—Paragraph (2) of section 6103(b) (defining return information) is amended by adding at the end thereof the following new sentence: "Nothing in the preceding sentence, or in any other provision of law, shall be construed to require the disclosure of standards used or to be used for the selection of returns for examination, or data used or to be used for determining such standards, if the Secretary determines that such disclosure will seriously impair assessment, collection, or enforcement under the internal revenue laws."
- EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to disclosures after July 19, 1981.

Subtitle B-Changes in Interest Rate for Overpayments and Underpayments

SEC. 711. CHANGES IN RATE OF INTEREST FOR OVERPAYMENTS AND UNDERPAY-MENTS.

(a) ANNUAL ADJUSTMENT TO RATE OF INTER-EST.—Subsection (b) of section 6621 (relating to adjustment of interest rate) is amended by striking out the last sentence thereof.

(b) RATE OF INTEREST TO BE BASED ON 100 PERCENT OF PRIME RATE.—Subsection (c) of section 6621 is amended by striking out "90 percent of"

(c) NEW RATE TO TAKE EFFECT ON JANUARY 1 of Each Year After 1982.—Subsection (b) of section 6621 is amended by striking out "February 1" and inserting in lieu thereof "January 1"

(d) EFFECTIVE DATES .-

(1) For subsections (a) and (b).-The amendments made by subsections (a) and (b) shall apply to adjustments made after the date of the enactment of this Act.

(2) For subsection (c).—The amendment made by subsection (c) shall apply to adjustments made for periods after 1982.

Subtitle C-Changes in Certain Penalties and in Requirements Relating to Returns

SEC. 721. CHANGES IN PENALTIES FOR FALSE IN-FORMATION WITH RESPECT TO WITH-HOLDING.

(a) CIVIL PENALTY.—Section 6682 (relating to false information with respect to withholding allowances based on itemized deductions) is amended to read as follows:

"SEC. 6682. FALSE INFORMATION WITH RESPECT TO WITHHOLDING.

"(a) CIVIL PENALTY.-In addition to any criminal penalty provided by law, if-

"(1) any individual makes a statement under section 3402 which results in a decrease in the amounts deducted and withheld under chapter 24, and

"(2) as of the time such statement was made, there was no reasonable basis for such statement.

such individual shall pay a penalty of \$500 for such statement.

"(b) Exception.—The Secretary waive (in whole or in part) the penalty imposed under subsection (a) if the taxes imposed with respect to the individual under subtitle A for the taxable year are equal to or less than the sum of-

"(1) the credits against such taxes allowed by part IV of subchapter A of chapter 1, and

"(2) the payments of estimated tax which are considered payments on account of such taxes.

DEFICIENCY PROCEDURES NOT (c) APPLY.-Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect to the assessment or collection of any penalty imposed by subsection (a)

(b) CRIMINAL PENALTY.-Section 7205 (relating to fraudulent withholding exemption certificate or failure to supply information) is amended by striking out "\$500" and inserting in lieu thereof "\$1,000"

(c) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 68 is amended by striking out the item relating to section 6682 and inserting in lieu thereof

the following:

Sec. 6682. False information with respect to withholding."

(d) Effective Date.-The amendments made by this section shall apply to acts and failures to act after December 31, 1981. SEC. 722. ADDITIONS TO TAX IN THE CASE OF VALU-

IN NEGLIGENCE PENALTY.

(a) VALUATION OVERSTATEMENTS.

(1) In general.—Subchapter A of chapter 68 (relating to additions to tax) is amended redesignating section 6659 as section 6660 and by inserting after section 6658 the following new section:

SEC. 6659. ADDITION TO TAX IN THE CASE OF VALUATION OVERSTATEMENTS FOR PURPOSES OF THE INCOME TAX.

"(a) Addition to the Tax.-If-

"(1) an individual, or "(2) a closely held corporation or a personal service corporation.

has an underpayment of the tax imposed by chapter 1 for the taxable year which is attributable to a valuation overstatement, then there shall be added to the tax an amount equal to the applicable percentage of the underpayment so attributable.

"(b) APPLICABLE PERCENTAGE DEFINED. purposes of subsection (a), the applicable percentage shall be determined under the

following table:

The "If the valuation claimed is the applica-ble following percent of the correct valuation percent-150 percent or more but not

more than 200 percent..... 10 More than 200 percent but not more than 250 percent..... More than 250 percent.....

"(c) VALUATION OVERSTATEMENT DEFINED .-"(1) In general.-For purposes of this section, there is a valuation overstatement if the value of any property, or the adjusted basis of any property, claimed on any return exceeds 150 percent of the amount determined to be the correct amount of such valuation or adjusted basis (as the case may

"(2) PROPERTY MUST HAVE BEEN ACQUIRED WITHIN LAST 5 YEARS.—This section shall not apply to any property which, as of the close of the taxable year for which there is a valuation overstatement, has been held by the taxpayer for more than 5 years.

"(d) UNDERPAYMENT MUST BE AT LEAST \$1,000.-This section shall not apply if the underpayment for the taxable year attributable to the valuation overstatement is less than \$1,000

"(e) AUTHORITY TO WAIVE.—The Secretary may waive all or any part of the addition to the tax provided by this section on a showing by the taxpayer that there was a reasonable basis for the valuation or adjusted basis claimed on the return and that such claim was made in good faith.

'(f) OTHER DEFINITIONS.-For purposes of

this section-

"(1) UNDERPAYMENT.—The term 'underpayment' has the meaning given to such term by section 6653(c)(1).

"(2) CLOSELY HELD corporation.-The term 'closely held corporation' means any corporation described in section 465(a)(1)(C).

"(3) Personal service corporation.—The term 'personal service corporation' means any corporation which is a service organization (within the meaning of section 414(m)(3))."

(2) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 68 is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 6659. Addition to tax in the case of valuation overstatements for purposes of the income tax.

"Sec. 6660. Applicable rules."

(3) TECHNICAL AMENDMENT.—Subsection (c) of section 5684 (relating to penalties for the payment and collection of liquor taxes) and subsection (d) of section 5761 (relating to civil penalties) are each amended by striking out "6659" in the heading and text thereof and inserting in lieu thereof "6660".

(4) Effective date.—The amendments made by this subsection shall apply to returns filed after December 31, 1981.

(b) INCREASE IN NEGLIGENCE PENALTY .-

(1) In general.—Subsection (a) of section 6653 (relating to failure to pay tax) is amended to read as follows:

"(a) NEGLIGENCE OR INTENTIONAL DISRE-GARD OF RULES AND REGULATIONS WITH RE-SPECT TO INCOME, GIFT, OR WINDFALL PROFIT

"(1) In general.-If any part of any underpayment (as defined in subsection (c)(1)) of any tax imposed by subtitle A, by chapter 12 of subtitle B, or by chapter 45 (relating to windfall profit tax) is due to negligence or intentional disregard of rules or regulations (but without intent to defraud), there shall be added to the tax an amount equal to 5 percent of the underpayment.

"(2) ADDITIONAL AMOUNT FOR PORTION AT-TRIBUTABLE TO NEGLIGENCE, ETC.—There shall be added to the tax (in addition to the amount determined under paragraph (1)) an amount equal to 50 percent of the interest payable under section 6601-

'(A) with respect to the portion of the underpayment described in paragraph (1) which is attributable to the negligence or intentional disregard referred to in para-

graph (1), and "(B) for the period beginning on the last date prescribed by law for payment of such underpayment (determined without regard to any extension) and ending on the date of the assessment of the tax."

(2) EFFECTIVE DATE.-The amendment made by paragraph (1) shall apply to taxes the last date prescribed for payment of which is after December 31, 1981.

SEC. 723. CHÁNGES IN REQUIREMENTS RELATING TO INFORMATION RETURNS.

(a) INCREASES IN PENALTIES FOR FAILURE To FILE CERTAIN RETURNS OR FURNISH CER-TAIN STATEMENTS.

(1) CERTAIN RETURNS.—Paragraph (1) of section 6652(a) (relating to failure to file certain information returns, registration statements, etc.) is amended to read as fol-

"(1) to file a statement of the aggregate amount of payments to another person required by-

"(A) section 6041(a) or (b) (relating to cer-

tain information at source),

"(B) section 6042(a)(1) (relating to payments of dividends aggregating \$10 or

"(C) section 6044(a)(1) (relating to payments of patronage dividends aggregating \$10 or more),

"(D) section 6049(a)(1) (relating to payments of interest aggregating \$10 or more), "(E) section 6050A(a) (relating to reporting requirements of certain fishing boat op-

erators), or

"(F) section 6051(d) (relating to information returns with respect to income tax withheld), or".

(2) CERTAIN STATEMENTS.—Section 6678 (relating to failure to furnish certain statements) is amended by striking out "or" at the end of paragraph (1), by inserting "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) to furnish a statement under-

"(A) section 6050A(b) (relating to statements furnished by certain fishing boat op-

"(B) section 6050C (relating to information regarding windfall profit tax on crude

"(C) section 6051 (relating to information returns with respect to income tax withheld) if the statement is required to be fur-

nished to the employee, or "(D) section 6053(b) (relating to statements furnished by employers with respect

on the date prescribed therefor to a person with respect to whom such a statement is required."

(3) RETENTION OF EXISTING PENALTIES FOR FAILURE TO FILE CERTAIN STATEMENTS.—Subsection (b) of section 6652 is amended to read as follows:

"(b) OTHER RETURNS.—In the case of each failure to file a statement of a payment to another person required under the author-

'(1) section 6042(a)(2) (relating to payments of dividends aggregating less than \$10),

"(2) section 6044(a)(2) (relating to payments of patronage dividends aggregating less than \$10),

"(3) section 6049(a)(2) (relating to payments of interest aggregating less than \$10).

"(4) section 6049(a)(3) (relating to other payments of interest by corporations),

on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid (upon notice and demand by the Secretary and in the same manner as tax) by the person failing to so file the statement, \$1 for each such statement not so filed, but the total amount imposed on the delinquent person for all such failures during the calendar year shall not exceed \$1,000.

(4) CLERICAL AMENDMENT.—The subsection heading of subsection (a) of section 6652 is amended by inserting "Information at Source," before "Payments of Dividends".

(b) REQUIREMENT OF STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS FURNISHED ON PAY-MENTS OF \$600 OR MORE.

(1) IN GENERAL.—Section 6041 (relating to information at source) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) STATEMENTS TO BE FURNISHED TO PER-SONS WITH RESPECT TO WHOM INFORMATION Is Furnished.—Every person making return under subsection (a) shall furnish to each person whose name is set forth in such return a written statement showing-

(1) the name, address, and identification number of the person making such return,

"(2) the aggregate amount of payments to the person shown on the return.

The written statement required under the preceding sentence shall be furnished to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made. To the extent provided in regulations pre-scribed by the Secretary, this subsection shall also apply to persons making returns under subsection (b)."

(2) PENALTY FOR FAILURE TO FURNISH STATE-MENT.—Paragraph (1) of section 6678 (relating to failure to furnish certain statements) is amended-

inserting "6041(d)." (A) by before

"6042(c)", and
(B) by inserting
"6042(a)(1)". "6041(a)," before

(c) Effective Date.-The amendments made by this section shall apply to returns and statements required to be furnished after December 31, 1981.

SEC. 724. PENALTY FOR OVERSTATED DEPOSIT CLAIMS.

(a) GENERAL RULE.—Subsection (b) of section 6656 (relating to failure to make deposit of taxes) is amended to read as follows:

(b) OVERSTATED DEPOSIT CLAIMS. "(1) Imposition of Penalty.-Any person who makes an overstated deposit claim shall be subject to a penalty equal to 25 percent

"(2) OVERSTATED DEPOSIT CLAIM DEFINED .-For purposes of this subsection, the term overstated deposit claim' means the excess

"(A) the amount of tax under this title which any person claims, in a return filed with the Secretary, that such person has deposited in a government depositary under section 6302(c) for any period, over

'(B) the aggregate amount such person has deposited in a government depositary under section 6302(c), for such period, on or before the date such return is filed.

"(3) PENALTY NOT IMPOSED IN CERTAIN cases.—The penalty under paragraph (1) shall not apply if it is shown that the excess described in paragraph (2) is due to reasonable cause and not due to willful neglect.

"(4) PENALTY IN ADDITION TO OTHER PENAL-TIES.—The penalty under paragraph (1) shall be in addition to any other penalty provided by law."

(b) CLERICAL AMENDMENTS.

(1) The heading of section 6656 is amended by inserting "or overstatement of deposafter "TAXES".

(2) The table of sections for subchapter A of chapter 68 is amended by striking out the item relating to section 6656 and inserting in lieu thereof the following:

'Sec. 6656. Failure to make deposit of taxes or overstatement of deposits.'

(3) The heading of subsection (a) of section 6656 is amended by striking out "Penaland inserting in lieu thereof "UNDER-PAYMENT OF DEPOSITS"

(4)(A) Section 5684 (relating to penalties relating to the payment and collection of

liquor taxes) is amended by striking out subsection (b) and by redesignating subsections (c) and (d) as subsections (b) and (c), respectively

(B) Subsection (c) of section 5684, as redesignated by subparagraph (A), is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) For penalty for failure to make deposits or for overstatement of deposits, see section 6656."

(5) Section 5761 (relating to civil penalties) is amended by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c) APPLICABILITY OF SECTION 6659.penalty imposed by subsection (b) shall be assessed, collected, and paid in the same manner as taxes, as provided in section 6659(a).

"(d) Cross References .-

"For penalty for failure to make deposits or for overstatement of deposits, see section 6656.

(c) Effective Date.—The amendments made by this section shall apply to returns filed after the date of the enactment of this Act.

SEC. 725. DECLARATION OF ESTIMATED TAX NOT REQUIRED IN CERTAIN CASES

(a) GENERAL RULE.—Section 6015 (relating to declaration of estimated tax by individuals) is amended by redesignating subsections (b) through (i) as subsections (c) through (j), respectively, and by inserting after subsection (a) the following new subsection:

"(b) DECLARATION NOT REQUIRED IN CER-TAIN CASES.-No declaration shall be required under subsection (a) if the estimated tax (as defined in subsection (d)) is less than the amount determined in accordance with

the following table:

982	The amount is:	
1981	\$100	
1982	200	
1983	300	
1984	400	
1985 and thereafter	500."	

(b) No Penalty for Failure To Pay Esti-MATED TAX IN CERTAIN CASES.—Section 6654 (relating to failure by individual to pay estimated tax) is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

"(f) EXCEPTION WHERE TAX IS SMALL

(1) In general.—No addition to tax shall be imposed under subsection (a) for any taxable year if the tax shown on the return for such taxable year (or, if no return is filed, the tax) is less than the amount determined under the following table:

"In the case of taxable years beginning in:	The amount is:
1981	\$100
1982	200
1983	300
1984	400
1985 and thereafter	500.

"(2) Special Rule.-For purposes of subsection (b), the amount of any installment required to be paid shall be determined without regard to subsection (b) of section 6015."

(c) TECHNICAL AMENDMENTS .-

(1) Paragraph (6) of section 871(g) is amended by striking out "6015(i)" and inserting in lieu thereof "6015(j)".

(2) Subsection (a) of section 6015 is amended by striking out the last sentence.

(3) Subsection (a) of section 6153 is amended by striking out "6015(c)" and inserting in lieu thereof "6015(d)".

(4) Subparagraph (A) of section 7701(a)(34) is amended by striking out "6015(c)" and inserting in lieu thereof "6015(d)".

(5) Subsection (g) of such section 6654 (as redesignated by subsection (b)) is amended by striking out "subsections (b) and (d)" and inserting in lieu thereof "subsections (b), (d), and (f)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estimated tax for taxable years beginning after December 31, 1980.

Subtitle D—Cash Management

SEC. 731. CASH MANAGEMENT.

(a) In General.—Paragraph (1) of section 6655(h) (relating to large corporations required to pay at least 60 percent of current year tax) is amended to read as follows:

"(1) MINIMUM PERCENTAGE.-

"(A) In GENERAL.—Except as provided in subparagraph (B), in the case of a large corporation, paragraphs (1) and (2) of subsection (d) shall not apply.

"(B) Transition Rule.—For taxable years beginning before 1984, in the case of a large corporation, the amount treated as the estimated tax for the taxable year under paragraphs (1) and (2) of subsection (d) shall in no event be less than the applicable percentage of—

"(i) the tax shown on the return for the

taxable year, or

"(ii) if no return was filed, the tax for such year.

"(C) APPLICABLE PERCENTAGE.—For purposes of subparagraph (B), the applicable percentage shall be determined in accordance with the following table:

"If the taxable year begins in:	The applicable percentage is:
1982	65
1983	75."

(b) CLERICAL AMENDMENT.—The heading of subsection (h) of section 6655 (relating to failure by corporations to pay estimated income tax) is amended by striking out "at Least 60 Percent" and inserting in lieu thereof "Minimum Percentage".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

Subtitle E—Financing of Railroad Retirement System

SEC. 741. INCREASES IN EMPLOYER AND EMPLOY-EE TAXES.

(a) Tax on Employees.—Section 3201 (relating to rate of tax on employees) is amended by striking out all that precedes "the rate of the tax" and inserting in lieu thereof the following:

"(a) In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to 2.0 percent of so much of the compensation paid in any calendar

month to such employee for services rendered by him as is not in excess of an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month.

"(b) The rate of tax imposed by subsec-

tion (a) shall be increased by".

(b) Tax on Employee Representatives.— Subsection (a) of section 3211 (relating to tax on employee representatives) is amended by striking out "9.5" and inserting in lieu thereof "11.75"

(c) Tax on Employers.—The first sentence of section 3221(a) (relating to tax on employers) is amended by striking out "9.5" and inserting in lieu thereof "11.75".

(d) CONFORMING AMENDMENTS .-

(1) The last sentence of section 230(c) of the Social Security Act is amended—

(A) by inserting "employee and" before 'employer",

(B) by striking out "section 3221(a)" and inserting in lieu thereof "sections 3201(a) and 3221(a)", and

(C) by striking out "9.5" and inserting in lieu thereof "11.75".

(2) Paragraph (1) of section 3231(e) (defining compensation) is amended by striking out "(iii)" and all that follows through "(iv)" and inserting in lieu thereof "or (iii)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to compensation paid for services rendered after September 30, 1981.

SEC, 742. ADVANCE TRANSFER OF AMOUNTS PAY-ABLE UNDER SOCIAL SECURITY FI-NANCIAL INTERCHANGE.

Section 15(b) of the Railroad Retirement Act of 1974 is amended by inserting "(1)" after "(b)" and by inserting at the end thereof the following new subdivision:

"(2) In any month when the Board finds that the balance in the Railroad Retirement Account is insufficient to pay annuity amounts due to be paid during the following month, the Board shall report to the Secretary of the Treasury the additional amount of money necessary in order to make such annuity payments, and the Secretary shall transfer to the credit of the Railroad Retirement Account such additional amount upon receiving such report from the Board. The total amount of money outstanding to the Railroad Retirement Account from the general fund at any time during any fiscal year shall not exceed the total amount of money the Board and the Trustees of the Social Security Trust Funds estimate will be transferred to the Railroad Retirement Account pursuant to section 7(c)(2) of this Act with respect to such fiscal year. Whenever the Board determines that the sums in the Railroad Retirement Account are sufficient to pay annuity amounts, the Board shall request the Secretary of the Treasury to re-transfer to the general fund from the Railroad Retirement Account all or any part of the amount outstanding, and the Secretary of the Treasury shall make such retransfer of the amount requested. Not later than 10 days after a transfer to the Railroad Retirement Account under section 7(c)(2) of this Act, any amount of money outstanding to the Railroad Retirement Account from the general fund under this subdivision shall be retransferred in accordance with this subdivision. Any amount retransferred shall include an amount of interest computed at a rate determined in accordance with the following two sentences: The rate of interest payable with respect to an amount out-standing for any month shall be equal to the average investment yield for the most recent auction (before such month) of

United States Treasury bills with maturities of 52 weeks, deeming any amount outstanding at the beginning of a month to have been borrowed at the beginning of such month. For this purpose the amount of interest computed in accordance with the preceding sentence but not repaid by the end of such month shall be added to the amount outstanding at the beginning of the next month."

SEC. 743. AMENDMENTS TO SECTION 3231 CLARIFY-ING DEFINITION OF COMPENSATION.

(a) Paragraph (1) of section 3231(e) (defining compensation) is amended by adding after the third sentence thereof the following new sentence: "Compensation which is paid in one calendar month but which would be payable in a prior or subsequent taxable month but for the fact that prescribed date of payment would fall on a Saturday, Sunday or legal holiday shall be deemed to have been paid in such prior or subsequent taxable month."

(b) Paragraph (2) of section 3231(e) is amended by adding at the beginning thereof the following new sentence: "A payment made by an employer to an individual through the employer's payroll shall be presumed, in the absence of evidence to the contrary, to be compensation for service rendered by such individual as an employee of the employer in the period with respect to which the payment is made."

(c) Paragraph (2) of section 3231(e), as amended by subsection (b), is amended by striking from the second sentence thereof the words "An employee" and inserting instead the words: "An employee receiving retroactive wage payments".

(d) The amendments made by this section shall apply for taxable years beginning after December 31, 1981.

Subtitle F-Filing Fees

SEC. 751. FEES FOR FILING PETITIONS.

(a) In General.—Section 7451 is amended by striking out "\$10" and inserting in lieu thereof "\$60".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to petitions filed after December 31, 1981.

TITLE VIII-MISCELLANEOUS PROVISIONS

Subtitle A—Extension

SEC. 801. FRINGE BENEFITS.

Section 1 of the Act entitled "An Act to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes", approved October 7, 1978 (Public Law 95-427), is amended by striking out "May 31, 1981" each place it appears and inserting in lieu thereof "December 31, 1983".

SEC. 802. EXCLUSION FOR PREPAID LEGAL SERVICES EXTENDED FOR 3 YEARS.

(a) EXTENSION.—Section 120 (relating to amounts received under qualified group legal services plans) is amended by adding at the end thereof the following new subsection:

"(e) Termination.—This section shall not apply to taxable years ending after December 31, 1984."

(b) Conforming Amendment.—Paragraph (1) of section 2134(e) of the Tax Reform Act of 1976 (relating to effective date) is amended by striking out ", and ending before January 1, 1982".

Subtitle B—Tax-Exempt Obligations

SEC. 811. TAX-EXEMPT FINANCING FOR VEHICLES USED FOR MASS COMMUTING.

(a) GENERAL RULE.—Paragraph (4) of section 103(b) (relating to industrial development bonds) is amended by striking out "or"

at the end of subparagraph (G), by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", or", and by inserting after subparagraph (H) the following new subparagraph:

"(I) qualified mass commuting vehicles."
(b) Definition of Qualified Mass Com-MUTING VEHICLES -Subsection (b) of section 103 is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

QUALIFIED MASS COMMUTING

"(A) In general.-For purposes of paragraph (4)(I), the term 'qualified mass commuting vehicle' means any bus, subway car, rail car, or similar equipment-

"(i) which is leased to a mass transit system wholly owned by 1 or more govermental units (or agencies or instrumental-

ities thereof), and

"(ii) which is used by such system in pro-

viding mass commuting services.
"(B) Termination.—Paragraph (4)(I) shall not apply to any obligation issued after December 31, 1984."

EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 812. OBLIGATIONS OF CERTAIN VOLUNTEER FIRE DEPARTMENTS.

(a) In General.-Section 103 (relating to interest on certain governmental obligations) is amended by redesignating subsection (i) as subsection (J) and by inserting after subsection (H) the following new sub-

section:
"(i) Obligations of Certain Volunteer

FIRE DEPARTMENTS.-

(1) In general.—An obligation of a volunteer fire department shall be treated as an obligation of a political subdivision of a

"(A) such department is a qualified volunteer fire department with respect to an area within the jurisdiction of such political sub-

division, and

(B) such obligation is issued as part of an issue substantially all of the proceeds of which are to be used for the acquisition, construction, reconstruction, or improvement of a firehouse or firetruck used or to

be used by such department.

"(2) QUALIFIED VOLUNTEER FIRE DEPART--For purposes of this subsection, the MENT. term 'qualified volunteer fire department' means, with respect to a political subdivi-

sion of a State, any organization-

"(A) which is organized and operated to provide firefighting or emergency medical services for persons in an area (within the jurisdiction of such political subdivision) which is not provided with any other firefighting services,

'(B) which is required (by written agreement) by the political subdivision to furnish

firefighting services in such area.

(b) EFFECTIVE DATE .-

(1) In GENERAL.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 1980.

(2) SPECIAL RULE FOR CERTAIN OBLIGATIONS

ISSUED BEFORE EFFECTIVE DATE .-

(A) In GENERAL.-Interest on any obligation described in subparagraph (B) shall be excluded from gross income.

(B) Obligation to which paragraph applies.—For purposes of subparagraph (A), an obligation is described in this subparagraph if the obligation-

(i) was issued after December 31, 1969, and before January 1, 1981, to the First Bank and Trust Company of Indianapolis, Indi-

ana.

(ii) was issued by a qualified volunteer fire department (within the meaning of section 103(i)(2) of the Internal Revenue Code of 1954), and

was issued for the acquisition, construction, reconstruction, or improvement

of firefighting property.

An obligation shall be treated as described in this subparagraph only for the period which is held by the First Bank and Trust Company of Indianapolis, Indiana.

(C) FIREFIGHTING PROPERTY.-For purposes of subparagraph (B), the term 'firefighting property' means property-

(i) which is of a character subject to the allowance for depreciation, and

(ii)(I) which is used in the training for the performance of, or in the performance of, firefighting or ambulance services, or

(II) which is exclusively used to house the property described in subclause (I).

Subtitle C-Excise Taxes

SEC. 821. EXTENSION OF TELEPHONE EXCISE TAX. (a) In GENERAL.—The table contained in paragraph (2) of section 4251(a) (relating to

imposition of tax on communications) is amended by striking out the last line and in-

serting in lieu thereof the following: 'During 1982, 1983, or 1984 (b) Conforming Amendment.-

(b) of section 4251 is amended by striking out "1983" and inserting in lieu thereof "1985"

SEC. 822. EXCLUSION OF CERTAIN SERVICES FROM FEDERAL UNEMPLOYMENT TAX ACT.

(a) In General.—Section 3306(c) (relating to the definition of employment under the Federal Unemployment Tax Act) is amend-

(1) by striking out "or" at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19); and

(3) by inserting after paragraph (17) the

following new paragraph: described service in section (18) 3121(b)(20); or".

(b) EFFECTIVE DATE.-The amendments made by subsection (a) shall be effective with respect to remuneration paid during

SEC. 823, PRIVATE FOUNDATION DISTRIBUTIONS.

(c) GENERAL RULE

(1) Paragraph (1) of section 4942(d) (defining distributable amount) is amended by striking out "or the adjusted net income (whichever is higher)".

(2) Paragraph (3)(A) of section 4942(j) (defining operating foundation) is amended to

"(A) which makes qualifying distributions (within the meaning of paragaph (1) or (2) of subsection (g)) directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated equal to substantially all of the lesser of

"(i) its adjusted net income (as defined in

subsection (f), and

'(ii) its minimum investment return; and" (3) Paragraph (3) of section 4942(j) is amended by adding at the end thereof the following new sentence: "Notwithstanding the provisons of subparagraph (A), if the qualifying distributions (within the meaning of paragraph (1) or (2) of subsection (g)) of an organization for the taxable year exceed the minimum investment return for the taxable year, clause (ii) of subparagraph (A) shall not apply unless substantially all of such qualifying distributions are made directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated."

(b) Effective Date.-The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

Subtitle D-Other Provisions

SEC. 831. TECHNICAL AMENDMENTS RELATING TO DISPOSITIONS OF INVESTMENT IN UNITED STATES REAL PROPERTY.

(a) GENERAL RULE.

(1) Paragraph (1)(A)(i) of section 897(c) (defining United States real property interests) is amended by striking out "United States" and inserting in lieu thereof and inserting in lieu thereof 'United States or the Virgin Islands"

(2) Section 862(a) (relating to income from sources without the United States) is

amended-

(A) by striking out "and" at the end of paragraph (5).

(B) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon.

(C) by striking out "Underwriting" in paragraph (7) and inserting in lieu thereof underwriting".

(D) by striking out the period at the end of paragraph (7) and inserting in lieu thereand", and

(E) by adding at the end thereof the following new paragraph:

"(8) gains, profits, and income from the disposition of a United States real property interest (as defined in section 897(c)) when the real property is located in the Virgin Islands.

(3) Section 6039C (relating to returns with respect to United States real property interests) is amended by adding at the end there-

of the following new subsection:

"(f) SPECIAL RULE FOR UNITED STATES IN-TEREST AND VIRGIN ISLANDS INTEREST .- A nonresident alien individual or foreign corporation subject to tax under section 897(a) shall pay any tax and file any return required by this title—

"(1) to the United States, in the case of any interest in real property located in the United States and an interest (other than an interest solely as a creditor) in a domestic corporation (with respect to the United States) described in section 897(c)(1)(A)(ii),

"(2) to the Virgin Islands, in the case of an interest in real property located in the Virgin Islands and an interest (other than an interest solely as a creditor) in a domestic corporation (with respect to the Virgin Islands) described in section 897(c)(1)(A)(ii).

PARTNERSHIP Assets.-Paragraph (b) (4)(B) of section 897(c) is amended to read

as follows:

"(B) ASSETS HELD BY PARTNERSHIPS, ETC.-Under regulations prescribed by the Secretary, assets held by a partnership, trust, or estate shall be treated as held proportionately by its partners or beneficiaries. Any asset treated as held by a partner or beneficiary by reason of this subparagraph which is used or held for use by the partnership, trust, or estate in a trade or business shall be treated as so used or held by the partner or beneficiary. Any asset treated as held by a partner or beneficiary by reason of this subparagraph shall be so treated for purposes of applying this subparagraph successively to partnerships, trusts, or estates which are above the first partnership, trust, or estate in a chain thereof.'

(c) Nonrecognition Rules Overridden in CERTAIN CASES.—Subparagraph (B) of section 897(d)(1) is amended to read as follows:

"(B) Exceptions.—Gain shall not be recognized under subparagraph (A)-

"(i) if-

"(I) at the time of the receipt of the distributed property, the distributee would be subject to taxation under this chapter on a subsequent disposition of the distributed property, and

'(II) the basis of the distributed property in the hands of the distributee is no greater than the adjusted basis of such property before the distribution, increased by the amount of gain (if any) recognized by the distributing corporation, or

"(ii) if such nonrecognition is provided in regulations prescribed by the Secretary under subsection (e)(2),"

(d) FOREIGN CORPORATION PERMITTED TO ELECT TO BE TREATED AS A DOMESTIC CORPO-RATION.-Subsection (i) of section 897 is amended to read as follows:

"(i) ELECTION BY FOREIGN CORPORATION TO BE TREATED AS DOMESTIC CORPORATION .-

"(1) IN GENERAL.-If-

"(A) a foreign corporation holds a United States real property interest, and

"(B) under any treaty obligation of the United States the foreign corporation is entitled to nondiscriminatory treatment with respect to that interest.

then such foreign corporation may make an election to be treated as a domestic corporation for purposes of this section and section

"(2) REVOCATION ONLY WITH CONSENT. Any election under paragraph (1), once made, may be revoked only with the consent of the Secretary.

'(3) Making of election.—An election under paragraph (1) may be made only-

'(A) if all of the owners of all classes of interests (other than interests solely as a creditor) in the foreign corporation at the time of the election consent to the making of the election and agree that gain, if any, from the disposition of such interest after June 18, 1980, which would be taken into account under subsection (a) shall be taxable notwithstanding any provision to the contrary in a treaty to which the United States is a party, and

"(B) subject to such other conditions as the Secretary may prescribe by regulations with respect to the corporation or its shareholders

In the case of a class of interest (other than an interest solely as a creditor) which is regularly traded on an established securities market, the consent described in subparagraph (A) need only be made by any person if such person held more than 5 percent of such class of interest at some time during the shorter of the periods described in subsection (c)(1)(A)(ii). The constructive ownership rules of subsection (c)(6)(C) shall apply in determining whether a person held more than 5 percent of a class of interest.

"(4) EXCLUSIVE METHOD OF CLAIMING NON-DISCRIMINATION.—The election provided by paragraph (1) shall be the exclusive remedy for any person claiming discriminatory treatment with respect to this section and

section 6039C.

(e) REPORTING REQUIRED FOR CERTAIN INDI-RECT HOLDINGS.—Paragraph (4)(C) of section 6039C(b) is amended to read as follows:

"(C) Indirect holdings.—For purposes of determining whether an entity to which this subsection applies has a substantial investor in United States real property, the assets of any person shall include the person's pro rata share of the United States real property interest held by any corporation (whether domestic or foreign) if the person's pro rata share of the United States real property interests exceeded \$50,000."

(f) CERTAIN CONTRIBUTIONS TO CAPITAL.-Section 897 is amended by adding at the end thereof the following new subsection:

'(j) CERTAIN CONTRIBUTIONS TO CAPITAL Except to the extent otherwise provided in regulations, gain shall be recognized by a nonresident alien individual or foreign corporation on the transfer of a United States real property interest to a foreign corporation if the transfer is made as paid in surplus or as a contribution to capital, in the amount of the excess of-

(1) the fair market value of such proper-

ty transferred, over

(2) the sum of-

"(A) the adjusted basis of such property in the hands of the transferor, plus

(B) the amount of gain, if any, recognized to the transferor under any other provision at the time of the transfer.

(g) Pre-enactment Acquisitions.—Section 897 is amended by adding at the end thereof the following new subsections:

(h) FOREIGN CORPORATIONS ACQUIRED BEFORE ENACTMENT.-If-

"(1) a foreign corporation adopts, or has adopted, a plan of liquidation described in

section 334(b)(2)(A), and

'(2) the 12-month period described in section 334(b)(2)(B) for the acquisition by purchase of the stock of the foreign corpora-tion, began after December 31, 1979, and before November 26, 1980,

then such foreign corporation may make an election to be treated, for the period following June 18, 1980, as a domestic corporation pursuant to section 897(i)(1). Notwithstanding an election under the preceding sentence, any selling shareholder of such corporation shall be considered to have sold the stock of a foreign corporation.

"(1) SPECIAL RULE FOR CERTAIN UNITED STATES SHAREHOLDERS OF LIQUIDATING FOR-EIGN CORPORATIONS.—If a corporation adopts a plan of complete liquidation and if, solely by reason of section 897(d), section 337(a) does not apply to sales or exchanges, or section 336 does not apply to distributions, of United States real property interests by such corporation, then, in the case of any shareholder who is a United States citizen or resident and who has held stock in such corporation continuously since June 18, 1980, for the first taxable year of such shareholder in which he receives a distribution in complete liquidation with respect to such stock-

"(1) the amount realized by such shareholder on the distribution shall be increased by his proportionate share of the amount by which the tax imposed by this subtitle on such corporation would have been reduced if section 897(d) had not been applicable, and

'(2) for purposes of this title, such shareholder shall be deemed to have paid, on the last day prescribed by law for the payment of the tax imposed by this subtitle on such shareholder for such taxable year, amount of tax equal to the amount of the increase described in paragraph (1).

(h) TREATY.-Paragraph (2)(B) of section 1125 of the Foreign Investment Real Property Tax Act of 1980 is amended to read as

"(B) the new treaty is signed on or after January 1, 1981, and before January 1, 1985, then paragraph (1) shall be applied with respect to obligations under the old treaty by substituting for 'December 31, 1984' the date (not later than 2 years after the new treaty was signed) specified in the new treaty (or accompanying exchange of notes)."

(i) Effective Dates.-The amendments made by this section shall apply to dispositions after June 18, 1980, in taxable years ending after such date.

SEC. 832. MODIFICATION OF FOREIGN INVESTMENT COMPANY PROVISIONS.

(a) In General.—Paragraph (2) of section 1246(a) (defining ratable share) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) excluding such earnings and profits

attributable to-

"(i) any amount previously included in the gross income of such taxpayer under section 951 (but only to the extent the inclusion of such amount did not result in an exclusion of any other amount from gross income under section 959), or

"(ii) any taxable year during which such corporation was not a foreign investment

company but only if-

"(I) such corporation was not a foreign investment company at any time before such taxable year, and

(II) such corporation was treated as a foreign investment company solely

reason of subsection (b)(2).

(b) Effective Date.—The amendment made by subsection (a) shall apply to sales or exchanges after the date of the enactment of this Act in taxable years ending after such date.

And the Senate to agree to the same.

DAN ROSTENKOWSKI, SAM GIBBONS, J. J. PICKLE. CHARLES B. RANGEL. PETE STARK, BARBER B. CONABLE, Jr., JOHN J. DUNCAN,

WILLIAM ARCHER, Managers on the Part of the House.

BOB DOLE, BOB PACKWOOD, BILL ROTH, JOHN C. DANFORTH, RUSSELL B. LONG, HARRY F. BYRD, Jr., LLOYD BENTSEN, Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The Managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4242) to encourage economic growth through reduction of tax rates submit the following joint statement to the House and the Senate as an explanation of the effect of the action agreed upon by the Managers recommended in the accompanying report:

I. EXPLANATION OF CONFERENCE AGREEMENT

A. Individual Income Tax Reductions 1. Individual rate reductions

House bill.-Under present law, individual income tax rates begin at 14 percent on taxable income above \$3,400 on a joint return and \$2,400 on a single return. The rates range up to 70 percent on taxable incomes, excess of \$215,400 on a joint return, and \$108,300 on a single return.

The highest marginal rate is 70 percent on taxable income in excess of \$215,400 on a joint return and \$108,300 on a single return. However, the top rate on personal service income is limited to 50 percent (the maximum tax). This rate applies above \$60,000 on a joint return and \$41,500 on a single return.

A deduction from gross income is allowed for 60 percent of any net capital gain for the year. The remaining 40 percent of any net capital gain is taxed at the ordinary rates up to 70 percent. Thus, the top effective tax rate on capital gains is 28 percent (70 percent rate times the 40 percent included in taxable income).

The capital gains deduction generally applies to assets held more than one year.

The House bill provides for cumulative across-the-board reductions of 23 percent by 1984 on the following schedule:

	Percent
1981	11/4 10 19 23

Withholding changes take place on October 1, 1981, July 1, 1982, and July 1, 1983. The bill makes several other withholding changes to give the Secretary the authority to issue regulations, which would permit workers to adjust their withholding to more closely match their tax liability.

The House bill reduces the top marginal rate from 70 percent to 50 percent (and, thus, the maximum effective rate on capital gains from 28 percent to 20 percent) in 1982 and repeals the maximum tax in 1982.

A special alternative tax for 1981 provides that a maximum 20-percent rate on net capital gains will apply to sales or exchanges occurring after June 8, 1981. Thus, this provision does not apply to taxable receipts after June 8, 1981, of proceeds of sales or exchanges which occurred prior to that date.

The holding period for long-term capital gain or loss treatment is reduced to 6 months for taxable years beginning after December 31, 1981.

Senate amendment.—The Senate amendment is the same as the House bill, except (1) that the alternative tax for capital gains for individuals applies to sales and exchanges after June 9, 1981, and (2) there is no provision reducing the holding period for capital gains.

Conference agreement.—The conference agreement is the same as the Senate amendment, except for technical changes.

2. Deduction for two-earner married couples

House bill.—Under present law, married taxpayers generally are treated as a single taxpaying unit. If married taxpayers elect to file separate rather than joint returns, they usually pay a higher tax. The differing rate schedules for single and married taxpayers give rise to a marriage penalty when two single wage earners of relatively equal income marry each other.

The House bill allows couples filing a joint return a deduction in computing adjusted gross income equal to a percentage of the lower earning spouse's qualified earned income (up to \$30,000 of income). In 1982, the percentage will be 5 percent (up to a \$1,500 maximum deduction) and in 1983 and subsequent years the percentage will be 10 percent (up to a \$3,000 maximum deduction).

Senate amendment.—Same as House bill. Conference agreement.—The conference agreement is the same as the House bill and the Senate amendment.

3. Indexing

House bill.—Under present law, the individual income tax is based on various fixed

amounts including the amounts that define the tax brackets, the zero bracket amount, and the personal exemption. These amounts are set by statute and are not adjusted for inflation.

Under the House bill, the income tax brackets, zero bracket amount, and personal exemption are adjusted for inflation (as measured by the Consumer Price Index), starting in 1985.

Senate amendment.—Same as House bill.

Conference agreement.—The conference agreement is the same as the House bill and the Senate amendment.

Individuals eligible for earned income credit

House bill.-No provision.

Senate amendent.—Under present law, individuals eligible for the earned income credit include all marrried individuals entitled to a dependency exemption for a child, surviving spouses, and heads of households who maintain a household for a child. In each case, the child must reside with the taxpayer in the United States.

Under the Senate amendment, an individual would not be eligible for the credit unless he or she is a citizen of the United States or an alien admitted as a permanent resident.

Conference agreement.—The conference agreement follows the House bill.

5. Child and dependent care credit

House bill.-No provision.

Senate amendment.—Under present law, there is a tax credit for 20 percent of expenditures for the care of children and other dependents incurred in connection with the taxpayer's employment, up to a maximum of \$2,000 of expenditures for each of the taxpayer's first two dependents.

The Senate amendment provides a refundable child care credit equal to 30 percent of employment-related expenses of taxpayers with incomes of \$10,000 or less. The credit will be reduced by one percent for each \$2,000, or fraction thereof, of income above \$10,000. For taxpayers with adjusted gross income above \$28,000, the credit rate will be 20 percent. The maximum amount of employment-related expenses taken into account will be increased to \$2,400 (one dependent) and \$4,800 (two or more dependents). Expenditures for out-of-home, noninstitutional care of a disabled spouse or dependent are made eligible for the credit. Expenditures for services provided by a dependent care center not in compliance with State or local regulations will not be eligible for the credit.

The Senate amendment also provides that child care provided by an employer under a written nondiscriminatory plan will not be included in an employee's gross income. In addition, employers will be entitled to a credit equal to 50 percent of the cost of any employer-provided child and dependent

Conference agreement.—The conference agreement follows the Senate amendment with several modifications. Under the conference agreement, the increased child care credit will not be refundable. In addition, employers will not be entitled to a tax credit for employer-provided child and dependent care.

In general, the provision is effective in taxable years beginning after December 31, 1981. The phase-down of the credit percentage applies to remuneration paid after December 31, 1981.

6. Charitable contributions deduction for nonitemizers

House bill.—Under present law, charitable contributions may be deducted from adjusted gross income in determining taxable income. Thus, in order for an individual taxpayer to deduct charitable contributions, the taxpayer must itemize deductions. Present law also provides that charitable contributions are allowable as deductions only if verified under Treasury regulations.

The House bill allows all taxpayers to deduct allowable charitable contributions whether or not they itemize deductions.

The deduction would be a percentage of contributions up to a fixed dollar amount of contributions as follows:

Year	Per- centage	Cap
1987 1983 1984 1985 1986 1987	25 25 25 50 100 Provision ex- pires.	\$100 100 100

Senate amendment.—The Senate amendment is similar to the House bill with the following limitations:

Year	Per- centage	Cap
1982 1983 1984 1985 1986 1987	25 25 25 50 100 Provision ex- pires.	\$100

Conference agreement.—The conference agreement generally follows the Senate amendment with the addition of a \$300 contribution cap in 1984 (\$75 maximum deduction). In addition, the conferees intend that the Secretary promulgate new regulations providing substantiation requirements for claiming the deduction. The contribution cap is the same for married taxpayers filing joint returns and single taxpayers. The cap is one-half the applicable amount for married taxpayers filing separately.

ried taxpayers filing separately.

The provision is effective for taxable years beginning after December 31, 1981, and applies to contributions made after that date. The provision will not apply to contributions made after December 31, 1986.

7. Gain on sale of residence

a. Replacement period for rollover of gain on sale of residence

House bill.—Present law provides for the deferral of recognition or rollover, of gain on the sale of a taxpayer's principal residence if a new principal residence is purchased and used by the taxpayer within a period beginning 18 months before, and ending 18 months after, the sale. This rule applies only to the extent that the purchase price of the replacement residence equals or exceeds the sale price of residence sold.

The House bill extends the 18-month replacement period of present law to 2 years. This change is effective for sales and exchanges of principal residences after July 20, 1981, and for such sales and exchanges with respect to which the 18-month rollover period has not expired on or before July 20, 1981. It is not effective for sales and exchanges of principal residences with respect

to which the 18-month rollover period has expired by July 21, 1981.

Senate amendment.-No provision.

Conference agreement.-The conference agreement follows the House bill.

b. Exclusion of gain on sale of residence

House bill.-Present law allows individuals who have attained the age of 55 to elect a one-time exclusion of up to \$100,000 of gain on the sale of their principal residence (Code sec. 121). Generally, the individual must have owned and used the property as a principal residence for three years or more out of the five-year period preceding the

The House bill increases from \$100,000 to \$125,000 the amount of gain excludable from gross income on the sale or exchange of a principal residence by an individual who has attained the age of 55.

The House bill is effective on sales and exchanges of a principal residence after July

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

c. Sale of residence by handicapped individ-

House bill.-No provision

Senate amendment.-Present law allows individuals who have attained the age of 55 to elect a one-time exclusion of up to \$100,000 of gain on the sale of their principal residence. Generally, the individual must have owned and used the property as a principal residence for three years or more out of the five-year period preceding the sale. The Senate amendment extends the one-time election to taxpayers in situations involving serious handicaps.

Conference agreement.—The conference

agreement follows the House bill.

8. Foreign earned income

House bill.-Present law provides a variety of deductions and exclusions for income earned abroad. The House bill modifies the eligibility standards of present law and replaces the present system of deductions for excess living costs with an exclusion of a portion of foreign earned income. The bona fide residence test remains in its present form. However, an individual also is eligible for the special provisions if he is present in a foreign country or countries for 330 full days in any period of 12 consecutive months (rather than 510 days in any period of 18 consecutive months as under present law). Individuals meeting these requirements generally may elect to exclude foreign earned income attributable to the period of foreign residence or presence at an annual rate for taxable years beginning on or after January 1, 1982, of \$75,000. This amount is increased \$5,000 a year over the next four years to \$95,000. Thus, at the end of the phase-in period a taxpayer will be able to exclude up to \$95,000. In the case of a married couple, the exemption is computed separately for each qualifying individual. The definition of earned income is identical to present law.

Once a taxpayer has elected to exclude foreign earned income the election remains in effect for that year and all future years. The election may be revoked with the consent of the Commissioner. In addition the election may be revoked by the taxpayer without consent. However, if the election is revoked without consent, the taxpayer cannot again elect until the sixth taxable year following the taxable year for which

the revocation was made. If a taxpayer who elects to exclude for-

eign earned income becomes a resident of

the United States and then, a number of years later, moves abroad again, the election remains in effect. Accordingly, that individual would not have to reelect the exclusion for that later year. If that individual does not want to be subject to the exclusion, he would have to revoke the election and would be barred from reelecting the exclusion for five years. However, the Commissioner might, in determining whether to consent to a revocation of the election, take into account U.S. residence for a period of a number of years.

In addition to the exclusion described above, an individual may elect to exclude a portion of his income or, in the case of housing amounts not provided by an employer, elect to deduct an amount for housing, based on his housing expenses. This exclusion is equal to the excess of the taxpayer's "housing expenses" over a base housing amount. The term "housing expenses" means the reasonable expenses paid or incurred during the taxable year by, or on behalf of, the individual for housing for the individual (and for his spouse and dependents, if they reside with him) in a foreign country. The term includes expenses attributable to the housing, such as utilities and insurance, but does not include interest and taxes, which are separately deductible. If the taxpayer maintains a second household outside the United States for his spouse and dependents who do not reside with him because of adverse living conditions, then the housing expenses of the second household also are eligible for the exclusion. Housing expenses are not treated as reasonable to the extent they are lavish or extravagant under the circumstances.

The base housing amount is 16 percent of the salary of an employee of the United States whose salary grade is step 1 of grade GS-14. Currently, this salary is \$37,871 so the current base housing amount would be

Housing costs attributable to amounts provided by an employer of the individual in the course of his employment are excluded from gross income of the employee. Amounts not attributed to an employer are to be allowed as a deduction in computing adjusted gross income of the employee. The amount of the deduction is limited, subject to a special carryover rule, to the foreign earned income of the individual which is not otherwise excluded from gross income under this provision. For example, if an individual who is not an employee has foreign earned income in 1982 of \$100,000 and qualifying housing expenses in excess of the base amount of \$20,000, the individual may elect and then deduct \$75,000 under the general exclusion plus \$20,000 for the excess housing cost exclusion. If, however, that individual had no foreign earned income for the year, then he could not deduct any amount attributable to the housing expenses for the year. However, the special carryover rule may allow the individual to deduct all or a portion of his unused housing expenses in the next taxable year.

The bill provides that an individual who is not an employee and who qualifies for the foreign earned income exclusion, but who has housing expenses in excess of earned income for a year can carry those expenses forward only to the next taxable year and deduct them in that year subject to the limitation in the next year. In determining how much of the carried forward housing ex-penses could be used in that next year the carried over amounts could be used only

after the housing expenses incurred in that vear 1

Deductions and credits attributable to excluded income are not allowed. For example, foreign taxes paid on excluded income may not be credited against U.S. taxes.

As under present law, pensions, and annuities, and income from certain trusts are not excludable.

The bill extends the benefits of the exclusion to individuals who receive compensation from the U.S. or any agency thereof. but who are not employees of the U.S. or any agency thereof. Thus, for example, the bill extends the exclusion to certain overseas independent contractors and teachers at certain schools for U.S. dependents who are not employees of the U.S. or any agency thereof.

The bill retains with certain modifications the present rule that in the case of an individual who is furnished lodging in a camp located in a foreign country by or on behalf of his employer the camp shall be considered part of the business premises of the employer for purposes of section 119, relating to the exclusion from income of the value of meals and lodging furnished by the employer. To qualify as a camp, the lodging must be furnished for the convenience of the employer because the place at which the services are rendered in a remote area where satisfactory housing is not otherwise available on the open market. The lodging must also be located, as near as practicable, in the vicinity of the site at which the individual performs the services and must also be in a common area, or enclave, which is not available to the public and which normally accommodates 10 or more employees. This provision differs from present law primarily in that the camp does not have to be in a hardship area and need not constitute substandard lodging.

The bill retains the present rules under which an individual is allowed pro rata benefits in certain cases where civil unrest or similar adverse conditions require an individual to leave the foreign country before meeting the time requirements.

The bill authorizes the Secretary of the Treasury to issue such regulations as may be necessary or appropriate to carry out the purposes of this provision, including regulations providing rules for cases in which both spouses have foreign earned income or file separate returns.

The present rule extending the period within which capital gain on the sale of a principal residence must be rolled over to qualify for exemption from tax is retained.

The provision does not affect the treatment of amounts received since December 31, 1962, which are attributable to services performed on or before December 31, 1962, and with respect to which there existed on March 12, 1962, a right (whether forfeitable or nonforfeitable) to receive such amounts. Accordingly, these amounts will continue (as they have since 1962) to be subject to

¹ For example, assume that A. a U.S. citizen, is a bona fide resident of a foreign country for all of 1983. The citizen has no foreign earned income and his housing cost amount (his foreign housing expenses over the base amount) is \$30,000. A gets no deduction for housing costs in 1983. In 1984 A has foreign earned income of \$150,000 and his housing cost amount is again \$30,000. A would be entitled to an exclusion of \$85,000 plus a deduction of his \$30,000 housing cost amount paid in 1984. In addition A would be permitted to deduct the \$30,000 of his unused housing costs carried over from 1983.

section 911 as in effect before amendment by the Revenue Act of 1962.

Finally, the provision of the Foreign Earned Income Act of 1978 requiring the Secretary of report biannually to the Congress on the operation and effects of sections 911 and 912 is changed to require the report as soon as practicable after enactment and each fourth calendar year thereafter.

Senate amendment.—The Senate amendment is the same as the House bill except that the foreign earned income excluded is the first \$50,000 plus one-half of the next \$50,000, the election is annual, and the housing exclusion is not limited to earned income.

Conference agreement.—The conference agreement follows the House bill.

B. CAPITAL COST RECOVERY PROVISIONS

Capital cost recovery provisions—general concept

House bill.—Present law is designed to allocate depreciation deductions over the period the asset is used in business so that deductions for the cost of an asset are matched with the income produced by the asset

Under the House bill, the present law Asset Depreciation Range (ADR) system is terminated for recovery property placed in service after December 31, 1980, and replaced with the Accelerated Cost Recovery System (ACRS). Under ACRS, the cost of an asset is recovered over a predetermined period shorter than the useful life of the asset or the period the asset is used to produce income.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and Senate amendment. To make clear that the repair allowance rules under the ADR system do not apply to recovery property, the conference agreement provides for the repeal of section 263(e).

10. Eligible property

House bill.—Under present law, assets used in a trade or business or for the production of income are depreciable if they are subject to wear and tear, decay or decline from natural causes or obsolescence. Assets that do not decline in value on a predictable basis or that do not have a determinable useful life, such as land, goodwill, and stock, are not depreciable.

Under the House bill, most tangible depreciable property (real and personal) is covered by the accelerated cost recovery system (ACRS). However, ACRS does not apply to (1) property not depreciated in terms of years (except certain railroad property), and (2) property amortized (e.g., leasehold improvements and low-income rehabilitation expenditures).

Senate amendment.—The Senate amendment is the same as the House bill, except all racehorses and other horses over 11 years old are not eligible property. Thus, excluded horses are subject to present law rules. The useful life for an excluded racehorse will be determined on the basis of all facts and circumstances. The useful life for other horses over 11 years old will be determined under the ADR system.

Conference agreement.—In general, the conference agreement follows the House bill and Senate amendment. However, under the conference agreement, all horses are eligible for ACRS.

11. Useful lives and methods

a. Personal property useful lives and methods

House bill.—Under present law, a principal method used to determine useful lives for personal property is the Asset Depreciation Range (ADR) system.

Under the ADR system, the Treasury, on the Basis of actual industry experience, specifies a midpoint life for equipment used in most industries. Taxpayers may elect lives 20 percent longer or shorter than the midpoint life. ADR midpoint lives for equipment range from 2.5 years for certain special manufacturing tools to 50 years for certain public utility equipment.

tain public utility equipment.

For assets not eligible for ADR and for taxpayers who do not elect ADR, useful lives are determined according to the facts and circumstances pertaining to each asset or by agreement between the taxpayer and the IRS.

The House bill provides that eligible personal property (and certain real property) is recovered over 3, 5, 10, or 15 years. The classification of property by recovery period is as follows:

except long-lived public utility property. Also includes single purpose agricultural structures and petroleum storage facilities, which are designated as section 1245 property under the bill.

10 years..... Public utility property with an ADR midpoint life greater but than 18 not greater than years; railroad tank cars: and real property with an ADR midpoint life of 12.5 years or less (e.g., theme park struc-

tures).

Public utility property with an ADR midpoint life exceeding 25 years.

Under a flexibility provision, taxpayers may elect to use one of two longer recovery periods as set forth below:

Optional periods

Property: 5 and 12 years 5-year property. 12 and 25 years 10-year property. 25 and 35 years 15-year property. 35 and 45 years.

Under present law, taxpayers may use the straight-line method, a declining balance method at a rate up to 200-percent of the straight-line rate, or the sum of the years-digits method with respect to new personal property. For used personal property, taxpayers may use either the straight-line method or a declining balance method at a

rate up to 150-percent of the straight-line rate.

Under the House bill, taxpayers have the option to use the straight-line method over the regular or optional longer recovery period or a prescribed accelerated method over the regular recovery period. The prescribed accelerated method for property placed in service in the following years is based on depreciation methods as set forth below, using a half-year convention and no salvage value limitation:

Prescribed method

Year property placed in service:	
1981-1984	150 percent declining balance, changing to straight-line
1985	175 percent declining balance, changing to SYD
After 1985	200 percent declining balance changing to

Senate amendment.-The Senate amendment is generally the same as the House bill, except residential, manufactured homes and certain public utility property are included in the 10-year class and certain pollution control equipment is included in the 3year class. Residential mobile homes that are section 1250 property are included in the 10-year class instead of the 15-year real property class. Electric utility coal-fired burners and boilers that either replace, or are conversions of, oil- or gas-fired burners or boilers are included in the 10-year class instead of the 15-year public utility property class. Related equipment necessary to convert such burners or boilers to coal use, such as fuel-handling equipment, are also included in the 10-year class. Replacement and converted coal-fired burners and boilers (and related conversion equipment) used in a major fuel-burning installation are included in the 10-year class to the extent such equipment is not otherwise 3-year, 5-year, or 10-year property. Qualified pollution control equipment is in the 3-year class if installed in connection with coal-fired burners and boilers that are replacements or conversions of burners or boilers in electric utility powerplants and major fuel-burning instal-

Conference agreement.-The conference agreement generally follows the House bill and Senate amendment, except with respect to the treatment of horses and coal utilization property. Residential manufactured homes that are section 1250 property are included in the 10-year class. Race horses over 2 years old when placed in service by the taxpayer and other horses over 12 years old when placed in service by the taxpayer are included in the 3-year class. Other horses included in the 5-year class. Qualified pollution control equipment related to coal utilization property is not included in the 3year class. Such property, to the extent it is not amortized under section 169, is included in the 5-year class or 15-year public utility property class, depending on whether such property is public utility property. Burners and boilers using coal (including lignite) as a primary fuel (and related necessary equipment) that either replace or are conversions of oil- or gas-fired burners or boilers are included in the 10-year class only if such

equipment is used in an public utility power-plant.

b. Real property

House bill.-Present IRS guideline lives range from 40 to 60 years for real property, but actual lives claimed under a facts and circumstances approach may be shorter. Non-residential property may be depreciated using a 150 percent declining balance method (if new) or the straight-line method. New residential property may be depreciated using straight-line, the 200 percent declining balance method, or the sum of the years-digits method. Used residential may use up to the 125 percent declining balance method (if 20 years useful life is remaining) or straight-line. Taxpayer may use different lives for each separate component of a building, such as plumbing, wiring, etc. (component depreciation) or use a single life for the building and all components (composite depreciation).

Under the House bill, real property is assigned a 15-year recovery period, but tax-payers may elect a 35- or 45-year extended

recovery period.

For all real property, taxpayers have the option to use (1) an accelerated method (200 percent declining balance to straight-line) over the 15-year recovery period, or (2) straight-line over either the 15-year period or the optional extended period chosen. Composite depreciation is required.

Senate amendment.—The Senate amendment is the same as the House bill except that (1) residential property other than lowincome housing is depreciated using the 150-percent declining balance method, and (2) nonresidential property is depreciated using the 150-percent declining balance method, except that the 175-percent declining balance method applies in 1985-1990.

Conference agreement.—The conference agreement follows the House bill and Senate amendment, except that real property other than low-income housing is depreciated using the 175-percent declining balance method, changing to the straight-line method to maximize acceleration.

12. Special depreciation for small business

House bill.—Under present law, there are no special provisions specifically applicable to the depreciation of assets by a small business. Present law, however, does provide a deduction for "bonus" first-year depreciation in an amount not exceeding 20 percent of the cost of eligible property (sec. 179). The cost of the property that may be taken into account may not exceed \$10,000 (\$20,000 for individuals who file a joint return). Thus, the maximum additional first-year depreciation deduction is limited to \$2,000 (\$4,000 for individuals filing a joint return).

The House bill repeals section 179 and replaces it with an election to immediately deduct (expense) the cost of new or used personal property up to \$5,000 per year in 1982 and 1983, \$7,500 in 1984 and 1985, and \$10,000 in years after 1985.

Senate amendment.—The Senate amendment is the same as the House provision.

Conference agreement.—The conference agreement follows the House bill and Senate amendment.

13. Recapture of depreciation

House bill.—Under present law, gain on the disposition of personal property is treated as ordinary income rather than capital gain to the extent of prior depreciation taken (sec. 1245). Gain on the disposition of real property is treated as ordinary income rather than capital gain only to the extent prior depreciation taken exceeds what would have been allowable if straight-line depreciation had been used (sec. 1250). In the case of installment sales of personal and real property, the recognition of any gain realized can be deferred (sec. 453).

Under the House bill, the treatment of personal property is unchanged, except that the recognition of gain cannot be deferred by installment sales treatment to the extent a deduction was taken for the property under the special expensing election. The treatment of residential real property is not changed. The treatment of nonresidential real property is unchanged if the straight-line depreciation method is used. However, for nonresidential real property depreciated under an accelerated method, gain is treated as ordinary income to the extent of all prior depreciation taken.

prior depreciation taken.

Senate amendment.—The Senate amendment is the same as the House provision.

Conference agreement.—The conference agreement follows the House bill and Senate amendment.

14. Flexibility

House bill.—Under present law, taxpayers have several options that permit flexibility in computing depreciation deductions and net operating losses. Taxpayers have an option to use a useful life 20 percent shorter or longer than the ADR midpoint life. There is an option to use straight-line or accelerated methods, where allowed. In determining the date of additions to and retirements from a depreciation account, taxpayers have an option to use an averaging convention for personal property. In general, net operating losses and operating losses of certain insurance companies may be carried back three years and forward seven years.

Under the House bill taxpayers have an option to use one of two additional recovery periods that are longer than the recovery period prescribed for each class of property. In addition, taxpayers have an option to use an accelerated or straight-line method over

the regular recovery period.

As under the present Treasury regulations for the ADR system, each member of an affiliated group of corporations generally may make its own flexibility elections with respect to property it places in service. However, if the affiliated group files a consolidated tax return, the availability of separate elections will depend on the applicable consolidated return regulations prescribed by the Treasury. The provisions of this bill do not curtail Treasury authority to prescribe consolidated return rules, including those relating to cost recovery elections.

Further, although a transferee of property, in general, may elect a recovery period or method different from that elected by the transferor, appropriate restrictions are imposed to prevent the use of asset transfers as a mechanism to change the recovery period or method for property acquired in an intercompany transfer from another member of an affiliated group or in certain other related party transfers and nonrecognition transactions. For transfers subject to these restrictions, the transferee must "step into the shoes" of the transferor with respect to the recovery period and method of the transferred property. This rule applies only to the extent the basis in the transferee's hands equals the transferor's adjusted For example, assume the transferor elected to use a 12-year life for 5-year property and the straight-line method. Assume also that the transfer occurred 5 years after the property was placed in service. The transferee must depreciate the property using the straight-line method over the remaining 7 years. Transactions subject to this rule are sale-leasebacks and transfers between other related persons as defined in the anti-churning rules and transactions described in section 332 (other than a transaction to which section 334(b)(2) applies), 351, 361, 371(a), 374(a), 721, or 731.

An averaging convention for personal property is built into the proposed recovery percentages. The NOL carry back is extended, in general, to 20 years. However, NOLs of a financial institution are carried back 10 years and carried forward 5 years as under present law.

Senate amendment.—The Senate amendment follows the House bill except the NOL carryover period is extended to 10 years rather than 20 years. in addition, the carryover period for operating losses that receive an 8-year carryover under present law due to the inability of the taxpayer to carry back losses against any year the taxpayer was a real estate investment trust (REIT) is extended from 8 to 11 years. The carryover period for financial institutions remains at 5 years, and the carryover period for Cuban expropriation losses remains at 20 years.

Conference agreement.—The conference agreement follows the House bill and Senate amendment, except the NOL carry-over period is extended to 15 years. Net operating losses of a financial institution are carried back 10 years and forward 5 years as under present law. The carryover period for Cuban expropriation losses remains at 20 years.

15. Earnings and profits

House bill.—Distributions by a corporation to its shareholders are taxable as dividends only to the extent the distribution is out of current or accumulated earnings and profits. Earnings and profits for U.S. corporations are computed, under present law, using straight-line depreciation over the useful life of property. The 20-percent ADR useful life variance may be used to determine the useful life for this purpose. Under the House bill, earnings and profits for U.S. corporations are based on straight-line depreciation over extended recovery periods as set forth below:

Extended recovery period

Date recovery period	
Property:	Years
3-year property	5
5-year property	12
10-year property	25
15-year property	35

If, to compute the recovery deduction under section 168, a taxpayer uses a recovery period longer than the applicable extended recovery period described above, the taxpayer must use such longer period in lieu of the regular extended period to compute earnings and profits. Thus, if a taxpayer elects to use the optional 25-year recovery period to compute the recovery deduction for 5-year property placed in service in a taxable year, the taxpayer must use the 25-year period to compute earnings and profits with respect to such property.

Senate amendment.—The Senate amendment is generally the same as the House bill, except the special rule relating to the use of recovery periods longer than the prescribed extended recovery period does not apply.

Conference agreement.—The conference agreement generally follows both the House bill and Senate amendment, except a longer recovery period to compute earnings and

profits is required if such longer period is used to compute the recovery deduction.

 Depreciation of assets held outside the United States

House bill.—Under present law, property used predominantly outside the United States may be depreciated using useful lives based on facts and circumstances or the guideline lives under the ADR system, but the 20-percent useful life variance may not be used. Accelerated methods of depreciation generally may be used with respect to such property. The investment tax credit generally is not allowed for such property (sec. 48(a)(2)).

The House bill provides that foreign personal property is depreciated using the 200-percent declining balance method, changing to the straight-line method, over the ADR midpoint life in effect for the property on January 1, 1981, or 12 years if no ADR midpoint life is in effect at such time. Taxpayers have the option to use the straight-line method over the regular recovery period (ADR midpoint life or 12 years, whichever is applicable) or an optional recovery period.

Foreign real property is depreciated over 35 years using the 150-percent declining balance method, changing to the straight-line method. Taxpayers have the option to use the straight-line method over 35 or 45 years.

Senate amendment.—The Senate amendment is generally the same as the House bill, except the definition of railroad rolling stock that is considered a foreign asset is changed. Under present law, property used outside the United States for more than half the taxable year generally is considered a foreign asset. However, railroad rolling stock owned by a U.S. railroad and used both within and without the United States is not considered a foreign asset. Under the Senate amendment, rolling stock leased by U.S. person and used to and from the United States is not considered a foreign asset. Rolling stock owned by a U.S. railroad and used to and from the United States, rather than within and without the United States, is not considered a foreign asset.

Conference agreement.—The conference agreement generally follows the House bill and Senate amendment, except with respect to the railroad rolling stock provisions of the Senate amendment. Under the conference agreement, railroad rolling stock used within and without the United States is not treated as a foreign asset, whether it is owned by a U.S. railroad or is leased by a U.S. person. However, this provision does not apply to rolling stock subject to a long-term lease to a foreign person. Thus, rolling stock leased on a long-term basis and used outside the United States more than half the taxable year is considered a foreign asset unless it is owned by a U.S. railroad.

17. Add-on minimum tax and maximum tax

House bill.—Under present law, a 15-percent minimum tax is imposed on a portion of a taxpayer's items of tax preference. Accelerated depreciation on leased personal property is an item of tax preference for taxpayers other than corporations (including subchapter S corporations and personal holding companies). Accelerated depreciation on real property is an item of tax preference for all taxpayers. The amount of the preference item is the excess of depreciation taken over what would have been allowable using the straight-line method over the property's useful life (the ADR midpoint life for property depreciated under the ADR system). The taxpayer's total preference items reduce the amount of personal service

taxable income that is eligible for the preferential 50-percent maximum tax rate.

Under the House bill, the amount of the tax preference item for accelerated depreciation is the excess of the depreciation taken over the amount that would have been allowable using the straight-line method over prescribed periods as set forth below:

Prescribed period

Property:	Years
3-year property	5
5-year property	8
10-year property	15
15-year property	15
15-year personal property	22

Senate amendment.—The Senate amendment is the same as the provision of the House bill.

Conference agreement.—The conference agreement follows the House bill and Senate amendment.

18. Regular investment credit

a. Eligibility

House bill.—The regular investment credit under present law applies to tangible personal property and other tangible property used in connection with manufacturing, production, or certain other activities not including distribution. Petroleum storage facilities are ineligible unless used in connection with production. Property used predominately outside the United States is not eligible. Although there is an exception permitting the credit for railroad rolling stock of a domestic railroad that is used within and without the United States, leased railroad rolling stock used within and without the United States is not eligible.

The House bill adds to eligible property facilities used for storage of petroleum and its primary products, even if used in connection with distribution. Primary products of petroleum means the primary products of oil as defined under the DISC regulations (Treas. Reg. §1.993-3(g)(3)(i)).

Senate amendment.—The Senate amendment is the same as the House bill, except leased railroad rolling stock of a U.S. person used to and from the U.S. is added to eligible property. Also, the present law exception, which applies to rolling stock of a domestic railroad used "within and without" the United States, is modified so that it applies only to rolling stock used "to and from" the United States.

Conference agreement.—The conference agreement follows the House bill and Senate amendment, except with respect to the Senate provision for railroad rolling stock. The conference agreement adds to eligible property railroad rolling stock that is leased by a U.S. person and used within and without the United States, and retains the present law "within and without" exception for rolling stock of a domestic railroad. Leased railroad property is not eligible if it is leased on a long-term basis to a foreign person.

b. Amount of credit

House bill.—Under present law, the amount of regular credit is determined as follows: Credit

Estimated useful life (years):	(percent)
Less than 3	0
3-4	31/2
5-6	6%
7 or moreli	10

Under the house bill, the regular credit amount is as follows:

Recovery period (years):	Credit (percent)
3	6
5, 10 and 15	10

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and Senate amendment.

c. Used property limitation

House bill.—Under present law, only \$100,000 of used property is eligible for the investment credit.

The House bill raises the limitation to \$125,000 in 1981 and to \$150,000 in 1985.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and Senate amendment.

d. Recapture of credit

House bill.—Under present law, the credit is recomputed on early disposition of property as if the actual useful life had been used to determine the amount of credit.

Under the House bill, the credit is recomputed on early disposition by allowing a 2-percent credit for each year the property is held. Thus, no recapture is required for eligible 5-year, 10-year, or 15-year property actually held for at least 5 years, or for eligible 3-year property held for at least 3 years.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and Senate amendment.

e. Carryover of credit

House bill.—Under present law, unused investment credits may be carried back 3 years and forward 7 years.

The House bill extends the carryover period to 20 years.

Senate amendment.—The Senate amendment extends the carryover period to 10 years.

Conference agreement.—The conference agreement extends the carryover period to 15 years.

19. Normalization rules for public utility property

House bill.—Under present law, a public utility may use an accelerated depreciation method only if it also uses a normalization method of accounting, unless the company used flow-through accounting for accelerated depreciation in 1969. A public utility that must normalize accelerated depreciation may use the ADR system only if it normalizes certain differences between the ADR useful life and the ratemaking useful life of eligible property. Similarly, a utility that must normalize accelerated depreciation must normalize the investment tax credit. In addition, some utilities not required to normalize accelerated depreciation are required to normalize all or part of the investment credit.

Under the House bill, except as provided in relevant transition rules, normalization of accelerated depreciation, useful lives, and the investment credit is mandatory for all public utilities with respect to property depreciated under ACRS. Under transition rules, taxpayers are considered to satisfy the new normalization requirements for depreciation or the investment credit under a rate order that complies with the present law requirements if (1) the rate order was put into effect before the date of enactment of the Act and will expire by its terms, and (2) a superseding rate order is put into effect complying with the new applicable normalization requirement.

Senate amendment.—The Senate amendment provides normalization provisions that generally are the same as the provisions of the House bill. The Senate amendment does not provide a transition rule relating to the investment credit normalization rules. The Senate amendment contains a provision giving the Secretary authority, until Congress takes further action, to prescribe any regulations necessary or appropriate to determine whether the new depreciation normalization requirements have been met.

Conference agreement.—The conference agreement generally follows the House bill and Senate amendment with certain technical modifications to the transition rules. Under the conference agreement, normalization of the investment credit is mandatory but a transition rule for investment credit normalization is provided. Also the Secretary is given authority to prescribe regulations relating to the new depreciation normalization rules.

20. Investment credit at-risk limitation

House bill.-Under present law, there is no at-risk limitation on the allowance of investment credits. Under the House bill, the allowance of investment credits is subject to an at-risk limitation. The limitation applies to business activities, the losses from which are subject to limitation under the at-risk rules of section 465, engaged in by individuals, subchapter S corporations, and certain closely held corporations. The investment credit is not allowed with respect to amounts invested in qualifying property to the extent the invested amounts are not at within the meaning of section 465(b) (without regard to subsection (b)(5)). An exception is provided for certain direct or guaranteed governmental loans and certain amounts borrowed from banks, savings and loan institutions, credit unions, or insurance companies. These amounts owed to qualified lenders are considered at risk even if the taxpayer is not personally required to repay the debt.

Senate amendment.—The Senate amendment is generally the same as the House bill, except that the exception for certain qualified lenders is expanded to include independent third party lenders, and an exception is added for seller financing in certain investments in energy property. The Senate amendment modifies the exception for qualified lenders by adding a minimum 20-percent at-risk investment requirement (determined without regard to the qualified lender exception), by requiring that the borrower and the seller or manufacturer of the property be unrelated, and by adding to the list of qualified lenders pension trusts and unrelated third parties engaged in the business of loaning money.

As under the House provision, a qualified lender may not be the person from which the taxpayer acquires the eligible property (or a person related to such supplier) nor a person who receives a fee with respect to the taxpayer's investment (or a person related to such promoter). For purposes of determining whether a pension trust or commercial lender is related to the taxpayer, the supplier, or the promoter, a special additional related party rule is provided. Under

the special additional related party rule the rules of section 267(b) and 707(b)(1) are applied, except that "more than 0 percent" is substituted for "more than 50 percent."

As under current law, the substance of a transaction rather than its form will govern whether it will be characterized as a loan, a

lease, or a sale.

The Senate amendment also contains a safe harbor rule for certain loans related to certain energy property. Amounts borrowed with respect to these types of property would be considered, under certain circumstances, at risk, even though such amounts are not otherwise considered at risk under the bill. In order to qualify under the safe harbor, the taxpayer must have an investment in the property that is at risk with respect to at least 25 percent of the unadjusted basis of the property (determined without regard to any safe harbor rules). In addition, any nonrecourse financing for the property (other than financing by a qualified lender that is considered at risk) must be a level payment loan. A level payment loan is a loan repaid in substantially equal installments including both principal and interest.

If the taxpayer does not make adequate repayments of loan principal, some of the credit allowed will be recaptured, and additional interest added to the increase in tax. determined as if the increase in tax were for the taxable year in which the property was placed in service. The determination of whether the taxpayer has made the requisite repayments of loan principal is made at the end of the second taxable year following the year the property was placed in service and each succeeding year. Generally, credits are recaptured to the extent they are attributable to any principal payments that have not been made under the level payment loan standard. If the amount of principal payments not made under this standard is equal to or greater than the total principal payments under this standard for the most recent 5-taxable-year period, full recapture, attributable to both the deficiency of required principal payments and all future required principal payments will be triggered. If the property is disposed of before the loan is repaid, the credit is recaptured on the basis of the outstanding principal not paid in cash on the date of disposition.

This safe harbor only applies so long as the energy tax credit is in effect.

Conference agreement.—The conference agreement follows the Senate amendment.

21. Qualified progress and expenditures

House bill.—The investment credit is available for qualified progress expenditures made for property with a 2-year normal construction period and at least a 7-year useful life.

The House bill repeals the 7-year useful life requirement. Thus, the amount of credit allowed with respect to progress expenditures will be determined in accordance with the recovery period the taxpayer expects the property to have when the property is placed in service. For example, a full 10 percent credit will be allowed for progress expenditure property that the taxpayer anticipates will be in the 10-year class when the property is placed in service.

The provision applies to progress expenditures made after December 31, 1980.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and Senate amendment.

22. Leasing

House bill.—Under present IRS guidelines, a transaction is characterized as a lease if (1) the lessor's minimum at-risk investment in the property throughout the lease term is 20 percent of cost; (2) the lessor has a positive cash flow and a profit from the lease independent of tax benefits; (3) the lessee does not have a right to purchase the property at less than fair market value; (4) the lessee does not have an investment in the lease and does not lend any of the purchase costs of the owner, and (5) use of the property at the end of the lease term by a person other than the lessee must be commercially feasible.

The House bill creates a safe harbor that guarantees that a transaction will be characterized as a lease for nurposes of allowing investment credits and cost recovery allowances to the nominal lessor. To come within the safe harbor, both the lessor and the lessee must affirmatively elect to treat the lessor as the owner of the property. The lessor must be a corporation, a partnership of corporations, or a grantor trust, the grantor and beneficiaries of which are all corporations. At all times during the term of the lease and at the time that the property is placed in service, the lessor must have a minimum "at-risk" investment of not less than 10 percent of the adjusted basis of the property. In addition, the term of the lease (including all extensions) cannot exceed the greater of (1) 90 percent of the useful life of the property under section 167 or (2) 150 percent of the present class life (ADR midpoint as of January 1, 1981).

Only property that is new section 38 property (or certain qualified mass commuting vehicles) may come within the safe harbor rules. The leased property must be leased within 3 months after its acquisition or, in the case of a sale-leaseback transaction, it must be purchased by the lessor within 3 months of the lessee's acquisition for a purchase price that does not exceed the adjusted basis of the property in the hands of the lessee at the time of the lessor's purchase. It is anticipated that the Secretary of the Treasury may prescribe regulations under which property which is part of a facility may not be deemed placed in service until the entire facility is placed in service in order to make the leasing rules available with respect to the entire facility.

If a transaction meets the above requirements, the transaction will be treated as a lease and the parties of the transaction will be treated as lessor and lessee as stipulated in their agreement. The following factors will therefore not be taken into account in determining whether a transaction is a lease:

(1) whether the lessor or lessee must take the tax benefits into account in order to make a profit from the transaction:

(2) the fact that the lessee is the nominal owner of the property for state or local law purposes (e.g., has title to the property) and retains the burdens, benefits, and incidents of ownership (such as payment of taxes and maintenance charges with respect to the property):

(3) whether or not a person other than the lessee may be able to use the property after the lease term:

(4) the fact that the property may (or must) be bought or sold at the end of the lease term at a fixed or determinable price that is more or less than its fair market value at that time:

(5) the fact that the lessee or related party has provided financing or has guaranteed financing for the transaction (other than for the lessor's minimum 10-percent investment); and

(6) the obligation of any person is subject to any contingency or offset agreement.

Also, under the bill, if the obligation of the lessor under the lease agreement is contingent or offset, the basis of the lessor in the qualified lease property includes the amount of that obligation. In addition, in such cases, the gross income of the lessor includes the amount the lessor is to receive under the payment schedule in the agreement, whether or not received, and the lessor shall deduct interest due on such obligation, whether or not paid. The Secretary of the Treasury shall prescribe regulations to insure that such receipts and deduction are reflected in the lessor's income on a rat-able basis (except that, with respect to interest deductions, calculations under a level payment mortgage assumption shall be permitted)

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—In general, the conference agreement follows the House bill and Senate amendment. However, several clarifications are made. Under the conference agreement, property will qualify if it is leased within three months after the property was placed in service by the lessee. This is intended to prevent the lessee from also claiming cost recovery allowances or credits with respect to the qualified lease property. Also, under the conference agreement, the that the lessee used the property within the 3-month period prior to the lease will not deprive the property of its status as new section 38 property of the lessee. The conferees intend no change with respect to the factors that will not be considered in determining whether a transaction is a lease transaction under the safe harbor, even though the list of factors is not contained in the final language. For example, the fact that there is a fixed or determinable price in the agreement does not deprive the transaction of its lease status.

The conferees intend that the amount and timing of cost recovery allowances in the hands of the lessor will be the same as they would have been in the hands of the lessee.

23. Effective dates and phase-in provisions

House bill.—In general, the capital cost recovery provisions apply to property placed in service after December 31, 1980. Although there is no phase in period, the most accelerated method of depreciation for personal property is not available until 1986. The rules for extension of the carryover period for operating losses apply for operating losses in taxable years ending after December 31, 1975. The effective dates for extension of the carryover periods for various credits is as follows:

(1) Investment credit and WIN credits.— Unused credit years ending after December 31, 1973

(2) New employee credit.—Unused credit years ending after December 31, 1976.

(3) Alcohol fuels credit.—Unused credit years ending after September 30, 1980.

The at risk rule for the investment credit applies to property placed in service on or after February 19, 1981, except for property acquired by the taxpayer pursuant to a binding contract entered into on or before that date. A technical amendment to section 46(e) relating to investment credit for non-corporate lessors applies to leases entered into after June 25, 1981.

Special rules are provided to prevent the taxpayer from bringing its property used during 1980 (pre-1981 property) within the system by certain post-1980 transactions (i.e., "churning" transactions). Similar rules are provided to prevent the taxpayer from taking advantage of the increased recovery percentages available after 1984 for its property used before 1985 (pre-1985 property). Under these anti-churning rules ACRS will not apply to personal property in use during 1980 unless the property is transferred after 1980 in a transaction in which the owner and user (if different) change. Also, ACRS does not apply to personal property leased back to a person that owned or used the property during 1980 or to a person related to that person.

ACRS will not apply to real property if (a) the taxpayer or a person related to the taxpayer owned the property during 1980, (b) the property is leased back to a person that owned the property at any time during 1980 or to a person related to that person or (c) the property is acquired in certain like kind exchanges, "rollovers" of low-income housing, involuntary conversions, or repossessions, for property of the taxpayer or a re-

lated person owned during 1980.

Special rules apply in determining whether a person will be considered related to the prior owner-user. A subsidiary is not considered a related person if at least 80 percent of its stock was acquired by the taxpayer by purchase after December 31, 1980 in a transaction described in section 334(b)(2).

For real or personal property used in 1980 and transferred to a corporation or partnership in a transaction which the basis is determined by reference to the basis to the transferor (transaction described in sections 332, 351, 361, 371, 374, 721, or 731) ACRS will not apply. In that case, the Secretary shall provide rules similar to those that apply under section 381(c)(6).

Senate amendment.-The Senate amendment generally follows the House bill. However, in determining whether a person is related to the taxpaver under the anti-churning rules, the Senate amendment replaces rule regarding liquidations described in section 334(b)(2) with a rule for any liquidation under section 331. Under the Senate amendment, a person is not related to the taxpayer if that person is a distributing corporation in a complete or partial liquidation to which section 331 applies and the stock of such corporation with respect to which the distribution described in section 331 is being made was acquired by purchase by the taxpayer or by a person related to the taxpayer after December 31, 1980.

Conference agreement.-The agreement follows the House bill and Senate amendment, with certain exceptions. To make clear that property (1) owned by the taxpayer and under construction during 1980, and (2) placed in service by the taxpayer after December 31, 1980, is not subject to the anti-churning rules, the property is not treated as owned until it is placed in service. Also, new rules will apply for determining whether a corporation is a related person to the taxpayer. Under the new rules, a corporation is not a related person to the taxpayer if either (1) the person is a distributing corporation in a transaction described in section 334(b)(2)(B) and 80 per-cent of the stock is acquired by purchase after December 31, 1980, by the taxpayer or a person related to the taxpayer, or (2) if the person is a distributing corporation in a complete liquidation to which section 331(a)(1) applies and 80 percent of the stock of that corporation is acquired by purchase by one or more taxpayers or by persons related to the taxpayer after December 31, 1980.

The provision relating to leased railroad rolling stock applies to taxable years beginning after December 31, 1980. The conference agreement with respect to the effective date of the extension of the carryover period of certain losses and credits follows the House bill and Senate amendment, except the rule extending the NOL carryover period also applies to any NOL deduction taken by a former real estate investment trust (a "former REIT") in taxable years ending after October 8, 1976, with respect to NOLs incurred in taxable years ending after 1972 but only if the principal purpose of the change from a REIT to a former REIT was not to obtain the NOL.

C. Rehabilitation Expenditures

24. Tax credit for rehabilitation expenditures

House bill.—Under present law, the 10-percent investment tax credit (and additional energy credit) is available for expenditures to rehabilitate a building that is at least 20 years old. The credit allowed does not reduce the basis of the property for purposes of depreciation. In lieu of the investment credit, the taxpayer may elect with respect to rehabilitation of a certified historic structure to amortize the expenditures over a 60-month period (sec. 191).

Under the House bill, the 10 percent regular investment credit (and the additional energy credit) and the 60-month amortization provision for certified historic rehabilitation expenditures is replaced by a 3-tier investment credit. The credit is 15 percent for structures at least 30 years old, 20 percent for structures at least 40 years old, and 25 percent for certified historic structures. No credit is allowed for rehabilitation of a building less than 30 years old.

The 15- and 20-percent credits are limited, as under present law, to nonresidential buildings. However, the 25-percent credit for certified historic rehabilitation is available for both nonresidential and residential buildings. These credits are available only if the taxpayer elects to use the straight-line method of cost recovery with respect to rehabilitation expenditures. In addition, there must be a substantial rehabilitation of the building to qualify for the credit. A building has been substantially rehabilitated if (1) the rehabilitation expenditures during the 24-month period ending on the last day of the taxable year exceed the greater of (a) the adjusted basis of the property as of the first day of the 24-month period or (b) \$5,000, or (2) if it meets the requirements under (1) by substituting 60 months for 22 months. The 60-month alternative is available only if there is a written set of architectural plans and specifications for all phases of the rehabilitation and a reasonable expectation that all phases of the rehabilitation will be completed.

For rehabilitation credits other than the credit for certified historic rehabilitations, the basis of the property must be reduced by the amount of the credit allowed. If subsequently there is a recapture of the credit, the resulting increase in tax (or adjustment in carrybacks and carryovers) will increase the basis of the building immediately before the recapture event.

No credit is available for a certified historic structure if approval of the rehabilitation is not obtained from the Secretary of Interior

Also, no credit is available for a certified historic rehabilitation if the taxpayer or a member of the taxpayer's family uses the

property for residential purposes

The House bill treats a building in an historic district as a certified historic structure unless the taxpayer obtains a certification from the Secretary of Interior. This changes the present law rule under which a building in an historic district is not a certified historic district unless the Secretary of Interior takes action to designate the property as being of historic significance to the district.

The provisions generally apply to expenditures made after December 31, 1981. However, a special rule allows a credit under present law rules for buildings that are more than 20 but less than 30 years old, if the rehabilitation began before January 1, 1982

Senate amendment.-The Senate amendment is the same as the House bill, except the restriction related to use by the taxpay-

er or a family member is deleted. Conference agreement.—The conference agreement follows the Senate amendment, except the present law rule denying investment credit for property leased to tax-exempt organizations (sec. 48(a)(4)) or governmental units (sec. 48(a)(5)) does not apply to the portion of the basis of the building attributable to qualified rehabilitation expenditures. This corrects a clerical error in the enrollment of the Miscellaneous Revenue Act of 1980. Due to the error, this provision was omitted from that Act.

In connection with the investment tax credit for rehabilitation expenditures on a historic structure, Section 212(e) addresses the situation where qualified rehabilitation expenses are incurred before and after January 1, 1982. Where expenditures on a given qualified historic rehabilitation occur both before and after January 1, 1982, before January 1, 1982, expenditures can qualify for either the present ten percent investment tax credit for over-twenty-year-old buildings, or the five-year historic building amortization, while expenditures on or after January 1, 1982, can qualify for the new 25 percent investment tax credit. In other words, a combination of the old and new law is envisaged where the expenditures occur on both sides of January 1, 1982.

25. Demolition of historic structures

House bill.-Under present law, buildings constructed or reconstructed at the site of a demolished or substantially altered certified historic structure must be depreciated using the straight-line method over its useful life (sec. 167(n)). Demolition costs must be capitalized as part of the basis of land and, thus, may not be deducted as the loss or depreciated. (Sec. 280B.)

Under the House bill, section 167(n) is repealed, but section 280B is retained. The provision applies to expenditures made after

December 31, 1981.

Senate amendment.-The Senate amend-

ment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and Senate amendment.

D. Incentives for Research and Experimentation

26. Tax credit for research and experimen-

House bill.-Under present law, a taxpayer may elect to deduct currently the amount of research or experimental expenditures incurred in connection with the taxpayer's trade or business, or may elect to amortize

certain research costs over a period of 60 months or more (sec. 174). These rules apply to the costs of research conducted by the taxpayer and, in general, to expenses paid for research conducted on behalf of the taxpayer by a research firm, university, etc. Treasury regulations define qualifying expenditures to mean "research and development costs in the experimental or laboratory sense," and provide illustrations of qualifying and nonqualifying expenditures.

The House bill provides a 25-percent tax credit for certain research and experimental expenditures paid in carrying on a trade or business of the taxpayer, but only to the extent that current-year expenditures exceed the average amount of research expenditures in a base period (generally, the preceding three taxable years). Subject to certain exclusions, the bill adopts the definition of research as used for purposes of the special deduction rules under section 174.

Under the House bill, research expenditures qualifying for the new incremental credit consist of (1) "in-house" expenditures for research wages and supplies, plus certain lease or other charges for research use of computers, laboratory equipment, etc.; (2) 65 percent of amounts paid (e.g., to a research firm or university) for contract research; and (3) 65 percent of corporate grants for basic research to be performed by universities or certain scientific research organizations (or of grants to certain funds organized to make basic research grants to universities).

The credit under the House bill applies to research expenditures made after June 30. 1981, and before 1986.

Senate amendment.-The tax credit for incremental research expenditures provided under the Senate amendment differs from the credit under the House bill, apart from minor language differences, in the following respects: (1) qualifying research costs, other than wages and supplies, consist of certain lease or other charges for research use of computers (but not for use of other equipment); (2) the amount of contract research expenditures qualifying for the credit is the amount reimbursed by the taxpayer for the costs of research wages, supplies, etc, paid by the person performing the research on the taxpayer's behalf; (3) there is not specific provision making corporate grants for basic research at universities, etc. eligible for the credit (although the credit is available for qualifying contract expenditures for such basic research); (4) the Senate bill does not have a "sunset" provision terminating the credit.

Conference agreement.-The conference agreement follows the House bill.

The conferees also agreed to certain interpretations of the rule under the bill that the new credit is available only with regard to qualified research expenditures paid by the taxpayer in carrying on a trade or business of the taxpayer. The "carrying on" test for purposes of the new credit generally is the same as for purposes of section 162. For example, it is intended that to be eligible for the credit, qualified research expenditures must be paid or incurred in the particular business being carried on by the taxpayer. The conferees also intend that the Treasury will issue regulations, for credit purposes only, which will allow the credit in the case of research joint ventures by taxpayers who otherwise satisfy the "carrying on" test and who are entitled to the research results.

27. Charitable contributions of newly manufactured equipment to universities for research

House bill.—Under present law, the amount of charitable deduction for a contribution of appreciated ordinary-income property generally is limited to the amount of the taxpayer's basis in the property. An exception is provided for corporate contributions of certain property for use in the care of the needy, the ill, or infants; in such case, the lesser of 50 percent of appreciation plus basis, or twice the basis, may be deducted.

The House bill allows a deduction equal to the taxpayer's basis plus 50 percent of appreciation (but not to exceed twice the basis) for qualified corporate contributions of newly manufactured ordinary-income property to a college or university for research or experimentation, including research training. This provision applies to qualified contributions made after the date of enactment of the bill.

Senate amendment.-The Senate amendment generally is the same as the House bill.1

Conference agreement.-The conference agreement follows the House bill.

28. Rule for allocating research and development expenditures to U.S. source income

House bill.-Regardless of the source of the income generated by such expenditures, all research and experimentation expenditures which are paid or incurred for research conducted in the United States will be allocated and apportioned to income from sources within the United States.

Senate amendment.-Like the House bill. the Senate amendment provides that the allocation of all U.S. research and experimentation expenditures are to be allocated or apportioned to U.S. source income for all purposes under the Code. The rule applies only for one year-the taxpayer's first taxable year after the date of enactment.

Treasury is required to study the impact which Treasury regulation §1.861-8 has on United States domestic research and experimentation activities and on the availability of the foreign tax credit. Treasury must report to the Ways and Means and Finance Committees within six months from the date of enactment.

Conference agreement.-The conference agreement follows the Senate amendment except that the allocation or apportionment of U.S. research and experimentation expenditures to U.S. sources will be for the taxpayer's first two taxable years following the date of enactment.

E. Small Business Provisions

29. Accumulated earnings credit

House bill.-Under present law, an accumulated earnings tax is imposed on earnings accumulated in a corporation to avoid income tax on the corporation's shareholders. In computing the tax base, a credit (of not less than \$150,000) is allowed for earn-

¹The Senate amendment does not include certain requirements (contained in the House bill) for the increased charitable deduction, namely, that the donated property must be scientific equipment or apparatus, that the donee must use the contributed property in the United States, and that the donee's use of the property must be for research in the physical sciences (including physics, chemistry, astronomy, mathematics, and engineering) or biological sciences (including biology and medicine). Also, the Senate amendment provides that subchapter S corporations are ineligible for the new deduction rule, while the House bill also excludes personal holding companies and service organizations.

ings retained for the reasonable needs of the business. The House bill increases the minimum accumulated earnings credit to \$250,000 except for service corporations in health, law, engineering, architecture, accounting, actuarial science, performing arts and consulting. The provision is effective for taxable years beginning after December 31, 1981.

Senate amendment.—Same as House bill. Conference agreement.—The conference agreement follows the House bill and Senate amendment.

30. Subchapter S corporations

House bill.—Under present law, a subchapter S corporation may not have more than 15 shareholders and generally trusts may not be shareholders. The House bill increases the number of permitted shareholders to 25 and allows "section 678" trusts to be shareholders. In addition certain trusts holding stock for a disabled beneficiary could be a shareholder. The provisions are effective for taxable year ending after December 31, 1981.

Senate amendment.-The Senate amendment also increases the shareholder limit to 25 and permits section "678 trusts." In addition, under the amendment, the sole income beneficiary of a trust which distributes all its income currently can elect to be treated as the owner, under section 678, of the stock of any subchapter S corporation held by the trust, and the trust will be eligible as a shareholder of that subchapter S corporation. The income beneficiary must be a U.S. citizen resident, and must be a beneficiary for his life unless the corpus of the trust is to be distributed to the income beneficiary upon termination of the trust. The election under this section may be made retroactive for up to 60 days.

Conference agreement.—The conference agreement follows the Senate amendment.

31. LIFO inventory and small business accounting

House bill.—Under the cash receipts and disbursements method of accounting, tax-payers may currently deduct all expenditures other than those for capital assets. However, if the production, purchase or sale of merchandise is an income producing factor, the taxpayer must use the accrual method of accounting and must keep inventories. Acceptable methods of accounting for, inventories include specific identification, average cost, first-in first-out, and last-in first-out ("LIFO").

An approved method of computing LIFO inventories is the dollar-value method. Dollar-value LIFO is an advantageous method of computing LIFO inventories but because of its inherent complexity it is considered by some, especially small businessmen, as unworkable.

Under dollar-value LIFO the taxpayer accounts for his inventory on the basis of a pool of dollars rather than on an item-byitem basis. In general, the pool of dollars is actually measured in terms of the equivalent dollar value of the inventory in the year the taxpayer first used the dollar-value LIFO method.

Under the House bill, businesses with average gross receipts of less than \$1 million for the 3 years (ending with the taxable year) may elect one inventory pool for purposes of dollar value LIFO inventory accounting. Also, taxpayers electing LIFO will have 3 years (beginning with the year of the election to LIFO) to take back into income inventory writedowns taken in years prior to the year of the LIFO election. The Secre-

tary shall also prescribe regulations providing for the simplification of LIFO inventory accounting through the use of published government indexes.

Also under the House bill, the Secretary of the Treasury is directed to conduct a full and complete study of methods of tax accounting for inventory (including but not limited to the LIFO method and the cash receipts and disbursements method) with a view toward the development of simplified methods. The Secretary is also directed to submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate a report on this study, together with such recommendations as he deems appropriate, by December 31, 1982.

Senate amendment.—The Senate amendment provides that businesses with average gross receipts of less than \$3 million for the 3 years (ending with the taxable year) may elect one inventory pool for purposes of dollar value LIFO inventory accounting. Also taxpayers electing LIFO will have 3 years (beginning with the year of the election to LIFO) to take back into income inventory writedowns taken in years prior to the year of the LIFO election.

As in the House bill, the Secretary is directed to prescribe regulations providing for the simplification LIFO inventory accounting for businesses. However, the regulations will be based on 100 percent of the appropricomponents of the Consumer Price Index or Producer's Price Index and will only apply to businesses with average gross receipts for the preceding three years of less than \$3 million. Additionally, taxpayers may elect to use the link-chain or the index method of accounting for dollar-value LIFO inventory without showing that any other method of computing dollar-value LIFO inventory is unsuitable or impractical. Finally, the Treasury Department is required to report to the Congress by June 30, 1982 on the results of a study on LIFO accounting and the use of cash accounting.

Conference agreement.—The conference agreement follows the House bill but increases the amount of average gross receipts that a business must have to use a single dollar-value LIFO pool from \$1 million to \$2 million. Also, the provisions regarding the three-year averaging of income relating to inventory writedowns taken in prior years and the use of single dollar-value LIFO pools are effective for the first taxable year beginning after December 31, 1981.

F. Windfall Profit Tax and Other Energy Provisions

32. Windfall profit tax provisions a. Royalty owners credit and exemption

House bill.—Qualified royalty owners were allowed a credit (or refund) of up to \$1,000 against the windfall profit tax imposed on their royalty oil during calendar year 1980.

The House bill makes the royalty owner credit available for calendar year 1981 and increases it from \$1,000 to \$2,500.

For 1982 and subsequent years, the House bill provides a limited exemption from the windfall profit tax for specified amounts of royalty production. For 1982 through 1984, the exemption is 2 barrels a day; starting in 1985 the exemption is 4 barrels a day.

The House bill also makes technical, administrative, and conforming amendments to the royalty owner provisions, including provisions providing for tax payment and withholding rules to allow royalty owners to receive the benefit of the provision prior to the close of the calendar year, as well as

rules to prevent a proliferation of royalty interests.

Senate amendment.—The Senate amendment makes the royalty owner credit permanent and increases it to \$2,500. The amendment also provides for similar administrative rules.

Conference agreement.—The conference agreement follows the House bill except that in 1985 and subsequent years, the royalty exemption is 3 barrels per day.

b. Producer exemption

House bill.—Stripper oil is oil produced from a property from which the average daily per well production has been 10 barrels or less for any consecutive 12-month period after 1972. Stripper oil is in tier 2 of the windfall profit tax and generally is subject to a 60-percent rate of tax. However, independent producers are eligible for reduced windfall profit tax rates on up to 1,000 barrels a day of tier 1 and tier 2 oil. The reduced rate applicable to an independent producer's tier 2 oil is 30 percent rather than 60 percent.

The House bill exempts from the windfall profit tax, starting in 1983, stripper oil production of independent producers. The House bill also provides that stripper oil cannot qualify for this exemption if it is produced from a stripper well property which has been owned on or after July 23, 1981, by a producer other than an independent producer.

Senate amendment.—No provision.

Conference agreement.—The conference agreement generally follows the House bill. The conference agreement clarifies, however, that exempt stripper well oil does not include production attributable to an interest in any property which at any time after July 22, 1981, was owned by a person other than an independent producer (within the meaning of Code section 4992(b)(1)).

Because both the exemption and existing law's lower rates for up to 1,000 barrels a day of oil produced by independent producers apply, in part, to tier 2 oil (which includes stripper oil), the conference agreement clarifies that any person's independent producer amount eligible for lower rates is not reduced by the amount to which the exemption applies.

c. Reduced rate on newly discovered oil

House bill.—Newly discovered oil is taxed at a 30-percent rate on the difference between its removal price and a severance tax adjustment plus a base price of \$16.55 adjusted for grade, quality, location and inflation plus 2 percent.

The House bill reduces the newly discovered oil tax rate from 30 percent to the following rates:

[In percent]	
1982	27.5
1983	25.0
1984	22.5
1985	20.0
1986 and after	15.0

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment.

d. Exemption for qualified charities

House bill.—Under present law, oil production attibutable to certain qualifying charitable interests is exempt from the windfall

profit tax. A charitable organization for the residential placement, care, or treatment of delinquent, dependent, orphaned, neglected, or handicapped children is not within this exemption.

The House bill extends the existing windfall profit tax exemption for specified charitable educational organizations and medical facilities to oil production attributable to economic interests held by charitable organizations, described in Code section 170(c)(2), which are organized and operated primarily for the residential placement, care, or treatment of delinquent, dependent, orphaned, neglected, or handicapped children. To qualify for this exemption, the oil interest must have been held by the organization on January 21, 1980, and at all times thereafter before the last day of the calendar quarter.

If the interest is not held by the organization, the exemption may apply if the interest was held by a church for the benefit of the organization and if all the proceeds from the interest were dedicated on January 21, 1980, and at all times thereafter before the close of the calendar quarter, to the qualifying child care organization. These rules are the same as the present rules for qualifying charitable interests

Senate amendment.—Same as the House

Conference agreement.—The conference agreement follows the House bill and the Senate amendment.

33. Percentage depletion on oil and gas

House bill.-Under present law, percentage depletion, which is available only to independent producers and royalty owners, is calculated as a percentage of gross income from each oil and gas property. Under a 1975 amendment, the applicable percentage, which was 22 percent in 1980 and earlier years, is to be reduced to 20 percent in 1981 18 percent in 1982, 16 percent in 1983, and to 15 percent for 1984 and subsequent years.

The House bill provides that the rate of percentage depletion will remain at 22 percent for 1981 and subsequent years.

Senate amendment.—No provision. Conference agreement.—The conference agreement follows the Senate amendment.

34. Tax credit for woodburning stoves

House bill.—Under present law, a 15-percent tax credit is available for the first \$2,000 of qualifying expenditures for insulation and other specified energy-conserving items. The credit is available for the installation of specified energy property after April 19, 1977, and before January 1, 1986, with respect to a taxpayer's principal residence, if the residence was substantially completed before April 20, 1977.

The House bill adds to the list of energy conserving items eligible for the credit certain woodburning stoves and furnaces.

Senate amendment.—No provision.
Conference agreement.—The conference agreement follows the Senate amendment. 35. Production credit for certain gases

House bill.-No provision. Senate amendment.—Present law allows a credit for the production of specified alternative fuels, including several types of natural gas which are eligible for incentive prices under the Natural Gas Policy Act of 1978 (NGPA). The credit phases out as the price of uncontrolled domestic oil rises from \$23.50 to \$29.50 a barrrel, adjusted for inflation. Because of the phase out based on the price of oil, the credit generally was not available during 1980.

Section 107(d) of the NGPA provides that gas production is not eligible for an incen-

tive price if any special tax provision applies and if the producer does not file a price election with the Federal Energy Regulatory Commission within 30 days of enactment of the special tax provision.

The amendment provides that no production credit is available unless the taxpayer elects it on the appropriate tax return. This has the effect of allowing the producer to elect the incentive price under the NGPA after the 30-day period has elapsed.

The Senate amendment does not change any provision of the NGPA or deal with the FERC's administration of that Act. It is intended, however, that the amendment be administered by Treasury and, to the extent appropriate, by FERC so as to prevent any producer from obtaining the benefits of the production credit and the incentive price.

Conference agreement.—The conference agreement follows the Senate amendment.

G. Corporate Rate Reduction and Other **Business Provisions**

36. Corporate tax rate reductions

House bill.-Under present law, the corporate income tax is imposed at the following

Taxable income—	Rate (percent)
Less than \$25,000	17
25,000-50,000	20
50,000-75,000	30
75,000-100,000	40
Over \$100,000	46

The House bill decreases the tax rates on the two lowest brackets, i.e., those imposing tax on taxable income below \$50,000. The change will go into effect in 1982 and 1983. The brackets below \$50,000 will be adjusted as follows:

Taxable income— In 1982—	Rate (percent)
Less than \$25,000	16
\$25,000-50,000 1983 and later years—	19
Less than \$25,000	15
\$25,000-\$50,000	18

Senate amendment.-The provision is the same as in the House bill.

Conference agreement.-The conference agreement follows the House bill and the Senate amendment.

37. Incentive stock options

House bill.-Under present law, the taxation of stock options granted by an employer to an employee as compensation is governed by section 83. The value of the option constitutes ordinary income to the employee when granted only if the option itself has a readily ascertainable fair market value at that time. If the option does not have a readily ascertainable value when granted, it does not constitute ordinary income at that time. Instead, when the option is exercised, the difference between the value of the stock at exercise and the option price constitutes ordinary income to the employee. Ordinary income on grant or on exercise of a stock option is treated as personal service income and, hence, generally is taxed at a maximum rate of 50 percent.

An employer who grants a stock option generally is allowed a business expense deluction equal to the amount includible in the employee's income in its corresponding

taxable year (sec. 83(h)).

The bill reinstitutes "restricted stock options," under which there is no tax conse-

quences when a restricted stock option is granted or when the option is exercised, and the employee is generally taxed at capital gains rates when the stock received on exercise of the option is sold. Similarly, no business expense deduction will be allowed to the employer with respect to a restricted stock option.

To receive restricted stock option treatment, the bill provides that the employee must not dispose of the stock within two years after the option is granted, and must hold the stock itself for at least one year. If all requirements other than these holding period rules are met, the tax will be imposed on sale of the stock, but gain will be treated as ordinary income rather than capital gain, and the employer will be allowed a deduction at that time.

In addition, at the time the option is exercised, the option holder must be an employee either of the company granting the option, a parent or subsidiary of that corporation, or a corporation (or parent or subsidiary of that corporation) which has assumed option of another corporation as a result of a corporate reorganization, liquidation, etc., or must have been such an employee within three months of the date of exercise (twelve months if the employee is disabled (within the meaning of section 105(d))). This requirement and the holding period requirements are waived in the case of the death of the employee.

For an option to qualify as a "restricted stock option," terms of the option itself must meet the following conditions:

- 1. The option must by its terms be exercisable within ten years of the date it is grant-
- 2. The option price must equal or exceed 85 percent of the fair market value of the stock at the time the option is granted.
- 3. The option by its terms must be nontransferable other than at death and must be exercisable during the employee's lifetime only by the employee.
- 4. The employee must not, immediately before the option is granted, own stock representing more than ten percent of the voting power or value of all classes of stock of the employer corporation or its parent or subsidiary. However, the stock ownership limitation will be waived if the option price is at least 110 percent of the fair market value (at the time the option is granted) of the stock subject to the option and the option by its terms is not exercisable more than five years from the date it is granted.
- 5. In the case of a corporation whose stock is tradable on a stock exchange or any overthe-counter market, under the terms of the plan, the aggregate fair market value of the stock (determined at the time of grant of the option) for which any employee may be granted restricted stock options in any calendar year may not exceed \$75,000. Only \$150,000 of prior options can be exercised.
- 6. The option by its terms is not exercisable while there is outstanding any restricted stock option which was granted to the employee at an earlier time. For this purpose, an option which has not been exercised in full is outstanding for the period which under its initial terms it could have been exercised. Thus, the cancellation of an earlier option will not enable a subsequent option to be exercised any sooner. Also, for this purpose an option is considered to retain its original date of grant even if the terms of the option or the plan are later amended to qualify the option as a restricted stock option.

The bill provides that stock acquired on exercise of the option may be paid for with stock of the corporation (or its parent or subsidiary) granting the option.

The difference between the option price and the fair market value of the stock at the exercise of the option will not be an

item of tax preference.

The bill will apply to options granted after May 21, 1976, and exercised after December 31, 1980. However, in the case of an option which was granted on or before January 1, 1981, and which was not a qualified option, the corporation granting the option may elect (within six months after enactment of the bill) to have the option not be treated as a restricted stock option.

In the case of an option granted after May 21, 1976, and outstanding on the date of enactment, the option terms (or the terms of the plan under which the option was granted) may be changed, to conform to the restricted stock option rules, within one year of the date of enactment of the bill, without the change giving rise to a new option requiring the setting of an option price based on a later valuation rate.

All such changes relate back to the time of granting the original option. For example, if the option price of a ten-year option granted in 1978 is increased during the one year after date of enactment to 85 percent (110 percent, if applicable) of the fair market value of the stock on the date the option was granted in 1978, the price requirement will be met. Likewise, if the term of an option held by a 10-percent shareholder is shortened to five years from the date the option was granted, the 10-percent stock ownership limitation will not apply.

Any restricted stock option must meet the requirements of new section 424(b)(5), limiting the amount of options which may be granted to an employee to \$75,000 per year (determined at time of grant). In the case of options outstanding on date of enactment granted under a plan (or plans) providing for the granting of more than \$75,000 of options per year, the employer may amend the plan to specify that only certain options under the plan (up to \$75,000 granted per year) will be treated as restricted stock options.

Senate amendment.—The amendment provides for "incentive stock options," which will be taxed in a manner similar to the tax treatment previously applied to restricted and qualified stock options. That is, there will be no tax consequences when an incentive stock option is granted or when the option is exercised, and the employee will be taxed at capital gains rates when the stock received on exercise of the option is sold. Similarly, no business expense deduction will be allowed to the employer with respect to an incentive stock option.

The term "incentive stock option" means an option granted to an individual, for any reason connected with his or her employment, by the employer corporation or by a parent or subsidiary corporation of the employer corporation, to purchase stock of any

of such corporations.

To receive incentive stock option treatment, the amendment provides that the employee must not dispose of the stock within two years after the option is granted, and must hold the stock itself for at least one year. If all requirements other than these holding period rules are met, the tax will be imposed on sale of the stock, but gain will be treated as ordinary income rather than capital gain, and the employer will be allowed a deduction at that time.

In addition, for the entire time from the date of granting the option until three months before the date of exercise, the option holder must be an employee either of the company granting the option, a parent or subsidiary of that corporation, or a corporation (or parent or subsidiary of that corporation) which has assumed the option of another corporation as a result of a corporate reorganization, liquidation, etc. This requirement and the holding period requirements are waived in the case of the death of the employee.

For an option to qualify as an "incentive stock option," terms of the option itself must meet the following conditions:

1. The option must be granted under a plan specifying the number of shares of stock to be issued and the employees or class of employees to receive the options. This plan must be approved by the stockholders of the corporation within 12 months before or after the plan is adopted.

2. The option must be granted within ten years of the date the plan is adopted or the date the plan is approved by the stockhold-

ers, whichever is earlier.

3. The option must by its terms be exercisable only within 20 years of the date it is granted.

4. The option price must equal or exceed the fair market value of the stock at the time the option is granted. This requirement will be deemed satisfied if there has been a good faith attempt to value the stock accurately, even if the option price is less than the stock value.

5. The option by its terms must be nontransferable other than at death and must be exercisable during the employee's life-

time only by the employee.

6. The employee must not, immediately before the option is granted, own stock representing more than ten percent of the voting power or value of all classes of stock of the employer corporation or its parent or subsidiary. However, the stock ownership limitation will be waived if the option price is at least 110 percent of the fair market value (at the time the option is granted) of the stock subject to the option and the option by its terms is not exercisable more

than five years from the date it is granted.
7. The option by its terms is not to be exercisable while there is outstanding any incentive stock option which was granted to the employee at an earlier time. For this purpose, an option which has not been exercised in full is outstanding for the period which under its initial terms it could have been exercised. Thus, the cancellation of an earlier option will not enable a subsequent option to be exercised any sooner. Also, for this purpose an option is considered to retain its original date of grant even if the terms of the option or the plan are later amended to qualify the option as an incentive stock option.

The amendment provides that stock acquired on exercise of the option may be paid for with stock of the corporation granting the option.

The difference between the option price and the fair market value of the stock at the exercise of the option will not be an item of tax preference.

Also, under the amendment, any option which was a qualified stock option or restricted stock option under prior law will become an incentive stock option, if it was not exercised before January 1, 1981, and if it otherwise satisfies requirements for incentive stock options. Such an option will not be subject to the minimum tax.

An option will not be disqualified because of the inclusion of any condition not inconsistent with the qualification requirements, nor because the corporation may make a cash payment to the employee at the time of exercise.

The amendment generally applies to options exercised or granted after December 31, 1980, or outstanding on such date. However, in the case of an option which was granted on or before December 31, 1980, the corporation granting the option must elect to have the option treated as an incentive stock option. Only \$50,000 of stock may be purchased with restricted options granted in any year prior to 1981, and only \$250,000 of stock from such options could be purchased in the aggregate.

In the case of an option granted before 1982, the modification or deletion of any stock appreciation right or right to receive cash payments to permit the option to qualify as an incentive stock option can be made within one year of the enactment of the bill without the modification being treated as the grant of a new option.

In addition, the terms of a stock option plan or an option issued before 1982 can be modified to conform to the incentive stock option rules within one year of the date of enactment of the bill, without the modification being considered as giving rise to a new option requiring a new option price.

Conference agreement.—The agreement generally follows the Senate amendment except—

(1) the term of the option may not exceed 10 years from the date of grant,

(2) a disabled employee has 12 months after leaving employment to exercise the

(3) the amendment clarifies that additional cash or other property may be transferred to the employee at the time the option is exercised, so long as such property is subject to inclusion in income under the provisions of section 83,

(4) the managers wish to clarify that alternative rights may be granted, so long as no alternative options to purchase stock are granted which cause the option to violate

the terms of section 422A(b), and

(5) in the case of options granted after 1980, the terms of the plan must limit the amount of aggregate fair market value of the stock (determined at the time of the grant of the option) for which any employee may be granted incentive stock options in any calendar year to not more than \$100,000 plus the carryover amount. The carryover amount from any year is one-half of the amount by which \$100,000 exceeds the value (at time of grant) of the stock for which incentive stock options were granted in such prior year. Amounts may be carried over 3 years. Options granted in any year use up the \$100,000 current year limitation first and then the carryover from earliest year.

The agreement will apply to options granted after January 1, 1976, and exercised after December 31, 1980, or outstanding on such later date.

However, in the case of options granted before January 1, 1981, an option is an incentive stock option only if the employer elects such treatment for an option. The aggregate value (determined at time of grant) of stock for which any employee may be granted incentive stock options prior to 1981 shall not exceed \$50,000 per calendar year and \$200,000 in the aggregate.

In the case of an option granted after January 1, 1976, and outstanding on the date of enactment, the option terms (or the terms

of the plan under which the option was granted or shareholder approval) may be changed, to conform to the incentive stock option rules, within one year of the date of enactment, without the change giving rise to a new option requiring the setting of an option price based on a later valuation date.

All such changes relate back to the time of granting the original option. For example, if the option price of a ten-year option granted in 1978 is increased during the one year after date of enactment to 100 percent percent, if applicable) of the fair market value of the stock on the date the option was granted in 1978, the price requirement will be met. Likewise, if the term of an option held by a 10-percent shareholder is shortened to five years from the date the option was granted, the 10-percent stock ownership limitation will not apply.

38. Extension and modification of targeted jobs tax credit

House bill.-Under present law, the targeted jobs tax credit, which applies to eligible trade or business wages paid before January 1, 1982, is available on an elective basis for hiring individuals from one or more of seven target groups. In general, the credit is equal to 50 percent of the first \$6,000 of first-year wages and 25 percent of the first \$6,000 of second-year wages. Qualified first-year wages are limited to 30 percent of FUTA second-year wages (the first \$6,000 per calendar year) for all employees.

In the case of trade or business employment, taxpayers are allowed a WIN tax credit equal to 50 percent of qualified firstyear wages and 25 percent of qualified second-year wages paid to WIN registrants and AFDC recipients. For employment other than in a trade or business, the credit

is 35 percent of qualified first-year wages.

The House bill extends and modifies the

targeted jobs credit as follows:

Extension and eligible wages.-The bill provides that credit is available for wages paid or incurred before January 1, 1984. The provision limiting qualified first-year wages

to 30 percent of FUTA wages is repealed.

Targeted groups.—AFDC recipients and
WIN registrants are added as a targeted group, and the WIN credit is terminated. Elcooperative education students are limited to those who are economically disadvantaged, effective for wages paid after December 31, 1981. The age limitation for Vietnam veterans (under age 35) is eliminated. and employees laid off from public service employment funded by CETA are made eligible for the credit.

Changes in certification requirements.-Certifications issued or requested after the individual begins work are invalid, effective for individuals who begin work after the date of enactment; certifications that individuals are members of economically disadvantaged families are valid for a minimum of 45 days; and certification and marketing are to be performed by State employment security agencies.

Hiring of relatives.-The credit is denied for hiring relatives of the employer

Authorization for penses.—No provision. administrative ex-

Senate amendment.-The Senate amend-

ment has the following provisions:

Extension and eligible wages.—The Senate amendment provides that full credit is available for targeted employees who begin work before January 1, 1983. For cooperative education students, qualified first-year wages are limited to \$3,000, and qualified secondyear wages are limited to \$1,500. Qualified first-year wages may be at least \$25,000, regardless of the 30-percent FUTA wage cap.

Targeted groups.-Same as House bill, except cooperative education students are not limited to those who are economically disadvantaged, and general assistance and Supplemental Security Income recipients

are not removed as targeted group.

Changes in certification requirements.-Same as House bill, except (1) requirement for certification before the employee begins work applies to individuals who begin work after July 23, 1981, or with respect to whom the employer has not received a certification by this date, (2) the credit is not allowed for rehires, and (3) certifications based on false information provided by the employee are revoked prospectively.

Hiring of relatives.-Same as the House

Authorization for administrative penses.—For fiscal year 1982, \$30 million of appropriations is authorized for program administration, of which \$5 million is to be used for a quality program.

Conference agreement.—The conference agreement is as follows:

Extension and eligible wages .ference agreement provides that full credit available for targeted employees who begin work before January 1, 1983. The provision limiting qualified first-year wages to 30 percent of FUTA wages is repealed.

Targeted groups.—Same as House bill.

Changes in certification requirements. Same as Senate amendment, with one exception. The requirements that certification is to be received or requested before the individual begins work and that certifications based on false information are revoked prospectively generally apply to all individuals. regardless of the date they begin work for their employer. However, for an individual, other than a cooperative education student, who began work earlier than 45 days before the date of enactment, the certification has to have been requested or received before July 23, 1981, and for an individual who begins work for the employer during the 90day period beginning with the date 45 days before the date of enactment or a cooperative education student who begins work before the end of this period, the certification must be requested or received before the last day of this 90-day period.

Hiring of relatives.-Same as House bill

and Senate amendment.

Authorization for administrative penses.-Same as Senate amendment.

39. Motor carrier operating rights

House bill.—Under present law, taxpayers are not allowed a loss deduction under section 165 for the diminution in the value of a license or permit (caused, for example, by an expansion in the number of licenses or permits that could be issued) if the license or permit continues to have value as a right

to carry on a business

Under the House bill, an ordinary deduction is allowed ratably over a 60-month period for the adjusted bases of motor carrier operating authorities held by the taxpayer on July 1, 1980 (the date of enactment of the Motor Carrier Act of 1980). The House bill provides a special stock acquisition rule for cases in which a corporation acquired the stock of another corporation that directly or indirectly held an operating authority. Under regulations, the taxpayer holding the authority on July 1, 1980, may elect to allocate to the basis of the authority a portion of the acquiring corporation's basis in the stock of the acquired corpora tion. The allocable portion is the amount of basis the acquiring corporation would have had in the authority under section 334(b)(2)

if such corporation had received the authority in a liquidation of the acquired corporation (and any other corporations necessary for the acquiring corporation to receive the authority) immediately after acquisition of the acquired corporation. Under regula-tions, adjustments shall be made to the acquiring corporation's basis in the stock of the acquired corporation and any other property, to the extent deemed necessary by the Secretary. The provision applies to taxable years ending after June 30, 1980.

Senate amendment.-The provision in the Senate amendment is generally the same as the provision in the House bill, except for certain technical details relating to the

stock acquisition rule.

Conference agreement.-The Conference agreement generally follows the House bill and Senate amendment, except that certain technical modifications are made to the stock acquisition rule.

H. Savings Incentives Provisions

Self-employed retirement savings (Keogh plans)

House bill.-The deduction limit for employer contributions to a defined contribution Keogh plan, to a defined contribution plan maintained by a subchapter S corpora-tion, or to a simplified employee pension (SEP) is increased from \$7,500 to \$15,000. The 15-percent limit on contributions is not changed. To provide a similar increase in the level of benefits permitted under a defined benefit Keogh or subchapter S corporation plan, the compensation taken into account in determining permitted annual benefit acruals is increased from \$50,000 to \$100,000.

The bill also increases the amount of compensation which may be taken into account to determine contributions to a Keogh plan, to a subchapter S plan, or to a SEP. Under the bill, the includible compensation limit is increased from \$100,000 to \$200,000. Howevif annual compensation in excess of \$100,000 is taken into account, the rate of employer contributions for a plan participant who is a common-law employee cannot be less than the equivalent of 71/2 percent of that participant's compensation.

The House bill also extends to all partners the present-law rule under which a loan from a Keogh plan to an owner-employee or his use of an interest in the plan as security for a loan is treated as a distribution.

In addition, the House bill permits (1) the penalty-free correction of an excess contribution to a Keogh plan if the excess is withdrawn before the return filing due date and (2) early withdrawals from a terminated Keogh plan by an owner-employee without regard to the 5-year ban on Keogh plan contributions for the owner-employee.

Senate amendment.-The Senate amendment generally follows the House bill except that it contains no provision relating to excess contributions to Keogh plans or distributions made on account of the termination of a Keogh plan.

Conference agreement.-The conference agreement follows the House bill.

41. Individual retirement accounts

House bill.-In the case of an individual who is not an active participant in an employer-sponsored plan, the annual contribution limit is raised from the lesser of \$1,500 or 15 percent of compensation to the lesser of \$2,000 or 100 percent of compensation. The limit for a spousal IRA is increased from \$1,750 to \$2,250, and the present-law requirement that contributions under a spousal IRA be equally divided between the spouses is deleted.

In the case of an employee who is an active participant is a plan, a deduction is allowed for contributions to an IRA or for voluntary contributions to the plan. The voluntary contributions and earnings thereon under a plan are subject to IRA-type rules, except that (1) distributions starting at age 70½ are not mandated and (2) rollovers may be made to an IRA with regard to the present law rule limiting rollovers to one per year.

Under the House bill, benefits under a qualified plan (including deductible employee contributions and earnings thereon) are taxed only when paid to the employee or a beneficiary and are not taxed if merely made available. Of course, as under present law, if benefits are paid with respect to an employee to a creditor of the employee, a child of the employee, etc., the benefits paid would be treated as if paid to the employee.

Under present law, individuals generally may self-direct IRA investments or investments under an account in a qualified plan. Under the House bill, amounts invested in collectibles (antiques, art, gems, stamps, etc.) under an IRA or a self-directed account in a qualified plan are treated as distributions for income tax purposes.

Under the House bill, the proceeds of a redeemed U.S. retirement bond which is distributed under a qualified bond purchase plan may be rolled over, tax-free, to an IRA. U.S. retirement bonds purchased for an employee may be redeemed only after the employee attains age 59½, dies or becomes disabled. Also, the bill clarifies the treatment of IRA retirement bonds acquired in a tax-free rollover.

Senate amendment.—The Senate amendment is generally the same as the House bill, except that (1) active plan participants are allowed a deduction for contributions to an IRA or for qualified voluntary contributions to a plan limited annually to the lesser of \$1,500 (\$1,625 for a spousal IRA) or 100 percent of compensation for the year, and (2) a surviving or divorced spouse may deduct at least \$1,125 annually for life for contributions to a spousal IRA established by the individual's former spouse at least 5 years before the death or divorce.

In addition, the Senate amendment does not include provisions relating to investments in collectibles under IRAs or self-directed accounts in qualified plans or to roll-overs of the redemption proceeds of U.S. retirement bonds. Also, voluntary contributions and earnings thereon are taxed only if paid, but other plan benefits are taxed if paid or made available.

The Senate amendment requires that Treasury provide the Congress (before June 30, 1982) a study of the tax incentives for individual retirement savings.

Conference agreement.—The conference agreement follows the House bill, except that a divorced spouse is allowed a deduction for contributions to a spousal IRA established by the individual's former spouse at least 5 years before the divorce if the former spouse contributed to the IRA under the spousal IRA rules for at least three of the five years preceding the divorce. If these requirements are met, the limit on the divorced spouse's IRA contributions for a year is not less than the lesser of (1) \$1,125, or (2) the sum of the divorced spouse's compensation and alimony includible in gross income.

42. Partial dividend and interest exclusion

House bill.—Under present law, individuals may exclude from income up to \$200 (\$400 on a joint return) of dividends and interest earned from most domestic sources in 1981 and 1982. After 1982, only the dividend exclusion, which applied before 1981, will be available. This exclusion was limited to \$100

of dividends per taxpayer.

The House bill repeals the \$200/\$400 interest and dividend exclusion after 1981 and reinstates the \$100 per taxpayer dividend exclusion of prior law for 1982 and subsequent years. Effective in 1985, the bill provides for a 15-percent net interest exclusion on up to \$3,000 of net interest (\$6,000 on a joint return). Interest described in section 116(c) of present law is eligible for the percentage exclusion but only to the extent it exceeds the taxpayer's qualified interest expenses. Qualified interest expenses is interest paid for which a deduction is allowed other than interest paid on debt related to a taxpayer's dwelling or his conduct of a trade or business.

Senate amendment.—The Senate amendment generally follows the House bill except that (1) the net interest exclusion is effective in 1984 and (2) the \$100 per taxpayer limit on the reinstated dividend exclusion is replaced with a limit of \$100 for a single return and \$200 for a joint return.

single return and \$200 for a joint return.

Conference agreement.—The conference conference agreement generally follows the House bill, except that the Senate amendment on the \$200 maximum dividend exclusion for joint returns is adopted. In addition, two technical and clarifying changes are made. First, real estate investment trusts, regulated investment companies, and insurance companies are added to the list of eligible payors of excludable interest. Second, the conferees intend that only qualified interest expenses that give rise to a tax benefit are to reduce the amount of excludable interest. Thus, for example, individuals who do not itemize their deductions are not to reduce excludable interest. The Secretary is to provide regulations to implement this rule.

43. Exclusion of interest on qualified saving certificates

House bill.—Present law has no provision that provides specifically for the exclusion of interest earned on saving certificates. Under section 116, and for calendar years 1981 and 1982 only, up to \$200 (\$400 on a joint return) of dividends and interest from a variety of domestic sources may be excluded from gross income.

House bill provides for a lifetime exclusion from gross income of \$1,000 (\$2,000 in the case of a joint return) of interest earned on qualified tax-exempt savings certificates.

Qualified tax-exempt savings certificates are one-year certificates issued after September 30, 1981, and before January 1, 1983, by a qualified depository institution with a yield equal to 70 percent of the yield on 52-week Treasury bills. A qualified depository institution is a bank defined in section 581, a mutual savings bank, cooperative bank, domestic building and loan association, industrial loan association or bank, credit union, or any other savings or thrift institution chartered and supervised under Federal or State law, if the deposits or accounts of the institution (other than an industrial loan association) are insured under Federal or State law or protected or guaranteed by State law.

For interest to qualify for the exclusion, a certificate issued by a qualified institution must meet several requirements. First, such certificates may be issued only during the

period beginning on October 1, 1981, and ending on December 31, 1982. Interest paid after December 31, 1982, with respect to certificates properly issued before that date will be entitled to the exemption. Second, the certificates must have a maturity period of one year. Thus, all of the interest excludable by virtue of the new provision will be earned before January 1, 1984. Third, the certificate must have a yield equal to 70 percent of the yield on 52-week Treasury bills. Whether a certificate meets this 70-percent requirement is determined by comparing the yield to maturity on the certificates (including the effect of any compounding of interest) to the yield to maturity on 52-week Treasury bills sold at the last Treasury auction to have occurred in a calendar week preceding the week the certificate is issued. Fourth, the issuing institution must provide that certificates are available for any deposit of \$500 or more, subject to any limit on maximum deposits.

The provision does not authorize the issuance of qualified tax-exempt savings certificates; however, the House anticipates that the cognizant regulatory authorities will consider such authorization as expeditiously as practicable.

Generally, the provision requires that at least 75 percent of the proceeds of qualified certificates issued during a calendar quarter by an institution other than a credit union be used to provide residential financing by the end of the subsequent calendar quarter. In the case of an institution with net new savings less that the amount of net new savings. For this purpose, qualified net savings is the amount by which deposits into passbook savings accounts, 6-month money market certificates, 30-month small saver certificates, time deposits of less than \$100,000, and qualified certificates exceeds the amount withdrawn or redeemed from such accounts measured at the beginning and end of each calendar quarter. A special rule limits the amount of certificates issued by a credit union that may be outstanding at the close of any calendar quarter to 100 percent of the credit union's savings deposits as of September 30, 1981, plus 10 percent of any new net savings as of the end of the quarter over the credit union's savings deposits as of September 30, 1981.

Qualified residential financing of an institution is any of the following held by the institution:

(a) any loan secured by a lien on a singlefamily or multifamily residence;

(b) any secured or unsecured qualified home improvement loan;

(c) any mortgage on a single-family or multi-family residence which is insured or guaranteed by the Federal, State or local government or any instrumentality thereof;

(d) any loan to acquire a mobile home;(e) any loan for the construction or rehabilitation of a single-family or multifamily residence;

(f) any mortgage secured by single-family or multifamily residences purchased on the secondary market, but only to the extent purchases exceed sales of such assets;

(g) any security issued or guaranteed by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or security issued by any other person if such security is secured by mortgages, but only to the extent purchases exceed sales of such assets; or

(h) any agriculture loan.

The term single-family residence includes stock in a cooperative housing corporation

as defined in section 216, and 2, 3, and 4 family residences.

If an institution fails to meet the proceeds investment test at the end of any calendar quarter, it may not issue additional certificates until the requirement is satisfied.

The amount that any individual may exclude from income under the new provision is limited to \$1,000. This limitation applies to the aggregate of all interest paid on all certificates. In the case of married individuals filling joint returns, the limit is increased to \$2,000. This is true even if all of the \$2,000 is earned by only one of the individuals filling the joint return.

Interest paid on qualified certificates is excludable only when earned by individuals or by estates that receive such certificates by reason of the decedent's death. In the case of a partnership, the individual partners may exclude their distributive shares of interest paid on qualified certificates held by the partnership subject to each partner's \$1,000 lifetime limitation on the exclusion. In applying the dollar limitation to estates, the estate is treated as having claimed as having claimed any exclusion taken by the decedent or by a surviving spouse who files a joint return claiming an exclusion.

If a taxpayer earns interest in excess of the excludable amount, the first interest earned is the interest eligible for exclusion. The receipt of interest earned on the certificate prior to maturity is not a premature redemption. However, if any portion of a certificate is redeemed or disposed of before maturity, the exclusion from income is not available for any interest earned on the certificate for the year in which the certificate is redeemed or disposed of or in any subsequent year. If interest paid on a certificate is excluded from income in one year and the certificate is prematurely redeemed or disposed of in a subsequent year, then the amount of excluded interest in the prior year must be included in income for the year of the redemption or disposition. Previously excluded amounts that are recaptured under this rule are not taken into account for purposes of the \$1,000 limitation. Thus, if a holder redeems a certificate and reinvests a portion in a new certificate, interest on the new certificate can be excluded.

The provision also provides that using a certificate or any portion of a certificate as collateral or security for a loan will be treated as a redemption of the entire certificate.

There is a denial of the deduction for interest paid on indebtedness incurred to purchase or carry investment in qualified taxexempt savings certificates. These rules are the same as those that apply under present law with respect to debt incurred or continued to purchase or carry tax-exempt obligations (sec. 265(2)).

The House bill requires the Secretary of the Treasury to report to the Congress before June 1, 1982, on the results of a study to be conducted by the Treasury on the effectiveness of the new saving certificates provision in generating additional sav-

Since some interest earned in 1981 may otherwise be eligible for exclusion under both the new provision and the section 116 interest and dividend exclusion the bill provides a special transition rule. This rule provides that any amount earned on a depository institution tax-exempt savings certificate may be excluded only under new section 128 and may not be excluded under the general interest and dividend exclusion in section 116 of present law, even if the interest on the certificate in not tax-exempt because of a premature redemption or disposition.

Senate amendment.—The Senate amendment is the same as the House bill with some exceptions. Savings certificates must be available in denominations of \$500. The term single-family residence does not include stock in a cooperative housing corporation. No restrictions are placed on the amount of certificates issued by credit unions or on investment by credit unions.

Conference agreement.—The conference agreement follows the House bill. In addition, the conferees agreed to three technical amendments. First, if a consolidated return is filed for any part of a calendar quarter in which savings certificates may be issued, the amount of qualified certificates, residential financing, and net new savings are to be determined on a net aggregate basis for all affiliated corporations.

Foreign branches and international banking facilities of U.S. banks may not issue tax-exempt savings certificates, and their deposits will not be taken into account in determining the required level of residential financing and agricultural loans needed.

Loans secured by cooperative housing stock will be treated as residential financing

44. Employee stock ownership plans (ESOPs)

House bill.-No provision.

Senate amendment.—The Senate amendment accelerates the termination of the present law investment-based tax credit for ESOP contributions by one year, so that it expires at the end of 1982, and replaces it with a payroll-based tax credit. The payroll-based credit (which is not available if contributions allocated to officers, shareholders (more than 10 percent), and employees whose compensation exceeds \$83,000 (adjusted for inflation) exceed specified limits) is limited to one-half of one percent of aggregate employee compensation in calendar year 1983, three-quarters of one-percent in 1984, and one percent in 1985 and subsequent years.

The amendment generally increases from 15 percent of aggregate employee compensation to 25 percent of such compensation the deduction allowed the employer for contributions to an ESOP where the contributions are applied by the plan to make principal payments on a loan incurred to purchase employer stock. An unlimited deduction is allowed the employer for contributions applied to pay interest on the loan.

The Senate amendment also provides that (1) contribution applied to pay loan interest, and (2) forfeitures of fully leveraged ESOP stock are disregarded for purposes of the present law limit on contributions to any participant's account (generally, for 1981, the lesser of \$41,500 or 25 percent of compensation). This rule applies only if contributions allocated to officers, shareholders (more than 10 percent) and employees whose compensation exceeds \$83,000, do not exceed specified limits.

Distributions from a tax credit ESOP which are made on account of the sale of corporate assets or the disposition of a subsidiary are permitted without regard to the present law rule which generally precludes distributions of employer securities for at least 84 months. The Senate amendment also changes the cash distribution and putoption rules to reflect certain State laws and corporate charter restrictions which prevent compliance with present law rules. In addition, the Senate amendment repeals (for all but tax credit ESOPs) the present law rule requiring that employees be entitled to direct voting of employer securities

allocated under a defined contribution plan of a closely held corporation.

The non-tax rules of ERISA are also amended to supersede State securities laws to permit Continental Airlines to establish and maintain an ESOP, to issue previously authorized stock to an ESOP, to permit the company to guarantee a loan to the ESOP, and to permit the ESOP to distribute company stock to employees and beneficiaries.

Conference agreement.—The conference agreement generally follows the Senate amendment except that the new payroll-based tax credit for contributions to a tax credit ESOP is allowed only for wages paid in calendar years 1983 through 1987. The credit is limited for 1983 and 1984 to one-half of one percent of compensation paid to employees under the plan and to three-quarters of one percent of such compensation for 1985, 1986, and 1987. The tax credit expires on December 31, 1987.

In addition, the present-law rule requiring that an employee must be entitled to vote stock allocated to his account under a defined contribution plan is deleted with respect to profit-sharing plans for securities acquired after 1979, but is still applicable to all other defined contribution plans.

The conference agreement does not include the Senate provision which supersede State securities laws with respect to Continental Airlines.

45. Dividend reinvestment plans

House bill.—Under present law (sec. 305(a)), a pro rata stock distribution is not taxable to a shareholder at the time he or she receives it, but it is taxable only when the taxpayer sells or otherwise disposes of the shares received as a distribution. Any gain on the sale generally is treated as a long-term capital gain if the underlying shares (on which the distribution was declared) were held for more than one year. Stock distributions which are not pro rata, including stock distributions received pursuant to a shareholder's option to receive either stock or cash, are taxable at fair market value when the shares are initially received.

Under the House bill, a domestic public utility corporation may establish a plan under which shareholders who choose to receive a dividend in the form of common stock rather than cash or other property may elect to exclude up to \$1,500 per year (\$3,000 in the case of a joint return) of the stock dividends from income.

To qualify, the stock must be newly issued common stock, designated by the board of directors of the corporation to qualify for this purpose. The number of shares to be distributed to any shareholder must be determined by reference to a value which is not less than 95 percent (and not more than 105 percent) of the stock's value during the period immediately before the distribution date.

Generally, stock will not qualify where the corporation has repurchased any of its stock within one year before or after the distribution date (or any member of the same affiliated group of corporations has purchased common stock of any other member of such group). However, if the corporation establishes a business purpose for the purchase not inconsistent with the purpose of the dividend reinvestment provision to aid in the raising of new capital, the purchase will not disqualify any dividend otherwise eligible for exclusion.

Stock received as a qualified dividend will have a zero basis, so that when the stock is later sold the full amount of the sales proceeds will be taxable. In general, proceeds from the sale of such stock will be taxed as capital gains. However, where the stock is sold within one year after distribution, any gain will be treated as ordinary income. In addition, if shares of stock of the distribut ing corporation are sold by the taxpayer any time after the record date for the dividend and before a date one year after the dividend distribution date, the sale will be treated as a sale of the qualified dividend stock. These rules are designed to prevent the immediate resale of stock without the recognition of ordinary income which would have resulted in the case of a taxable divi-

Under the House bill, the earnings and profits of the distributing corporation will not be reduced by reason of the distribution of qualified stock, whether or not the shareholder elects to exclude the dividend from income.

Only individual shareholders are eligible for the exclusion. Corporations, trusts, estates, non-resident aliens, and persons holding at least 5 percent of the voting power or value of stock in the corporation (using the attribution rules of section 318) are not eligible to exclude any dividends under this provision

A public utility is qualified if during the 10 years prior to its taxable year in which the dividend is paid, at least 60 percent of the cost of the depreciable property the corporation acquired for the members of an affiliated group (in which the public utility is a member) was public utility recovery property (within the meaning of new sec. 168A). For periods before 1981, the determination of whether property would have been public utility recovery property shall be made as if section 168A had been in effect.

Senate amendment.—No provision.

Conference agreement.—The conference agreement generally follows the House bill The exclusion from income applies to dividends up to \$750 a year (\$1,500 on a joint return), and the exclusion will be allowed for dividends distributed in calendar years 1982 through 1985.

46. Qualified group legal services plans

House bill.-No provision.

Senate amendment.-Employer contributions to, and benefits provided under, a qualified group legal services plan are excluded from an employee's income. income exclusion expires December 31, 1981.

Under the Senate amendment, the income exclusion for qualified group legal services plans is extended through December 31.

Conference agreement.-The conference agreement follows the Senate amendment.

I. Estate and Gift Tax Provisions 47. Unified credit

House bill.-The unified credit against estate and gift taxes is gradually increased from \$47,000 to \$192,800 over six years. The amount of the credit is \$62,800 for gifts made, and decedents dying, in 1982, \$79,300 in 1983, \$96,300 in 1984, \$121,800 in 1985, \$155,800 in 1986, and \$192,800 in 1987 and subsequent years. Thus, cumulative transfers exempt from gift and estate taxes increase from \$175,625 under present law to \$225,000 in 1982, \$275,000 in 1983, \$325,000 in 1984, \$400,000 in 1985, \$500,000 in 1986, and \$600,000 in 1987 and subsequent years.

Senate amendment.-The Senate amendment also increases the unified credit to \$192,800, but provides a five-year phase-in. For 1982 and 1983, the amount of the credit and the amount of cumulative transfers exempt from estate and gift taxes follows the House bill. However, the amount of the credit is \$104,800 for gifts made and decendents dying in 1984 (exempting cumulative transfers of \$350,000), \$138,800 in 1985 (exempting cumulative transfers of \$450,000), and reaches \$192,800 exempting cumulative transfers of \$600,000) for 1986 and subsequent years.

agreement.-The conference Conference agreement follows the House bill.

48. Rate reduction

House bill.—The maximum gift and estate tax rates are reduced over a 4 year period in five percent increments from 70 percent to 50 percent. The maximum rate is 65 percent for gifts made, and decedents dying, in 1982, 60 percent in 1983, 55 percent in 1984, and 50 percent in 1985 and subsequent years. When fully phased in, in 1985, the 50-percent tax rate will apply to taxable gifts and bequests in excess of \$2.5 million.

Senate amendment.—No provision.
Conference agreement.—The conference agreement follows the House bill.

49. Marital deduction

House bill.-Present law permits a gift tax marital deduction for the first \$100,000 of gifts to a spouse and for 50 percent of gifts to a spouse in excess of \$200,000. An estate tax marital deduction is allowed for transfer to a surviving spouse up to the greater of \$250,000 or one-half the adjusted gross estate. Transfers of terminable interests generally do not qualify for the gift or estate tax marital deduction.

The House bill removes the quantitative limits on both the gift and estate tax martial deductions and provides that certain terminable interests also qualify for those deductions.

Senate amendment.-The Senate amendment is the same as the House bill.

Conference agreement.-The conference agreement follows the House bill and Senate amendment.

50. Current use valuation

a. Increase in maximum reduction in fair market value

House bill.—Under present law, the fair market value of qualified real property cannot be reduced by more than \$500,000 as a result of current use valuation. The House increases the maximum amount by which the fair market value of qualified real property may be reduced as a result of current use valuation to \$750,000 for estates of decedents dying in 1981, \$875,000 in 1982, and \$1,000,000 in 1983 and thereafter.

Senate amendment.-Under the Senate amendment, the maximum amount by which the fair market value of qualified real property may be reduced as a result of current use valuation is increased to \$600,000 for estates of decedents dying in 1982 and thereafter.

Conference agreement.-Under the conference agreement, the maximum amount by which the fair market value of qualified real property may be reduced as a result of current use valuation is increased to \$600,000 estates of decedents dying in 1981. \$700,000 in 1982, and \$750,000 in 1983 and thereafter.

b. Predeath qualified use requirement

House bill.-Under present law, to be specially valued, real property must be used or held for use as a farm or closely held business ("a qualified use") for five of the last eight years before the decedent's death and on the date of death.

The House bill provides that the qualified use requirement of present law, applicable to periods on and before the date of the decedent's death (sec. 2032A(b)(1)), may be satisfied if either the decedent or a member of the decedent's family uses real property otherwise eligible for current use valuation in the qualified use. This change is retroactive to estates of certain decedents dying after December 31, 1976.

The House bill also clarifies the types of operations that are to be considered "quali-fied uses." The bill divides these operations into three categories: (1) farming (including timber operations other than those that are incidental to other farming operations), (2) timber operations which are not incidental to other farming operations, and (3) other trades or businesses. The requirement of present law that each of these uses be an active trade or business use, as opposed to a passive, or investment, use is not changed.

Senate amendment.-The Senate amendment permits the qualified use requirement of present law, applicable to periods on or before the date of the decedent's death (sec. 2032A(b)(1)), to be satisfied if either the decedent or a member of the decedent's family uses real property otherwise eligible for current use valuation in the qualified use.

The Senate amendment contains no provision redefining what types of business uses constitute qualifies uses.

Conference agreement.-The conference agreement follows the Senate amendment.

c. Pre-death material participation require-

House bill.-Under present law, the decedent or a member of his family must materially participate in the farm (or other business operation) for periods aggregating five years of the eight years before the decedent's death. On the other hand, if the decedent materially participates in the farm operation, any income derived from the farm is treated as earned income for social security purposes and, therefore, may reduce social security benefits.

Under the House bill, the material participation requirement has to be satisfied during periods aggregating five years or more of the eight-year period ending before the earlier of (1) the date of death, (2) the date on which the decedent became disabled (which condition lasted until the date of the decedent's death), or (3) the date on which the individual began receiving social security retirement benefits (which status continued until the date of the decedent's death).

An individual is considered to be disabled if the individual is mentally or physically unable to materially participate in the operation of the farm or other business

The House bill provides an alternative to the material participation requirement for qualification of real property for current use valuation in the estates of surviving spouses who receive the property from a decedent spouse in whose estate it was eligible to be valued based on its current use. The bill provides that the spouse will be treated as having materially participated during periods when the spouse (but not a family member) engaged in active management of the farm or other business operation. Active management of the making of business decisions other than the daily operating decisions of a farm or other trade or business

Senate amendment.-The Senate amendment is the same as the House bill.

Conference agreement.-The conference agreement follows the House bill and the Senate amendment.

d. Tacking to satisfy certain requirements in cases of certain pre-death involuntary conversions and like-kind exchanges

House bill.—The House bill changes present law to permit tacking of the ownership, qualified use, and material participation requirements in the case of replacement property acquired pursuant to likekind exchanges under section 1031 and involuntary conversions under section 1033. This tacking is available only for that portion of the replacement property or exchange property which does not exceed the value of the property disposed of in the exchange or conversion, and is permitted only when the replacement property or exchange property is used in the same qualified use as the property which was disposed of.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

e. Election requirements

House bill.—Under present law, an election to specially value qualified real property must be made on a timely filed estate tax return. An agreement to the election which is binding under local law must be signed by all parties having an interest in the property. State law normally requires that a guardian be appointed to sign the agreement for minor heirs.

Under the House bill, elections to specially value property must be made on the decedent's estate tax return rather than by the due date of the return as under present law. Therefore, the election is permitted to be made on a late return, if that return is the first estate tax return filed by the estate. As under present law the election is irrevocable

House bill also permits a custodial parent to sign the required agreement to the current use valuation election on behalf of minor heirs, who otherwise have no guardian empowered to sign on their behalf. The consent by the custodial parent is binding on the minor heir for all purposes under the current use valuation provision, the special lien under section 6324B, and income tax basis rules for specially valued property.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the portion of the House bill that provides that an election to specially value property must be made on the decedent's estate tax return rather than by the due date of that return as under present law. The conference agreement deletes the portion of the House bill permitting a custodial parent to sign the required agreement on behalf of a minor heir.

f. Use of share rentals in the formula valuation method

House bill.—Under present law, farm real property may be specially valued using a formula valuation method. Under the formula method, the value of qualified real property is determined by (1) substracting the average annual State and local real estate taxes for tracts of comparable land used for farming from the average annual gross cash rental for the tracts of the comparable land, and (2) dividing that amount by the average annual effective interest rate for all new Federal land bank loans. Each average annual computation is made on the basis of the five most recent calendar years ending before the decedent's death.

The House bill permits substitution of net share rentals for cash rentals in the formula valuation method for farm real property if the executor cannot identify actual tracts of comparable farm real property in the same locality as the decedent's farm property that are rented solely for cash. As under present law, if there is no comparable land from which a cash or share rental can be determined, the real property subject to the election is to be valued using the multiple factor valuation method.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment.

g. Reduction in post-death recapture period

House bill.-Under present law, if, within 15 years after the death of the decedent (and before the death of the qualified heir), specially valued property is disposed of to nonfamily members or ceases to the used for the farming or other closely held business purpose based upon which it was valued in the decedent's estate, all or a portion of the Federal estate tax benefits obtained by virtue of the reduced valuation are recaptured by means of a special "additional estate tax" or "recapture tax" imposed on the qualified heir. Failure by the heir or a member of the heir's family to materially participate in the business operation for periods aggregating three years or more during any eight-year period ending within 15 years after the decedent's death is treated as a cessation of qualified use.

The House bill reduces the present 15year recapture period to 10 years; the fiveyear phase-out period of present law is re-

pealed.

Senate amendment.—The Senate amendment is the same as the House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment.

h. Increase in basis of property on which a recapture tax is paid

House bill.—Under present law, if an election is made to value property based on its current use, the qualified heir's income tax basis in the property is the current use value. No adjustment is made to this basis if

the recapture tax is imposed.

The House bill permits a qualified heir to make an irrevocable election to have the income tax basis of qualified real property increased to the fair market value of the property as of the date of the decedent's death (or the alternate valuation date under section 2032, if the estate elected that provision) where the recapture tax is paid. If the heir elects this basis adjustment, the heir must pay interest on the amount of the recapture tax from the date which in nine months after the decedent's death until the due date of the recapture tax. The interest is computed at the rate (or rates) charged on deficiencies of tax for the period volved. If the heir does not make the election and pay the interest, no adjustment is made to the basis of the property.

Senate amendment.—Under the Senate

Senate amendment.—Under the Senate amendment, the increase in income tax basis is automatic if a recapture tax is paid, and no interest is imposed on the recapture tax

Conference agreement.—The conference agreement follows the House bill.

 Miscellaneous technical changes to postdeath recapture period rules

House bill.—The House bill retains the present requirement that the qualified heir owning the real property after the decedent's death use it in the qualified use throughout the recapture period. However, the bill creates a special two-year grace period immediately following the date of

the decedent's death during which failure by the qualified heir to commence use of the property in the qualified use will not result in imposition of a recapture tax. The 10-year recapture period (15 years for estates of decedents dying before December 31, 1981) is extended by a period equal to any part of the two-year grace period which expires before the qualified heir commences using the property in the qualified use. This provision is retroactive to estates of certain decedents dying after December 31, 1976.

In the case of an eligible qualified heir, the House bill provides that "active management" by the eligible qualified heir is treated as material participation for purposes of meeting the material participation requirement during the post-death recapture periods. Eligible qualified heirs include the spouse of the decedent, a qualified heir who has not attained the age of 21, a qualified heir who is a full-time student (within the meaning of sec. 151(e)(4)), and a qualified heir who is disabled (within the meaning of sec. 2032A(b)(4)(B), as added by the bill). Active management means the making of business decisions of the trade or business.

The House bill provides that an exchange pursuant to section 1031 of qualified real property solely for qualified replacement property to be used for the same qualified use as the original qualified real property does not result in imposition of the recap-

ture tax.

The House bill also repeals the requirement that a qualified heir make an election to secure the benefits of the special nonrecognition rules for the recapture tax for involuntary conversions.

Senate amendment.—The Senate amendment is the same as the House bill, except the grace period immediately following the decedent's death during which the qualified use requirement need not be met is one year, and the provision applies only to estates of decedents dying after December 31, 1981.

Conference agreement.—The conference agreement follows the House bill.

j. Qualification of property purchased from a decedent's estate

House bill.-Under present law, only that property which is acquired from a decedent eligible for current use valuation. The House bill expands the circumstances in which property is considered to be so acquired to include property that is purchased from a decedent's estate by a qualified heir as well as property that is received by bequest, devise, inheritance, or in satisfaction of a right to pecuniary bequest. This change reverses present law in cases where the decedent gives a qualified heir an option to purchase property otherwise qualified for current use valuation as well as in cases where the executor sells the property to an heir in the absence of such a direction in the will. If purchased property is specially valued, the qualified heir who purchases the property is limited to the current use value of the property as his income tax basis. This change is retroactive to estates of certain decedents dying after December 31, 1976.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

k. Property transferred to discretionary trusts

House bill.—Under present law, property owned indirectly through ownership of an interest in a partnership, a corporation, or a trust qualifies for current use valuation to the extent that it would qualify if it were owned directly. However, trust property qualifies for current use valuation only to the extent that an heir receives a "present interest" in the trust property. Treasury regulations define the term "present interby reference to the gift tax law (sec. 2503). This definition precludes current use valuation of any property passing from the decedent to a trust in which the interest of the life tenant (or any other beneficiary whose interest becomes a present interest before expiration of the recapture period) is subject to discretion on the part of the trustee. This result is the same even if all potential beneficiaries of the trust are qualified heirs. (Treas. Reg. § 20.203A-3(b)(1)).

The House bill provides that property meeting the other requirements for current use valuation can be specially valued if it passes to a discretionary trust in which no beneficiary has a present interest (under sec. 2503) because of the discretion in the trustee to determine the amount to be received by any individual beneficiary so long as all potential beneficiaries of the trust are qualified heirs. This provision applies retroactively to certain estates of decedents dying after December 31, 1976.

Senate amendment.—No provision.
Conference agreement.—The conference agreement follows the House bill.

L. Definition of family member

House bill.—Under present law, only real property that passes to qualified heirs is eligible for current use valualtion. The term 'qualified heir' means a member of the decedent's family, including his spouse, lineal descendants, parents, grandparents, and aunts or uncles of the decedent and their decendants. The term does not include members of a spouse's family.

Additionally, the pre-death qualified use and material participation requirement may be satisfied by the decedent or a member of the decedent's family. Likewise, the post-death material participation requirement may be satisfied by participation of the qualified heir or a member of the heir's family. Property can only be disposed of during the recapture period without imposition of a recapture tax if the transfer is to a member of the qualified heir's family.

member of the qualified heir's family.

The House bill changes the definition of family member. The new definition includes an individual's spouse, parents, brothers and sisters, children, stepchildren, and spouses and lineal descendants of those individuals.

and lineal descendants of those individuals. Senate amendment.—No provision. Conference agreement.—The conference agreement follows the House bill.

m. Judicial review of fair market value of specially valued property

House bill.—Under present law, the fair market value or specially valued property, as well as the property's use value, must be determined for several purposes. The House bill provides for a declaratory judgment proceeding in the Tax Court review of Treasury Department determinations of the fair market value of specially valued property.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the Senate amendment.

n. Credit for State recapture tax

House bill.—Many States have enacted current use valuation provisions similar to the Federal provision. Some of these States impose a recapture tax like the Federal recapture tax. Those State recapture taxes are not eligible for the State death tax credit of present law.

The House bill permits a qualified heir to claim part or all of any recapture tax im-

posed by a State which has a current use valuation provision like the Federal provision as a credit against the Federal recapture tax.

Senate amendment.-No provision.

Conference agreement.—The conference agreement follows the Senate amendment.

o. Special rules for woodlands

House bill.—Under present law, only real property used as a farm for farming purposes or in other closely held business operations ("a qualified use") is eligible for current use valuation. Timber operations are included in the definition of farming purposes. Standing timber, like other growing crops, is not treated as part of the qualified real property.

The House bill permits an executor to elect to treat timber operations as a separate qualified use. Qualified timber operations are operations where growing and harvesting trees (other than milling) are not incidental to other types of farming operations. If the election is made, standing timber can be specially valued as part of the real property on which it is located, and active management is treated as material participation for purposes of qualifying for current use valuation and of avoiding imposition of the recenture tax.

If standing timber is specially valued, disposition or severance of the timber results in imposition of the recapture tax. This recapture tax is determined by treating the timber as an interest in the real property on which the timber stands or stood.

Senate amendment.—The Senate amendment continues treatment of timber operations as a farming use, but permits executors to elect to specially value the standing timber. If standing timber is specially valued, the recapture tax is imposed when the timber is disposed of or severed.

Conference agreement.—The conference agreement follows the Senate amendment on current use valuation of standing timber.

p. Effective dates

House bill.—The changes to the current use valuation provision apply generally to estates of decedents dying after December 31, 1981.

The increase in the limitation on the amount by which the fair market value of specially valued property can be reduced applies to estates of decedents dying after December 31, 1980.

The changes to the recapture period rules on involuntary conversions (under sec. 1033) and like-kind exchanges (under sec. 1031) apply to such exchanges occurring after December 31, 1981, even if the decedent in whose estate the property was specially valued died before that date.

As noted in the discussion of individual items, four provisions apply to all estates for which estate tax returns are due to be filed after July 28, 1980, and to all estates for which a timely use valuation election was made between January 1, 1977, and July 28, 1980. These four provisions are the change in the pre-death qualified use requirement, the provision on property passing to discretionary trusts, the provision on property purchased from a decedent's estate, and the two-year grace period during which the post-death qualified use requirement need not be met.

Senate amendment.—The changes to the current use valuation provision apply to estates of decedents dying after December 31,

Conference agreement.—The conference agreement follows the House bill.

51. Transfers within 3 years of death

House bill.-Present law generally requires that gifts made by a decedent within 3 years of death be included in the dece-dent's gross estate at their value as of the date of death or alternate valuation date (sec. 2035(a)). In general, the House bill provides that this rule does not apply to decedents dying after December 31, 1981. However, the House bill continues to apply present law to gifts of certain types of property covered by sections 2036, 2037, 2038, 2041, and 2042. In addition, all gifts made within 3 years of death are included for purposes of qualifying for current use valuation (sec. 2032A), deferred payment of estate tax (sec. 6166), qualified redemptions to pay estate tax (sec. 303), and estate tax liens (subchapter C of chapter 64).

Senate amendment.—Gifts made within 3 years of death are included in a decedent's estate at their value as of the date of the gift.

Conference agreement.—The conference agreement follows the House bill.

52. Time for payment of estate tax attributable to closely held businesses

House bill.—The most liberal provisions of present law sections 6166 and 6166A, relating to the deferred payment of estate taxes attributable to interests in closely held businesses, are combined into one provision. The new provision permits deferred payment if interests in closely held businesses exceed 35 percent of the adjusted gross estate. Conforming changes are made to section 303, which permits redemption of stock in a closely held business to pay certain estate taxes, funeral expenses, and administration expenses.

The House bill also provides that the remaining unpaid tax balance will not be accelerated upon the death of the decedent's heir or a subsequent transferee provided the interest in closely held businesses passes to a family member of the heir or subsequent transferee.

In addition, the House bill provides a declaratory judgment procedure to determine eligibility for deferral and whether acceleration is proper.

Senate amendment.—The Senate amendment also combines sections 6166 and 6166A into one provision, but provides that qualifying interests in closely held businesses must exceed 35 percent of the gross estate or 50 percent of the taxable estate.

No acceleration of the unpaid tax balance occurs upon the death of decedent's heir or subsequent transferee, whether or not the interest in closely held businesses passes to a family member of the heir or subsequent transferee.

The Senate amendment contains no provision permitting judicial review of controversies involving deferred payment of estate taxes.

Conference agreement.—In general, the conference agreement follows the House bill, except that it deletes the provision of the House bill which provides a declaratory judgment procedure for controversies involving deferred payment of estate taxes.

53. Disclaimers

House bill.—The House bill provides that a timely transfer of property to the person who would have received it had an effective disclaimer been made under the applicable local law is considered an effective disclaimer for purposes of Federal estate and gift taxes where the other Federal requirements of qualified disclaimers are met.

Senate amendment.-The Senate amendment follows the House bill except for technical language differences.

Conference agreement.-The conference agreement follows the House bill.

54. Basis rule for property received within 3 years of death

House bill.-The House bill provides that the basis of appreciated property acquired by gift within 3 years of death is not adjustto its fair market value at date of death if it is returned to the donor (or donor's

Senate amendment,-No provision.

Conference agreement.-In general, the conference agreement follows the House bill, except that it reduces the 3-year period to one year.

55. Certain charitable contributions

House bill.-Where a charitable transfer is an interest which is less than the donor's entire interest in property, present law provides that no charitable deduction is allowable unless the split-interest gift is made in certain specified forms. Because an original work of art and a related copyright are considered interests in the same property, no deduction is allowed for the transfer of an original work of art to charity if the copyright is retained or transferred ot a noncharity.

The House bill provides that where a donor or decedent makes a qualified contri-bution of a copyrightable work of art, the work of art and its copyright will be treated as separate properties for purposes of the estate and gift tax charitable deduction. Thus, a charitable deduction will be allowed for a transfer of a work of art to a qualified charitable organization, whether or not the copyright itself is simultaneously transferred to the charitable organization.

Senate amendment.—The Senate amend-

ment contains no provision relating to splitinterest transfers of copyrightable works of art. However, it provides a special credit against the estate taxes imposed on the estate of D. M. Kunhardt. The amount of the credit is equal to the smallest of (1) the total estate tax imposed, (2) the fair market value of the Matthew Brady glass plate negatives transferred to the Smithsonian, or (3) \$700,000.

Conference agreement.—The conference agreement follows the portion of the House bill relating to the gift or bequest of a copyrightable work of art and the portion of the Senate amendment relating to the special credit to the estate of D. M. Kunhardt

56. Certain bequests, etc., to minor children House bill.-The House bill repeals the provision of present law which permits a limited deduction for certain property passing to certain orphaned minor children.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follow the House bill.

57. Generation-skipping transfer tax

House bill.-No provision.

Senate amendment.—The Tax Reform Act of 1976 imposed a tax on generation-skipping transfers. A transitional rule exempts from the tax generation-skipping trusts created by wills or revocable trusts in existence on June 11, 1976, if (1) such wills and trusts were not amended after that date to create or increase the amount of the generationskipping transfer, and (2) the testator or trust grantor dies before January 1, 1982. Under the Senate amendment, the Janu-

ary 1, 1982, date contained in the present transitional rule is extended one additional

year to January 1, 1983.

Conference agreement.-The conference agreement follows the Senate amendment. 58. Annual gift tax exclusion

House bill.-The House bill increases the amount of the annual gift tax exclusion from \$3,000 to \$10,000 per donee and provides an unlimited exclusion for amounts paid for the benefit of a donee for certain

medical expenses and school tuition.

Senate amendment.—The Senate amendment follows the House bill in increasing the annual exclusion form \$3,000 to \$10,000 per donee, but does not provide an unlimited exclusion for tuition and medical ex-

Conference agreement.-The conference agreement follows the House bill.

59. Annual payment of gift tax

House bill.-Present law requires that gift tax returns must be filed, and any gift tax paid, on a quarterly basis if the sum of (1) the taxable gifts made during the quarter, plus (2) all other taxable gifts made during the taxable year (for which a return has not yet been required to be filed) exceeds \$25,000. If annual gifts are less than \$25,000, a return must be filed for the fourth quar-

The House bill provides that all gift tax returns are to be filed, and any gift tax paid, on an annual basis.

Senate amendment.-No provision. Conference agreement.-The conference agreement follows the House bill.

J. Tax Straddles

60. Gains or losses on straddles

House bill.-Under present law, gain or loss on property generally is recognized at the time of its disposition. In Revenue Ruling 77-185, the Internal Revenue Service denied deductions for losses on certain partial dispositions of straddles on the grounds that the transactions were incomplete, taxmotivated and not reflective of true economic position. The theory of this ruling is currently in litigation.

The House bill allows taxpayers to deduct straddle losses to the extent of straddle gains and net non-straddle commodity gains. Disallowed straddle losses are carried forward as straddle losses. The bill applies to commodity-related property which includes futures contracts, forward contracts, actual commodities (including metals), Treasury bills, other debt instruments, currency, and any interests in the foregoing, The bill does not apply to real estate, stock (except commodity substitute stock), interest income and short-term stock options. Positions in commodity-related property are attributed to and from related persons and flow-through entities in order to determine whether taxpayers hold offsetting positions. Related persons are a taxpayer, the taxpayer's spouse and minor children; a taxpayer and a person under common control within section 414(b) or (c); and persons whose relationship is subject to the loss disallowance rules in sections 267 and 707(b). Hedging transactions are excepted from this provision. The bill applies to property acquired and positions established by the taxpayer after January 27, 1981, in taxable years ending after that date.

Senate amendment.—The Senate amend-

ment marks all commodity futures contracts to market at year end and treats them as if 60 percent of the capital gains and losses on them were long-term and 40 percent were short-term. Net losses under the market-tomarket rule may be carried back three years against market-to-market gains. Taxpayers may elect to mark their futures to market

for the entire 1981 year as if 1982 rates were in effect. Tax due on gains rolled forward from prior years into 1981 may be paid in five annual installments with interest. The first installment payment is due with the taxpayer's 1981 taxe

In the case of straddles involving property other than futures which are market-tomarket, the Senate amendment allows staddle losses only to the extent such losses exceed the unrealized gains on offsetting positions. Disallowed losses are deferred. The wash sale and short sale principles of present law are extended to straddles by regulation. The loss deferral rule applies to actively-traded personal property (other than stock). This rule does not apply to such property as real estate, stock and short-term stock options. Attribution of positions runs to and from related persons, but only from a flow-through entity to a taxpayer. Related persons are a taxpayer and the taxpaver's spouse, or a taxpaver and any person with whom the taxpayer files a consolidated return under section 1501. Hedging transactions are excepted from this

The Senate amendment applies to property acquired and positions established by the taxpayer after June 23, 1981, in taxable

years ending after that date.

Conference agreement.—The conference agreement follows the Senate amendment.

61. Interest and carrying charges

House bill.-Present law allows a current deduction for interest and carrying charges for purchasing or carrying commodity investments. The House bill requires that such charges be added to the basis of the commodiy if it is part of a straddle. However, futures traders may continue to deduct these charges currently from commodity-related gains. Hedging transactions are excepted from the capitalization rule.

Senate amendment.-The Senate amendment follows the House bill except it omits the special rule for futures traders.

Conference agreement.—The conference agreement follows the Senate amendment.

62. Hedging exception House bill.-The House bill excepts hedging transactions from the capitalization rule and the rule limiting straddle losses. Syndicates are not entitled to the hedging exemption. A syndicate is defined as a flow-through entity (1) more than 35 percent of whose losses go to limited partners or limited entrepreneurs; or (2) whose interests must at any time be registered under State

or Federal law. Senate amendment.-The Senate amendment generally follows the House bill, except that the hedging exception applies to the mark-to-market and loss deferral rules, as well as the capitalization rule. Under the Senate amendment, a syndicate is defined as a flow-through entity with more than 35 percent of its losses allocable to limited partners or limited entrepreneurs. Certain interests held by family members of an active participant in an entity, retired active participants, and estates of active participants are treated as if held by active participants. The Senate amendment gives the Secretary discretion to treat any interest held by an individual as if it were held by an active participant, provided the Secre-tary determines that tax-avoidance is unlikely.

Conference agreement.-The Conference agreement follows the Senate amendment.
The Senate amendment's provisions on syndicates provide the Secretary with flexibility to treat certain limited interests in partnerships and other flow-through entities as interests held by active participants when the facts and circumstances warrant such treatment. It is intended that authority granted the Secretary to treat an interest in an entity as if it were held by an active participant be used to insure that for legitimate and demonstrated business reasons, an entity may take advantage of this exemption. However, in allowing a taxpayer to claim the hedging exemption, the Secretary must determine that the facts and circumstances in the specific case indicate that the hedging exemption is not sought, nor could it be exploited, for tax avoidance purposes.

Further, it is intended that in determining eligibility for the exemption, the Secretary need not require requests for rulings and information from every interest or participant, in the entity nor to examine every interest and participant, in order to make such a determination. The Secretary must determine that the entity itself has the required percentage of interests held by active participants and by others treated as active participants and that the entity and such participants lack tax-avoidance purpose.

63. Characterization of Treasury bills

House bill.—Under present law, gain and loss on certain governmental obligations (including Treasury bills) issued at discount and payable at a fixed maturity date less than one year from issue date are treated as ordinary income and loss. The House bill treats such obligations as capital assets and the discount on these obligations as ordinary income if they were property acquired after or positions established after January 27, 1981.

Senate amendment.—The Senate amendment follows the House bill, but applies to property acquired after and positions established after June 23, 1981.

Conference agreement.—The Conference agreement follows the Senate amendment.

64. Dealer identification of securities held for investment

House bill.—Present law requires dealers to identify securities held as investments within 30 days of the date of acquisition. The House bill requires identification of securities acquired after the date of enactment by the close of business on the date of acquisition.

Senate amendment.—The Senate amendment follows the House bill, except that securities acquired after the date of enactment and before January 1, 1982, must be identified by the close of business on the first day after the date of acquisition. Floor specialists are allowed seven business days to designate stock for which they are registered specialists.

Conference agreement.—The conference agreement follows the Senate amendment.
65. Sale or exchange of capital assets

House bill.—Under present law, for gain or loss to be capital gain or loss, it must result from the sale or exchange of a capital asset. The House bill provides that taxable dispositions of capital assets which are commodity-related property are treated as sales or exchanges. This change applies to property acquired after January 27, 1981.

acquired after January 27, 1981.

Senate amendment.—The Senate amendment follows the House bill, except that it applies to actively traded personal property acquired after June 23, 1981.

Conference agreement.—The conference agreement follows the House bill and Senate amendment.
66. Treasury study

House bill.-The House bill requires the

Treasury Department to study the effects of straddles provisions and provide two reports to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. The first report is due on or before July 1, 1983, and must analyze 1981 tax returns; the second is due on or before July 1, 1984, and must analyze 1982 returns.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the Senate amendment.

K. Administrative Provisions

67. Interest on deficiencies and overpayments

House bill.—Under present law, the interest rate applicable to deficiencies and overpayments is set by Treasury regulations at 90 percent of the adjusted prime rate for September, and is effective on February 1 of the immediately succeeding year. The interest rate, however, cannot be changed more frequently than once every 23 months.

The House bill provides that the interest rate is to be set annually at the prime rate. Starting in 1983, changes in the interest rate are to be effective on January 1, rather than on February 1, of the year immediately succeeding that in which the rate is established.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

68. Penalties for false withholding allowance certificate

House bill.—Under present law, a civil penalty of \$50 may apply for claiming withholding allowances based on false information (Code sec. 6682). The criminal penalty for willfully failing to supply information, or for willfully supplying false or fraudulent information, in connection with wage withholding is a fine of up to \$500 and/or up to one year imprisonment. The bill increases to \$500 the civil penalty for filing false information with respect to wage withholding. The bill also increases the criminal penalty for willfully failing to supply information, or for willfully supplying falsified information in connection with wage withholding to \$1.000.

These provisions are effective for acts and failures to act after December 31, 1981.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

69. Penalty for failure to file information returns

House bill.—Present law requires taxpayers to file a variety of information returns with the Secretary. Generally, such returns relate to payments to, and transactions with, other persons. The penalty for failure to file most information returns is \$1 per return, subject to a maximum of \$1,000 for any calendar year (Code sec. 6652(b)). Present law generally does not require a taxpayer who must file an information return to furnish a copy to the person to whom the payment relates. However, such a requirement is imposed as to some information returns (Code sec. 6678).

The bill generally requires that information returns be furnished to the person to whom the payments on the return relate.

The bill also increases the penalty for failure to file most information returns with the Secretary. The increased penalty is \$10 for each return, subject to a maximum penalty of \$25,000 for any calendar year. Because the obligation to furnish a statement and the requirement to file an information return are different obligations, a taxpayer

could be subject to both the information and statement penalties.

The bill retains the \$1 penalty of present law for fallure to file information returns with respect to certain payments aggregating less than \$10.

The provision is effective as to returns and statements required to be furnished after December 31, 1981.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

70. Penalty for overstated tax deposits

House bill.—Present law requires periodic deposits of various taxes prior to the close of the taxable year (see, e.g., Code sec. 6302, relating to tax deposits). Taxpayers who fall to comply with these depository requirements may be subject to a penalty of 5 percent of any underdeposit not deposited on or before the prescribed date, unless it is shown that the failure is due to reasonable cause and not due to willful neglect (Code sec. 6656(a)). In addition, criminal penalties may apply with respect to taxpayers who make a false return claiming to have made deposits of tax (Code sec. 7206), or who fail to collect, account for or pay over collected taxes (Code sec. 7215, 7512).

The bill contains a specific penalty applicable to persons who make an overstated deposit claim. The penalty is 25 percent of the overstated deposit claim, and applies in addition to any other applicable penalty. However, the overstated deposit claim penalty does not apply if the overstated deposit claim is due to reasonable cause and not due to willful neglect.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

71. Penalty for valuation overstatements

House bill.—Present law imposes an addition to tax, or penalty, with respect to certain tax underpayments due to negligence or civil fraud (Code sec. 6653). The penalty for negligence is 5-percent of any underpayment that is due to negligent or intentional disregard for rules and regulations but not with intent to defraud. The alternative civil fraud penalty is 50 percent of any underpayment.

The bill provides a graduated addition to tax applicable to certain income tax "valuation overstatements." The addition to tax applies only to the extent of any income tax underpayment which is attributable to such an overstatement, and only if the taxpayer is an individual, a closely held corporation, or a personal service corporation.

Under the bill, there is a valuation overstatement if the value of any property, or the adjusted basis of any property, claimed on any return exceeds 150 percent of the amount determined to be the correct amount of the valuation, or adjusted basis. If there is a valuation overstatement, the following percentages are used to determine the applicable addition to tax:

The applicable percentage is—

The penalty is effective for returns filed after December 31, 1981.

More than 250 percent

Senate amendment.—Same as the House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate amendment.

72. Addition to negligence penalty

House bill.—Present law imposes an addition to tax, or penalty, with respect to certain tax underpayments due to negligence or civil fraud (Code sec. 6653). The penalty for negligence is 5 percent of any underpayment that is due to negligent or intentional disregard for rules and regulations but not with intent to defraud. The alternative civil penalty is 50 percent of any underpayment.

The bill imposes an addition to tax equal to 50 percent of the interest (determined under Code sec. 6601) attributable to that portion of an underpayment which is attributable to negligent or intentional disregard of rules or regulations. The addition to tax is 50 percent of the interest for the period beginning on the last day for payment of the underpayment and ending on the date of the assessment.

As an addition to tax, amounts imposed under this new penalty are nondeductible.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill. For deficiency notice purposes (sec. 6212), the addition to tax imposed under this provision is considered to be an amount stated even though the addition is dependent upon the interest due on the underpayment.

 Disclosure of returns and return information for purposes not relating to tax administration

House bill.-No provision.

Senate amendment.-Under present law, Federal agencies may, in certain circumstances, receive tax returns, taxpayer return information (i.e., books and records supplied by the taxpayer), and return information from the Internal Revenue Service for their use in nontax criminal investigations. Returns and taxpayer return information are available only pursuant to an ex parte order granted by a Federal district court judge. Return information, other than taxpayer return information, may be received by written request. The IRS may refuse to disclose tax returns, taxpayer return information or return information if it determines that disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation. Present law also permits the IRS to disclose return information, other than taxpayer return information, which may constitute evidence of a violation of Federal criminal laws, to the extent necessary to apprise the head of the appropriate Federal agency charged with enforcing such laws.

Under present law, the unauthorized disclosure of tax returns or return information is a felony punishable upon conviction by a fine of not more that \$5,000 or imprisonment of not more than 5 years, or both.

Under present law, a taxpayer may bring a civil action for damages against a person who knowingly or negligently discloses returns or return information in violation of the disclosure provisions.

The Senate amendment relaxes the standards for obtaining an ex parte court order for the disclosure of returns and books and records of individuals. In addition, the books and records of any business entity consisting of more then two owners would be available upon written request. Return information that has been disclosed to the Justice Department may be disclosed, fur-

ther, to other Federal agencies; and may, pursuant to court order, be disclosed to State law enforcement officials.

The IRS would be required to disclose any nonreturn information that may constitute evidence of a violation of Federal criminal law to the appropriate Federal agency. Moreover, in certain emergency situations, the IRS would be required to disclose returns on its own initiative.

In certain circumstances, the bill would permit disclosure of returns and return information to foreign law enforcement officials.

The bill provides that a Federal employee will not be criminally liable for a wrongful disclosure that results from a good faith but erroneous interpretation of the law while the employee was acting within the scope of his employment. Moreover, any civil action for wrongful disclosure would be brought against the appropriate Federal agency, rather than a Federal employee.

Conference agreement.—The conference agreement follows the House bill. However, the conferees intend that this matter should be thoroughly examined in Congressional hearings in the very near future and that appropriate legislative action should be taken.

 Confidentiality of certain IRS information

House bill.—Present law restricts the disclosure of tax returns and return information. However, information that cannot identify any particular taxpayer is not protected under the disclosure restrictions. Because of this, questions have been raised concerning whether the IRS can legally refuse to disclose information which is used to develop standards for auditing tax returns.

The House bill provides that nothing in the tax law, or in any other Federal law, will be construed to require the disclosure of standards used, or to be used, for the selection of returns for examination (or data used, or to be used, for determining such standards), if the Secretary determines that such disclosure will seriously impair assessment, collection, or enforcement under the internal revenue laws. However, it is intended that nothing in this provision be construed to limit disclosure of statistical data or other information (other than of the type that could be used by the IRS to determine criteria for selecting returns for examination) to the extent permitted under present law. Thus, any information that is currently made available will continue to be available.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

75. Tax Court filing fee

House bill.-No provision.

Senate amendment.—Under present law, the Tax Court is authorized to impose a fee of up to \$10 for the filing of any petition. The House bill authorizes the Tax Court to impose a filing fee of up to \$60. This provision applies to petitions filed after December 31, 1981.

Conference agreement.—The conference agreement follows the Senate amendment.

Cash management: Corporate estimated tax payments

House bill.—Under present law, corporations whose taxable income exceeded \$1 million in any of the three preceding taxable years must pay estimated tax of at least 60 percent of current year's tax liability regardless of their prior year's tax liability.

The House bill provides that corporations whose taxable income exceeded \$1 million in any of three preceding taxable years will be required to pay estimated tax of at least 80 percent of current year's tax liability regardless of their prior year's tax liability. The provision is effective for taxable years beginning after December 31, 1981.

Senate amendment.—The Senate amendment is similar to the House bill, except that the 80 percent requirement is phased in over a three-year period. In 1982, large corporations will have to be at least 65 percent current with estimated tax payments. This will increase to 75 percent in 1983, and to 80 percent for 1984 and subsequent years. The provision is effective for taxable years beginning after December 31, 1981.

Conference agreement.—The conference agreement follows the Senate amendment.

77. Declaration and payment of estimated taxes by individuals

House bill.—In general, present law provides that individuals whose tax liability, over amounts withheld during the year, is less than \$100 are not required to file declarations of estimated taxes. The House bill increases the tax liability threshold for the payment of estimated taxes from \$100 to \$500 over a four year period, as follows:

Taxable years	Threshold
beginning in:	amount
1882	\$200
1883	\$300
1884	\$400
1885 and thereafter	\$500

Individuals whose tax liability, in excess of withholding does not exceed the threshold amount would not be required to declare or pay estimated tax, nor would they be penalized for underpayment of estimated tax.

The increase in the tax liability threshold begins in taxable years beginning after December 31, 1981.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

78. Railroad retirement taxes

House bill.—The House bill has the following provisions:

Tier II taxes.—Under present law (code section 3221), there is imposed on railroad employers a tax of 9.5 percent of compensation paid in a calendar month, subject to a maximum limitation. Currently, the annual taxable compensation base is \$22,200; however, in no case does the tax apply to any amount paid in a month in excess of one-twelfth of the annual limitation (\$1,850 in 1981). The annual (and monthly) limitation on taxable compensation for the purposes of section 3221 is indexed pursuant to section 230 (c) and (d) of the Social Security Act. The rate of tax under section 3221 applies to employers only.

The House bill will, pursuant to a negotiated agreement between railway management and labor, provide for adjustments in the financing of the tier-II pension component. The tax on employers under section 3221 will be increased from 9.5 to 11.75 percent, an increase of 2.25 points. In addition, the provision will provide for a new tax of 2 percent on the compensation of employees (as defined in section 3221).

Advance transfers to the railroad retirement account.—Generally, under the railroad retirement and social security interchange, for a given fiscal year there is computed the amount of social security taxes that would have been collected if railroad employment nad been covered directly by social security. This amount is netted against the amount of benefits social security would have paid to railroad beneficiaries based on railroad and nonrailroad earnings during that period. Where social security benefits that would have been paid exceed social security taxes that would have been due, the excess, plus an allowance for interest and administrative expenses, is trans-ferred from the social security trust funds to the Railroad Retirement Account. The financial interchange amount for a given fiscal year is determined and transferred no later than June of the year following the close of the preceding fiscal year.

The House bill provides advanced, limited transfers to the Railroad Retirement Account from the general fund in amounts necessary to make monthly benefit payments. In no case will the amounts outstanding at any time for any fiscal year under this authority exceed the estimated interchange transfer for that fiscal year. The Board will pay the prevailing rate of interest currently being paid on short-term instruments of the Department of the Treasury on amounts transferred under this authority. The borrowing authority will be ef-

fective upon enactment.

Payments of employee taxes by railroad employers.—Under present law (code section 3221(e)(1)(iii)), payments made by railroad employers of railroad employee taxes under section 3211 without deduction from the remuneration of the employee are excluded from the definition of compensation for the purposes of the Railroad Retirement Tax Act (RRTA). Until 1981, a similar provision was included in the Federal Insurance Contributions Act (code section 3121(a)(6) and section 209(f) of the Social Security Act). The exclusion of such payment from the definition of wages for FICA tax and social security benefit computation purposes was eliminated by section 1141(a)(1) of Public Law 96-499, the Omnibus Reconciliation Act of 1980.

The House bill provides that payments by an employer of employee railroad payroll taxes, without deduction from the employee's remuneration, will be included in tax-able compensation for RRTA purposes. This change will conform the provisions of the Railroad Retirement Tax Act to the corresponding provisions of the recently amended Federal Insurance Contributions Act. The changes made by this provision will be effective with respect to compensation paid for services rendered after September 30,

Definition of compensation.-Under present law, there is imposed on employers a tax on so much of compensation paid in any calendar month by such employer for services rendered by an employee. It is unclear whether the intent of the law is to tax

compensation when paid or when earned.

The House bill provides that compensation that is paid in one calendar month but that would be payable in a prior or subse quent taxable month but for the fact that the prescribed date of payment would fall on a Saturday, Sunday, or legal holiday will be deemed to have been paid in such prior or subsequent taxable month. The bill thus makes clear the treatment for RRTA purposes of compensation "bunched" in any month for services rendered in the preceding month.

The House bill also provides that, in the absence of evidence to the contrary (e.g., the statutory presumption curing "bunching" of compensation problems in certain months, as clarified by the immediately preceding provision), payments by railroad employers shall be presumed to be compensation for services rendered as an employee in the period for which the payment is made, an employee receiving retroactive wage payments (such as lump sum retroactive wage payments and crew consists payments) will be deemed under the provision to be compensation paid in the period for which the payment is made unless the employee requests in writing (pursuant to existing provisions in sec. 3231(e)(2)) that such compensation was earned in a period other than the period in which it was paid.

This provision generally applies to taxable years ending on or after the date of enactment. It also applies in taxable years ending before enactment for which the period for assessment, collection, or claim for credit or refund of taxes has not expired.

Senate amendment.-No provision.

Conference agreement.-The conference agreement follows the House bill with several modifications. The conference agreement does not include the House bill provision dealing with advance transfers to the railroad retirement account. Under the conference agreement, the provision that clarifies the definition of compensation is effective for taxable years beginning after December 31, 1981. It is the specific intent of the conferees that no inference be drawn from this clarification for taxable years beginning after 1981 as to Congressional intent with respect to prior legislation concerning the definition of compensation for the purposes of administrative or judicial proceedings.

L. Miscellaneous Provisions

79. State legislators business expenses

House bill.-For taxable years before 1981, State legislators were allowed an election to treat their residences within the district represented as their tax home for purposes of computing business deductions for expenses while away from home. If such an election is made, the allowable deduction is equal to the sum of the legislator's legislative days multiplied by the Federal per diem

for the State capital.

The House bill extends, and modifies, the State legislator provision for taxable years beginning on or after January 1, Under the provision, an electing State legislator is deemed to have expended for business purposes an amount equal to the individual's legislative days multiplied by the greater of the Federal per diem or the State per diem (but not over 110 percent of the Federal per diem). This amount is deductible, except for legislators living within 50 miles of the capitol building, without regard to the away-from-home rule.

amendment.-The generally is the same as the House bill, except that the Senate provision does not apply to taxable years before 1981, and the 50-mile rule is applied with respect to dis-

tances from the capital city.

Conference agreement.—The conference agreement generally follows the House bill and the Senate amendment. The 50-mile rule adopted is that contained in the House bill, and the provision is effective for taxable years beginning on or after January 1,

80. Fringe benefit regulations

House bill.-Prior to June 1, 1981, the Treasury was prohibited from issuing final regulations, under Code section 61, relating to the income tax treatment of fringe benefits. The House bill extends this prohibition until May 31, 1983.

Senate amendment.-The Senate amendment is the same as the House bill except that the prohibition is extended until December 31, 1983.

Conference agreement.-The conference agreement follows the House bill and the Senate amendment, and extends the prohibition until December 31, 1983.

81. Commuting expense regulations

House bill.-Prior to June 1, 1981, the Treasury was required to apply the income tax, FICA, FUTA, and withholding provisions relating to the treatment of certain transportation expenses as they were applied before the issuance of Rev. Rul. 76-453, 1976-2 C.B. 86. The House bill extends the requirement until May 31, 1981.

Senate amendment.-No provision.

Conference agreement.-The conference agreement follows the Senate amendment.

82. Campaign funds

House bill.-No provision.

Senate amendment.-Under present law, candidates for election to Congress must designate one "principal campaign committo receive contributions and make expenditures on the candidate's behalf (2 USC 432(e)). A campaign committee may be designated as a "principal campaign committee" by only one candidate, and such a designated committee may not support any other candidate. A statement of designation must be filed with the Federal Election Commission (FEC) and, as appropriate, with the Clerk of the House or the Secretary of the Senate. A congressional candidate's principal campaign committee must coordinate the submission of FEC reports of affiliated campaign committees.

Under Code section 527, a candidate's campaign organization generally is exempt from taxation. However, political organization taxable income, e.g., interest on account balances, etc., is subject to the highest rate, rather than the graduated rates, of the corporate income tax. Currently, this rate is 46 percent for amounts over \$100,000.

The Senate amendment applies the generally applicable corporate income tax rates to political organization taxable income of a Congressional candidate's "principal campaign committee," as defined under present law (2 USC 432(e)). Under regulations prescribed by the Secretary, candidates have to furnish the Secretary with the principal campaign committee's designation. No change is made to the present law rules applicable to other campaign or political organizations.

Under the amendment, political organization taxable income of a candidate's "principal campaign committee" is taxed at the generally applicable corporate income tax rates. Thus, after 1982, the lowest rate would be 15 percent as to amounts of \$25,000 or less, and the highest rate would be 46 percent on amounts over \$100,000.

The Senate amendment is effective for taxable years beginning after December 31,

Conference agreement.-The conference agreement follows the Senate amendment.

83. Tax-exempt bonds for the purchase of mass transit equipment

House bill.-Under section 103, interest on State and local government obligations is generally exempt from Federal income tax. However, tax exemption is denied to State and local government issues of industrial development bonds with certain exceptions. A State or local government bond is an industrial development bond (IDB) if (1) all or a major portion of the proceeds of the issue are to be used in any trade or business not carried on by a State or local government or tax-exempt organization, and (2) payment of principal or interest is secured, in whole or in major part, by an interest in, or derived from payments with respect to, prop-

erty used in a trade or business. Certain industrial development bonds qualify for tax exemption where the proceeds of the bonds are used to provide exempt activity facilities. Such facilities include mass commuting facilities. These facilities do not include the equipment used for commuting purposes, such as buses, subway cars, or railroad passenger cars used

in a commuting system.

The House bill provides that interest on obligations of a State or local government are exempt from Federal income tax, if substantially all of the proceeds of the obligations are used to provide qualified mass commuting vehicles. Qualified mass commuting vehicles is defined in the committee bill to mean any bus, subway car, rail car, or similar equipment which is leased to a mass transit system that is wholly owned by one or more governmental units and which is principally used by the mass transit system in providing mass commuting services to the general public.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

84. Tax-exempt bonds for volunteer fire departments

House bill.-In general, obligations issued by States or their political subdivisions are exempt from Federal income tax. Volunteer fire departments are not considered to be political subdivisions and, thus, cannot issue tax-exempt bonds on their own behalf.

The House bill treats an obligation of a volunteer fire department as an obligation of a political subdivision of a State if the following conditions are met: (1) the volunteer fire department is the sole organization providing firefighting services in a particular area; (2) the volunteer fire department is required by the political subdivision, by agreement or otherwise, to provide firefighting services; (3) the volunteer fire de-partment receives more than half of its funds from political subdivisions; and (4) the volunteer fire department makes no charge for its firefighting services

Tax-exempt obligations may be used only to finance (1) depreciable property that is used in training for, or the performance of, firefighting or ambulance services, or (2) depreciable property used to house such prop-

The provision is effective for obligations

issued after December 31, 1980.

Senate amendment.—The Senate amendment treats an obligation of a volunteer fire department as an obligation of a political subdivision of a State if the following condi-tions are met: (1) the volunteer fire depart-ment is organized and operated to provide firefighting or emergency medical services in an area that is not provided with firefighting services, and (2) the volunteer fire department is required by written agreement to provide firefighting services.

Tax-exempt obligations may be used only

to finance (1) depreciable property that is used in training for, or the performance of, its firefighting or ambulance services, or (2) depreciable property used exclusively to

house such property.

The provision applies to obligations issued

after December 31, 1968.

Conference agreement.-The conference agreement generally follows the Senate

amendment, with several modifications. Under the conference agreement, obligations must be issued as part of an issue substantially all of the proceeds of which are to be used for the acquisition, construction, reconstruction, or improvement of a firehouse or fire truck used or to be used by a volunteer fire department.

The provision generally applies to obligations issued after December 31, 1980. However, the provision has retroactive effect with respect to certain obligations held by the First Bank and Trust Company of Indianapolis, Indiana, which were issued after December 31, 1969, and before January 1,

85. Modification of foreign investment company provisions

House bill.-No provision.

Senate amendment.-Gain on the sale or exchange of stock in a foreign investment company is taxed as ordinary income to the extent attributable to earnings and profits derived after 1962. Once a foreign corporation becomes a foreign investment company, the ordinary income treatment applies to even earnings and profits derived before the foreign corporation became a foreign invest-

ment company.

Under section 1248 of the Code, certain gain attributable to post-1962 earnings and profits derived by a controlled foreign corporation are treated as as a dividend. Under section 1248, gain attributable to earnings and profits of a foreign corporation which were accumulated during any taxable year beginning before January 1, 1976, while the corporation was a less developed country corporation under section 902(b) as in effect before the enactment of the Tax Reduction Act of 1976, would be taxed as capital gain, rather than a dividend, under section 1248(d)(3).

The Senate amendment provides that gain on the disposition of stock in a foreign investment company attributable to earnings and profits derived before the foreign corporation became a foreign investment company will not be subject to tax under section 1246 of the Code. Instead, that gain not covered by section 1246 because of the amendment is covered by section 1248 where that section is otherwise applicable. The amendment only applies to companies that became foreign investment companies because they met the requirements of section 1246(b)(2) of the Code.

Conference agreement.-The conference agreement follows the Senate amendment.

86. Charitable contributions by corporations

House bill.-No provision.

Senate amendment.-Under present law, a corporation's deduction for charitable contributions may not exceed 5 percent of its taxable income. The Senate amendment increases the limitation on a corporation's charitable contributions deduction to 10 percent of taxable income. The provision is effective for taxable years beginning after December 31, 1981.

Conference agreement.—The conference agreement follows the House bill,

87. Unemployment tax status for certain fishing boat services

House bill.-No provision.

Senate amendment.-Under present law, certain crew members of fishing boats are treated as self-employed individuals rather than as employees for purposes of the Federal Insurance Contributions Act (FICA) and income tax withholding. However, services which are not subject to FICA taxes are not exempt for purposes of the Federal Unemployment Tax act (FUTA) if the services are related to catching halibut or salmon for commercial purposes or if the services are performed on a vessel of more than ten net tons. In general, a claim for credit or refund of any tax imposed by the Internal Revenue Code must be made either within 3 years from the time the return was filed or years from the time the tax was paid (whichever is later). If no return was filed, the claim for refund must be made within 2 years from the time the tax was paid.

The Senate amendment exempts for purposes of FUTA, the services of fishing boat crew members which currently are exempt for purposes of FICA and income tax withholding. Thus, services by members of the crew on boats engaged in catching fish or other forms of aquatic animal life are exempt for purposes of FUTA if the remuneration for those services is a share of the boat's catch, or of the proceeds of the catch, and if the crew of such boat normally is made up of fewer than ten individuals. In the case of a fishing operation involving more than one boat, services are exempt for purposes of FUTA if the remuneration for services is a share of the entire fleet's catch or its proceeds, and if the operating crew of each boat in the fleet normally is made up of fewer than ten individuals.

On addition, the provision allows employers who paid FICA taxes prior to the enactment of the Tax Reform Act of 1976 for services exempted from FICA by that Act to claim a refund of these taxes within one year of the date of enactment of this Act.

The FUTA tax exemption applies to wages paid after December 31, 1980, for services performed after that date. The provision allowing a refund of FICA taxes previously paid is effective on the date of en-

agreement.-The conference Conference agreement follows the Senate bill with modifications. Under the conference agreement, the FUTA tax exemption is effective for one year. In addition, employers will not be permitted to seek a refund for FICA taxes previously paid.

88. Tax credit for planting certain pecan

House bill.-No provision.

Senate amendment.-Under present law, there is no provision that allows taxpayers to take tax credits for planting pecan trees. The Senate amendment allows taxpayers to claim a nonrefundable credit for planting pecan trees to replace pecan trees that were destroyed, in September 1979, by Hurricane Frederick. The amount of the credit is \$10 per tree. Excess credits may be carried forward to succeeding taxable years.

The credit generally is available to taxpayers in taxable years beginning after December 31, 1980, and before January 1, 1986. However, in the case of a taxpayer's first taxable year beginning after December 31, 1980, the credit is available with respect to trees planted after August 31, 1979.

Conference agreement.-The conference agreement follows the House bill.

89. General obligation veterans mortgage subsidy bonds for State of Oregon

House bill.-No provision.

Senate amendment.-Under section 103A, limitations have been imposed on the issue of tax-exempt mortgage subsidy bonds for the purchase of owner-occupied homes, effective January 1, 1981. Transition rules apply to certain issues. Qualified veterans mortgage bonds are exempt from the limitation, if they are general obligation bonds, are in registered form, and the home-owner meets the principal residence requirements.

The amendment permits the issuance of \$66.5 million of State of Oregon general obligation bonds that will be used to finance residential mortgages for veterans to whom commitments were delayed beyond the effective date of the Act.

Conference agreement.—The conference agreement follows the House bill.

90. 2-year extension of telephone excise tax at 1 percent.

House bill.-No provision.

Senate amendment.-The present excise tax on communications services (local telephone, toll telephone, and teletypewriter services) is 2 percent for 1981 and 1 percent for 1982, with no tax as of January 1, 1983. The Senate amendment extends the 1-percent rate for two years, and thus delays the termination of the telephone tax until January 1, 1985.

Conference agreement.-The conference agreement follows the Senate amendment

91. Exemption from firearms excise tax for small producers

House bill.-No provision.

Senate bill.-Present law (sec. 4181) imposes an excise tax on firearms generally and on shells and cartridges at a rate of 11 percent of the manufacturer's sales price. Also, a tax of 10 percent is imposed on pistols and revolvers. There are no exemptions except for sales to the Department of Defense.

The Senate amendment provides an exemption from the excise taxes on firearms. pistols, and revolvers for small producers who produce or assemble 50 or fewer complete firearm units per year. The amendment also exempts from the tax on ammunition hand-loaded shells or cartridges for individuals who load it for themselves or for others on a nonprofit basis. The small producer exemption is effective for sales made after December 31, 1975, and the exemption for hand-loaded shells or cartridges is effective upon enactment.

Conference agreement.—The conference agreement follows the House bill.

92. Amortization of construction period taxes and interest

House bill.-Under present law, taxpayers other than most corporations, in general, are required to capitalize and amortize construction period interest and taxes (sec. 189). This rule is not applicable to lowincome housing until after December 31,

The House bill delays application of section 189 to low-income housing until 1983.

Senate amendment.-The Senate amendment excludes application of section 189 to low-income housing, phases out application to other residential housing for post-1986 years, and repeals section 189 for post-1990 years.

In general, the provision applies to amounts paid or accrued in taxable years beginning after December 31, 1981.

Conference agreement.—The conference agreement follows the House bill, but extends permanently the exemption of lowincome housing from section 189.

93. Amortization of low-income housing rehabilitation expenditures

House bill.-The House bill has no provi-

Senate amendment.-Under present law, the taxpayer may elect to amortize qualified low-income housing rehabilitation expenditures over a 60-month period. The amount of expenditures is limited to \$20,000 per dwelling unit (sec. 167 (k)).

The Senate amendment increases the amount of expenditures eligible for amortization under section 189 to \$40,000 per unit if the rehabilitation is conducted pursuant to a program under which tenants who demonstrate home ownership responsibilities may purchase their units at a price that limits the profit to the seller. The program must be certified by the Secretary of Housing and Urban Development or by a State or local governmental unit and the tenants must occupy the units as their principal residence. The program must provide that the sum of the taxable income and the amount realized on sale must not exceed the excess of (1) the taxpayer's basis in the property (without adjustment for deductions under section 167) over (2) the new tax benefits from the section 167 deduction less tax on the taxable income from leasing.

The provision applies to amounts paid or incurred after December 31, 1980.

Conference agreement.-The conference

agreement follows the Senate amendment. 94. Investment credit for theatrical produc-

tions and TV shows

House bill.-No provision.

Senate amendment.-The present law investment credit is allowed neither for live theatrical productions nor for television game shows. The Senate amendment provides an investment credit for live theatrical productions and extends the investment credit for movie and television films to television game shows.

Conference agreement.-The conference agreement follows the House bill.

95. Foreign investment in U.S. real property House bill.-No provision.

Senate amendment.-On November 26, 1980, Congress passed the Omnibus Reconciliation Act of 1980 which contained a provision that requires, in general, that foreign persons selling U.S. real estate after June 18, 1980, will be subject to United States taxation on that sale. Also, foreign persons selling stock in a U.S. corporation having 50 percent or more of its gross asset value comprised of U.S. real property interests will be subject to U.S. taxation. Finally, the distri-butions (liquidating or non-liquidating) of U.S. real property interests by a foreign corporation shall be subject to tax.

While the provision was effective for dispositions after June 18, 1980, special rules applied to transactions covered by a treaty of the United States. In general, the Code provision overrides treaties, but not until January 1, 1985. If treaties are negotiated and signed before 1985, the old treaty is to take precedence over the Code provision for a maximum period of two years after the new treaty is signed.

Withholding.-The Senate amendment provides that the foreign investment in United States real property provisions are to be enforced by a system of withholding.

The provision requires withholding by a purchaser, purchaser's agents, or any settlement officer or seller's agent where U.S. real estate is acquired from a foreign person.

The amount to be withheld is the smallest of: first, 20 percent of the amounts realized; second, the seller's maximum tax liability, discussed below; or third, the fair market value of that portion of the sale proceeds which is within the withholder's control. The seller's maximum tax liability is the maximum amount which the Treasury determines that the seller could owe on his gain on the sale plus any unsatisfied prior withholding tax liabilities of prior foreign owners with respect to that property that, under the provisions of the amendment, the seller was required to withhold when he bought the property but failed to do so.

The withholding requirement would apply only if the purchaser knows or has received a notice that the seller is a foreign person. The seller is required to notify the purchaser, the purchaser's agent, and settlement officer that the seller is a foreign person. The seller's agent is also required to notify the purchaser that the seller is a foreign person if the agent has reason to believe that the

seller may be a foreign person.

The withholding is thus required only if the purchaser has actual knowledge that the seller is foreign or has received notice that the seller is foreign. However, the seller's agent is relieved of any responsibility to give notice to a purchaser if he relies in good faith on a written statement of the seller-or, in the case of a seller's agent retained by another agent of the seller a written statement by that other seller's agentthat the seller is a U.S. person.

No withholding is required if the purchaser is to use the real property as his principal residence and the purchase price is \$200,000 or less. Also, withholding is not required if the seller obtains a qualifying statement from the Treasury that he is exempt from tax or has provided adequate security for payment of the tax, or has otherwise made arrangements with Treasury for the pay-ment of the tax. Furthermore, withholding is not required if the property being sold is stock of a corporation and the sale takes place on an established U.S. securities market.

The provision provides that a seller agent who does not carry out his obligation to provide notice will be required to withhold any of the purchaser's consideration he has within his control, including any compensation received by him in connection with the transaction.

Provision is made for the Treasury, upon request of the seller or any withholding agent, to reduce the amount of withholding otherwise required. Any request, as well as a request for a qualifying statement, must be acted upon within 30 days of receipt of the

The provision sets forth special rules for withholding by a domestic partnership, a trustee of a domestic trust, or an executor of a domestic estate. These persons will be required to withhold from amounts which such entities have in their custody and which are attributable to the disposition of a U.S. real property interest, but only if the amounts are income of a nonresident alien individual or foreign corporation, partnership, trust, or estate.

Special rules are also provided requiring withholding where a U.S. real property interest is distributed by a foreign corporation or is disposed of in a transaction which, under the general rules in the Code, would be a nonrecognition transaction. For example, it is intended that, where a foreign corporation distributes U.S. real property interest to its shareholders, it would be required to withhold a tax equal to 20 percent of the fair market value of the property reduced by the adjusted basis of the property.

Technical Amendments.-The amendment makes a number of clarifying and technical amendments to the foreign investment in U.S. real property provisions. These provisions are intended to make clear the Congress' intention to tax dispositions

of U.S. real property interests by foreign investors.

Virgin Islands Corporations.-Under present law, gains realized by foreign investors on the sale of U.S. real property are subject to U.S. tax unless the property is held by a Virgin Islands corporation. This arises because section 28(a) of the Revised Organic Act of the Virgin Islands provides that Virgin Islands corporations satisfy their U.S. income tax obligations by paying their tax on worldwide income to the Virgin Islands under the so-called mirror system. The mirror system means that the name "Virgin Islands" is substituted for the name "United States," and vice versa, wherever such names appear in the U.S. income tax

For purposes of the Virgin Islands mirror tax, a Virgin Islands corporation is a domestic corporation and arguably may avoid tax on its capital gains if it sells its U.S. real estate and liquidates under the rules prescribed by section 337. It has been argued that gains realized by the foreign share-holders will also escape Virgin Islands tax, since section 897, as mirrored, can be read to impose a Virgin Islands tax on gain from a disposition of a Virgin Islands real property interest, but there is no Virgin Islands tax on the sale of a U.S. real property interest. It has also been argued that various other transactions involving foreign corporations interacting with the mirror system avoid the effect of the real estate legislation.

This problem does not exist for the other possessions of the United States.

The Senate amendment provides that a U.S. real property interest includes an interest in real property located in the United States or the Virgin Islands. Under this definition, a foreign shareholder of a Virgin Islands corporation 50 percent or more of the gross asset value of which consists of a Virgin Islands or U.S. real property interests is subject to tax on gain from disposition of an interest in a Virgin Islands real property holding corporation.

Thus, for example, this provision makes clear that if a Virgin Islands corporation purchases U.S. real estate, adopts a plan of complete liquidation, and then sells the real estate, the shareholder will be subject to Virgin Islands taxation on the gain under mirror section 987. For a further example, the provision also makes clear that a foreign corporation cannot avoid the provisions of section 897 by establishing a permanent establishment in the Virgin Islands for investment in U.S. real property.

To prevent double taxation, the amendment provides that a person subject to tax because of section 897 shall pay such tax and file the necessary returns with the United States with respect to real property interests where the underlying interest in real property in the United States, and with the Virgin Islands with respect to a real property interest where the underlying interest in real property is located in the Virgin Islands. Sale of an interest, other than solely as a creditor, in a U.S. real property holding corporation shall be subject to tax in the United States while the tax on the sale of an interest in a Virgin Islands real property holding corporation will be paid to the Virgin Islands.

The source rules are amended to provide that gain on the disposition of an interest in real property located in the Virgin Islands is foreign source income to United States tax-payers. This insures that the gain will be taxed as income that is effectively connected with the conduct of a trade or business in

the United States or the Virgin Islands, as the case may be. Further, this amendment will insure that a U.S. person subject to Virgin Islands tax on the disposition of Virgin Islands property can take a foreign tax credit against his U.S. liability for such

Partnership Assets.—Current taxation applies to the disposition of an interest in a U.S. real property holding corporation, which is a U.S. corporation 50 percent or more of the fair market value of the assets of which consists of U.S. real property. If a corporation is a partner, only the U.S. real property of the partnership is taken into account for purposes of determining whether a corporation is a U.S. real property holding corporation.

The amendment provides that for purposes of determining whether a corporation is a U.S. real property holding corporation, the corporate partner takes into account its proportionate share of all assets of the partnership. Thus, for example, the corporate partner would count its proportionate share of the foreign real estate of the partnership. The same rules apply to trusts and estates in which a corporation has an interest. The amendment also makes clear that the same rules apply to a chain of successive partnerships, trusts or estates.

Taxation in Carryover Basis Cases.—
Under present law, the Treasury has the authority to override the nonrecognition provisions of the Code in the case of certain transfers of a U.S. real property interest. The Senate amendment makes clear the Treasury's authority to provide for recognition of gain where a carryover basis transaction is entered into for the purpose of avoiding Federal income tax on the transaction. Taxation is specifically provided for if, at the time of receipt of the property, the distribution would not be subject to tax on a later disposition of the property by the recipient.

However, after the issuance of regulations by the Secretary, the Treasury may waive taxation in appropriate cases where tax avoidance is not present.

For example, assume that, A, a nonresident alien individual owns real estate through corporation B organized in country X. A contributes the stock of B to corporation C which is located in country Y. Y has a treaty with the U.S. B liquidates under section 332 of the Code. Since the present treaty between Y and the United States enables C to dispose of the property free of U.S. tax, B is taxed on the distribution to the extent the fair market value of the property at the time of the distribution exceeds B's adjusted basis in the property.

Nondiscrimination.-U.S. income treaties generally contain a provision that provides for nondiscriminatory tax treatment by the treaty partners of U.S. residents and residents of the treaty partner. A similar provision is contained friendship, commerce and navigation treaties. Present law avoids any possible claim that a foreign corporation is discriminated against by allowing a foreign corporation that has a permanent establishment in the United States to elect to be treated as a domestic corporation, but only if, under a treaty, the permanent establishment may not be treated less favorably than domestic corporations carrying on the same activities. The treaties are overridden by the legislation, but not until 1985.

Despite this provision and the intent of Congress, it is understood that some taxpayers may be taking the position that because

of technical problems under old treaties, they cannot make the election and therefore are being discriminated against. This enables taxpayers to plan around the provision.

The amendment makes clear that under section 897(i), any foreign corporation may make an election to be treated as a domestic corporation for purposes of section 897 of the Code and the related reporting requirements if the corporation owns a U.S. real property interest, and, under any treaty obligation of the United States, the foreign corporation is entitled to nondiscriminatory treatment with respect to that interest.

The election may be revoked only with the consent of the Secretary. The election can be made only if all shareholders of the corporation at the time of the election consent to the election and specifically agree that any gain from the disposition of the interest after June 18, 1980, the effective date of the original legislation, which would be taken into account under the legislation will be taxable even if such taxation would not be allowed under a treaty to which the United States is a party. If a class of interest is traded on an established securities market, then the consent need only be made by a person who held more than 5 percent of that class of interest.

For example, foreign person A owns all of the stock of X, a corporation organized in the Netherlands Antilles which owns U.S. real estate. A contributes the stock of X to Y, a Netherlands corporation. X, with the consent of its sole shareholder Y makes an election under section 897(i) to be treated as a U.S. corporation. Under the Netherlands-U.S. treaty, the sale of X's shares by Y would be exempt from tax. To prevent taxpayers from rearranging their United States real property interest holdings so as to avoid U.S taxation on gains derived from the disposition of a U.S. real property interest, the amendment confirms that X cannot make the section 897(i) election unless Y agrees that on the ultimate sale of X's shares, Y would be subject to U.S. tax under section 897.

The amendment also makes clear that the election provided by this provision is the exclusive remedy for any person claiming discriminatory treatment because of sections 897 or 6039(C) or both of them.

Indirect Holdings.—The amendment makes clear that for purposes of determining whether a foreign corporation has substantial U.S. real property investors, and therefore must report, the foreign corporation must look through to the assets of any U.S. corporations in which the foreign corporation has an interest.

Contributions to Capital.-Under present law, an argument has been made that a foreign investor can avoid paying U.S. tax on his gain from the disposition of a U.S. real property interest through the device of contributing that interest to the capital of a foreign corporation in which he is a shareholder. The amendment clarifies present law by specifically providing that gain will be recognized by a nonresident alien individual or foreign corporation on the tranfer of a U.S. real property interest to a foreign corporation if the transfer is made as paid in surplus or as a contribution to capital to the extent of the fair market value to the property transferred over the adjusted basis and any other gain recognized by the transferor.

Liquidation of Foreign Corporations.— Under present law, a foreign corporation is taxed when it sells or exchanges a U.S. real property interest. Taxation applies even if the sale would otherwise be tax-free under the nonrecognition liquidation provisions of the Code. Under the legislation as reported by the Senate Finance Committee on December 15, 1979, and the House Ways and Means Committee on June 18, 1980, a foreign corporation could have taken advantage of the tax-free liquidation provisions, but the foreign shareholders would have been taxed on the exchange of their stock, which was a real property interest, for the property distributed.

In the case of a U.S. person acquiring the stock of a foreign corporation from a foreign person between December 15, 1979, and November 26, 1980, it would have been reasonable to assume that the tax, if any, due with respect to the unrealized appreciation of the U.S. real estate would have been borne by the foreign seller of the corporation's stock. The conference action shifted that burden to the liquidating corporationeffectively the acquiring shareholders. Thus, in the case of an acquiring U.S. corporation, it now owns the stock of a foreign corporation that has a substantial tax liability due on its U.S. real estate. In contrast, if the U.S. corporation had acquired the stock of a U.S. corporation, it could have liquidated the corporation without a tax liability and received a step-up in basis of the U.S. real estate to its fair market value.

The amendment permits foreign corporations that were acquired during the period that began after December 31, 1979, and before November 26, 1980, to elect to be treated as a U.S. corporation for purposes of liquidating under section 334(b)(2) of the Code. This will enable those corporations to liquidate tax-free with a corresponding stepin basis of the U.S. real estate in the hands of the U.S. purchaser corporation.

For all other purposes, the foreign corporation will be treated as a foreign corporation. Thus, the selling foreign shareholders will be treated as having sold the stock of a foreign corporation and, accordingly, will generally not be taxable by the U.S.

A separate problem arises in situations where a U.S. individual has held stock of a foreign corporation which holds U.S. real estate. Under present law, upon a 12-month liquidation of the foreign corporation, there would be a tax at the corporate level on the U.S. real property interest, as well as a tax at the shareholder level. If the acquired corporation had been a U.S. corporation, the liquidation could have been accomplished tax-free at the corporate level with a tax remaining at the shareholder level. The double tax in the case of U.S. shareholders of foreign corporations was not intended.

The amendment relieves the double tax burden by giving U.S. shareholders who acquired their interests prior to the effective date of this legislation a credit against any tax imposed on them on the surrender of their stock in the liquidating foreign corporation. The credit is equal to the tax imposed on the liquidating foreign corporation on the sale of the U.S. real property. This rule would apply only if the U.S. persons continuously held the stock since June 18, 1980, the effective date of the legislation.

The statute provides for the override of certain nonrecognition provisions of the Code, and for the continued application of treaties until 1985. However, it was never intended that these provisions be manipulated so as to make the provisions of the legislation in effect elective until 1985. Accordingly, the conferees agree with the Senate that the statute should be clarified to reiterate

Congress' original intent to collect at least one tax on the transfer of U.S. real property interests by foreign investors. Congress provided a grace period until January 1, 1985, to certain foreign investors who were residents on the enactment of section 897 of a treaty country which provides an exemption from tax on the gain from such sale. However, it was not Congress' intent to grant such an exemption to a foreign investor, who after the enactment of section 897 rearranged their investments so as to come under a treaty which would exempt the gain from U.S. tax. While most, if no all, of the transactions are already covered by the present statute because of the great latitude given to the Secretary of the Treasury to prescribe regulations to prevent tax avoidance, clarification will help avoid any misunderstandings.

Application of Treaties.—Public Law 96-499 provided that existing treaties will take precedence over the real estate legislation until January 1, 1985. However, if a new treaty is negotiated to resolve conflicts with this legislation, the provisions of the old treaty will apply for a maximum period of 2 years after the new treaty is signed. However, if the new treaty is ratifled earlier, the period may be shorter. The effect of this effective date provision on treaties with countries with which we already signed a treaty is unclear.

The amendment would make clear that, in order for a new treaty to begin the 2-year period, it must have been signed on or after January 1, 1981, and before January 1, 1985. It also makes clear that the old treaty with that country will take precedence over the legislation for 2 years after the new treaty is signed, even if that 2-year period ends after December 31, 1984. If a new treaty was signed before January 1, 1981, the old treaty will continue to apply until December 31, 1984, or, if earlier, until the new treaty is ratified.

Effective Date.—These provisions apply to dispositions after June 18, 1980.

Conference agreement.—The Senate recedes with respect to withholding. The conference agreement follows the Senate amendment with respect to the technical amendments.

The statute provides for the override of certain nonrecognition provisions of the Code, and for the continued application of treaties until 1985. However, it was never intended that these provisions be munipulated so as to make the provisions of the legislation, in effect, elective until 1985. Accordingly, the conferees agree with the Senate that the statute should be clarified to reiterate Congress' original intent to collect at least one tax on the transfer of U.S. real property interests by foreign investors. Congress provided a grace period of tax exemption until January 1, 1985, to certain foreign investors who were residents of a treaty country on the date section 897 became effective. However, it was not Congress' intent to grant such an exemption to a foreign investor, who after the enactment of section 897 rearranged his investment so as to come under a treaty which would exempt the gain from U.S. tax while these transactions are already covered by the present statute because of the great latitude given to the Secretary of the Treasury to prescribe regulations to prevent tax avoidance. The conferees agreed that clarification of these provisions will help avoid any misunderstandings. 96. Payout requirement of private founda-

House bill.-No provision.

Senate amendment.—Under present law, private foundations (other than operating foundations) are required to distribute annually the greater of their minimum investment return or their adjusted net income, less certain taxes (sec. 4942). The minimum investment return basically is 5 percent of the foundation's net investment assets. Under the definition of an operating foundation, the foundation is required (among other requirements) to spend for charitable purposes substantially all of its adjusted net income (sec. 4942(j)).

The Senate amendment reduces the required payout for private foundations so that they must distribute only their minimum investment return. The Senate amendment also provides a comparable amendment to the definition of an operating foundation. The Senate amendment is effective for taxable years beginning after December 31, 1980.

Conference agreement.—The conference agreement follows the Senate amendment, but delays the effective date of the amendment one year until taxable years beginning after December 31, 1981, and clarifies the comparable amendment to the definition of an operating foundation.

97. Imputed interest rates on installment sales

House bill.-No provision.

Senate amendment.—Section 483 requires that a minimum portion of payments under an installment sales contract be treated as interest. The current rate used for this purpose is 10 percent in the case of contracts that do not provide for at least 9 percent interest.

The Senate amendment provides a special 7-percent maximum rate of imputed interest for sales of non-depreciable property for less than \$2 million.

Conference agreement.—The conference agreement adopts a modified form of the Senate amendment. Under the provision, the maximum rate of imputed interest on qualified sales of land is 7 percent. An installment sale of land qualifies for this lower rate if the installment sale takes place between members of the same family (within the meaning of sections 453(f) and 318(a)(1)) and if the sales price of property sold or exchange between the same family members during the calendar year does not exceed \$500,000. If the \$500,000 limit is exceeded, the lower rate is available only as to the first sales or exchanges up to the limit.

98. Bad debt deduction of commercial banks

House bill.—No provision.

Senate amendment.—Under present law, commercial banks compute their bad debt deductions under either the experiecnce method or the percentage of outstanding loans method (sec. 585). Under the Tax Reform Act of 1969, the percentage of outstanding loans method is phased out over an 18-year period. Under the phase-out of the method, bad debt deductions generally are permitted to the extent necessary to increase the bad debt reserve to the following percentages of eligible outstanding loans: 1969 to 1975, 1.8 percent; 1976-1981, 1.2 percent; and 1982-1987, 0.6 percent. After 1987, the bad debt deduction of commercial banks is to be computed under the experience method.

The Senate amendment provides that the applicable percentage under the percentage of eligible loans is to be 1.0 percent for taxable years beginning in 1982 instead of the 0.6 percent provided by present law. For

years after 1982 and before 1988, the applicable percentage will be 0.6 percent.

Conference agreement.—The conference

Conference agreement.—The conference agreement follows the Senate amendment.

99. House heating oil credit

House bill.-No provision.

Senate amendment.—A credit is allowed in 1981 for home heating costs. The credit is calculated by multiplying heating costs by 40 percent of the increase in the Consumer Price Index. The maximum allowable credit is \$200 and phases out as the taxpayer's adjusted gross income increases from \$15,000 to \$25,000. Special rules are provided for households with more than one person and for tenants who do not pay separately for heating.

Conference agreement.—The conference agreement follows the House bill.

100. Deduction for gifts and awards

House bill.-No provision.

Senate amendment.—Present law generally disallows deductions for business gifts to the extent that the cost of all gifts to the same individual during the taxable year exceeds \$25. This general rule does not apply, however, to items costing \$100 or less which are awarded to an employee by reason of length of service or for safety achievement.

The Senate amendment increases the ceiling on the deductibility of employee awards, and expands the purposes for which they may be given. The amendment allows employee awards for length of service, productivity, or safety achievement, and increases the ceiling from \$100 to \$400 per item. The amendment also allows a deduction for such awards to the extent that the item is awarded as part of a permanent, written plan or program that does not discriminate in favor of officers, shareholders, or highly compensated employees as to eligibility or benefits. A deduction is allowed for such plan awards only if the average cost of all awards under the plan during the taxable year does not exceed \$400. However, no deduction may be claimed under such an award plan or program to the extent the cost of an item exceeds \$1,600. The amendment is effective for taxable years ending after the date of enactment.

Conference agreement.—The conference agreement follows the Senate amendment.

Reorganizations involving financially troubled thrift institutions

House bill.-Under present law, there is a nonstatutory requirement applicable to taxmergers and other reorganizations (commonly called the "continuity of interest" requirement) that the shareholders of the acquired corporation receive stock in the acquiring corporation. Present law is unclear as to how this continuity of interest requirement applies to reorganizations in-volving a mutual thrift institution. Present law also imposes limitations on the use of pre-reorganization net operating loss carryovers where shareholders of the acquired corporation are not shareholders of the surviving corporation in a merger or other reorganizations (sec. 382). Further, under present law, distributions out of excess bad debt reserves of building and loan associations are recaptured as ordinary income (sec. 593(e)). Finally, under present law, contributions to capital by nonshareholders are excluded from the income of a recipient corporation (see 118), but the basis of property is reduced by such contributions (sec. 362(c)).

The House bill allows tax-free reorganizations of thrift institutions undertaken in connection with a case under jurisdiction of

the Federal Home Loan Bank Board or Federal Savings and Loan Insurance Corporation (or where neither has supervisory authority, an equivalent state authority) without regard to the "continuity of interest" requirement.

Institutions to which this rule applies are building and loan associations, cooperative banks, and mutual savings banks (i.e., thrift institutions to which sec. 593 applies). The amendment covers all possible combinations of stock and mutual thrift institutions, i.e., stock acquiring mutual, stock acquiring stock, mutual acquiring mutual, and mutual acquiring stock. The amendment applies to these combinations where the appropriate agency certifies that one of the grounds in section 1464(d)(6)(A) (i) (ii) or (iii) of title 12 of the U.S. Code exists. The amendment requires that substantially all the assets of the transferor be acquired by the transferee and that substantially all of the liabilities of the transferor, including deposits, immediately before the transfer become liabilities of the transferee. The amendment removes the requirement that stock or securities in the transferee corporation be received or distributed in the transaction. No inference is intended by the amendment concerning the proper tax treatment of supervisory mergers under existing law or concerning the extent to which the continuity of interest requirement will be considered satisfied in acquisitions outside the scope of the amendment.

The bill provides that, in applying section 382(b) to operating loss carryovers to the surviving corporation after a reorganization of a thrift institution which has been certified by the appropriate agency as described above, deposits in the acquired corporation which become deposits in the transferee are treated as stock of both corporations. Deposits in the transferee are also treated as stock for this purpose.

Under the bill, the recapture rule for distributions out of excess bad debt reserves does not apply to distributions to the Federal Savings and Loan Insurance Corporation with respect to an interest in a thrift institution received in exchange for financial assistance. The exclusion from recapture applies whether or not the interest may be treated as an equity interest under applicable tax law rules.

The bill excludes from income of a building and loan association all money or property contributed to the thrift institution by the Federal Savings and Loan Insurance Corporation under its financial assistance program without reduction in basis of property. The amendment applies to assistance payments whether or not the association issues either a debt or equity instrument in exchange therefor. No inference is intended as to the proper treatment of Federal Savings and Loan Insurance Corporation assistance payments under prior law with respect to whether they are excluded from income or require a basis reduction.

The amendments apply with respect to transfers in reorganization, distributions by building and loan associations, and payments by the Federal Savings and Loan Insurance Corporation on or after January 1, 1981.

Senate amendment.—The Senate amendment is the same as the House bill, except that the exclusion from the recapture rule is applied to all distributions with respect to interests originally received by the Federal Savings and Loan Insurance Corporation.

Conference agreement.—The conference agreement follows the House bill and adds

the requirement that only distributions in redemption will escape section 593(e) recapture. Thus, the exclusion will not apply to payments of interest to the Federal Savings and Loan Insurance Corporation by the building and loan association. The conferees intend that section 269 will apply as under current law to reorganizations covered by the amendment. The conferees understand that, in applying section 269 to such acquisitions, depositors in a thrift institution to which section 593 applies will be treated as shareholders and deposits in the institution will be treated as stock. The conferees understand that no certification will be made by the appropriate agency on the grounds set forth in 12 USC section 1464(d)(6)(A) (ii) or (iii) unless it is determined that the transferor is unable to meet its obligations as they become due or will be unable to do so in the immediate future. The conferees understand that no certification will be made by the appropriate agency where it is determined that the association has intentionally placed itself in the position where one of the grounds for certification would otherwise apply.

102. Tax treatment of mutal savings banks that convert to stock associations

House bill.-No provision.

Senate amendment.-Under present law, building and loan associations, cooperative banks, and nonstock mutual savings banks compute their bad debt deduction under a special set of rules (sec. 593). Under one of these rules, called the percent of taxable income method, these institutions are allowed a bad debt deduction equal to 40 percent of the institution's taxable income (computed without regard to the bad debt deduction). However, in order to qualify for the full amount of this deduction, at least percent of its assets in the case of a building and loan association or cooperative bank, or 72 percent of its assets in the case of mutual savings banks, must be invested in certain assets (hereafter called "qualified assets"). The 40 percent is reduced under a formula to the extent that the percentage of qualifed assets is less than the 82- or 72percent levels. The reduction in the case of building and loan associations and cooperative banks is three-fourths of one percent for each percentage point that the percent of qualified assets is less than 82 percent of all assets. The reduction in the case of mutual savings banks is 11/2 percent for each percentage point that the percent of qualified assets is less than 72 percent of all assets.

Present law also provides rules which recapture excess bad debt deductions to building and loan associations when there are dividends in excess of post-1951 earnings and profits or when there are liquidations or redemptions of stock (sec. 593(e)). Finally, present law permits mutual savings banks to compute the tax on their life insurance business as if the life insurance business was in a separate corporation subject to the special rules applicable to life insurance companies (sec. 594).

The Senate amendment makes two changes which are designed to facilitate the conversion of mutual savings banks into

^{&#}x27;Notwithstanding the fact that the appropriate agency can make a certification required by this amendment only on the grounds that the institution can or will not be able to meet its obligations, the appropriate agency may nevertheless appoint a receiver on any of the grounds set forth in 12 USC sections 1464(d)(6)(A) (ii) or (iii).

stock associations. These amendments apply to both mutual savings banks which convert into stock associations and to newly formed stock associations so long as the institution is operated as a savings institution and is subject to the same Federal or State regulatory scheme as a mutual savings bank chartered under Federal or State law, as the case may be. First, the Senate amendment provides that a stock association which is subject to the same regulation as a mutual savings bank is to be treated as a mutual savings bank and, thus, is eligible to com-593. However, consistent with the treatment of building and loan associations which may be organized as stock associations, such stock associations would compute their bad debt deduction under the percentage of eligible loan method under the same rules applicable to building and loan associations (i.e., 82 percent of their assets would have to be invested in qualified assets in order to receive the full 40-percent deduction and the reduction would be at three-fourths of one percent rate). Similarly, the Senate amendment requires recapture of excess bad debt deductions by such stock associations in the same manner as building and loan associations (sec. 593(e)).

Second, the Senate amendment extends the special rule under which mutual savings banks can compute their tax on life insurance business as if it were a separate corporation to stock associations which are regulated as mutual savings banks. The Senate amendment also clarifies that amounts paid to depositors of such stock associations are deductible to the same extent as mutual savings banks (sec. 591).

Conference agreement.—The conference agreement follows the Senate amendment.

103. Restricted property

House bill.—Under present law, property transferred to an employee as compensation for services is taxable at the time the property is not subject to a substantial risk of forfeiture or is transferable. The Tax Court has ruled that the provisions of section 16(b) of the Securities and Exchange Act of 1934 do not restrict transferability for this purpose. Under the House bill, the provisions of section 16(b) are taken into account to postpone taxation until the provisions no longer may apply. A similar rule applies to certain restrictions under the SEC accounting rules. The House bill is effective for taxable years ending after December 31, 1981.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

104. Deduction for certain adoption expenses

House bill.-No provision.

Senate amendment.—Under present law, expenses that are paid or incurred in connection with the adoption of a child are nondeductible, personal expenses. The Senate amendment permits taxpayers to deduct from gross income (that is, the deduction is available whether or not taxpayers itemize deductions) up to \$1,500 of the expenses that are paid or incurred in connection with the adoption of a qualified child (generally a hard to place child).

Adoption expenses that are eligible for the deduction are reasonable and necessary adoption fees, court costs, attorney fees, and other expenses that are directly related to the legal adoption of a qualified child. The Senate amendment applies to taxable years beginning after December 31, 1980

beginning after December 31, 1980.

Conference agreement.—The conference agreement follows the Senate amendment with modifications that limit the deduction to taxpayers who itemize deductions and define eligible expenses in terms of the Social Security Act adoption assistance program. Under the agreement, adoption expenses are allowable in the case of children who have been found by the State to be eligible for adoption assistance on the basis that they are children with special needs, i.e., that there is a specific factor which leads the State to conclude that they cannot be placed without adoption assistance. (Adoption assistance under the Social Security Act provides an ongoing maintenance payment but does not reimburse adoption expenses.)

105. Separate report on social security trust funds

House bill.-No provision.

Senate amendment.—Reports on the receipts, outlays, surplus or deficit, and reserve balance of each of the 3 social security trust funds are included in the President's annual budget submission in January in a separate section of the budget. The information is brought up to date in sections within the context of the (July 15) mid-sesion budget review. In addition, the Board of Trustees publishes an annual report on the financial status of the trust funds and includes in the report its current estimates of the short-run and long-run actuarial balances of each trust fund.

The amendment requires the President, in the annual budget message and mid-session review, to include a separate statement which contains a summary of his requests for new budget authority, and estimates of outlays, revenues, and surplus or deficit of the Federal Old-Age and Survivors Insurance, Federal Disability Insurance, and Federal Hospital Insurance trust funds. The separate statement will show the revenues, outlays, and surplus or deficit estimates for the trust funds, will describe the economic assumtions that were used in making the estimates for the trust funds and the relationship to economic assumptions made for other parts of the budget, will indicate the financial prospects of the trust funds, and will present a comparative summary of the 3 trust funds with all the other portions of the unified budget. This report will be in addition to the usual budget submission which includes the budget estimates for the trust funds within the unified budget estimates.

Conference agreement.—The conference agreement follows the House bill.

106. Congressional Budget Office reports on state of the economy

House bill.-No provision.

Senate amendment.—The Congressional Budget Office reports to the House and Senate Budget Committees, by April 1 of each year, on the economic outlook and related fiscal policy and Budget matters. The report covers the President's budget submission and relevant alternative considerations. In addition, CBO submits additional reports relating to the economy and fiscal and budget policy, as may be necessary during the year.

In the Senate amendment, the CBO is to report to Congress quarterly on the extent that the purposes and goals of the Economic Recovery Tax Act of 1981 and the Omni-

bus Reconciliation Act of 1981 are being accomplished. If expectations of economic performance are not realized, CBO is instructed to recommend available options and actions that may be taken to improve economic performance. The first report is due by January 31, 1982. In the event of negative real growth in two successive quarters, CBO is to submit monthly reports.

Conference agreement.—The conference agreement follows the House bill.

107. Level of interest rates

House bill.-No provision.

Senate amendment.—Since persistent high interest rates have meant reduced credit for small commercial, financial, industrial and construction enterprises and the recent increase in merger activity in all areas is being financed with massive lines of credit, the Senate amendment declares that it is the Sense of the Senate that the President should adopt policies to ensure the independence, credit availability, and financial health of small enterprises, the Federal Reserve Board should exercise its regulatory power to require that loans be used for productive purposes rather than business merg-ers, and the President, Federal Reserve Board, and Congressional Budget Office should report annually on the actions taken to implement these policies and the degree of success or failure, beginning on January 1982, and by January 1 of each subsequent year.

Conference agreement.—The conference agreement follows the House bill.

108. Limitation on revenue losses

House bill.-No provision.

Senate amendment.—The Senate amendment, in a Sense of the Senate resolution, provides that the revenue loss in the bill should not be greater than—

Fiscal year:	Revenue loss (billions)
1981	-\$1.5
1982	-38.3
1983	91.8
1984	150.0

As passed by the Senate, revenue losses under the bill were estimated as—

	Revenue
	loss
Fiscal year:	(billions)
1981	-\$1.5
1982	-37.7
1983	91.0
1984	148.6

Conference agreement.—The conference agreement follows the House bill.

109. Interfund borrowing among social security trust funds

House bill.-No provision.

Senate amendment.—The Senate amendment includes a resolution that it is the Sense of the Senate that the Senate Finance Committee report a bill to the Senate by November 15, 1981, which would authorize interfund borrowing among the social security trust funds, or other such measures as may be required.

Conference agreement.—The conference agreement follows the House bill.

CONGRESSIONAL RECORD - HOUSE

II. ESTIMATED REVENUE EFFECTS OF THE CONFERENCE AGREEMENT

TABLE 1.—SUMMARY OF ESTIMATED REVENUE EFFECTS OF THE PROVISIONS OF H.R. 4242 AS APPROVED BY THE CONFERENCE COMMITTEE, FISCAL YEARS 1981-86

[In millions of dollars]

Provision	1981	1982	1983	1984	1985	1985
Individual income tax provisions Susiness tax cut provisions Energy tax provisions Savings incentive provisions Estate and gift tax provisions Estate and gift tax provisions Administrative provisions Administrative provisions Miniscellaneus provisions	37	-26,929 -10,657 -1,320 -263 -204 -623 -1,182 -88	-71,098 -18,599 -1,742 -1,821 -2,114 -2,048 267	-114,684 -28,275 -2,242 -4,215 -3,218 273 1,856 561	-148,237 -39,269 -2,837 -5,740 -4,248 249 718 61	-196,143 -54,468 -3,619 -8,379 -5,568 229 599 -279
Total Revenue Effect	-1,565	-37,656	-92,732	-149,944	-199,303	-267,62

^{*}See footnote 9 for table 2.

TABLE 2.—ESTIMATED REVENUE EFFECTS OF THE PROVISIONS OF H.R. 4242 AS APPROVED BY THE CONFERENCE COMMITTEE, FISCAL YEARS 1981-86

(In millions of dollars) Provision 1981 1982 1983 1984 1985 1986 -25,793 -65,703 -104,512 -122,652-143,832-39 -355 -419-4,418 -9.090 -10,973 -12,941 -12,624 -35,848 Child and dependent care credit.

Charitable contributions deduction for nonitemizers.
Rollover period for sale of residence. -237 -219 (4) -63 -563 -356 -2,696 (*) -91 -696 -19 -296 -681 (4) -76 -26 (4) -18 (3) (*) -53 Increased exclusion on sale of residence...... Changes in taxation of foreign earned income -544 -618 -299 -114,684 -148.237 -196.143 Total, individual tax reductions -39 -26,929 -71,098Business tax cut provisions:
Capital cost recovery provisions
Corporate rate reductions.
Credit for rehabilitation expenditures.
Credit for used property.
Credit for used property.
Credit for increasing research activities.
Permit complete allocation to domestic deductions of all domestically performed R&D.
Charitable contributions of scientific property used for research.
Increase in accumulated earnings credit.
Subchapter S shareholders.
LIFO inventories and small business accounting.
Recognizations of certain savings and loan associations*
Commercial bank bad debt deduction.
Conversion of multual savings banks.
Extension and modification of targeted jobs tax credit.
Incentive stock options. -1.503-9.569 -16.796 -26.250 -37,285 -565 -302 -137 - 52 797 -116 -129 -61 -448 -521 -239 -85 -858 -365 -208 -74 -708 -120 (2) -33 (2) -184 -9 -24 $-198 \\ -485$ -847-62 (2) -36 (2) -192 (2) -44 (2) -64 (2) -145(2) -25 161 -22 117 -5 Incentive stock options.

Motor carrier operating rights⁶...... (2) -21 (2) -121 (2) -71 (2) -71 21 -18 Total, business tax cut provisions... -1,562 -10,657 18,599 -28,275 39,269 54,468 Energy provisions:

\$2,500 royalty credit for 1981; exemption for 1982 and thereafter
Reduction in tax of newly discovered oil

Exempt independent producer stripper well oil

Exemption from windfall profit tax for child care agencies...... -947 -255 -525 -15 -986 -520 -721 -15 -867 -762 -15 -797 -15 _ 25 -2.242 -2.837 -3.619 -1.320-1.742Total, energy provisions. -1.339_1 849 -2,325 -183 -229 -56 -2,582 -201 -157 -1,791 -1,142 -398 -1,124 -3,126 1,916 -365 -61 -24 566 -416 -628 -449 -1.659-278 -2.188Total, savings incentives provisions. -263 -1,821-4,215 -5,740 -8.375 Estate and gift tax provisions:
Increase in unified credit
Reduction in maximum rates of tax...
Unlimited marital deduction.
Current use of certain farm etc., real property...
Extensions of time for payment of estate tax...
Lax treatment of contributions of works of art, etc.
Transfers of gifts with 3 years of death
Repeal of deduction for bequests to minor children.
Increase in annual gift tax exclusion.
Annual filing and payment of gifts taxes.... -2,811 -556 -311 -326 -15 (*) -42 -1,077 -172 303 -280 -20 (*) -58 -3,834 -890 -300 -319 -12 (2) -38 (8) -175 (2) -1,981 -371 -304 -295 -16 (2) -50 (8) -201 (2) (2) (2) (2) (8) 123 -63 (8) -204 (2) (8) -187 (2) Total, estate and gift tax provisions .. 204 -2.114 -3.218 -4.248 -5.568 327 273 249 229 Tax straddles9 ... 37 623 nistrative provisions:
Changes in interest rate for overpayments and underpayments...
Changes in certain penalties.
Cash management—changes in estimated tax payment requirements for large corporations...
Individual threshold for filing estimated payments increased to \$500.
Financing of railroad retirement system... 60 (*) -142 (2) (8) 1,522 - 29 555 100 (*) 1,190 -38 604 -100 (*) 201 (8) (8) 614 -40 657 -38512 1,182 2,048 1,856 718 592 Total, administrative provisions Miscellaneous provisions: State legislators travel expenses

TABLE 2.—ESTIMATED REVENUE EFFECTS OF THE PROVISIONS OF H.R. 4242 AS APPROVED BY THE CONFERENCE COMMITTEE, FISCAL YEARS 1981-86—Continued

Provision	1981	1982	1983	1984	1985	1986
Taxation of investment income of campaign funds Tax-exempt bonds for volunteer fire departments Charitable contributions by corporations.		(10) -44 (10)	(10) (10) -93	(10) (10) -102	(10) (10) -112	(10) -123
Unemployment tax status of fishing boat services Excise tax on teleplone service. Amortization of construction period interest and taxes Amortization of low-income housing rehabilitation expenditures Foreign investment in U.S. real property. Payout requirements of private foundations Imputed interest rates on installment sales Deduction for gifts and awards. Industrial development bonds for mass transit	1 (2) (2) (2)	1 1	435 -33 -16 (2) (2) (2) (2) (2) (3) -5	766 -27 -25 (2) (2) (2) (2) -6 -29	309 -23 -35 (2) (2) (2) -7 -54	-2 -3 (** (** (**
Deduction for certain adoption expenses	-1	-9 -88	_9 267	-10 561	-11 61	-1 -27
Grand total all provisions	-1,565	-37,656	-92,732	-149,944	-199,303	-267,62

¹These figures include the increase in outlays attribute to the earned income credit which results from reduction in tax rates. These outlays are: \$4 million in fiscal year 1982, \$31 million in 1983, \$44 million in 1984, \$41 million in 1985, and \$38 million in 1985, million.

¹Loss of less than \$5 million.

¹Loss of less than \$10 million.

⁵This estimate is based on limited information about reorganizations that were planned even without this provision. If such reorganizations would have increased markedly without this provision, the revenue loss could be substantial.

¹Includes a portion of the \$36 million in tax liabilities for calendar year 1980.

¹These estimates were made using the rate schedule proposed by the bill. This approach results in a lower revenue loss than one that would have been obtained if the present law rates had been used.

"Gain of less than \$5 million.

*Revenue effects do not reflect transactions entered into after December 31, 1981. Total revenue effects of subsequent years might be affected by judicial decisions interpreting present law.

¹OLOSS of less than \$1 million.

DAN ROSTENKOWSKI, SAM GIBBONS, J. J. PICKLE, CHARLES B. RANGEL, PETE STARK,
BARBER B. CONABLE, JR., JOHN J. DUNCAN, WILLIAM ARCHER, Managers on the Part of the House.

BOB DOLE, BOB PACKWOOD, BILL ROTH, JOHN C. DANFORTH, RUSSELL B. LONG, HARRY F. BYRD, JR., LLOYD BENTSEN,
Managers on the Part of the Senate.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4. agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee-of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, August 4, 1981, may be found in the Daily Digest of today's Record.

MEETINGS SCHEDULED

AUGUST 24

9:30 a.m.

Select on Ethics

*Closed meeting, to discuss the Special Counsel's report on the investigation of Senator Williams.

6228 Dirksen Building

SEPTEMBER 9

10:00 a.m. Judiciary

To hold hearings on the prospective nomination of Sandra D. O'Connor, of Arizona, to be an Associate Justice of the Supreme Court.

1202 Dirksen Building 9:30 a.m.

SEPTEMBER 10

9:30 a.m.

Judiciary

Constitution Subcommittee

To resume hearings on Senate Joint Resolution 41, proposed constitutional amendment prohibiting the United States or any State from making or enforcing any law which makes distinctions on account of race, color, or national origin.

2228 Dirksen Building

Special on Aging

To hold hearings to examine employment incentives and benefits for older Americans.

6226 Dirksen Building

10:00 a.m.

Judiciary

To continue hearings on the prospective nomination of Sandra D. O'Connor, of

Arizona, to be an Associate Justice of the Supreme Court

1202 Dirksen Building

2:30 p.m.

Labor and Human Resources

To hold hearings on the nominations of Robert P. Hunter, of Virginia, and John R. Van de Water, of California, each to be a Member of the National Labor Relations Board.

4232 Dirksen Building

SEPTEMBER 11

10:00 a.m.

Environment and Public Works

Business meeting, to mark up an original bill authorizing funds for the municipal wastewater treatment construction grants programs of the Clean Water Act.

4200 Dirksen Building

To continue hearings on the prospective nomination of Sandra D. O'Connor, of Arizona, to be an Associate Justice of the Supreme Court.

1202 Dirksen Building

SEPTEMBER 14

10:00 a.m.

Appropriations

Business meeting, to mark up H.R. 4119, appropriating funds for fiscal year 1982 for the Department of Agriculture and related agencies, and H.R. 4129, appropriating funds for fiscal year 1982 for the Legislative Branch of the Federal Government.

1114 Dirksen Building

2:00 p.m.

Appropriations

Business meeting, to continue markup of H.R. 4119, appropriating funds for fiscal year 1982 for the Department of Agriculture and related agencies, and H.R. 4120, appropriating funds for fiscal year 1982 for the Legislative Branch of the Federal Government. 1114 Dirksen Building

SEPTEMBER 15

Banking, Housing and Urban Affairs

Business meeting, to mark up S. clarifying the intent and modifying certain provisions of the Foreign Cor-rupt Practices Act of 1977, and S. 1230, authorizing the minting of special coins commemorating the 1984 coins commemorating the 1984 summer Olympic games in Los Angeles, California.

5302 Dirksen Building

Labor and Human Resources

Aging, Family and Human Services Subcommittee

To hold hearings on primary intervention in addressing societal problems. 4232 Dirksen Building

10:00 a.m.

Appropriations

Business meeting, to mark up H.R. 4121, appropriating funds for fiscal year 1982 for the Department of the Treasury, U.S. Postal Service, Executive

Office of the President, and certain independent agencies.

1114 Dirksen Building

Governmental affairs

Federal Expenditures, Research, and Rules Subcommittee

To hold hearings on S. 719, requiring the disclosure of Federal agency use of consultants.

3302 Dirksen Building

2:00 p.m.

Appropriations

Business meeting, to continue mark up of H.R. 4121, appropriating funds for fiscal year 1982 for the Department of the Treasury, U.S. Postal Service, Executive Office of the President, and certain independent agencies.

1114 Dirksen Building

SEPTEMBER 16

9:30 a.m.

Banking, Housing and Urban Affairs

Business meeting, to continue markup of S. 708, clarifying the intent and modifying certain provisions of the Foreign Corrupt Practices Act of 1977, and S. 1230, authorizing the minting of special coins commemorating the 1984 summer Olympic games in Los Angeles, California.

5302 Dirksen Building

Judiciary

Constitution Subcommittee

To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential infor-mation from the disclosure require-ments of the Freedom of Information Act.

2228 Dirksen Building

*Veterans' Affairs

Business meeting, to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces, and S. 266 and amendment No. 62 of S. 636 (Veterans' Administration Health Care Amendments), measures implementing procedures and guide-lines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.

412 Russell Building

Select on Indian Affairs

To hold hearings on S. 874, providing for additional protection of steelhead trout as a game fish.

3110 Dirksen Building

SEPTEMBER 22

10:00 a.m.

Veterans' Affairs

To hold hearings on fiscal year 1982 legislative recommendations of the American Legion.

318 Russell Building

EXTENSIONS OF REMARKS

SEPTEMBER 23

9:30 a.m. Judiciary

Constitution Subcommittee

To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the pro-tection of certain confidential infor-mation from the disclosure require-ments of the Freedom of Information Act.

2228 Dirksen Building

Small Business

To hold hearings to examine the impact of high interest rates on small business, and on their future credit needs. 424 Russell Building

Labor and Human Resources

Investigations and General Oversight Subcommittee

To hold oversight hearings on the activities of the Occupational Safety and Health Administration.

4232 Dirksen Building

SEPTEMBER 24

10:00 a.m.

Labor and Human Resources

Investigations and General Oversight Sub-

To continue oversight hearings on the activities of the Occupational Safety and Health Administration.

4232 Dirksen Building

SEPTEMBER 29

9:30 a.m.

Veterans' Affairs

Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans, and H. Con. Res. 76, expressing the sense of Congress that the Secretary of the Army provide for a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during the rescue attempt in Iran.

412 Russell Building

HOUSE OF REPRESENTATIVES—Tuesday, August 4, 1981

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, as we acknowledge our diverse backgrounds and varied interests, with one voice we thank You for Your blessings upon us. From the early days our Nation has known the fullness of Your providence and our people have experienced the richness of freedom and liberty. Encourage us to seek Your way of truth, justice, and peace. When we fail and follow the expedient path, forgive us, and when we rise above personal concerns and reach out to others with generosity of spirit, encourage us. May our Nation know the vitality of life when we seek to serve each other with deeds of love and acts of good will. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution and concurrent resolutions of the House of the following titles:

H.J. Res. 141. Joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 4, 1981, through October 10, 1981, as "National Schoolbus Safety Week";

H. Con. Res. 164. Concurrent resolution relative to adjournment to a date certain during the remainder of the 97th Congress;

H. Con. Res. 167. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 3982.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3982) entitled "An act to provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for the fiscal year 1982."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4242) entitled "An act to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentive for savings, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 640. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4034. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4034) entitled "An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GARN, Mr. WEICKER, Mr. LAXALT, Mr. SCHMITT, Mr. D'AMATO, Mr. SPECTER, Mr. HAT-FIELD, Mr. HUDDLESTON, Mr. STENNIS, Mr. PROXMIRE, Mr. LEAHY, and Mr. Sasser to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills, joint resolutions, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 1191. An act to extend for 1 year the authority of the Secretary of Commerce to reimburse commercial fishermen of the United States for certain losses incurred as the result of the seizure of their vessels by foreign nations;

S.J. Res. 53. Joint resolution to provide for the designation of September 6, 1981, as "Working Mothers' Day";

S.J. Res. 62. Joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week";

S.J. Res. 65. Joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom;

S.J. Res. 87. Joint resolution to authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day";

S.J. Res. 98. Joint resolution to authorize and request the President to issue a proclamation designating October 16, 1981, as "World Food Day";

S. Con. Res. 27. Concurrent resolution providing for an adjournment of the Senate from August 3, 1981, to September 9, 1981, and an adjournment of the House from August 4, 1981, to September 9, 1981;

S. Con. Res. 28. Concurrent resolution providing for an adjournment of the Senate from August 3, 1981 to September 9, 1981, and an adjournment of the House from August 5, 1981, to September 9, 1981; and

S. Con. Res. 30. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 4242.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

REMEDIOS R. ALCUDIA, CHRISTOPHER, EZRA, VERMILLION, AND PERISTELLO ALCUDIA

The Clerk called the bill (H.R. 1547) for the relief of Remedios R. Alcudia, Christopher, Ezra, Vermillion, and Peristello Alcudia.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REINSTATING AND VALIDATING U.S. OIL AND GAS LEASES NUMBERED OCS-P-0218 AND OCS-P-0226

The Clerk called the bill (H.R. 1946) to reinstate and validate United States oil and gas leases Nos. OCS-P-0218 and OCS-P-0226.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

[☐] This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

[•] This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

ENABLING THE SECRETARY OF THE INTERIOR TO ERECT PER-MANENT IMPROVEMENTS ON LAND ACQUIRED FOR SILETZ INDIANS OF OREGON

The Clerk called the bill (H.R. 2015) to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon.

There being no objection, the Clerk read the bill, as follows:

H.R. 2015

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law or regulation, the Attorney General shall approve any deed or other instrument conveying to the United States a defeasible or indefeasible interest in the land described in section 2 of the Act entitled "An Act to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon", approved September 4, 1980 (94 Stat. 1073). The Secretary of the Interior or the Confederated Tribes of Siletz Indians of Oregon may erect permanent improvements, improvements of a substantial value, or any other improvements authorized by law on such land after such land is conveyed to the United States

With the following committee amendment:

Page 1, after line 2 strike all after the enacting clause and insert the following:

That, notwithstanding any other provision of law or regulation, the Attorney General shall approve any deed or other instrument which—

(1) conveys to the United States the land described in section 2 of the Act entitled "An Act to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon", approved September 4, 1980 (94 Stat. 1073), and

(2) incorporates by reference the terms of the agreement entered into on September 18, 1980, by the city of Siletz, Oregon, the Confederated Tribes of Siletz Indians of Oregon, and the United States of America.

The Secretary of the Interior or the Confederated Tribes of Siletz Indians of Oregon may erect permanent improvements, improvements of a substantial value, or any other improvements authorized by law on such land after such land is conveyed to the United States.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table a similar Senate bill (S. 547) to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the Senate bill, as follows:

S. 547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law or regulation, the Attorney General shall approve any deed or other instrument which—

(1) conveys to the United States the land described in section 2 of the Act entitled "An Act to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon", approved September 4, 1980 (94 Stat. 1073), and

(2) incorporates by reference the terms of the agreement entered into on September 18, 1980, by the city of Siletz, Oregon, the Confederated Tribes of Siletz Indians of Oregon, and the United States of America. The Secretary of the Interior or the Con-

rite Secretary of the internal of the Confederated Tribes of Siletz Indians of Oregon may erect permanent improvements, improvements of a substantial value, or any other improvements authorized by law on such land after such land is conveyed to the United States.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2015) was laid on the table.

PROVIDING FOR THE RETENTION OF THE NAME OF MOUNT MCKINLEY

The Clerk called the bill (H.R. 772) to provide for the retention of the name of Mount McKinley.

There being no objection, the Clerk read the bill, as follows:

H.R. 772

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding any other authority of law, the mountain located 63 degrees, 04 minutes, 15 seconds north, by 151 degrees, 00 minutes, 20 seconds west, shall continue to be named and referred to for all purposes as Mount McKinley.

With the following committee amendment:

Page 1, line 4, change "15" to "12" and change "north" to "north"

change "north" to "north,".
Page 1, line 5, change "degrees" to "degrees," and change "west" to "west,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PLACING A PLAQUE AT THE U.S. MARINE CORPS WAR MEMORI-AL HONORING JOSEPH ROSEN-THAL

The Clerk called the joint resolution (H.J. Res. 207) to require the Secre-

tary of the Interior to place a plaque at the U.S. Marine Corps War Memorial honoring Joseph Rosenthal, photographer of the scene depicted by the memorial.

There being no objection, the Clerk read the joint resolution as follows:

H.J. RES. 207

Whereas the photograph of the raising of the American flag during the battle for control of Mount Suribachi, Iwo Jima, on February 23, 1945, has long been recognized as the most distinguished depiction of the courage and spirit of the United States Armed Forces during World War II;

Whereas such photograph served as the model for the United States Marine Corps War Memorial, known as the Iwo Jima Statue, in Arlington, Virginia; and

Whereas Joseph Rosenthal, the man who took such photograph, has represented the finest tradition of photographic journalism for the past fifty years: Now, therefore be it

Resolved by the Senate and House of Representativies of the United States of America in Congress assembled, That the Secretary of the Interior shall construct and place at the United States Marine Corps War Memorial, known as the Iwo Jima Statue, in Arlington, Virginia, a plaque honoring Joseph Rosenthal of San Francisco, California, photographer of the raising of the American flag during the battle for control of Mount Suribachi, Iwo Jima, on February 23, 1945, whose photograph served as the model for the memorial.

With the following committee amendments:

Revise the first clause to read as follows: Whereas the photograph of the raising of the American flag by Sergeant Michael Strank, Corporal Harland H. Block, Privates First Class Franklin R. Sousley, Rene A. Gagnon, and Ira Hayes and Pharmacist's Mate 2nd class John H. Bradley, during the battle for control of Mount Suribachi, Iwo Jima, on February 23, 1945, has long been recognized as a most distinguished depiction of the courage and spirit of the United States Armed Services during the Second World War;

In the second clause, after "Memorial," insert "also".

Page 2, lines 3 and 4, strike the words "Construct and place at" and in lieu thereof insert the words "cause to be inscribed upon".

Page 2, line 5, after "Memorial," insert "also".

Page 2, line 6, strike the words "a plaque honoring" and in lieu thereof insert "the name of".

Page 2, line 10, strike "memorial." and in lieu thereof insert.

Memorial, and the date of such photograph. The location and design of such inscription shall be approved by the Secretary of the Interior and by the Commission of Fine Art, in consultation with appropriate representatives of the original donors of the Memorial. The Secretary of the Interior is authorized to accept donated funds for carrying out the purposes of this Act, and the United States shall be put to no expense in the placement of such inscription.

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

AUTHORIZING GENERATIONS OF ELECTRICAL POWER AT PALO VERDE IRRIGATION DISTRICT DIVERSION DAM, CALIFORNIA

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 875) to authorize the generation of electrical power at Palo Verde Irrigation District Diversion Dam, California, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 875

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 31, 1954 (68 Stat. 1045) is amended by striking subsection 2(c) and inserting in lieu thereof the following:

"(c) to accept title to said dam, appurtenant works, lands, and interests in land upon payment by the district (which payment shall be made over a period of not more than fifty years) of the sum of \$1,175,000, and upon repayment of any loan made pursuant to section 4, clause (c), of this Act.

"(d) notwithstanding any provision of the Federal Power Act (16 U.S.C. 792 et. seq.), to the contrary, the Palo Verde Irrigation District, California, shall have the exclusive right to utilize said dam, appurtenant works, lands, and interests in land for the development, generation, transmission, and disposal of electric power and energy pursuant to a license from the Federal Energy Regulatory Commission under part I of the Federal Power Act: Provided, That if the Palo Verde Irrigation District, California, after the date of enactment of this subsection shall notify the Secretary of the Interior that it relinquishes the right granted in this subsection there shall be and is hereby reserved to the United States or there shall be made available to it, as the case may require, the exclusive right to utilize, without cost to it, said dam, appurtenant works, lands, and interests in land for such development, generation, and transmission of electric power and energy as may hereafter be authorized by law: Provided further, That in the event it becomes practicable for the United States to develop hydroelectric energy at this site, the division of such energy between the United States and the district shall be a matter of negotiation prior to construction of any powerplant."

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REINSTATING AND VALIDATING U.S. OIL AND GAS LEASES NUMBERED OCS-P-0218 AND OCS-P-0226

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1946) to reinstate and validate U.S. oil and gas leases numbered OCS-P-0218 and OCS-P-0226.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. MARRIOTT. Mr. Speaker, reserving the right to object, could the gentleman from California tell us what is involved in this legislation.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from California.

Mr. PATTERSON. Mr. Speaker, H.R. 1946 reinstates two oil and gas leases in the Santa Barbara Channel which are owned by Poligroup, a consortium of independent oil companies.

In the last Congress, the 96th Congress, a bill identical to H.R. 1946 passed this House unanimously and was reported to the Senate Energy and Natural Resources Committee. Unfortunately sine die adjournment precluded final action of the Senate on the matter. Enactment of H.R. 1946 will insure the earliest possible development of these oil tracts which otherwise could not be resold until at least June 1982.

H.R. 1946 commits the Poligroup to exercise due diligence in the exploration on these leases. It also provides the Federal Government with substantial economic benefits. The group would pay all accrued rental since 1973 and pay the windfall profit tax longer than the new leases would require.

Most importantly, the bill mandates an unprecedented 50-percent net profit-sharing arrangement with the Federal Government.

Mr. MARRIOTT. This is the legislation that has the unanimous consent of the Interior Committee of the House, the Mines and Mining Subcommittee, and has passed that committee on a number of occasions?

Mr. PATTERSON. On at least two occasions it passed both the subcommittee and the committee, the gentleman is correct.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Speaker, I would like to compliment the gentleman from California. We have worked on this legislation, being the ranking member of the committee in previous years. We have passed this in this House. It is long overdue and I want to compliment both gentleman for bringing this bill up.

Mr. MARRIOTT. We need this legislation. This is good legislation and I urge the House to pass it. I do not object and yield back my time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 1946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Notwithstanding any other provision of law, and subject to the requirements of section 2 of this Act, United States oil and gas leases numbered OCS-P-0218 and OCS-P-0226, located in the Santa Barbara Channel, California, shall be deemed to be in full force and effect from date of enactment of this Act for a period of four years, one hundred and twenty-six days, and so long thereafter as oil or gas is produced in paying quantities.

SEC. 2. (a) Lessees must exercise due diligence in the exploration and development of oil and gas from these leases. Within forty-five days after the effective date of this Act, lessees shall submit an exploration and development plan to the Secretary of the Interior.

(b) Lessees shall be subject to the pertinent provisions of the Outer Continental Shelf Lands Act Amendments of 1978 (Public Law 95-372).

(c) Lessees shall pay to the United States the amount of unpaid rental accrued under said leases and shall continue to pay the annual rental payment for the period the leases are in force.

(d) In lieu of the standard royalty interest payment required in each lease, the lessees shall pay to the United States a net profit share payment which—

(1) shall be made in accordance with part 390 of title 10 of the Code of Federal Regulations and which is determined on the basis of a recovery allowance of 15 per centum, and

(2) shall be an amount equal to 50 per centum of the net profits of the lessee under the lease as determined in accordance with such part 390: Provided, That, subject to the provisions of section 1337(a)(3) of title 45, United States Code, the payment to the United States in accordance with this subsection shall in each reporting period be at least equivalent to the royalty provided for in the original leases.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUGAR PROGRAM AND PEANUT PROGRAM SHOULD BE VOTED DOWN

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, the day after we passed the budget bill, a few weeks back, we found out that a very significant sugar deal had been made in the White House for Members of this House to promote a new sugar program, even though just prior to that the administration had been totally opposed to this program.

About 2 days after the tax bill that we passed 1 week ago was passed, we found out that a peanut deal had been made, and this peanut deal, if any-thing, is worse than the sugar deal. The administration had been totally opposed to the proposal that had been made by the Agriculture Committee on both the other body and the House, and now they have agreed to support that program and it is among the most outrageous.

I just want the Members of the House to know that when the farm bill reaches the floor, they will have an opportunity on amendments that I have offered, to vote down both the peanut and the sugar programs.

STRIKE OF AIR TRAFFIC CONTROLLERS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his and include remarks extraneous matter.)

WEISS. Mr. Speaker, as we listen to the President's rhetoric on the air controllers' strike, we have reason to be concerned about Ameri-

Mr. Speaker, many of us have been delayed in our arrival in Washington by the strike of air traffic controllers. This strike is among the most inconvenient labor actions possible; it is also illegal. Yet those facts do not excuse the incredible overreaction of President Reagan, who obviously intends to bust the union.

The President would fire all controllers within 48 hours, and he seeks to decertify the union as bargaining agent. Both actions are as counterproductive as the strike itself. Firing all strikers within 2 days is a brutal threat, which, if carried out, would deprive at least 10,000 individuals and their families of a livelihood and deprive the Nation of an irreplaceable pool of trained talent. Decertifying the union flies in the face of all commonsense, because it is clear that this union, and no other, has the allegiance of the air traffic controllers. Attempting to decertify PATCO can only create more bitterness, and make it even more difficult to settle the under-

The President's attempts at union busting could turn an unmanageable situation into an impossible one. I urge him to rethink his position.

AIR CONTROLLERS STRIKE

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR, Mr. Speaker, I rise to express my deep concern about the air traffic controllers' strike and this administration's response to settle the many grievances between the FAA and

I strongly urge the FAA and PATCO to return to the bargaining table. A prolonged strike will settle nothing and will cause irreparable harm to this country's economy. Already, tens of millions of dollars are being lost each day by the airline industry and those sectors of the economy dependent on air travel. The crippling of a major transportation system does not benefit anyone and only aggravates existing

differences of opinion.

For this reason, as chair of the Subcommittee on Compensation and Employee Benefits, which must act on the agreement, I stand ready to offer whatever assistance I can in resolving the issues that now divide the FAA and PATCO. Should an agreement be reached our subcommittee will expeditiously mark up the agreement and pass the legislation. Certainly, more can be achieved in a positive way through face-to-face dialog and through a spirit of compromise than through threats and counterthreats.

Again, I urge the FAA and PATCO to return to the bargaining table as soon as possible and extend the services of my subcommittee in a common effort to settle this strike.

THE PEANUT SITUATION

(Mr. DANIELSON asked and was given permission to address the House and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, a little while ago I was shocked to learn of the peanut and sugar situation. It occurred to me, suppose this had happened 12 months ago when the gentleman from Georgia was President of the United States. Peanuts getting an advantage? Heavens; that would be un-

When we add sugar, it should be twice as unthinkable.

The only thing we lack now is some chocolate, and we have a candy bar. I am going to start looking for the chocolate. It is hidden out there someplace. Perhaps we have to settle with jelly beans. There is a lot of sugar in jelly beans, but no peanuts.

□ 1215

WINDOW TO THE WEST MUST BE OPENED TO THE UKRAINI-AN PEOPLE

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, recently, members of the Ukrainian Human Rights Committee testified before the Subcommittee on Human Rights and International Organizations of the House Committee on Foreign Affairs.

I commend the members of the Ukrainian Human Rights Committee for bringing this matter before the Congress and wish to express my view in support of their concerns.

Ukraine is an isolated country. Events occurring in Ukraine are not covered by the Western press; there are no correspondents in Ukraine.

It is of the utmost importance and significance that a window to the West be opened for the Ukrainian people. The most expedient and effective way to accomplish this is to establish an American consulate in Kiev. Construction had begun on a consulate, but was halted, and the American advance team pulled out, after the Soviet invasion of Afghanistan. Whom did we punish by closing the consulate?

There are signs of potential selfassertion of the Ukrainian people, as the recent strikes of 3 months ago, in Ivano-Frankivsk in Western Ukraine, indicate. It would serve the best interests of the United States to encourage these signs of liberalization by opening a consulate. This in turn would encourage correspondents to come to Ukraine who would report these happenings and shape the public's percep-

Mr. Speaker, I would like to recommend that the efforts to open the consulate in Kiev be reestablished. Foreign correspondents should be encouraged to report on events in Ukraine. and the Helsinki process should be continued through interim reports before congressional committees dealing with human rights violations.

STOCKMAN, REGAN. AND REAGAN-WYNKEN, BLYNKEN, AND NOD

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, Stockman winks and guts the older Americans; Regan blinks, and Mr.

Stockman winks while savings and loans sink; Mr. Regan blinks and expresses no concern, and Mr. Reagan nods.

In truth, one must admit, all Mr. Reagan did was to hire out to act the part of the President. But he is an actor who needs a script, so scriptwriters Stockman, Regan, Meese, Allen, and Baker, et al., our friendly Fascists, get shook up because labor's natives are restless, while the giant plutocrats suck the Nation's economic and financial resources in colossal cannibalistic orgies.

There is something dreadfully wrong when the money can be found to finance multibillion-dollar corporate raids but cannot be found to keep two newspapers alive in a town as big and rich as Washington. There is something amiss when gigantic speculations can always get cash on favorable terms, but the corner merchant cannot finance an inventory at less than loan shark rates. There is something sadly wrong when a Federal deficit that is progressively smaller—in terms of GNP—somehow is supposed to be crowding interest rates up to historically high levels.

While all this goes on, Messrs. Stockman, Regan, and Reagan—Wynken,

Blynken, and Nod-they nod.

HOME OF GOLDA MEIR IN DENVER SHOULD BE PRE-SERVED

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I normally would not do this, but because of the urgency of the matter I am really asking my colleagues if they

could please help.

I just returned from my district in Denver where people on the west side of the city found out that they have the honor of having a very humble home of a very distinguished woman which is marked to be destroyed very soon. It was the home of a very, very notable woman and great world leader. Golda Meir. I am asking my colleagues to join me in a letter to make this one of our national historic preservation trust properties. It is a very small home. Golda Meir lived there as a young teenager. It was in Denver that she became interested in creating Israel as a State and home for so many who suffered so long. Golda Meir lived in Denver because she had a sister who had tuberculosis, and was in a sanitarium in Denver.

We are hoping that we can prevent her home from being demolished, and I hope other Members will join me in asking that we save this home. I think it is a great national and international treasure, for even though it is small, great things and a great future began

there.

HIGH INTEREST RATES WILL CONTINUE UNDER REAGAN ECONOMIC PLAN

(Mr. HARKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker, today the House will pass the largest tax cut in history, about \$750 billion. All of us, I believe, are still in the dark as to how the administration will recommend reducing the resulting budget deficit. I personally fear that the pro-

grams for the elderly and needy, including social security, will be targeted. At the same time, the oil industry will be adding billions to their coffers in unneeded tax breaks.

Yesterday, interest rates surged upward under the pressure of Government borrowing. In today's Wall Street Journal we have an article explaining how the Reagan administration is working to keep those interest rates high. If we do not have relief from high interest rates this economic experiment, untested and untried, will be driving tens of thousands of small businesses and farms into bankruptcy.

Our entire economy is in danger, and I can assure my fellow Members that in my home State of Iowa the most clear and present danger to our economic well-being is the extremely high interest rate. That must be reduced, but under the economic experiment of this tax cut I can assure Members that interest rates will continue high this year and next year, driving more farmers, more small businesses to the brink, if not into actual bankruptcy.

THE LATE HONORABLE FRED K. KROLL

(Mr. GINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. GINN. Mr. Speaker, I would like to join with my other colleagues who have expressed their sadness over the recent death of a great leader in the American labor movement, the Honorable Fred J. Kroll.

Though he was only 45 years of age, Fred had attained a great national reputation as a dynamic leader. He was an AFL-CIO vice president and was also president of the Railway & Airline Clerks

His loss will be felt especially hard in my State of Georgia, where Fred has many friends in the ranks of organized labor

He joined the Railway & Airline Clerks in 1953 when he went to work for the Pennsylvania Railroad as an IBM machine operator. Eight years later, he was elected chairman of local 587 in Philadelphia.

His leadership in the local union led to a lifelong career that brought him many honors. He was elected president of the international union in 1976, and was reelected by acclamation at the union's 1979 convention.

When Fred was elected to the AFL-CIO Executive Council as a Federal vice president in February 1978 at the age of 42, he was the youngest member ever to hold a council seat.

He was further recognized for his abilities by being selected as a trustee of both the Asian-American Free Labor Institute and American Institute for Free Labor Development. It is always a great tragedy when we lose a man or woman of such ability and effectiveness, and it is especially sad because Fred was such a young man.

I would like to express my deepest sympathies to Fred's wife, and family, and to his colleagues in Georgia and throughout the country.

BUDGET DEFICITS AND HIGH INTEREST RATES—NOW IT IS THE PRESIDENT'S BALL GAME

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. ALEXANDER. Madam Speaker, today the House will pass the largest tax measure in the history of the Republic. We have previously enacted spending cuts totaling about \$130.6 billion. Over the next 3 fiscal years, this tax bill will enact tax cuts of about \$280.2 billion and the projected cumulative deficits for the next 3 fiscal years are estimated at about \$175 billion.

Madam Speaker, the Congress has passed up a golden opportunity to balance the Federal budget, which would lead to the decline in interest rates. Instead, we will use tax cuts financed by inflation-causing deficit spending to pay for the high interest rates that will sustain the President's massive transfer program for shifting the wealth of this Nation from Main Street to Wall Street.

Who will benefit from the President's conscious policy of tight money and high interest rates? Will it be small business? Will it be farmers? Will it be young people trying to buy a home? Will it be the housing and automobile industries and the workers they employ? Will it be community banks and savings and loans? Will it be our allies and trading partners? Will it be American cities who cannot sell their municipal bonds? Will it be the small investor trying to realize a reasonable return in the stock market?

Madam Speaker, it will be none of those. Only the very wealthy and the big brokerage houses and institutional investors really have anything to gain from continued high interest rates. And they are the President's real constituents.

The President has repeatedly said that his economic program will stem inflation and bring interest rates down. Well, his program is now in place and if interest rates remain at 10 percent or higher for another year—the American people will regret that the President and the Congress passed up the best opportunity in two decades to balance the Federal budget.

As the news media has said, "It is now the President's ball game." For wins.

SOCIAL SECURITY NEXT

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Madam Speaker, following the tax bill, one major legislative obligation in addition to our routine authorization and appropriation responsibilities faces us this year. Everyone will recognize that I am talking about social security, an institution we could deal with at any time but are not likely to reform permanently unless we do it this year. Its political sensitivity suggests that the first year of a Presidential term, a year in which congressional elections are not held and the excuse of a short-term funding crisis will all help us make the difficult long-term decisions which are necessary if we are not to have a continuing decline of confidence in the system. Because of the sensitivity and complexity of the issue, we need both Presidential leadership and bipartisanship. There are many reform options, but all of them involve a degree of unpleasantness, at least suppressing future expectations of benefit growth, and thus the irresponsible or the timid can whipsaw or be whipsawed by a leadership failure.

Fortunately, we are poised for a major effort between now and the end of the year. We do not need any more studies. The gentleman from Texas (Mr. Pickle) heads a knowledgeable subcommittee of Ways and Means which is already well prepared to battle the dragon, and many of us on both sides of the aisle are anxious to help him organize support for any feasible plan designed to insure the future solvency of the system.

SENATE URGED TO RESTORE MINIMUM SOCIAL SECURITY RENEFIT

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

WRIGHT. Madam Speaker, Mr. with the tax bill and the budget reconciliation bill completed Congress is about to adjourn for the August recess. Yet there is one extremely important piece of business that has not been completed because the U.S. Senate has refused to schedule it for a vote.

I am speaking of H.R. 4331, the bill passed by the House last Friday to undo the damage done to recipients of the minimum social security benefit by the Gramm-Latta II amendment to the budget reconciliation bill.

Last week we heard various legalistic reasons why this terrible injustice had to remain in the reconciliation bill.

the sake of the country, I hope he But the minimum benefit bill passed by the House on Friday, by a vote of 404 to 20, provides an immediate means of correcting that injustice. It would amend the just-passed Omnibus Reconciliation Act to restore the minimum social security benefit.

Why has this bill been ignored by the Senate leadership? Why has it been routinely assigned to the Finance Committee instead of bringing it to the floor for action before the recess? Why must 3 million recipients of the minimum benefit be left with the certain knowledge that their benefits have been stripped from them and only the faint hope that a reprieve somehow will save them before their checks cease to come?

Madam Speaker, the President of the United States has demonstrated that he can make things happen in

Gramm-Latta II, with its cruel cutoff of the minimum benefit, was rammed through the House on orders from the President. It would be a simple matter for him now to direct the Republican-controlled Senate to undo this damage before Congress adjourns.

As recently as Monday of last week he seemed to be telling the American people he would not allow any social security recipient to be stripped of his or her benefits.

He said:

I stated during the campaign, and I repeat now, I will not stand by and see those of you who are dependent on social security deprived of your benefits.

And he continued:

I personally will see that no part of the plan will be at the expense of you who are now dependent on your monthly social security checks.

The President is not a mean man. Surely he would not want to leave 3 million people condemned and left to await the possibility of a reprieve when he had it in his power to correct this injustice instantly.

Surely he would not wash his hands

of this responsibility.

Madam Speaker, I urge the President to get on the telephone today and call on Senator BAKER to bring the minimum benefit bill (H.R. 4331) to the floor for passage before leaving for the recess. He can do it. He should do it if he is going to keep faith with the American people.

SAVING SOCIAL SECURITY

(Mr. JEFFRIES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JEFFRIES. Madam Speaker, there continues to be a great deal of controversy regarding the financing of social security. The administration has been accused of being callous to the feelings and the situation of the elderly because of its attempts to salvage the system. Why do I say salvage? Because the cold, hard reality is that the old age and survivors insurance trust fund will be bankrupt by late 1982 unless something drastic is done, and now. The majority leadership of the House has refused to find a lasting remedy to this situation, but instead has continually relied upon quick fixes to soothe the populace.

The administration, after careful study, has proposed some reasoned solutions to the social security crisis. Two points of the President's plan will be of great comfort to the elderly. First, this plan will protect the solvency of the system that currently faces bankruptcy. Second, the vast majority of those currently receiving benefits will continue to receive them, including cost-of-living allowances.

While I may not agree with all of the President's social security proposals, I believe he deserves credit for courageously addressing the problem. And I believe his proposals are proof of his continuing concern for our retirees.

□ 1230

A SMALL BUSINESSMAN WHO DESERVES RECOGNITION

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Madam Speaker, I am proud to report that a resident of my district, Mr. William Yuan, was recently honored as the New Jersey Small Business Person of the Year.

Mr. Yuan represents innovation and initiative at its best. He started his business 12 years after emigrating from Taiwan and working a series of odd jobs that helped him graduate from the College of Emporia in Kansas. He earned a bachelor of science degree in civil engineering.

After learning the business as a salesman in the plastics industry, Mr. Yuan successfully broke in through a combination of hard work and innovation. Part of an SBA loan he received went toward the development of a new process for cooling plastic molds, for example.

Although there have been setbacks caused, in part, by two major creditors who went out of business and by skyrocketing energy costs, Mr. Yuan has succeeded in raising sales figures from \$360,000 to more than \$8 million in 11 years. Today, the company's products are used in the manufacturing process of the pharmaceutical, toy, and houseware industries.

On behalf of the people of New Jersey and the Congress, I congratulate Mr. Yuan on this well-deserved

FIRE PATCO STRIKERS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his

Mr. RUDD. Madam Speaker, the unconscionable strike carried out by members of the Professional Air Traffic Controllers Organization should be dealt with by swift and suitable punishment. Every one of the union members who participated should be fired, and prosecuted with the full extent of the law.

In 1978, Congress passed the Civil Service Reform Act and included my amendment stating in clear and unequivocal language that strikes of this kind are illegal and punishable by dismissal and fines. This amendment removed any doubt about the intent of Congress with regard to strikes by Federal employees.

If this strike is allowed to go unpunished, it will only encourage other Government workers to engage in such destructive arrogance against the people.

I support our President and know he will proceed immediately with the dismissals and prosecutions. I urge firmness in enforcement of the law. To do so will truly serve our Nation.

THE NATIONAL AGENDA

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Madam Speaker, as we prepare to return to our districts, I would remind my colleagues that the great victory won for the American people on the economy during the first 7 months of this session will mean nothing unless we bring the same effort to questions of national security, foreign affairs, and a host of other questions. We have a national agenda to consider and each part depends on the other parts.

So let us not be content to simply remind our constituents what we have accomplished. Let us also remind them-and ourselves-what we have yet to do.

We have been through some tough battles during the past few months, the pressure has been unprecedented, the stakes have been high, tempers have sometimes flared, friendships have been strained.

I know that during the next few weeks, while we breathe the fresh air of our districts, we will rid ourselves of any political or personal animosities that may have flourished in this artificial hothouse atmosphere in Washing-

I know I speak for all those on my side of the aisle when I say, Madam Speaker, we look forward to working with you when we return because, when all is said and done, love of

nation is the bond that holds us all to- a cost to the taxpayers of more than gether.

NEW ECONOMIC POLICIES LONG TERM IN NATURE, DEMAND PATIENCE

(Mr. BETHUNE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BETHUNE. Madam Speaker, today we finish up the tax package, the fourth part of President Reagan's economic recovery program. Throughout the debate it was characterized from time to time as being a risky proposition. I often wondered about that because it seemed to me it would be risky to stick with the tired, worn out policies that got us into this condition.

This is a well-thought-out plan, and it merely goes back to the fundamentals on which the country's economy was built in the first place.

Many people are beginning to ask, "All right, when are the results going to take place?" I would make the point that this is not a short-term policy; it is a long-term policy. Besides that, none of the laws or policies that we have passed here in the last few weeks and months will start until October 1 when the next fiscal year begins.

So, Madam Speaker, I hope the American people will be patient. We are embarked on a new long-term policy. The question is now whether we have the national resolve to stick with this policy long enough to give it a chance.

IS THIS TRIP NECESSARY?

(Mr. WEBER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER of Ohio. Madam Speaker, as Members of the Congress, we have an obligation to the taxpayers and to our constituency to reduce Federal spending in every way that we

I recognize that congressional travel overseas is often necessary, but it should be done with great restraint and concern for the present efforts of Congress to reduce waste and excessive Government spending.

For example, the public is demanding to know whether the recent congressional trip to the International Air Show in Paris needed to be done on the lavish scale reported by the press.

No one questions that this event is an opportunity to promote international good will and we want to continue to have American participation with other countries in this biennial event. However, the public wants to know if it is necessary to send 23 Representatives and Senators, along with 70 staff members and other persons at

\$288,000 in air travel alone to have a Paris vacation trip.

As leaders, we should set an example of reduced Federal spending-we owe an accounting to the public of the way we spend their money-it behooves us to be more cautious in the future and explain why whenever taxpayers ask, "Is this trip necessary?"

GOAL FOR THE 1980'S: A PERMA-NENT MANNED OPERATIONS CENTER IN SPACE

(Mr. GRISHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRISHAM. Madam Speaker, in 1961, President John Kennedy made a dramatic commitment on behalf of our Nation-to land a man on the Moon by the end of that decade. Through the strength of American industry and technology, that dream was fulfilled.

Today, after a period of dormancy, America is approaching a new era in space exploration and development. With the successful flight of the Space Shuttle Columbia earlier this year, our Nation took a quantum leap forward in its capability to open the space environment for research, development, and commercial purposes.

The space environment possesses resources and potential comparable in impact to those facing the early explorers of our own continent. Today, as in that earlier time, those nations able to capitalize on the untapped environment will lead the world into a new age of industrial, economic, and scientific development.

America will be the Nation to herald this new age only if we are willing to commit ourselves to clearly articulated goals and priorities. Once set forth, we must work toward these goals with a shared spirit of national purpose.

Therefore, Madam Speaker, I am today introducing a resolution to express the sense of the Congress that the United States embark on a program to establish a permanent manned presence in space by the end of this decade in the form of a manned operations center in low Earth orbit. This facility will be necessary to support the future commercial, scientific, technological, and humanitarian uses of the space environment. We have the ability to achieve this goal. If we display the desire as well, the rewards will be great.

INTRODUCTION OF RESOLUTION DECLARING AIR TRAFFIC CON-TROLLERS STRIKE ILLEGAL

(Mr. RITTER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RITTER. Madam Speaker, Mr. Poli of the Professional Air Traffic Controllers Organization (PATCO), prior to the first agreement with the DOT, stated before the Senate Commerce Committee:

In no way is PATCO planning to go on strike in 1981.

And I quote again:

I make no excuses for people involved in illegal actions.

I quote again:

It is illegal to strike, and I have never encouraged people to strike.

It is ironic that Mr. Poli agreed to the terms of the original agreement and then recommended rejection of its terms by the union members.

Madam Speaker, I am introducing a resolution today stating the sense of Congress that this strike is illegal, and that it violates an employment contract and a sworn oath not to strike, that it poses enormous public safety concerns, that it disrupts our national transportation system, and that it results in significant loss to the American economy. The resolution states that it is the sense of Congress that the strike immediately cease, and that negotiations proceed in order to reach a mutually agreeable solution.

IRA SAVINGS IS FEATURE OF HOMEMAKER RETIREMENT BILL

(Mr. TRIBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRIBLE. Madam Speaker, this year with the support of 122 of my colleagues, I reintroduced the Trible homemaker retirement bill (H.R. 3631). This legislation would permit America's 30 to 50 million homemakers to establish individual retirement accounts identical to those now afforded other self-employed workers.

I am pleased to report that the Tax Incentive Act of 1981 incorporates the objectives of the homemaker retirement bill. It significantly expands eligibility for independent retirement accounts. An employee can establish two IRA's, one for the employee and one for the nonemployee spouse, whether or not an active participant in an employer-sponsored retirement plan. It also increases the yearly amount those participating would be allowed to contribute and claim as adjustments to income.

The IRA is an idea whose time has come. Pressure on the financially troubled social security system will be eased by encouraging people to save for their retirement years.

By expanding the availability of IRA's the total level of savings in the country will increase. More savings in America means increased investment, more employment and greater productivity—the keys to "real" economic growth.

It is time Congress stopped ignoring America's homemakers. Let us enact the tax bill today to enhance their opportunities to save for retirement.

SUPPORT FOR ADMINISTRATION EFFORTS TO SETTLE PATCO STRIKE

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. COUGHLIN. Madam Speaker, I rise to express the outrage of this Member and the entire Congress over the current air traffic controllers strike. Airlines, air travelers, and the U.S. Government are being held hostage by this illegal action which is tantamount to desertion in the line of duty. The strikers are flaunting the law, their own oaths, and the American public.

The prohibition on governmental union strikes stems from the mission of the Government to provide public services and a lack of the competition which is found in the private sector. Those who hold the public trust are expected to promote the safety and well-being of the public, not hamper it. That traffic is moving at all is due to the excellent work of the Federal Aviation Administration and the Department of Transportation and the 29 percent of the 15,000-member Professional Air Traffic Controllers Organization who reported for work despite

A Federal judge has found the striking air traffic controllers union in contempt of court for violating a back-towork ruling and ordered the union to pay a \$250,000 fine if not back on the job by 8 p.m. today. President Ronald Reagan has announced that striking controllers will be fired if not at work by 11 a.m. Wednesday. In addition, officials have announced that they will seek further civil and criminal penalties.

the strike.

Let me say that I supported efforts of the administration to avert a strike and applaud their refusal to negotiate with controllers while the unlawful walkout continues. However, once bargaining resumes, the outrageous demands of PATCO must be addressed. Insisting on a \$10,000 raise, shorter hours, and earlier retirement, in a day when virtually every agency, department, and program are suffering reductions, flies in the face of reality.

As the ranking minority member of the Transportation Appropriations Subcommittee, I note that Congress will have ultimate approval of any settlement by coming up with the dough to fund agreed upon benefits. We have worked too long and hard on the budget and tax aspects of the Reagan economic recovery plan to have the entire package fall apart due to an exhorbitant and unwarranted settle-

ment. The administration can expect our full support—we can give them nothing more and they can count on nothing less.

HOUSE ACTION PROTECTS MINI-MUM BENEFITS FOR 3 MIL-LION RETIREES

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Madam Speaker, this body voted last Friday to protect social security's minimum benefit for the 3 million retired Americans who receive that benefit each month.

With that vote, we removed from the budget reconciliation changes to the minimum benefit as it exists today.

With that vote, we demonstrated our regret for including consideration of social security as a subordinate part of the massive budget package.

With that vote, we expressed our belief that social security is a special, uniquely American system deserving of distinguished treatment by the House of Congress.

It is my hope that the sheer numbers of the bill's approval, 404 to 20, will carry a message to the Senate, which will now vote on the same bill.

The message is this: In our eagerness to cut Government spending, we must not select as victims the beneficiaries of the social security system.

It is wrong to ask individuals long retired and now 70, 80, and 90 years of age to try to find other resources to live on when their long-standing social security benefits are suddenly reduced.

We must not again try to tamper with any aspect of social security without exhaustive and complete debate, and public hearings at all levels.

NEW FACILITY YIELDS SIGNIFI-CANT ENERGY SAVINGS FOR NEW JERSEY CORPORATION

(Mrs. FENWICK asked and was given permission to address the House for 1 minute.)

Mrs. FENWICK. Madam Speaker, I would like to bring to the attention of the House and, even more importantly perhaps, to the attention of companies, if there are any companies within the reach of the Congressional Record, something that I saw yesterday in my district that is very interesting.

I went to the opening of the second phase of a facility that is being installed in one of the companies there, Lockheed Electronics. They have a monitoring system that has allowed them in the last year to cut their energy costs 17 percent, and since 1972, by 44.6 percent. This is conserva-

tion on a grand scale. They have a way of monitoring. They have machinery that does this, and they are giving it gratis to the Muhlenburg Hospital which is in the area.

They are going to save \$119,000 on energy in burning solid wastes.

In the second phase they are going to burn liquid waste and in the final phase they will be doing all their airconditioning in addition to heating.

This is really an innovative and courageous approach and it is something that I wish the other companies would follow. Everybody complains about EPA and taxes and regulations. This company does something.

I would like to give the address of the Lockheed Electronics. It is Lockheed Electronics Co., 1501 U.S. Highway 22, Plainfield, N.J. 07061.

ARMS CONTROL IMPLICATIONS OF ADMINISTRATION'S TAX CUT BILL

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks)

Mr. LEACH of Iowa. Madam Speaker, as we in the Congress and the administration reappraise the implications of the landmark legislation we are about to pass in final form today, it should be clear that the flip side of an economic policy built upon steep tax cuts is a defense policy postulated on forthright arms control efforts.

The massive loss of revenue to the Treasury which will result from the provisions of this tax bill-including the new concessions to the oil industry-leaves the administration little choice but to make good on its pledged intentions to embark on serious arms control negotiations.

Taxes which have been cut across the board as well as indexed for inflation cannot support inflated military spending programs.

If we have learned that we cannot solve our social problems by simply throwing Federal dollars at them, we must also recognize that simply throwing money at the Defense Department does not necessarily enhance our national security. Just as there is a private sector dimension to social problem-solving, so there is an arms control dimension to national security.

Madam Speaker, this tax bill sets the parameters of Federal spending for the next decade. These parameters are challenges for all of us to live within, and no sector of Federal spending, including defense, can be considered sacrosanct.

DEMOCRATS PARTY FOR BALANCED BUDGET

VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Madam Speaker, I wish to commend to the Members of the House the recent reprint that was furnished to all of our offices on yesterday by the gentlewoman from Colorado. This is a reprint from the Denver Post of an article written by a former Member of this body from the minority side, former Congressman Jim Johnson. I believe every one of you when reading it will realize that we are at the time now where the Democratic Party is the party that believes in a balanced budget, that believes very strongly in reducing deficits, while the Republican Party is the party of big deficits.

I would like to point out to everyone that there is a great amount of expectation among my people since I have been out to my district off and on since last Wednesday, about the amount of tax cut that they will get from the bill that we will pass this afternoon. Many of the people have great expectations. People earning \$25,000 and getting a weekly paycheck are believing they are going to get \$20 or \$50 more a week. People who are getting a monthly paycheck and receive \$15,000 in salary are believing that they are going to get \$15, \$25, or \$30 a month more.

Believe me, my colleagues, I think every one of you will remember this day when you are being told that your people are going to have great expectations and what is a huge tax cut for the oil industry and when the wage earner looks at the tax cut he is going to get about \$1 or \$2. This huge tax cut is not for the wage earner, but for the special interests and the wealthy.

COMMODORE JOHN BARRY DAY

Mr. MOAKLEY. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 87) to authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day", and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. there objection to the request of the gentleman from Massachusetts?

Mr. WALKER. Madam Speaker, reserving the right to object, and I will not object, I do so to give the gentleman from Massachusetts (Mr. Moak-LEY) an opportunity to explain the resolution.

Mr. MOAKLEY. Madam Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentle-

man from Massachusetts.

Mr. MOAKLEY. Madam Speaker, I am acting in place of the gentleman from New York (Mr. Garcia) and am advised that the resolution has been subject to the procedures customarily used to judge these kinds of measures.

Madam Speaker, the joint resolution would designate September 13 as "Commodore John Barry Day." The commodore, born on that date in 1745, in County Wexford, Ireland, is widely recognized as the father of the American Navy.

Senate Joint Resolution 87 was passed by the other body on Friday and House action today will enable the President to issue the appropriate designation of September 13, 1981. This would be a suitable tribute to one of the earliest and greatest American patriots of Irish descent.

Madam Speaker, John Barry is honored as a patriot by the many Hibernian divisions which bear his name; and the resolution was proposed by the Washington, D.C., division which also lays a wreath at his statue each year.

I note, Madam Speaker, that this action follows similar legislation in which the Commonwealth of Massachusetts has provided (chapter 191 of the acts of 1931):

The Governor shall annually issue a proclamation setting apart September teenth as Commodore John Barry Day and recommending that it be observed by the people with appropriate exercises in the public schools and otherwise, as he may see fit, to the end that the memory of the service rendered by him during the struggle for American Independence may be perpetuat-

Madam Speaker, I would also like to place in the RECORD Commission No. 1 of the U.S. Navy, issued by President Washington on February 22, 1797:

JOHN BARRY'S COMMISSION THE PRESIDENT OF THE UNITED STATES OF AMERICA

To John Barry: I George Washington. President of the United States reposing special Trust and Confidence in your Patriotism Valour Fidelity and Abilities have nominated and by and with the Advice and Consent of the Senate, appointed you Captain in the Navy of the United States, and Com-mander of the Frigate called *United States*; to take Rank from The Fourth day of June one thousand seven hundred and ninety four. You are therefore carefully and diligently to discharge the duty of Captain and Commander by doing and performing all manner of things thereunto belonging. And I strictly charge and require all Officers, Marines, and Seamen under your command to be obedient to your Orders as Captain and Commander: And you are to observe and follow such orders and directions, from time to time as you shall receive from the President of the United States or any superior Officer set over you according to the rules and discipline of War, and the usuage of the Sea. This commission to continue in force during the pleasure of the President of the United States.

Given under my hand at Philadelphia, the Twenty second day of February, in the Year of our Lord one thousand seven hundred and ninety seven, and of the Sovereignty and Independence of the United States the Twentyfirst.

GEORGE WASHINGTON.

Madam Speaker, it is unfortunate that Commodore Barry's contributions to this Nation are not better noted but he is a source of great pride to all Irish Americans and I hope this resolution will encourage wider awareness of his valiant contributions to the independence of this Nation.

 Mr. BIAGGI. Madam Speaker, as chairman of the Ad Hoc Congressional Committee on Irish Affairs, I rise to lend my full support to Senate Joint Resolution 87 authorizing and requesting the President to designate September 13, 1981, as Commodore John Barry Day. As an Irish American President Reagan should have little problem paying this long overdue tribute to this inspirational Irish Ameri-

can patriot and leader.

The text of the resolution provides the reasons why the House should join with the Senate in passing this measure. The resolution salutes the man who is considered the hero of the American Revolution-the holder of the first commission in the U.S. Navy-was the first commander of the ship, Lexington, the first ship bought and equipped for the revolution. The resolution pays tribute to the man who also captured the first enemy warship in actual battle.

John Barry has been rightly called the "Father of the American Navy" and he was first honored by Congress in 1906 with a statue which was placed in Lafayette Park and remains there

today.

For the Irish American communitypride in the accomplishments of Commodore John Barry run especially deep and strong. Today we are providing an appropriate tribute to a great Irishman and great American. As a longtime supporter of this resolution, I am pleased to support its passage and ask the President to take prompt action on signing it into law.

At this point in the RECORD I would like to insert an article written by Robert J. Bateman, national historian of the Ancient Order of Hibernians about Commodore John Barry. might add at this point that the Ancient Order of Hibernians-and their national president, John Connolly and vice president Joe Roche are avid supporters of this legislation and have played a most significant role in its development. The AOH, as the Nation's oldest and largest Irish American organization, does take great pride in the actions being taken by the Congress today to salute a great Irish American-John Barry.

THE STORY OF JOHN BARRY, FATHER OF AMERICAN NAVY

(By Robert J. Bateman)

In 1745 a humble and respectable couple named Barry, in County Wexford, Ireland, rejoiced in the birth of a son who was chris-tened John. The father was a farmer, tilling a few acres held precariously by lease. There was at that time a strict English law

prohibiting Catholic ownership of property. The mother was an attractive young Irishwoman whose maiden name had been Kelly.
The exact number of children born to the

Barrys in not known. There were John, Patrick, Thomas, Jane, Margaret, Eleanor and, maybe, others.

Tradition has it that John Barry was born at Ballysampson a tiny hamlet in Tacumshin Parish in the extreme southern part of County Wexford. If so, the family moved shortly afterwards into Rosslare lying south and east of Wexford Harbor. In Rosslare, young Barry spent his childhood days and in Rosslare Churchyard repose the remains of those members of his family who ended their lives in Ireland.

At an early age, John Barry expressed a strong desire to follow the sea and his father encouraged his ambition for he knew Ireland offered no opportunities for his son. To stay at home meant privation and starvation on a tiny lease-hold at an exorbitant

Somehow, through the efforts of his father and his uncle Nicholas Barry, at Wexford, young John Barry shipped at about the age of ten as a cabin boy on an Irish merchantman. The date of his coming to America has not been definitely ascertained. But it must have been about the year 1762. He arrived at Philadelphia as second mate of an Irish vessel, when only seventeen.

Romance entered John Barry's life in the summer of 1767, as the tall pledged his troth to a young Irishwoman. Her name was Mary Clary, age twenty-two. They were wed sometime in October.

Captain of his own ship, the Black Prince, he voyaged to London in 1774 and was astounded to hear high officials and members of parliament talk of sending a punitive expedition to teach the colonies a lesson.

Risking his life, he stayed in London and collected speeches and newspaper clippings of officials in parliament and public office advocating punishment for the colonies. Having experienced the horrors of English Ireland, Barry delivered a trunk filled with incriminating English documents to the Continental Congress meeting in Philadelphia. Many historians believe this first Naval Intelligence report swayed the vote of the delegates for complete independence.

Barry distinguished John throughout the Revolution and French War as a fighter and seaman and his English

foes knew him as "Saucy Jack."

Another little known fact about John Barry is that he served as Aide-de-Camp to General Washington during the bitter days of Valley Forge. He with his brave sailors fought with the General against the English at Trenton and Princeton.

Much has been said and written about Commodore John Barry but I would like to relate the feelings of three men who spoke

of John Barry.

Representative James A. Hamill, of New Jersey stated . . . "First in our American pantheon stands the majestic figure of George Washington, and close beside him John Barry, on whose strong arm Washington was wont to lean with confidence in his hours of bitter anguish and trial; one the idolized Father of our Country and the other the venerated Father of our Navy

strongly impressed was Admiral George W. Melville by John Barry's contribution to the Republic that he solemnly de-"He was God-given to us.

And, President George Washington, in his letter of appointment stated the following to and about John Barry:

The President of the United States of America

To: John Barry:

President of the United States, reposing special trust and confidence in your patriotism, valor, fidelity and abilities, have nominated and by and with the advice and consent of the Senate, appoint you Captain in the Navy of the United States, and Com-mander of the Frigate called the United States; to take rank from the fourth day of June one thousand seven hundred and

With issuance of this appointment, Presi-Washington gave to his friend and comrade, John Barry, an immortal place in our Country's history; that of being the Father of the American Navy.

Mr. WALKER. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 87

Whereas Commodore John Barry, hero of the American Revolution and holder of the first Commission in the United States Navy was born on September 13, 1745, in County Wexford, Ireland:

Whereas Commodore Barry was commissioned to command the brig Lexington, the first ship bought and equipped for the Revolution, and became a national hero with the first capture of an enemy warship in actual battle;

Whereas following the Revolution, when the sovereignty of this new Nation was threatened by pirates, Commodore Barry was placed in command of the first ships authorized under the new Constitution and was named senior captain of the United States Navy in 1974;

Whereas Commodore Barry is considered as the father of the United States Navy; and

Whereas Commodore Barry was honored by the United States Congress in 1906, when a statue was commissioned and later placed in Lafayette Park, Washington, District of Columbia, and honored again some fifty years later when the Congress authorized a statue to be presented in his name to the people of County Wexford, Ireland: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate September 13, 1981, as "Commodore John Barry Day", as a tribute to the father of the United States Navy, and to call upon Federal, State, and local government agencies and the people of the United States to observe such day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOAKLEY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT ON S. 694, DEPARTMENT OF SUPPLEMENTAL DEFENSE AUTHORIZA-TION ACT, 1981

Mr. PRICE. Madam Speaker, I call up the conference report on the Senate bill (S. 694) to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles. naval vessels, tracked combat vehicles, and for research, development, test, and evaluation, to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes.

The Clerk read the title of the

Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of

July 27, 1981.)

The SPEAKER pro tempore. The gentleman from Illinois (Mr. PRICE) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. DICKINSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Madam Speaker, I yield myself such time as I may require.

Madam Speaker, S. 694 is a supplemental authorization for fiscal year 1981, the appropriation for which has already been considered.

The bill would authorize \$2,736,362,000 for the Department of Defense for weapons procurement, research, development, test, and evaluation (R.D.T. & E.), and military construction. The bill is \$305,554,000 below the request of the President.

The bill includes \$2,188,994,000 for procurement, and \$480,928,000 for R.D.T. & E., plus \$66,440,000 for mili-

tary construction.

The conference report has been printed in the RECORD and has been available to the Members. Therefore, it is not necessary for me to go into a

detailed explanation.

The authorizations provided in this bill are consistent with the programs planned for fiscal year 1982 and, therefore, these fiscal 1981 funds authorized are necessary as part of a continuing program to improve nation-

I should point out that in a number of programs in titles I and II of the bill, prior authorization was available from the basic fiscal 1981 authorization and, therefore, new authorization was not provided, even though the programs were approved by the conference. This is clearly stated in the statement of managers accompanying the conference report.

An important general provision in the bill clarifies the law regarding accrued leave to allow those men who endured prolonged Indian Ocean deployment at the time American hostages were being held in Iran to be able to use accrued leave that they lost because of that deployment. That deployment is the longest sustained at-sea deployment in the history of the U.S. Navy

Mr. DICKINSON. Madam Speaker, I yield myself such time as I may con-

sume.

Madam Speaker, I rise in support of the fiscal year 1981 Defense Supplemental Authorization Act conference report. The total administration request was \$3,041,916,000. This bill will \$2,735,862,000. Of authorize the largest amount sum \$2,188,994,000, will be dedicated to the procurement of weapons essential to the rebuilding of our forces initiated by the administration.

There is a provision in this bill that would allow military personnel who are deployed-such as in the Indian Ocean-to accumulate up to 90 days of leave. Leave in excess of 60 days is normally lost at the end of the fiscal year. This bill would allow those members who have endured long deployments to use this excess leave this summer and fall and not lose it. Consequently, passage of this bill now will maximize the morale benefits associated with the provision.

I support the conference report and urge its approval.

Madam Speaker, I reserve the balance of my time.

Mr. PRICE. Madam Speaker, I have no further requests for time.

Mr. DICKINSON. Madam Speaker, I have no further requests for time.

Mr. PRICE. Madam Speaker, I move the previous question on the conference report.

The previous question was ordered. The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the Senate bill, S. 694, just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SUBMISSION OF EXPLANATORY STATEMENT OF HOUSE AND SENATE CONFEREES ON OMNI-BUS RECONCILIATION ACT OF

Mr. DINGELL. Madam Speaker, in accordance with section 1199A of the conference report on H.R. 3982, the Omnibus Reconciliation Act of 1981. I submit for the RECORD the following explanatory statement of the House and Senate conferees, and ask unanimous consent that it be inserted in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXPLANATORY STATEMENT OF THE HOUSE AND SENATE CONFEREES WITH RESPECT TO SUB-TITLES E. F. AND G OF TITLE XI OF THE OM-NIBUS RECONCILIATION BILL (H.R. 3982) SUBMITTED BY HOUSE COMMITTEE ON ENERGY AND COMMERCE AND SENATE COM-MITTEE ON COMMERCE, SCIENCE, AND TRANS-PORTATION IN ACCORDANCE WITH SECTION 1199A of H.R. 3982

SUBTITLE E-CONRAIL

Section 1131 House Bill

The House bill states that this bill may be cited as the "Rail Service Improvement Act of 1981.

Senate Amendment

The Senate Amendment states that the bill may be cited as the "Northeast Rail Service Act of 1981."

Conference Substitute

The conference substitute adopts the Senate provision.

Section 1132-Findings

House Bill

The House bill finds that current arrangements for rail freight and commuter service in the Northeast and Midwest are inadequate to meet the transportation needs of the public and national security, and that the processes set in motion by previous rail legislation have not made the rail system in the region profitable. The protection of interstate and foreign commerce requires federal intervention to preserve rail service in the private sector, including statutory changes to improve Conrail's ability to become profitable. To return Conrail operations to the private sector requires that labor protection conditions different than those established by Title V of the Regional Rail Reorganization Act be imposed to meet the emergency needs of the situation. Shippers, states, and consumers must be included in any solution to the rail service problems in the Northeast and Midwest. The commuter service must be transferred to other operators dedicated to such service. and the functions of the United States Railway Association should be transferred.

Senate Amendment

The Senate Amendment finds that (1) the 3R Act has failed to create a self-sustaining railroad in the Northeast; (2) current arrangements for the mix of freight and commuter services in the region are inadequate; (3) there is little likelihood that Conrail can become self-sufficient in the foreseeable future; (4) the employee protection provisions have been far more expensive than an-

ticipated and now pose an obstacle to establishment of improved rail service and continued employment in the Northeast; (5) integration of Conrail's service into the Na tion's private rail system can be successful only if adequate and equitable protection is provided for affected railroad employees and if acquiring railroads are not required to assume Conrail's commuter operations;
(6) the operation of commuter services by states or related entities is an integral government function of the states which should be assisted, but not superseded, by the Federal Government.

Conference Substitute

The conference substitute adopts a majority of the House bill's findings.

Section 1133-Purpose

House Bill

It is the purpose of the Congress in this Act to provide for the removal by a date certain of the federal subsidy for Conrail, and the transfer of Conrail's commuter service to other operators. Also it is the purpose to provide for labor protection in the difficult circumstances of Conrail's financial situa-tion. Conrail's freight operations must be performed by the private sector, and the functions of the United States Railway Association should be transferred.

Senate Amendment

This section sets forth the purposes of the legislation: to provide for the reduction by Conrail of its operating costs; to transfer Conrail passenger service responsibilities without consideration to one or more entities; to provide adequate and equitable labor protection for employees deprived of employment by the legislation; and to transfer Conrail's freight service and properties to other carriers for reasonable compensation.

Conference Substitute

The conference substitute's purpose is declared to be (1) the removal by a date certain of the Federal Government's obligation to subsidize the freight operations of Conrail; (2) the transfer of Conrail commuter service responsibilities; and (3) an orderly return of Conrail freight service to the private sector.

Section 1134-Goals House Bill

The House bill contains no goals.

Senate Amendment

The Senate Amendment sets forth several goals.

Conference Substitute

The conference substitute adopts as its goal to provide Conrail the opportunity to become profitable through the achievement of the following objectives, among others:

(1) Conrail enters into collective bargaining agreements with its agreement employ-ees which would reduce Conrail's costs in an amount equal to \$200 million a year beginning April 1, 1981;
(2) Proportional agreements from non-

agreement personnel.

Section 1135-Definitions House Bill

The House bill defines nine terms which are used in this Act. All are technical additions which are necessary to the Act, with the exception of the definition of "profita-ble carrier". "Profitable carrier" is the term used in determining whether the Secretary is required to sell the common stock of the Corporation, or whether he may sell the assets of the Corporation. The definition re-quires that Conrail be able to generate sufficient revenues to cover its expenses, and includes reasonable maintenance of equipment and facilities.

In meeting its expenses the Corporation will obviously be required, like any other private business enterprise, to borrow funds in the private markets. If Conrail is unable to borrow such funds, assuming that its debt to the federal government is forgiven. it would be unable to meet the definition of profitability.

Senate Amendment

The Senate amendment defines the important terms used in the legislation.

Conference Substitute

The conference substitute defines the important terms used in the legislation.

Section 1136-End of Conrail obligation House Bill

Conrail's obligation to operate commuter service ends 540 days after the effective date of the section.

Senate Amendment

Conrail's obligation to operate commuter service ends 1 year after date of enactment.

Conference Substitute

The Conference substitute adopts the compromise date of January 1, 1983

Section 1137-Establishment of Amtrak commuter

House bill

The House bill amends the Rail Passenger Service Act by inserting a new title, Title V, Amtrak Commuter Services, which sets up the Amtrak Commuter Services Corpora-

Amtrak Commuter is established within 240 days after enactment. Amtrak Commuter is a wholly-owned subsidiary of Amtrak.

Amtrak Commuter is solely an operator of commuter service under contract to commuter agencies and has no common carrier obligations.

Amtrak Commuter is exempt from the Interstate Commerce Act, but is subject to other Federal laws affecting the railroad industry, such as the Federal Railroad Safety Act, the Railway Labor Act, the Railroad Retirement Act, and the Railway Unemployment Insurance Act. Amtrak Commuter is also not subject to any state or local laws regarding fares or service and is exempt from certain taxes. Finally, certain prohibitions of the Clayton Act do not apply to transactions between Amtrak Commuter and Amtrak.

The Amtrak Board is required to incorporate Amtrak Commuter. The House bill details the directors and

officers of Amtrak Commuter.

The Board of Directors consists of six members: the President of Amtrak Com-muter (chosen by the other five members of the Board), the two commuter agency members on the Amtrak Board, two additional members selected by the Amtrak Board, and one member from a commuter agency for which Amtrak Commuter operates commut-

er services Certain provisions of the Rail Passenger Service Act are applied to Amtrak Commuter. References to the Corporation and its board in these provisions should be read in this context as referring to Amtrak Commuter and its Board. For example, the president of Amtrak Commuter is to be named and appointed the Board of Amtrak Com-

muter.

The House bill describes generally the powers of Amtrak Commuter, including the power to issue common stock to Amtrak.

The standards under which Amtrak Commuter operates commuter service for a commuter agency are detailed.

Amtrak Commuter is required or allowed to operate commuter service if certain conditions are met. Amtrak Commuter is required to operate commuter service Conrail was obligated to operate if a commuter agency offers a commuter service operating payment designed to cover the difference between revenue attributable to the operation of service and the avoidable cost of the service or an operating payment pursuant to a lease or agreement with a commuter agency under which financial support was being provided on January 2, 1974 for the continuation of commuter service

Amtrak Commuter may operate any other commuter service if a commuter agency offers a commuter service operating payment designed to cover the difference between revenue attributable to the service and avoidable cost.

No changes in the substantive cost standard is intended by use of the term "commut-er service operating payment" in this Act, instead of "rail service continuation pay-ment," as used in the 3R and 4R Acts. The two terms are meant to have the same substantive content.

Any agreement pursuant to subsection (b) is to be made in accordance with regulations issued by the Rail Service Planning office (RSPO) of the ICC. RSPO regulations currently govern operating agreements between Conrail and the commuter agencies.

The conditions under which Amtrak Commuter is allowed to operate additional commuter service are indicated.

Amtrak Commuter is allowed to discontinue service on 60 days notice if a commuter agency does not offer a commuter service operating payment in accordance with subsection (b) or if a commuter service operating payment is not paid when due.

The compensation for use of the Northeast Corridor is to be based on the methodology determined by the ICC or agreed by the parties.

If no commuter service operating payment is offered by a commuter agency pursuant to a lease or agreement, such lease or agreement shall not apply to Amtrak Commuter. In such event, Amtrak and Conrail are to retain appropriate trackage rights for passenger and freight operations over any rail properties owned or leased by such commuter agency. Compensation for such trackage rights is to be fair and equitable. In particucompensation for freight operations should take into account industry-wide avercompensation for freight trackage rights and any additional costs imposed on the commuter agency as a result of freight operations over passenger lines.

Amtrak Commuter has no obligation to operate commuter service if a commuter agency contracts for the provision of such service by another operator (including by the agency itself).

The Board of Amtrak Commuter is given the authority to allocate a proportionate share of the excess of the working capital revolving fund transferred to Amtrak Commuter to the account of an individual commuter agency, which, after operating service through Amtrak Commuter, elects to operate the service itself. Such allocation can only be made if the Board determines that the amount in the fund is in excess of the amount needed for the purposes of this title. The Board may then allocate only the excess amount. The allocation is to be based on ridership.

This section provides Amtrak Commuter a role in coordination of operations over the

Northeast Corridor.

Subsection (a) requires the Amtrak Commuter Board to develop and recommend to Amtrak equitable policies regarding Northeast Corridor access, dispatching, public information, maintenance of equipment and facilities, major capital, facility investments, and harmonization of equipment acquistions, fares, tariffs, and schedules.

Subsection (b) allows the Amtrak Commuter Board to recommend to the President and Board of Amtrak such actions as are necessary to resolve differences of opinion regarding Northeast Corridor operations.

The Corporation and its subsidiary is required to transfer to Amtrak Commuter or other operating entities the rail properties, rights, or interests necessary for commuter service. Inventory transferred shall be paid for at book value. Fixed facilities, rolling stock and other equipment shall be trans ferred without consideration. Conrail shall retain appropriate trackage rights over any rail properties transferred under this subsection. Compensation for those trackage rights should be fair and equitable, and should take into account industry-wide average compensation for freight trackage rights and any additional costs imposed on the owner of the facility as a freight operations over passenger lines.

The transfer of any lease, agreement, or contract by Conrail pursuant to this title is not a breach, default, or violation of any agreement.

Senate Amendment

The Senate amendment establishes Amtrak Commuter, a subsidiary of Amtrak, to provide commuter services on a contractual basis for those authorities that do not assume direct control of their operations.

The Amtrak Commuter Board of Directors will consist of seven members. Three will be representatives of Amtrak and three will be representatives of the commuter authorities. The seventh member is the President. The first President will be appointed by the Secretary. Thereafter, the President will be chosen by the Board of Directors of Amtrak Commuter. The President will serve a three-year term and no individual may serve no more than two terms. The other Board members will serve two-year terms.

Amtrak Commuter is authorized to own, manage or contract for the operation of commuter services; and to acquire or contract for the facilities and equipment necessary for operation.

This section also authorizes Amtrak Commuter to issue common stock to Amtrak.

A commuter authority shall notify the Secretary and Conrail not later than 90 days after enactment if it intends to assume direct control of its commuter operations or if it intends to contract with Amtrak commuter.

This section requires Amtrak Commuter to recommend to Amtrak policies regarding harmonious and equitable access and use of the Northeast Corridor for commuter and intercity services; including policies for fares, schedules, facilities and equipment.

The Amtrak Commuter Board may recom-

The Amtrak Commuter Board may recommend to the Amtrak Board ways to resolve any differences of opinion regarding oper-

A commuter authority or a state, local or regional transportation authority is authorized to initiate negotiations with Conrail for the transfer of commuter services operated by Conrail. The transfer agreement shall specify at least the service responsibilities to

be transferred, the rail properties to be conveyed, and a transfer date not later than one year after enactment of this Act. Such transfer agreements shall be entered into not later than 180 days after the date of enactment.

If Conrail and Amtrak Commuter have not signed a transfer agreement within 180 days of enactment, the Secretary of Transportation is to determine within 30 days the terms and conditions of the transfer and the rail properties to be transferred.

If a commuter authority later wants Amtrak Commuter to transfer commuter service to the authority, Amtrak Commuter is required to do so upon terms and conditions agreed upon by Amtrak Commuter and the commuter authority.

If Amtrak Commuter and the commuter authority do not sign an agreement for the transfer, either party may appeal to the Secretary for a determination of the properties to be transferred and the terms and conditions of the transfer. Commuter service outside the Northeast Corridor not transferred directly to a State, local, or regional transportation authority would cease to be operated one year after the effective date of the act.

It is provided that a commuter authority assuming rail commuter service responsibilities shall be subject to the Federal Employers Liability Act, the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and the Federal railroad safety laws.

These transfers are exempt from compliance with the provisions of subtitle IV of title 49 United States Code (formerly the Interstate Commerce Act).

The exemption is applicable to subsequent transfers and determinations of the Secretary under certain sections as long as the transfers are effected within 4 years of enactment.

Conference Substitute

The Conference substitute combines the House and Senate provisions on the establishment and duties of Amtrak Commuter.

It is the intent of the conferees that Amtrak Commuter's efforts be directed in the first instance to operating service in the Region as defined in the 3R Act.

The Senate recedes to the House provision on the composition of Amtrak Commuter's Board of Directors. There are minor clarifications.

The House and Senate provisions for the transfer of commuter services and related properties are combined.

The Senate recedes to the House provision on the coordination of the Northeast Corridor.

The House recedes to the Senate provision calling for the Secretary of Transportation to decide the terms and conditions of the transfer of services and properties which cannot be decided by the parties.

The House recedes to the Senate provision or regulatory approval.

Section 1138—Prohibition of cross subsidization

House Bill

The House bill amended section 601 of the Rail Passenger Service Act by prohibiting cross subsidization between intercity services of Amtrak and commuter services of Amtrak Commuter. This is a reflection of the intent that Amtrak and Amtrak Commuter be financially separate and independent entities.

Senate Amendment

The Senate amendment required that cost standards avoid cross-subsidization between commuter and intercity services.

Conference Substitute

The substitute adopted the House provision.

Section 1139—Authorization of appropriations

House Bill

The House bill authorizes \$50 million in fiscal year 1982 for use by Conrail's commuter subsidiary as a working capital fund. The fund is available only to meet periodic operating expenses of the subsidiary until the expenses have been reimbursed by the appropriate commuter agencies. When Conrail and its subsidiary are relieved of their commuter service obligation, the fund (and liabilities to it) is transferred to Amtrak Commuter for the same purpose.

The House bill also amends section 601 of the Rail Passenger Service Act by authorizing \$20 million in fiscal year 1982 to Amtrak for allocation to any commuter authority providing commuter service, operated by a railroad that entered reorganization after 1974, as of July 1, 1979.

Senate Amendment

The Senate amendment authorized \$50 million to be appropriated to the Secretary to facilitate the transfer of commuter services from Conrail.

Conference Substitute

The substitute generally follows Senate amendment for the \$50 million authorization. The substitute provides the Secretary of Transportation the authority to distribute the funds between Amtrak Commuter and the commuter authorities that operate commuter service, which are commuter authorities contracting with Conrail for the provision of commuter service. The Secretary is to consider any particular adverse financial impact upon any commuter authority contracting with Amtrak Commuter that would result from the termination of any lease or agreement between such authority, such as MTA, and Conrail. The Secretary should ensure an equitable allocation.

It is the intent of the conferees to provide flexibility to the commuter authorities in the use of this money. Potential uses of this money include transition and planning expenses for commuter authorities, and start up costs of Amtrak Commuter and commuter authorities that elect to directly provide their own service. The conferees also emphasize the importance of ensuring prompt availability of these funds as early in fiscal year 1982 as possible. This is important in light of the fact that Amtrak Commuter will likely have no source of funds until at least April 1982 when the commuter authorities must notify Amtrak Commuter if they intend to contract with it.

The substitute basically follows the House bill for the \$20 million authorization. The purpose of this provision is to provide funds in addition to those locally available for commuter rail purposes to commuter authorities that have been subsidizing commuter rail operations of rail lines that have been in reorganization. The Secretary shall approve the expenditure of the funds by the authority, after consultation with the State in which the commuter authority is located.

Section 1140—Additional financing of Conrail

House Bill

The House bill amends Title II of the 3R Act by requiring that any further investment by the Federal Government in Conrall securities be in accordance within this section.

Purchase dates and amounts for the purchase of additional securities and for the purchase of accounts receivable of the Corporation are established. The dates and amounts are as follows:

October 1, 1981, \$125 million; April 1, 1982, \$125 million; October 1, 1982, \$100 million; April 1, 1983, \$75 million; October 1, 1983, \$50 million.

The Association is required to purchase accounts receivable of the Corporation attributable to disputes with Amtrak or the commuter authorities over right of way related costs for commuter services on the Northeast Corridor, and accounts receivable attributable to any delays in payment by the commuter authorities to Conrail. Since these items are carried on Conrail's books as amounts owed the Corporation, and the reported bill determines that any decision on such costs is prospective only, the failure to purchase such items would require Conrail to show a substantial loss when such items had to be written off.

If Conrail does not request, or the Association does not approve a request, either in whole or in part, the funds shall be avail-

able until expended.

On each purchase date the Association is required to make a determination whether Conrail will be a profitable carrier under the definition of the Act. For the purpose of making this determination the Association must assume that the debt and preferred stock held by the federal government is limited to a contingent interest which arises only under the circumstances described in this Act. The contingent interest would allow Conrail to borrow money in the private markets with debt and securities prior in interest to the contingent interest retained by the Federal Government.

The Association shall purchase stock and accounts receivable only if the following

conditions are met:

(1) Management, or non-agreement, employees must forego wage increases and benefits in an amount proportionately equivalent to the amount foregone by agreement employees, and the number of management employees must be reduced proportionately to any reduction in agreement employees.

(2) Materials and service must continue to be available to the Corporation under

normal business practices.

(3) Conrail must submit to the Association on each purchase date a report on Conrail's efforts to maximize revenues under this Act, the Staggers Act, and the Interstate Commerce Act. Conrail shippers must not unduly interfere with Conrail's attempts to maximize revenues. Nothing in this subparagraph is intended to remove a shipper's right to challenge an individual action of Conrail under the normal provisions of the Staggers Act and the Interstate Commerce Act.

(4) Conrail must submit to the Association a financial plan which indicates how Conrail will become profitable within the time frame and funding limitations of this Act. If Conrail submits such a plan, the Association shall make funds available. It is not intended that Conrail produce a new plan. They should rely on existing plans and studies,

such as its April 1, 1981 plan, in developing this plan.

(5) Conrail must enter into a collective bargaining agreement with its employees which provides the Corporation with \$200 million annually, beginning April 1, 1981, adjusted annually for inflation. The agreement may allow any portion of the \$200 million not provided in the first year to be made up in the second year.

Benefits to the Corporation are calculated against the cost to the Corporation of the National agreement reached by the railroad

industry and its employees.

The benefits may not include any cost reductions which result from the firemen manning or crew consist agreement which are in effect, the termination of employees under other parts of the Act, a collective bargaining agreement signed prior to January 1, 1981, any other provision of law or agreement or the assignment of work or single collective bargaining agreement sections of the reported bill. The collective bargaining agreement must include a provision for the appointment of a fact-finding panel for the purpose of recommending changes in operating practices and procedures.

(6) Conrail must identify its subsidiaries which operate at a loss, and within twelve months of the effective date sell any subsidiary unless the Association finds that the benefits of maintaining ownership of the Corporation outweigh the financial losses.

The Association may modify any of the conditions if it determines that such a modification is necessary for the Corporation to become profitable. To the maximum extent possible the Association shall modify the conditions so that additional burdens are shared equally by all the parties. The Association may require the Corporation to demonstrate productivity increases if it determines that such increases are the only method available for the Corporation to become profitable.

The Corporation is allowed to submit an amended request if the Association denies a request for funds.

The Corporation is required to enter into an agreement with employees for the establishment of an experimental worker participation and self-management program.

Conrail is exempted from the payment of state and local taxes until the common stock of the Corporation is sold by the Secretary or the assets of the Corporation are sold. The tax exemption is limited to the time the federal government retains control of Conrail

Conrail is required to report to the Association on each purchase date payments for any consultants used by the Corporation.

The Association is required to make no more funds available to Conrail in the event of a work stoppage by employees of the Corporation which directly results from the conditions required by this section.

The Association is required to return debentures to the Corporation in an amount equal to the value of any property conveyed by the Corporation to its commuter subsidiary.

Conrail is allowed to collect any accounts receivable which are due them. Although the commuter services are transferred first to Conrail subsidiary and then to an Amtrak subsidiary or the local authorities, Conrail will still be owed money by the commuter authorities. This provision allows Conrail to collect despite the purchase of the accounts receivable by the Association.

Authorizations not to exceed \$150 million for fiscal year 1982, and \$225 million for

fiscal year 1983 are provided. Any funds previously appropriated under section 216(g) of the 3R Act shall be available under new section 217 of the 3R Act, and must be provided to the Corporation only under section 217. Such funds will be available for fiscal year 1981. Any funds authorized are to remain available until expended.

Senate Amendment

The Senate bill authorizes \$150 million in operating subsidies.

Conference Substitute

The conference substitute provides that the Association shall purchase shares of stock and accounts receivable of Conrail in amounts not to exceed \$262 million. The Association is expected to purchase the accounts receivable as soon as possible; this is important in order for Conrail to reach profitability.

Conrail is exempted from any state tax except for any tax imposed by any political subdivision of a state until Conrail is transferred by the Secretary of Transportation.

\$262 million is authorized for purposes of purchasing securities and accounts receivable, to remain available until expended. Also, any amounts appropriated under Section 216(g) of the 3R Act are authorized to remain available until expended.

Section 1141—Organization and structure of Conrail

House Bill

This section of the House bill:

(a) makes technical changes to the section designating the Board of Directors of the Corporation;

(b) requires the Secretary of Transportation to act within ninety days on any application by the Corporation to substitute manual block signaling for automatic block signaling, if such application is filed within two years of the effective date.

Senate Amendment

The Senate amendment amends section 301 of the Regional Rail Reorganization Act to permit Conrail within two years of enactment to apply to the Secretary for permission to substitute manual block signal systems for automatic systems on lines which carry less than 20 million gross tons of freight annually. The Secretary has 90 days to act on the application.

Conference Substitute

The Conference substitute adopted the Senate amendment.

Section 1142—Transfer of freight service responsibilities

House Bill

The House bill amends the 3R Act by adding a new Title IV—Transfer of Freight Service. Title IV of the 3R Act requires the Secretary of Transportation, after July 1, 1982, and before December 31, 1983, to sell the common stock of the Corporation held by the federal government, if the Association notifies the Secretary that Conrail will be profitable. The Secretary of Transportation is given broad authority to sell the common stock of the Corporation. The bill only provides general direction to the Secretary to ensure continued rail service, promote competitive bidding for the stock, and maximize the return to the federal government. If the Association notifies the Secretary, the sale is mandatory, not optional.

The Secretary may cancel existing shares of the common stock as a means of determining the size of the offering to be made. When all the common stock held by the United States is sold or cancelled, as it must be, the Board of Directors of the Corporation shall be elected by the new common stockholders. At that point the Corporation is no longer controlled by federal law.

To protect against a paralysis of Conrall in the event one or several railroads purchase stock, railroad purchasers are required to vote their share proportionately with all other shareholders. The effect is to nullify the voting power of any railroad purchaser, and allow the Corporation to function as an effective rail carrier in the region.

tion as an effective rail carrier in the region. The employee contributions will have been the key in making Conrail profitable if that goal is reached. As a result of their enormous contribution to the health of Conrail, the Secretary is required to first offer the stock to the employees in the amount of any wages, or wage increases, foregone by the employees. If the Secretary, or anyone acting as the Secretary's agent in selling the stock, first offers it at a price, and then lowers the price to attract additional purchasers, the Secretary must first, in each case where the price is reduced, offer it to the employees.

The House bill is intended to permit the transfer of Conrail assets on a piecemeal basis only if a sale of stock has not been required under the bill. The Secretary may not sell Conrail under this section if a finding of profitability has been made.

The provision gives the Secretary broad authority to arrange and consummate sales. The entire plan for transfer must be submitted to the Congress within 180 days after December 31, 1983. It shall be approved unless one House adopts a resolution disapproving the plan within 90 legislative days after the plan is submitted.

The House bill provides that on each purchase date the Association is required to make a determination whether Conrail will be a profitable carrier under the definition of the Act. For the purpose of making this determination the Association must assume that the debt and preferred stock held by the federal government is limited to a contingent interest which arises only under the circumstances described in section 402 of this Act. The contingent interest would allow Conrail to borrow money in the private markets with debt and securities prior in interest to the contingent interest retained by the Federal Government.

The determination of profitability by the Association is intended to be a realistic one. The Corporation must be able to continue providing rail service without federal funds. If the likelihood is that the Corporation would become insolvent or go into bankruptcy without federal funds, the Association would not be able to make a finding of profitability. The definition of "profitable assumes normal maintenance of plant and equipment, but it is management which should make decisions about the level of maintenance and investment needed. If the Corporation's plans are reasonable, the Association shall not decide different levels are more appropriate.

The Association is to purchase stock and accounts receivable only if certain conditions are met.

Senate Amendment

The Senate amendment directs the Secretary to utilize this authority to initiate conferences and negotiations with respect to rail restructuring to promote the development of agreements between Conrail and financially responsible persons for the transfer of Conrail's freight properties and service responsibilities. The object of this proc

ess would be the integration of Conrail lines into those carriers capable of providing high quality service.

As part of the negotiation process, the Secretary is required to consult with affected employees, appropriate state and local officials, shippers and other interested persons. This provision, added during Committee consideration of the bill, is designed to insure that all interested parties have direct input during the negotiation process before the Secretary enters into a freight transfer agreement or agreements.

Negotiation under the auspices of the Secretary is a practicable method for reconciling the public interest in continued rail service in the Northeast with the need of private sector businesses to discuss confidential data and explore alternate system configurations. Conrail, shippers and other interested persons will play an important role in the negotiations. Conrail management will provide technical support to the Secretary and apply its business expertise to the design and evaluation of proposed transfer agreements. Final agreements will be signed by Conrail as owner of the properties and obligated person under service contracts. Purchase price will be paid to Conrail

The transfer agreements shall specify the rail properties and the service responsibilities to be transferred and such other terms as appropriate.

The problem of switching and terminal services in the Northeast Corridor is addressed where traffic densities and interference among inter-city passenger, commuter, and freight operations make operations particularly difficult. If potential acquiring railroads are unwilling to undertake adequate freight terminal operations, the Secretary shall provide for the formation of neutral terminal companies in the area to provide the necessary services. If such terminal companies are needed, the Secretary shall make every effort to have them in place by the date of implementation of the transfer agreements. A 1-year period is provided to allow for unanticipated problems.

The Senate amendment expresses Congressional intent that to the extent practicable, the Secretary shall make every effort to transfer Conrail as a single entity.

No sale of property is to occur before June 1, 1982. After that date, the Secretary may propose the sale of Conrail as an entity. If Conrail is determined to be unprofitable, the Secretary can propose to transfer individual Conrail lines to separate purchasers after December 1, 1982. If, however, it is determined that Conrail is profitable, the Secretary may not propose the transfer of individual Conrail lines to separate purchasers until after August 1, 1983.

The Conrail Advisory Board shall periodically report to Congress on whether or not Conrail is meeting the goals set forth in the bill. A Conrail Advisory Board is to determine whether or not Conrail has reached a point of profitability by December 1, 1982. Profitability is defined as the generation of net income in accordance with accepted ICC accounting principles. Further excluded from the definition of profitability are labor protection responsibilities to the extent not reimbursed by the Federal Government and payments made by Conrail with respect to its responsibility on Series A preferred stock held by the Federal Government, and Amtrak costs attributable to passenger op-

Conrail may be sold as an entire entity anytime after June 1, 1982. However, if the

Advisory Board makes the determination that Conrail is unprofitable, the system could be sold in parcels to individual purchasers anytime after December 1, 1982.

The Conrail Advisory Board shall be composed of the Secretaries of the Treasury and Transportation, the Comptroller General of the United States, the Chairman of the United States Railway Association, and the Chief Executive Officer of Conrail.

Net income is defined as determined by the Interstate Commerce Commission's uniform system of accounts for rail carriers. Transfer of the Conrail system as an entity is defined as the sale of Conrail stock or the sale of substantially all Conrail property as a single transaction.

The Senate amendment sets forth procedures for public participation and notifica-

A public comment period of at least 60 days is provided with regard to the transfer agreements and the Secretary's proposed determination of approval. The Attorney General shall comment on any antitrust implications of the transfer agreement.

Comment by the ICC on the effect of the proposed transfer agreement on the adequacy of transportation is provided. Further, the Commission is to comment on any adverse effects the agreement would have on other rail carriers or competition among rail carriers.

The Secretary is permitted after consideration of public comment, to grant final approval to a transfer agreement as modified. In the event the acquiring railroad and the Secretary do not agree on appropriate modifications, negotiations could be reopened and new proposals developed. Once final approval has been granted by the Secretary, that determination would not be subject to judicial review. This is consistent, with the approach of section 209 of the Regional Rail Reorganization Act of 1973 (3R Act), under which Conrail was created. Challenges to the implementation of transfer agreements could result in extensive delays threatening the continuation of rail service in the region. The threat of piecemeal litigation of agreements could also deter purchasers from participating in the transfer process.

The Secretary is directed to transmit the transfer agreements to the Congress, together with his determination of approval. The transfer agreements would be deemed approved at the end of 120 calendar days, unless both Houses pass a resolution stating that they do not approve the transfer agreements.

The ICC and the Attorney General are required to report to Congress on the package of transfer agreements negotiated by the Secretary. The time period for these comments is 30 days from receipt of the agreement from the Secretary.

The Senate amendment authorized performance under a transfer agreement and exempts the operation of the agreement from any other approval process. The issuance of securities to the United States or Conrail for the financing of a transaction would be exempt from the securities laws, since it would appear that the Government and Conrail will have adequate means to determine the worth of those securities. The Senate amendment provides that the acquiring railroad shall be deemed a rail carrier on the transfer date and shall assume service responsibilities under subtitles IV of title 49 of the Code. It also authorizes the discontinuance of rail service by Conrail over lines conveyed and all other rail properties on the transfer date.

The Senate amendment includes provisions regarding the extent of service to be assumed by acquiring carriers, a final transfer date, and the consolidation of the various transfer agreements. It directs the Secretary to insure that the freight transfer agreements provide for the continuation of the optimum level of self-sustaining rall service, consistent with the needs of the communities now served by Conrail and the long-term viability of acquiring rallroads, and the preservation and enhancement of transportation competition.

Further, it provides that all the freight transfer agreements shall include the same transfer date. The transfer date shall be a date not later than 36 months after the effective date of the Act. It also requires the Secretary to consolidate all the freight transfer agreements for purposes of public comment and Congressional review.

Conference Substitute

The Conference substitute provides that the Secretary is to engage the services of an investment banking firm to arrange for the sale of the common stock of the Corporation

A sale of the common stock would insure that all the major assets, including equipment repair facilities, would be transferred

and continue in operation.

Following the sale, a new Board of Directors is to be elected and railroad purchasers are required to vote their shares proportionately with all other shareholders. The Secretary is required to first offer to sell the stock to the employees. The stock option would be in an amount equal to wages foregone by employees.

The Conference substitute provides that if Conrail is determined not to be a profitable carrier by the USRA Board, or if the plan for the purchase of the common stock is not approved by the Secretary, or if Conrail requires additional funding, the Secretary is to initiate discussions for the transfer of the Corporation's rail freight properties. The Secretary is to insure that no less than 75 percent of the total rail service operated by the Corporation on the date of transfer shall be maintained if Conrail is transferred in pieces.

The USRA Board, which makes the profitability finding and which reviews the Secretary's determination that Conrail cannot be sold as an entity, is composed of the Comptroller General, the ICC Chairman, the Secretary of Transportation, the Conrail Chairman and the present USRA Chair-

There are two profitability tests. The first profitability test is on June 1, 1983 and is a prospective test. If it is determined on that date that Conrail will not be profitable, it may be sold in pieces. If Conrail is determined to be profitable on June 1, 1983, the Secretary is to continue to try to sell Conrail as an entity until October 31, 1983, when there is a second profitability test. The October test is a historical test for the five-month period from June 1, 1983 to October 31, 1983. If Conrail is determined to be not profitable on October 31, 1983, it may be sold in pieces. If Conrail is determined to be profitable on October 31, 1983, it is to be sold as an entity until June 1, 1984, unless Conrail requires additional funding in excess of the funds presently authorized.

After June 1, 1984, if the Secretary of DOT notifies the USRA Board that he cannot sell Conrail as an entity, the Secretary may transfer Conrail in pieces. If the USRA Board does not concur with the Sec-

retary, the procedure is repeated every 90

days.

Within 90 days after a determination by the Secretary of DOT, concurred in by the USRA Board, Conrail employees have the option of submitting an offer to purchase. The Secretary shall approve the employees' offer unless the Secretary determines that the employees are not financially responsible.

The Conference substitute defines profitable carrier as a carrier that generates sufficient revenues to meet its expenses, including reasonable maintenance of necessary equipment and facilities and which will be able to borrow capital in the private market sufficient to meet all its capital needs, excluding consideration of the debt held by the Federal Government.

The Conference substitute adopts the Senate amendment on public comment and congressional notification except that the period of congressional review is 60 days and the time period for ICC and Attorney General comments is 10 days.

The Conference substitute adopts the Senate amendment regarding performance under agreements; exempts transfer proposals from judicial or ICC review and says that unless the Corporation is found to be not profitable, it may not be sold in pieces until June 1, 1984.

The Conference substitute requires the Secretary to consolidate all freight transfer agreements for purposes of approval and review. In addition, all freight transfer agreements are to include a common transfer date.

Section 1143—Protection for Conrail employers

House Bill

Section 301 amends the 3R Act by adding a new Title VII. Section 701 establishes a program for protecting Conrail employees previously protected under Title V of the 3R Act, while limiting the cost to the federal government, Conrail Title V labor protection is repealed and the protection provided is less than the normal protection in the railroad industry. It is less only because of the dire financial circumstances of the Corporation.

If the employees and the Secretary of Labor are unable to agree on the elements of protection for the employees within ninety days, the Secretary of Labor shall prescribe the benefits. The program established should not contain elements which cause funds to be expended beyond those authorized under section 713.

The benefits under this section are intended to replace the benefits provided under Title V of the 3R Act. This is the exclusive protection for employees, and any employee protection contained in collective bargaining agreements is replaced by this protection. Title V was originally intended to provide for a limited amount of federal funding of employee protection for Conrail employees. It was anticipated that the liability would not be unreasonable. Despite revisions to Title V the liability has proved

A prerequisite to a legislative solution that will permit continued operation of essential rail services in the region is the replacement of Title V with this program of labor protection. Conrail's liability and the liability of the federal government is strictly limited to the funds authorized in this section.

Section 702 permits Conrail to accelerate the implementation of the crew consist and fireman manning agreements so that all

excess firemen and all second and third brakemen can be eliminated before the end of calendar year 1982. The firemen on the crews of trains operated in commuter service must be included by the Corporation in the termination program.

Section 703 allows employees who are deprived of employment on Conrail to have a right of first hire on other rail carriers. The Committee intends that all such employees must be qualified for the positions before they have rights under this provision.

Section 704 requires the Railroad Retirement Board and each rail carrier to maintain a list of positions and eligible employees. This provision is similar to one included in the Rock Island legislation and implemented by the Railroad Retirement Board.

Section 705 provides that any employee

Section 705 provides that any employee who accepts any benefits under section 701 or a termination allowance under section 702 shall be deemed to waive any employee protection benefits otherwise available, and shall waive the right to bring a cause of action for loss of any other benefits. The Committee intends the benefits available under this section be the sole benefits available to employees, and the acceptance of such benefits by the employees waives any rights they might have to other benefits.

Section 706 is a provision from the existing 3R Act which allows the Corporation to assign work.

Section 707 is a provision from the 3R Act which requires the Corporation to continue to use employees who have traditionally performed work for the Corporation.

Section 708 is a provision from the 3R Act which requires the various crafts and classes to enter into single collective bargaining agreements for each craft and class. A new section is added requiring that such agreements be reached within 45 days of the effective date of this title.

Section 709(a) and (b) are provisions retained from the 3R Act.

Section 710 limits the liability of the federal government and Conrail. The liability of the federal government under this section is limited to the amount of funds appropriated, and Conrail incurs no liability under section 701 or 702.

Section 711 preempts any State law, rule, or regulation requiring Conrail, Amtrak, or their commuter subsidiaries to hire specified numbers of persons for particular tasks. The Committee specifically intends to preempt any State full crew laws which require crews to contain certain numbers or certain positions, and any State laws which phase out such requirements. Given the dire circumstances of these rail transportation corporations, such a preemption is necessary.

Section 712 authorizes to be appropriated not to exceed \$165 million for fiscal year 1982 and not to exceed \$150 million for fiscal year 1982. Of the amounts authorized for fiscal year 1983. Of the amounts authorized for fiscal year 1982, \$115 million is available for termination allowances under section 702. The Committee emphasizes the importance of the termination program to the financial health of the Corporation, and the importance of these funds. Without funds to implement this program, financial improvement will be difficult to accomplish, Funds appropriated under the Staggers Act provision allowing for early retirement shall also be available for use under this section.

Senate Amendment

The Senate bill provides protection for Conrail employees who lose their jobs as a result of transactions authorized by the bill, while title IV defines the rights of employees hired by acquiring railroads. Together, the two titles replace the extremely costly protection scheme set forth in title V of the Regional Rail Reorganization Act of 1973.

Section 413-1—Work force reduction program

This section contains a "Special Termination Allowance" allowing Conrail to "blank" the positions (eliminate the job with the man) vacated under the program. Separations would be limited to the numbers of excess firemen and second and third brakemen (including passenger firemen) presently employed by Conrail (but not necessarily the individuals occupying those positions if more senior personnel wish to be separated. About 4600 positions are at issue, and their elimination would make the properties more saleable. This was addressed in the Conrail settlement after the DOT bill was introduced.

The program would operate at the discretion of Conrail but mandatorily as to affected employees (after voluntary separations were taken). The section provides for payments at the rate of \$200 per month of active service with Conrail or a predecessor, with a cap of \$25,000 (i.e., 4 years, 2 months service).

Section 413-2—Separation allowance

This section provides for separation allowances for employees of Conrail who do not receive offers of employment from acquiring railroads. The amount of an allowance would be determined by the number of years the particular employee had been employed by Conrail and its predecessor railroads as of the date of separation. For example, an employee who had served on the New York Central, the Penn Central, and then Conrail would be credited with the individual's service under all three corporate entities.

The maximum allowance would be \$30,000. The schedule for computation is graduated to provide greater protection for individuals who have invested significant periods in service to Conrail and its predecessors. The schedule also recognizes the greater difficulty and hardship associated with retraining and relocation of employees who are older and have deeper roots in their communities.

Subsection (d) preserves the eligibility of employees deprived of employment to railroad unemployment insurance. Under a peculiarity of the Railroad Unemployment Insurance Act, for purposes of establishing eligibility for future coverage a separation allowance is treated as income only on the day it is paid. However, an employee is disallowed from receiving unemployment benefits for a period determined by dividing the allowance by the employee's straight-time wage for a two-week period. (For instance, an employee whose allowance is \$30,000 and whose straight-time wage per 2-week pay period is \$1,000 would be disallowed unemployment compensation for 30 pay periods, or over 1 year.) In some cases, this can result in an employee receiving no unemployment benefits or very limited benefits. even if he remains unemployed through no fault of his own for an extended period. This is because the employee is "earning" no new entitlement to benefits during the period the employee is disallowed from receiving benefits. The bill would disallow eligibility for benefits immediately after payment of the allowance but would treat the allowance as if it had been paid as regular wages for purposes of establishing future eligibility. This protection may be required

by some employees affected by service transfers because of the concentration of persons who will be seeking new employment at the same time in specific areas. The provision also eliminates an anomalous situation whereby an employee's entitlement to unemployment insurance following the disqualification period may depend upon the date on which he was separated.

Section 413-3-Preferential hiring

For Conrail employees who fail to receive offers from acquiring railroads, this section provides the same rights to be hired by other railroads on a priority basis that was afforded to dismissed Rock Island and Milwaukee Railroad employees. This priority is strengthened by deletion of the phrase "unless found to be less qualified than other applicants," and substitution of language that qualifies the hiring preference on the more objective basis of experience in the class and craft of employment.

Section 413-4—Central register of railroad employment

This section creates a central register of railroad employment, building on the system of job placement created for Rock Island and Milwaukee employees by the Railroad Retirement Board. The Board would actively promote the placement of Conrail employees and other displaced railroad employees. All railroads would be required to provide notice of vacancies that they are unable to fill from their existing roster, and the Board would act as an agent for former railroad employees entitled to statutory preference by filing applications for employment. Under section 413-9 discussed below, the Board would have authority to issue any regulations necessary to assure that hiring preferences are effectuated.

The purposes sought to be achieved by these provisions could be accomplished more effectively if the railroads unite with rail labor organizations to establish voluntary mechanisms to place unemployed railroad workers. While the poor placement results of the Rock Island and Milwaukee experiences may have been due in part to the reluctance of railroad employees to move from their communities, there also appears to be a problem of insufficient effort within the industry to preserve the industry's most important asset—trained and experienced personnel.

The central register and related requirements and administrative mechanisms would be maintained for a period of 5 years after the transfer date.

Section 413-5-Moving expenses

This section provides for moving expense benefits for former Conrail employees who are forced to move to obtain employment with another railroad. Under section 414-4(b)(3), discussed below, this benefit would extend to a Conrail employee offered a position with an acquiring railroad that requires a change of residence.

The types of costs for which payment is authorized would be similar to those allowed under other protective conditions. The maximum benefit for any individual would be \$5,000, reduced by any retraining benefit paid under section 413-6.

Section 413-6—New career training assistance

This section authorizes the payment of new career training expenses for former Conrail employees who are not offered employment with an acquiring railroad. The maximum benefit would be \$5,000 reduced by the amount of any moving expense benefit paid to the individual.

Section 413-7-Medical insurance

This section provides for the continuation of group medical insurance coverage for former Conrail employees who are not offered employment by an acquiring railroad. The maximum period of coverage is 6 months from date of separation. In the event an employee comes under the coverage of another comprehensive group policy as a result of re-employment prior to the expiration of 6 months, coverage lapses immediately.

Section 413-9—Authority of the Board and the Secretary

This section prescribes the powers of the Railroad Retirement Board in administering the provisions of section 413-3 (Preferential Hiring), 413-4 (Central Register of Railroad Employment), 413-5 (Moving Expenses), 413-6 (New Career Training Assistance), and 413-7 (Medical Insurance). The Secretary is required to transfer to the Board funds appropriated for employee protection. The Board would allocate funds needed for separation allowances to Conrail and Amtrak (as successor to Conrail as an employer of commuter service employees), and the remaining funds would be available for the Boardadministered provisions of this title, such as moving expenses, medical insurance, and retraining. In addition, the Secretary is authorized to assist the Board in developing programs under this title. The broad authority given the Board under this Section, is intended to avoid the implementation problems, particularly in regard to priority hiring, that arose under the Milwaukee and Rock Island legislation.

Section 413-11—Authorization for appropriations

This section authorizes the appropriation of not more than \$400 million for employee protection under this title.

Conference Substitute

The Conference substitute combines the labor protection provisions of both Houses. The conferees agreed to the House provision directing the Secretary of Labor and representatives of labor to negotiate the elements of protection for employees. However, the Conference substitute sets a \$20,000 cap on the protection for each employee.

For the workforce reduction program, the conferees agreed that payments to employees should be paid at the rate of \$350 per month of active service with Conrail or a predecessor. The purpose of this program is to eliminate 4,600 employee positions; 3,300 brakemen and 1,300 firemen. In addition, all the firemen in commuter service are to be included in this program. This will result in the elimination of firemen positions in commuter service.

Section 1144—Repeals House Bill

Section 302 repeals Title V of the 3-R Act, but provides that any benefits accrued as of the effective date of the Act shall be paid. It also repeals section 11 of the Milwaukee Railroad Restructuring Act and section 107 of the Rock Island Transition and Employee Assistance Act.

Senate Amendment

This section defines the relationship of this legislation to other provisions of law.

Subsection (a) repeals all provisions of Title V of the Regional Rail Reorganization Act of 1973, except those necessary to the continued functions of Conrall prior to service transfer. Title V is the source of labor protection provisions that have proved to be excessively costly to the taxpayer, as described in the April reports of Conrail, USRA, and the Department, as well as the Conrail March 15 report on labor. Retention of Title V, particularly the provisions concerning monthly displacement allowances, constitutes a bar to service transfer, since acquiring railroads would not be willing to assume these obligations. The bill terminates the entitlement program as of October 1, 1981. However, employees who performed service through September of 1981. or held themselves available for service, would be paid any benefits due on October 1, 1981, if timely claimed under present law.

Subsection (b)(1) is a clause of limitation that makes clear that the employee protection provisions of the bill are the exclusive protection for employees affected by service transfers under the bill. The waiver provision of paragraph (2) is a technical provision intended to bar an employee from accepting the protections of the bill while challenging its exclusivity in the courts.

Subsection (c) repeals provisions of the Milwaukee Railroad Restructuring Act and Rock Island Transition and Employee Assistance Act relating to the maintenance by the Railroad Retirement Board of lists of dismissed employees, since those lists would be incorporated into the central register established by section 413-4 of the bill.

Subsection (d) repeals sections 216(b)(3) of the 3-R Act and 509(b)(1) of the 4-R Act which provide for special funding to implement Conrail's workforce reduction program. This funding would not be necessary in view of the funding authorized by section 413-11 for labor protection payments.

Conference Substitute

Combines the provisions of both Houses and is effective the first day after the first month of the date of enactment.

Section 1145—Transfer of passenger service

House Bill

The House bill amends the Rail Passenger Service Act by adding new sections 506 and 507.

Section 506 provided a procedure for transferring current agreement employees of Conrail's commuter subsidiary performing commuter functions to Amtrak Commuter.

Subsection (a) required representatives of the employees to begin negotiating an implementing agreement with representatives of Conrail, its commuter subsidiary, and Amtrak Commuter within 420 days of the effective date. These negotiations are to identify the employees to be transferred, giving preference to employees with comservice experience, determine the procedure by which employees accept transfer to Amtrak Commuter and are accepted by Amtrak Commuter, determine a procedure for seniority within Amtrak Commuter which shall, to the extent possible, preserve the employees' prior passenger seniority rights, ensure that the proper number of employees are transferred to Amtrak Commuter, ensure that all employees are transferred not later than the 540th day after date of enactment (when Amtrak Commuter assumes operations) and determine the extent to which employees of Amtrak Commuter retain freight seniority with Conrail.

Subsection (b) provided that if no agreement is reached by the end of 30 dys after negotiations begin, a neutral referee is to be

selected. The referee is to expeditiously resolve all matters in dispute, and his decision is binding. This procedure is to ensure that an implementing agreement is in place, and employees transferred, by the time Amtrak Commuter is to commence operations.

Subsection (c) provided that any employee of Conrall or its commuter subsidy not offered employment with Amtrak Commuter under this section shall be eligible for employee protection under Section 701 of the 3R Act (the successor to Title V) to the same extent as if the employee had remained with Conrall.

Section 507 provided a procedure for negotiation of a new collective bargaining agreement

Subsection (a) required representatives of the employees to be transferred and Amtrak Commuter to enter into a new collective bargaining agreement prior to the date Amtrak Commuter begins operation. The pre-existing Conrall agreement would not apply to Amtrak Commuter.

Subsection (b) required the establishment of a fact finding panel, chaired by a neutral expert in industrial relations, to recommend changes in operating practices and procedures which result in greater productivity to the maximum extent practicable.

Senate Amendment

The Senate Amendment provided for an implementing agreement to transfer Conrail employees to commuter authorities or Amtrak. The implementing agreement worked in a manner similar to that provided in the House bill.

The Senate Amendment also provided for a procedure for negotiating a new collective bargaining agreement for those employees transferred from Conrail, either to Amtrak or a commuter authority. The Amendment provided for a consolidated Amtrak commuter and intercity workforce, with the negotiations conducted by Amtrak and the commuter authority members of the Amtrak Commuter Board of Directors having the power to veto commuter service components of a collective bargaining agreement.

The Senate Amendment provided a procedure for resolving disputes related to negotiation of the initial collective bargaining agreement and also provided for a council of three union representatives to conduct negotiations with a commuter authority.

Conference Substitute

The conferees adopted an employee transfer provision. The substitute provides for an implementing agreement, a fact finding panel to recommend changes in operating practices and procedures, and a procedure for negotiation of an initial collective bargaining agreement for Amtrak Commuter and commuter authorities that elect to operate their own service.

The implementing agreement provided for in a new section 508 of the Rail Passenger Service Act is designed to provide for an orderly transfer of employees from Conrail to Amtrak Commuter or the commuter authorities. The conferees note their intent to provide for maximum flexibility to the employees and employers involved by providing generally for retention of seniority rights and the right to "bump" back into Conrail at least once every six months. However, the bumping process is not to result in any disruption of service or the filling of a position which would otherwise not be filled under the terms of any crew consist, fireman manning or other similar agreements. This last provision is designed as protection

for Conrail, and is not intended to restrict the ability of Amtrak Commuter or the commuter authorities to manage their work forces, subject to applicable collective bargaining agreements.

The fact finding panel established pursuant to a new section 509 of the Rail Passenger Act is designed to recommend changes in operating practices and procedures which would result in greater productivity to the maximum extent practicable. The fact finding panel should look at a variety of changes which may improve productivity, such as flexibility in employee assignments and ensuring an appropriate number of employees for particular tasks.

The procedure for negotiation of an initial collective bargaining agreement for Amtrak Commuter or commuter authorities provided for in a new section 510 of the Rail Passenger Service Act is designed to provide for an orderly and expeditious procedure for the negotiation of new collective bargaining agreements. The existing Conrail agreements would not apply to Amtrak Commuter or to commuter authorities that chose to operate their own service.

Section 1146—Labor transfer House Bill

The House bill adds new sections 405 and 406 to the 3R Act.

This section requires the rail carrier or other entity purchasing rail properties and the representatives of the employees to be transferred to commence implementing agreement negotiations within 30 days after the date any transfer agreement is entered into.

The negotiations are to determine the number of employees to be transferred, the specific employees offered employment, the procedure by which employees accept employment and are accepted into employment, the procedure for determining seniority (which shall, to the extent possible, preserve prior freight seniority rights), and insure that all involved employees are transferred no later than 120 days after the date the transfer agreement is entered into.

If no agreement is reached within 30 days of commencement of negotiation, a neutral referee is to be selected, who is to commence hearings and decide all matters in dispute with respect to the implementing agreement negotiations. The referee's decision is to be rendered within 30 days after the date of commencement of hearings.

It requires the Commission to determine the labor conditions to apply to employees affected by any transfer under this title as if such transfer were made under the Interstate Commerce Act.

Senate Amendment

The Senate bill requires acquiring railroads and representatives of Conrail and acquiring railroad employees, to make every reasonable effort to achieve a pretransfer agreement. The agreement would determine how new positions on an acquiring railroad would be filled, how Conrail employees would be selected for transfer, and how seniority rights would be determined. The agreement would also deal with compensation, rules, working conditions and fringe benefits applicable to transferred employees, as well as protection of any transferred or acquiring railroad employee adversely affected by service transfer.

The bill permits, and the Department would encourage, a uniform agreement covering multiple acquiring railroads (similar in scope to the agreement covering former Milas the "Miami Accords")

Section 414-4—Selection of employees

This section is the first of the provisions that would take effect only in the absence of an agreement by the parties. The section would accomplish two major objectives. First, it would provide a method for determining the number of new positions on the acquiring railroad that would be filled from the ranks of former Conrail employees ("transferred employees") and the number of positions that could be filled from the acquiring railroad's previous rosters. In general, Conrail employees would be given first bid on new positions. However, if acquisition of a line from Conrail occasions the abolishment of a position due to coordination or consolidation of service, the acquiring railroad employee affected by the transaction would have first bid on any new position the acceptance of which would not require a change in residence.

Second, in selecting Conrail employees for new positions the acquiring railroad would be required to respect class and craft distinctions common in the industry and to favor persons senior in service over those with less time in service.

Third, the section would provide a method for selecting Conrail employees on a geographic basis. If an insufficient number of Conrail employees are available on the transferred line segment, other employees available to accept positions without change of residence would receive offers. If additional personnel were required, offers would be made at increasingly distant Conrail reporting points.

Section 414-5-Collective-bargaining agreements

This section governs basic matters of compensation, work rules, and fringe benefits in the event agreement is not reached under section 414-3. The approach of this section is to assure transferred employees the same pay and basic quality of working conditions afforded other employees of the acquiring railroad, while avoiding the imposition of unrealistic constraints rooted in the past.

Conrail has failed at least in part because of the legislated imposition of rules and local agreements that derived from the six bankrupt railroads that preceded Conrail in the service area. Those constraints resulted in a balkanization of Conrail labor relations and the perpetuation of artificial barriers to efficient use of personnel. Prospective acquiring railroads will not be willing to accept similar constraints; nor can consumers of rail service afford to support such inefficiencies.

Therefore, section 414-5 would make clear that an acquiring railroad will not be bound by any contract, schedule, or agreement in effect on Conrail. If labor and the management of an acquiring railroad wished to bargain for similar (or even identical) provisions, they would be free to do so; but no inference could be derived from the bill that an acquiring carrier would be bound by prior agreements.

Section 414-6-Seniority rights

This section assures that a transferred employee's prior service would be respected in determining the employee's relative seniority on the acquiring railroad. The section recognizes that a precise definition of the relative seniority of transferred employees will necessarily await implementing agreements.

waukee and Rock Island operations, known Section 414-7-Labor protection obligations of acquiring railroads

> This section requires the Secretary to impose protection for transferred employees and the employees of a Class I or II acquiring railroad who may be adversely affected by a service transfer, in the event no agreement is reached under section 414-3. The protection referenced in this section is principally income protection, since most other issues relating to employee rights and responsibilities are treated in section 414-4, 414-5, and 414-6. The protection imposed would be similar to that adopted by the parties to midwest rail restructing in the "March 4 Agreement," sometimes known as the "Miami Accords."

> Those acquiring railroads would be required to provide a guarantee of 80 percent of former straight time wages for up to three years, depending on the employee's length of service.

> Amtrak Commuter and the commuter authorities shall not be responsible for the protection under this section.

Section 414-8-Arbitration of disputes

This section requires that any minor dis-pute or claim arising under this title shall be subject to binding arbitration under normal Railway Labor Act processes. Resolution of disputes under agreements referenced in this title are already within the purview of the Railway Labor Act and no special provision is required in the bill. This section would make clear that, even if a labor transfer agreement is not reached under section 414-3, the parties would be free to interpret and apply the provisions of this title by agreement; and any subsequent minor dispute or claim would be resolved in accordance with the guidance provided by such agreement.

Section 414-9-Definition

This section restricts the applicability of subpart 4 by defining "acquiring railroad," in the freight context, to mean a Class I or Class II acquiring a railroad or a neutral terminal company established under subpart 2. Thus, short line railroads would not be covered by subpart 2. Thus, short line railroads would not be covered by subpart 4; and, under the definition of "deprived of employment" in section 411-3, Conrail employees who failed to receive a firm offer of employment from a Class I, Class II, or neutral terminal railroad would be entitled to receive the benefits of subpart 3.

Conference Substitute

The Conference substitute requires acquiring railroads under a transfer agreement to enter into implementing agreements with employees to determine the number of employees who will transfer to the acquiring railroads and to determine other issues. If no agreement is reached, the issues are submitted to binding arbitration.

If the employees and the acquiring railroads are unable to agree on a collective bargaining agreement, the collective bar-gaining agreement of the acquiring carrier shall prevail. If the acquiring party is not a railroad, and the parties cannot agree, the collective bargaining agreement of Conrail shall apply.

Employees transferred to acquiring carriers or other parties which become carriers shall be protected under the normal labor protection provisions of the Interstate Commerce Act, which are embodied in New York Dock Railway—Control—Brooklyn Eastern District Terminal, 360 ICC 60 (1979).

Section 1147-Organization of USRA House Bill

The Board of Directors of USRA is reconstituted to consist of the Chairman, who shall be selected by any outgoing Chairman and the other members, the Secretary of Transportation, and the Comptroller General of the United States.

Senate Amendment

No comparable provision.

Conference Substitute

The Board of Directors of USRA is reconstituted to consist of the present Chairman of USRA, who shall remain as Chairman of the Board until the expiration of his existing term, or his resignation, the Secretary of Transportation, the Comptroller General of the United States, the Chairman of the Commission, and the Chairman of the Board of Directors of the Corporation. The present Chairman's term will expire on Dec. 31, 1983, and the next Chairman's term shall be three years. The present Chairman may be reappointed.

Section 1148-Function of USRA House Bill

The House bill provides that the Association is to monitor the financial performance of the Corporation, determine whether the conditions and requirements of this Act are met, purchase additional stock or accounts receivable of the Corporation, and appoint and fix the compensation of employees.

The Association shall submit to the appropriate Committees of the Congress within 30 days of each additional purchase of stock a report outlining the progress of the Corporation in meeting the goals and requirements of this Act.

Not later than 30 days after the Association makes its last purchase of stock of Conrail, it shall cease to exist.

Senate Amendment

This section amends section 201 of the 3-Act to effect the transfer of certain USRA non-litigation functions to the Secretary not later than January 1, 1982. The Association would transfer to the Secretary, or as otherwise designated by the Secretary, property and budget resources which are primarily related to and support the conduct of the non-litigation functions. This transfer of authority in no way limits USRA's authority to conduct the valuation litigation under sections 303(c) and 306 of the 3-R Act, including related administrative functions, nor is it to interfere with the functions assigned to USRA under section 415-7 of this legislation.

USRA has developed specific systems. data bases, models and the required inhouse expertise to utilize these tools monitor Congress on specific inquiries. Many of these same systems have also been used by the Association in performing the functions being transferred to the Secretary. Where property is needed to support both the Association's functions and the functions transferred to the Secretary, this section provides that the Secretary and the Board of Directors of the Association shall reach agreement on the joint use of such property. With regard to the computer systems and models now operated by USRA, however, the Committee notes that USRA staff is trained in use of these tools in an effective manner. Under the circumstances, it appears desirable to retain these computer programs and intellectual property USRA subject to joint use by both USRA

and the Secretary as contemplated by the

Any litigation associated with the functions, powers and duties assumed by the Secretary under this subsection would be the responsibility of the Attorney General.

Upon assuming the new functions, the

Secretary is directed to assume the financial obligations of USRA issued under sections 210, 211, and 216 of the 3-R Act and to adopt appropriate USRA regulations governing non-litigation matters until the Secretary has had the opportunity to re-pro-mulgate such regulations in appropriate form. Paragraph (5) makes provision for the continuation of non-litigation contracts and loans following the transfer.

Conference Substitute

The Senate recedes except that USRA retains its litigation functions.

Section 1149-Access to information

House Bill

The House bill requires Conrail to make available to USRA such information as USRA determines is needed to carry out its functions. It also requires USRA to request from other affected parties information which will enable USRA to determine if the conditions of this Act are met.

Senate Provision

No comparable provision.

Conference Substitute

Senate recedes.

Section 1150-United States Railway Association reports

House Bill

No similar provisions.

Senate Amendment

This section established the responsibilities of the USRA under this act. USRA would monitor, evaluate and report periodically to Congress on the Secretary's performance with respect to the entire transfer process as it affects, among other matters, labor, rail services, and the security of Federal funds. The periodic reports would also evaluate Conrail's performance. The USRA is also required to issue a final report to Congress evaluating the Secretary's transfer agreements.

Conference Substitute

House recedes.

Section 1151-USRA authorization

House Bill

There are authorized to be appropriated to the Association for administrative expenses not to exceed \$1 million for the fiscal year ending September 30, 1982, \$1.1 million for the fiscal year ending September 30, 1983, and \$1.2 million for the fiscal year ending September 30, 1984.

Senate Amendment

In view of the substantially increased responsibilities that the Secretary would assume under the 3-R Act, this section de-letes the existing \$12.5 million limit on authorizations and substitutes \$15 million. The USRA's authorization is extended through fiscal 1982. Due to the decreased functions of the USRA, the authorization is limited to \$15 million.

Conference Substitute

The conference substitute provides an authorization of \$13,000,000 for fiscal year 1982 and \$4,000,000 for fiscal year 1983.

Section 1152-Judicial review

House Bill

The House bill consolidates all civil actions arising out of the provisions of or the

amendments made by this Act to the Special Court.

Subsection (b) provides for appeals to the Supreme court.

Subsection (c) provides the standard for review of administrative action under the provisions of or amendments made by this

Subsection (d) provides for the assignment of additional judges to the Special Court, if necessary.

Senate Amendment

The Senate bill is identical to the first three subsections of the House bill. The Senate bill does not include a provision for the assignment of additional judges to the Special Court, if necessary,

Conference Substitute

Senate recedes.

Section 1153-Transfer taxes and fees; recordation

House Bill

The House bill exempts the transfers or conveyance of rail property made under this Act and the recording of all deeds, bills of sale, and other instruments incident to such transfers, from the payment of any taxes, imposts, or other levies imposed by the United States or any State or political subdivision thereof. The exemption would apply to the transfer of any interest in rail property including real, personal and mixed. The transferors and transferees of rail prop erty would be entitled to record deeds, bills of sale, easements and other such instruments, and to record the release or removal of any pre-existing liens or encumbrances with respect to transfers of property, upon payment of any appropriate and generally applicable charges to compensate for the cost of the service performed. This provision is not intended to affect the Federal income tax liability of Conrail or acquiring rail-

This section also provides that transfer of designated rail property under section 205 of the Act is to have the same effect for purposes of rights and priorities with respect to the property as recordation on the transfer date of deeds, or other appropriate instruments, in offices appointed under State law for such recordation. Acquiring railroads and other entities would, however, be required to proffer such deeds or other instruments for recordation within thirtysix months after the transfer date as condition of preserving such rights and priorities beyond the expiration of that period. Conrail would be required to cooperate with the acquiring railroad in preparing the necessary recordation documents.

Senate Amendment

The Senate bill is identical.

Conference Substitute

The substitute is identical to the House and Senate bills.

Section 1154-Satisfaction of claims

House Bill

Section 1154 requires Conrail to satisfy all valid claims against the Corporation including loss and damage claims, or make provision for their satisfaction, before making any distribution of assets to the United States.

Senate Amendment

This section requires Conrail to satisfy all valid claims against the Corporation, or make provision for their satisfaction, before making any distribution of assets to the United States. The effect of this provision is to relinquish any priority of payment to which Conrail debentures and series A preferred stock may be entitled on liquidation or otherwise.

Conference Substitute

The conference substitute is the same as the House bill and the Senate amendment.

Section 1155-Expedited supplemental transactions

House Bill

This section requires the Secretary, within 10 days after the effective date of this Act, to initiate discussions and negotia-tions for the transfer of Conrail's rail properties and freight services in Connecticut and Rhode Island to another railroad in the

Within 60 days after the effective date, the Secretary is required to petition the Special Court for an order transferring Conrail's rail properties and freight service in Connecticut and Rhode Island to another railroad in the region. That railroad must have completed negotiations and submitted to the Secretary a proposal to assume Conrail's freight service in those states on a selfsustaining basis for at least 5 years or developed a proposal to assume freight service in those states under an agreement with Conrail or which has, prior to May 1, 1981, submitted a proposal to the Secretary for such a transfer.

The Secretary shall, as part of the transfer, promote the transfer of additional nonmainline Conrail properties in adjoining states that connect with properties to be transferred.

The Special Court is to determine a fair and equitable price for the transferred rail properties and shall, unless the parties otherwise agree, establish fair and equitable divisions. The Special Court may establish a method to ensure that such divisions are promptly paid.

If Conrail continues to operate freight service over those portions of the Northeast Corridor in Connecticut and Rhode Island after the transfer date, Conrail is responsi-ble for paying Amtrak the compensation, as may be agreed by Conrail and Amtrak, for those operations.

Any employee deprived of employment as a result of the transfer process is eligible for labor protection benefits under the new section 701 of the 3R Act.

Senate Amendment

The Senate bill gives the Secretary discretion to transfer the lines in Connecticut and Rhode Island.

Conference Substitute

The conference substitute adopts special procedures for the transfer of lines in Connecticut, Rhode Island and Massachusetts. Under this section, the Secretary is required within 10 days, to initiate discussions and negotiations for the transfer of some or all lines in Connecticut and Rhode Island under a plan which provides for continued rail service on those lines for a period of four years

Within 120 days of enactment, the Secretary is required to petition the special court for an order to transfer all of Conrail's rail properties and service obligations to one or more railroads which have submitted proposals to assume operations and service obligations in such states for at least four years. For the purposes of this provision, the transfer proposal may include Conrail as long as the carrier agrees to maintain service for the requisite period.

The special court is to determine a fair and equitable price for the property, and it must establish divisions of joint rates if the parties cannot agree. In addition, the special court is required to establish a method to insure that divisions are promptly paid.

The acquiring carrier or carriers must assume all charges payable by Conrail to Amtrak except in instances where Conrail operates freight service over portions of the Northeast Corridor after the date of the transfer.

Any employee eligible for Title V protection prior to the date of enactment deprived of employment as a result of the transfer shall be eligible for benefits under section 701 unless such employee refuses an offer of employment with the acquiring railroad or railroads.

Subsection (g) provides procedures for the transfer of specified lines in Massachusetts similar to those discussed above for Connecticut and Rhode Island lines. The conferees agree that the Secretary can sell some or all of the lines in Connecticut and Rhode Island to one or more purchasers, so long as 100 percent service is maintained on all of the lines.

$Section\ 1156-Abandon ments$

House Bill

The House bill adds a new section 309 to the 3R Act. Any application for abandon-ment filed by the Corporation with the Interstate Commerce Commission before November 1, 1981, shall be granted within 30 days by the Commission unless an offer of financial assistance is made. If such an offer of financial assistance is made, the provisions of the Interstate Commerce Act applying to such offers shall apply (49 U.S.C. 10905 (d)-(f)). The Corporation may file a notice of insufficient revenues with the ICC for any line prior to November 1, 1981. At any time prior to October 1, 1983, the Corporation may abandon such a line with 30 days notice to the ICC unless an offer of financial assistance is made. The Corporation solely shall determine what is contained in the notice of insufficient revenues. The Committee expects the Corporation to give particular consideration to lines where state or local governments have expressed an interest. The Corporation is given broad authority by this section, which is necessary because of the financial circumstances of the Corporation, but the authority must be exercised with the utmost regard for the transportation needs of states and local communities.

The employee protection provisions of the Interstate Commerce Act do not apply to employees affected under this section. The employees would be covered under the funds available under section 701.

Senate Amendment

The Senate amendment provides that all transfer agreements entered into this subsection or section 412-11 of the subtitle shall provide for the disposition of proceeds of liquidation in the event that property transferred or leased is abandoned within five years after the transfer date.

Subsection (b) provides that no purchaser can submit an application for abandonment on any line transfer until one year after the date of any transfer or sale.

Conference Substitute

The Conference substitute adopts the House bill with several changes. The Corporation may file, before December 1, 1981, with the Commission any lines which it will abandon. The Commission shall grant the application within 90 days unless an offer of

subsidy is made. The Corporation, at any time before November 1, 1983, may file a Notice of Insufficient Revenues for any line. 90 days after the notice is filed, the Corporation may file an abandonment application. Such application must be granted within 90 days unless a subsidy offer is made.

After a line is abandoned the Commission shall appraise the net liquidation value of such line. If Conrail receives a bona fide offer within 120 days, it must sell the line for 75% of net liquidation value. In addition, Conrail may not dismantle bridges or other structures for an additional 120 days.

The labor protection provision of the Interstate Commerce Act shall not apply to any abandonment granted under this section. The Interstate Commerce Commission may not reject any abandonment application filed under the procedure of this Act.

Section 1157—Amendment to the Railway Labor Act

House Bill

The House bill amends the Railway Labor Act to provide a special procedure for disputes involving publicly funded and operated rail commuter services, including those involving Amtrak Commuter.

This provision allows either party to the dispute, or the Governor of any state through which the service operates, to request the President to establish an emergency board. Upon such request, the President must establish an emergency board.

If the President has established an emergency board, either under this new provision or under his existing discretionary authority, no change in conditions may be made by either party for 120 days, unless by agreement.

The emergency board must report on the dispute within 30 days of its creation. Within 60 days of the emergency board's creation, the National Mediation Board shall conduct a public hearing on the dispute at which each party is to explain why it has not accepted the recommendations of the emergency board for settlement of the dispute.

If within 120 days of the creation of the emergency board, there is no settlement, either party, or the affected Governors, may request establishment of a second emergency board, which the President must then establish

then establish.

Within 30 days after creation of the second emergency board, the parties to the dispute shall submit final settlement offers to the board. Within 30 days after submission of such offers, the board shall report to the President with its selection of the most reasonable offer. No change in conditions may be made by the parties for 60 days after the board's report, unless by agreement.

If the board selects the carrier's final offer and the employees then engage in work stoppage arising out of the dispute, then such employees shall not be eligible for railroad unemployment benefits for the duration of the dispute. Conversely, if the board selects the employees' final offer which the carrier does not accept, and the employees engage in a work stoppage arising out of the dispute, the carrier is not entitled to any benefits from a mutual aid pact for the duration of the dispute.

Senate Amendment

The Senate Amendment did not amend the Railway Labor Act but had a free standing provision of a similar nature that applied only in the negotiation for a new collective bargaining agreement. Conference Substitute

The conference substitute adopts the House provision.

Section 1158—Concerted economic action House Bill

The House bill provides that cross strikes between freight and commuter service are prohibited. Any such action is a violation of the Railway Labor Act.

Senate Amendment

The Senate amendment provides that cross strikes between freight and commuter service are prohibited.

Conference Substitute

The Senate recedes to the House.

Section 1159—Construction and effect of certain provisions

House Bill

The House bill provides that any cost reductions resulting from this Act may not be used to limit the amount of any rate, rate increase or surcharge maintained or proposed by Conrail. The Committee expects the Commission to prescribe a simple formula to allow implementation of this section without undue burden on shippers, Conrail, or other railroads. Conrail management would retain discretion to adjust rates downward on the basis of any reductions or competitive efficiencies that would be achieved as a result of this Act.

Subsection (b) provides that the transfer of any lease agreement or contract by Conrail pursuant to the provisions of or amendments made by this Act is not a breach, default, or violation of an agreement.

Senate Amendment

No comparable provision.

Conference Substitute

The Conference substitute adopts the House provision with a change that limits the House language to labor savings which result from this Act. The Commission may not consider such savings in any rate proceeding.

Section 1160-Labor authorization

House Bill

The House bill provides an authorization of \$25,000,000 to pay for title V labor protection payments that accrue prior to the repeal of title V.

Senate Amendment

Basically, the same as the House bill.

Conference Substitute

The conference substitute is the same as the House bill.

Section 1161—Light density rail service House Bill

No comparable provision.

Senate Amendment

The Senate bill provides that the Secretary shall, to the extent possible, encourage purchasers of property to assume operating responsibilities over all associated branchlines which are financially viable.

Subsection (b) provides that the Secretary may negotiate for and execute the transfer of any lines designated by Conrail as not necessary to achieve profitability as defined in section 412-12 of this subtitle. Conrail shall make such a determination on any line within thirty days of such request by the Secretary of Transportation.

Subsection (c) provides that not withstanding the provisions of section 412-12 from the date of enactment the Secretary may negotiate and execute a transfer of the following classification of lines:

(1) Any Conrail lines subject to abandon-

(2) Rail properties located in the States of

Rhode Island and Connecticut.
(3) Branch lines identified by Conrail as not necessary for the achievement of profitability pursuant to subsection (b) of this section.

Subsection (d) provides that all lines are subject to a transfer agreement under section 412-15 of this Chapter for subsection (c) of this section can be transferred to states or shippers or any combination free of the Rail Common Carrier Status under the requirements of Subtitle IV of Title 49 United States Code.

Subsection (e) provides that compensation for the transfer of these properties may be for a nominal consideration if justified by the public benefit. Further, this subsection frees a noncarrier entity purchaser from regulatory authority under Subtitle IV of title 49, United States Code.

Conference Substitute

The conference substitute generally follows the Senate provision. The reference to abandonments in subsection (a) is clarified to indicate that the provision applies to abandonments other than those subject to section 308. A provision is also incorporated to permit a credit against the purchase price for reasonable expenses incurred in negotia-tions for purchase of rail properties which are subsequently purchased in accordance with the provisions of this subtitle. An equitable division of joint rates for through routes is required.

Section 1162-Rehabilitation and improvement financing

House Bill

The House bill limits funding for fiscal years 1981 and 1982 at a \$6.5 million level. Senate Amendment

The Senate bill does not limit the funding for this program. Instead it provides that the rail lines of carriers in bankruptcy, such as the Milwaukee Road and Rock Island Railroads, be given the highest priority for rail rehabilitation and improvement financing. It also allows purchasers of Conrail lines to be eligible for funding.

Conference Substitute

The House recedes on its provision which limits funding for this program. The conferees adopt the Senate Amendment with the addition of a provision providing the same high priority for the St. Louis Rail Gateway Project

The Conferees recognize that restructuring the rail freight network in the St. Louis Rail Gateway is a high priority, necessary to increase terminal capacity and to meet

the growing traffic demand.

Since terminal congestion is one of the major deterrents to profitability for rail-roads, it is the intent of the conferees that the Federal Railroad Administration reserve \$50 million of preference share funding in fiscal year 1982 of the available authorization, for the restructuring project in the St. Louis Rail Gateway.

Section 1163-Northeast Corridor cost dispute

House Bill

The House Bill provided a means to resolve outstanding cost disputes on the Northeast Corridor.

Subsection (a)(1) would require the Interstate Commerce Commision (ICC) to deter-

mine an appropriate costing methodology for allocation of Northeast Corridor costs resulting from commuter operations within 120 days of the effective date, unless the involved parties otherwise agree on a methodology by that date. The Commission is to consider all relevant factors, including existing statutory standards. The Commission already has the jurisdiction to decide this dispute, but no party has previously invoked its jurisdiction.

Subsection (a)(2) would require the ICC to determine a fair and equitable costing methodology for compensation to Amtrak by Conrail for freight operations over the Northeast Corridor within 120 days of the effective date of this Act, unless the parties otherwise agree by that date. In making its determination, the ICC is to consider the industry-wide average compensation for freight trackage rights and any additional costs associated with high-speed service provided over the Northeast Corridor.

Subsection (b) would provide that any determination by the ICC would be effective only for the future (or if the parties reach an agreement, only since the date agreed by the parties). Any such determination by the ICC (or agreement by the parties) shall not apply retroactively (or before the date agreed by the parties). The effect of this is to settle the past disputes with no money changing hands, and to resolve the disputes for the future.

Subsection (c) clarifies that this section would not preclude the involved parties from agreeing on different cost allocation

methodologies in the future. Subsection (d) makes the ICC determinations pursuant to subsection (a) final and non-reviewable.

Senate Amendment

The Senate Amendment provided for separate procedures to resolve the commuter and freight cost disputes on the Northeast The procedures were similar to Corridor. those in the House Bill. However, the procedure for resolving the commuter cost dispute was not limited to the Northeast Corri-

Conference Substitute

The substitute adopts the House provision.

Section 1164-Delaware & Hudson Railroad House Bill

The House bill has two provisions affecting the D&H by requiring it to pay its debt to the federal government and by requiring that its trackage rights not be transferred.

Senate Amendment

The Senate bill allowed the Secretary to expand the present trackage rights of the D&H.

Conference Substitute

This conference substitute provides an expedited review and decision process for the application to acquire the D&H Railroad. The expedited procedures are necessary given the present cash position of the carrier. A prospective purchaser, on the other hand, cannot make investments in the D&H when it has no assurance it will be able to acquire and control the property. This amendment will insure that the transaction can occur within 180 days

A similar provision is included in the conference substitute for the Boston & Maine

It would also permit the same treatment of existing D&H debt as will be accorded the Conrail debt in the pending bill only if there is an agreement to purchase.

The Secretary would be empowered to recapitalize the debt structure and make the new securities junior to the securities issued by a prospective purchaser.

Such an amendment would insure that sufficient working capital would be available under the new ownership.

Section 1165—Intercity passenger service employees House Bill

The House bill has no provision.

Senate Amendment

The Senate amendment requires Amtrak to establish new positions not fewer in number than the equivalent number of fulltime Conrail positions devoted to N.E. Corridor intercity passenger operations. Any employee transferred to Amtrak is separated from employment with Conrail.

Conference Substitute

The conference substitute requires that Conrail's intercity passenger employees will be transferred by January 1, 1983. Amtrak, Amtrak Commuter and the Corporation will negotiate for the right of freight and passenger employees to move from any of these services to another once every six months. The work force of each of these services will not be increased by the ability of an employee to move from one service to another. An employee with less seniority will be furloughed when an employee with more seniority moves back into that particular work

Section 1166-Trackage rights

House Bill

No comparable provision.

Senate Amendment

The Senate bill allows trackage rights in Philadelphia to be expanded.

Conference Substitute

The Conference substitute modifies substantially the Senate provision. The Conferees expect the Corporation to negotiate with the Philadelphia Belt Line Railroad for trackage rights. The Interstate Commerce Commission shall report to Congress within eight months on the progress of such negotiations.

Although the conferees are concerned that Conrail not lose its own traffic to other carriers to its competitive disadvantage, the Conferees fully expect Conrail to agree to trackage rights for reasonable compensation for traffic that would otherwise not move through the Philadelphia Port. For example, certain traffic which is located on the D&H and does not presently move through Philadelphia would do so if trackage rights were granted to the Philadelphia Belt Line.

Section 1167-Technical amendments

House Bill

No provision.

Senate Amendment

The Senate bill effects certain technical amendments. Subsection (a) amends section 303 of the 3-R Act to eliminate Conrail securities as a payment medium in the valuation proceedings before the Special Court. This amendment is necessitated by section 416-6 which provides that the Secretary shall receive, and may vote, such securities. Any remaining obligation of the United States under the 3-R Act will be satisfied in cash, as has been the case with the initial settlements in the valuation proceedings.

Subsection (b) provides that securities conveyed to the Secretary under section 416-6 shall be deemed to be without value,

unless the Special Court determines otherwise. The intent of this subsection is to ensure that no transferor under the Regional Rail Reorganization Act of 1973 receives more than the constitutional minimum value of the properties conveyed.

The bill also requires the Clerk of the Special Court to convey to the Secretary within ten days after the effective date of the legislation, the common stock and series B preferred stock of Conrail which are on deposit with the clerk. These securities were originally intended to serve as partial compensation for the properties conveyed under the 3-R Act to Conrail. However, as a result of Conrail's poor financial performance those securities are without value. The rights of the transferor railroads with respect to compensation for the assets which they conveyed to Conrail are adequately secured by certificates of value. Any claim against the United States resulting from the conveyance of Conrail securities to the Secretary under this section would be litigated in the Special Court in accordance with section 601 of the bill.

Subsection (b) authorizes the Secretary to exercise voting rights with respect to the securities obtained under subsection (a) or by other means, such as settling the claims of transferors arising from the transfer of rail properties to Conrail in 1976.

Conference Substitute

House recedes.

Section 1168—Applicability of other laws
House Bill

No comparable provisions.

Senate Amendment

The Senate amendment exempts actions taken under the authority of the bill from the application of several laws which were not designed with the subject matter of the bill in mind, or the literal application of which would necessitate extensive delays in the transfer process. For instance, exception from the Administrative Procedure Act ensures prompt action, as well as confidentiality of initial discussions over terms of sale, and avoids legal pitfalls associated with alleged procedural defects.

An exception to section 102(2)(C) of the National Environmental Policy Act of 1969 (NEPA) is also necessary. It is the objective of the bill to provide for the continuation of rail service in the northeast and the prevention of significant diversion of traffic to the highways which may have a direct adverse impact on the human environment in the region. On the other hand, formal compliance with requirements for impact statements and judicial review could lengthen the transfer process and could result in serious deterioration of traffic levels as funding is exhausted and service levels deteriorate. Thus, in this case it appears that observance of the NEPA procedures would promote a result inconsistent with its purposes. Exemptions from the National Historic Preservation Act of 1966 and Section 4(f) of the Department of Transportation Act of 1966 are included for the same reasons-to avoid lengthy delays in the transfer process.

Conference Substitute

The conference substitute adopts the Senate Amendment but deletes exemption from the Freedom of Information Act.

Section 1169—Effective date House Bill

The House bill provides the effective date of this Act is October 1, 1981.

Senate Amendment

The Senate bill provides that the effective date of this Act is the date of enactment.

Conference Substitute

House recedes.

Alaska Railroad revolving fund House Bill

The House bill provides that no funding shall be authorized for the Alaska Railroad Revolving Fund for fiscal years 1982, 1983, and 1984.

Senate Amendment

No similar provision.

Conference Substitute

The House recedes.

Insurance coverage

House Bill

This section affirms Congress' intent that any railroad in reorganization or a successor corporation which has acknowledged certain insurance payments as obligations of the railroad or which was under order of its reorganization court to continue these insurance programs shall be deemed to have conclusively acknowledged that the cost of such continued coverage constitute valid preconveyance administrative obligations of such railroad in reorganization.

Senate Amendment

No similar provision.

Conference Substitute

House recedes.

Loan guarantees House Bill

The House bill amends Section 511 of the 4R Act by adding a new subsection (o). This new subsection requires the Secretary to guarantee obligations of Conrail's commuter subsidiary and commuter service prior to initial reimbursement by the commuter agencies and to cover any subsequent cash flow problems arising from delayed reimbursements from commuter agencies. The aggregate unpaid principal amount of obligations guaranteed under this subsection cannot exceed \$50 million.

The Committee notes it has not adopted the Administration proposal to provide low interest loans for potential purchasers of Conrail frieght lines. However, these loan funds are vitally important to other parts of the country. For example, the Committee recognizes that restructuring the rail freight network in the St. Louis Rail Gateway is a high priority, necessary to increase terminal capacity and to meet the growing traffic demand.

The St. Louis Gateway is the nation's second largest, with some 60 rail yards and with more than two million rail cars passing through each year. The number of rail cars passing through is expected to double by the year 2000. The Committee supports the restructuring project aimed at reducing chronic rail freight traffic bottlenecks and improving the capacity of this national rail freight hub to handle the steadily growing volume. Federal funding assistance for this project is crucial, and the Committee directs the Federal Railroad Administration to give high priority consideration in order to assure that the project can proceed.

Senate Amendment

No comparable provision.

Conference Substitute

The conference substitute does not modify section 511 of the 4R Act.

SUBTITLE F-AMTRAK

Section 1170-Short title

House Bill

The House bill provided that this Act may be cited as the "Amtrak Improvement Act of 1981".

Senate Amendment

The Senate amendment provided that this legislation may be cited as the "Amtrak Improvement Act of 1981".

Conference Substitute

The Conference substitute provides that this subtitle may be cited as the "Amtrak Improvement Act of 1981".

Section 1171-Findings

House Bill

The House bill added new findings to the Rail Passenger Service Act to reflect the establishment of Amtrak Commuter.

Senate Amendment

The Senate amendment abbreviated the findings under section 101 of the Rail Passenger Service Act to highlight the basis for this legislation, which envisioned a significant reduction in Federal funding for Amtrak. Under subsection (a), Congress finds the need for a cost-efficient and energy-efficient intercity rail passenger service, which can help to alleviate the overcrowding of airways and highways and can add to the alternatives for convenient transportation, to the extent that funds are available to do so. References made under current law to the essentiality of a national rail passenger system as a significant asset in time of national emergency or energy shortage and to the need for Federal financial assistance for such purposes were delet-

Congress further finds under subsection (b) the need for cooperation among all interested parties, including Amtrak, the operating railroads, labor, and the state and local authorities so as to secure a rail passenger system justifying continued funding. Certain other findings under current law relating to inadequately defined goals, problems with state-subsidized service, and difficulties with the operating railroads were deleted.

Conference Substitute

The Conference substitute essentially combines the provisions from both the House bill and the Senate amendment.

Section 1172—Additional goals for Amtrak House Bill

The House bill established the following additional goals for the Corporation:

(1) Improvement in the number of passenger miles generated systemwide per dollar of federal investment;

(2) reduction in the cost of long-distance service:

(3) elimination of the deficit in the food and beverage operation;

(4) improvements in productivity and effi-

(5) improvement in the "on-time" performance of all trains operated by the Corporation;

(6) development of service on rail corridors:

(7) increases in the nationwide average speed of trains operated by the Corporation;

(8) improvement of the ratio of revenues to operating expenses; and

(9) certain other goals for Amtrak to reflect the establishment of Amtrak Commuter.

Senate Amendment

The Senate amendment expanded the goals set forth in section 102 of the Rail Passenger Service Act to reflect the need for Amtrak to take such actions as are necessary to improve performance and decrease Federal spending. Specifically, Amtrak would be encouraged to maintain a fare policy on each route which would minimize Federal subsidy; to reduce management costs and increase labor productivity; to reduce losses on food service and increase revenues on mail service; and to ensure that trains arrive within 15 minutes of their scheduled times and that they adhere to a systemwide average speed of at least 55 miles per hour. With respect to Amtrak's attainment of a certain revenue-to-cost ratio, this legislation would make the ratio under current law more stringent and include it as mandate under section 15 of this Act rather than as a goal under this section.

This section also emphasized the need for State, regional and local governments and the private sector to share in the costs of rail passenger service, including the operation of stations. The goal was to reduce Federal expenditures for Amtrak.

Conference Substitute

The Conference substitute adopts the following goals from both the House bill and the Senate amendment:

- (1) exercise of Amtrak's best business judgment in minimizing Federal subsidies;
- (2) encouragement of non-Federal funding of rail passenger service;
- (3) improvement in the number of passenger miles generated by Amtrak's system per dollar of Federal funding;
- (4) elimination of the deficit in Amtrak's food and beverage operation;
- (5) improvements in Amtrak's productivity and efficiency;
- (6) improvement in Amtrak's on-time performance;
- (7) development of rail passenger corridors;
- (8) increase in the nationwide average speed of Amtrak trains;
- (9) improved coordination of intercity and commuter rail services on the Northeast Corridor; and
- (10) maximization of Amtrak's resources and increase in revenues and decrease in Federal subsidies.

Section 1173—Definitions House Bill

The House bill added several definitions to the Rail Passenger Service Act relating to the establishment of the Amtrak Commuter Services Corporation.

Senate Amendment

The Senate amendment amended the definition of basic system in section 103 of the Rail Passenger Service Act to include those changes made in the system pursuant to this legislation. The amendment added two definitions which are important to the labor protection provisions under section 14 of this bill: the term "deprived of employment" was defined as a condition which results when service is discontinued and an Amtrak employee is unable to obtain reemployment; and the term "year of completed service" was defined as a 12-month period during which compensation is credited.

Conference Substitute

The Senate recedes to the House with clarifying amendments.

Section 1174—Changes in Board of Directors

House Bill

The House bill amended 45 U.S.C. 543(a) by removing the authority for the existing board and providing for the appointment of the new board. This section provided that the new board shall have eleven members.

This section also provided that the Secretary of Transportation and the President of the Corporation shall serve as ex officio members of the board.

Under this section, the President would appoint a total of seven members of the board with the advice and consent of the Senate; one to be selected from a list submitted by each of the following groups:

(a) the American Federation of Labor and Congress of Industrial Organizations or its successor:

- (b) the National Governors' Association;
- (c) the business community;
- (d) the National Association of Railroad Passengers or its successor;
- (e) organizations representing users of commuter services operated by the Corporation:
- (f) organizations representing the elderly; and

(g) the Association of American Railroads. This section also provided that two individuals representing commuter agencies shall be members of the board. Prior to the initiation of service by Amtrak Commuter, the two commuter representatives on the board shall be chosen by commuter agencies whose service is operated by either the Consolidated Rail Corporation or Conrail Commuter Corporation. Once the Amtrak Comhas begun providing service, two members of the board shall be chosen by those commuter agencies for which Amtrak Commuter provides service or those commuter agencies which operate service over properties owned by the Corporation or Amtrak Commuter.

This section provided that presidential appointments to the board shall serve terms of four years and that not more than four of the presidential appointees shall be from the same political party. Representatives of the commuter agencies who serve on the board shall serve terms of two years.

This section provided that six members of the board constitute a quorum and that no one other than a member of the board serving pursuant to the authority of this act shall be permitted to vote at meetings of the

This section also provided that the terms of office of the current members of the board shall terminate upon enactment of this act and that such members shall continue to serve for not more than 90 days during which time the President shall appoint new members to the board. If, for whatever reasons, a vacancy occurs on the board as a result of the failure of the President to make his appointments to the board within the time provided, the President of Amtrak shall fill such vacancy with whomever he chooses, provided that any individual appointed by the President of Amtrak shall serve only as long as it takes for the President to make his appointments.

Under this section, the President of the Corporation shall serve as the chairman of the board.

Senate Amendment

The Senate provision amended section 303(a)(4) of the Rail Passenger Service Act to mandate that the President, in appointing eight members to the Amtrak Board of

Directors, would choose out of the eight at least one member to be a States' representative, in view of the increased importance of the state and local role in the provision of rail passenger service anticipated by the legislation, and one to serve as a commuter representative.

Conference Substitute

This section represents a compromise of the two provisions by establishing that the Amtrak Board of Directors shall consist of nine members as follows:

(1) the Secretary of Transportation, ex officio, who may be represented by any one of three statutorily designated individuals:

(2) the President of Amtrak, who is to serve as Chairman of the Board;

(3) five members appointed by the President—one from a list representing rail labor; one of the governors of the states interested in rail transportation or his representative; one from the business community, who has an interest in rail transportation; and two members selected from lists submitted by the commuter authorities, depending upon the entities operating the commuter service; and

(4) two representatives of the preferred stockholder, which under the Conference substitute is the Federal Government.

The Presidential appointees shall serve four-year terms, and not more than two of such members chosen from rail labor, the governors, and the business community, can be from the same political party. The commuter representative shall serve for two years.

This provision also includes certain other requirements relating to member selection. Specifically, the terms of the present Board are to expire October 1, 1981, the effective date of this legislation. However, the current members are to continue serving until the Presidential appointees are selected. If such appointments do not occur within 90 days, the President of Amtrak may fill any vacancy with whomever he chooses until appointments are made.

Section 1175—Financing of the Corporation
House Bill

The House bill contained no similar provision.

Senate Amendment

The Senate amendment made significant changes in the financial structure of Amtrak. It amended section 304 of the Rail Passenger Service Act to provide for the issuance of preferred stock by Amtrak to the Federal Government in order to better protect the Government's interest and investment in Amtrak in the event of liquidation. Specifically, new subsection (c) would require such issuance to the Secretary of Transportation as a prerequisite to obtaining further Federal funds. Certain preferred stock would have to be issued by February 1, 1982, and be equal to past capital grants made to Amtrak through fiscal 1981.

With respect to future operating and capital grants, Amtrak would be mandated to issue such stock within 30 days of the close of each fiscal quarter. There would be no restrictions on the amount of stock held by the Federal Government nor on its redemption rights.

As under current law, the preferred stock would have liquidation preference over common stock. This section would further provide under new subsection (d) that while Amtrak would still be able to issue various non-voting certificates of indebtedness, no such obligation could have a liquidation

preference higher than the Federal Government's outstanding preferred stock nor could it be secured by a lien on Amtrak property without the permission of the Secretary of Transportation.

Under subsection (e), Amtrak stockholders would continue to have inspection rights without respect to the amount of stock held. Also, preferred stock would not be subject to any issuance fees or taxes unless Congress otherwise specifies.

Conference Substitute

The House recedes to the Senate provision.

Section 1176—Charges for Customs and Immigration Service

House Bill

The House bill amended 45 U.S.C. 545 to exempt the Corporation from the payment of fees to the federal customs and immigrations services for "on-board" inspection of rail passengers crossing international boundaries.

Senate Amendment

The Senate amendment contained no similar provision.

Conference Substitute

The Senate recedes to the House provision.

Section 1177—Food and beverage service House Bill

The House bill amended 45 U.S.C. 545 and 45 U.S.C. 565(e) to direct the Corporation to eliminate the deficit in its food and beverage services by September 30, 1982. Beginning October 1, 1982 this section provided that the Corporation shall not operate "onboard" food and beverage service unless revenues cover costs. Amtrak would be allowed to contract out for food and beverage services in order to reduce the associated costs.

Senate Amendment

The Senate amendment listed as a goal the reduction of losses associated with food and beverage service.

Conference Substitute

In addition to the general Senate goal, the Conference substitute adopts the House provision with an amendment providing for computation of losses on an annual rather than a quarterly basis. With respect to the provision allowing contracting out for food and beverage services, it is the intent of the conferees that Amtrak report to Congress as to other areas of its operation where savings could be realized through contracting out.

Section 1178-Applicability

House Bill

The House bill amended 45 U.S.C. 546 by exempting the Corporation from the payment of state and local taxes to the same extent as the Government of the United States is exempt from the payment of taxes. This provision is estimated to save Amtrak \$14.5 million in fiscal year 1982.

Senate Amendment

The Senate amendment exempted Amtrak from future payment of certain state and local sales and property taxes, which it has been paying. Specifically, Amtrak would not be required to pay any further taxes based on the acquisition and improvement of personal property, such as equipment, or on the improvement of real property, made in connection with the provision of rail passenger service. It is expected that this exemption would provide a reduction of \$6.5 million in Amtrak's costs during fiscal year 1982.

This section also exempted Amtrak from state and local full crew laws, which require that a specified minimum crew be employed on passenger trains operated in various states. Such an exemption would allow Amtrak to reduce surplus personnel which now cost Amtrak approximately one-half of a million dollars annually.

Conference Substitute

The House recedes to the Senate with respect to the state and local tax exemption. The Senate recedes to the House with respect to the state and local full crew law exemption.

Section 1179-Sanctions

House Bill

The House bill amended section 404 of the Rail Passenger Service Act to provide that any change in the basic system made by Amtrak shall not be reviewable in any court.

Senate Amendment

The Senate amendment amended section 307 of the Rail Passenger Service Act to enable Amtrak to make changes in its service subject only to court review upon petition of the United States Attorney General. In the past, Amtrak has been hampered in its efforts to discontinue routes by a multitude of court actions for injunctive relief.

Conference Substitute

The House recedes to the Senate provision.

Section 1180—Elimination of unnecessary reports

House Bill

The House bill amended section 308 of the Rail Passenger Service Act to relieve Amtrak of its obligations to provide Congress with monthly reports on revenues and expenses attributable to each operating railroad over which Amtrak service is provided. It also would eliminate the requirement that the Interstate Commerce Commission report annually to Congress on Amtrak. Neither of these reporting requirements is necessary.

Senate Amendment

The Senate amendment was identical to the House provision.

Conference Substitute

The Conference substitute adopts the House provision.

Section 1181—Facility and service agreements

House Bill

The House bill contained no similar provision.

Senate Amendment

The Senate amendment repealed section 401(c) of the Rail Passenger Service Act which provides that, except for auto-ferry service, no railroad or any other person may provide intercity rail passenger service over a route over which Amtrak is operating, unless given consent by Amtrak. This amendment should be considered together with section 17 of the legislation, which encourages private entities to undertake rail passenger service.

Under section 402(g) of the Rail Passenger Service Act, Amtrak was required by January 1, 1981, to enter into an industrywide contract with other rail carriers for the operation of special and charter trains. This section would eliminate such requirement, which has not been met. Separate contracts with individual railroads still could be entered into with respect to such special service.

Conference Substitute

The Senate recedes to the House with an amendment to section 402(a) of the Rail Passenger Service Act specifying that any contracts negotiated between Amtrak and the railroads under that section shall include a penalty for untimely performance.

It is also the intent of the conferees that a rall carrier which commences intercity passenger or auto-ferry service after the date of enactment of the Amtrak Improvement Act of 1981 is authorized to establish, discontinue or change such routes and service as well as passenger fares and freight rates as it deems necessary.

It is the further intent of the conferees that if any rail carrier operating such passenger or auto ferry service, discontinues such service no other rail carrier shall be required to continue to provide such service.

Section 1182—State-supported services

House Bill

The House bill amended 45 U.S.C. 563(b) to eliminate the deadline for a state to submit an application for the initiation of 403(b) service.

Under this section, a state would pay 60 percent of the short-term avoidable loss of 403(b) service in the first year of operation and 80 percent of the short-term avoidable loss in each year of operation thereafter.

This section eliminated the technical assistance panels and provides instead that the Corporation shall conduct a preliminary evaluation of the market potential of service a state proposes to operate under subsection 403(b). This section further provides that proposed service shall not be eligible for operation under subsection 403(b) unless it is reasonably expected that revenues from such service will cover 30 percent of the costs, with the state's contribution not included.

Under this section, the Corporation could agree to provide 403(b) service on a route that is not expected to achieve this minimum level of performance if the state agrees in advance to pay the annual loss. If the Corporation and a state enter into such an agreement and the service actually does achieve the minimum level of performance, this section provides that the Corporation shall reimburse the state for the difference between the annual loss of such service and the appropriate percentage of short-term avoidable loss the state would have otherwise paid.

This section provides that the Corporation may agree to provide service under subsection 403(b) if:

 (a) such service is projected to achieve the minimum level of performance specified above; and

(b) sufficient resources are available to the Corporation.

Under this section, an agreement to provide 403(b) service could be renewed for one or more additional terms of not more than two years, provided that an agreement shall not be renewed for a train that fails to meet the minimum level of performance unless the state agrees to pay the annual loss.

This section further provided that the Corporation shall consult with a state at least 90 days before a fare increase affecting 403(b) service is scheduled to take effect. If any state objects to the fare increase within 30 days from the date of such service will cover 30 percent of the costs, with the state's contribution not included.

Under this section, the Corporation could agree to provide 403(b) service on a route that is not expected to achieve this mini-

mum level of performance if the state agrees in advance to pay the annual loss. If the Corporation and a state enter into such an agreement and the service actually does achieve the minimum level of performance, this section provided that the Corporation shall reimburse the state for the difference between the annual loss of such service and the appropriate percentage of short-term avoidable loss the state would have otherwise paid.

This section provided that the Corporation may agree to provide service under sub-

section 403(b) if:

(a) such service is projected to achieve the minimum level of performance specified above; and

(b) sufficient resources are available to

the Corporation.

Under this section, an agreement to provide 403(b) service could be renewed for one or more additional terms of not more than two years, provided that an agreement shall not be renewed for a train that fails to meet the minimum level of performance unless the state agrees to pay the annual loss.

This section further provided that the Corporation shall consult with a state at least 90 days before a fare increase affecting 403(b) service is scheduled to take effect. If any state objects to the fare increase within 30 days from the date of notification, this section provided for a delay in the implementation of the fare increase for an additional 30 days to give the state an opportunity to recommend ways to reduce costs in order to reduce or to eliminate the need for the fare increase. At the end of the extended period, the Corporation shall make the decision as to whether the fare increase should take effect in whole or in part, taking into consideration the state's recommendation.

Under this section, the states would be given an opportunity to consult with the Corporation in the development of a definition of short-term avoidable loss and associ-

ated capital costs.

This section also provided that the Corporation shall expend at least one but not more than 5 percent of the revenues generated by 403(b) service in the advertisement locally of such service.

This section further stated that the provision for state payments contained in this section shall apply to existing 403(b) service at the time agreements for such service are renewed.

Senate Amendment

The Senate amendment amended section 403 of the Rail Passenger Service Act.

Section 403 of the Rail Passenger Service Act provides that Amtrak shall operate additional service if a State, local, or regional government agrees to share in the associated costs. Specifically, such non-Federal entity must agree to cover 20 percent of the solely related costs (interpreted to mean avoidable losses) in the first year of operation, 35 percent in the second year, and 50 percent each year thereafter. The state or locality also must agree to cover 50 percent of the capital costs.

This section made no changes with respect to existing contracts entered into pursuant to this cost-sharing arrangement prior to the date of enactment of this legislation. However, this legislation would add a new section 403a to cover future such agree-

ments.

Section 403a is different from the current program in several respects. First, a private party would be able to fund rail passenger service in addition to the states and local-

ities. Also, such cost-sharing agreements could be entered into for retention of existing service as well as for new service in order to ensure the opportunity for continuing service which Amtrak might otherwise have to discontinue. In addition, Amtrak would not have to enter into these agreements and could require that the non-federal funding source cover more than the percentages of operating loss heretofore mentioned. Finally, this section would eliminate the period for filling applications with Amtrak, the technical assistance panels now convened to review applications, and the requirement that Amtrak notify a state of a fare increase on one of its subsidized routes. It is expected that these changes in the

It is expected that these changes in the current program would encourage expanded non-federal funding of rail passenger service. At the same time, this section would ensure that Amtrak share in the costs of operating such service only to the extent that

its funding level allows.

This section also amended section 403 relating to commuter rail service which Amtrak is required to operate. Effective October 1, 1981, provisions under subsection (d) mandating that Amtrak operate certain commuter rail service at reduced fares would be repealed since the current law does not require operation after such date.

With respect to any future commuter services operated by Amtrak, new section 403a(c) provided that Amtrak only would operate such service if it is reimbursed for 100 percent of the associated avoidable losses and such other amounts as the Amtrak Board of Directors determines would contribute to the costs of providing intercity rail passenger service. This amendment would help to minimize Amtrak's losses, given the funding level provided in this legislation.

Conference Substitute

The Conference substitute adopts certain Senate provisions, and amendments reflecting the House provisions. A non-Federal entity could offer to fund rail passenger service. Amtrak would have the discretion to decide whether or not to operate such service. Such entity would have to agree to pay 45% of the short-term avoidable losses in the first year of operation and 65% in the second year and thereafter, and also 50% of the associated capital costs. Amtrak's Board of Directors would establish the basis for determining short-term avoidable loss and capital costs. The Board must consult with the states and provide them with such basis for determination.

The provision as adopted by the conferees ensures that those 403(b) agreements entered into prior to October 1, 1981, the effective date of the legislation, shall not be subject to the increased percentage shares included in the Conference substitute for fiscal years 1982 and 1983. Renewals of such agreements are to be funded at 35% and 50% of the solely related costs as provided in the current law for the second and third

years of operation.

The conferees believe that states participating in the 403(b) program should have greater impact on fare decisions than they do under the current law. As a result, the Conference substitute requires Amtrak to notify a state at least 90 days in advance of the date that a proposed fare increase which is applicable to 403(b) service and which represents an increase of more than 5 percent over a 6-month period is scheduled to take effect. The substitute also requires Amtrak to provide such officials with an explanation of the circumstances warranting the proposed fare increase.

Within 30 days of such consultation, the affected state may submit proposals to Amtrak for reducing costs and increasing revenues of 403(b) service. After the 30-day period and after having considered those proposals submitted by the state, Amtrak shall decide whether to implement the proposed fare increase in whole or in part. conferees expect that a state would object to a fare increase only if it had a proposal that could reasonably be expected to reduce the costs of operating service and therefore reduce or eliminate the need for a fare increase. The conferees would also expect that a state notifying Amtrak of its objection to a fare increase would begin discussion with Amtrak immediately regarding its proposal for reducing costs.

The conferees also intend that Amtrak thoroughly analyze and evaluate a state's proposal and that, only after such consideration, shall Amtrak make a decision as to whether the proposed fare increase should be implemented in whole or in part.

An important exception to the above provisions must be noted. In those cases where either Amtrak's authorization or appropriation for the fiscal year is not enacted at least 90 days prior to the beginning of such fiscal year. Amtrak may increase fares during the 30 days following enactment of such appropriation or recession. However, the conferees intend that in such instances Amtrak must notify the affected state of the fare increase as soon as possible. This exception addresses the conferees' concern that Amtrak not operate service for an additional 90 days in those instances where Amtrak's funding is not finalized 90 days prior to the beginning of the fiscal year.

This section also provides that at least 2% but not more than 5% of all revenues generated on a particular route funded under this section is to be dedicated to local advertising

of such service.

The Senate recedes to the House provision with respect to commuter service, which is dealt with in section 1183 of the conference substitute.

The conferees intend that this provision represent a gradual transition towards a greater non-federal share in the funding of rail passenger service under section 403(b) of the Rail Passenger Service Act as amended.

Section 1183—Operation within available resources

House Bill

The House bill amended 45 U.S.C. 564(c)(3) to give the Corporation the authority to amend the route and service criteria by submitting such an amendment to the Congress. If within 120 days, neither the House nor the Senate has disapproved it, it shall become part of the route and service criteria.

This section also amended 45 U.S.C. 564(c)(4). The Corporation is directed to conduct an annual review of each route in the basic system to determine whether such route meets the criteria for short-distance or long-distance trains, whichever is applicable. The Corporation is directed to terminate any route which does not meet the criteria.

Based on an evaluation to be performed at the beginning of each fiscal year, this section directed the Corporation to take necessary actions to reduce its costs in order to operate within the level of funds authorized.

Such actions shall be designed to improve the operational efficiency and cost-effectiveness of service and to preserve the maximum of service feasible.

If, however, the Corporation determines these improvements will not yield the required level of savings, the Corporation would be directed to reduce or discontinue routes in order of their performance under the criteria.

This section also directed the Corporation to give notice to states and localities affected by a route discontinuance.

For purposes of achieving savings necessary to operate within the level of authorized funds, this section amended 45 U.S.C. 564(c)(5) to exempt the Corporation from the route and service criteria. This section repealed 45 U.S.C. 564(e), the authority for the operation of the "regional balance" trains. Under this section, changes in the basic system which are made by the Corporation shall not be reviewable in any court.

Finally, this section amended 45 U.S.C. 563(d) to provide that the Corporation shall continue operating funding service in the same manner it currently operates and funds service under the authority of 45 U.S.C. 563(d) as long as that service meets the ridership criteria for short-distance trains.

Senate Amendment

The Senate amendment amended section 404 of the Rail Passenger Service Act which set forth certain criteria to be followed by Amtrak in determining whether or not to discontinue service. Under existing subsection (d), Amtrak could not discontinue a long-distance train if it meets the criteria of 150 passenger miles per train mile and a 7e avoidable loss per passenger mile. Similarly, a short-distance train cannot be eliminated if it meets a criteria of 80 passenger miles per train mile and a 9¢ avoidable loss per passenger mile. Furthermore, Amtrak is mandated under existing subsection (c) to conduct an annual review of all long-distance trains and is required under subsections (e) through (g) to operate certain regional balance trains and short-haul demonstration trains. Finally, subsection (b) requires that Amtrak make certain other discontinuances subject to its corporate route and service criteria.

This section would eliminate those requirements in order to facilitate the adjustments in Amtrak's system necessitated by this legislation. Amtrak would be able to discontinue any service, without regard to any statutory criteria or to its corporate route and service criteria, as it deemed appropriate in order to comply with the funding levels of this legislation.

The Senate amendment also added an important new section 407 to Title IV of the Rail Passenger Service Act. Subsection 407 (a) would require Amtrak to operate within the limits of available resources, including Federal grants, state and local assistance, and revenues. Furthermore, beginning in fiscal 1982, Amtrak's revenues, including non-Federal funding, would have to cover at least 50 percent of its total operating costs, excluding capital costs. Also, under subsection (c) of Amtrak would be required to reduce its management costs by 10 percent before October, 1983.

Amtrak would be authorized under subsection (b) to discontinue routes, trains and services, or reduce frequency of service, as necessary to comply with the funding levels of this legislation. Amtrak would be required to provide notice upon date of enactment of its intention to discontinue service as appropriate to give states and other parties an opportunity to agree to share in the costs of such operations.

Conference Substitute

The Conference substitute is intended to ensure that Amtrak provides cost-effective and efficient service and to ensure that Amtrak has the ability to improve its overall performance.

In this regard, this section requires that, commencing in fiscal 1982, Amtrak recover 50% of its costs, excluding capital costs, from its revenues, including non-Federal contributions. In addition, Amtrak is required to reduce costs associated with its management.

The Conference substitute further provides that Amtrak shall conduct an annual review of the trains which it operates in its basic system and shall discontinue, modify or adjust service which does not meet the performance criteria. The criteria are an objective measure of a train's performance and should, therefore, guide Amtrak in making decisions regarding service reduction or adjustments.

For short-distance trains, the statutory criteria provide that the avoidable loss per passenger mile, as calculated by Amtrak and projected for the next fiscal year, not exceed nine cents, and that the passenger miles per train mile not be less than 80. Adjusted to reflected constant 1979 dollars, as both the Conference substitute and the present law require, the criteria in fiscal year 1982 limit the avoidable loss per passenger mile of short-distance trains to 12.9 cents.

The criteria provide that the avoidable loss per passenger mile of long-distance trains, as calculated by Amtrak and projected for the next fiscal year, shall not exceed seven cents, and that the passenger miles per train mile not be less than 150. Adjusted for constant 1979 dollars, this criteria stipulates that the avoidable loss per passenger mile of long-distance trains shall not exceed 10.1 cents during fiscal year 1982.

For purposes of modifying or adjusting routes which do not meet the criteria as determined by the annual review, this section exempts Amtrak from the provision in current law requiring that all reductions or additions of service be made in accordance with the route and service criteria. The conferees believe that adherence to the procedure for eliminating service under the route and service criteria, including requirements for local hearings, could delay Amtrak's ability to make important service modifications or adjustments.

It is the intent of the conferees that Amtrak should make every effort to adjust or modify service so that routes will meet the criteria. The conferees also intend to ensure that Amtrak pursue all available alternatives with respect to all the routes in the system, including the Cardinal, the Inter-American, and the Pioneer, in order that the maximum level of service be maintained.

In addition, at the beginning of each fiscal year, the Conference substitute requires Amtrak to assess its financial needs for operating all of the service provided at the time. If Amtrak projects that it cannot operate its system within its available resources, then Amtrak is directed under this provision to take such actions as may be necessary to reduce costs and improve performance. Such actions may include the following: changing the frequency of service; increasing fares; reducing the cost of sleeper car and dining car services on certain routes; increasing the passenger capacity of cars

used on certain routes; restructuring, adjusting, or discontinuing service over routes, considering short-term avoidable loss and the number of passengers served by such routes.

In order to accomplish the reductions or discontinuances of service which Amtrak determines are necessary in order to operate with the funds available, the conference substitute exempts Amtrak from the requirements of the route and service criteria.

The conference substitute also creates a procedure by which Amtrak may amend the route and service criteria. The conferees believe that Amtrak's management needs flexibility to make adjustments in its system in order to create efficient and cost-effective service.

With respect to discontinuances, this section provides that Amtrak shall give advance notification to states and localities of the discontinuance of service over any route.

In addition, this section provides for the continued operation of rail passenger service which is presently operated under the authority of section 403(d) of the Rail Passenger Service Act, as long as it meets the criteria in section 404(d)(2)(B) of the Act. Those trains which Amtrak operates under this section are among the better performers in the system and provide essential service which the conferees believe Amtrak should continue under the present funding and operating arrangements.

Finally, the conferees would encourage Amtrak to place importance on maintaining its long distance routes. Such routes are an integral part of the nation's transportation network and remain an important alternative which serves the transportation and energy needs of the country.

Section 1184—Extension of compensation for pass riders

House Bill

The House bill amended 45 U.S.C. 565 to provide that Amtrak continue to be reimbursed by other railroads for their employees who ride on Amtrak at a reduced rate. The reimbursement would be equal to at least 25 percent of the revenue that Amtrak would otherwise have received.

Senate Amendment

The Senate provision was identical to the House provision.

Conference Substitute

The Conference substitute adopts the House provision.

Section 1185—Authorization of appropriations House Bill

The House bill amended 45 U.S.C. 601(b) to authorize \$625 million for operating expenses for fiscal year 1982, of which \$24 million is for capital and operating expenses associated with provision of 403(b) service.

This section also stated that not more than 50 percent of the amount by which the Corporation subsidized the provision of food and beverage services in fiscal year 1981 shall be used to subsidize such service in fiscal year 1982. This section also reduced certain prior year authorizations for capital expenses and labor protection.

For fiscal year 1982, this section authorized \$842 million, of which:

(a) \$170 million is for capital expenses;

(b) \$26 million is for capital and operating expenses associated with provision of service under 403(b).

Senate Amendment

The Senate amendment authorized appropriations not to exceed \$735 million for each of the fiscal years 1982 and 1983 and not to exceed \$640,000,000 for fiscal year 1984. No specific amounts were set aside for operating, capital, non-federally subsidized service, or labor protection. Accordingly, section 601 was amended to remove the specific fiscal 1982 figures for capital, State-subsidized service, and labor protection.

Conference Substitute

The Conference substitute represents a compromise between the two bills by authorizing \$735 million for operating and capital expenses for fiscal year 1982, of which \$24 million is for capital and operating expenses associated with provision of 403(b) service. The Conference substitute also authorizes \$788 million for operating and capital expenses for fiscal year 1983, of which \$26 million is for capital and operating expenses associated with provision of 403(b) service.

The substitute also contains the House provision which states that not more than 50 percent of the amount by which the Corporation subsidized the provision of food and beverage services in fiscal year 1981 shall be used to subsidize such service in fiscal year 1982.

Section 1186-Loan guarantees

House Bill

The House bill amended 45 U.S.C. 602(d) to increase the level of loan authority available to the Corporation and to eliminate the requirement that the Corporation pay the Department of Transportation a fee for serving as the guarantor of its loan with the Federal Financing Bank.

This section also amended 45 U.S.C. 602 to provide for the Corporation to defer making interest payments on its debt to the Federal government for the period of this authorization. In addition, this section stated that deferral of interest payments by the Corporation shall not constitute default under any note or obligation of the Corporation, and that notes of the Corporation shall continue to be refinanced by the Secretary and the Federal Financing Bank as they mature in order to pay for previously ordered equipment.

Senate Amendment

The Senate amendment contained no similar provision.

Conference Substitute

The Senate recedes to the House provision with respect to the guarantee fee and the level of loan authority. The new loan authority will cover the final payment on the purchase by Amtrak of the Northeast Corridor.

The Conference substitute also adopts a provision similar to the House bill with respect to interest deferral. This provision allows Amtrak to defer its interest payments during fiscal years 1982 and 1983, amounting to \$82 million and \$100 million, respectively. However, such interest would remain as an obligation to the Federal Financing Bank, and it is intended that interest would accrue on this outstanding obligation.

This interest deferral is not to constitute a default with respect to any note or obligation, and the Secretary of Transportation is to continue to guarantee loans to Amtrak for fulfillment of existing obligations. The conferees understand that three of Amtrak's notes having a total value of \$750 million will mature in fiscal years 1982 and

1983 and direct the Secretary of Transportation and the Federal Financing Bank to refinance these notes in the usual manner.

This legislation would also require that the Department of Transportation, in consultation with Amtrak, the Treasury Department, and the General Accounting Office, submit to Congress by Feburary 1, 1982, legislative recommendations for relieving Amtrak of its debt obligation. The conferees believe that this continuing issue of Amtrak's loan repayment should finally be resolved by relieving Amtrak of its obligation to repay the principal and interest associated with its debt to the Federal Financing Bank.

The conferees emphasize that this interest deferral is not intended to set a precedent for future actions with respect to a debt owed the Federal Government. The conferees were concerned that Amtrak have sufficient funds to operate its system and thus approved this extraordinary measure of deferral.

Section 1187—Rail Corridor development and other studies

House Bill

The House bill required the Corporation to report to Congress by January 15, 1982 with recommendations and a plan for development of rail corridors.

Senate Amendment

The Senate amendment required Amtrak and representatives of labor and other railroads to submit to Congress within 6 months of the date of enactment of this legislation a joint report regarding efforts and recommendations to achieve efficiencies in both the Amtrak management and labor areas.

The Senate amendment also required Amtrak to report to Congress within 3 months of the date of enactment of this legislation on any actual or potential problems, with appropriate legislative recommendations, regarding the direct employment of operating employees for whose services Amtrak now contracts with the operating railroads.

Conference Substitute

The Conference substitute adopts the House provision, with some amendments, and the Senate amendments without modifications.

The conferees believe the cost-effectiveness and energy efficiency of rail passenger service is largely dependent on Amtrak's sublity to increase ridership. If Amtrak's systemwide average ridership were increased, the passenger miles generated per dollar of public investment as well as the energy efficiency of Amtrak's service would also increase. Estimates are that increased ridership could result in a tripling of the number of passenger miles per gallon of fuel that Amtrak provides.

The conferees believe, therefore, that Amtrak should develop services which have the greatest potential for increasing ridership. Rail corridors, providing frequent and fast train service over short to medium distances, from city center to city center, hold great potential for increasing Amtrak's ridership.

The Passenger Railroad Rebuilding Act of 1980 directed the Federal Railroad Administration and Amtrak to evaluate the market potential for rail corridor service between 25 different city pairs around the country and to perform detailed design and engineering studies to identify the improvements needed to implement rail corridor service.

The resulting report demonstrates that corridors could help rail passenger service achieve a number of different goals: cost-effectiveness; increased ridership; and energy efficiency. According to the study, six of the corridors could be developed and operated for a public expenditure of 15 cents or less per passenger mile: Los Angeles-San Diego, 9.06/passenger mile; Philadelphia-Atlantic City, \$.12/passenger mile; New York-Buffalo, \$.12/passenger mile; Chicago-Detroit, \$.13/passenger mile; Los Angeles-Las Vegas, \$.14/passenger mile and Chicago-Cincinnati, \$.15/passenger mile.

High ridership was also projected for a number of the corridors. By 1985, the Philadelphia-Atlantic City corridor is projected to carry four million passengers annually, and its passenger mile per train mile rating would be 304—higher than all but two trains Amtrak presently operates. The study also projected Los Angeles-San Diego to have a passenger mile per train rating of 180 and

New York-Buffalo, one of 123.

While a number of the corridors were projected to result in substantial energy savings, the Philadelphia-Atlantic City corridor is the only one that was projected to be more fuel efficient than bus service. According to the study, development of the Philadelphia-Atlantic City corridor would result in an energy efficiency rating of 229 passenger miles per gallon of gasoline or diesel fuel. Bus service would yield only 135 passenger miles per gallon of fuel. Other corridors that ranked high in energy efficiency were Chicago-Cincinnati, 117 passenger miles per gallon of fuel, and New York-Buffalo, 100 passenger miles per gallon of fuel.

The conferees note that the potential demand for rail service in certain corridors is high. The Chicago-Detroit corridor has one of the highest "on-line" populations. The State of Michigan has demonstrated strong support for rail service and the conferees believe that Amtrak should work with the state in the development of corri-

dor service on this route.

In addition, development of certain corridors has been shown to significantly increase the share of all intercity passengers who would travel by rail. Accordingly to information from the Department of Transportation, development of the New York-Buffalo corridor would increase rail services' share of the total intercity passenger market from 5.8 percent (projected for 1985 without corridor service) to 9.3 percent (projected for 1985 with corridor service)-a 3.5 percent increase. Furthermore, the conferees note that in some cases states have begun to work directly with Amtrak in building a dedicated rail ridership market and in developing rail corridor service. The State of Illinois is funding the creation of a station stop at Normal, Illinois which will make rail service on the Chicago-St. Louis corridor accessible to a total student population of more than 170,000.

In addition, the State of Illinois has funded an engineering study for the development of corridor service. The conferees believe Amtrak should work with the state in conducting this study and in evaluating the potential for rail corridor service along

this route.

The development of rail corridor service has the potential of improving Amtrak's overall efficiency. Therefore, the conferees believe that in fiscal year 1982 Amtrak should begin design and engineering studies on those corridors which will improve the cost-effectiveness, energy-efficiency and ridership of the service Amtrak provides.

The conferees believe Amtrak should develop design and engineering plans on at least the following corridors: Los Angeles-Las Vegas; Chicago-Detroit; Chicago-St. Louis; New York-Buffalo; the Texas Triangle; and Chicago-Cincinnati; and Philadelphia-Atlantic City.

In addition, the conferees believe Amtrak should undertake development of a prelimi-nary engineering study of the Los Angeles-San Diego Corridor to determine the feasibility of instituting higher frequency of service within the Corridor. In doing so, Amtrak shall work with the Orange County Transportation Commission in the development of the transportation study within the Los Angeles-San Diego corridor which is in progress on the date of enactment of the Act. Specifically, Amtrak should participate and cooperate by portion of the study or Draft Environmental Impact Statement dealing with increased frequency of service on the Corridor. Upon completion, the Draft Environmental Impact Statement should be transmitted to the Secretary of Transportation for certification.

The conferees believe that Amtrak should work with state and local governments and private interests in the development of rail corridor service. The conferees note with interest that there is strong private sector interest in two of the corridors, Philadelphia-Atlantic City and Las Vegas-Los Angeles. The conferees feel strongly that Amtrak should make every effort to enter into cooperative agreements with private interests, state and local governments or both for the development of these corridors. With particular respect to the Las Vegas-Los Angeles Corridor, the conferees also urge the Department of Transportation to work with Amtrak and the state and local officials in the study and development of high-speed rail passenger service in that area.

The conference substitute directs Amtrak to report to Congress not later than June 1, 1982 with its recommendations for the development of rail corridors. Amtrak is to include in its report an identification of the corridors it would develop, a timetable for their development, and a financial plan outlining how such development would be financed.

The conferees intend to examine Amtrak's report. It is expected that whatever efforts are made towards corridor development should complement and strengthen Amtrak's system.

Section 1188—Technical and conforming amendments

House Bill

The House bill made certain technical and conforming amendments.

Subsection (a) merely conformed the Corporation's mission to include the new functions provided in this Act related to commuter service.

Subsection (b) conformed the powers of

Subsection (b) conformed the powers of the Corporation to the new functions provided in this Act.

Subsection (c) merely indicated that preference is to be given to commuter trains as well as intercity passenger trains.

well as intercity passenger trains.
Subsection (d) made inapplicable to
Amtrak Commuter certain protective arrangements.

Subsection (e) repealed Section 702 of the Railroad Revitalization and Regulatory Reform Act of 1976. This section established the Operations Review Panel (ORP) to resolve disputes over operations on the Northeast Corridor. The ORP is no longer necessary because of the provisions for Northeast Corridor coordination included as

part of the new Title V of the Rail Passenger Service Act.

Senate Amendment

The Senate amendment made certain other technical and conforming amendments to the Rail Passenger Service Act.

Conference Substitute

The Conference substitute adopts certain technical and conforming amendments.

Section 1189-Effective date

House Bill

The House bill established October 1, 1981 as the effective date.

Senate Amendment

The Senate amendment provided that the provisions of the legislation were to take effect on the date of enactment, except as otherwise provided in the legislation.

Conference Substitute

The effective date of the Act shall be October 1, 1981 except as otherwise provided under this Act.

Employee protection House Bill

The House bill limited Amtrak's obligation to make certain labor protection payments to \$10 million in fiscal year 1982.

Senate Amendment

The Senate amendment made significant changes in the employee protection provisions contained in section 405 of the Rail Passenger Service Act in anticipation of the service discontinuances which would result from the legislation.

Specifically, new subsection (f) would require the Amtrak Board of Directors to elect for its employees one of two labor protection programs. This election would be made, within 60 days of the date of enactment of this Act, between the contractual agreements currently in effect and the labor protection provisions included in this section. Pursuant to new subsections (g) and (h)(1), if this latter program is chosen, Amtrak would be required to give appropriate notice, and the current labor protection contracts would no longer be in effect. This program would provide the exclusive protection.

This new labor protection program as outlined in subsection (h)(2) through (4) would provide that an Amtrak employee deprived of employment would receive from Amtrak a separation allowance based on the years of completed service with Amtrak and with a predecessor rail carrier. Employees with service between 6 and 15 years would be entitled to receive \$1,000 per year for each year of completed service over 5 years. Employees with service between 16 and 25 years would be entitled to receive \$10,000 plus \$2,000 for each year of completed service over 15 years. Employees with service of over 25 years would be entitled to receive \$10,000 plus \$2,000 for each year of completed half of such separation allowance no later than 30 days after the employee is separated from employment, with the remainder to be paid within 90 days. These payments would be considered taxable earnings for the purposes of the Railroad Unemployment Insurance Act.

The benefits provided under this section would also include moving expenses if the employee is required to make a change in residence within 3 years of the discontinuance in order to retain employment with Amtrak or to obtain employment with another rail carrier. The maximum moving expenses benefit would be \$5,000 and would

include the costs of moving the employee's family and the costs associated with the sale of a house or with an unexpired lease.

The employee also would be entitled to receive reasonable expenses for new career training if begun within 2 years of a service discontinuance. The maximum benefit for retraining would be \$5,000. Finally, the employee would be entitled to a continuation of medical insurance coverage for a period not to exceed 6 months from the date of separation unless covered in a new position by substantially equivalent group medical coverage. Any dispute over these benefits would be resolved through arbitration procedures agreed to by labor and Amtrak management.

A right of first hire with other rail carriers would be provided for any vacancy in a class or craft in which an employee was employed by Amtrak or a predecessor railroad, unless such vacancy is covered by a mandatory or permissive affirmative action plan. All the rights afforded by this labor protection provision are mandated to be coequal with those afforded by the Milwaukee Railroad Restructuring Act and the Rock Island Transition and Employee Assistance Act.

In addition to the labor protective provisions outlined above, section 14 of the bill makes two changes in existing law. First, it would repeal existing section 405(e) which prohibits Amtrak from contracting out for services if it would result in an employee lay-off. It is expected that the elimination of this provision would allow Amtrak to contract out for food services, on which it loses at least \$50 million a year.

Conference Substitute

Neither provision was adopted in the Conference substitute. With respect to the Senate provision allowing contracting out for any service, the Senate recedes to the House to the extent that contracting out is limited to the area of food and beverage service, as provided in Section 1177 of the Conference substitute.

Basic rail passenger system House Bill

The House bill contained no provision.

Senate Amendment

The Senate amendment repealed Title II of the Rail Passenger Service Act as outdated and no longer necessary. Title II of the Act sets forth the process which led to the designation of the original Amtrak system and the restructuring implemented in the Amtrak Reorganization Act of 1979.

Conference Substitute

The Senate recedes to the House on this provision.

Private sector rail service

House Bill

The House bill contained no similar provision.

Senate Amendment

The Senate amendment added a new section 812 to the Rail Passenger Service Act encouraging any party to undertake rail passenger service, in view of the anticipated reduction by Amtrak of its system pursuant to this legislation.

Conference Substitute

The Senate recedes to the House on this provision.

Amendments to the Regional Rail Reorganization Act of 1973

House Bill

The House bill contained no similar provisions.

Senate Amendment

The Senate amendment amended Section 504(f) of the Regional Rail Reorganization Act to provide that labor negotiations between Amtrak and former Conrail employees are to commence 90 days after the date of enactment of this legislation. In this regard, this section would eliminate the provision that if no agreement is reached within a certain time period, these employees retain the work rules which they had at Conrail. This amendment was intended to encourage a renegotiation with these employees to assist Amtrak in assuming total control over the train and engine crews in the Northeast Corridor and to assist Amtrak in reducing some of its labor costs.

Also, this section amended the 3-R Act to permit Amtrak to transfer employees in the Northeast Corridor outside of their seniority districts. Currently, other railroads operating in the Northeast have this option.

Conference Substitute

The Senate recedes to the House on these provisions.

Marketing and Promotion

House Bill

The House bill provided that Amtrak should spend at least one percent of the revenues from 403(b) service on the advertisement of such service locally.

Senate Amendment

The Senate amendment amended section 403(b)(8) of the Rail Passenger Service Act to require Amtrak to dedicate at least 4% of the revenues generated on a route subsidized under that section to local advertising and promotion of such service. The current law provides that Amtrak dedicate no more than 5% for such purpose.

Conference Substitute

The Conference substitute in Section 1182 directs Amtrak to dedicate at least 2 percent, but not more than 5 percent, of the revenues generated on a route subsidized under section 403(b) to local advertising and promotion of such service.

Transfer of Northeast Corridor intercity passenger services to Amtrak

House Bill

The House bill contained no similar provision.

Senate Amendment

The Senate amendment authorized Amtrak to initiate negotiations with Conrail for the transfer of intercity passenger service operated by Conrail. The section provided that the transfer agreement shall specify at least the service responsibilities to be transferred, the rail properties to be conveyed, and a transfer date not later than one year after enactment of this Act. Further, it requires that such transfer agreements be entered into not later than 180 days after the date of enactment.

If Conrail and Amtrak have not signed a transfer agreement within 180 days of enactment, the section directs the Secretary of Transportation to determine within 30 days the terms and conditions of the transfer and the rail properties to be transferred.

the rail properties to be transferred.

If Conrail and Amtrak do not sign an agreement for the transfer, either party could appeal to the Secretary for a determination of the properties to be transferred

and the terms and conditions of the transfer.

This section provided that Amtrak shall be deemed with respect to its service functions a rail carrier subject to Federal laws governing the rights of employees in the railroad industry, including the Federal Employers Liability Act, the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and the Federal railroad safety laws.

Conference Substitute

The Senate recedes to the House on this provision.

Transfer of Northeast Corridor intercity passenger employees to Amtrak

House Bill

The House bill contains no similar provision.

Senate Amendment

The Senate amendment addressed the transfer of Conrail Northeast corridor passenger employees to Amtrak. It required Conrail and Amtrak to estimate the number of positions (by full-time equivalent positions) devoted to services for which Conrail provides personnel for the operation of Amtrak intercity passenger trains on the Northeast corridor. Conrail was directed to transfer to Amtrak a sufficient number of employees to fill the new Amtrak positions.

This section relieved Conrail of its contractual obligation to provide operating personnel for Amtrak Northeast corridor trains, since the requisite personnel will be permanently transferred to Amtrak under this section.

Conference Substitute

The Senate recedes to the House on this provision.

Definitions relating to Northeast Corridor provisions

House Bill

The House bill contained no similar provision.

Senate Amendment

The Senate amendment defined the terms "Amtrak" and "Conrail" for the purposes of the transfer provisions included in the Senate bill.

Conference Substitute

The Senate recedes to the House on these provisions.

Penalty for untimely performance

House Bill

The House bill contained no similar provisions.

Senate Amendment

The Senate amendment provided that when a passenger train arrives more than 15 minutes late at a station due to interference by a freight train, the responsible railroad must pay a fine to Amtrak. The fine to be determined by the Commission.

Conference Substitute

The Senate recedes with an amendment included in section 1181 of the conference substitute stating that contracts between Amtrak and the operating railroads shall include a penalty provision for untimely performance.

SUBTITLE G-MISCELLANEOUS Section 1191-Authorization of appropriations House Bill

The House bill authorized \$40,000,000 for the Local Rail Services Assistance Program in fiscal year 1982, \$44,000,000 in fiscal year 1983 and \$49,000,000 in fiscal year 1984.

Senate Amendment

The Senate bill limited the authorization for the Local Rail Services Administration to \$40,000,000 in fiscal year 1982, \$44,000,000 in fiscal year 1983 and \$48,000,000 in fiscal year 1984.

Conference Substitute

The Conference substitute adopts the Senate provision.

Section 1192-Rail freight assistance

House Bill

Sec. 6521 of the House bill authorizes funding of \$40 million to be made available in fiscal year 1982, \$44 million in fiscal year 1983, and \$49 million in fiscal year 1984.

Sec. 6522 of the House bill changes program in a number of respects. Federal share is changed from 80 percent to 70 percent. Applications must be filed during first 6 months of the fiscal year. To the extent applications are not timely filed, Secretary may distribute funds according to new criteria specified in statute (likelihood of future abandonments, ratio of benefits to costs, etc.). On the first day of fiscal year, State shall be entitled to \$100,000 for planning purposes. DOT is required to approve or disapprove application within 45 days of filing. State retains contingent interest for Federal share if line is sold after receiving Federal assistance.

Senate Amendment

Section 422 of the Senate bill authorizes rail service assistance funding as follows: \$40 million for fiscal year 1982; \$44 million for fiscal year 1983; and \$48 million for fiscal year 1984.

Conference Substitute

House recedes on funding and elimination of 1 percent guaranteed funding to all participating states.

Section 1193—Northeast Corridor improvement project

House Bill

The House Bill provided that not more than \$200,000,000 would be authorized for the Northeast Corridor Improvement Project in fiscal year 1982 and not more than \$185 million in fiscal year 1983. In addition, the House Bill stated certain provisions of the existing law which the Secretary has cited as reasons for reducing the scope of the project.

Senate Amendment

The Senate amendment authorized \$215 million for fiscal year 1982 and \$185 million for fiscal year 1983.

Conference Substitute

Senate recedes to House authorization. The Conference Substitute also contains a provision requiring the Secretary to complete the Corridor Improvement Project in accordance with the goals and to the extent funds are authorized under the Railroad Revitalization and Regulatory Reform Act of 1976 as amended.

The Conferees note that the Northeast Corridor is an important part of the national transportation system. It is the Conferees intent that all funds authorized under the Railroad Revitalization and Regulatory Reform Act of 1976 as amended be used to complete project improvements.

Section 1194—Authorization of appropriations House Bill

The House bill authorized \$34,000,000 for fiscal year 1982, \$37,000,000 for fiscal year 1983, and \$38,650,000 for fiscal year 1984 for railroad research and development. The House bill also authorized \$10,000,000 for the Minority Business Resource Center for each of the fiscal years 1982, 1983, and 1984.

Senate Amendment

The Senate amendment authorized \$40,000,000 for fiscal year 1982, \$44,000,000 for fiscal year 1983 and \$48,000,000 for fiscal year 1984 for railroad research and development.

The Senate amendment also authorized \$5,000,000 for fiscal year 1982, \$5,500,000 for fiscal year 1983, and \$6,000,000 for fiscal year 1984 for the Minority Business Resource Center.

Conference Substitute

The House recedes to the Senate with an authorization of \$40,000,000 for Railroad Research and Development for fiscal year 1982. The Conference substitute contains no authorization for fiscal years 1983 and 1984. The conferees intend that the Federal Railroad Administration shall maintain and continue to operate the Transportation Test Center at Pueblo, Colo. The Senate recedes to the House on funding for the Minority Business Resource Center.

Section 1195—Railroad safety House Bill

The House bill authorized \$27,650,000 for fiscal year 1982 to carry out the provisions of the Federal Railroad Safety Act of 1970.

Senate Amendment

The Senate amendment contained no limitation on the existing authorization.

Conference Substitute

The Senate recedes to the House on this provision.

Conferees are encouraged by the high priority the Secretary and the Administrator the Federal Railroad Administration have attached to the need to improve safety. Recent technological improvements provide opportunities for progress in these areas particularly in the detection of cracks and defects in railroad wheels. The Conferees recommend that up to \$2 million of the Department's authorization for rail programs be used for the purpose of implementing new technology to improve rail safety in this regard. The Conferees further recommend that this program be a joint one with the railroad industry. The Secretary shall report to the Commerce Committees of both Houses by February 19, 1982 on the progress of the testing and demonstration program.

Section 1196—Interstate Commerce Commission

House Bill

The House bill contained no provision. Senate Amendment

The Senate amendment authorized \$77,900,000 for fiscal year 1982, \$80,400,000 for fiscal year 1983, and \$80,400,000 for fiscal year 1984.

Conference Substitute

The Senate recedes to the House with an authorization of \$79,000,000 for fiscal year 1982. The House recedes to the Senate with an authorization of \$80,400,000 for each of the fiscal year 1983 and 1984.

Section 1197—Transportation research and special programs

House Bill

The House bill contained no provision. Senate Amendment

The Senate amendment authorized \$30,047,000 for fiscal year 1982, \$32,300,000 for fiscal year 1983, and \$32,300,000 for fiscal year 1984 for Research and Special Programs Administration.

Conference Substitute

The House recedes to the Senate on the authorizations for fiscal years 1982 and 1983. The Senate recedes to the House with an authorization of \$33,300,000 for fiscal year 1984.

Section 1199A—Statement of managers House Bill

No provision.

No provision.

Senate Amendment

No provision.

Conference Substitute

The conferees included this provision in the final bill because the extraordinary time pressures of the budget process prevented the conferees from preparing a statement of managers in time to be printed in the Conference Report.

APPOINTMENT OF CONFERES ON S. 304, NATIONAL TOURISM POLICY ACT

Mr. DINGELL. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 304) to establish a national tourism policy and an independent Government agency to carry out the national tourism policy, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan? The Chair hears none and, without objection, appoints the following conferees: Messrs. DINGELL, FLORIO, and BROYHILL.

There was no objection.

ECONOMIC RECOVERY TAX ACT OF 1981

Mr. ROSTENKOWSKI. Madam Speaker, I move to suspend the rules and agree to the conference report on the bill (H.R. 4242) to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes.

The Clerk read the title of the conference report.

The SPEAKER pro tempore. Is a second demanded?

Mr. SHANNON. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

(For conference report and statement, see proceedings of the House of August 1, 1981.)

The SPEAKER pro tempore. The gentleman from Illinois (Mr. Rostenkowski) will be recognized for 20 minutes, and the gentleman from Massachusetts (Mr. Shannon) will be recognized for 20 minutes.

Mr. ROSTENKOWSKI. Madam Speaker, I ask unanimous consent that time for this debate be extended from 40 minutes to 1 hour, to be equally divided by those controlling the time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The Chair now recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the conference agreement on H.R. 4242 that is before the House represents the biggest tax cut in our history. Between now and 1986, taxes will be reduced by about \$750 billion. It incorporates the major provisions of the tax program recommended by the President—across-the-board cuts in individual income tax rates spread out over 3 years and indexing beginning in 1985, and accelerated capital cost recovery as a major incentive for capital formation.

In addition to those provisions, the bill before the House contains many additional changes in our tax laws that have been supported by Members of the House. These include relief from the marriage penalty, expansion of IRA and Keogh plans, tax relief for small business, tax credits for research and development and the rehabilitation of older and historic buildings, the all-savers certificates, dividend reinvestment plans for public utilities, a major liberalization of gift and estate taxes, and revisions to the windfall profit tax.

I think it only fair to warn my colleagues that these massive tax cuts will put continuing pressure on the outlay side of the budget. If the economy does not respond with the vigorous economic growth anticipated by the President and his advisers, we will be faced with sizable budget deficits even with additional spending reductions.

Before summarizing the conference agreement, let me express my personal sense of appreciation for the spirit of diligence and deliberate speed shown by my fellow conferees from the House and the conferees from the other body. We began the conference at 4:30 Friday afternoon and completed our work at 8:30 on Saturday morning, having resolved a number of major and controversial differences between the two bills. I also want to express my thanks to the staff who

not only assisted the conference committee in its deliberations, but prepared the final draft of the legislation and the conference report in time to file those documents in both bodies on Saturday night.

Let me now highlight some of the major provisions of the bill before the House and indicate the agreements reached on the major points of differ-

ence between the two bills.

The provisions regarding individual tax reductions were essentially similar in the two bills. The final agreement incorporates the House provision relating to the tax treatment of Americans working abroad and retains the 1-year holding period for capital gains.

The only substantial area of disagreement between the capital cost recovery provisions in the two bills was with respect to the method of depreciation to be used for buildings. The agreement was to allow depreciation over 15 years using a 175-percent declining balance method.

Minor differences in the provisions regarding the tax treatment of small businesses, research and development spending, stock options, and rehabilitation tax credits for older and histor-

ic buildings were resolved.

The stock option provision in the bill as agreed to by the conferees makes it clear that a stock option program may permit an employee to receive property at the time of the exercise of the option. This will permit the employee to have additional or alternative rights under a stock option program, but it will not permit so-called tandem stock options. My understanding of this provision is that it will permit additional cash or other property-including stock of the granting corporation-to be transferred to the employee at the time the option is exercised or surrendered, in the case of the lapse of the option. Of course, additional cash or other property transferred upon the exercise or surrender of an option will be subject to inclusion in income under the provisions of code section

In the area of savings incentives, the conference resolved minor differences regarding IRA, Keogh, and all-savers provisions, and includes a modified form of a new employee stock ownership plan developed in the other body. In addition it provides a new net interest exclusion beginning in 1985.

The conference agreement made no major changes in the gift and estate tax provisions that were a part of the

House bill.

The conferees agreed to the tighter rules developed by the other body that will prevent the use of commodity straddles to avoid payment of taxes.

The changes agreed to with respect to modifications of the windfall profit tax establish a \$2,500 royalty owner tax credit for 1981, a 2-barrels-per-day exemption for 1982-84, and 3 barrels per day thereafter. The tax rate on newly discovered oil will be reduced from 30 percent to 15 percent between 1982 and 1986. Beginning in 1983, stripper oil produced by independent producers would be exempt. Percentage depletion rules were not changed.

The conference agreement, in addition, contains a number of minor additional provisions, but does not include most of the provisions added as floor amendments in the other body.

LEGISLATIVE PROCESS

We have reached the end of a very long and arduous path in the shaping of this landmark legislation. The President has succeeded in passing the program he wanted—and then some. We congratulate him.

There are many elements in this legislation which bear the imprint and innovation of Members on our side of the aisle. It is no secret that many of the provisions of H.R. 4242 which help people are there only because we chose to confront the administration's plan, to improve upon it rather than

walk away from the process.

But make no mistake about it. This is the President's bill. It outlines a bold—and risky—economic strategy. Only time will tell whether the risks involved—risks inherent in large out-year individual cuts and indexing—were worth taking. I have my doubts about that, but I can honestly say that

I hope this plan succeeds.

But the purpose of my remarks here is not to rekindle or rehash the recently ended debate on this legislation. Nor is it my purpose to advocate the conference results which lay before us—given the legislation which confronted us as conferees, it is the best effort we could produce, in my opinion. Rather, what I wish to say concerns itself with the process which produced this largest tax cut in the history of this country.

As one who has served in Congress through a succession of administrations, I find it genuinely alarming to see a pattern developing on major pieces of legislation in which the work product of the committee system can be cynically discarded in favor of substitute legislation written in some downtown hideaway. Believe it or not, there is real value in the long hours of public hearings, the public debate, and the pressure from interests of all shapes and sizes which is put upon us. I believe that in the end, that process helps Members of both parties fashion responsible-and responsive-laws. However, what we have witnessed in recent weeks has been whipped up at the last minute by downtown draftsmen neither beholden to, nor the product of electoral politics.

This process leaves us exhausted, and disheartened. It takes away the incentive Members must have to labor long and hard in these Halls. It leaves the institution weaker, for it denies to

Republicans and Democrats alike the opportunity to write, and take responsibility for our work product. There is a danger in that, because if this institution is about anything, it is about accountability and responsibility.

The modest contributions of the Republican members of the Ways and Means Committee to the bill we fashioned are titanic by comparison to the imprint they collectively had on the administration's substitute. They are especially to be consoled. The irony of having a President of one's own party routinely and systematically ignore his own representatives on the committee in the development of legislation is, I am sure, not lost on our colleagues across the aisle. They should be the first to acknowledge that their help was needed in this historic effort. I know of their value to our committee, and for that reason I wish they had been asked to contribute more

We need to go back to the process—particularly in the development of tax legislation, for it is particularly vulnerable to the type of political competition which we have just witnessed. We need to get back to the process we have known in the past, where differences on tax bills have largely been bipartisan differences over tax policy. We will return to that process because we must—because it is better for the system, for this institution, and, most of all, better for those whom we represent.

Finally, Madam Speaker, during Senate consideration of the tax reduction legislation, there was some speculation that the Senate might pass its version of the tax bill as an amendment to House Joint Resolution 266. the debt ceiling resolution which was deemed passed by the House as part of our action on the first concurrent resolution on the fiscal year 1982 budget. While most would concur that debt ceiling resolutions are the type of legislation which constitutionally must begin in the House, it is clear that the magnitude of the amendment contemplated by the Senate goes far beyond the constitutional prerogatives which allow the Senate to "propose or concur with amendments" to revenue bills.

Although much has been said about the constitutional prerogatives of the House to originate revenue legislation and about the various precedents as to how this provision has been interpreted by individual Congresses, it is not necessary for us at this time to review in detail the precedents on this matter. Suffice it to say that the broad, nongermane amendment to the debt bill that was contemplated by the Senate would have gone far beyond what was intended by the Framers of the Constitution. As it left the House, the joint resolution contained less than five lines providing for a tempo-

rary increase in the public debt limit. The Senate amendment deleted the entire House language, leaving nothing more than a House joint resolution number, and inserted 284 pages of general tax amendments.

Regardless of what may exist in the way of one obscure precedent or another, it is clear to me that such a massive amendment goes far beyond the Senate's power as outlined under section 7 of article I. I believe, Madam Speaker, that in this instance the Senate has recognized this and properly waited until the House bill arrived in the Senate.

I make this point today not so much to look back on the events of recent weeks but to make it clear that in the future the House should, and as long as I am chairman, I hope will, strictly guard its prerogatives with respect to revenue bills. This prerogative involves not only insuring that revenue bills are initiated in the House but making it clear that Senate amendments to those bills are properly amendments and not new initiatives attached to House bills solely for the purpose of avoiding the constitutional rights of this body.

Madam Speaker, I include a detailed summary of the conference agreement in the Record following my remarks:

BRIEF EXPLANATION OF THE CONFERENCE AGREEMENT ON H.R. 4242, ECONOMIC RE-COVERY TAX ACT OF 1981

TITLE I: INDIVIDUAL TAX REDUCTIONS

1. Rate cuts

The conference agreement contains across-the-board rate cuts for 1982 through 1984 with withholding changes to take place on October 1, 1981; July 1, 1982; and July 1, 1983. The top marginal tax rate is reduced from 70 percent to 50 percent effective January 1, 1982.

2. Capital gains rate

The conference agreement includes a maximum 20-percent rate on capital gains for sales or exchanges after June 9, 1981. However, no change is made in the 12-month holding period for capital gains.

3. Marriage penalty deduction

The conference agreement includes a phased-in deduction of 5 percent in 1982 and 10 percent in 1983 (and thereafter) of the lower earning spouse's income up to \$30,000. Thus, when fully phased in, the maximum marriage penalty deduction will be \$3,000.

4. Indexing

The conference agreement includes a provision to index income tax brackets, the zero bracket amount and the personal exemption beginning in 1985.

5. Income earned abroad

The Conference agreement provides a \$75,000 exclusion for foreign earned income beginning January I, 1982. This amount will increase by \$5,000 per year over the next four years to \$95,000. In addition, certain excess housing expenses could be excluded.

6. Above-the-line charitable deduction

The conference agreement permits taxpayers who do not itemize a deduction of a specified percentage of allowable charitable contributions up to a fixed dollar amount of contributions. In 1982 and 1983, the percentage is 25 percent up to \$100 of contributions; in 1984, 25 percent up to \$300 (\$75 maximum deduction); in 1985, 50 percent without a cap; and in 1986, 100 percent without a cap. The provision expires December 31, 1986.

7. Sale of principal residence

The Conference agreement (1) extends the replacement period from 18 months to 2 years with respect to the rollover of gain on the sale of a residence, and (2) increases the one-time exclusion of gain on the sale of a principal residence by individuals age 55 or over from \$100,000 to \$125,000.

8. Child care credit

The conference agreement converts the present child care credit to a sliding-scale credit which phases down from 30 percent to 20 percent based on income. The maximum amount of eligible employment-related expenses is increased to \$2,400 in the case of one dependent and to \$4,800 in the case of two or more dependents. Expenses for out-of-home, noninstitutional care of a dependent are made eligible for the credit.

9. Adoption expenses

The conference agreement permits individuals who itemize deductions to deduct up to \$1,500 of adoption expenses for hard-to-place children (as defined in the Social Security Act adoption assistance program).

10. Imputed interest rates on installment

The conference agreement provides that the maximum rate of imputed interest on sales of land will be 7 percent, if (1) the sale takes place between members of the same family and (2) the sales price does not exceed \$500,000.

11. State legislators

The conference agreement provides state legislators an election to treat their legislative districts as their tax homes. An electing legislator is deemed to have expended for business purposes an amount equal to the individual legislator's legislative days times the greater of the Federal or state per diem (but not more than 110 percent of the Federal). This amount is deductible except for legislators living within 50 miles of the state capitol building, without regard to whether the taxpayer is away from home. The election is available for taxable years beginning on or after January 1, 1976.

12. Campaign funds

The conference agreement permits the taxable income (for example, interest on account balances) of a political campaign organization to be subject to the graduated corporate tax rates. Currently, this income is subject to the highest corporate tax rate (46 percent).

TITLE II: BUSINESS TAX REDUCTION 1. Capital cost recovery

The conference agreement permits the costs of eligible property to be recovered over recovery periods of 3, 5, 10 and 15 years. In general, autos, trucks and R&D equipment is placed in the 3-year class; most machinery and equipment is placed in the 5-year class; and long-lived public utility property in the 10- and 15-year classes. Real property will be depreciated over 15 years using either the straight-line method or 175 percent declining balance method. Lowincome housing can elect 200 percent declining balance.

2. Small business expensing

The conference agreement permits business to expense the cost of investments up

to \$5,000 in 1982 and 1983, \$7,500 in 1984 and 1985 and \$10,000 after 1985.

3. Investment tax credit

The conference agreement provides a 6-percent investment tax credit for the 3-year class and a 10-percent investment credit for property in the other classes.

4. Used property limitation

The conference agreement increases the present used property limitation from \$100,000 to \$125,000 in 1983 and to \$150,000 in 1985.

5. At-risk limitation

The conference agreement applies the present at-risk rules to the investment tax credit with certain exceptions for amounts borrowed from certain financial institutions and loans for certain energy property.

6. Carryover periods

The conference agreement extends the carryover periods for net operating losses and for the investment tax credit from 7 years to 15 years.

7. Rehabilitation tax credit

The conference agreement provides a 15-percent credit for the costs of rehabilitating a commercial building at least 30 years old, 20-percent for a commercial building at least 40 years old, and 25-percent for a certified historic structure. The present requirement of straight-line depreciation for replacement structures at the site of a demolished historic structure is repealed. The credit is also extended to rehabilitated buildings leased to tax-exempt organizations or governmental units.

8. Research and Experimentation

The conference agreement provides for a 25-percent tax credit for incremental research expenditures. The conference agreement also provides more favorable charitable deduction treatment of scientific apparatus donated to universities. Finally, the conference agreement provides for a two-year suspension of the foreign source allocation rules for R&D and provides for a Treasury study.

9. Small business rate cuts

The conference agreement reduces the tax rates on the two lowest corporate tax brackets (a) from 17 percent on the first \$25,000 of corporate taxable income to 16 percent in 1982 and to 15 percent in 1983, and (b) from 20 percent on the \$25,000-\$50,000 bracket to 19 percent in 1982 and to 18 percent in 1983.

10. Other small business provisions

The conference agreement (1) increases the accumulated earnings credit from \$150,000 to \$250,000; (2) increases the maximum number of subchapter S shareholders from 15 to 25 and permits certain trusts to be shareholders; and (4) liberalizes and simplifies LIFO inventory and small business accounting.

11. Financial institutions

The conference agreement (1) provides favorable tax treatment for reorganizations involving financially troubled thrift institutions and for mutual savings banks that convert to stock associations, and (2) permits for 1982 the bad debt deduction of commerical banks to be computed on the basis of 1.0 percent of outstanding loans (instead of 0.6 percent under present law).

12. Stock options

The conference agreement provides for incentive stock options with respect to which there will be no tax consequences when the

option is granted or exercised and the employee will be taxed at capital gains rates when the stock is sold. For options granted after 1980, options granted in any calendar year must be limited to \$100,000 (with a 3-year carryover of any unused portion). For options granted after January 1, 1976, and exercised after 1980, limitations of \$50,000 per year and \$200,000 in the aggregate apply.

13. Targeted jobs tax credit

The conference agreement repeals the WIN credit and provides that the targeted jobs credit is available for targeted employees who begin work before January 1, 1983. Targeted employees are expanded to include AFDC recipients, WIN registrants, involuntarily terminated CETA employees, and economically disadvantaged Vietnam veterans regardless of age. However, cooperative education students would be limited to those who are economically disadvantaged, effective for wages paid after December 31, 1981

Certificates generally must be received or requested before an individual begins work. However, for an individual, other than a cooperative education student who begins work for the employer during the 90-day period beginning with the date 45 days before date of enactment or a cooperative education student who begins work before the end of this period, the certification must be requested or received before the last day of this 90-day period. In the case of an individual who began work prior to 45 days before date of enactment, except for a cooperative education student, certification must have been requested or received by July 23, 1981.

14. Low-income housing

The conference agreement permanently exempts low-income housing from the requirement that construction period interest and taxes must be capitalized (Code section 189).

15. Rehabilitation expenses of low-income housing

The conference agreement increases, under certain conditions, the amount of rehabilitation expenses that can be amortized over 5 years from \$20,000 to \$40,000 per unit.

16. Charitable contributions by corporations

The conference agreement provides for an increase in the limitation on a corporation's charitable contribution deduction from 5 to 10 percent of taxable income, effective for taxable years beginning after December 31, 1981.

17. Gifts and awards

The conference agreement increases the ceiling on the deductibility of employee awards for length of service, productivity or safety achievement from \$100 to \$400.

18. Motor carrier operating rights

The conference agreement allows an ordinary deduction over 60 months for the adjusted basis of motor carrier operating authorities held on July 1, 1980, with technical clarifications to the special rules for allocations of authorities where acquisitions are involved.

TITLE III: SAVINGS INCENTIVES 1. "All Savers" certificates

The conference agreement provides an exclusion for up to \$1,000 (\$2,000 for a joint return) of interest on "all savers" certificates. These certificates must have an investment yield no greater than 70 percent of the Treasury bill rate, and institutions issu-

ing these certificates must invest 75 percent of the proceeds in residential financing or agricultural loans.

2. Interest exclusion

The conference agreement terminates the \$200/\$400 interest and dividends exclusion after 1981 and reinstates the \$100 per individual dividend exclusion for 1982 and subsequent years. However, beginning in 1985, a new net interest exclusion will be provided equal to 15 percent of interest received in excess of interest deducted (other than business or home mortgage interest). The 15-percent net interest exclusion is computed on up to \$3,000 of net interest (\$6,000 for joint returns) per year.

3. Individual retirement accounts

The conference agreement increases the limit on IRA contributions to the lesser of 100 percent of compensation or \$2,000. In addition, active participants with other pension coverage will be eligible to establish IRAs for the first time. The contribution limit on spousal IRAs is increased to \$2,250 and a divorced spouse will be allowed to contribute to an IRA under certain conditions.

4. Keogh plans

The conference agreement increases the contribution limit on Keogh plans from \$7,500 to \$15,000. No change is made to the 15-percent of earnings limit of present law.

5. Dividend reinvestment plans

The conference agreement permits taxpayers to exclude \$750 (\$1,500 for joint returns) of dividends received from a public utility if the dividends are reinvested in the stock in the utility. The exclusion will apply for dividends distributed in 1982-1985.

6. ESOP's

The conference agreement replaces the present investment-based tax credit with a new payroll-based tax credit. The credit is limited for 1983 and 1984 to one-half of one percent of compensation paid to employees and to three-quarters of one percent of such compensation for 1985, 1986 and 1987. The credit will expire after 1987. In addition, the rule of present law requiring that an employee be entitled to vote stock in his ESOP is deleted with respect to profit-sharing plans but is applicable to all other defined contribution plans.

TITLE IV: ESTATE AND GIFT TAX REDUCTIONS

The conference agreement: (1) increases the unified credit over 6 years to a \$600,000 exemption equivalent; (2) reduces the highest estate tax rates from 70 percent to 50 percent by 1985; (3) provides for an unlimited marital deduction; (4) increases the annual gift tax exclusion from \$3,000 to \$10,000 per donee, plus provides an unlimited gift tax exclusion for certain gifts for medical expenses and school tuition; (5) increases the limit on current use valuation from \$500,000 to \$750,000 over 3 years and expands such valuation to include timber; and (6) expands the deferral provisions of present law for estates comprised largely of small businesses.

TITLE V: TAX STRADDLES

The conference agreement adopts the Senate provision on commodity-related transactions. Accordingly, commodity futures contracts will be taxed under the "mark-to-market" system at year end, with a 3-year carryback provision and a 1981 transition rule allowing installment payments. For straddles outside the mark-to-market rule, losses are allowed to the extent they exceed unrealized gains on offsetting positions. In addition, interest and carrying

costs on commodity straddle transactions must be capitalized, T-bills are treated as capital assets, and taxable dispositions of capital assets are treated as capital gains and losses. Hedging transactions are excepted from mark-to-market, the loss limitation and the cash and carry rules. Finally, dealers will generally be required to identify investment securities on the day following acquisition in 1981 and on the day of acquisition thereafter; seven business days are allowed for floor specialists on the stock for which they are registered.

TITLE VI: ENERGY PROVISIONS

1. Royalty owners

The conference agreement provides royalty owners with a \$2,500 credit against the windfall profit tax in 1981. For 1982 and subsequent years, royalty owners would be allowed to exclude specific amounts of production: 2 barrels per day in 1982-1984 and 4 barrels per day in 1985 and thereafter.

2. Independent producer stripper oil

The conference agreement exempts independent producer stripper oil from the windfall profit tax beginning in 1983.

3. Newly discovered oil

The conference agreement phases down the windfall profit tax rate on newly discovered oil from 30 percent to 15 percent by 1986.

4. Child care agencies

The conference agreement exempts child care agencies from the windfall profit tax.

5. Production credit for tight sands

The conference agreement provides that the present production credit for tight sands will not be available unless the taxpayer elects the credit on the appropriate tax return.

TITLE VII: ADMINISTRATIVE PROVISIONS

Interests and penalties

The conference agreement includes administrative changes which increase the interest rate on tax deficiencies and overpayments and provide new or increased penalties for filing false W-4s, failing to file information returns, making overstated deposit claims, claiming valuation overstatements, and negligent reporting.

Disclosure provisions

The conference agreement includes a prohibition on the public release of certain information used by I.R.S. to select returns for audit.

Tax Court filing fee

The conference agreement increases the Tax Court filing fee from \$10 to \$60.

Corporate estimated taxes

The conference agreement increases the amount that large corporations must pay in estimated taxes from 60 percent of the current year's tax liability to 65 percent in 1982, 75 percent in 1983 and 80 percent in 1984 and subsequent years.

Individual estimated taxes

The conference agreement increases the threshhold for paying estimated taxes for individuals from \$100 in 1981 to \$200 in 1982 and up to \$500 in 1985 and thereafter.

Railroad retirement taxes

The conference agreement includes several provisions relating to railroad retirement system financing. The agreement increases Tier-II pension taxes on employers, adds a new Tier-II tax on employees and authorizes limited advance transfers to the railroad retirement system. The conferees also

adopted certain technical amendments with regard to the definition of railroad compensation but insisted that these technical amendments be made prospective only.

TITLE VIII: MISCELLANEOUS

1. Fringe benefit regulations

The conference agreement extends the recently-expired moratorium on the issuance of fringe benefit regulations to December 31, 1983.

2. Group legal services plans

The conference agreement extends the present exclusion for contributions to, and benefits provided under, a qualified group legal services plan through December 31, 1984.

3. Tax-exempt bonds

The conference agreement exempts interest on (1) industrial development bonds used to finance buses, subway cars and similar equipment leased to publicly owned mass transit systems and (2) volunteer fire department bonds.

4. Telephone excise tax

The conference agreement extends the 1percent telephone excise tax for two years through 1984. The tax will terminate on January 1, 1985.

5. Unemployment taxes for certain fishermen

The conference agreement includes a provision relating to the employment tax treatment of fishermen who share in the catch of vessels usually operating with 10 or fewer crewmen. Under the conference agreement, past employer social security taxes on such fishermen would not be refunded; however, for 1981, these fishermen would not be treated as employees and would be exempt from unemployment compensation taxes (FUTA).

6. Payout requirements of private foundations

The conference agreement provides that private foundations are required to distribute only their minimum investment return, rather than the greater of their minimum investment return or their adjusted net income, effective for taxable years beginning after December 31, 1981. The definition of operating foundation is similarly amended.

7. Foreign investment in U.S. real estate

The conference agreement includes numerous technical amendments to the Foreign Investment in U.S. Real Property Tax Act enacted in 1980.

8. Foreign investment companies

The conference agreement modifies the treatment of gain on the disposition of stock in a foreign investment company attributable to earnings and profits derived before the corporation became a foreign investment company.

REVENUE EFFECT

	Fiscal years (in billions of dollars)					
	1981	1982	1983	1984	1985	1986
Conference agreement House bill	1.6 1.7 1.5	37.7 36.4 37.7	92.7 95.8 91.0	149.9 153.3 148.6	199.3 200.4 198.5	267.6 268.2 265.1

□ 1300

The SPEAKER pro tempore. The gentleman has consumed 6 minutes of his time.

Mr. ROSTENKOWSKI. Madam Speaker, I yield 8 minutes to the gentleman from New York (Mr. CONABLE). Mr. CONABLE. Madam Speaker, I

Mr. CONABLE. Madam Speaker, I support the conference report accompanying H.R. 4242, The Economic Recovery Tax Act of 1981.

The principal components of the President's economic recovery tax plan were not in controversy because both Houses of the Congress passed virtually identical individual and business tax cut provisions.

For individuals, there is a 3-year, 25percent, across-the-board cut, followed by indexing in 1985. For businesses, there is major depreciation reform as embodied in the accelerated cost recovery system.

Beyond these two central provisions, there were a number of important differences which the conferees resolved.

The conference report deletes the House provision which reduced the holding period for long-term capital-gain treatment to 6 months. The holding period will stay at the current law level of 12 months. The conferees accepted the other body's date for lowering the capital gains rate to 20 percent. This means sales occurring after June 9 will be eligible for the new and lower maximum rate.

On the provision to allow all taxpayers to deduct their charitable deductions, there was a difference as to the phase-in schedule. The House bill provided a \$100 contribution cap in 1984, whereas the other body's version has no cap in 1984. The resolution in the conference report provides a \$300 con-

tribution cap in 1984.

The only major difference in the accelerated cost recovery system concerned the actual writeoff rate for real property in the 15-year recovery class. The House bill provided for the use of the 200-percent declining balance method, whereas the other body provided for the use of the 150-percent declining balance method. The resolution was to provide for the use of the 175-percent declining balance method for all real property except low-income housing. Low-income housing will be depreciated over 15 years using the 200-percent declining balance method.

The conference report contains in some form all but two of the House provisions concerning the crude oil windfall profit tax. The two deletions are the freezing of the depletion allowance at 22 percent and the credit for woodburning stoves. Three provisions are identical to the House bill. They are: The exemption of stripper oil extracted by independent producers, the reduction of the windfall tax on new oil from 30 to 15 percent, and a windfall profit tax exemption for residential child care agencies.

The royalty owner provision was modified. Royalty owners will receive a \$2,500 windfall profit tax credit in 1981. In 1982, 1983, and 1984 they will

receive a 2-barrel-per-day exemption from the tax. In 1985 and thereafter, the exemption will be 3 barrels per day.

The conference report contains a scaled-back version of the dividend reinvestment provision which was part of the House bill. For years 1982 through 1985 a person will be able to defer taxation on up to \$750—\$1,500 per joint return—of dividends reinvested in acquiring new stock of a public utility. The provision "sunsets" after December 31, 1985.

Estate and gift tax provisions generally are the same as in the House bill. One exception relates to a dollar limitation on the special use valuation of farm property. The House bill allowed an adjustment of up to \$1,000,000 in 1983 and thereafter. The conference report includes a \$750,000 special use valuation adjustment in 1983 and thereafter.

The conference report adopts the other body's provision related to commodity tax straddles. This version is tighter than the House bill, thus effecting much greater revenue savings; an estimated \$1.7 billion by 1986.

The tax credit for work-related dependent care was changed from a 20percent credit regardless of income to a sliding scale tax credit, beginning at 30 percent for families with incomes of \$10,000 or less and gradually phasing down to 20 percent for families with incomes of \$28,000 or more. The maximum amount of dependent care expenses on which the credit may be claimed was increased from \$2,000 annually for one dependent to \$2,400 and from \$4,000 annually for two or more dependents to \$4,800. Dependent care provided by an employer as a fringe benefit will not be considered to be taxable income to the employee. The credit which is currently allowed on in-home care of older, incapacitated dependents, will be permitted on outof-home care as well. The credit will be allowed on dependent care provided in centers with more than six dependents only if such centers comply with the State and local law.

These provisions relating to child and adult care constitute a major improvement in the current law.

The targeted jobs tax credit was extended to cover individuals hired before 1983 and expanded to include AFDC recipients, WIN registrants and employees laid off from CETA public service employment. Vietnam veterans will be included regardless of age, and cooperative education students will be included only if they come from lowincome families. The program is tightened by requiring that, after a transition period, certifications that individuals meet the criteria for the credit will have to be requested or received before the employee begins working. Certifications will be invalid if requested after the employee was hired or if based on false information provided by the employee. The FUTA wage limitation on first-year wages eligible for the credit is eliminated.

Madam Speaker, I believe the compromises reached by the conferees are fair and reasonable. All but the most technical possible details are within

the scope of the conference.

This legislation marks a historic new direction in tax policy. It not only gives American taxpayers their largest reduction of modern times, it puts our country on a new economic track. We should start moving uphill instead of down.

I therefore urge the adoption of this conference report and look forward to it being signed into law very soon.

I would like to say to the chairman that I understand the gentleman's concern about the committee not being able to work its will. However, I think it is clear that we have a divergence between the points of view of a committee put together as ours is without regard to the party structure in the House and what occurs here on the House floor.

If given the choice, I am going to choose the will of the House as a whole, rather than the will of a committee, however constituted. I think that is basic to our representative de-

mocracy.

I would like, if I may, Madam Speaker, to engage in a brief colloquy with the chairman on the issue of installment sales, because I think there is an issue of clarification that needs to be made there.

Madam Speaker, I have a question for the chairman regarding the effect of the individual tax cut and special 1981 capital gains tax rate on installment sales. Specifically, will installment payments received after June 9, attributable to sales before June 9, be eligible for the 20-percent maximum

capital gains rate?

Mr. ROSTENKOWSKI. I would answer that such installment payments would not be eligible for the 20-percent maximum capital gains rate. This is because the operative language in the bill provides that the 20-percent maximum capital gains rate applies to sales or exchanges occurring after June 9, 1981. Therefore an installment received after June 9, attributable to an installment sale before that time, would not qualify since the sale or exchange did not occur after June 9, 1981.

Mr. CONABLE. I thank the chairman for his answer and have one further question. How will installment payments attributable to sales or exchanges which occurred before June 10, 1981, be treated when they are received in 1982 and subsequent years?

Mr. ROSTENKOWSKI. Such installment payments received in 1982 and subsequent years will be treated

according to the tax rates that exist in the respective year in which the installment is received.

Mr. CONABLE. I thank the chairman for his clarification of this issue.

Madam Speaker, in closing let me say that I regret we are having some delay in the completion of this measure. The tactics being used serve no possible useful purpose, and that very little political benefit will accrue to those who are seeking the delay.

Mr. SHANNON. Madam Speaker, I

yield myself 5 minutes.

It is ironic—to say the least—as we get down to the end of this debate on tax policy, particularly after the events of last week, that all of the time should be controlled at this moment on the Democratic side.

□ 1315

There is a reason for that. There is a reason that this conference report has been brought under a suspension of the rules, and I would like to take a few moments to explain to my colleagues the procedure under which we are working at this time.

I made it clear after the conference completed its work that it was my intention to raise a point of order to the conference report. It was my hope that in the process of raising the point of order we would have an opportunity to open, once again, this whole question of oil which has been injected

into this tax issue.

As my colleagues know, the Senate passed oil provisions which would have cost taxpayers over \$6 billion during the period of the next 5 years. In the Hance-Conable substitute adopted by the House of Representatives last week, that ante was raised to \$16 billion. It was my hope and it was the hope of many on the Democratic side-it was the hope of many on the Republican side, I believe, who supported Hance-Conable, because heard Members from my own State on the Republican side state this-that there would be an opportunity to pare back these oil provisions.

When we began considering tax policy this year, it was nobody's intention that this bill should be used as a vehicle to repeal the windfall profits tax. When we began considering tax policy, it was nobody's intention that oil should be entered into the bidding process that was likely to take place during the course of this legislation.

Unfortunately, it did.

The Senate added oil provisions. We on the Democratic side of the Ways and Means Committee sought to get an agreement from the administration and from our Republican colleagues to remove oil from the bidding block, and we were not successful in that effort.

So as a result, we end up with what is supposed to be an economic recovery package with a repeal of a large portion of the windfall profit tax, with \$12 billion in breaks to oil producers over the next 5 years \$12 billion—that is as much as individual taxpayers, all of the individual taxpayers in the country earning under \$30,000, are going to get out of this package next year—we end up doing something that I think the majority of the Members of the House of Representatives did not want to see happen and, if we are to follow the regular procedure without anybody rocking the boat, we can tell our constituents that this was beyond our control.

Well, I would like to say to my colleagues that this is within our control, very much within our control. This conference report on the biggest tax bill in the history of the country has come to the House of Representatives under a suspension of rules, a very unusual procedure. If it does not pass with the necessary two-thirds vote on suspension, the conference report will be brought back to the floor of the House later this afternoon, and at that point it is my intention to raise that point of order and to try to seek to recede to the Senate's provisions on oil.

So what this vote on suspension comes down to is one thing, and one thing only. It is not a vote on Kemp-Roth; it is not a vote on 10-5-3; it is not a vote on the Nation's economic recovery package. It is a vote on oil. This is the one opportunity that the Members of the House of Representatives are going to have to try to alter these oil provisions.

Now, it is strange, it is unusual, it is unprecedented, I think, for a bill of this magnitude to come to the floor under these circumstances. But I say to my colleagues on both sides of the aisle that this tax package has been called by some who support it a riverboat gamble, a riverboat gamble that is going to make every Member of this body and every citizen in the United States pay a big price in the next few years if it does not work out.

There is no way we can justify what we have done in the oil area in this conference report. Our constituents are not going to understand that we had no options.

So I would ask my colleagues to vote "no" when we come to a final vote on the suspension of the rules. I would ask them to join with me on a subsequent vote when the conference report comes back to the floor later this afternoon in voting down the previous question, after the point of order is raised, so that we will have that chance to amend the conference report and to recede to the Senate on the question of oil.

Franklin Roosevelt said almost 45 years ago that the problem with this country is: You cannot win elections without the oil bloc, and you cannot govern with it.

I do not think that that is true. I think that we can devise together a sound economic policy. I think we can devise a sound energy policy. I do not think public policy has to be subjected to the auctioning that we have seen in the last few weeks. I think our conferees did the best they could on the House side, to see that these unconscionable oil provisions were not put in, and now is our chance to undo those provisions.

Madam Speaker, I yield 4 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Madam Speaker, I rise in support of the efforts of the gentleman from Massachusetts. I think we should look clearly at what we are doing here. Why the panic to rush this conference report through under suspension? Is it merely because we are all so anxious to get off on our August recess that we will allow the oil special interest provision to remain in this bill?

It was not there initially. It was not part of the President's original taxpackage. It was not part of the Democrats' original tax package. Why is it here? And why is the giveaway so large? I do not know. I cannot understand why the conferees did not immediately, in 30 seconds, as little time as it took for them to do away with those two things which would have been helpful to the Northeast, the tax credit for home heating oil and the wood stove tax credit—recede to the Senate's version of the oil tax break costing \$6.6 billion. I do not like that level either.

But there is certainly no reason in the world why the conferees on our side had to come up with \$11.8 billion of additional relief to the oil companies.

Incidentally, in discussions with some of the tax bill conferees, I have been advised that it took less than 30 seconds for the conference to dispose of both the wood stove tax credit and the home heating credit. These two provisions were not given the time of day.

There has been some mention of the fact that the wood stove credit was dropped from H.R. 4242 because I voted against the bill last week. I would respond by saying that I do not think those who drafted the successful version of the House legislation ever had any intention of keeping this provision in the bill. The wood stove tax credit was, transparently, part of the vote bidding war and horse trading that typified the evolution of H.R. 4242. It was a bone with a string attached, the same kind you see in television cartoons. This bone was dangled in front of Members from the Northeast and Midwest, then pulled back. little by little, until it disappeared into a hole in the wall.

I wrote a letter to the Republican leadership on July 27, well before the House vote on the tax cut, expressing strong support for the wood stove tax credit but also skepticism, in the light of past events, that it would be preserved in the conference. In essence, Madam Speaker, I was seeking some real assurance from the leadership that the inclusion of the stove credit in the Republican substitute was a genuine effort to improve energy tax policy and promote energy conservation. I received no response.

Moreover, although the wood stove tax credit effort has been known in certain circles as the Jeffords amendment, it clearly is of great importance to any number of other Republicans from the Northeast and Midwest, many of whom have worked diligently in support of it. And all of these Republicans voted for the Conable-Hance substitute last week. Were they, then, punished too?

Finally, I think the unhappy fate of the home heating tax credit in the conference betrays a broader insensitivity on the part of the conferees to the energy predicament of the Northeast and Midwest. If the wood stove tax credit was eliminated because of my vote, why was the home heating provision also rejected? Senator Dole apparently tried five or six times to get the House conferees to accept this provision, offered by Senators RUDMAN and Kennedy, but was unsuccessful. So what we have here is general refusal on the part of the House conferees to recognize the very legitimate concerns of Congressmen from the Northeast and Midwest in the energy area. Unfortunately, some Members of this body must still regard wood stoves as quaint relics from the past, artifacts that disappeared from the face of the Earth with the prairie schooner and the mule-drawn plow. I take this opportunity to enlighten them that the wood stove is very much alive and well, and could be even more helpful than it is presently in the battle for energy conservation if given some encouragement.

But let me ask the Members this: How many here would vote yes if we had a bill before us today which said: "Shall we borrow \$11.8 billion and add it to the national deficit and give it to the oil companies?" That is the net effect of this oil tax break. I wish you luck when you go home and try to explain yourself on that vote, because that is what we are being asked to do here today.

Mr. KEMP. Madam Speaker, will the gentleman yield?

Mr. JEFFORDS. I yield briefly to the gentleman from New York.

Mr. KEMP. Madam Speaker, can the gentleman tell us who he thinks pays that tax, except the users of home heating oil, particularly those in the

Northeast? They are the ones who are paying the cost of that tax burden.

Mr. JEFFORDS. Oh, I wish that that might be the case. But the gentleman knows and I know that the price of oil in this country is not set by a free market system. It is set by an oil cartel called OPEC. They are the ones who establish the per-barrel price. They are the ones who establish the unreasonable profit. And if we prevent it from flowing to the Federal Treasury, do you know who is going to pick it up? Either the producers or, as is happening in this country, the States are going to move in with their severance taxes and pick it up. And I do not blame them. Because that is the policy we are arguing about here. Who should get that unreasonable profit on a national natural resource.

Mr. KEMP. I have heard that argument from Ralph Nader, but I am surprised to hear it from the gentleman. But I will say this: When the Sun Belt uses natural gas and the Northeast has to use home heating oil, we find that the tax that is placed upon the production of domestic oil is passed directly along to the consumers. And you in the Northeast and me from Buffalo are ultimately putting burden on both the homeowner, as well as the businesses of the Northeast, by allowing that tax to be placed. It should not have been voted through, in the first place. I am sorry the gentleman is making his case against the bill on that provision.

Mr. JEFFORDS. Far be it from me to argue economic theory with the gentleman, but I most certainly disagree with the argument he is making. I have agreed with him on supply-side economics, but I disagree that it is not OPEC that is setting the world price of oil. To me supply-side economics does not mean supplying oil producers with unreasonable profits.

Clearly the price of oil has risen a great deal faster than the prices of other commodities. It is not supply and demand that is determining this—in fact in the last couple of years, Americans have been using less oil. We are now in a glut situation but prices continue to rise.

The question is not whether the price for the consumer would go down if the windfall profit tax is eased—prices will not fall from this factor. The question is to whom the excess—excess profits that decontrol has brought about will go. Should it be the oil companies which are already making record profits? Should it be to States in the form of severance taxes which, in effect, means that New Englanders are paying for schools in Texas? Or should it be the Federal Government which can help to ease the burden of high prices on consumers, help them change to other

sources, and help them conserve energy and therefore save money

No one of these three recipients should get all of the excess profits, but I believe we would be mistaken to believe that these obscene revenues will not continue if we abandon the concept of a windfall profit tax as this bill begins to do.

Mr. SHANNON. Madam Speaker.

will the gentleman yield?

Mr. JEFFORDS. I yield to the gen-

tleman from Massachusetts.

Mr. SHANNON. I would just like to say to our colleagues that there was enough room in this tax bill to give 12 billion dollars' worth of oil breaks to companies but there was not enough to keep the heating credit that the Senate passed, which would have cost \$500 million and would have helped the consumers of the Northeast. There was not enough for the wood stove credit. And I cannot believe that the oil companies were doing their lobbying over the period of the last few weeks to aid the consumers of the northeastern part of the United States.

Madam Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr.

RATCHFORD.)

Mr. RATCHFORD. I thank the gen-

tleman for yielding.

Madam Speaker, this is not a better bill than we saw last week. It is one that is much worse. For those of us from the North and the Northeast concerned with energy, let us restate what has just been said. We went into conference with a heating oil credit. We come out of conference with nothing. We went into conference with a credit for wood burning stoves. We came out with nothing. The only winner in this conference, and they were boastfully saying, "Well, you cannot get everything," the only winner in this conference is the oil industry-\$12 billion over the next 5 years.

When we cannot take care of those living on low and fixed incomes, when we do not provide a credit for the middle-income oil consumer but we do provide this type of relief for the oil industry, whatever happened to public interest? When you add to that fact the special treatment for big estates, the special treatment for certain segments of the banking industry, we do not have a better bill. Special interest has a better bill. Public interest is worse off. We ought to reject this proposal which turns its back on energy relief in this country.

Mr. SHANNON. Madam Speaker, I yield 2 minutes to the gentleman from

Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Madam Speaker, I think that there are three good reasons for voting no on this particular bill at this time.

First, we are bringing the bill up under suspension of the rules. That

does not give us the opportunity to call reasonable points of order against those provisions of the bill which in fact could not stand that particular process. And I think that anyone who is interested in a fair and equitable procedure and adequate debate on tax policy, if in fact you are interested in a large tax reduction, you ought to at least know what is in the bill, what some of the major provisions are. I think it is the wrong procedure for this time.

Second, I agree with my colleague that the legislation gives too much away to big oil. It is the wrong time and the wrong group to give tax relief to. We have worked long and hard to have a modified windfall profit tax put into place, and we are devastating that windfall profit tax with this particular action.

Third, in terms of economic policy, I think it is the wrong direction for our Nation to take

Mr. HOLLENBECK. Madam Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New Jersey.

Mr. HOLLENBECK. I thank the gentleman for yielding.

Madam Speaker, I want to concur with the gentleman's remarks and his

concern over the procedure being followed today.

I rise to express my concerns over several provisions in the conference report. I believe clarification is needed of a potential ambiguity relating to the allocation of research and experimental expenditures under section 861 of the Internal Revenue Code. I understand that section 223 of the act provides that for a 2-year periodwhile Treasury studies the impact of its section 1.861-8 regulations on research and development in the United States, and on the availability of the foreign tax credit-all expenditures for research conducted in the United States shall be allocated and apportioned only to the U.S. source income. Although I could not obtain time under this unusual procedure to question the chairman, it is my understanding from conversations members of the committee that during this 2-year period existing law, regulations, and regulatory authority provided to the Secretary, as under 861-863 will continue to govern the allocation and apportionment of expenditures for research conducted outside the United States.

In addition, last week during floor consideration of the bill. I indicated my strong objections to provisions contained in both packages to give new tax reductions to the oil industry. These costly incentives to win the support of undecided legislators, in my view, is a dangerous departure from the original mission of Congress and administration to arrive at comprehensive and fair tax revisions. I did not believe and still do not believe that these tax reductions for the oil companies have any place as expensive afterthoughts in a multibillion-dollar tax package. I hope we have the opportunity for an up or down vote on the question.

It had been my hope that the conferees would act responsibly and adopt the less costly Senate provisions pertaining to the oil industry. Unfortunately, the conference committee opted to provide the oil companies with an \$11.8 billion break instead of \$6.6 billion in the Senate bill. The oil industry's influence on the world economy demands that these tax benefits be viewed with special care. If new cuts can be justified, let them stand the test of separate scrutiny by the Congress. Yet, despite this view, the Members of this body have continually been denied a separate vote on this

Furthermore, Madam Speaker, the panel dropped two tax breaks important to the Northeast and Midwest regions of the Nation. These provisions, the wood burning stove credit and a 1year home heating credit would directly aid consumers in meeting rising energy costs. I am extremely disappointed that the conferees agreed to give excessive tax breaks to big oil while denying the average consumer two opportunities for minor tax breaks. I trust this is not symbolic of the attitude toward the Northeast-Midwest region.

Madam Speaker, during the entire consideration of an economic recovery plan I have voiced my concerns over the problems faced by the Northeast and Midwest regions. I feel very strongly about these problems and it is for this reason I felt it is imperative to share my views with the other Members of this body.

Mr. CONABLE. Madam Speaker. will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. CONABLE. Madam Speaker. I would like to say on this side that we believe it is a very bad procedure, too, and the idea of bringing it up on suspension was certainly not our idea. The most technical possible objection could be made only to this conference report. We labored long and hard to try to stay within scope and, therefore, it is obvious, to me, that the objection being raised to the conference report has to be in the nature of sour grapes gamesmanship.

Mr. EDGAR. The gentleman has made a point. I think the real point is whether or not we want real tax reduction.

Mr. SHANNON. Madam Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Madam Speaker, the complaints from the other side of the aisle about debating this motion to suspend the rules being dilatory tactics are certainly without basis. In this body, where we can spend time voting to approve the Journal of yesterday's proceedings, and not spend 1 hour to debate the biggest tax bill in the history of this country, it would certainly be disgraceful not to give a little more than fleeting consideration to the tax bill

This may be the last time this body will be asked to vote both a reduction in the minimum social security benefits and an increase for the biggest oil companies and producers in this country at the same time. There may be another opportunity, when we vote on other social security benefits later this year, and I just wonder if my colleagues will be prepared at that time to vote another tax break for the oil companies so that we can cut social security benefits.

The conferees could have used a little imagination. After cutting the minimum benefit for social security, which would save \$7 billion, they could then have used the balance of \$4 billion to apply to the deficit and reduce the deficit that this big tax bill is going to create, but they did not have even a little bit of imagination. They had to give the whole \$12 billion to the oil interests.

Decontrol was supposed to be the incentive for new production. Well, the oil companies got decontrol, but why do they have to have a reduction in the windfall profits tax? I do not understand this big giveaway to the oil companies.

The conference report eliminates the tax credit for conversion to wood burning stoves, and it eliminates the 4percent home heating oil credit, which would give a scant \$200 maximum to consumers.

Those of you who support this tax bill are going to have a hard time explaining those actions to senior citizens next winter, when their minimum social security benefit has been cut, their fuel oil costs have gone up, and oil company profits reach new record highs.

I am sure the elderly will be overjoyed with this concession to the oil companies.

□ 1330

Mr. SHANNON. Madam Speaker, I yield 1 minute to the gentleman from Connecticut (Mr. Gejdenson).

Mr. GEJDENSON. Madam Speaker, I rise in support of the movement of the gentleman from Massachusetts (Mr. Shannon). I think that we have several jobs here. One of them is to establish some credibility with the people of this country. We have asked them in the budget cuts to date to take considerable losses in the services to the very poorest in our country.

At this point in the game, we have asked our senior citizens to lose their minimum social security benefits. How can we go back to our districts and tell people we cannot afford \$122 a month in minimum social security benefits, we cannot afford legal aid, but we can afford \$12 billion for oil companies?

I think it is the wrong action to take at this time and I hope we remove the additional dollars to the oil companies.

Mr. ROSTENKOWSKI. Madam Speaker, I yield 1 minute to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Madam Speaker, first of all, I want to commend the gentleman from Illinois for keeping our feet to the fire, for having a very good conference, and for keeping up with the schedule that had been agreed to by the leadership.

It was difficult and I am sorry that he is getting vilified by those who know so little about what is in this bill. Perhaps if they had a chance to read it and would spend the time, they will understand it a little better.

I would like to ask the gentleman a little something about railroad rolling stock. As the gentleman knows, this came up a number of times during conference and I want to clarify the record a little on it.

Madam Speaker, the conference de-cision on railroad rolling stock modifies existing law and includes a provision which limits the availability of investment credits and cost recovery, where rolling stock of a U.S. person other than a railroad is leased to foreign persons for periods which total more than 12 months in any 24-month period. If this provision is not properly interpreted, it may result in effectively reinstating the rule in existing law which this conference decision was intended to change. I would like to make it clear that this provision is intended to apply only to long-term leases and does not cover situations where such rolling stock is outside United States under temporary arrangements where it is subject to mileage or per diem rentals with United States and foreign users and is present outside the United States for relatively short continuous periods of time. I would like to have the agreement of my chairman on this legislative intent

Mr. ROSTENKOWSKI. I agree that this foreign leasing restriction is not intended to apply to these temporary arrangements.

Mr. GIBBONS. I thank the gentle-

Mr. ROSTENKOWSKI. Madam Speaker, I yield 2 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Madam Speaker, I thank the gentleman for giving me the right to ask these questions for colloquy purposes.

Would the gentleman from Illinois, the distinguished chairman of the Committee on Ways and Means, provide clarification on a provision in the conference report concerning railroad compensation? As I have read the conference agreement, it is provided in section 743(a) that for the specific cases where compensation is paid in 1 month but would have been payable in a prior or subsequent month but for the fact that the payment date fell on a weekend or holiday, in these cases the payment will be deemed to have been paid in the month earned. The effective date of this amendment is for taxable years beginning after 1981. It is the understanding of the gentleman that this is a purely prospective amendment which casts no inference whatsoever on the purposes or intent of prior law, and should in no way prejudice any right or claim by any party in any administrative or judicial proceeding involving the question of taxable compensation under previous legislation?

Mr. ROSTENKOWSKI. The gentleman from Texas should be advised that it is the understanding of the chairman of the conference committee that this was the specific decision of the conferees.

Mr. PICKLE. I thank the gentleman.

May I ask one question with respect to the dividend reinvestment plan.

Under section 321 of the act, qualified public utilities may offer tax-free dividend reinvestment plans to their shareholders. The shareholders of a qualified public utility would be permitted to exclude from gross income a certain portion of dividends received if they elect to reinvest the dividend in newly issued common stock of the qualified public utility. The bill generally defines qualified public utility as a company, at least 60 percent of whose total acquisitions of tangible section 1245 property during the previous 10 years consists of public utility recovery property which is 10-year property or 15-year public utility property. Under proposed section 168 of the Internal Revenue Code, public utility property is not recovery property unless the utility uses a normalization method of accounting. The normalization requirement is more comprehensive than under present law. In addition, some companies use the flowthrough method which is permitted under present law. Is it the understanding of the gentleman from Illinois that the dividend reinvestment plan definition of public utility recovery property is intended only to mean public utility property with a present class life of more than 18 years, without regard to normalization?

Mr. ROSTENKOWSKI. That is correct. That is my understanding of the provision.

Mr. PICKLE. I thank the chairman.

Mr. SHANNON. Madam Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. Frank).

Mr. FRANK. Madam Speaker, we have a test vote now. Can reality penetrate the confines of this Chamber? Reality has not been doing too well, but this is the chance. We have had Members compete with each other to say how much they deplore the special tax rates for the oil industry in this bill.

Let us remember the history. The gentleman from New York, who spoke earlier (Mr. Kemp), apparently sees tax relief for the oil industry as a consumer relief measure. Most of the others who have spoken have deplored the need to put them in there.

The gentleman from New York (Mr. CONABLE), said last week he did not like these special oil tax rates, but they got put in by this competitive

bidding process.

Well, the auction is over and if these oil tax breaks remain in the bill, they remain here for one reason, because a majority of the Members of this House want to keep them there. That is reality. There is nowhere to hide. We are offering Members a chance now to vote on whether or not they want to stick with the extra \$6 or \$7 billion of oil tax breaks that the conference put in that it did not have to put in. That is the sole issue and Members who vote to pass this bill and to ignore the effort of the gentleman from Massachusetts are simply voting to keep those extra oil tax breaks in the bill.

Mr. SHANNON. Madam Speaker, I yield 1 minute to the gentleman from

Ohio (Mr. ECKART).

Mr. ECKART. Madam Speaker, let me make the issue very clear for us today. Some of us have protested the giveaway to big oil to pass the tax bill. We cannot now go back to our districts after we leave this Chamber today and say we are opposed to what was done for oil if we vote "yes."

Very simply, this vote today is going to give us the opportunity that many of us said we did not have last week, that we were so troubled about just last week, but had to vote for as part

of a package.

We cannot hide. We cannot run. It is fish or cut bait. Today on this vote you are going to tell your constituents your position on tax giveways to oil companies.

The vote we are asking for this afternoon is going to cling to us like a can of STP, up or down, for or against big oil. A "no" vote makes your position against these giveaways clear.

There are three reasons not to vote with us today: One is Exxon, two is Texaco, and three is Mobil.

Mr. SHANNON. Madam Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. Sabo).

Mr. SABO. Madam Speaker, I rise in opposition to the motion to suspend the rules and pass the conference committee report for two fundamental reasons.

One, if we defeat this motion it gives us some option to deal with the question of tax breaks for the oil industry. I can think of no industry in the country that less deserves additional tax breaks than the already bloated-with-profits oil industry in this country.

If anything should make us all tremble it is the prospect of oil using their continually growing receipts to buy more and more and more companies, large and small, throughout this coun-

try.

The second reason I rise in opposition is that I fundamentally believe this is one of the worst mistakes this country is ever making in passing this particular bill.

I notice the interest market reacted yesterday already upward, upward, higher interest, for large business, small business, individual people trying to borrow money. We are going to borrow money, pass this tax cut, interest rates will continue to go on and on and on, up and up and up. It is a mistake.

It is breaks to the wealthiest in our society. If you are going to inherit money, you are going to do very well—

very, very well.

It is just a combination of one mistake after another. We have an administration that says they want to learn from the States. So they adopt indexing for the future. It is not simply indexing, it is way, way over indexed.

Mr. CONABLE. Madam Speaker,

will the gentleman yield?

Mr. SABO. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

A lot of reference has been made to big oil doing very well under this bill. I would like to point out that the only issue that affected big oil in the bill was a phasedown in the windfall profits tax on new oil, which was not in conference, and that the provisions which were included in conference had to do only with the exemptions of stripper wells, those that produce less than 10 barrels a day and the royalty owners exemption, which does not affect big oil at all.

Mr. SABO. I thank the gentleman. I think we are making a serious mistake.

Mr. ROSTENKOWSKI. Madam Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BROD-HEAD)

Mr. BRODHEAD. Madam Speaker, the report of the conference committee provides that beginning in 1985 there will be a 15-percent net interest exclusion—up to \$450 on a single return and \$900 on a joint return. For purposes of this provision, net interest is interest income in excess of interest

expenses other than interest paid on the mortgage of a principal residence or in connection with a trade or business.

In the development of the net income definition, auto loans were inadvertently not included in the types of loans which could create interest expenses which would not reduce the allowable interest exclusion. Clearly, any tax policy which would recognize the need to carve out interest paid on the mortgage of a principal residence would extend equal treatment to a loan which finances the purchase of another American necessity—the family car.

While it is not possible to amend the conference report to correct the tax bill's net interest provisions so as to grant auto loan payments, the same treatment accorded home mortgage payments, I would like to obtain assurances that prior to 1985 the committee will hold hearings on legislation to equalize the treatment of interest costs associated with home mortgages and auto loans.

Mr. ROSTENKOWSKI. Madam Speaker, I believe I can give the gentleman that assurance.

Mr. BRODHEAD. I thank the chairman.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. Rosten-kowski) has 11½ minutes remaining.

Mr. ROSTENKOWSKI. Madam Speaker, I yield 1 minute to the gentleman from California (Mr. Matsui).

Mr. MATSUI. Madam Speaker, the conference agreement provides a special rule disallowing the State legislator election and deduction in the case of a State legislator whose district residence is within 50 miles of the State capitol building.

Is my understanding correct, Madam Speaker, that it is intended that the 50-mile determination be measured by the actual distance on surface routes between the legislator's district residence and the State capitol building?

Mr. ROSTENKOWSKI. The gentleman from California is correct. The 50-mile determination is to be made by measuring the actual distance a legislator would be required to travel by surface transportation between his district residence and the State capitol building.

Mr. MATSUI. I thank the chairman. Mr. ROSTENKOWSKI. Madam Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. Duncan).

Mr. DUNCAN. Madam Speaker, I was one of the conferees along with the gentleman from Illinois (Mr. Rostenkowski), the gentleman from Florida (Mr. Gibbons), the gentleman from Texas (Mr. Pickle), the gentleman from New York (Mr. Rangel), the gentleman from California (Mr. Stark), the gentleman from New York (Mr. Conable), and the gentleman

from Texas (Mr. ARCHER). And from the other body, the gentleman from Kansas (Mr. Dole), the gentleman from Oregon (Mr. Packwood), the gentleman from Delaware (Mr. ROTH), the gentleman from Missouri (Mr. Danforth), the gentleman from Louisiana (Mr. Long), the gentleman from Virginia (Mr. Byrd), and the gentleman from Texas (Mr. Bentsen). And may I say that the decisions we reached in the conference did not come in with haste.

We were in conference about 16 straight hours. Every person whose name I have mentioned unanimously agreed with the conference. They all

signed the conference report.

Because this is a good bill, it is one I am sure the President will sign. The changes are intended to encourage business to modernize and our citizens to save

I will also say big oil was not an issue in the conference. It was for the strippers and the smaller producers of this country.

I urge adoption of the conference

report.

ROSTENKOWSKI. Madam Mr. Speaker, I yield such time as he may consume to the gentleman from Hawaii (Mr. Heftel).

Mr. HEFTEL. Madam Speaker, the provisions in the conference report on the accelerated cost recovery system include a special rule to protect the lease status of certain transactions. This rule provides safe harbor tests, and it also lists factors that are not to prevent an agreement from being treated as a lease. One of these factors is that the property may be sold at the end of the lease at a fixed or determinable price.

It is my understanding that this provision is intended to assure that rental adjustment clauses will not cause leases that meet the safe harbor tests to be treated as sales. Typically, when a lease has a rental adjustment clause, the property is sold at the end of the lease, and a rental adjustment is made upward or downward to reflect any difference between the expected residual value of the property and the actual sale price. Rental adjustment clauses are widely used in the equipment leasing industry. They should not cause leases that meet the safe harbor tests of the special leasing rule in the accelerated cost recovery system to be treated as sales. Is my understanding of this provision correct?

Mr. ROSTENKOWSKI. That is correct.

Mr. HEFTEL. Madam Speaker, I wish to express my regret that the conference report which is currently before this body does not include the provision which would facilitate the establishment of an employee stock ownership plan for the benefit of the employees of Continental Airlines. In my years of public and private endeavor, I have seldom seen a more impressive expression of commitment on the part of any employee group. The benefits in productivity and employee morale of employee stock ownership plans are well known and I heartily support such efforts.

This issue and the determination of the Continental employees will not die with the demise of the DeConcini amendment to the Senate bill. Hopefully the strong, bipartisan support which has been mobilized in both bodies of this Congress will carry the Continental employees to ultimate success.

ROSTENKOWSKI. Mr. Madam Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. MARTIN)

Mr. MARTIN of North Carolina. Madam Speaker, I would like to clarify the intent of the language in section 128(d)(3)(G) of H.R. 4242, The Economic Recovery Tax Act of 1981. This section defines "qualified residential financing," for purpose of investing the proceeds of tax-exempt savings certificates, to include mortgagebacked securities issued or guaranteed by the Federal National Mortgage Association, the Government National Mortgage Association, and the Federal Home Loan Mortgage Corporation. Section 128(d)(3)(G) reads:

The purchase of securities issued or guaranteed by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or securities issued by any other person if such securities are secured by mortgages originated by a qualified institution, but only to the extent the amount of such purchases exceeds the amount of sales or such securities by an institution, and * * *

Madam Speaker, it is my understanding that all securities issued or guaranteed by these federally chartered or federally sponsored entities are eligible for purchase by qualified depository institutions with the proceeds of tax-exempt savings certificates whether or not these securities are by mortgages.

Mr. ROSTENKOWSKI. The understanding of the gentleman from North Carolina is correct.

Mr. MARTIN. It is correct? Mr. ROSTENKOWSKI. Yes: it is.

□ 1345

Mr. SHANNON, Madam Speaker, I yield 1 minute to my colleague from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Madam Speaker, I thank the gentleman for yielding. The House has an opportunity today to speak for equity and fairness. We can do so by attacking the massive tax break for oil companies which is included in the conference report. When this package was being voted upon last week, many Members expressed their shock and outrage at this provision which would mean an enormous give-

away to oil producers. Now we have an opportunity to adjust this horrendous injustice and accept the language of the Senate on this provision, which is at least somewhat more palatable than the final conference report.

Madam Speaker, at a time when millions of less affluent Americans are being forced to tighten their belts. what right does the Congress have to bestow this blatant giveaway to an industry that already accounts for more than one-third of all U.S. manufacturing profits? When thousands of Government programs are being slashed. programs which represent the very livelihood of many disadvantaged citizens, we cannot stand idly by and allow the wealthy oilmen to reap such a windfall. If this Congress is to stand for anything positive, it must stand for the interests of all consumers, not merely the more affluent producers.

Madam Speaker, the windfall profits tax was born several years ago in an attempt to disburse somewhat more equitably the huge profits coming to oil producers as a result of rising fuel prices. Today, soaring costs are forcing consumers to spend even greater portions of their income on energy consumption, even while they are using less. Congress must not be so callous to again slap consumers in the face by granting this uneconomical present to oil producers. Madam Speaker, I urge all of my colleagues to take a stand for fairness and decency and reduce this profligate boon to a wealthy industry.

Mr. SHANNON. Madam Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Madam Speaker, my colleagues, over the past weekend I was beset upon by irate senior citizens in my district who were fearful, afraid of what is going to happen to their security in the future. I tried to assure them that their futures would be safe, and I also tried to assure them that this is a tough time for everyone, but that everyone must make a sacrifice.

I have a letter in my office from 83 women who call themselves "Professional Providers of Day Care." They are out of work because of the cuts we have imposed. I have responded to them, saying that I will try to help them find jobs in the private sector. but I am not at all sure that I can. I could not guarantee it.

But then, in order to try to keep things cool as everyone wants to do, I again told these 83 women that everyone has got to make a sacrifice. I have got more than 2,000 former CETA employees in my district out of work, desperate, not able to find a single job in the private sector. I talked with them and I explained to them that we are going to try to help them, but that we are caught in the reality of a perfidious Gramm-Latta bill, and everyone has got to make a sacrifice.

My question to you is, how in the name of God do I go back to those same people and tell them that they have got to make a sacrifice when we are giving \$12 billion away to the big oil companies? What the heck kind of sacrifice is that? There is no sacrifice for the oil companies. We are deliberconsistently. systematically trying to hurt the poor and the disadvantaged in this Congress, and we are deliberately and systematically and, I think wrongly, operating in terms of protecting the big interests, the interests of the giant corporations.

Twelve billion dollars, just a giveaway, and you try to help me to explain to some people in my district why we cannot find a half million dollars to continue some day care centers. Twelve billion dollars to the giant corporations, and you explain to me how I can justify to my senior citizens why certain feeding programs are going to

Ladies and gentleman of this body, I think this is a disgrace to the Nation. I think it is something that is going to further undermine the credibility of Government. I think it is wrong and cruel and unjust and venal. It is simply giving \$12 billion, giving away on the backs of the poor.

Mr. SHANNON. Madam Speaker, I yield 1 minute to the gentleman from

New York (Mr. Weiss).
Mr. Weiss. Madam Speaker, my colleagues, this year we cut programs for handicapped children and handicapped adults. We have cut feeding programs for young people, children and older citizens. Next year, the Reagan administration and Mr. Stockman, will be trying to cut more and more out of the social programs on which people desperately depend.

We are going to tell them, we are going to tell those people that there is no money, and yet here we are giving \$12 billion away to the people who already are making greater profits than anybody else in our society. What kind of a Congress are we? What kind of a House of Representatives is this? Whom do we represent? Do we represent people or do we represent big oil?

The vote on this suspension will determine that. I urge the Members to vote no on this motion to suspend the

rules.

ROSTENKOWSKI. Madam Speaker, I yield 1 minute to the gentleman from Indiana (Mr. Jacobs).

Mr. JACOBS. Madam Speaker, I thank the gentleman for yielding. I presume, it is not the intent of the conference that the liberalized depreciation sections of this conference report have any windfall effect on reimbursement to hospitals under the medicare program?

Mr. ROSTENKOWSKI. The gentleman is correct. The adoption by the Congress of a new capital cost recovery system could have a significant and unintended effect on medicare expenditures. It is anticipated that the Secretary of HHS will use his present authority to prevent such increased expenditures from occurring, and that he will continue his current practice and reimburse providers based upon useful lives representing the normal operating or service life of an asset. Further, nothing in the conference report is intended to encourage the Secretary to change present medicare regulation with respect to the method of depreciation.

Mr. JACOBS. I thank the gentle-

ROSTENKOWSKI. Madam Mr. Speaker, I yield 2 minutes to the genfrom Pennsylvania (Mr. tleman BAILEY).

Mr. BAILEY of Pennsylvania. Madam Speaker, I thank the gentle-

man very much.

Madam Speaker, during the debate on the respective House bills, one of the things that was discussed was more depreciation advantages and investment tax credit advantages. We were trying to write into the bill. under the leadership of Chairman ROSTENKOWSKI, some so-called distressed industries.

Out of conference comes a leasing provision that I would refer the House to on page 217 of the conference report. I would just like to make a couple of comments in regard to those provisions. They do not and will not be able to efficiently transfer the help that is needed to the respective industries who would even have an opportunity to take under those provisions. Under the definition of section 38. Tangible Personal Property, they only allow for the use of new investments to take advantage under these provisions, which is a retreat from the advantages of investment tax credit provisions in the House bill.

I would make the prediction that most of these industries will not be able to take advantage of them or use them.

Lastly, I would like to end with a sincere thank you to our chairman, Mr. ROSTENKOWSKI, who I think in light of the vote on the House floor has done a yeoman's job of preserving our position.

Mr. MOORE. Madam Speaker, will the gentleman yield?

Mr. BAILEY of Pennsylvania. I yield to the gentleman from Louisiana.

Mr. MOORE. Madam Speaker, the gentleman may be correct. I am not willing to concede that point, but at least the provision applies to all industries and not the gentleman's objectively chosen six

Mr. BAILEY of Pennsylvania. If I can take back my time, I sadly inform the gentleman that the provisions as defined will not only not help those folks that he wanted to help, as it should not have, but it will not help the people of the subject industries for which it was designed.

I thank the Speaker.

The SPEAKER pro tempore. The Chair would like to inform the gentleman from Massachusetts (Mr. Shan-NON) that he has 6 minutes remaining, and the gentleman from Illinois (Mr. ROSTENKOWSKI) has 41/2 minutes re-

Mr. SHANNON. Madam Speaker, I yield 1 minute to the gentleman from New York (Mr. SCHUMER).

Mr. SCHUMER. Madam Speaker, I thank the gentleman for yielding to

I think there can be no better commentary on these provisions, the oil provisions in our bill, than is given by Roget, the maker of the "Thesaurus, under the word "greed":

Greed: Desire; cupidity; avidity; avarice; covetousness; rapacity; greediness.

Madam Speaker, I yield back the balance of my time.

Mr. SHANNON. Madam Speaker. I yield 1 minute to the gentleman from Michigan (Mr. WOLPE).

Mr. WOLPE. Madam Speaker, I thank the gentleman for yielding. I would like to associate myself with the gentleman from Massachusetts, who has been leading this effort to focus attention on one of the greatest instances of abuse within this legislation; namely, the massive giveaway to the oil interests. All of us have constituents who have been saying to us. Mr. Congressman, we are prepared to accept sacrifice. We recognize the need for restraint, the need for everyone to share in the burdens of this program." How, then, can we ask these same constituents to accept that kind of sacrifice when we allow such a gross tax abuse to go unchallenged? Why are only the oil interests exempt from the national appeal for sacrifice and restraint? The oil tax breaks in this bill are only going to undermine the credibility of the entire economic recovery effort the administration is seeking to mobilize. While I intend to support the conference report, I believe it is critical that there first be a separate vote on the oil tax giveaway. I would therefore urge a "no" vote on the rules suspension.

ROSTENKOWSKI. Mr. Madam Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Madam Speaker, the bill before the House now is the final version of the Reagan tax proposal. It is the largest tax cut in the history of any nation.

The President's original proposal has been greatly expanded to include a lot of people's favorite stimulus or equity features. Like all tax bills, this one has grown. Each of us can find things in the bill we don't like, or that we would like later or sooner, or more or less. I know I can.

Nevertheless, this expanded final version is true to the economic principles on which the first Reagan proposal was based. It is clearly intended to provide incentives for American people and American businesses to work, save, and invest for tomorrow's jobs and tomorrow's prosperity.

I have reviewed the conference report and found that where there were House and Senate differences, in general the conference managers have given us genuine compromises. I believe the House managers have given us a better bill today than the one passed here last week. They are due thanks for their effective and speedy work.

The individual tax cuts, which proved to be the final battleground in the House, have been described by newly frugal opponents as potential budget busters. The tax cut and especially the individual tax cut with indexing, do involve some risk. They limit Federal revenue, and will put real pressure on Congress to continue with spending reductions. If the budget is not balanced by 1984 we ought to blame the Congress, not the taxpayers.

For too long the American taxpayer has been saddled with the sole responsibility for fiscal responsibility. This bill signals the end of that era. It is a bill of rights for the taxpayers. It finally gives them the permanent protection against inflation and bracket creep they have been denied.

Through indexing the taxpayers are finally getting ample justice. If there is risk here, the major risk involved is the risk that Congress may not persevere in its budget-cutting efforts.

Finally, we are well aware that the sterile tax policies of the past several decades have led nowhere but downhill. The new tax policy we will pass today offers new hope. In my judgment, the Reagan economic program has set our economy on new course which is the right direction. It is no guarantee of prosperity, but it provides a great new opportunity for all of us.

Mr. SHANNON. Madam Speaker, I yield myself the remaining balance of my time.

Well, I started saying that this is an unusual procedure, and I will end by saying that this is an unusual procedure, but it all boils down to one thing; that is oil.

I am a little bit disturbed to hear some of my colleagues suggest that what we are trying to do here is obstruction. We are not trying to obstruct anything. You beat the pants off of us on Gramm-Latta. You beat the pants off of us on 10-5-3. We acknowledge that. You won that. That is going to become the law. There is no question about that.

What I think the American people should know and what I think we all should acknowledge here today is that a vote for this bill—the vote which will be coming up in just a few minutes—is not just a vote for the Nation's economic recovery. It is not just a vote to reduce individual tax rates.

This bill has more to do than with just savings, investment, productivity, and jobs, things that I would hope we would be able to come to a bipartisan consensus on.

The objectionable portion of this bill to most Members of this body is the oil provision, and a vote against this bill under this procedure will be a vote against those oil provisions. Now, I know that my colleagues, many of them on the Republican side, object strenuously to these provisions. I know that they lamented when they had no opportunity when Hance-Conable was considered last week to reject these provisions.

Now is your chance. Let me repeat the procedure. We will have a vote on the suspension of the rules to pass this bill. If it does not receive two-thirds, the conference report will come back and we will have an opportunity to vote against oil, to vote for what the people demanded, to vote to protect the consumers of this country.

Mr. DONNELLY. Madam Speaker, will the gentleman yield?

Mr. SHANNON. I yield to my col-

league from Massachusetts.

Mr. DONNELLY. Madam Speaker, I thank my colleague from Massachusetts for yielding. I join in urging the Members to vote against suspending the rules. I would like to associate myself with his remarks in regard to oil, and additional add-ons that this tax bill has, but there is an overriding question above and beyond add-ons. That is the dollar drain that is going to cause the loss to the Treasury of the United States by minimum conservative estimates of \$750 billion.

As a member of the House Budget Committee, I can only say that in the out years, as we proceed forward to balance the budget, it is going to be a literal impossibility to do that.

Mr. SHANNON. If I could reclaim my time, let me say that I know that the production of oil is as important to the economy in some Members' districts as the price of heating oil is to mine.

□ 1400

They are going to get a break under whatever provision when this bill is passed. But enough is enough. This conference report has gone too far.

Madam Speaker, let us be fair to the American people. Let us vote down the conference report and let us do something that is reasonable for the good of the Nation.

Mr. PURSELL. Madam Speaker, will the gentleman yield?

Mr. SHANNON. I yield to the gentleman from Michigan.

Mr. PURSELL. Madam Speaker, many of us are concerned about those oil provisions. We had 46 Republicans go to the conferees and ask that they accept the Senate provision rather than the large amount that was given by the House.

But I just want to ask the gentleman from Massachusetts (Mr. Shannon) this question: We went before the Rules Committee and asked for a separate rule, we brought it to the floor as a panel, and I would just ask the gentleman how he voted on that particular rule when it came to the floor.

Mr. SHANNON. Madam Speaker, I voted for the rule when it came to the floor. I supported, of course, the Democratic bill that had much less of an oil provision than did Hance-Conable. I know that the gentleman from Michigan (Mr. Pursell) was in the forefront trying to reduce the benefits for oil, and I look forward to the support of those 46 Republican Members about whom he spoke.

Mr. WILSON. Madam Speaker, will the gentleman yield?

Mr. SHANNON. I yield to the gentleman from Texas.

Mr. WILSON. Madam Speaker, the gentleman does acknowledge that there has been a great deal of talk about the conference report and its "outrageous" oil benefits, but is it not true that the conference report has \$5 billion less in benefit than the bill that the House passed by some 48 votes?

Mr. SHANNON. But the House has not yet acted—

Mr. WILSON. I remind the gentleman that that bill passed the House by a substantial vote.

Mr. SHANNON. But no conference report is fairer to the consumers than the Democratic bill.

Mr. WILSON. But the gentleman will acknowledge that our conferees exceeded our expectations?

The SPEAKER pro tempore. The time of the gentleman from Massachusetts (Mr. Shannon) has expired.

Mr. ROSTENKOWSKI. Madam Speaker, I yield 1 minute to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Madam Speaker, in a perceptive line in the 1941 movie "Honky Tonk," Clark Gable, responding with his famous grin to grumbling merchants said, "What do they mean they can't pay any more taxes? Tell 'em to put up the price of beans!"

This quotation set up an interesting stream of economic analysis in this movie of unappreciated brilliance. Clark Gable, a two-bit gambler, gets kicked out of town for cheating. "I'm tired of this," says Gable. "We need the law on our side. We need a town of our own. Let's start a gang." The town is created and with it comes a large bu-

reaucracy to operate it. When the merchants grumble about financing the town's bureaucracy, the famous

quote just cited was given.

The analysis points up the interaction between taxes and prices. Gable knows that beaneaters will pay. They would grumble about the high cost of living all right, but they would probably blame the merchants for it. Actually, it is not the cost of living, the price of beans, that's going up it is the cost to the public sector that climbs.

Taxes and prices mix and mingle as the result of people trying to pass their cost increases along to the next fellow—the theory of diffusion. Up go taxes and up go the price of beans. Beans may not cost any more to grow, they just cost more to buy because each time you buy a pound of beans, you buy a little high living for Gable.

And so it is, the American citizens have been paying for a little high living for Uncle Sam and in the process cost-push, or more accurately taxpush, inflation has been in operation.

Admittedly, this is a simplifed explanation of a great truth. There is actually a pyramid of costs that enters into the final price of a product. But one of the most important—and one often neglected by economists—is the cost of Government, reflected in taxes.

Government, like land, labor, and capital, is a factor of production. Its costs are diffused into all the charges, wages, salaries, and fees of business and labor—added on to union contracts and commercial prices throughout the system. Economist Michael Evans estimates that a 1-percent increase in tax rates will result in a 0.4-percent increase in wage rates directly and a 0.7-percent increase after including the secondary effects of higher wage rates and unit labor costs on prices.

The tax collector is the invisible third party at every bargaining table, driving a wedge between labor and management, forcing firms to pay more while workers get to keep less. It now costs a firm about \$1.67 to give a typical worker a \$1 raise. The same effect drives a wedge between lender and borrower, reducing the incentive to save and raising the cost of investment.

Enter bracket creep. If a worker in a family of four, earning \$25,000, receives no more than a cost-of-living increase over the next 4 years, even at projected reduced rates of inflation, his pay will rise by 35-percent to nearly \$33,700 by 1984. However, under current law his tax burden will rise by 62 percent, from \$2,900 to about \$4,700, an \$1,800 increase. A 35-percent tax increase would have been just over \$1,000. The extra \$800, due to bracket creep, represents a drop in real take-home pay.

Since workers work for after-tax income, that worker is very likely to

go to the firm and demand compensation. But an \$800 raise will not do the job either because that would be taxed too, at the worker's top tax rate. The firm would have to offer more than \$1,000 to compensate a worker in the 32-percent tax bracket for his \$800 loss. If this were an auto worker, such a cost increase would add about \$200 to the price of an American-built car. When payroll and State and local taxes are considered, these figures are substantially worse.

The effect of taxes on labor demands is one of the most important problems a firm faces. Given the prevalence of multiyear contracts, a multiyear tax cut is imperative. Furthermore, the cut must come in the marginal tax rates in the worker's top tax bracket because that is where the cost-of-living increases will be taxed; that is where the issues of mandatory overtime, overtime pay, paid days off and fringe benefits versus straight pay increases will be decided.

If we cheat labor out of its share of the tax cut, if we allow marginal tax rates to continue to soar, we risk rising unit labor cost, strikes, declining productivity and loss of jobs to foreign producers. If we have a 3-year marginal rate reduction in place, one which reduces the spread on incremental pay between the amount paid by the firm and the amount received by the worker, we will influence in a most favorable way the major contracts up for negotiation next year which will set a pattern for much of the economy. We could produce simultaneously the biggest real pay increase and the smallest rise in real unit labor costs in years and begin winding down the inflationary expectations of both labor and management.

On the capital markets side, if we cheat savers out of their marginal rate reductions, we will keep the savings rate flat on the floor, thwart the investment expansion we hope achieve and drive up interest rates for business, homebuyers and Government. This would push the Federal Reserve into printing money and rekindling inflation. If we have a 3-year marginal rate reduction in place, the savings response will be early and decisive, providing ample funds for business investment and Government borwithout any inflationary rowing money creation by the Federal Reserve.

Beginning in 1985, this savings incentive inherent in the marginal rate cuts will be supplemented by an additional savings incentive patterned after legislation I had introduced earlier. By providing a 15-percent exclusion on all interest—up to \$3,000 for individuals, \$6,000 for couples—even more additional saving will be encouraged and the anti-inflationary effect of the tax cut will be strengthened.

Madam Speaker, the arguments I have made today show how a tax cut, if structured properly, can be anti-inflationary, rather than inflationary. This concern that a tax cut must necessarily be inflationary has been expressed by Members on both sides of the aisle. It is a credit to the Members of this body and of the other body that we are today considering a tax cut conference report that will combat, rather than fuel inflation.

We all know that a tax cut can lead to a larger Federal deficit—at least initially. But the important point to remember is that whether a deficit is inflationary depends on the manner in which the deficit is financed.

If it is financed through excessive monetary creation by the Federal Reserve then inflation results—because of the money creation, not because of the deficit per se. But if it is financed through private sector savings, then average prices will remain stable.

Actually there is a whole chain of events that tax cuts can set in motion to reduce inflation.

First, an increase in the aftertax rate of return on personal saving by a reduction in personal income tax rates raises the incentives of individuals to save. This increase in saving leads to lower interest rates, higher investment, and finances the resulting deficit.

Second, a reduction in the effective corporate income tax rate through more liberal depreciation allowances, improves capital spending by increasing the average rate of return.

Third, an increase in both personal and corporate saving leads to greater liquidity, thereby reducing loan demands and lowering upward pressure on interest rates, helping capital spending.

Fourth, a rise in the ratio of investment to GNP leads to higher productivity, which means that more goods and services can be produced per unit of input. As a result, unit costs do not rise as fast and inflation slows.

Fifth, a reduction in personal income tax rates leads to a rise in labor force participation and work effort, thereby increasing the supply of labor necessary to produce more goods and services.

Sixth, as a result of higher maximum capacity, the inflationary pressures of shortages and bottlenecks diminish, thereby reducing the rate of inflation.

Seventh, lower personal income tax rates lead to smaller wage demands, since wage bargaining is based at least in part on the level of aftertax income. This in turn reduces inflation.

Madam Speaker, the action we are about to take with the approval of this conference report will finally give the American people a chance to experience rising living standards and increased job opportunities in a less inflationary climate. I urge the adoption of the conference report.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman

from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Speaker, earlier in the debate there was a suggestion that the action we take here today may have some bearing upon our ability to pay adequate social security benefits. The comments that were made earlier may strike fear in the hearts of the aged, but they certainly do not represent the facts.

The social security fund is separate from the general fund of the Treasury. It is financed solely with social security taxes. Fortunately, Congress has had the good sense not to use general revenues for that purpose.

Therefore, I think it is urgent to make the point, and make it as clearly as possible, that the elderly are not affected either way by whatever decision we make here today. That is a separate fund. It is funded by social security taxes, and our next great order of business, after we complete action on this tax bill, is to take action in the months ahead to assure that those who are receiving social security benefits today can count on receiving them in the future.

Mr. Speaker, I repeat, nothing we do today affects the ultimate financial strength of the social security system.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield my remaining time to the gentleman from Texas (Mr. Pickle).

The SPEAKER. The gentleman from Texas (Mr. Pickle) is recognized for 1½ minutes.

Mr. PICKLE. Mr. Speaker, the assertion has been made over and over that this is relief for "big oil." No one has pointed out how it is relief to big oil.

That simply is not the case—\$5 billion of this money goes to royalty owners, for example, those people who own an interest in family property. Almost \$3 billion of this goes to independent strippers, not to big oil.

The only way big oil comes into the issue is through the fact that the rate is reduced from 30 percent to 15 percent on newly discovered oil, and newly discovered oil is nearly always generated by independent producers. So the assertion that this is just for

big oil is simply not the case.

There are other items in this tax bill that cost more than the one for newly discovered oil. For example the gentleman from Massachusetts and I together sponsored an amendment that calls for approximately \$4 billion just for research and development, and it is a very good provision.

Mr. Speaker, it is easy for the Members to single out big oil as the big winners in this bill, but that just is not

a truthful statement.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. PICKLE. I yield to the gentle-

Mr. ARCHER. Mr. Speaker, the gentleman from Texas (Mr. Pickle) is absolutely correct. The independent producers discover over 80 percent of all the new oil, by actual survey and record.

That part of the bill was not in conference anyhow. We could not have changed any of the provisions on newly discovered oil. This is the same rhetoric we have heard over the years. Back during the embargo years we heard the same type of rhetoric, and it is just not true.

Mr. CONABLE. Mr. Speaker, will

the gentleman yield?

Mr. PICKLE. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I thank the gentleman for yielding.

I would just like to say that I consider this whole operation to be nothing but mischievous. It cannot result in overturning the final decision of the House, and I hope the Members do not try to do that.

The SPEAKER. The time of the gentleman from Texas (Mr. Pickle)

has expired.

• Mr. KEMP. Mr. Speaker, it is hard to overestimate the importance of this tax bill, or its historic significance. For the first time in more than 17 years, Congress is voting to lower, not raise, the tax rates on every working, saving,

and enterprising American.

I think it is important to remember why we are doing this. Too many of us view this as a measure to deprive the Government of revenue. I do not. I proposed an across-the-board cut in income tax rates 5 years ago, and have worked to enact it, for very different reasons: First, to restore the link between effort and reward in our society; and second, to help the Government finally balance its books—not to throw them further awry—by reducing the need for Federal spending.

During the past decade, the aggregate tax burden on all Americans more than tripled, while the cost of everything else doubled. And yet we experienced ever-larger, not smaller, Federal deficits. I am convinced that this was due in large part to the impact of a contracting economy on the Federal

budget.

Rising tax rates diminished the tax base, so that, staggering as it was, the rise in revenues fell behind the rise in tax rates. At the same time, rising unemployment among our people triggered ever-greater demand for Federal spending programs.

High income tax rates simply create a demand for higher Federal spending. They are a destabilizing influence. Normally, people use their incomes on worthwhile projects, such as capital formation, charity, support of education, science, the arts, and so on. But when tax rates are raised, these func-

tions can no longer be supported to the same degree. Since our society cannot function without these services, there is a sudden demand for more Federal spending on charity, education, research, the arts, capital formation, and so on.

For this crucial reason, further taxrate reduction will be necessary if we are to succeed in relieving the pressure and the need for continued high levels of government spending. In particular, I believe that the maximum tax rate on income should be no higher than 25 percent. Experience shows that any higher tax rate not only deprives our society of the graces of civilization, but also tends to be counterproductive of revenue.

I am convinced, as was President Kennedy, that cutting income tax rates across the board will help to balance the budget. We have heard a lot of figures thrown around about the supposed revenue cost of this tax bill. Somebody figured out that the official revenue-loss estimates for the next umpteen years total \$750 billion. The history of tax cutting shows that such figures are empty of meaning.

By the same sort of calculation, which was actually performed by the Treasury, the Kennedy tax cuts should have cost the Treasury \$89 billion from 1962 to 1968. Yet revenue increased in absolute terms by more than \$54 billion. Several empirical studies have shown that by 1966, income tax revenues were higher than they would have been without the cuts in income tax rates of 1964 and 1965.

Low tax rates are also crucial, I believe, in helping to solve our problems of burdensome debt and high interest rates. As a nation, we are in hock up to our ears. Cutting tax rates will help everyone to pay off their debts out of higher incomes. At the same time, it will have a beneficial effect on interest rates and certain tax deductions.

As we all know, the cost of interest is tax deductible when you borrow, but the same interest is fully taxable when you lend. The higher the tax rates, the more aftertax incentive there is to borrow, and the less aftertax incentive there is to save. This unquestionably leads to higher interest rates. And the higher interest rates cause larger revenue losses due to the tax deduction. Cutting tax rates will help reduce pressure on the Treasury and on interest rates in this respect.

For all of these reasons, I would like to reaffirm my support for two goals which I believe must go hand in hand: Further tax-rate reduction, and balance of the Federal budget, without which there can be no lasting financial, monetary, or social order.

Finally, I would like to take this opportunity to thank the distinguished ranking member on the Ways and Means Committee, Mr. Conable, for his leadership and friendship during the long process of hammering out the tax bill. Without his able leadership, this victory for the American people would not have been possible.

• Mrs. SCHNEIDER. Mr. Speaker, I rise in support of the conference report to accompany the Tax Reduction Act of 1981, with reservations. My reservations relate to the oil provisions.

While the positive aspects of this bill far outweigh the negative portions, and are vitally necessary to get this country moving again, we can hardly ask the elderly poor of this country to give up their \$122 minimum social security benefit while giving the oil producers of this country, who are hardly hurting, nearly \$12 billion in relief.

Further, I am seriously disappointed at the action of the conferees in deleting a woodburning stove tax credit and a home heating oil credit. These token efforts were the very least we could do for those who feel the pain of energy prices the most—individual taxpayers.

Nevertheless, I plan to vote for adoption because of the positive aspects of the bill—individual tax relief, charitable deductions, capital depreciation, and incentives to business to recapitalize and get our country moving again. It is my sincere hope that this Congress will be able, in the foreseeable future, to correct those very obvious shortcomings still in an otherwise positive piece of legislation.

• Mr. PURSELL. Mr. Speaker, I want to indicate my support for the historic tax bill now before us. It is an essential ingredient of a long-range program offering real hope for reviving our economy, restoring incentive, creating jobs, and assuring that our people keep more of their own earn-

The bill provides permanent tax reductions for every individual taxpayer, putting an end to insidious tax increases through inflation, while extending a variety of business tax revisions particuarly beneficial to small business—the backbone of our economy.

At the same time, I, once again, would like to register my strong opposition to the oil provisions of this legislation. While this section does not, in my view, overshadow the bill's numerous positive contributions, it does merit deep concern about significant future revenue losses, which will not result in commensurate increases in energy production.

Needless to say, the oil related agreements reached in conference are preferable to the original Housepassed provisions. However, they still represent a significant flaw in an otherwise worthy bill, for a number of reasons, including the fact that—

First, Congress has given the oil industry deregulation as an incentive for exploration and production; Second, the impact of the windfall profits tax cannot yet be adequately measured and adjustments in the tax may be premature;

Third, the industry stands to benefit from the general business tax reductions in the bill; and

Fourth, we do not have adequate assurances that the new tax breaks for oil will end up in the hands of those who may need additional production incentives.

Since 1972, the aftertax profits of major oil companies has quintupled, and while the price of oil has increased 600 percent the general cost of living has risen 177 percent. In the last 2 years alone, the rising price of oil has increased revenue from stripper wells by 21/2 times. Too many so-called incentives for such operations could result in actual disincentives, by encouraging producers to hold production to less than the maximum level required to maintain eligibility for tax preferences affecting low volume

For these reasons, I have been working with other Members to alter the oil provisions in the tax bill at each stage of the legislative process. I continue to speak out against these provisions, while looking to the future with enthusiastic anticipation of the results of our efforts with respect to the overall thrust of this historic legislation. · Mr. WAMPLER. Mr. Speaker, I welcome this opportunity to speak on behalf of and vote for the administration-backed conference report on the Tax Incentive Act of 1981. The Senate adopted this conference report by an overwhelming margin yesterday.

This represents another step in the administration's attack on inflation, high-interest rates, and sluggish economy. It is one of two centerpieces of President Reagan's economic recovery program—the omnibus budget reconciliation bill is the other. The measure provides a 25-percent cutback in individual income tax rates phased in over 33 months. Businesses are allowed to depreciate investment costs at a faster rate and individuals are given much needed tax relief.

Farmers will be particularly pleased with changes that were made in estate and gift tax rules. The unified credit, which is an estate and gift tax exclusive, was expanded from \$175,000 to \$600,000. The top tax rate on cumulative estate and gift transfers was lowered from 70 to 50 percent. Special rules concerning current use valuation of farmland have been relaxed.

New provisions were adopted pertaining to tax treatment of straddle transactions in commodity futures markets. The rules require investors to make an accounting of all losses and gains resulting from straddle transactions at the end of each year and pay taxes on them. In an effort to offset the stricter rules, the maximum tax rate on all commodity futures profits was reduced from 70 to 32 percent. Hopefully, these new provisions will close the loopholes that are claimed to currently exist while at the same time not hindering the function of futures markets of stabilizing the prices of agricultural commodities. I believe the House position on commodity tax straddles was perhaps better than the Senate's but apparently the House conferees had to recede on these provisions.

In any case, the tax reductions and modifications will I believe, provide the proper incentives and lead to a more stable economy. The economy is suffering under current conditions and I believe something new must be tried to get this country and its economy moving again, improving employment, et cetera.

Last week the Congress approved a budget bill with cuts that will total more than \$130 billion in Federal spending for fiscal years 1981 through 1984. The administration has from the beginning felt that it was imperative that limitations in spending coupled with regulatory reform were necessary to control inflation. With less spending, the Federal Government is not competing for money in the private sector and, in turn, forcing higher interest rates. On the other hand, tax relief for businesses and individuals will hopefully generate the increased savings rate and capital investment that are needed to get American industry back on its feet. High employment-providing opportunities for jobs rather than social programs for many Americans-reduced inflation and a return to moderate interest rates will, am hopeful, be generated by the President's economic recovery pro-

The administration continues to support the Federal Reserve Board's position on a slow growth of the money supply. As long as money grows faster than output, prices and interest rates rise and inflation results.

Thus, the budget cuts, tax cuts which will lessen disincentives, regulatory reform and a slow and stable growth of money appear to be the proper tools to counteract our serious inflation and high interest rates.

It will take time before appreciable gains can be measured. But it is important to remember that it took a long time to put us in the economic straits we currently face. But let us start. Let us lay out a plan for recovery that is reasonable and possible of attainment. The American people endorse such a course and I urge my colleagues to vote for this measure as an integral part of the President's plan.

• Mr. EVANS of Delaware. Mr. Speaker, I rise in support of the conference report on the bipartisan tax cut pro-

posal which has been endorsed by President Reagan.

I am pleased that Members of Congress on both sides of the aisle finally appear to recognize that a stagnating economy with declining productivity and a deteriorating industrial base has a harmful impact on the welfare of every citizen in this country. President Kennedy was absolutely correct nearly 20 years ago in pointing out that "a rising tide lifts all boats." In this simple phrase he recognized that an expanding and innovative economy provides great benefits to everyone and, in particular, serves the interests of the disadvantaged in our society.

of the disadvantaged in our society.

However, there is no possibility of enjoying the benefits of a "rising tide" of economic activity unless our confiscatory taxes on all types of income are drastically reduced. The policies of the last several decades have created an impossible situation. We now have high unemployment and soaring prices both at the same time and for a long time. We desperately need to implement a policy which will allow the American economy to expand without the distressing rate of inflation which has plagued us for so many years.

President Reagan's program for economic recovery is designed to stimulate real growth without inflation by encouraging everyone to work harder and to keep more of the money they earn. By encouraging individual initiative, the new surge of economic activity which will result from the passage of this tax cut will benefit the entire Nation.

Mr. Speaker, I would like to take a moment to discuss the major differences between the President's plan and the proposal which was originally submitted by the House leadership. During the last few weeks, a great deal of public attention has been focused on the claim that the tax cuts for some individuals are larger in the early years of the Ways and Means Committee bill than under the President's bipartisan proposal. Unfortunately, these assertions come from comparing the whole 2-year, 15-percent Ways and Means bill with only a part of the President's bill. Because of its third year of a guaranteed reduction in the tax rates, President Reagan's bill gives taxpayers in the \$15,000 to \$50,000 middle-income range a bigger tax cut than has been claimed by many of President Rea-gan's opponents. These claims were patently false. While the House leadership's proposal did provide a few more dollars in tax relief over the short run-a mere \$22 for a family earning \$15,000-this temporary tax relief will be wiped out as the higher tax rates called for under their bill from 1984 onward siphoned off more and more of working people's wages.

This fact highlights a fundamental difference between the two proposals

which were under consideration. The President's plan represents a real tax cut while the plan of the House leadership would have allowed taxes to continue to increase. Given the fact that tax rate reductions of more than 22 percent are needed merely to offset the tax increases facing the American people over the next 3 years, the 2-year tax cut of 15 percent proposed by the House leadership was no tax cut at all. The full 25-percent tax cut proposed by President Reagan is essential to provide a real tax cut to working Americans.

Over the last 10 years, the House leadership has given the American people five so-called tax cuts. Yet over the same 10 years, taxes have increased by more than \$400 billion. I believe the American people are tired of the phony promises which have been made in the past. Under the committee bill, individuals in almost every tax bracket would have paid higher taxes in 1984 than in 1980. The bipartisan substitute, however, will allow individual taxpayers at virtually every income level to receive greater tax relief.

Mr. Speaker, I also believe that the length of the tax cut is vital to producing significant supply-side effects in our economy. One of the principal purposes of a guaranteed third-year tax reduction is to assure all individuals of the certainty that their returns from increased savings and investments will be taxed at a lower rate.

Individuals must be able to act with a great deal of certainty that tax rates will keep going down if they are to undertake the risky, long-term investments which are needed to create jobs and boost productivity. Businesses require the assurance of a stable and predictable economic environment in order to make sizable investments in new plants and equipment. Unfortunately, Government tax and spending plans have often represented the greatest destabilizing force on personal and business decisions. By promising a 3-year tax reduction, the Reagan tax cut will go a long way toward confirming a favorable economic climate.

If the effort to limit the tax reduction program to 1 or 2 years had been successful, it would have been a major victory in the big spenders' effort to avoid the fundamental change in the direction of national policy which is so essential to start the process of economic revitalization. Any tax cut which is shorter than 3 years would not be enough to provide the proper mix of incentives for additional work, saving, and investment which are so desperately needed to get the country moving again.

Other features of the tax proposal endorsed by President Reagan are included in this conference report. I have consistently supported a reduction in the marriage penalty, tax relief

for Americans working overseas, a deduction for taxpayers who make charitable contributions and do not itemize their returns, and an increase in the credit on the estate tax which will help small businesses and farmers. These provisions of the conference report represent sound and constructive improvements in our country's overall tax structure.

Mr. Speaker, many leading economists have concluded that the adoption of the Reagan administration's tax proposals will lead to rapid and sustained economic growth by increasing the incentives in the private sector. The reductions in marginal individual income tax rates will encourage personal savings, reduce the understandable resentment in all classes in American society toward our unfair tax rates, and lower the tax burden on small unincorporated businesses. The accelerated capital cost recovery schedule in the President's bill will promote higher levels of investment to replace our outmoded industrial base. provide thousands of additional jobs for our workers, and give a real boost to our sagging productivity perform-

I agree with others who have pointed out that the choice between the House was whether we would continue to use tax policy as an instrument of income redistribution or as an instrument of economic growth and opportunity. This tax cut is an absolutely essential part of the Reagan administration's effort to return greater decisionmaking powers to the American people. Public revulsion against the total tax burden, the size of the Federal Government, and continued inflationary deficits all came to a head in the 1980 election.

We have responsibility to respond to the overwhelming desire of the American people to lower the stifling tax burden and drastically reduce unnecessary and wasteful Government expenditures. By providing major tax reductions for both individuals and business, the Congress can demonstrate its intention to do its part in implementing the tax-related component of President Reagan's comprehensive program to revitalize the American economy.

I urge my colleagues to adopt the conference report on the bipartisan tax reduction proposal which has been endorsed by President Reagan.

• Mr. FOGLIETTA. Mr. Speaker, I wish to take this opportunity to express on the record my reasons for voting in favor of the Tax Incentive Act of 1981 on final passage.

I firmly believe that taxpayers, particularly those with incomes below \$50,000, need and deserve some meaningful relief. These low and moderate income households have suffered the most from inflation. They have also

been the hardest hit by recent increases in social security taxes, as well as "bracket creep," which disproportionately increases their Federal income tax burden when they receive wage increases to compensate for inflation. I also endorse tax relief for business, particularly small businesses which provide most of the new jobs in our economy, and are most directly affected by the present exorbitant interest rates.

When President Reagan initially proposed his tax relief program, I had serious misgivings about the size of the tax cuts, which most economists criticized as inflationary. However, I respected the President's determination to support a clean bill, which would be limited to the specific tax reductions he endorsed in his campaign

platform.

As discussion of the tax reduction legislation proceeded, the President moderated his proposal from a 30-percent to a 25-percent individual tax cut, and delayed the phase in for the reductions. The Democrats in the Ways and Means Committee responded by supporting the concept of an alternative which was modeled upon the President's plan, but provided greater tax relief for families with incomes under \$50,000, reduced the marriage penalty, and made the third year reduction contingent on the state of the

economy.

If the issue had been presented to the House in this form, we would have had a clear choice between a Democratic bill which would have concentrated tax relief upon the low and moderate income families most affected by tax inflation; and an administration proposal which justified a greater tax break for the wealthy on the basis of its "supply side" effect. Given this choice, I would have supported the Democratic proposal, but I could also respect the motivation of those who supported the President's tax package.

Unfortunately, we were not presented with such a choice. By the time the tax package reached the House floor both sides had engaged in a bidding war for votes which led to the inclusion of exorbitant and unjustified tax breaks for virtually every special interest with significant support in Congress. I was particularly appalled by the exemptions from the windfall profit tax and other tax breaks for the oil industry. While the administration proposal outdid the Democratic version in this regard, both gave away billions of dollars in tax revenue with no justification beyond winning the votes necessary for passage of their plan.

necessary for passage of their plan.

I voted in favor of a rule which would have given the Members of the House an opportunity to delete the tax breaks for the oil industry and other special interests from the tax legislation. Unfortunately, this rule was defeated. I also voted in favor of

the Obey-Udall substitute, which did not include the accommodations to special interests, such as the oil industry, and would have enacted a single tax reduction in 1982, leaving it to Congress to consider whether economic conditions warranted further tax reductions in future years. This alternative was also defeated. I voted against administration's tax proposal when it was offered as a substitute to the version reported out by the Ways and Means Committee. When this substitute was adopted. I also voted in favor of Representative Jeffords' motion to recommit. Once this motion was defeated, the only tax reduction legislation which had an opportunity of passing was the administration's proposal. Although the bill included the exemptions from the windfall profit tax and other accommodations to special interests which I still find distasteful, I felt that my previous actions had made my objections clear in this regard. I voted in favor of the proposal on final passage, only because to do otherwise would have required voting against any tax relief.

• Mr. REUSS. Mr. Speaker, there are many reasons to oppose the 1981 Tax Act, but none more important than that it completes a radical redistribution of income in this country away from moderate-income people to the top 10 percent. This sad process, started by the Reagan administration's budget and monetary policies, is now complete.

Despite much hokum about releasing people's incentives to work and reindustrializing America, redistributing income toward the top is what this bill is all about.

The individual income tax is restructured so as to give 35 percent of its benefits to the top 5 percent of income receivers, those currently making more than \$50,000 a year. Moderate-income taxpayers, when you count in scheduled increases in the payroll tax and inflationary bracket creep, benefit hardly at all. And a host of loopholes, added to existing ones, makes the Robin-Hood-in-reverse redistribution effect even more pronounced.

The corporate income tax comes close to being abolished.

Estate and gift taxes will likewise effectively be done away with. Under the guise of helping farmers and small businessmen, the taxes of the estates of the top tax bracket, the very wealthy, are being cut from 70 to 50 percent. A \$25 million estate will thus achieve a \$4 million tax saving. And the annual gift tax exemption is being increased from \$3,000 to \$10,000, far beyond anything needed to compensate for recent inflation.

The startling loss of Federal revenue—some \$750 billion over 5 years—will mean that today's tax cutters will shortly be wanting to take even fiercer bites out of essential programs, includ-

ing social security. It will mean that regressive taxes—State and local sales and property taxes, and possible Federal sales and value added taxes—will add to the burden of the middle class.

Some of the spinoff effects of the tax bill will cause further grief to average Americans. To collect enough votes, the administration entered into unseemly contracts with groups such as the sugar lobby and the peanut lobby. Higher prices to the consumer for peanut butter and sugar lie ahead.

I have previously discussed the possible income redistribution effects of the Reagan program in my speech, "Inequality, Here We Come"—Congressional Record for June 18, 1981, on page 13009. The effects on middleclass America of the budget cuts and tight money policies are there explored at length. Now we have the reality of a tax law, in a dosage considerably worse than anything we could have expected a month ago.

I am sad about today's vote—sad for the future of our country, and for the future of my party, the Democrats. For we have permitted ourselves to depart from the principles that have formed our party's proud traditions.

So many sweeteners have been piled on the tax bill that the confection is simply too rich. It is not the rich that the Democratic Party represents. We do not stand for reductions in the windfall profit tax, nor new loopholes for oil producers, nor solicitude for the heirs of massive estates. And we should not stand for the crass political bargaining that gave them birth.

The President was not wrong when he charged that the Democrats were out to produce a political victory. Let us admit that to ourselves. And had we won, our success would have been hollow. As I long ago suggested, we should have been content simply to have entertained an up-or-down vote on the original Kemp-Roth tax cut, presented our own clear alternative, and, whatever the result, at least have had the satisfaction that our own intellectual and political integrity remained intact.

Let us now profit from our experience. Rather than trying with increasing desperation to salvage minor victories at the cost of surrendering principle, let us concentrate on restating principle with increasing clarity and force.

For even if we may lose votes here and votes there while Reaganism remains in fashion, it will not remain in fashion forever. Once people see its results, in the end we will be the stronger for having stuck to our guns, and having made clear to an otherwise disillusioned public that at least one party remains that keeps faith with itself, its voters, and the Nation's ideals.

The SPEAKER pro tempore. All time has expired.

The question is, will the House suspend the rules and agree to the conference report on H.R. 4242?

Mr. WALKER, Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALKER. Mr. Speaker, we have had a lot of discussion here. The vote we are about to take occurs on the question of the conference report on tax cuts and has nothing to do with the separate oil provision; is that correct?

The SPEAKER. The Chair will state that the gentleman has not stated a parliamentary inquiry.

The question is on the motion offered by the gentleman from Illinois (Mr. Rostenkowski) that the House suspend the rules and agree to the conference report on the bill, H.R. 4242

The question was taken.

Mr. SHANNON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were-yeas 282, nays 95, not voting 57, as follows:

[Roll No. 190]

YEAS-282

Corcoran

Coughlin

Craig

Courter Coyne, James

Daniel Dan

Daniel, R. W.

Danielson

de la Garza

Deckard

Derrick

Dingell

Dorgan

Dowdy

Dicks

DeNardis

Dickinson

Daschle

Daub

Davis

Glickman

Goldwater

Goodling

Gradison

Grisham

Gunderson

Hagedorn

Hall (OH)

Hall, Sam

Hamilton

Hansen (ID)

Hansen (UT)

Hartnett

Hatcher

Heckler

Hefner

Heftel

Hendon

Hance

Hammerschmidt

Hall, Ralph

Albosta Alexander Andrews Annunzio Anthony Applegate Archer Ashbrook AuCoin Badham Bafalis Bailey (MO) Bailey (PA) Barnard Beard Benedict Benjamin Bethune Bevill Blanchard Bliley Boggs Boner Bonker Bouquard Bowen Breaux Brinkley Brooks Broomfield Brown (CO) Brown (OH) Broyhill Burgener Butler Byron Campbell Carman Carney Chappell Chappie Cheney Clausen Clinger Coats Coelho Coleman Collins (TX) Conable Conte

Dreier Hightower Duncan Hiller Hillis Dunn Dyson Edwards (AL) Holland Edwards (OK) Hollenbeck Emerson Holt Emery English Hopkins Hoyer Erdahl Hubbard Hunter Erlenborn Evans (DE) Evans (GA) Hutto Hyde Ireland Evans (IA) Jeffries Fary Fenwick Johnston Jones (OK) Fiedler Fields Findley Jones (TN) Kazen Kemp Fish Flippo Kindness Foley Forsythe Kramer Lagomarsino Lantos Fountain Latta Frenzel Leach Fuqua LeBoutillier Gavdos Gibbons Gilman Lehman Gingrich Ginn Levitas

Lewis Livingston Loeffler Long (LA) Long (MD) Lott Lowery (CA) Lujan Luken Madigan Marks Marlenee Marriott Martin (IL) Martin (NC) Martin (NY) Matsui Mazzoli McClory McCollum McCurdy McDonald McEwen McGrath McKinney Mica Michel Miller (OH) Molinari Montgomery Moore Moorhead Morrison Murphy Murtha Napier Natcher Neal Nelligan Nelson Nichols

Addahho

Beilenson

Bennett Bingham

Boland

Bonior

Brodhead

Chisholm

D'Amours

Dellums

Donnelly

Dymally

Evans (IN)

Downey

Dwyer

Early Eckart

Edgar

Ertel

Fazio

Florio

Biaggi

Bolling

Dornan

Fascell

Ferraro

Dixon

Clay

Brown (CA)

Burton, John

Barnes

Bedell

NAVS-95

Foglietta Frank Gejdenson Gonzalez Gore Gray Guarini Harkin Hertel Howard Hughes Jacobs Collins (IL) Conyers Coyne, William Crockett Jeffords Kastenmeier Kildee Kogovsek LaFalce Lowry (WA) Markey Mayroules McHugh Mikulski Mineta Minish Mitchell (MD) Moakley Mollohan Mottl Nowak Oberstar

NOT VOTING-57

Lundine Anderson Fithian Aspin Atkinson Ford (MI) Ford (TN) Bereuter Fowler Frost Garcia Gephardt Burton, Phillip Cotter Crane, Daniel Gramm Green Crane, Philip Gregg Dannemeyer Horton Derwinski Huckaby Jenkins Jones (NC) Leath Dougherty Edwards (CA) Leland

Lungren McCloskey Miller (CA) Mitchell (NY) Moffett Parris Pritchard Reuss Rhodes Richmond Roth Santini

Solomon

Smith (AL) Smith (IA)

Smith (NE)

Smith (NJ) Smith (OR)

Spence St Germain

Stangeland

Stanton

Staton Stenholm

Stratton

Stump

Tauke

Tauzin

Thomas

Traxler

Volkmer

Wampler

Watkins

White

Whitley

Whittaker

Williams (OH)

Whitten

Wilson

Winn

Wirth

Wolf Wortley

Wright

Young (AK)

Young (FL)

Zablocki

Ottinger

Rangel Ratchford

Rodino Rosenthal

Scheuer Schroeder

Schumer

Solarz

Studds

Walgren

Washington

Weiss Williams (MT)

Udall

Wolpe

Wyden

Yatron

Zeferetti

Yates

Stark

Seiberling

Shannon Smith (PA)

Roybal

Sabo

Savage

Peyser Rahall

Obey

Wylie

Weber (MN)

Weber (OH)

Whitehurst

Walker

Trible

Swift

Snowe

Snyder

O'Brien

Panetta

Patman

Pepper Perkins

Pashavan

Patterson

Oxley

Paul

Petri

Pickle

Porter

Pursell

Regula

Ritter

Roe

Rinaldo

Quillen

Railsback

Roberts (KS)

Roberts (SD)

Rostenkowski

Sensenbrenner

Robinson

Roemer

Rogers

Rudd

Russo

Roukema

Sawyer Schneider

Shamansky

Schulze

Sharp

Shelby

Shumway

Shuster

Skeen

Skelton

Siliander

Shav

Price

Taylor Vander Jagt Vento

Waxman Weaver Young (MO)

□ 1415

The Clerk announced the following

On this vote:

Mr. Young of Missouri and Mr. Biaggi for, with Mr. Richmond against.

Mr. Gephardt and Mr. Santini for, with Mr. Moffett against.

Mr. Huckaby and Mr. Gramm for, with Mr. Vento against.

Mr. Bereuter and Mr. Dornan of California for, with Mr. Waxman against.

Mr. Dannemeyer and Mr. Lungren for, with Mr. Reuss against

Mr. Solomon and Mr. Rhodes for, with Mr. Ford of Tennessee against.

Mr. Rousselot and Mr. Taylor for, with Mr. Ford of Michigan against.

Mr. Horton and Mr. Gregg for, with Mr. Garcia against.

Until further notice:

Mr. Leland with Mr. Pritchard.

Mr. Jones of North Carolina with Mr. Parris.

Mr. Simon with Mr. Mitchell of New York.

Mr. Pease with Mr. Green.

Mr. Atkinson with Mr. McCloskey. Mr. Phillip Burton with Mr. Roth.

Edwards of California with Mr. Vander Jagt.

Mr. Fascell with Mr. Philip M. Crane. Mr. Synar with Mr. Daniel B. Crane.

Mr. Jenkins with Mr. Derwinski. Mr. Aspin with Mr. Mattox.

Mr. Fithian with Mr. Lundine. Mr. Fowler with Mr. Frost. Mr. Weaver with Mr. Leath of Texas.

Mr. Anderson with Mr. Dougherty.

Mr. YATRON changed his vote from "yea" to "nay."

Mr. PEPPER and Mr. HOYER changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

OF DIRECTING CLERK THE HOUSE OF REPRESENTATIVES MAKE CORRECTIONS ENROLLMENT OF H.R. 4242

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 30) directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 4242, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 30

Resolved by the Senate (the House of Representatives concurring). That in the enrollment of the bill (H.R. 4242), to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes, the Clerk of the House of Representatives shall make the following

(1) In the table of contents, in the item relating to section 102, strike out ", decrease

in holding period"

(2) In the table of contents, in the item relating to section 601, strike out "\$22,500" and insert in lieu thereof "\$2,500"

(3) In the table of contents, after the item relating to section 823, insert the following: Subtitle D-Other Provisions

Sec. 831. Technical amendments relating to dispositions of investment in United States real property.

Sec. 832. Modification of foreign investment company provisions.

(4) In the section heading to section 102 of the bill, strike out ", decrease in holding

(5) In section 209(c)(1)(B) of the bill, strike out "subparagraph (B)" and insert in lieu thereof "subparagraph (B)(i)"

(6) In paragraph (2) of section 313(b) of the bill, strike out "Sections 219(c)(2)" and insert in lieu thereof "Sections 219(d)(2) (as amended by section 311(a) of this Act)

(7) In section 305(e)(3)(A) of the Internal Revenue Code of 1954, as added by section 321(a) of the bill, strike out "tangible per-sonal depreciable property" and insert in lieu thereof "tangible property described in section 1245(a)(3) (other than subparagraphs (C) and (D) thereof)".

In subparagraph (B) of section 2032A(e)(7) of the Internal Revenue Code of 1954, as added by section 421(f)(1) of the

bill-

(A) strike out "average net share rental" each place it appears and insert in lieu thereof "average annual net share rental"

(B) strike out "average gross cash rental" and insert in lieu thereof "average annual

gross cash rental" (9) In paragraph (5) of section 509(a), strike out "section 6601(b)" and insert in lieu thereof "section 6601".

(10) Amend the title so as to read: "An Act to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers, acceleration of capital cost recovery of investment in plant, equipment, and real property, and incentives for savings, and for other purposes."

Mr. ROSTENKOWSKI. Mr. Speaker, Senate Concurrent Resolution 30 directs the Clerk of the House of Representatives to make 10 technical corrections in the enrollment of H.R. 4242, the Economic Recovery Tax Act of 1981, just passed by the House. Specifically, the resolution directs the Clerk of the House to make technical corrections in the table of contents, section headings, cross references, and in the title of the bill. I assure the House that the resolution merely corrects technical problems of omissions of a minor nature and does not in any way involve substantive changes to the legislation just passed.

I urge the House to approve Senate Concurrent Resolution 30.

The Senate concurrent resolution was concurred in. A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROSTENKOWSKI, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report to H.R. 4242, the Economic Recovery Act

The SPEAKER. Is there objection to the request of the gentleman from

Illinois?

There was no objection.

APPOINTMENT AS MEMBERS OF DELEGATION TO ATTEND CON-OF FERENCE INTERPARLIA-MENTARY UNION IN CUBA

The SPEAKER. Pursuant to the provisions of title 22, United States Code, section 276a-1, as amended by Public Law 95-45, the Chair appoints as members of the delegation to attend the Conference of the Interparliamentary Union to be held in Havana, Cuba, September 15, through 23, 1981, the following Members on the part of the House: Mr. DE LA GARZA of Texas, chairman; Mr. DERWINSKI of Illinois, vice chairman; Mr. BIAGGI of New York: Mr. Danielson of California; Mr. Bowen of Mississippi; Mr. Levitas of Georgia; Mr. Lantos of California; Mr. Won Pat of Guam; Mr. McClory of Illinois; Mr. Erlenborn of Illinois; Mr. Butler of Virginia; and Mr. ERDAHL of Minnesota.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS. BOARDS, AND COMMITTEES AUTHORIZED BY LAW OR BY THE HOUSE, NOTWITHSTAND-ING ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Wednesday, September 9, 1981. The Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, SEPTEMBER 1981

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule shall be dispensed with on Wednesday, September 9, 1981.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. WALKER. Mr. Speaker, reserving the right to object, I reserve the right to object, and do not intend to object, but I do so to ask the distinguished majority leader whether or not the Members are going to have some idea of a calendar before we go home before our return.

The SPEAKER. The Chair thought that was the prerogative of the minor-

ity leader.

Mr. WALKER. I will be very happy to yield to the minority leader, Mr. Speaker.

The SPEAKER. The minority leader was standing and the Chair would

have recognized him.

Mr. WALKER. I simply reserved the right. The Chair had a point of business on the floor, and I think it is the prerogative of the gentleman from Pennsylvania to reserve the right to object.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the distinguished majority leader.

Mr. WRIGHT. The answer is yes. We have an idea what the order of business will be. Primarily we will go back to the State-Justice appropriation, as I was prepared to respond to distinguished minority leader. Thereafter we will pursue appropriations bills until they are completed. That will be our priority business.

Mr. WALKER. Further reserving the right to object, we can expect then, votes on the first day back on. for instance, the State-Justice appro-

priation bill?

Mr. WRIGHT. If the gentleman will yield further, I would think Members would be well advised to be back on the day appointed, on the 9th of September, Wednesday, September 9.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. For the gentleman's information, there are four reported appropriation bills ready for the calendar including the one we are debating when we come back, and that will be the schedule for the remaining time.

Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT OF SENATE FROM AUGUST 3, 1981, TO SEP-TEMBER 9, 1981 JOURNMENT OF FROM AUGUST 4, 1981, TO SEP-**TEMBER 9, 1981**

The SPEAKER laid before the House the privileged Senate concurrent resolution (S. Con. Res. 27), providing for adjournment of the Senate from August 3, 1981, until September 9, 1981, and adjournment of the House from August 4, 1981, until September 9, 1981.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 27

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Monday, August 3, 1981, it stand adjourned until 12:00 o'clock noon on Wednesday, September 9, 1981, and that when the House adjourns on Tuesday, August 4, 1981, it stand adjourned until 12:00 o'clock noon on Wednesday, September 9, 1981.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

□ 1430

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to extend to all Members in the Chamber a happy, healthy, and successful work period and vacation at home.

RESOLUTION ON MIDDLE EAST PEACE

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter)

Mr. FINDLEY. Mr. Speaker, I am introducing today a resolution on Middle East peace. This resolution attempts to set forth what I believe to be the basic principles essential to a Mideast peace agreement. It is my hope that these principles will become elements of U.S. policy and that their acceptance by all parties in the Middle East will lead to a solution to the conflict there.

The resolution urges a preeminent U.S. role in achieving a comprehensive peace settlement because no significant progress toward peace in the Middle East has ever occurred without the United States taking the lead. The United States has served not only as negotiator and conciliator, but also as the formulator of ideas and objectives, and finally, as monitor and guarantor. Indeed, since the October 1973 war, the United States has played an increasingly larger role, financially and otherwise, in assuring adherence to the agreements it helps negotiate. Since 1976 the United States has provided 175 civilian observers as well as electronic surveillance equipment to monitor the Sinai II arrangements while this country is now about to commit 1,000 armed American troops to the Sinai to assure Israeli and Egyptian compliance with the terms of their treaty of peace. And, it is more than likely that the United States will guarantee a comprehensive peace settlement when one is achieved. Therefore, the United States is-as President Sadat aptly states a "full partner" in the peace process. Consequently, it is important that the United States should seek a peace settlement based on principles which are acceptable to this country as well as to Egypt and Israel.

Now is an opportune time for the United States to encourage the resumption of the peace process. The negotiations between Israel and Egypt on establishing a framework for full Palestinian autonomy in the West Bank and Gaza have been stalemated, awaiting, in part, the outcome of elections in the United States and Israel. Indeed, the May 1980 target deadline set for the conclusion of negotiations on Palestinian autonomy is long past. Now that the United States and the Israeli elections have been held, it is again time to return to the Palestinian issue. President Sadat is visiting Washington this week for talks with President Reagan while Prime Minister Begin arrives in September. Moreover, there is heightened awareness in the Middle East of the need for peace after the grave events of this spring and summer. And the United States has been reminded that it is in its own interests to achieve a just resolution of the Arab-Israeli conflict before further explosions occur.

The six principles in my Middle East peace resolution are meant to lay the basis for such a just and lasting peace in the region which will assure the rights, security, and integrity of all the parties to the agreement.

As the first principle, I have listed "acceptance of the territorial integrity of all states in the region-including Israel-and the right of each to live in peace within secure and recognized borders." This is the first principle because the underlying cause of conflict and four wars since 1948 has been the failure of the Arab nations to recognize Israel's right to exist. In contrast, it has been Egypt's recognition of Israel's right to exist which has produced the monumental advance on the road to peace these past 35 years. A peace agreement must, therefore, include not just a tacit acknowledgment of Israel's existence but a recognition of Is-

rael's right to exist.

Principle 2 gives concrete form to principle 1. Peace must include the end to all belligerence: war, wars of attrition, terrorism, and raids across borders. To make a resumption of hostilities more difficult and a peace agreement more than words on paper, it is critical for the parties to the agreement to engage in economic relations, trade, diplomatic, and cultural contacts. These exchanges will enlarge human understanding and make the possibility of renewed conflict more remote.

Principle 3 calls for Israel's withdrawal to borders approximating those of June 5, 1967. This principle ac-

knowledges that the exact contours of the pre-six day war borders may have to be redrawn slightly in order to take into account Israel's security needs. On the other hand, the security of Israel will always be at risk as long as it retains by force of arms territory which is in dispute and which the world does not recognize as legitimately its own. The territorial question should be settled in negotiations with the other important and contentious issues. Israel, in effect, will be asked to trade territory in the West Bank. Gaza, and the Golan Heights for the acceptance of its integrity and legitimacy by its neighbors and states beyond. This is a trade similar to that which it made in returning the Sinai to Egypt. Since exchanging land. which is a concrete asset, for something intangible such as "recognition" is a difficult step for Israel, there will need to be created a framework of security guarantees as outlined in section 2 to minimize the risks involved.

Principle 4 calls for Palestinian selfdetermination in the West Bank and Gaza in exchange for Palestinian recognition of and acceptance of Israel's right to exist within the borders negotiated. Self-determination is a principle long espoused by the United States. This country has supported the self-determination of peoples around the world. Of course, the exercise of self-determination by the Palestinians cannot be such that it destroys or undermines the existence and identity of Israel as a Jewish state. There are Palestinians who would interpret the exercise of self-determination to mean the creation of a secular state in all of Palestine. This is unacceptable. The exercise of Palestinian self-determination to form a Palestinian homeland must occur within a framework that will assure the security and wellbeing of Israel. If Palestinian rights are to be recognized in a peace agreement, the Palestinians must recognize the right of Israel to exist.

Permanent demilitarization of the West Bank and Gaza, principle 5, is essential to a peace agreement because of the geography of the region. The security of Israel within its pre-June 1967 borders would be jeopardized by a military buildup in the West Bank and Gaza. The proximity of equipment such as tanks, rockets, missiles, and aircraft would permit Israel no early warning of attack should a peace agreement break down and would, therefore, pose a severe threat to that small nation. Similarly, Palestinian self-determination in the West Bank and Gaza would not be possible with an Israeli military presence in those territories. This would lead to ongoing tension that would make peace impossible, and would violate the principle of self-determination.

The sixth principle would establish guaranteed, unhindered access for persons of all religious faiths to an undivided city of Jerusalem. This is the situation which, in fact, basically exists now in a Jerusalem under Israeli annexation. However, the ultimate status of Jerusalem which is a holy city for the Christian and Jewish faiths and for Islam should be decided in negotiations—not by unilateral act—or the city will remain the object of conflict

it has long been. Because of the risks involved for Israel in territorial withdrawal, it will be important to construct a framework of security guarantees, as noted in section 2, as part of a peace settlement. The United States will surely make a commitment to the security of Israel, as well as other parties to the agreement. It is important to recognize, as President Reagan has done, that Israel can be a strategic asset in the Middle East and has much to offer to promote western interests in that critical region. As Chai Feldman wrote in an excellent article recently appearing in Foreign Affairs, the United States and Israel have much more to gain, however, from the creation of an interdependence in their mutual defense than by fostering an Israeli dependence on the United States. Therefore, a desirable course of action would be the integration of Israel into the Western alliance system. And other friendly states in the region which adhere to the peace agreement should also be invited to join in a cooperative alliance system to assure common security interests.

In addition, the member states of the European Economic Community are listed as participants in the security framework guaranteeing a comprehensive Middle East peace agreement. These states made an offer of security guarantees in their 1980 Venice Declaration on the Middle East. It is important that they live up to this statement and work with the United States guaranteeing a comprehensive peace. This will strengthen the guarantee and lessen the possibility that the United States will have to assume unilaterally the responsibility of assuring interests which are those of the West as a whole.

The United Nations will also undoubtedly play a role in monitoring and observing a peace agreement just as it has for years in the Sinai, on the Golan Heights, and in Lebanon.

I believe that this combination of principles and security guarantees will lay the foundation for a just and lasting peace for all parties in the Middle East that will, in turn, enhance U.S. interests. Such a comprehensive agreement may not come about quickly. But it is, nevertheless, critical that the United States take the lead now in promoting a Middle East peace settlement.

MIDDLE EAST PEACE RESOLUTION

Whereas peace in the Middle East is essential to U.S. interests, the United States should play a pre-eminent role in promoting a comprehensive peace agreement in that area, Now, therefore, be it

Resolved by the House of Representatives

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States should seek agreement by all parties to a peace settlement in the Middle East based upon the following principles:

 Acceptance of the territorial integrity of all states in the region, including Israel, and the right of each to live in peace within secure and recognized borders;

(2) Termination of all claims or states of belligerency and development of full diplomatic and economic relations among all parties to the agreement:

ties to the agreement;
(3) Withdrawal by Israel to borders approximately those of June 5, 1967;

(4) The right of Palestinians to self-determination within the West Bank of the Jordan River and within Gaza, subject to Palestinian recognition of and respect for the sovereignty and integrity of Israel within the agreed borders;

(5) Permanent demilitarization of theWest Bank of the Jordan River and Gaza;(6) Guaranteed unhindered access to the

city of Jerusalem, which should remain undivided, to persons of all religious faiths. SEC. 2 It is the further sense of the Con-

SEC. 2 It is the further sense of the Congress that a settlement based on the principles stated above should be guaranteed by one or more of the following:

(1) The United States;(2) The United Nations;

(3) The member states of the European Economic Community; and

(4) The integration of Israel as well as other interested states of the Middle East into the Western alliance system.

PERMISSION FOR COMMITTEE ON THE DISTRICT OF COLUM-BIA TO HAVE UNTIL MID-NIGHT, FRIDAY, AUGUST 14, 1981, TO FILE REPORT ON H.R. 1807, AUTHORIZING DISTRICT OF COLUMBIA GENERAL OBLI-GATION BONDS

Mr. DELLUMS. Mr. Speaker, on behalf of the Committee on the District of Columbia, I ask unanimous consent to have until midnight, Friday, August 14, 1981, to file the committee report on H.R. 1807, a bill to authorize the District of Columbia to issue and sell general obligation bonds for the purpose of paying certain liabilities of the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SOCIAL SECURITY-COMING UP

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous

Mr. PICKLE. Mr. Speaker, within the next few days the President's budget and tax programs likely will be signed into law. Since the start of the year my Subcommittee on Social Security has warned our colleagues of a further issue that is likely to surpass either of these in importance—restoring the financial soundness of social security.

The President has said that he is giving this top priority—but that has been top priority after the budget and tax matters. And the situation has been somewhat the same here in the Congress. A reluctance to address the social security problems is as natural as stepping around a bed of nails. But the fact is the issue is here and sooner or later must be faced head on.

I am inserting in the RECORD today a statement that I hope will give the Members an overview of this matter as they go home. The statement follows:

STATEMENT

MINIMUM BENEFIT

First, I will address the issue which has caused much concern in the past few weeks, the proposals to eliminate the minimum benefit. At the start of this year the Administration proposed to eliminate the mini-mum benefit both for those who might receive it in the future and for some three million current beneficiaries. This does not mean that these individuals would receive no social security benefit, but that their benefit would be in direct proportion to their wages under the system rather than raised to some "minimum" amount. There has been a minimum benefit in the system since 1935, when it was \$10 a month. In 1977 Congress froze the minimum benefit level at \$122 a month for new beneficiaries, although under transition guarantees it is still possible for an individual retiring today to receive a slightly higher amount.

The minimum benefit today serves much less of a purpose than it did in the past. The vast majority of individuals—certainly steady workers—have had an opportunity to be in the system for a time which would almost inevitably produce a benefit higher than minimum. Even a person who never worked at a level higher than the minimum wage would today receive a benefit higher than the minimum. The minimum still provides some measured amount of income to individuals with a minimal attachment to the workforce, but it has been stressed that there are now other programs available to assist such individuals.

The Subcommittee on Social Security voted, therefore, to phase out the minimum benefit beginning in 1983, in reality a speedup of what would eventually have occurred in practical terms under the 1977 freeze of the minimum benefit level.

The committee did not vote to take the minimum benefit away from those already retired because this was viewed as too harsh and in many cases cruel. As I stated in a letter to Members last week, there has been much misinformation about the minimum benefit. Arguments have been made that it is an unearned benefit which largely goes to individuals who either will be picked up by welfare or who have other resources available to them.

In fact, 76 percent of current minimum beneficiaries are workers—in other words, they have paid at least some taxes themselves for this benefit. It is true that they receive a greater amount than the benefit formula actually would provide, but they have paid some amount for this benefit.

In fact, we know very little about the outside resources of these individuals. A widely cited GAO report concerning the public pension and outside income of minimum beneficiaries really was a very small sample of newly entitled minimum beneficiaries and made no attempt to make any conclusions about the makeup of individuals already receiving the minimum. The GAO report recommends the prospective only elimination of this benefit, which is what the Committee had done in its own action.

We do know that approximately 360,000 minimum beneficiaries have public pensions, but many of these pensions are expected to be quite small.

We do know that 200,000 are students, mostly survivors of deceased workers.

We do know that 78 percent are over age 65; 50 percent are over age 70; 500,000 are over age 80; and 80,000 are over age 90.

And, perhaps most importantly, we also know that there are 500,000 minimum beneficiaries currently eligible for welfare who have refused to apply for welfare benefits. We also know that the Administration's own savings figures assume that no more than one-quarter of those who are now or would become eligible for welfare will apply for welfare benefits. If all those eligible did apply for welfare, the budget savings in the Administration provision would be cut by up to one-half.

The House on Thursday, July 30, passed a bill HR 4331 which restores current law regarding the minimum benefit. This bill is pending now in Senate Finance where it may be acted upon by the Senate after the August recess.

If this bill is passed as the House wrote it, it would correct the action taken in the Gramm-Latta substitute on Reconciliation, but it would not address the problem of what to do about this benefit in the future. To ensure responsible action, I intend to ask my Subcommittee to continue its own work on the minimum benefit and to address this issue through the normal committee process.

FINANCIAL ISSUES

The social security program faces two financial issues. First is a short term fiscal crisis that can be expected to plague the Congress throughout this decade unless action is taken to avert it. Second is a problem caused by the increasing numbers of elderly we can expect to come on the social security rolls in the next century—and the decreasing numbers of workers we can expect to be there to support them.

These two problems can be dealt with together or separately, although it would be difficult if not impossible to restore public confidence in social security if both are not dealt with soon.

PAST ACTIONS

The Congress has passed two major bills in the last few years directly aimed at improving the financial soundness of the social security program. First was the major financing bill passed in 1977, which raised payroll taxes and which also substantially reduced the future growth of benefits. The second was the Disability Amendments of 1980 which put into place tightened administrative procedures and other reforms. This legislation, and better administration stimulated in part by our Subcommittee, has cut the cost of the disability program in half (from 3 percent of payroll in 1977 to 1.5 percent of payroll today).

The disability program was in serious trouble when the 1977 amendments were passed. Today the number of disability awards per 1000 workers is at the lowest levels in the history of the program. It is projected to have supluses for the next 75 years, and it is strong enough that we were able last year to reallocate money from the disability fund to assist the large retirement trust fund.

SHORT-TERM PROJECTIONS

Predictions of operations of the social security trust funds made shortly after passage of the 1977 amendment indicated that all three trust funds combined (old age, disability, and Medicare hospital insurance) were already dropping from a 50 percent reserve in 1977 to a 40 percent reserve in 1978 and would continue downward to a low of 25 percent at the beginning of this year, 1981. The projections also indicated there would be an improvement after 1981, that 1981 would be the low point. But this did not anticipate our record inflation which has given us negative real wage growth three out of the last four years and double digit benefit increases over the last two years.

In fact, reserves declined from 40 percent in 1978 to 23 percent at the beginning of this year and now are projected to continue to decline not just for the next year or so but throughout the 1980's. This is an important change from projections made last year where the trust fund reserves were expected to improve after 1985 or 1986. More to the point, reserves in the big retirement fund were expected to hit a low point of 26% at the beginning of 1980 and 1981. In fact, reserves in that fund stood at only 18% at the beginning of this year.

The reserve level is significant for this reason: The reserves represent the percent of a year's benefit payments that are actually on hand in the trust funds. We must have a full month's worth of reserves on hand in the OASI and DI funds just to pay benefits for any one month. In the past it has been assumed that we needed 100 percent reserves (a full year's outgo) as a general cushion. Our experience since 1977 would indicate there is some validity to this approach.

The large retirement fund (OASI) is the one giving us difficulty at the moment. It has run into trouble because the reserves were too low to withstand the severe economic strains we have been under for the past several years and because the major portions of revenues from the 1977 tax increases were not scheduled to come into the funds until this year, 1985 and 1990. Even after the cuts made in reconciliation, the OASI fund, which currently pays out benefits totalling \$127 billion a year, will have its outgo exceed its income by \$80.9 billion from this year through 1986 and by an additional \$110.6 billion from 1987 through 1990 under the intermediate assumptions of the fund trustees.

ACTIONS NEEDED

The first situation mandating action arises next fall, 1982, when the OASI fund will not be able to pay full benefits if we do not act. That is simple fact and is not disputed by any party.

The situation is somewhat ameliorated if we allow the funds to use the resources of each other (interfund borrowing), since both the disability and health funds are expected to run surpluses for the next several years. But these two funds are much smaller (\$29.5 B outgo for the HI fund and \$18.0 B outgo for the DI fund this year), so they

can easily be depleted if relied on totally by

There is no question that something must be done to address the problem that confronts us next year. The question then arises how much is needed and when is it needed. Specifically, the issue in the short term boils down to this: can we make it with interfund borrowing, allowing the three funds to borrow from each other, or is further action needed as well?

Any response to this question lies primarily on the economic assumptions used for the rest of the decade and on what reserve levels we choose to shoot for. In analyzing this we can also now take into account the considerable benefit reductions which were included in the reconciliation bill which has just been sent to the President.

The following chart shows the additional funds (or cuts) needed by the end of each year to maintain reserve levels of 14 percent, 20 percent, and 30 percent in all three funds under the intermediate assumptions (the amounts are cumulative).

Additional Funds Needed by End of Year to Maintain Reserve Ratio at:

(In billions of dollars)

	Percent		
	14	20	30
1980	\$1.1 17.4 26.2 36.5 53.1 71.1 109.0 120.8	\$5.4 16.1 33.2 43.8 56.0 74.4 100.4 134.0 144.0	\$12.2 18.5 27.8 41.4 61.4 75.0 90.4 112.1 141.1 178.0 216.0

Reconciliation has now provided about \$30 billion of these needs through fiscal

We should keep in mind, however, that when we acted in 1977 we based our actions on intermediate assumptions. The current intermediate assumptions rely on strong growth in real GNP, inflation dropping to 4 percent by 1990, average annual interest rates of 6.1 percent by 1990, unemployment of 5.9 percent by 1990 and the existence of real wage growth in every year after this one.

Reserves are so low now that only slight failures to live up to these projections will spell further trouble—especially in the next few years when the Administration is already warning that it may take some time for their proposals to have any effect on improvements in the economy.

Obviously the cuts in reconciliation have improved the picture. Before reconciliation the trust funds hit 14 percent in 1984; now this would be delayed until 1985-1987 under the intermediate assumptions. And under the "worst case" assumptions (which still are more optimistic than our experience since 1977), all three funds fell below levels necessary to pay benefits sometime during 1983 before reconciliation; now this could be stretched into early 1984.

But the basic problems remain the same. Either we build up the reserves in the social security trust funds, or we leave it teetering on a razor's edge for years to come.

I think that we should build up the reserves and have proposed that we do so by transferring part of the revenue coming into the Medicare fund over to the old age fund,

replenishing Medicare and keeping it whole from general revenues. This does not affect the federal budget deficit since it does not change overall revenues or overall outlays. It does build up reserves in the trust funds so that the public can have some confidence that the program will withstand the next few years. The alternative ways to build up reserves are to raise payroll taxes or to cut benefits.

The Congress either through the House or the Senate may make additional cuts in social security in the coming years. But it is not likely that the Congress will make cuts in social security substantial enough to build up reserves, much less to guarantee that outgo will not exceed income in the future in the event of another economic downturn. And the only other option is to raise payroll taxes.

Thus it is my opinion that we must transfer \$10-15 billion each year from the HI fund and build up reserves. That is the only way I see that the system can be made solvent. Any other action begs the issue-it makes us try to hold the line and depend on hope and wishful thinking while the American public is left to worry about the fate of this program.

This still would, of course, leave the long term issues.

LONG-TERM PROBLEM

For the long term, the deficit in the old age and disability trust funds is now expected to be -1.82 percent of payroll, which means that we would need a tax increase of at least that amount now (employer and employee combined) to make the fund solvent for the next 75 years under the intermediate projections. (Waiting means the tax increases most likely would have to be larger.)

In the long term, the old age and disability funds cannot expect any help from the Medicare fund, which will be facing its own problems. The disability fund is expected to have permanent surpluses, but it is too small to carry the burdens of the retirement

To address this long term problem, I have proposed that we move the age for full retirement benefits to 68 by the year 2000, while still preserving an age 62 retirement at a lower level than now. This one action would save over 1.3 percent of payroll. The Administration has proposed to slow the growth of the benefit formula over the next six years and to impose severe restrictions on early retirement starting next year. These two actions would save 1.3 percent and 0.85 percent of payroll respectively over the long term. The Administration also proposed several other benefit reductions for the near term which, over the next seventy five years, would save a total of 2.86 percent of payroll, roughly one percent more than the actuarial long term deficit.

Some argue that we do not need to address the long term issues in social security retirement now. But they will not be any easier later. They will be harder because people will have shorter notice of necessary changes. Moreover, if we do not address the long term issues, I believe there is no way younger workers of today will ever regain any confidence that they will ever receive any benefit from this program. Confidence, is, in my view, one of the most severe problems that the social security system faces today-and one which makes the actions or inactions of the Congress in the next few months of paramount importance.

I hope that this summary is of some use to you over the recess and seek your coop-

eration in addressing this important issue when we return.

NATION NEEDS FOOLPROOF AIR DEFENSE SYSTEM

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his include extraneous remarks and matter.)

Mr. SKELTON. Mr. Speaker, Saturthe Washington Post reported that the MX missile would be an airlaunched method rather than the controversial land-based mode. Without going into the merits or demerits of that proposal, should that be the case, I think that the decision should be made simultaneously that we have an adequate air defense system, an adequate radar, and a high technology set of interceptors.

History tells us what happens to bombers or airplanes that are on the ground, that are not adequately defended, because we can think back to 1941 when Gen. Douglas MacArthur's B-17 fleet was wiped out in the Philip-

Mr. Speaker, I insert at this point into the RECORD my letter to Secretary of Defense Weinberger on this subject:

HOUSE OF REPRESENTATIVES. Washington, D.C., August 3, 1981. Hon. CASPAR W. WEINBERGER,

The Secretary of Defense,

Washington, D.C.

SECRETARY: The Saturday, August 1, Washington Post carried a front page lead article to the effect that the President is prepared to recommend replacement of the disputed land-based MX missile system with the proposal for putting the missiles aboard airplanes for aerial launching.

Without delving into the merits of this new aerial launching system, of which I do not disapprove, let me point out that should such a system be adopted, our country will need an air defense system that is absolutely fool-proof. Otherwise, our planes would be sitting ducks. When I speak of an air defense system, I refer to defense against bombers, particularly the Soviet Backfire bomber and other sophisticated Soviet bombers that are in the development stage. We will need radar and warning systems that cannot be penetrated, and we will need interceptor airplanes available to successfully engage any enemy bombers flying into the continental United States.

Presently, our air defense system is totally inadequate against the Backfire bomber or other advanced bombers. This was borne out at a recent hearing on our air defense before the Armed Services Committee, of which I serve as a member. At that hearing, which I requested, the Air Force Chief of Staff, General Lew Allen, Jr., stated, "Because of the reductions in our North American air defense assets, critical deficiencies exist in our ability to detect, assess and defend against even a small-scale bomber attack." Let me point out that warning and radar surveillance units have been reduced since the 1960s to the present time to 110 from 408; interceptor airplanes have been cut to fewer than 300 from 2,600, and most of the existing planes are 1950s technology. We need an impenetrable up-to-date Distant Early Warning line system across northern Canada as well as Over the Horizon Backscatter Radars on the East, South and West coasts of our country. We will need sufficient amounts of fighter aircraft, such as the F-15, to engage the high technology of the Backfire bomber threat.

Should we not have an adequate air defense system, the airplanes used for aerial launching for the new MX missile would be vulnerable to attack by enemy bombers without prior warning. These MX missilecarrying airplanes, which will be on the ground most of the time, could be wiped out by an enemy bomber attack just like Mac-Arthur's B-17 force was wiped out in December of 1941 as they sat on the ground in the Philippines. That lesson from our military history should teach us the need to adequately defend valuable airplanes.

Should the final decision be made to have an aerial launched MX system, I hope that a simultaneous decision will be made to upgrade our air defense system to prevent enemy bomber attacks that could destroy it.

Sincerely,

IKE SKELTON. Member of Congress.

FAIR TREATMENT FOR U.S. OVERSEAS INVESTMENT

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE, Madam Speaker, I am today offering legislation to amend section 301 of the Trade Act of 1974, clarifying its coverage and assuring that it is used to protect U.S. investments as well as our exports of goods and services.

Section 301, which we amended in the Trade Agreements Act of 1979. allows private American businesses to raise with the U.S. Government allegations of foreign unfair trade practices. It empowers the President to negotiate resolutions of these problems and authorizes him to take retaliatory measures when negotiations fail.

My proposed amendment would achieve its purpose in two ways. First, it eliminates any ambiguity that might have existed as to the scope of section 301, by making clear that it protects U.S. investments as well as trade. Second, it confirms the President's authority to order investment-related remedies in the event U.S. investments are discriminated against or otherwise illegally or unreasonably burdened.

Madam Speaker, let no foreign gov-ernment mistake the meaning of this legislation. Many of us in the Congress are outraged at discrimination against U.S. investments in foreign countries around the world, and do not intend to sit idly by while these investments are eviscerated, or are forced to be sold at "fire sale" prices.

If I may be allowed 1 minute to paint a broad picture, let me mention three areas where U.S. investments are currently being unreasonably restrained. First, Canada has set itself upon a course that could be ruinous both for itself and U.S. energy companies. Under the national energy program, exploration grants will henceforth be given on the basis of the origin of ownership, with non-Canadian-owned energy companies being ineligible to receive incentive grants for exploration. In addition, certain foreign exploration rights will be partially expropriated by a requirement that 25 percent of such rights be retained by the Government of Canada.

In its lead editorial on August 3 1981, the New York Times described the national energy program as "openly hostile to foreign investment." The Times called for "quiet but urgent diplomacy." My bill would facilitate that diplomacy, by increasing the number of negotiating options

open to the President.

A second area of great concern is the European communities. The EC is currently proposing to adopt a number of company law initiatives which would impose onerous and extraordinary obligations on American corporations with subsidiaries in Europe. These include the requirement that worldwide operations of the parent be disclosed to community institutions, the obligation for the U.S. parent to negotiate over virtually any major corporate decision before it is taken with European trade union leaders, and the requirement that decisions affecting European subsidiaries to be those entities benefits, regardless of their impact on the corporate parent.

Madam Speaker, the attempt to exert extraterritorial jurisdiction over foreign business enterprises may in some circumstances be tolerable, as where those entities' actions create direct effects in the regulating nation. But the European initiatives are built on no such premise. Rather, they are motivated by an entirely unwarranted distrust of business generally, and of multinational American business in particular. The European communities propose to toss aside international unity. In return, they hope to achieve increased employment. Madam Speaker, it will not be so; American companies will not allow themselves to be subjected to these absurd and arrogant regulations. The resulting disinvestment will cause unemployment to increase, and the European economies to deteriorate.

Finally, there is the case of proliferating performance requirements in Third World countries. Under these various schemes, American investment is subjected to local content or local participation rules, or a host of other obligations designed to pick the pocket of foreign investors. These are classic schemes, saying to U.S. business, "we would be happy to have your invest-ment, but in addition to paying for your viable operation you must buy X, Y, and Z, none of which you want and none of which will be useful to you.' Not only are these schemes increasing for potential investors, but they are being used to extort money from businesses already in place.

Madam Speaker, my bill does not guarantee a remedy for these problems faced by U.S. investment overseas. Rather, it makes plain the authority of the President and of the trade representative to seek such remedies at the bargaining table. It allows private Americans to raise these problems with their Government, and clarifies the Government's ability to

do what needs to be done.

Thank you.

TRIBUTE TO DR. WILSON E. SCHMIDT

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include matter.)

Mr. LEWIS. Madam Speaker, the recent and unexpected death of Dr. Wilson E. Schmidt, the widely respected economist who had been President Reagan's choice to represent the United States at the World Bank, is a terrible tragedy to his family and friends. It is also a very serious loss to our Nation and to the Bank.

The selection of Dr. Schmidt to be the next American Executive Director at the Bank, reflected great credit upon the administration. Dr. Schmidt would have served as an outstanding champion of U.S. interests and of freemarket principles at that institution.

Dr. Schmidt enjoyed a successful academic career at George Washington University and the Virginia Polytechnic Institute and at Johns Hopkins. His prior public service included being a Deputy Assistant Secretary for Research at Treasury in 1970-72 and serving as a consultant to the Agency for International Development. Dr. Schmidt's membership since 1973 in the Shadow Open Market Committee reflected his strong attachment to sound economic policies.

The following article by Dr. Schmidt on Multilateral Development Banks is illustrative of breadth of his intellectual creativity and of his strong interest in new approaches at those trou-

bled institutions.

I am certain that my congressional colleagues join me in unanimously expressing a deep sense of loss at Dr. Schmidt's tragic and untimely death.

The article follows:

RETHINKING THE MULTILATERAL DEVELOPMENT BANKS

(By Wilson E. Schmidt)

In recent years the multilateral development banks (MDBs) or international financial institutions (IFIs) have come under increasing scrutiny. The World Banks Group, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank are all development lending institutions owned by their member governments. The United States Government participates in all of them. We provide funds. (Currently, the Administration is asking for \$3.6 billion in budget authority for them.) In each we have an Executive Director and/or an Alternate, appointed by the President or the Secretary of the Treasury, who serves on the board as a fulltime, continuous representative.

The MDBs are a prime element in the transfer of funds to the less-developed world. In the last two years for which data are available these institutions provided more than a quarter of all the official flow of development resources, both loans and grants, to the less-developed world. While the United States is the single largest national source of government grants and loans for development, the MDBs disbursed twenty percent more funds than the United States Government. Given their enormous role and the fact that the United States Government contributes funds to them, it is little wonder that they have come under increasingly detailed examination in the Con-

The purpose of this paper is to review some of the issues raised in the Congress and to set forth some fundamental points not addressed.

In hearings before the Subcommittee on Foreign Operations and Related Programs of the House Committee on Appropriations, the Chairman, Mr. Clarence Long, made a number of suggestions to Mr. C. Fred Berg-sten, the Assistant Secretary of the Treasury for International Affairs, and to the American Executive Directors with respect to the management of the MDBs. They are as follows:

First, the overall growth rates of the various Banks ought to be curtailed until project delays are improved upon. Large undisbursed funds should be reduced until you are sure that the IFIs are not overstraining the absorptive capacities of the less developed countries.

Second, the Executive Directors need to be made aware of pertinent material available within the Banks in order to become more effectively involved in the management of the Bank.

Third, greater coordination should take place among the IFIs, that is between them as well as between the IFIs and the bilater-

Fourth, a more critical view of loan proposals are needed to be made by the Executive Directors who, in turn, should be made a part of the loan selection procedure at an early stage and not after the fact, and

Fifth, the U.S. Government review system of the IFI projects needs improvements and

possible expansion.

Sixth, there is a need for a central agency detached from operating responsibility to investigate suspected irregularities analogous to what we call our Inspector General. There shall be a project audit system which can detect these irregularities.

Seventh, greater participation by the Executive Directors is needed in the formulation and administration of the operating

budgets.

Eighth, additional effort should be made to direct Banks' assistance to the poor; to develop accurate statistical data to evaluate changes in the plight of the poor. Monitor-ing of these projects needs to be broader, more frequent, more imaginative and more penetrating. Banks' employees need better training and intensive efforts to promote projects benefiting the poor.

Ninth, more timely project evaluations should be made so that lessons learned could be available on a more timely basis.

Next, we have got to have re-evaluation of the salary and benefit schedules of the employees of the Banks to bring them more in line with each other and with, of course, the United States rise in salaries here for our own people.1

These suggestions were based on almost one thousand pages of testimony and a report of the Surveys and Investigations Staff of the Committee, which had considerable access to the Treasury files and the Banks' personnel.2 It is more amusing than relevant that these suggestions appear on two pages of the subcommittee hearings which are numbered pages 754-763. None of us is perfect.

As for the first suggestion, namely the concern about project delays and undisbursed funds, it is perfectly obvious that nothing goes as expected in the real world. It is hardly surprising that commitments exceed disbursements, since projects are implemented over at least a four- to seven-year period. The real problem with this suggestion is that the ratio of commitments to disbursements has little to do with absorptive capacity. The crucial test of a country's ability to absorb funds is the rate of return on the projects supported. Disbursements could equal commitments, but the projects could be useless; the rate of return could be zero, in which case the funds are wasted. It would have been more useful to focus on the returns on completed projects. Piecing some assertions together, it appears that the average expected rate of return on projects is eighteen percent3 and, of fiftyseven projects completed in 1977 by the World Bank, thirty-six actually achieved rates of return equal to or greater than the original estimate.4 While insufficient to determine whether the absorptive capacity of the less-developed countries has been overstrained, such data hardly provided the basis for a slowdown in commitments. Otto Passman, the former congressman from Louisiana, complained of the pipeline in the U.S. bilateral aid program; it is unfortunate that the level of analysis has not improved since his time.

The second, fourth, and seventh suggestions reflect concern that the Executive Directors do not have adequate control over the banks and that the staff really runs them. As the investigative report says, "Though the IFI charters provide that the Executive Directors are responsible for the general operations of the IFIs, they are more led by management than directing management. . .'

1"Foreign Assistance and Related Appropriations for 1980, Part 6, International Finance Institu-tions," hearings, Subcommittee on Foreign Operations and Related Programs, Committee on Appropriations, House of Representatives, Ninety-sixth Congress, Pirst Session, pp. 754-763. Hereafter cited

2"Foreign Assistance and Related Appropriations for 1980, Part 2, International Financial Institutions," hearings, Subcommittee on Foreign Operations and Related Programs, Committee on Appropriations, House of Representatives, Ninety-sixth Congress, First Session. Hereafter cited as Part 2.

This point was underscored in a colloquy between the ranking Republican, Mr. Young, and the Executive Director of the World Bank, Mr. Edward Fried:

Mr. Young. How do you get along with Mr. McNamara? (the President of the World

Mr. FRIED. I have access to Mr. McNa-

mara, a very professional man.

Mr. Young. Well, I am hoping you have access to him since he works for you.

The investigative report supported its assertion by noting that "No loan presented for approval has ever been formally disapproved by the Executive Directors of any of the IFIs. Except at the Inter-American Development Bank, loans have been formally negotiated with the borrowing entity before presentment for Board approval."7 Fried responded to the point by saying that:

"The function of the discussion of the board during the approval process itself is indeed to influence future policies by expressing concern over one or another aspect of the loan while approving it; the board does influence, and to a very marked degree, what happens to future projects, to the design, to the kinds of things that the bank will be prepared to finance in the future. It is a different system, but it has its own effectiveness."8

ACCESS TO BANK DOCUMENTS

In the hearings, the issue of Executive Director control turned chiefly on the access the Executive Directors had to bank documents. The investigative report claimed that "As a general policy, the Executive Directors see only key documents related to the discharge of their responsibilities. Many documents developed by the management staff are not distributed or available to the Executive Directors." Mr. Fried responded in the hearings the ". . . I can get any document. But by common agreement there are certain kinds of documents that are not distributed to the board, but not very many. One example would be various procurement evaluation material." He went on to say

that:
"In a sense these institutions are very unusual institutions. They have Executive Directors who represent countries which have interests as borrowing and lending countries, supplying countries. In the case of this there is a kind of conflict of interest situation. If you gave this material to one director representing one supplying country it would pit him against a director representing another supplying country. These documents could be obtained but by common agreement they are not." 10

The banks have a worldwide competitive bidding system (save for a fifteen percent preference given to suppliers in the borrowing country by two of the banks) which ensures the most efficient use of the banks' funds. Because national governments own them, it is easy to see how Executive Directors might vote against particular projects in hopes of reshaping them to utilize more their country's exports.

Other efforts to bend the banks to particular national wills have failed. For example, in 1977 the Congress required the U.S. Executive Director to oppose loans establishing or expanding the production for export of palm oil, sugar, or citrus crops if such loans would cause injury to American

producers. In fiscal year 1978 the U.S. Executive Director in the World Bank voted against two loans. As the investigative report notes:

'Neither, of course, resulted in disapproval of the loan proposals. Review of minutes of discussions surrounding the two negative votes shows not only a lack of sympathy for the U.S. position but a counter-productive reaction on the part of other Executive Directors to U.S. efforts to inject political and/or protectionist attitudes into the loan discussions '

On grounds of violations of human rights, the U.S. Executive Directors have opposed a number of loans and abstained on others. While apparently there has been some sympathy for the U.S. position, the investigative report states, "Such support has not been sufficiently widespread among the members to result in the disapproval of any loan nor is there evidence of any groundswell of opinion moving toward such a result."12 The investigative report puts the problem blunt-"Involved in the implementation of the United States human rights policy in the IFIs is the danger of politicization of the IFIs." It notes that:

in prior years, representatives of Arab member countries on the World Bank Board have attempted to block loans to Israel which the U.S. Executive Director quickly helped to defeat as constituting an effort to inject political considerations into IFI lending rather than adhering to economic grounds as required by the char-

Obviously this issue involves the very life of these institutions. As the investigative report states, "The vast majority of borrow-ing countries assisted by the IFIs are not democracies and, to varying degrees, have been accused of human rights violations."14 Vigorous pursuit of human rights would stop much lending. The Congress passed a law which required the American Executive Directors to propose amendment of the articles of agreement of the banks to establish human rights standards. As Mr. Bergsten testified, "We got a unanimous reaction that such an amendment if proposed would not be adopted.

The depth of this issue was brought out clearly by the comments of Mr. Young, the ranking Republican:

'The thing which really bothers me about Vietnam and I have made this argument so many times that it sounds repetitious to me, but our relationship with Vietnam is different than the relationship of Sweden or Japan or some of the others. We still have personal friends, sons, brothers, who are in Vietnam who may be alive today. We have information which indicates they were alive as much as 18 months ago, but Vietnam will not give us any help.

"Our President went to Mississippi and made the point that he was opposed to any American aid going to Vietnam and the crowd went wild and they jumped and screamed. He did not tell them he was qualifying it; that it was O.K. to go through the World Bank. If he had told these people that he was not going to stop American dollars from going indirectly through the World Bank to Vietnam, the reaction would have been much different.'

^{*}Part 6, p. 914. *Part 2, p. 32.

Part 2, p. 72

⁶ Part 6, p. 726. ⁷ Part 2, p. 12.

^{*} Part 6, p. 483. *Part 2, p. 100.

¹⁰ Part 6, p. 472.

¹¹ Part 2, p. 18. 12 Part 2, p. 184. 13 Part 2, p. 179. 14 Part 2, p. 175. 15 Part 6, p. 660.

¹⁴ Part 6, pp. 740 f.

According to Mr. Young, the World Bank had approved one soft loan for Vietnam and

six were pending.

This is not to say that the U.S. effort is a total failure. We have a veto over the use of soft money provided by the United States to the Inter-American Development Bank, As a consequence, the bank management apparently has shifted proposed projects from the soft window to the hard window, thus denying the offending country subsidized funds.17 But this success depends upon a veto which we do not have elsewhere

The salary issue is a particularly interesting, but knotty one. The facts, for what they are worth, indicate that the professional salaries in the World Bank and the Inter-American Development Bank are substantially higher than the U.S. Civil Service. In 1974 the Comptroller General of the United States reported that they averaged \$35,000 and \$33,000 in the two institutions compared with \$20,000 in the Civil Service.18 This looks less inefficient when it is recognized that the average Civil Service salary in selected international departments was \$30,000. And the problem is thoroughly muddied by the investigative report praise for the quality of the professional staff of several of the institutions.19 For a number of years the United States government has pressed the MDBs on the salary issue. American personnel have received a reim-bursement for their American taxes so that their salaries would be in line with nationals from other countries that waive their taxes. But this reimbursement has been based on the tax calculated with the standard deduction rather than on actual deductions, resulting in considerable overpayment.²⁰ A proposal to remove this anomaly is backed by the Executive Branch.

On the corruption issue, the evidence is underwhelming and the basis for the complaint appears to be more speculation than fact. Testimony indicated that the problem was negligible in the World Bank, and there appeared to be adequate controls in the outer institutions.21 As for an Inspector General, the World Bank already has an Operations Evaluation Department which reports to the Board, not to the President of the World Bank.22 Nonetheless, Mr. Bergsten did support further efforts to strengthen the audit and review mechanism.23

The evidence of a significant coordination problem is likewise underwhelming. In project lending, the real coordinator is the price mechanism. Costs of inputs and prices of outputs are compared to derive returns. If there were evidence that the MDBs were using seriously different prices and costs in estimating the rate of return on projects, the charge would be sustained, for then they would be misallocating their combined resources. Unfortunately, no such evidence was offered in the investigative report or in

the hearings

Finally, there is the question of the poor. Mr. Long put the issue neatly when he said, "That is what bothers me, the idea that economic development is a device for taking money from poor people in rich countries and giving it to rich people in poor countries." Anybody who has seen the poor in

less developed countries and the awful misery they must endure can hardly disagree with this concern. Mr. Bergsten testi-

"The banks have, as a first step, shifted the sectoral composition of their lending activity in favor of those sectors which prima facie are likely to have greater impact on the poor. In recognition of the fact that an estimated 80 percent of the world's poor live in rural areas, this has resulted in greater lending to the agricultural and rural development sector

The Administration and the committee seemed to share consensus that increased emphasis on helping the poor within the less-developed countries was a good thing.25 But the record is peculiarly empty of evidence that direct assistance to the poor is superior to indirect assistance that invests in the projects with the highest rate of return. The United States is a superb monument to the trickle-down theory, the private enterprise system. And the record of specific measures taken to help the poor, such as the minimum wage, is abysmal. One would have expected some analysis of the issue. but the statistical base is lacking.26 However, the record makes it clear that there are costs to this shift in resource allocations. As the investigative report says, ". . . one must recognize that cost overruns and institutional failures would be expected to be more prevalent in development lending, particularly concessional loans and social projects directed to reach the poorest of the poor .27 The Administration recognized the problem when it wrote that loans for basic human needs "... are difficult to prepare and implement and require much greater staff time than traditional infrastructure

Neither the investigative report nor the hearings pursued two extremely interesting issues of policy. One is the question of dividend policy, which has enormous implications, and the other is the efficacy of soft loans. The two are closely interrelated.

DIVIDEND POLICY

The MDBs do not pay dividends to their member governments. The World Bank instead transfers \$100-\$110 million per annum to its soft loan window, the International Development Association. The investigative report noted that "There has been some pressure within the World Bank to cease the transfers of IBRD revenue to IDA and declare dividends instead as a means of creating greater cost consciousness and control over administrative expenses."2

While there may be merit in the argument about the effect on costs, it misses the main point. Only if there are dividends can the national governments hope to sell the MDBs. If their shares were sold in the private marketplace, certain obvious advantages would accrue. If the banks had to please their private stockholders instead of the national governments, attempts to politicize and protectionize these institutions would cease. We could be more confident that their resources were allocated optimally. The American taxpayer would be relieved of a burden that includes substantial contingent liabilities in the event of a default on the MDB loans. The Treasury might enjoy a capital gain.

Is it farfetched to propose the denationalization of the MDBs? I think not. World Bank bonds sell at yields very close to those of the Treasury, which suggests that the Bank can raise capital readily. It can be argued that this is only because the United States government in effect guarantees those bonds; one must wonder if this is really so. First, the World Bank has never had a default and has rescheduled only two loans. Second, the World Bank has no for-eign exchange rate risk, given the covenants and policies employed. Third, there are enormous gains from buying into the diversified portfolio of loans the World Bank has assembled.

This last point is, to my knowledge, a new and rather subtle point, which follows from recent discussion of the multinational corporation. It has long been recognized that an investor can reduce his risk for a given rate of return by purchasing a diversified portfolio of common stocks. To the degree that the returns on the individual stock are uncorrelated, the risk of the total portfolio is reduced to a level below the average of the stocks. Increasingly, it has been understood that the multinational corporation, by spreading its investments over a wide number of projects in a large number of countries, provides the same kind of benefits to the stockholders. Professor Dan Lessard has estimated that an American investor, by diversifying internationally, can reduce his risk by one third for a given rate of return.30 The World Bank has well over a thousand loans, in more than one hundred countries, in its portfolio of more than \$30 billion. Clearly, the notion of selling the World Bank deserves careful examination.

SUPERIOR EFFICIENCY OF HARD LOANS

The soft loans of the MDBs came in for mild criticism. Thus, Chairman Long re-marked about his visit to a fishpond in Co-

"It was kind of a flop because there were no fish in it. I got a little annoyed that they took me all that distance to look at a hole in the ground with some water in it, but they did tell me something about the economics of it which bothers me. First they told me it was going to be a very profitable project, would earn back the investment in a very short time. The next thing they told me was it was a soft loan, one for very low interest over a long period of time. I said, 'Why put a soft loan money into a project that is supposed to pay off as well as this?'

Each of the MDBs has a soft loan window. Approximately one third of their loans have been on soft terms in the last two years for which data are available.31 The Internation-Development Association, the window of the World Bank, loans money for fifty years with an annual service charge of three fourths of one percent. The terms of the other soft windows are comparable. Each of the soft windows receives gifts from the member governments.

Chairman Long's question poses an interesting issue for the less-developed countries.

²⁴ Statement of the Honorable C. Fred Bergsten, April 25, 1979, p. 17. For some reason, this statement was not included in the record; for the discussee Part 6, p. 859.

²⁵ Statement, April 25, 1979, p. 19.

²⁶ Part 2, p. 21 27 Part 2, p. 40.

^{28 &}quot;Shaping U.S. Participation in the Internation Financial Institution," Treasury Department. Treasury Department.

February 1978.
29 Part 2, p. 16.

[&]quot; Part 6, p. 662 and Part 2, p. 184.

¹⁸ Part 2, p. 135. 19 Part 2, p. 32.

[&]quot;Part 2, p. 32.

"Part 2, pp. 155 f.

"Part 8, pp. 950 ff. But see p. 706 for evidence of the problem. And for a comparison with U.S. institutions, see p. 704.

"Part 6, p. 924.

"Part 6, pp. 882 ff.

³⁰ Donald R. Lessard, Appendix to Chapter 7, in David K. Eiteman and Arthur I. Stonehill, Multinational Business Finance (Reading: Addison-Weslay,

³¹ Development Cooperation (Paris: Organization for Economic Cooperation and Development, November 1978) Table C.3.

Since the MDBs do not declare dividends, their earnings really accrue to the less-developed countries in the form of resources that can be loaned to them in the future. To the extent that the MDBs charge less interest than the projects would bear, the pot for the less-developed world as a whole is reduced below what it otherwise would be. In effect, the country that gets a soft loan exploits the group as a whole. This seems fair, since there are few channels for the transmission of assistance from the richer of the poor to the least-developed countries and since the bulk of the soft loans go to the poorer of the poor countries.

But this policy contains a serious and costly flaw. If one wishes to raise the real income of a country, soft loans are always less efficient than either hard loans or grants. Furthermore, the choice of kind of assistance, loans or grants has nothing to do with the recipient's level of income. Rather, the choice depends upon the yields on projects. Two simple examples will make this clear.

Suppose that the rich part of the underdeveloped world wants to raise the real income of the poorest part by one dollar per annum for the next fifty years. Assume that the yield on capital in the poorest part is ten percent per annum. The rich less-developed countries can achieve their objective by any one of the following: (1) an annual grant of one dollar for each of the next fifty years, (2) a loan of ten dollars at zero interest to be repaid in fifty years, (a ten dollar investment at a ten percent yield will produce one dollar per annum), and (3) a loan of one hundred dollars at nine percent be repaid in fifty years (one hundred dollar investment at a ten percent rate of return with an interest cost of nine percent yields a net increase in income of one dollar per annum).

Each of the three alternatives brings the same benefits to the recipient, so the recipient should be indifferent toward them. Which would the benefactor prefer? The annual grant costs the richer poor country one dollar per annum. The zero interest loan of ten dollars costs the benefactor whatever it could have earned on investments at home-five percent, or fifty cents, per annum. But the loan of one hundred dollars at nine percent actually benefits the lender by four dollars per year if it could have been invested at home at five percent. In this situation, the hard loan is clearly preferable to the soft loan. The reason is that the interest rate is between the yields on capital; therefore, both the borrower and the lender benefit for each dollar loaned.

If we switch the yields around so that investments in the poorer part of the Third World yield only five percent while those in the richer part yield ten percent, annual grants cost less than soft loans. The hard loan with an interest rate between the two yields is not an option because the yield on capital in the benefactor nation is ten percent while the yield on capital in the recipient nation is only five percent. No loan can simultaneously benefit both parties. The interest rate would have to be below five percent to aid the poorer country, and such an interest rate would clearly cost the lender, who can invest at home at ten percent.

As for the choice between an annual grant and a soft loan in these circumstances, the comparison clearly favours the grant. The grant costs the benefactor one dollar per annum. A soft loan of twenty dollars at zero interest for fifty years, if invested at five percent, would produce an increment in the

recipient's income of one dollar per annum. But the cost of that loan to the lender who can invest at home at ten percent is two dollars per annum, or twice the cost of the annual grant. In the case of a higher interest rate-say four percent-the loan would have to be increased to one hundred dollars to yield an increment of one dollar per annum to the recipient who invests at return of five percent, and the cost to the lender would rise to six dollars per annumthe difference between the rate of interest on the loan of four percent and the yield on capital at home of ten percent, multiplied by the size of the loan. Paradoxical as it may seem, it is in fact cheaper to give the money away than to lend it when the yield on investment in the recipient country is below that in the benefactor nation.

These results do not depend upon the par-ticular number.³² When the yield on investments in the recipient country exceeds that in the benefactor, both are better off with a hard loan because it is possible to set an interest rate between the two yields, both parties gain. Only the size of the loan needs to be varied to achieve the target increase in the real income of the recipient. Since funds are being moved from lower to higher yields such that both parties gain. Only the size of the loan needs to be varied to achieve the target increase in the real income of the recipient. When funds are being moved from higher to lower the combined total output of the two countries declines. In such circumstances, it is best to delay the transfer of resources for as long as possible. A loan transfers a major amount of resources immediately, whereas an annual grant transfers small amounts slowly.

With a third of the MDBs loans taking the form of soft loans, the waste is enormous. If the MDBs never declare dividends, the less-developed countries as a whole are the losers. If they were to shift to paying dividends, then the advanced countries would be losers in any given transfer of funds to the less-developed world, because the dividends would be reduced. Either way, soft loans are losers. The World Bank should stop transferring its profits to the International Development Association. The MDBs and the national governments should review their soft loan policies.

In addressing the expressed congressional concerns with respect to the policies and operations of the MDBs, the prime target of examination quickly centers on the question of control. The "political status" of the MDBs and the question of whether their policies mirror the political designs of supportive governments will likely continue to be debated. Rather than dwell on peripheral issues such as the staff salaries of the Banks or the inescapable management problems when dealing with less developed countries, it is time for major innovative restructuring of the Banks' operational procedures.

As suggested here, there are two changes that the U.S. should examine and perhaps concurrently propose through her various Executive Directors. Implementation of a dividend policy, subsequently leading toward a true denationalization of the Banks, is an increasingly popular proposal both from the standpoint of alleviating to a small degree the U.S. taxpayers' burden of obligation and, most importantly, offering

an attractive investment in an operation whose portfolio is manifestly diversified. Secondly, no pertinent congressional discussion, to date, has adequately focused on the effectiveness of soft loans, in any sort of economic comparison between the donors' benefits from the use of hard loans and outright grants versus soft loans in Third World lending.

Logically speaking, the advanced members of the Banks should first decide whether they want dividends, for that determines whether the rates of return in the advanced countries are relevant to the choice between hard loans and annual grants. Then rates of return should be examined in the relevant benefactor and recipient nations to determine the choice of the form of aid. Finally, the amount of aid should be decided. Only in this way can the MDBs become a rational instrument of development assistance.

It would be fitting for the United States government to initiate this review, because it was the U.S. that caused the mistake. When it first offered to make funds available to what became the International Development Association, the management of the World Bank preferred to pass them on in the form of grants; 33 the United States government fought for loans. It is now time to rectify our mistake. It will not be a big hassle, since at least the International Development Association has authority to make grants, 34

Mr. KEMP. Madam Speaker, will the gentleman yield?

Mr. LEWIS. I yield to the gentleman from New York.

Mr. KEMP. I would like to join the gentleman in his very well deserved tribute to Wilson Schmidt. His passing is a real tragedy, not only for the family but for this country and indeed the world.

I appreciate the gentleman taking this time to bring this sad event to the attention of our colleagues. Wilson is truly a great American and I appreciate the gentleman's comments particularly in light of our thoughts and prayers for the family.

Mr. LEWIS. I thank my colleague for his contribution.

PUTTING SOCIAL SECURITY IN PERSPECTIVE

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

• Mr. FORD of Michigan. Mr. Speaker, I think it is time to put the social security issue into perspective. As a result of the Reagan administration's scare tactics, the public is confused and worried about the future of a program that has provided income security to Americans for nearly half a century.

³² Wilson E. Schmidt, "The Economics of Charity," Journal of Political Economy, (August 1964); and subsequent discussions in the same journal by Charles Frank in September/October 1970; and Yew-Kwang Ng in March/April 1973.

³⁵ David A. Baldwin, Economic Development and American Foreign Policy (Chicago: University of Chicago Press, 1966) p. 98; Edward S. Mason and Robert E. Asher, The World Bank Since Bretton Woods (Washington: Brookings Institution, 1973) p. 394.

³⁴ Part 2, p. 40.

During his campaign for the Presidency, Mr. Reagan promised that he would preserve the social security system as a "safety net." We now see that this was just so much more campaign rhetoric.

Already Mr. Reagan and his chief budget slasher, David Stockman, have succeeded in eliminating the \$122 minimum benefit. This will hurt nearly 3 million Americans at the bottom of

the economic ladder.

Now the administration is attempting to panic the Congress into making deep and permanent reductions in social security benefits to most Americans who have come to believe in the integrity of the system and to rely on

it for security.

The President has proposed cutting \$88 billion in early retirement, disability, and other benefits by 1986, attempting to frighten the American people into believing that the social security system will go broke unless he has his way

This is a blatant example of overkill. The measures proposed by the White House are far, far more than are needed to protect the social security

It is clear that the President is interested in protecting something other than social security. The tax bill that he stampeded Congress into accepting is guaranteed to produce huge budget deficits. Mr. Reagan wants to reduce social security benefits so he can keep his campaign promise to balance the budget by 1984.

There is no question that the gigantic tax cut for the rich will reduce revenues and will require budget cuts beyond anything so far proposed. Reducing social security benefits is just another way to achieve these cuts.

Some measures must be taken to insure social security's immediate future. But they need not be nearly as drastic as the White House proposes.

Social security supports three separate programs-each financed by a separate trust fund. They are financed by a payroll tax on earnings-currently 6.65 percent for employees and 6.65 percent for employers up to a maxi-

mum of \$29,775 a year.

First there is the old age and survivors insurance program that pays benefits to retired workers and their dependents and survivors. Next there is the disability insurance program that pays benefits to disabled workers and their dependents. Finally there is the health insurance program which is part A of the medicare program, and pays hospital bills. Part B of medicare, which pays for doctors' bills, is financed by monthly premiums paid by those enrolled in the program and from general tax revenues.

Because I have encountered considerable confusion regarding some other programs. I would like to set the

record straight.

The supplemental security income program, which provides a basic level of income for the aged, blind and disabled, is run by the Social Security Administration but is not part of the social security program. It is paid for by general revenue tax funds and not from any of the social security trust funds. A person does not have to work under social security to be eligible for SSI benefits. This used to be called the "old age assistance program" when it was run by the States until a few

Funds for the aid to the families with dependent children program (AFDC) also come from general tax funds and are in no way related to social security. It has surprised me to discover that many people think the programs are somehow related.

Neither is the civil service retirement system related to social security. This retirement system is funded by contributions from Federal employees who are not covered by social security and matching funds from the employing agencies.

The social security program does have some problems that must be solved. But solutions do not require the kind of severe remedies that the

President has proposed.

In the past few years we have had historically high rates of inflation accompanied by high unemployment. Moreover, wage rates have fallen behind price increases. As a result, social security has been paying out more and not collecting as much as had been anticipated.

It is expected that the economic picture will improve and that the social security outlook will brighten as well for the next 30 or 40 years until longrange problems begin to take hold.

It is apparent to me that this administration wants to mislead the public on the social security issue to achieve its own ends. All through the tax debate Mr. Reagan used the most optimistic economic assumptions to argue his case. In his social security proposals he uses the very worst economic assumptions. He can't have it both ways, depending on which he wants to advance.

I don't want to mislead the people into thinking that there are no problems with the social security program. The long-run problems are very serious. They result from the fact that the population is aging at a time when the birthrate is declining.

Social security is a pay-as-you-go program where active workers pay the benefits of retired workers. It is predicated on an ever-expanding work force and today that work force is not growing

What the Reagan administration wants to do is solve the problems of the next century in the next few years. None of us knows what is going to happen in the 21st century. As in

our private lives, most of the things we worry about so much never happen. None of us knows what the economic conditions will be like 30 or 40 years from now. Perhaps we will develop new energy sources that will expand our productive capacity beyond our wildest imagination.

We should not recklessly leap into solving predicted long-range problems when to do so will cause injury to mil-

lions of people right away.

The President wants to cut billions in benefits out of the program in the near future by discouraging early retirement (55 percent of full benefits rather than 80 percent allowed now at age 62), restricting eligibility for disability insurance, limiting benefits to survivors and by taking other steps beyond what is needed.

It is not necessary to hurt millions of Americans now when there is a good chance that such extreme measures will not be needed at all-especially if Mr. Reagan's assumptions for economic recovery should prove right.

In the meantime, using the social security system to achieve short-term economic ends such as a balanced budget is playing recklessly with the future of millions of Americans.

There are a lot of things we can do. We can amend the law to permit one fund to borrow from another; we can allow the troubled old age and survivor insurance fund to borrow from the healthy medicare fund.

We can consider financing a portion of social security from general tax revenue funds. There is an opportunity as well for creating standby loan authority from general funds.

Whatever changes we decide to make should be thought through very carefully and should take effect sometime in the future.

We cannot simply say to Americans who have spent all their working lives paying into a system that we are going to change the rules and they are going to have to make other arrangements. Do you say to a man or a woman 55 years old that they are going to have to start some kind of private fund for their retirement? How much time do they have to build that fund?

Many people made assumptions about retirement income based on social security. They took out private insurance annuities and set up separate savings accounts or made other investments. They figured out how much they would need based on how much they could expect from social security. It would be heartless and unrealistic now to tell them they will have to find a way to increase their savings in the working years they have left.

Working beyond 62 is fine for those people who want to and are able. But recent studies by the Social Security Administration show that only 15 to 20 percent of those who opt out before 65 do so voluntarily. Most who retire before age 65 do so because of failing health or because they can no longer handle the job pressure. In many cases the 62-year-old worker who has labored 40 years in the steel mills or the auto plants is worn out. If he works until he is 65 he may well be dead. Maybe that is what the administration is counting on.

There is something else to consider. Social security is a compact between the young and the old. It was designed for a changing society where it is no longer possible for younger people to assume the responsibility of caring for their aged relatives because of changes in working and living conditions. Mr. Reagan wants us to return to the old world even though it is no longer possible.

If we fail to meet the income and medical needs of the older citizens, we inevitably are going to shift this cost to the young who cannot afford it.

We would also create major problems in private pension funds that are tied to social security. Workers would demand higher employer contributions to make up the difference, putting added pressure on price developments.

We simply cannot afford to destroy the confidence of a program that is so much a part of our society because we are worried about what might happen 30 or 40 years from now—or because Mr. Reagan has gotten himself into an embarrassing revenue situation as the result of an ill-conceived tax bill.

WHAT IS OUR POLICY IN THE PERSIAN GULF?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 10 minutes.

• Mr. REUSS. Mr. Speaker, since the announcement of a "Carter doctrine" toward the Persian Gulf, committing the United States to a unilateral military defense against outside aggression in that region, a large-scale military buildup to implement that doctrine has been underway. But the costs of our increasing military commitment to the gulf region have never been weighed in a public forum against either the benefits which we hope to attain or the alternatives which might be available. There is a need, in a word, for an analysis of the economics of our Persian Gulf strategy.

The Carter doctrine is no small matter. In its name, a justification can one day be made to send American soldiers to the shores of the Persian Gulf, there to fight and die for the sake primarily of our supplies of oil. Short of that, the doctrine can be used to justify substantial amounts of new defense spending, be it for creation of a Rapid Deployment Force, negotia-

tion of base rights or access in the region, or any of a number of associated costs that may not at first meet the

To date, the Reagan administration has not spelled out its policy toward the gulf. Nevertheless, there is no indication of a retreat from the forward policy adopted under Carter. If anything, the emphasis on East-West conflict in the emerging foreign policy of the administration suggests that the President may seek to expand our military presence in the gulf beyond even the levels projected under his predecessor.

It is noteworthy, therefore, that our European and Japanese allies do not seem to attach the importance that we do to preparing for a military defense of the Persian Gulf, though they are in fact much more dependent than we are on access to its oil. Some charge that they see in this merely a means of shifting responsibilities onto the shoulders of a stronger ally. On the other hand, it may be the case that European and Japanese perceptions of Western interests, and the nature of threats to those interests, genuinely and forthrightly diverge from our own. In such a case, this attitude is something that should raise American concern, and possibly direct us to a scrupulous reexamination of our own premises.

And therefore, it seems only sensible to ask what the new administration's Persian Gulf policy is, on what premises it rests, and what are the costs and benefits relative to alternative strategies which may meet the same macroeconomic and global security goals.

I believe the administration should answer the question: What is our policy in the Persian Gulf? A number of hearings have been held in the last Congress on many of the issues related to our Persian Gulf commitments, but it is not clear as yet how the views of the Reagan administration compare with those enunciated by officials of the Carter administration.

It is essential to know what we construe to be our interests in the region, and how vital we consider them. What is the extent of our dependence on Persian Gulf oil, and what do we see as the impact of losing it? What would be the implications for the United States of a loss of oil on the part of our allies? Beyond preserving access to oil, what other interests are considered paramount: Preventing Soviet penetration in the area; retaining the friendship of moderate states; preserving a Mideast balance of power; assuring freedom of the seas; enjoying the credibility and prestige that may attach to a U.S. presence?

Second, it is important to know what commitments, legal or de facto, we have undertaken in defense of these interests. What economic and political actions have we taken, and are we prepared to take, to carry out our commitments? What are the budgetary costs of such commitments, and what expansion of these commitments may be contemplated? How do commitments undertaken by the previous administration compare with those endorsed by the current one? How do these commitments correspond to our interests?

Third, what are the threats to our interests that are assumed to exist? Is it the Soviet Union we are primarily concerned about, and its ability to interrupt the flow of oil to the West? Do we expect that Soviet penetration would take the form of outright military aggression, or might it occur as a subtle form of subversion? What probability do we assign to threats that may arise from indigenous disruptions, from inter-regional rivalries, or from a new Arab-Israeli war? If we concentrate our energies on the prospect of a 'worst case" Soviet invasion, will we be equipped to deal with the possibly more likely contingency of an internal disruption or inter-regional war?

Fourth, what do the European and gulf states consider to be the dangers in the region, and how does this compare with our own assessment? What do our European and Japanese allies think are appropriate actions to be taken to prevent these dangers, and what contributions are they prepared to make in a common defense policy toward the gulf?

Finally, all considered, how cost-effective is our defense policy compared to the interests and threats we see in the region and with the alternatives available to us and to our allies?

If our defense policy toward the Persian Gulf is in effect an energy policy-a policy concerned with our access to oil-it is this last question which is the bottomline that must be addressed. For, given the immense budgetary costs that may be associated with our commitments, and the risk they entail of outright military engagement, is it not possible that more direct energy policies might prove more logical: diversification of our oil supply, for example; accelerating our completion of a strategic petroleum reserve; shifting to the use of deep gas instead of oil in the production of electricity; or the undertaking of serious conservation measures to restrain our sometimes extravagant consumption

In the first instance, our Persian Gulf defense policies may seem to belong properly within the domain of our military experts. But there can be no doubt that, in the final analysis, they have to do equally as much with our Nation's precarious energy position, and with the very health of the economy. It is in everyone's interests that the most cost-effective policies be

followed in the pursuit of our national objectives.

A PERMANENT COMMITMENT TO THE EDUCATION OF THE HANDICAPPED

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. Smith) is recognized for 15 minutes.

Mr. SMITH of New Jersey. Mr. Speaker, today I am introducing legislation that will permanently authorize the Education of the Handicapped Act. Initially enacted in April 1970 as title VI of the Elementary and Secondary Education Amendments of 1069 (Public Law 91-230), the Education of the Handicapped Act both consolidated certain existing authorities and established new programs to serve the educational needs of handicapped children and adults. While this act has been amended several times since then, it remains the primary Federal legislation that is directed toward meeting the special educational needs of handicapped persons.

When the Congress amended this law in 1975 by enacting Public Law 94-142, a giant step was taken toward providing a "free, appropriate public education" for all handicapped persons between the ages of 3 and 21. Despite the progress that had been made on behalf of the handicapped, by virtue of various court decisions and State legislative initiatives, the 94th Congress found that more than half of the estimated 8 million handicapped children in the United States were not receiving an education that was free and appropriate to their needs.

Additionally, Mr. Speaker, many children were found to have undiagnosed handicaps. Approximately 1 million handicapped children were found to be receiving no education at all. Since the passage of Public Law 94-142 in 1975, great progress has been made but much more needs to be

Mr. Speaker, I am pleased that the Education of the Handicapped Act has been preserved as a categorical program with the passage of the Omnibus Budget Reconciliation Act of 1981. Part B of this Act, assistance to States for education of handicapped children, remains as a permanently authorized program.

I am very pleased that this vital program has received this long-term commitment from the Congress. However, there are several other important programs that also deserve the enthusiastic, permanent support of Congress. These are the additional programs, which come under the Education of the Handicapped Act, that I am proposing to permanently authorize with this legislation.

These programs include: Centers and services to meet special needs of

the handicapped, training personnel for the education of the handicapped, research in the education of the handicapped, instructional media for the handicapped, and special programs for children with specific learning disabilities. These additional project and contract grant programs play an important part in complementing the work that is carried out under the State grant program.

In order to understand the scope of these programs, we should realize that the term "handicapped children" as used under the Education of the Handicapped Act includes the mentally retarded, hard of hearing, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically or other health impaired, or children with specific learning disabilities requiring special education and related services.

Mr. Speaker, part C of this act, centers and services to meet special needs of the handicapped, has five basic sections. Section 621 provides funds for regional resource centers. These centers are given the reponsibility of developing a national support system to assist State and local educational agencies in the implementation of the individualized educational program requirements and the free appropriate public education requirements specified in Public Law 94-142. In addition, handicapped children are to be appraised, referred, and to receive other educational services as a result of this program's activities.

Centers for deaf and blind children are provided under section 622 of the act. The purpose of this program is to provide assistance to deaf and blind children by helping them reach their full communication potential so that they can reach self-fulfillment and participate in society. A strong effort is made to identify and work with deaf-blind children as early in life as possible. In order to get the best results, it is important to provide effective consultative services to parents, teachers and others who play a role in the education of these special children.

In order to reach the widely dispersed deaf-blind population, it is necessary for the centers to subcontract with approximately 250 to 300 State, local, and private organizations. There is also a need to alleviate the acute shortage of trained teachers and teacher-aides in this field.

Early childhood education for handicapped children is the focus of section 623. This program is designed to build the capacity of State and local educational agencies to provide comprehensive services for handicapped preschool children (birth through 8 years of age). The program supports demonstration and outreach projects in an attempt to accomplish this purpose.

A study to determine where graduates of these projects were placed indicated that about two-thirds of them were placed in regular school classes or regular school classes with ancillary special education services. An evaluation of the program, conducted by Battelle Columbus Laboratories, also showed that projects that had medium child-staff ratios, were home based, and that had developed and used their own curriculum materials appeared to have the greatest impact on handicapped children.

Severely handicapped children receive help under section 624 of the Education of the Handicapped Act. This program, like many others relating to handicapped education, has as its ultimate educational and training goal for severely handicapped children the provision of appropriate self-development experiences to these special members or our society. These experiences are designed with the objective of helping the severely handicapped reach their maximum potential of developing into self-sufficient individuals normalized. community/home/ neighborhood environments.

This program is a major vehicle for the implementation of Public Law 94-142. Therefore, I am hopeful that all regions of the country will eventually be reached with demonstration projects that are appropriate for their needs.

The final section of part C, section 625, deals with regional education programs. Under this program, grants and contracts are awarded for the development and operation of specially designed programs of vocational, technical, postsecondary, or adult education. The objective that is being sought by these actions is the enhancement of the skills of handicapped students. They are then better able to acquire career positions in the professional, skilled and unskilled labor markets.

The challenge of training personnel for the education of the handicapped is addressed in detail in part D of the act. Financial assistance for the training of special and regular classroom teachers, supervisors, administrators, researchers, teacher educators, speech correctionists, and other special service personnel such as specialists in physical education and recreation, music therapy and paraprofessionals is provided in this part of the act.

In an effort to encourage people to enter the field of special education, a great deal of cooperative action among various agencies is essential. These agencies try to promote a greater awareness of the availability of services for the handicapped. In addition to making handicapped individuals more aware of services that are available to them, this kind of public relations activity also helps to spur the interest of people who tend to be con-

cerned about these issues. The more interested they become, the more likely they are to make a career out of

this kind of work.

There is also good reason for the Government to support innovative research under the Education of the Handicapped Act. Such research plays an important role in providing the effectiveness and efficiency of the handicapped educational system. Part E of this act provides funding for this vital, forward-looking work. Grants and contracts are awarded for research, surveys, or model demonstrations relating to education of handicapped children. Additionally, grants are made for similar activities relating to physical education or recreation for these special children.

In recent years, research projects have also supported the following types of program activities: Programs for orthopedic and otherwise health impaired children, hearing impaired children, programs for the mentally retarded, programs for speech impaired, visually impaired, emotionally disturbed, learning disabled, and other programs classified as noncategorical.

During fiscal year 1979 the innovation and development program distributed over 50 products relating to the education of handicapped children and an equal number of publications in professional journals. Validated curriculum materials designed specifically for the speech and hearing impaired and mentally retarded were also made available.

The instructional media for the handicapped program, part F, also provides a valuable support service for State and local agencies. Under this program, a loan service has been established for captioned films for the deaf and related educational media for the handicapped. Educational materials are made available in the United States for nonprofit purposes to handicapped persons, parents of handicapped persons, and other persons directly involved in activities for the advancement of the handicapped.

In fiscal year 1978, captioned films distributed to deaf adults and to schools and classes for the deaf reached approximately 4 million deaf persons of all ages. Captioned television news reached an estimated 6 million persons daily per broadcast from over 140 stations. These materials are crucial when dealing with the unique learning problems of the handicapped.

While part G of the Education of the Handicapped Act—special programs for children with specific learning disabilities—has been incorporated into the Education of All Handicapped Children Act, Public Law 94-142, there is still a good case to be made for maintaining a separate authorization for this essential purpose. Future Congresses should continue to address this need and utilize this program to pro-

vide supplementary services to this deserving group of people.

Mr. Speaker, I feel that it is essential for us to recognize the progress we have made toward providing an equal and appropriate education for handicapped children. We should now make a commitment to maintain, at all levels of government—Federal, State, and local, the vital programs that have done so much to enhance the opportunities that are available to these special citizens.

I urge my colleagues who share in this concern to join me in supporting this vital legislation. By doing this, we can send a message to handicapped individuals, their families and millions of American citizens who favor such a commitment to this deserving group of people. Let us pledge today that we will not allow these children to be forgotten.

□ 1445

THE NATIONAL TOURISM POLICY ACT OF 1981

The SPEAKER pro tempore (Mr. COELHO). Under a previous order of the House, the gentlemen from Vermont (Mr. Jeffords) is recognized for 10 minutes.

Mr. JEFFORDS. Mr. Speaker, tourism is the largest employer in 18 States, including my State of Vermont, the second largest in 15 States and the third largest in six States, according to employment information recently released by the Labor Department and analyzed by the U.S. Travel Data Center.

It produces well over \$140 billion annually in revenues and generates nearly \$17 billion in taxes. The travel and tourism industry contributes to a reduction in unemployment by providing more than 6½ million Americans with jobs. This is a labor-intensive industry, which employs many individuals who fall in the "hard to employ" category.

Historically, tourism has been an important component of Vermont's economy. In 1977, the total domestic and Canadian travel-generated business receipts for the five principal aspects of the travel industry in Vermont was \$783,529,000. Of this total. \$307,030,000 was for meals and alcoholic beverages, \$192,244,000 for lodging, \$112,921,000 for recreation and entertainment, \$87,131,000 for gifts and incidentals, and \$84,203,000 for transportation.

The payroll in Vermont in 1977 attributable to domestic and Canadian travel is estimated at the \$127,302,000 level, with 35 percent going to meals and alcoholic beverages, 34 percent to lodging, 14 percent to recreation and entertainment, 10 percent to transportation, and 7 percent to gifts and incidentals. Domestic and Canadian travel-generated employment for 1977

was roughly 23,000 full and part-time jobs.

The four charts below summarize the primary economic impact of domestic and Canadian travel; the fiscal economic impact of travel; the sales tax rates; and the potential multiplier effect of travel-related payroll and employment for Vermont, based on 1977 figures:

PRIMARY ECONOMIC IMPACT-1977

[Dollars in thousands]

Expenditure category	Travel expenditures	Payroll ¹	Employ- ment ¹
Transportation Lodging	\$84,203 192,244 112,921 87,131 307,030	\$12,306 43,315 18,395 9,349 43,937	1,000 7,000 4,000 2,000 9,000
Total	783,529	127,302	23,000

¹ It is invalid to divide payroll by employment to determine average wages since employment includes both full- and part-time jobs.

Fiscal economic impact of travel, 1977

[In thousands of dollars]

Tax attributable to travel:	Receipts
State corporate income tax re-	WE TENNESS
ceipts	\$3,471
State individual income tax re-	
ceipts	3,601
Total state sales tax receipts	25,245
Total local real property tax rev-	
enue	28,731
Total	61,048
State calce tan rates and applie	abla

State sales tax rates and applicable expenditure categories

on postation our or our	
Category and State sales tax: Transportation:	Rate
Gasoline service stations (per-	
cent)	10.10
Automobile dealers (percent)	3.85
Lodging:	-+1
Hotels, motels, and courts	
(percent)	5.00
Trailer parks and camps (per-	
cent)	3.00
Recreation/entertainment:	
Amusement and recreation	
(percent)	3.00
Gifts and incidentals: General	
merchandise and miscellane-	
ous retail stores (percent)	3.00
Meals/alcoholic beverages:	
Eating and drinking places	
(percent)	5.00
Alcoholic beverages:	
Malt (per gallon)	\$.25
Vinous (per gallon)	\$.50
Liquor	24.00
Cigarettes (percent)	24.00

STATE OF VERMONT—Potential Multiplier Effect of Travel-Related Payroll and Employment $^{\scriptscriptstyle 1}$

Travel-related payroll- Primary travel-related payroll Times the range of multipliers	\$127,302,000 × 1.65	\$127,302,000 × 2.26
Total potential travel-related pay- roll	\$210,048,000	\$287,703,000
Travel-related employment: Primary travel-related employment. Times the range of multipliers	23,000 × 1.45	23,000
Total potential travel-related em-	33,000	53,000

1 These figures rounded to nearest thousand.

Source: From "Executive Summary, Study of Economic Benefit of Vermont's Travel Industry, August, 1979" prepared for the State of Vermont Agency of Development and Community Affairs by Laventhol & Horwath.

Mr. Speaker, H.R. 1311 is the product of 6 years of study and 3 years of legislative consideration. It is the result of contributions by Members from both sides of the aisle, and is consistent, I am pleased to say, with the Reagan budget. Because the features of last year's bill which would have provided for a Federal regulatory role have been dropped, it has the support of the administration. Just a few more comments. There are several reasons for making the administrator of the USTTA an Under Secretary of Commerce: It is critical that we upgrade the visibility of tourism within the Commerce Department so that we can get the maximum use from a reduced level of funding; it is essential that the administrator be of high rank so that he will be able to enlist support for a coordinated effort from all the Federal agencies involved in one

like the only logical alternative.

Finally, Mr. Speaker, I cosponsored and supported last year's bill, H.R. 7321, and I have cosponsored H.R. 1311. I plan to continue supporting tourism and travel as a member of the Congressional Travel and Tourism Caucus, and want to commend the gentleman from Nevada (Mr. Santini), for his splendid leadership in this

way or another with tourism; and fi-

nally, unlike most of our international

competitors, we have not conferred on

our third leading industry a cabinet-

level post—an Under Secretary seems

Thank you, Mr. Speaker.

THE SO-CALLED TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Speaker, with respect to today's action and, what is more important, in view of the environment—economic, financial, fiscal, monetary, national and internation—that surrounds the final action of the House this afternoon, I think it is necessary that we stress just exactly what is happening from a point of view that just has not been heard. It is not that it has not been expressed. It is just that it has not been reported. It has been submerged in the general deluge of the onrushing course of events that modern times brings.

But today, with the approval of the version of the so-called tax bill, we have the most extensive, massive incomes transfer, transfer of wealth, from the lowest, poorest economic rungs of the ladder in our country to the richest in the history of our country as a nation. Never has this extensive transfer of income occurred either way and particularly through a tax

policy that is linked with a budgetary course of action that further presses this crown of hardship on the least able of our country.

Now, let there be no mistake. There is no question that this tax bill has not really been reported in its entirety, with all of the implication involved. There is no question of that. I have sat patiently through all of the debates in the initial periods, subsequent periods, and today. I think what ought to be stressed, also, is that the conference worked over during the weekend and reported this afternoon does not show some of the provisions that, under my impression, were not reconcilable, that is, they are new angles to provisions that have not been evaluated. At no time were there hearings, and neither did they form part of the corpus of reconciliation between the House version and the Senate version.

Now, this has happened before, and naturally there have been complaints about it. It has happended in other bills where the conferees have come in with what we have known among us as sleeper clauses that do not get detected until after the bill has become law. I want to warn my colleagues that there are some unchartered, hidden and yet-to-be evaluated provisions in this conference report, fine nuances that will mean millions of dollars to special interests, as all of our tax bills have in the last 10 years.

But this great transfer of income is something that all we can do is pray and hope that the old saying about the United States, that the United States and drunks seem to be under the special divine care of God, is the only reason we are saved. As I see it, given the conjunction of events, though—and hoping I am dead wrong-it looks to me as if for the first time in our history we have embarked on a course that is calculated to create a stratified class system, a lumpen proletariat, if you please, because the rigorous confines of these enormous income transfers of moneys and wealth from the poorest element to the richest, with the hope that the trickle-down theory will work is why I

I am pessimistic. And, believe me, I say I hope I am wrong. I certainly do not want a President to fall on his face, no matter how much politically I may not be in his favor. But at the same time, I think it is an unpardonable error that many of my colleagues are committing who are saying, "Well, let us just hope for the best. There is nothing we can do, so we will go along and hope that it will work."

say we must pray.

We cannot cavalierly dismiss our reasoning processes. We have history to study. We have the history of tax bills, some of recent enactment. We know what has worked and what has not. We know that this tax bill, to a certain extent, is a fraud, as I charged

the last two so-called tax reduction and tax reform bills. Remember, they were titled, in 1978 and 3 years before, "the great tax reduction and tax reform bills." They were neither.

I think that today there would not be such an outcry to reduce taxes if those tax bills had in deed and in fact reduced our taxes, as I think the same thing will happen here. I hope not. But reason and the logical conclusions from the facts clearly indicate that, other than a wish and a prayer, there is nothing in these tax bills to anchor down the compliance with the intended purpose of the tax bills. The President tells us, Mr. Stockman tells us, the Secretary of the Treasury tells us, all of the Republicans tell us, that this tax bill is predicated on the so-called supply side of things, that this is just a refined phrase for the old trickledown theory, that the working class. the poorer economic class, cannot be smart enough to know how to invest their money; therefore, if the wealthy are all right, if we can heap upon them multiplied wealth, why, somehow that will trickle down to us less happier citizens.

This is the hope that this tax bill is predicated on because they—the Kemp-Roth people—talk about how the savings and these restorations of income by way of tax reductions will be invested in productive lines. Yet there is nothing in the bill that will insure that. If this is the way they really meant it, why not a provision similar to those that the Kennedy tax cut bill in 1962—and I was a Member of Congress then—did provide? Obviously because it would not have passed, it would not have paroval.

So we have here, as far as I am concerned, the hope, the will-o'-the-wisp hope, that these \$120 billion worth of tax transfers just to the wealthiest and the most affluent classes and corporations in our society somehow prayerfully will be reinvested in productive enterprises that will put people to work and Americans on the payroll and Americans consuming the goods that those productive efforts will somehow, hopefully, be engaged in.

The truth is, it never has happened. I doubt that it ever will. Wealth is power. And power, as Frederick Douglass says, yields nothing except upon demand. It never has and it never will. We are talking about the most powerful elements who in our history have not winked an eye to sacrifice the national interest for their own plutocratic, selfish, and egregious greed. Our history shows it.

So that in the absence of a correlation in the tax bill between the savings and the kickbacks and investment mandatorily dictated into productive lines, I predict it will not happen. Well, that is one side of the picture. But in the meanwhile, this Congress also approved Gramm-Latta and the so-called Budget Reconciliation Act. In light of the fact that we have deprived two and we are going into three generations of Americans of this priceless American dream of property ownership, a home, a decent, safe, hygenic home, for any American family that dreams of having one, this was the hope and the prayer.

Our President says none of the programs of the last 20 to 30 years have worked. This Congress sat supinely by, even with Members on its roster who had a big hand in the shaping of those programs and policies and let this big lie get afoot and abroad in the land.

What are the facts? The facts are that the programs worked. Democratic programs, if you please. Housing. It was Democratic programs that housed Americans over 40 years through wars, depressions, sequela to wars and recessions.

□ 1500

Forty years ago, over 65 percent of America was ill housed in substandard housing. After 40 years of Democratic control, fought every inch of the way by the Republicans, like social security, America was housed, despite wars, despite the depressions.

FHA, for example, which this administration had targeted for zeroing out at the beginning of this year. except for the fact that some of us challenged them and brought Mr. Stockman over to our Subcommittee on Housing, and made him back up. That is not reported in the press. At least not generally or generously as the defenders of the administration have. But it is a fact. And it is a fact that the programs work. It is a fact that the poverty programs reduce poverty. We reduced the level of poverty by hundreds of thousands of families. Those are facts.

What are the facts today? A housing crisis that has built up. The administration admits there is a crisis. What is their response when I asked Mr. Stockman, Secretary of HUD Pierce? They said, no matter what the crisis is, no matter what the need is, it must and shall wait until the President's ERP program, that is, the economic recovery plan, is in hand and working. Then we will see.

In the meanwhile, we are going to appoint a national study commission. Well, that is what Herbert Hoover did in 1932. But at least it is not a throwback to Calvin Coolidge which Dave Stockman and the President himself say they admire.

Why, the President has taken down the portrait of Harry Truman from the White House and substituted therefor Calvin Coolidge. And he said Calvin Coolidge is one of those he admires. Why, he cut taxes, too, in 1928.

Mr. Stockman says, that he admires Coolidge, too, and that there is no responsibility on the part of the Government to address itself to any of these problems. He said that nationwide on TV. At least Herbert Hoover recognized the responsibility, because he appointed commissions to study wherein that responsibility would be. Calvin Coolidge never did. He was a total believer in absolutely no responsibility on the part of Government.

Let it be subject in frozen difference as President Roosevelt once described it. This is what we are coming back to. It is awesome in its implications. All of the indications in our Banking Committee, we have this discrepancy, where the Secretary of the Treasury's assistant comes in and says there is no crisis among the savings institutions and if a few savings and loans go under, it is too bad. We should not do anything. Let them go.

But then here comes the newly appointed Reagan appointee, chairman of the Federal regulatory body, over the savings and loans, and he says:

Oh, wait a while. There is a crisis, at least 33 percent of these institutions are under the shadow and unless you all do something, something dire is going to happen and it will be your fault.

Now, I hope I point out by this that my criticism is bipartisan because I am trying to get the chairman of our committee to call back these individuals. They both cannot be right. We have a responsibility. We have a responsibility of national policymaking with respect to these financial institutions, because they have everything to do with what, with housing, and housing and construction has everything to do with the prosperity or lack of it of this country. It is inexorably tied in.

Will our Democratic leaders do it? I do not know.

On the tax bill, what happened? What were the alternatives? I have said all along, because I am and up to now have been a Democrat. That is the only time the Democrats are in trouble and lose is when they do and adopt the same things that the Republicans do, and one of the favorite Republican cries through the years has been, "Me, too," but not as much. This is exactly what the Democrats are doing and this is why they are losing.

I would not have voted for the versions of the tax bills presented to this House at this time, either the administration's or those proposed otherwise, because I believe, and I hope I am wrong, that time will show us how deleterious and counterproductive they are to the greatest interest of the greatest number and future economic well-being of this Nation.

In fact, not so the future, just the immediate future. There are many things that are descending upon us, some of which we can have an impact

on, some of which we cannot. At least up to now.

We have not devised means, strategy, or purpose, in controlling some of the international forces that impinge on us, such as the oil or energy situation, which again is one of the key factors, like our building and construction economy.

absolutely inexorably They are linked. One cannot go well without the other. And we cannot have prosperity and well being and economic recovery in this country if our construction industry is sunk in depression and unemployment, as it is, and our businessmen are going out of business, because at the same time that we are making this massive transfer of funds, we have a Government that says that it is wrong for labor to be asking for wage increases, but there is nothing wrong to have the giants, the giant corporate interests, the multibillion dollar sucking up over \$50 million of banking resources. That ought to be available to the people, that ought to be available to fire the engines of industry and the mechanisms of business, especially small business.

It is all right for them to suck up for what purpose, to gobble each other up in gigantic struggles, cannibalistic-like in eating up and gobbling the lesser fortunate giants. This is where the money is going. This is where the bank credit is going and our money managers and our administration say it is none of their concern. What is wrong with that? But at the same time that all of this money and bank credit is available to these giants, at low interest charges, a poor merchant on the street in any industry in America, who wants to have a line of credit to have his inventory, to stay in business, must pay loan shark interest rates to get that line of credit.

The bankruptcy rate has mushroomed just in this last quarter of this year. And if the fate of small business is here and this House today acted no different, if the administration is wholly indifferent to the fate of these small businessmen, the average family, and the average family is what got lost.

I never thought I would see the day where we in the Congress were talking about the average family with \$50,000 income. I just never thought I would hear that day and see that day and yet this is what we are talking about. Is it because we in the Congress average more than that? Have we forgotten where we come from? Have we lost touch with our overwhelming predominant majority of the American people?

I know in my district, 50,000, \$50,000 is Rockefeller like in my district. Maybe it is because I have pockets of poverty even now. But I want to say at least I am mindful of the fact that the

Government is not here and its purpose is not to sever any one category. whether it is business, or whether it is the bankers, or whether it is us-it is here to look out after the greatest interest of the greatest number, and I am afraid that with the approval of this tax bill, in conjoinder with the other budgetary and fiscal actions this Congress has taken, we have doomed the economic freedom of this average American.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gen-

tleman from Michigan.

Mr. CONYERS. I would like to commend the gentleman on his discourse and associate myself with his remarks and advise him that our colleague from Ohio (Mr. SEIBERLING) asked the CBO to determine how much more this tax bill costs as a result of the bidding war that the gentleman referred to in his remarks.

His answer to me by telephone was that it costs us \$142 billion additional.

Mr. GONZALEZ. I thank the gentleman for giving me that very valuable piece of information. I did not know the exact amount. I did know the taxpayers are funding it. This is what I was trying to get at. The ludicrous situation where a President and his supporters tell us that it is inflationary to have a minimum social security, \$122 for a handful. It is inflationary.

But it is not inflationary to provide \$5 billion for the international banking institutions so that they could make that recourse available to the giants like Chase Manhattan, First City National, that have sunk \$47 billion into less happier lands and countries and who cannot pay their loans back unless they get that IMF \$5 billion from the taxpayers of the United States.

I am just sick and tired of seeing the David Rockefellers blame inflation on the food stamp beneficiaries, social security beneficiaries, when they are the biggest tax boondogglers, tax dodgers, tax eaters, tax consumers which we have in this country.

Mr. VOLKMER. Mr. Speaker, will

the gentleman yield?

Mr. GONZALEZ. I yield to the gen-

tleman from Missouri.

Mr. VOLKMER. I would like to commend the gentleman also, and I would like to point out to the gentleman that in listening to the gentleman, I think there are going to be a lot of people who are making under \$50,000, especially those making under \$25,000, who, come October, when they get their first paycheck from this new tax cut, they are going to be very disappointed when that tax cut in that paycheck is only going to be 50 cents more a week or \$1 or \$2 a week.

I, too, have about 80 percent of the people in my district on an average who probably will get maybe \$2 a week at the most from the big tax cut. It is INNOVATIVE LEGISLATION IN FIthe largest in the history of this country, over \$700 billion. And while those people are getting \$1, \$2, \$3 a week, the oil companies, the oil producers, the special interest people, they will be getting a lot of money.

I commend the gentleman for his statement and I think in due time, the American public, the American middle-income, low-income people, are going to wise up and wake up to the new economic program and decide it really was not for them but it was for the wealthy people.

Mr. GONZALEZ. I thank the gentleman from Missouri and I conclude by saying with a great deal of foreboding that I hope it does not become necessary for this country to have to learn the hard way the experience of other lands that have followed these tactics.

As a matter of fact, I deplore the things that are happening now most of all because they are avoidable. However, as I see it, some means must be found to reverse, and soon, this process of stratification, crystallization of our classes.

Where we are going may produce a lumpen proletariat European-like; fortunately, we never reach the point of Asian-like.

PERSONAL EXPLANATION

Mr. VOLKMER. Mr. Speaker, on Thursday, July 30, due to a previous commitment in my district, I was unable to be present when the House passed H.R. 4121, Treasury and Postal appropriations for fiscal 1982, on a vote of 323 to 94. Had I been present, I would have voted "yea" on final passage and "yea" on rollcall No. 182, an amendment to prohibit the use of Federal funds to pay for Federal employee health benefits which would pay for abortion. Also, I would have voted "yea" on rollcall No. 183, an amendment to prohibit the use of funds for affirmative action programs; and on rollcall No. 184, an amendment to cut \$13.6 million from the Savings Bond Division of the U.S. Treasury, I would have voted "yea."

REPORT ON RESOLUTION AU-THORIZING BUST OR STATUE OF MARTIN LUTHER KING, JR., TO BE PLACED IN CAPITOL BUILDING

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 97-217) on the concurrent resolution (H. Con. Res. 153) authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol, which was referred to the House Calendar and order to be printed.

NANCING FEDERALLY BACKED WATER PROJECTS

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASHAYAN. Mr. Speaker. today I introduced a bill which is an innovative idea in financing federally backed water projects across the country: financing by private money from the tax-exempt bond market. This method should reduce the cost of water projects to the U.S. Government and result in the completion of water projects more expeditiously.

WELCOME TO THE NEW AMBASSADOR FROM ITALY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

• Mr. ANNUNZIO. Mr. Speaker, his Excellency, Rinaldo Petrignani, the new Ambassador from Italy, presented his credentials to the President on July 10, and I welcome him and extend my best wishes to him for a most successful mission in the United

Italy is a strong ally of the United States, and is a vital and pivotal member of the North Atlantic Treaty Organization-the NATO Alliance-in opposition to Communist aggression. Our peoples have longstanding ties of affection, ethnicity, and culture, and I bring the attention of my colleagues to Ambassador Petrignani's remarks on July 10 addressed to our country's Italo-American community and to Italians residing in the United States.

An unofficial translation of the Ambassador's remarks follow:

After presenting my credentials to President Reagan, I want to begin my official service in the U.S.A. greeting heartily both American citizens of Italian descent and the many Italians who live in the U.S.A.

It is an honor for me (and I am very conscious of it) to represent Italy in this great country that I know and admire because of my previous appointments here for many years. It is a great personal satisfaction for me to come back and see again old friends and familiar faces. Most of all to visit again the U.S.A., this country so generous, full of human resources, energy, and faith in the future. A country which is in its ideals, affections, and politics so very close to Italy.

I always felt that the relationship between Italy and the U.S.A. is based on a long and deep friendship. Mutual ideals fostered the development of our two countries as modern states. Both the American Revolution and the Italian Risorgimemto were inspired by a similar thought; the independence of a nation as a means and guarantee for individual freedom.

A western vision has directed the unification of Italy as well as the present politics of Italy. In this the Italy of De Gasperi, Einaudi, Sforza, joins the Italy of Mazzini, Cavour, Garibaldi; and in this, Italy is still

19555

nowadays as in the past finding in the U.S.A.—the anchor of the political ideals of the entire western world—a source of inspiration and a vital referral point.

Yesterday, as today, American power and idealism—the power serving the idealism—are a source of encouragement and a guarantee for all free men wherever they may be in the world.

America's many citizens of Italian descent form a particularly strong tie between Italy and the U.S.A. with the traditions, the culture and the creativity that your fathers and you all have brought to this country. In contributing through your work to the formation and the progress of this great nation you have participated in a majestic historical realization. We, in Italy, are proud that through your participation our country could be indirectly present in the development of America. In performing your role you have not indeed forgotten that finding here a new generous and great home should not make you forget your origins nor your pride in being from a country which contributed immensely and uniquely to modern

Many things show your attachment to Italy. I would like now to recall with emotion and gratitude the latest and generous solidarity actions so many of you took in support and help of the victims of the earthquake which devastated a large part of southern Italy—these are very appreciated actions. With the passing of generations your relationship with Italy becomes more and more a part of the reality of the U.S.A., and Italy is glad that this part of America that you represent is trying to rediscover and know the old country.

Italy that you recall and love occupies now an important place in the western political structures. Friendship and close cooperation with the U.S.A., both bilaterally and within the Atlantic Alliance, are one of the cornerstones of Italian foreign policy. The broad agreement existing among the political forces reflects the opinion of the vast majority of our people. The continuity of the Italian foreign policy has been based for more than 30 years on this friendship and cooperation. Its attachment to the democratic system, its desire for civil progress, the continuity of its foreign policy make Italy stable in spite of the difficulties and the problems that it has to face.

At other times in the past Italy proved its extraordinary power of recovery. The vitality of its industry, the hard work of its working classes are the best guarantee that relying on Italy's friendship is a good investment.

In working—according to our personal responsibilities—for strengthening the friendship between Italy and the U.S.A., we have to remember that we are not only serving the interests of our two countries but we are also fostering and strengthening good and peaceful relationships among all people who believe in the values of democracy

Finally, I am happy to have the opportunity to wish you all prosperity and success; and I hope that the continuation and broadening of the dialogue with all Italian American communities will improve more and more the relationships between Italy and the U.S.A. and will contribute to stressing your constructive support to the peace and the progress of this great country, friend of Italy.

CHANGE AT THE FDIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. St Germain) is recognized for 10 minutes.

• Mr. ST GERMAIN. Mr. Speaker, Irvine H. Sprague, who held top staff positions in the House of Representatives for a number of years, is resigning as Chairman of the Federal Deposit Insurance Corporation [FDIC]. At the request of the White House, Irv will, however, serve out the remainder of his 6-year term on the FDIC Board which expires in 1985.

Irv has a long record of service to the House and to the Nation. He was executive director of the House Democratic Steering and Policy Committee under Speaker O'Neill and held other key House positions, was Special Assistant to President Lyndon Johnson, and deputy director of the California Department of Finance under Gov. Pat Brown.

As Chairman of the FDIC, Irv performed in the same outstanding fashion as he did in the House.

It has been a pleasure to work with Irv at the FDIC, and I know that the members of the Committee on Banking, Finance and Urban Affairs feel the same way. Irv is a good friend. He is knowledgeable and astute. He has been a good witness at our hearings, and he has always been very forthcoming and helpful to the committee.

I know that Irv's many friends in the House want to wish him well as he embarks on his new role at FDIC. President Reagan sent Irv a personal letter commending him for implementing "wide-ranging and innovative programs for efficiency and economy". I ask unanimous consent to include in the Record the text of the President's letter to Chairman Sprague and excerpts from an article in the FDIC news listing some of the achievements of Chairman Sprague at the FDIC.

THE WHITE HOUSE, Washington, July 29, 1981.

Hon. IRVINE H. SPRAGUE,

Member of the Board of Directors, Federal Deposit Insurance Corporation, Washington, D.C.

DEAR MR. SPRAGUE: As you step down as Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, I want to take this opportunity to express my appreciation for your service to the Nation in that capacity.

Under your leadership, the Federal Deposit Insurance Corporation has implemented wide-ranging and innovative programs for efficiency and economy. During the years ahead, I am sure that you will be able to look back with pride on your accomplishments.

You have my best wishes for continued success during the remainder of your term as a Member of the Board of Directors.

Sincerely.

RONALD REAGAN.

EXCERPTS FROM AUGUST 1981 FDIC NEWS LISTING INITIATIVES UNDERTAKEN DURING CHAIRMAN SPRAGUE'S 30-MONTH TENURE

 A pay schedule that rewards division heads, and regional directors at a scale above those they supervise, but below the Board of Directors.

Purchase of a building adjoining the Washington headquarters to consolidate operations and save substantial rental costs.

3. A rotation policy among top officers of Division of Bank Supervision to provide for career development and to insure that no officer regulates the same bankers for too long a period.

4. A policy of negotiating settlements for long-standing lawsuits with a resultant

saving of millions in legal fees.

5. Instructions to deal fairly but firmly as we enter the era of unions in government, always keeping in mind how best to handle each situation in an equitable manner.

6. Persistent instructions to divisions to hire and to identify for promotion highly qualified minorities, women, and the handicapped to position them for eventual promotion to the top jobs in the Corporation.

7. A policy of greatly increased use of monetary awards to recognize and reward

outstanding service.

8. A creative and imaginative package to save the First Pennsylvania Bank, then 20th largest in the nation.

9. Creation of a thrift industry task force to monitor closely and analyze all possible approaches to the thrift problem.

10. A new program providing substantial Corporation assistance to those who relocate at Corporation request.

11. Creation of a Regulation Task Force to examine all FDIC regulations, eliminate those not necessary and simplify the others.

12. A program of banker seminars to explain to the industry how best to comply with the many consumer laws.

13. A liberalization of bank examiner borrowing capabilities, with particular reference to use of credit cards.

14. Substantial simplification of all application forms and a speeded-up processing procedure.

15. A reorganized Division of Bank Supervision to better equip it to handle the problems of the 80's.

16. A consumer outreach program, including publication of FDIC pamphlets in both Spanish and English.

17. Regularly scheduled Board meetings each Monday so everyone in the Corporation could plan a steady and even work flow.

 A start on realinement in the regions by ordering the Richmond Regional Office closed in 1982.

19. Approval of a plan to install an employee health and exercise room in the newly acquired Washington office building.

20. A program to encourage young artists and at the same time improve the 6th Floor decor by a continuing series of art exhibits.

THE UDALL-OBEY-REUSS BALANCED BUDGET TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Arizona (Mr. UDALL) is recognized for 15 minutes.

 Mr. UDALL, Mr. Speaker, I submitted the Udall-Obey-Reuss substitute tax package to the House of Representatives last week, and because of the very hectic nature of that day, did not have time to insert all of my remarks into the RECORD. While my plan was defeated, there continues to be interest in the package that Mr. OBEY and Mr. Reuss and I put together. In light of the outcome on the tax-cut vote, I wanted to insert this edited version of my remarks today. Some 144 Members of the House voted for the Udall-Obey-Reuss plan. I want to take this opportunity to share this full record of my comments with my colleagues as well as with my constituents in southern Arizona.

Let me take you back 4 years, because I want to make two points:

First, in March of 1977, we had a new President in town. We all said give the new guy a chance, and he went on television to tell us he had a comprehensive energy program to deal with the country's priority problem. He sent the plan to the Congress and said, could we please vote yes or no, up or down, as soon as possible, surely in the next few months, and send it back to the White House by the August recess.

But there was no bill—not in August 1977, not even in August 1978. The bill that was finally approved in October 1978 was pretty badly mangled at that.

Now let us move to 1981. We have another new President in town, and most Americans have been saying let us give him a chance. By April, he comes before the Congress to tell us that our economy and our energy policy are both in a mess, and here's his huge and difficult and complicated program to clean it up. Could we please act quickly, and give the President and the country some answers, preferably before the August recess?

Well, we have heard about our Democratic leadership stalling or failing to move quickly. It is a bum rap. We have worked hard and we have dealt with budget cuts of historic size.

Now we have given a President a program based on dangerous, far-reaching, unprecedented economic assumptions—not in 18 months, as was our response to President Carter, but in 16 weeks.

I have watched with increasing dismay these last few weeks as the leadership on the Republican side rallied around the President almost unanimously without asking the kind of tough questions about his policy that were asked—no, demanded—of President Carter's. And some of my Democratic friends, many of them, played a new round of a tired old game called, "my tax cut is bigger than your tax cut." Any number can play, but this year the stakes were extraordinar-

ily high and our country's whole economic foundation is at stake.

Again, let me return to 1977, because there is another parallel there to what we face in 1981:

Back in 1977, when Jimmy Carter and his new team came to town, they told us that they had promised during the campaign to balance the Federal budget, and that this pledge would be kept. But they had just looked at the new numbers and they said, well, hold on. We simply cannot do it after all in 1977 or 1978 and actually, 1979 did not look promising. But they would guarantee that by 1980—a new election year—a balanced budget would be a reality. As it worked out, we had a \$60 billion deficit.

Now, here we are in 1981. The President and his team, with David Stockman in charge, tell us that they promised to balance the budget and it's a pledge that will be kept. But they just looked at the new figures and they cannot do it in 1981 or 1982 and 1983 does not look all that great. But you can be sure that it will be balanced by 1984—which happens to be a new election year. Now they have even backed away from that, saying 1984 does not look so hot either. Maybe 1985.

We cannot wait that long.

I sense a real and dangerous skepticism in America today. People really question whether the Congress is doing anything, or can do anything about the economic mess we are in, or whether we are going to be serious about helping turn this country around.

I believe that nothing would do more to return confidence to our people and our financial and investment institutions than a balanced budget now.

I am not alone in that belief. The noted Wall Street economist, Henry Kaufman, has declared, "To fight inflation head on, the need is for the Government to achieve a balanced budget in fiscal 1982. This would chop inflationary expectations and, of equal importance, would reduce the role of the Government as a powerful demander of credit, thereby freeing savings to finance the private sector."

Our substitute was the only bill in the House or Senate which could have achieved that goal of a balanced budget, and it would have done it without mirrors or rash assumptions. And it did not touch the national defense appropriations we have already approved.

Our bill did not try to outpromise the GOP. We were not competing to see who could give the most to the oil companies or to investors who straddle the commodities market. We did not seek to engage in a "bidding war."

What our bill sought to do was this: First, to bring interest rates down and to begin the process now. This year, the Reagan administration is budgeting \$106 billion for interest on the national debt-the third highest item in the budget. The 1982 budget, depending on whose figures you use, will have a deficit in the \$50 billion to \$60 billion range. We need to take Government out of the business of outbidding businesses and individuals in the financial markets. In this way, we can free the capital that our country so desperately needs for productive enterprises. Our measure sought to drastically reduce outlays for interest on the national debt. Mr. Kaufman agrees here as well. In Business Week of July 13, 1981, he said, "If the (Reagan) tax cut is in place by October 1, we face a new significant increase in interest rates."

Second, our proposal sought to raise \$6 billion through tax reforms including the elimination of the oil depletion allowance and of commodity tax straddles. The revenue loss would have amounted to \$13 billion in fiscal 1982, but the estimated budget surplus for the year would have been \$2 billion, and \$20 billion by fiscal 1983.

Third, the same tax reforms would have provided the money to give Americans an honest tax break, phased in during 1982. It would not have been a tax break financed with borrowed money, which was part of the administrative plan that the House approved. Under the plan that is becoming law, taxpayers making \$15,000 a year or less, or 41 percent of the total tax filers, will get 8.5 percent of the 1982 tax cut. But people making \$50,000 or more a year, or 5.6 percent of the population, will get 35.1 percent of the 1982 tax cut. Who are we helping?

Let me digress for a moment and relate to you an imaginary conversation between Dave Stockman and a taxpayer. It reinforces some points I have tried to make.

Dave Stockman walks out of the White House and bumps into a man on the street, who makes \$15,000 a year, is married and has two children. The man introduces himself and recognizes Stockman.

"How are things going?" asks the man.

"Not bad," replies Stockman, "I have good news for you."

"What?"

"A tax cut," Stockman answers.

"Terrific," says the man. "How much will a guy in my bracket get?"

"You'll get about \$150," says Stockman.

"Yeah?" answers the man. "Well, that'll get me through a \$40 pair of Jordache jeans for my teenage daughter, a \$15 pair of tennis shoes for my boy, maybe a \$30 night out for my wife and I. I can buy two tanks of gas for \$30 and have \$35 left over for the supermarket. Not terrific, but better than nothing. Frankly, Mr. Stockman,

the thing that really pleases me is that you guys apparently have balanced the budget after all these years and you've got money left over to cut

our taxes.'

"Well, I have to be honest," says Stockman. "We haven't balanced the budget. Instead, the deficit has gone up, from \$40 billion to around \$60 billion. And if our program works the way this Mr. Laffer out in California says, and if our best case assumptions carry, we are going to have another \$128 billion in deficits before 1984."

"Hey, really?" says the man. "Then where will we get the money for me and other Americans to have a tax

Stockman says, "We'll borrow it. When I was a Congressman, I used to call that 'printing money,' or 'monetizing the debt.'

"But isn't interest a big item in the Federal budget this year?" asks the taxpayer. "I heard it's something like

\$80 billion."

"Well, yes, that's right. And we'll have to have some more interest payments, even larger ones, next year, if we have that additional \$60 billion deficit I mentioned. In fact, we've already budgeted \$106 billion just to pay interest next year."

"Won't all of that cut down the money supply that we need for capital investment in homes and buildings and all the rest?" said the man.

"I suppose," says Stockman. "But Dr. Laffer and Jack Kemp say we've got to try this for 3 years first."

"I've got to leave, Mr. Stockman," says the taxpayer. "But it seems to me we'd be a lot better off if we passed up a tax cut this year and got inflation under control and interest rates lowered and moved quickly toward a balanced budget-and then talk about tax cuts.'

End of story.

Except that I want to add that a CBS-New York Times poll of February, supported by other polls in more recent weeks, showed that by a margin of 70 to 23 percent, people would rather have a balanced budget before a tax cut.

If we are going to go into debt and drive up the cost of interest on the national debt by having tax cuts, at least we ought to put that money, almost all of it we allocated, into getting productive assets built and installed and giving people jobs and creating longterm economic activity.

Instead, what we have adopted as public policy, on which all our hopes rest, is that not only is there a free lunch, but we will give you a bonus for

eating it.

It is a little like going to see a doctor. Dr. Reagan says we have diagnosed your condition and run all the tests. We find that you have a strange combination of symptoms. Some of our tests show that you suffer from se-

rious high-blood pressure, and other tests show that you suffer from serious low-blood pressure. What we are going to do is give you two kinds of medicine, a pill for low-blood pressure for the right side of your mouth, and a pill for high-blood pressure for the left side of your mouth. Swallow both of them fast, and you will be well by the next election.

It will not work. George Bush was right when he called it "voodoo economics.

In heated debate, there are often key facts in dispute. Let me give you one which is not disputed: for all the talk by Candidate Reagan about balanced budgets, and all the talk by President Reagan about balanced budgets, the administration holds no hope for a balanced budget until 1984-or maybe 1985.

According to the administration's own optimistic figures and accepting all their assumptions, we are promised at best-I emphasize, at best-we are promised another \$128 billion in new budget deficits over the next 3 years. The numbers are stunning.

Computer folks have an old saying, "garbage in, garbage out." What they mean is that if you give your programer bad information, the computer will give you bad results.

Let me touch on three of the major assumptions we are offered as a guarantee that this untested program is

somehow going to work:

A tax-cut multiplier of 5, as against previous history in our Nation and others, of 2 being the best result you can expect. But the assumption in the Reagan-Kemp-Stockman plan is 5-a multiplier of 5-which has never happened anywhere in the free world as far as I know. Even Rudy Penner of the American Enterprise Institute noted, "There is no reason to think that a Kemp-Roth cut has 2, 3, or 4 times the power of any other tax cut we have tried."

The White House assumption that interest rates will drop to 9 percent by the end of 1982. Check with your banker and ask him if he believes that.

Inflation will be running at 6.2 percent by Christmas, 1982, and will drop even lower after that.

There is an old story about a politician who visited a small town, gathered voters in the town square and let fly with a long speech that detailed his program. When he finished, he paused, then declared, "Ladies and gentlemen * * * them's my views * * * and if you don't like 'em * * * then I'll change 'em!"

If the standard economic assumptions do not give the right numbers, Dave Stockman simply changes the assumptions. But they are phony, they are wrong, and they will not prove out. You cannot even find people on Wall Street who believe that a magic economic elixir has been discovered. Who says? Some samples:

Irving Shapiro, chairman of the Du Pont Co., in the Wall Street Journal of March 9, 1981: "All we've got to rely on is an economic theory. No businessman can run his company on an untried business theory and neither can a government."

Sam Nakagama, chief economist for the investment firm of Kidder Peabody, in the Journal of Commerce, February 11, 1981: "When a Republican Treasury Secretary calls for tax cuts to be enacted before expenditure cuts and amid double digit inflation and a rearmament program, it is an invitation to financial disaster."

And, from the Republican ranks:

Senator BARRY GOLDWATER, quoted by the Associated Press in the Tucson Citizen, February 13, 1981: "I don't think it (Kemp-Roth) will work, although I know that's not a popular thing to say. I don't think reducing the average income tax by \$20 or \$200 is going to make a great deal of difference."

Senator Howard Baker, the Tennessee Republican and distinguished Senate majority leader, on "Face the Nation," August 2, 1981: "What we're doing is really a riverboat gamble. We're gambling that this new economics will work.'

A real basic point in all of this is that the Udall-Obey-Reuss plan would have attacked high interest rates and provided for a balanced budget-not with gimmicks or a "riverboat gamble," but with a sound and solid approach.

We had a chance to enact a plan with a real assurance of a balanced budget, and we voted for one with a real assurance of \$128 billion more in

Now we must go ahead with what we have, and I will do my part to help see that the Reagan plan works. But I doubt that it will. Year after year, the American people have demonstrated that they want a balanced budget, and yet, when the time came, we gave the taxpayers more deficit spending. I fear we have played a cruel trick on the Nation, and that we may pay dearly for it in the years ahead.

THE HELPFUL ROLE OF THE NA-TIONAL SMALL BUSINESS AS-SOCIATION ON THE 1981 TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Rostenkow-SKI) is recognized for 15 minutes.

• Mr. ROSTENKOWSKI. Mr. Speaker, as we review the July 29 House vote on the tax bill, a number of points should be made for the record.

The major questions before this body were the size of the tax cut, its division among business and individual taxpayers, and its distribution among the many sizes and kinds of industry.

The National Small Business Association and the Small Business Legislative Council devoted its March testimony to these issues. In that testimony, NSB pointed out that:

First, several prominent economists had cautioned against combining a 5year, \$718 billion tax cut with a defense budget of \$1.5 trillion and a tight monetary policy, even though the administration envisions nondefense spending reductions for the same period beginning with a proposed \$49.1 billion in fiscal year 1982;

Second, less than 23 percent of the administration's original proposal was earmarked for business:

Third, there had been no official analysis of the division of tax savings among various business and industry sizes, despite the fact that past Treasury studies have shown that more than half of the tax savings from investment credit and depreciation are claimed by the largest 2,000 corporations, which invest heavily in machinery and equipment;

The 10-5-3 business proposal, which orginated in the last Congress, was limited to investment credit and depreciation. NSB provided the studies to illustrate the unfairness and inequity of this approach for our Nation's 15 million small businesses, which are less capital intensive. These businesses account for 80 percent of new jobs, nearly 60 percent of all existing employment, half of industrial innovation, 48 percent of the gross domestic

product, and approximately 43 percent of the gross national product.

The association argued that an adequate response to small business needs would result in increased potential for savings, investment, productivity, competitive efficiency, and financial opportunity, all vital factors of any plan to revitalize the economy.

To this end NSB recommended 16 proposals that would provide tax equity for the small business community, including three provisions to enough revenue to cover the losses associated with its small business provisions. The association pursued these suggestions in public testimony to the Senate Finance Committee and elsewhere.

NSB continued to urge fiscal prudence as the size of the bill increased, and recently expressed grave concern about indexing. This provision is scheduled to begin in 1985, but its budget impact has been estimated for only 1 year. The outyear costs could present small business with an unbearable financial burden by raising interest rates to unprecedented levels. This would be devastating to small and independent business. Bankruptcies for the first 4 months of 1981 are up by more than 25 percent from 1980.

NSB repeatedly urged a bill balanced between capital- and labor-intensive industries; it contends that this is essential to our economic health, since each 1 percent increase in unemployment can swell the budget deficit by \$25 to \$29 billion and swamp any economic recovery plan.

On April 9, I addressed the Chicago Association of Commerce and Industry with my own proposals for an adequately balanced tax package. I advocated savings and investment incentives geared toward smaller, less-capital-intensive businesses. That same day, NSB sponsored a breakfast during which it presented these views to House Members and staff involved with tax issues.

Response to these arguments came from House Ways and Means Committee majority members, who committed themselves to a balanced bill, and from Small Business Committee members, who introduced major small business legislation.

The association then furnished the economic evidence to support these provisions and organized a coalition of small business associations to gain their acceptance. The Ways and Means Committee subsequently incorporated 13 of NSB's 16 proposals-11 in full and 2 in part-in its reported bill, H.R. 4242. Adoption of these provisions would have allocated an estimated \$26.6 billion in direct tax benefits to small business between 1981 and 1986 from the corporate rate costs, expensing, used machinery credits, and accumulated earnings provi-

As a result of the committee's inclusion of these proposals, the Hance-Conable bill, H.R. 4260, also incorporated 13 of the proposals-6 in full and 7 in part-to insure \$6.1 billion in direct savings for small business. As a result of the July 29 House vote for the Republican measure, the 13 NSB proposals listed below will be enacted, in whole or in part, into law.

SCORECARD AS OF JULY 29, 1981—PROVISIONS RECOMMENDED BY THE NATIONAL SMALL BUSINESS ASSOCIATION IN TESTIMONY OF MAR. 30, 1981, ACCEPTED INTO MAJOR HOUSE AND SENATE TAX BILLS

	Senate Finance Committee, House Joint Resolution 266	Administration (Conable-Hance bill H.R. 4260)
Increase in used machinery investment credit, up to at least \$250,000. 15-year period for structures, more flexible period for equipment. No depreciation on progress payments for property taking more than 2 years to build	Yes. Yes. Yes (20 percent regular, 25 percent historic structures)	Partial (same). Do. Do. Yes. Yes (same). No. Partial.
Credit against social security tax increases Capital gain tax reduction to 20 percent Estate tax exclusion to \$600,000 Inventory reform LIFO/cash accounting Research and development credit Savings incentives targeted to construction and local business/IRA-LERA	Partial study and indexing, pooling, and 3 year LIFO spread	Yes. No. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes

^{*} Total accepted in whole, 6.

* Total accepted in substantial part, 7.

In addition, NSB has contributed important technical information and analysis throughout the bill's development. On numerous occasions, when the Treasury Department was unable to provide material, NSB has done so and has provided essential explanamation to Members of Congress and their staffs.

In summary, NSB has been an active partner in the formulation, development and writing of the business segments of the 1981 tax bill. It has been

tions and interpretations of that infor- a superb, effective advocate of the American small business community, which plays a major role in providing the products, services, jobs, innova-tion, competition, and opportunities that make our country great. Beyond this, NSB has shown us what a responsible private trade association can contribute to the economy and the public interest for all our citizens.

LEGISLATION INTRODUCED TO LEGALIZE STRIKES BY FEDER-AL EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Conyers) is recognized for 60 minutes and to revise and extend his remarks.

Mr. CONYERS. Mr. Speaker, today I have introduced legislation to extend to the air traffic controllers and all Federal employees the right to engage in full collective bargaining, including the right to strike. I would like to describe this legislation and urge its expedited consideration before the Post Office and Civil Service Committee, to which it has already been referred.

It seems to me, Mr. Speaker and those Members of the House who are remaining, that we have an unusual situation pending as we move to recess; namely, that the President of the United States has threatened action that is without precedent in the history of collective bargaining in the United States of America. Hopefully, to be of some assistance in this impasse, I have offered this legislation which would allow Federal employees to have the right to engage in other concerted activities for the purpose of collective bagaining or other mutual aid for their protection to the same extent as is permitted under Federal law in the case of employees in the private sector; and that in addition nothing should be construed to interfere with or impede or diminish in any way the right to strike or to effect the limitations or qualifications on that right.

I am asking that we call an end to the fiction of pretending that Government employees somehow are different from all of the other kinds of work forces in America, are precluded from the right to engage in collective bargaining which may sometimes, under certain conditions, include the right to

This legislation that I have introduced not only pertains to the air traffic controllers, but it pertains to all Federal employees, all of the many of whom may have collective-bargaining representation. It also includes post office workers, and to that extent it repeals that part of the Hatch Act.

Now, further, I would say to my colleagues that this right to strike needs to be considered in the light of the reality that policemen are striking throughout the United States, many of them legally. Firemen are striking. Doctors have the right to strike. Hospitals close down. Nurses strike, teachers strike, but somehow Federal employees, merely because they work for the Government and are in our collec-

tive grip, do not have the right to strike because, contrary to all of the laws on collective bargaining, we write it into the Federal law that they will not have the right to strike.

How come? Well, because of the socalled doctrine of public service, which says that they have a duty and a responsibility as public servants that they ought not to be able to enjoy those rights of collective bargaining that pertain to everyone else.

I say that to penalize Government employees by claiming their public employment precludes them from effective bargaining is a fiction that ought to shame at least a majority of the Members of the House and the Senate to repeal this anachronistic and outworn legislation. You can be a good and noble public employee, dedicated to the public interest, but in the course of collective bargaining by majority vote in your union, may have to resort to the right to strike. I suggest that that right is no less important to a small union like the air traffic controllers as it is to a large union like the post office employees.

So, I argue today and will before the committee that has jurisdiction over this legislation that the time has come that we remove the prohibition on full, unfettered collective bargaining of Federal employees, and to make it easier for this administration with the impasse that they are currently faced with, I make the legislation effective retroactive to January 1, 1981.

THE FEDERAL COURTS CIVIL PRIORITIES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Kastenmeier) is recognized for 5 minutes.

• Mr. KASTENMEIER. Mr. Speaker, it is with great pleasure that I, accompanied by the respected ranking minority member of my subcommittee (Mr. Railsback), introduce the Federal Courts Civil Priorities Act. In brief, the bill repeals virtually all provisions expediting civil cases in the Federal, district, and circuit courts. The proposed legislation permits the courts to establish the order of hearing for certain civil actions.

Although not expressly stated, it is envisioned that if a court wants to set its own priorities by local rule, it will fall under the residual responsibility of the appropriate judicial council of the circuit. Pursuant to a law passed by the 96th Congress—to become effective on October 1, 1981—the judicial councils must make all necessary and appropriate orders for the effective and expeditious administration of justice within their circuits. This gives the circuit councils residual authority to expedite certain types of cases within their circuits. The proposed legislation also provides that where

good cause is shown a matter can be expedited by an individual judge or court.

The bill does not affect existing priorities in criminal cases, as codified in the Speedy Trial Act, in rule 50 of the Federal Rules of Criminal Procedure and in rule 9(b) of the Federal Rules of Appellate Procedure. Likewise, several provisions that involve collateral attacks-through the writ of habeas corpus-on federally imposed criminal sentences and contempt orders for refusal to testify are left untouched. In reality, these types of cases are quasicriminal in nature. Last, as in present practice, actions for temporary or permanent injunctive relief will continue to receive priority treatment.

The genesis for the proposed legislation is in a resolution of the American Bar Association dated February 1977. In a report of the ABA Special Committee on Coordination of Judicial Improvements—the committee that recommended the resolution—the rationale for the legislation is bluntly stated:

The average practicing lawyer with a civil case on appeal to a Circuit Court of Appeals would be astonished if he were told that his appeal will never be heard. The word has not yet spread far, but, for the average civil case, that is exactly the situation in some Circuits, and it will soon be true in others. The reason? A mass of cases required by statute to receive priority hearing is docketed ahead of his, and more are being added faster than the existing ones can be handled.

Staff of my Subcommittee on Courts, Civil Liberties, and the Administration of Justice, working with legislative counsel and the Administrative Office of the U.S. Courts, have located 50 civil statutes that accord some sort of priority treatment in the courts in which the respective matters are brought. These civil priorities range from the Federal Insecticide, Fungicide, and Rodenticide Act to the Outer Continental Shelf Lands Act; from the Federal Seed Act to the Federal Sugar Act: from the Central Idaho Wilderness Act to the Railroad Unemployment Insurance Act.

An examination of all the priorities leaves the reader with the indelible impression that the creation of a statutory priority by Congress is not done pursuant to a legislative finding that the matter is more important than other matters which become the subject of litigation. Rather, it is done on piecemeal basis by drafters of legislation who are trying to get the best treatment for their bill's subject matter. Often after years of hearings, much debate and weeks of markup, legislative subcommittees become convinced that a particular matter raises the most important issues facing this country. As a consequence, a statutory civil priority is created and a matter filed in Federal court presumably gets better calendar treatment than other

kinds of cases. In this manner, Seed Act cases get preferential treatment over most securities, banking, or civil rights cases, which historically have not been accorded priorities.

In addition, now that there are so many priorities, with no cross-referencing between them, it is impossible for conscientious courts to determine fairly and rationally how to assign calendar priorities. Some of the priorities are mutually contradictory, each mandating that matters falling within a certain category be heard before any other case.

The numerous civil priorities have caused grave problems in the larger circuits. Although Congress, through legislation drafted by my subcommittee, recently split the existing fifth circuit into two autonomous circuits, in terms of caseload, the two new circuits still will be among the largest in the country. In the large circuits-in particular the ninth circuit-the docket becomes so crowded with criminal and priority civil cases that for matters without priority status the possibility of never being heard becomes a stark reality. As an alternative, in order to move on nonpriority cases, the circuit must ignore the express mandate of Congress and ignore priority cases. In both circumstances, citizen confidence in the administration of justice is lessened, either because of inordinate delays in nonpriority cases or because of failure to respect the mandates of a civil priority.

The bill is not only drafted to address past problems but to reduce the proliferation of priorities in the future. By stating that, "Notwithstanding any law to the contrary, each court of the United States shall determine the order in which civil actions are heard and determined * * *," the legislation allows courts to ignore newly created priorities not placed directly in 28 U.S.C. 1657. Other committees which want to create priorities will have to amend title 28, and this presumably will stimulate joint and/or sequential referrals to the Committee on the Judiciary. Then, the Judiciary Committee can maintain a more centralized and rational control than has existed in the past.

The concept embodied in the proposed legislation has already garnered substantial support in the legal and judicial communities. In addition to being supported by the American Bar Association, it has attracted support from the Court Administration Committee of the Judicial Conference of the United States. During its July 1981 meeting, the committee unanimously approved the bill and recommended endorsement by the Judicial Conference. The full Conference will consider the bill, and hopefully will approve it at its September meeting.

In conclusion, I urgently recommend the bill to my colleagues. The proposed legislation follows:

H.R. 4396

A bill to permit courts of the United States to establish the order of hearing for certain civil matters, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Courts Civil Priorities Act".

SEC. 2. (a) Chapter 111 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1657. Priority of civil actions

"Notwithstanding any law to the contrary, each court of the United States shall determine the order in which civil actions are heard and determined, except that the court shall expedite the consideration of any action brought under chapter 153 or section 1826 of this title, any action for temporary or permanent injunctive relief, or any other action if good cause therefor is shown."

(b) The table of sections for chapter 111 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1657, Priority of civil actions.".

Sec. 3. (a) The following provisions of law are repealed:

(1) Section 309(a)(10) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(11)).

(2) Section 310(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437h(c)).

(3) Section 552(a)(4)(D) of title 5, United States Code.

(4) Section 1 of the Act of February 11, 1903, commonly known as the Expediting Act (15 U.S.C. 28).

(5) Section 21(f)(3) of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1(f)(3)).

(6) Section 12(e)(3) of the Coastal Zone Management Improvement Act of 1980 (16 U.S.C. 1463a(e)(3)).

(7) Section 3310(e) of the Internal Revenue Code of 1954.

(8) Section 6110(f)(5) of the Internal Revenue Code of 1954.

(9) Section 6363(d)(4) of the Internal Revenue Code of 1954.

(10) Section 2602 of title 28, United States Code.

(11) Section 10(i) of the National Labor Relations Act (29 U.S.C. 160(i)).

(12) Section 4003(e)(4) of the Employee Retirement Income Security Act of 1974 (29

U.S.C. 1303(e)(4)).
(13) Section 304(e) of the Social Security
Act (42 U.S.C. 504(e)).

(14) Section 814 of the Act of April 11, 1968 (42 U.S.C. 3614).

(15) Section 23(d) of the Outer Continental Shelf Lands Act (43 U.S.C. 1349(d)).

(b)(1) Section 6(a) of the Commodity Exchange Act (7 U.S.C. 8(a)) is amended by striking out "The proceedings in such cases in the court of appeals shall be made a preferred cause and shall be expedited in every way."

(2)(A) Section 6(c)(4) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136d(c)(4)) is amended by striking

out the second sentence.

(B) Section 16(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136n(b)) is amended by striking out the last sentence.

(3) Section 204(d) of the Packers and Stockyards Act, 1921 (7 U.S.C. 194(d)), is amended by striking out the second sentence.

(4) Section 366 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1366) is amended in the fourth sentence by striking out "At the earliest convenient time, the court, in term time or vacation." and inserting in lieu thereof "The court".

(5)(A) Section 410 of the Federal Seed Act (7 U.S.C. 1600) is amended by striking out "The proceedings in such cases in the court of appeals shall be made a preferred cause and shall be expedited in every way.".

(B) Section 411 of the Federal Seed Act (7 U.S.C. 1601) is amended by striking out "The proceedings in such cases shall be made a preferred cause and shall be expedited in every way."

(6) Section 816(c)(4) of the Act of October 7, 1975, commonly known as the Department of Defense Appropriation Authorization Act of 1976 (10 U.S.C. 2304 note), is amended by striking out the last sentence.

(7) Section 5(d)(6)(A) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)(6)(A)) is amended by striking out "Such proceedings shall be given precedence over other cases pending in such courts, and shall be in every way expedited."

(8)(A) Section 7A(f)(2) of the Clayton Act (15 U.S.C. 18a(f)(2)) is amended to read as follows: "(2) certifies to the United States district court for the judicial district within which the respondent resides or carries on business, or in which the action is brought, that it or he believes that the public interest requires relief pendente lite pursuant to this subsection, then upon the filing of such motion and certification, the chief judge of such district court shall immediately notify the chief judge of the United States court of appeals for the circuit in which such district court is located, who shall designate a United States district judge to whom such action shall be assigned for all purposes."

(B) Section 11(e) of the Clayton Act (15 U.S.C. 21(e)), is amended by striking out the first sentence.

(9) Section 5(e) of the Federal Trade Commission Act (15 U.S.C. 45(e)) is amended by striking out the first sentence.

(10)(A) Section 309(e) of the Small Business Investment Act of 1958 (15 U.S.C. 687a(e)) is amended by striking out the sixth sentence.

(B) Section 309(f) of the Small Business Investment Act of 1958 (15 U.S.C. 687a(f)) is amended by striking out the last sentence.

(C) Section 311(a) of the Small Business Investment Act of 1958 (15 U.S.C. 687c(a)) is amended by striking out the last sentence.

(11) Section 155(a) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1415(a) is amended by striking out "(1)" and by striking out paragraph (2).

(12) Section 503(b)(3)(E) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2003(b)(3)(E)) is amended by striking out clause (ii) and redesignating clauses (iii) and (iv) and clauses (ii) and (iii), respectively

(13) Section 11 of the Act of September 28, 1976 (16 U.S.C. 1910), is amended by striking out the last sentence.

(14) Section 1108 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3168) is amended to read as follows:

"INJUNCTIVE RELIEF

"Sec. 1108. No court shall have jurisdiction to grant any injunctive relief lasting longer than ninety days against any action pursuant to this title except in conjunction with a final judgment entered in a case involving an action pursuant to this title.'

(15)(A) Section 10(b) of the Central Idaho Wilderness Act of 1980 is amended by strik-

ing out paragraph (3).

(B) Section 10(c) of the Central Idaho Wilderness Act of 1980 is amended to read as follows:

"(c) Any review of any decision of the United States District Court for the District of Idaho shall be made by the Ninth Circuit Court of Appeals of the United States.

(16)(A) Section 1964(b) of title 18, United States Code, is amended by striking out the

second sentence.

(B) Section 1966 of title 18, United States Code, is amended by striking out the last

(17)(A) Section 408(i)(5) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a(i)(5)), is amended by striking out the last sentence.

(B) Section 409(g)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(g)(2)), is amended by striking out the last sentence.

(18) Section 8(f) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 618(f)) is amended by striking out the last sentence.

(19) Section 4 of the Act of December 22, 1974 (25 U.S.C. 640d-3), is amended by striking out "(a)" and by striking out subsection (b)

(20)(A) Section 9010(c) of the Internal Revenue Code of 1954 is amended by striking out the last sentence.

(B) Section 9011(b)(2) of the Internal Revenue Code of 1954 is amended by striking

out the last sentence.
(21)(A) Section 2284(b)(2) of title 28, United States Code, is amended by striking out the last sentence.

(B) Section 2349(b) of title 28, United States Code, is amended by striking out the last two sentences.

(22) Section 10 of the Act of March 23, 1932, commonly known as the Norris-La-Guardia Act (29 U.S.C. 110), is amended by striking out "with the greatest possible ex-pedition" and all that follows through the end of the sentence and inserting in lieu thereof "expeditiously".

(23) Section 11(a) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 660(a)) is amended by striking out the last

sentence.

(24) Section 106(a)(1) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 816(a)(1)) is amended by striking out the last sentence.

(25) Section 1016 of the Impoundment Control Act of 1974 (31 U.S.C. 1406) is amended by striking out the second sen-

(26) Section 3628 of title 39, United States Code, is amended by striking out the fourth

(27) Section 1450(i)(4) of the Public Health Service Act (42 U.S.C. 300j-9(i)(4)) is

amended by striking out the last sentence.
(28)(A) Section 2004(e) of the Revised Statutes of the United States (42 U.S.C.

1971(e)) is amended-

(i) in the third paragraph, by striking out "An application for an order pursuant to this subsection shall be heard within ten days, and the execution of any order disposing of such application" and inserting in lieu thereof "The execution of an order disposing of an application pursuant to this subsection"; and

(ii) by striking out the first sentence of

the eighth paragraph.

(B) Section 2004(g) of the Revised Statutes of the United States (42 U.S.C. 1971(g)) is amended-

(i) in the first paragraph, by striking out to assign the case for hearing at the earliest practicable date," and by striking out ' and to cause the case to be in every way expedited"; and

(ii) by striking out the third paragraph. (29)(A) Section 10(c) of the Voting Rights Act of 1965 (42 U.S.C. 1973h(c)) is amended by striking out "to assign the case for hearing at the earliest practicable date," and by striking out ", and to cause the case to be in every way expedited"

(B) Section 301(a)(2) of the Voting Rights Act of 1965 (42 U.S.C. 1973bb(a)(2)) is amended by striking out ", and to cause the case to be in every way expedited'

(30)(A) Section 206(b) of the Civil Rights Act of 1964 (42 U.S.C. 2000a-5(b)) is amend-

(i) in the first paragraph, by striking out "to assign the case for hearing at the earliest practicable date," and by striking out ", and to cause the case to be in every way expedited"; and

(ii) by striking out the last paragraph (B) Section 706(f)(2) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-5(f)(2)) is

amended by striking out the last sentence. (C) Section 706(f)(5) of the Civil Rights of 1964 (42 U.S.C. 2000e-5(f)(5)) is

amended to read as follows: "(5) The judge designated to hear such case may appoint a master pursuant to rule 53 of the Federal Rules of Civil Procedure.".

(D) Section 707(b) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-6(b)) is amended-

(i) in the first paragraph, by striking out "to assign the case for hearing at the earliest practicable date," and by striking out ", and to cause the case to be in every way expedited": and

(ii) by striking out the last paragraph.

(31) Section 2 of the Act of February 25, 1885 (43 U.S.C. 1062), is amended by striking out "; and any suit brought under the provisions of this section shall have precedence for hearing and trial over other cases on the civil docket of the court, and shall be tried and determined at the earliest practicable day

(32) Section 203(d) of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652(d)) is amended by striking out the

fourth sentence.

(33) Section 5(f) of the Railroad Unemployment Insurance Act (45 U.S.C. 355(f)), is amended by striking out ", and shall be given precedence in the adjudication thereof over all other civil cases not otherwise entitled by law to precedence'

(34) Section 402(g) of the Communications Act of 1934 (47 U.S.C. 402(g)) is

amended-

(A) by striking out "At the earliest convenient time the" and inserting in lieu thereof "The"; and

(B) by striking out "10(e) of the Administrative Procedure Act" and inserting in lieu thereof "706 of title 5, United States Code"

(35) Section 12(a) of the Military Selective Service Act of 1967 (50 U.S.C. App. 462(a)) is amended by striking out the last sentence.

CONFERENCE REPORT ON THE OMNIBUS BUDGET RECONCILI-ATION ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. Jones) is recognized for 5 minutes.

• Mr. JONES of Oklahoma. Speaker, due to an error in the printing of the conference report to accompany H.R. 3982, the Omnibus Budget Reconciliation Act 1981. of SCHEUER's signature on the part of the Committee on Science and Technology for both the conference report and the statement of managers was omitted from pages 18453 and 18572 of the CONGRESSIONAL RECORD, Wednesday. July 29, 1981.

The original papers reflect that Mr. Scheuer signed the signature sheets for both the conference report and the statement of managers.

Also, the following statement managers was inadvertently omitted in the printing of the conference report:

The House bill contains no authorization for the National Science Foundation.

The Senate amendment contains an authorization for the National Science Foundation of \$1.0445 billion in fiscal year 1981 and of \$1.108 billion in fiscal year 1982.

The conferees agree to the House posi-

The statement of managers regarding the Office of Juvenile Justice and Delinquency Prevention should have appeared in the conference report as follows:

TITLE XV. DEPARTMENT OF JUSTICE AND RELATED PROGRAMS

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

The House bill provides that the total amount of appropriations to carry out title I and title II of the Juvenile Justice and Delinquency Prevention Act of 1974 shall not exceed \$70,000,000 for each of the fiscal years 1982, 1983, and 1984.

To carry out the purposes of title II the Senate amendment authorizes the appropriation of \$77,000,000 in fiscal year 1982, \$77,500,000 in fiscal year 1983, and \$74,900,000 in fiscal year 1984.

The conferees agree to a substitute provision which authorizes appropriations as contained in the Senate amendment. It is the intention of the conferees that the Office of Juvenile Justice and Delinquency Prevention focus increased attention to problems of the serious juvenile offender, particularly with regard to restitution programs and Project New Pride. The conferees also recommend that continued attention be paid to training, education, technical assistance and practical research related to police, prosecutors, youth workers, volunteers and others working with juveniles and juvenile delinquency related problems.

RUNAWAY AND HOMELESS YOUTH ACT

The House bill repeals the Runaway and Homeless Youth Act (title III of the Juvenile Justice and Delinquency Prevention Act of 1974).

The Senate amendment contains no similar provision.

It is the intention of the conferees that Runaway and Homeless Youth Act (Title III of the Juvenile Justice and Delinquency Prevention Act of 1974) not be re-pealed. The conferees further strongly urge the President to transfer authority under Title III and administration of Title III programs to the ACTION Agency from the Department of Health and Human Services pursuant to the existing reorganization plan fering additional services such as improvisions of Section 331 of the Act.

HELP FOR THE AUTOMOBILE INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. TRAXLER) is recognized for 5 minutes.

Mr. TRAXLER. Mr. Speaker, today, have introduced, with the distinguished gentleman from Indiana (Mr. HILLIS), a bipartisan bill to amend title II of the Clean Air Act concern-

ing mobile sources.

The amendments seek to fine tune the act, while preserving its important features which are aimed at protecting the public health. The amendments. which I discussed with many people and entities, including representatives of the automobile industry, its suppliers, and its workers, represented by the United Automobile Workers, are complimentary to proposals introduced by fellow Members to portions of the act. I expect that they will be considered as part of a package of amendments to the entire act.

I also understand that these title II amendments are generally supported by those primarily interested in these provisions of the act, including representatives of the industry and its workers. These representatives had the opportunity to review the bill before its introduction and have indi-

cated their support for it.

I intend, at a later date, to explain in greater detail these provisions and the strong support for this bipartisan approach to the title II amendments. It is my sincere hope that the administration will support these changes in the law. They are designed to help the automobile industry and preserve jobs, while not diminishing the public health achievements of the act to date, or those benefits which could be expected in the future.

It is my hope that along with this title II bill the needed changes in the act can and will be achieved this year.

I urge strong support for H.R. 4400, together with the fine tuning of the act.

FINANCIAL INSTITUTIONS COMPETITION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LaFalce) is recognized for 30 minutes.

• Mr. LaFALCE. Mr. Speaker, we are witnessing today vigorous competition between depository institutions and money market mutual funds for the savings of consumers. Money market funds have been able to mount a strong challenge to traditional savings institutions in today's inflationary environment because of the high interest rates they are able to pay. Moreover, the money market funds have been ofmediate money transfer which have made them very similar to depository institutions

Depository institutions, understandably, are reacting strongly to the competitive pressure from money market funds. Some elements of the depository industry support various proposals to rein in the money market funds as a means of stemming the outflow of savings and protecting themselves. Their strategy is to try to restore the competitive balance by lowering the interest rate that money markets can pay on investments and by restricting their money transfer services. These proposals have been given a thorough airing at congressional hearings, and the prospects for their adoption remain, I am pleased to say, slim. So, we are still left with a situation of unequal competition between depository institutions and money market funds.

I am introducing today legislation that, I hope, will redirect the debate on how to handle the new competition in the financial industry. This legislation is identical with a measure already introduced in the Senate by Senator Chaffe and cosponsored by Chairman GARN of the Banking Committee, former Banking Committee Chairman PROXMIRE, and Senator Ha-YAKAWA. The cosponsorship list of the Senate bill is a clear indication of the strong support this approach has in the Senate.

The bill is intended to equalize competition, not by imposing restraints on money market funds but by allowing commercial banks, savings banks, savings and loan associations, and credit unions to establish their own money market mutual funds and to sell shares to their customers. Those institutions which prefer not to set up their own funds will be allowed to sell shares of money market funds of any other institution.

In dealing with the money market problem, the emphasis should be placed on leveling the field of competition on the upside rather than on the downside. The small saver is at last receiving a high rate of return on his or her savings through the money market funds. We cannot sacrifice the small saver as we seek to equalize competition between money markets and depository institutions. Moreover, I do not think the 5 million investors in money market funds would sit by idly if Congress were to consider seriously means of limiting their investment returns.

The problems created by today's unequal competition compel us to rethink the structure of the financial industry and give serious consideration to the bill I am introducing. It is clear that the legal restrictions in place over the past half century are an anachronism today. The legal barriers that have separated the securities and

banking industries have already been eroded by dramatic changes taking place in the financial world. We should at last acknowledge that many deposit-taking institutions have developed substantial expertise in the field. They currently provide for a variety of investment services for their trust and agency accounts. Money market fund management does not differ substantially from the services depository institutions already provide. Thus, there is no reason to shield the money market funds from competition with depository institutions or to shield depository institutions from competition with money markets. Let them compete vigorously with the consumer being the ultimate beneficiary.

The bill being introduced will bring about the needed changes by amending the Investment Company Act of 1940. Investment companies would be organized and operated by depository institutions in compliance with the Investment Company Act, and their shares registered under the Securities Act. The actual operation of the fund will be regulated by the Securities and Exchange Commission. To promote uniform training, experience, and sales practice standards, the bill provides for the Federal Financial Institutions Examination Council to develop appropriate regulations. It is expected that such sales-related standards will be adopted by the regulatory agencies, and the standards are to be implemented by the Federal agency with regulatory responsibility. primary Where there is no such Federal regulation, the SEC will have enforcement responsibility.

A copy of my bill follows:

H.R. 4397

A bill to authorize new powers for depository institutions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Financial Institutions Competition Act"

SEC. 2. Section 22 of the Investment Company Act of 1940 (15 U.S.C. 80a-22) is amended by adding at the end thereof the

"(h)(1) Notwithstanding the paragraph numbered 'Seventh' of section 5136 of the Revised Statutes (12 U.S.C. 24), the twentieth paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 335), sections 20, 21, and 32 of the Banking Act of 1933 (12 U.S.C. 377, 378, and 78), and the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.), a bank, a bank holding company or a subsidiary thereof, a savings and loan association, a savings bank, or a credit union-

"(A) may organize, sponsor, operate, control, or render investment advice to an investment company (including a company which would be an investment company except for the provisions of section 3(c)(1) of this title); or

"(B) may underwrite, distribute, sell, or issue securities of any investment company if the officers and employees of the banks, savings banks, savings and loan associations, or credit unions who sell or issue such securities meet such standards with respect to training, experience, and sales practices as the agencies referred to in paragraphs (2) and (3), in consultation with the Financial Institutions Examination Council, shall prescribe by regulation.

"(2) Compliance with the standards established under paragraph (1)(B) shall be enforced under-

"(A) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of— "(i) national banks, by the Comptroller of

the Currency:

"(ii) member banks of the Federal Reserve System (other than national banks), by the Board of Governors of the Federal Reserve System; and

"(iii) banks and savings banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation;

"(B) section 5(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)), section 407 of the National Housing Act (12 U.S.C. 1730), and section 17 of the Federal Home Loan Bank Act (12 U.S.C. 1437), by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions: and

"(C) the Federal Credit Union Act (12 U.S.C. 1751 et seq.), by the National Credit Union Administration Board with respect to any federally insured credit union.

"(3) For the purpose of the exercise by any agency referred to in paragraph (2) of its powers under any Act referred to in such paragraph, a failure to meet any standard prescribed under paragraph (1)(B) of this subsection shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (2), each of the agencies referred to in such paragraph may exercise, for the purpose of enforcing compliance with any such standard, any other authority conferred on it by law. Except to the extent that enforcement of such standards is specifically committed to some other Government agency under paragraph (2), the Securities and Exchange Commission shall enforce such standards.

"(4) A savings and loan association, savings bank, or credit union shall not be deemed to be a 'broker' or 'dealer', as such terms are defined in section 3 of the Securi-ties Exchange Act of 1934 (15 U.S.C. 78c), by reason of its engaging in any of the functions described in this subsection.

"(5) For purposes of this subsection, the terms 'bank holding company' and 'subsididary', with respect to a bank holding company, shall have the same meaning given such terms in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).".

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Jones of North Carolina (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. LUNGREN (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted

(The following Members (at the request of Mr. Davis) to revise and extend their remarks and include extraneous material:)

Mr. Jeffords, for 10 minutes, today. Mr. Smith of New Jersey, for 15 minutes, today.

(The following Members (at the request of Mr. MATSUI) to revise and extend their remarks and include extraneous material:)

Mr. Forp of Michigan, for 5 minutes,

today

Mr. Reuss, for 10 minutes, today. Mr. Gonzalez, for 30 minutes, today. Mr. Annunzio, for 5 minutes, today.

Mr. ST GERMAIN, for 10 minutes,

Mr. UDALL, for 15 minutes, today. Mr. ROSTENKOWSKI, for 15 minutes, today.

Mr. Conyers, for 60 minutes, today. Mr. KASTENMEIER, for 5 minutes,

Mr. Jones of Oklahoma, for 5 minutes, today.

Mr. Traxler, for 5 minutes, today. Mr. LaFalce, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. WALGREN, to revise and extend his remarks.

(The following Members (at the request of Mr. Davis), and to include extraneous matter:)

Mr. KRAMER. Mr. DICKINSON.

Mr. FINDLEY.

Mr. FIELDS in four instances.

Mr. PHILIP M. CRANE.

Mr. Hype in four instances.

Mr. Erlenborn in two instances.

Mr. LOEFFLER.

Mr. GOLDWATER in two instances.

Mr. HILLIS.

Mr. Roth in two instances.

Mr. LAGOMARSINO.

Mr. SHUMWAY.

Mr. DREIER.

Mr. RITTER in two instances.

Mr. Collins of Texas.

Mr. PAUL.

Mr. McClory.

Mr. GILMAN in three instances.

Mrs. HECKLER.

Mr. Marks in two instances.

Mr. MARTIN of New York. Mr. DERWINSKI in four instances.

Mr. KEMP.

Mr. WEBER of Ohio.

(The following Members (at the request of Mr. MATSUI) and to include extraneous matter:)

Mr. PEASE.

Mr. DE LA GARZA in 10 instances.

Mr. OTTINGER in six instances.

Mr. Long of Lousisana.

Mr. STOKES in 16 instances. Mr. ALEXANDER in two instances.

Mr. Hoyer in two instances.

Mr. Garcia in two instances.

Mr. HERTEL

Mr. FOLEY.

Mr. DINGELL in four instances.

Mr. Gaydos in two instances.

Mr. Anderson in 10 instances.

Mr. BREAUX.

Mr. Gonzalez in 10 instances.

Mr. Rosenthal in 10 instances.

Mrs. Bouquard in five instances.

Mr. Hamilton in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 in-

Mr. Boner of Tennessee in five instances

Mr. Kastenmeier.

Mr. OBERSTAR.

Mr. SOLARZ.

Mr. PEYSER.

Mrs. Boggs.

Mr. STUDDS.

Mr. Rose.

Mr. O'NEILL. Mr. SHAMANSKY.

Mr. LANTOS.

Mrs. Schroeder.

Mr. GUARINI. Mr. SKELTON.

Mr. WALGREN.

Mr. Weiss in two instances.

Mr. HUBBARD.

Mr. BLANCHARD in two instances.

Mr. TRAXLER in four instances.

Mr. EDGAR in three instances.

Mr. GEJDENSON.

Mr. Ford of Michigan.

Mr. RICHMOND in six instances.

Mr. FOGLIETTA.

Mr. PATTERSON.

Mr. Scheuer in two instances.

Mr. Bailey of Pennsylvania.

Mr. SCHUMER.

Mr. Fazio.

Mr. McDonald in 10 instances.

Mr. IRELAND.

Mr. ZEFERETTI.

Mr. Conyers in two instances.

Mr. RANGEL.

Mr. AuCoin in two instances. Mr. BENJAMIN.

Mr. DELLUMS.

Ms. FERRARO.

Mr. ALBOSTA.

Mr. STARK in two instances.

Mr. DANIELSON.

Mr. Gaydos in two instances.

Mr. BEDELL.

Mrs. Byron.

Mr. Lowry of Washington.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from

the Speaker's table and, under the rule, referred as follows:

S.J. Res. 53. Joint resolution to provide for the designation of September 6, 1981, as "Working Mothers' Day"; to the Committee on Post Office and Civil Service; and

S.J. Res. 98. Joint resolution to authorize and request the President to issue a proclamation designating October 16, 1981, as "World Food Day"; to the Committee on Post Office and Civil Service.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolution of the Senate of the following titles:

S. 640. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to extend the authority of the Mayor to accept certain interim loans from the United States and to extend the authority of the Secretary of the Treasury to make such loans;

S. 1278. An act entitled the "Saccharin Study and Labeling Act Amendment of

1981": and

S.J. Res. 64. Joint resolution designating August 31, 1981, as "National Blinded Veterans Recognition Day."

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

[Omitted from Congressional Record of July 31, 1981]

H.R. 4074. An act to revise the laws pertaining to the Maritime Administration.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1100. An act to amend title 38, United States Code, to improve certain benefit programs of the Veterans' Administration for veterans who are former prisoners of war, and for other purposes; and

H.J. Res. 141. Joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 4, 1981, through October 10, 1981, as "National Schoolbus Safety Week."

BILL AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, a bill, and joint resolutions of the House of the following titles:

On July 30, 1981:

H.J. Res. 191. A joint resolution designating August 8, 1982, as "National Children's Day" and

Day"; and H.J. Res. 84. A joint resolution designating the week of October 4 through October 10, 1981, as "National Diabetes Week."

On July 31, 1981:

H.R. 4074. An act to revise the laws pertaining to the Maritime Administration.

ADJOURNMENT TO WEDNESDAY, SEPTEMBER 9, 1981

Mr. HAWKINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of Senate Concurrent Resolution 27, 97th Congress, the House stands adjourned until 12 o'clock meridian, Wednesday, September 9, 1981.

Thereupon (at 3 o'clock and 23 minutes p.m.), pursuant to Senate Concurrent Resolution 27, the House adjourned until Wednesday, September 9, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1936. A letter from the Acting Comptroller General of the United States, transmitting his review of the proposed rescissions, deferrals, and revised deferrals of budget authority contained in the message from the President dated June 19, 1981 (H. Doc. No. 97-63), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 97-80); to the Committee on Appropriations and ordered to be printed.

1937. A letter from the General Counsel of the Department of Defense, transmtting a draft of proposed legislation to amend title 10, United States Code, to permit persons from foreign countries to receive instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy, and for other purposes; to the Committee on Armed Services.

1938. A letter from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Little Rock Air Force Base, Ark., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1939. A letter from the Secretary of Education, transmitting proposed final regulations to govern the veterans' cost-of-instruction payments program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on

Education and Labor.

1940. A letter from the Secretary of Health and Human Services, transmitting a report on State compliance with medicaid utilization control requirements, pursuant to section 1903(g)(6) of the Social Security Act, as amended; to the Committee on Energy and Commerce.

Energy and Commerce, 1941. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered

into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1942. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting a report on the inventory of nonpurchased foreign currencies as of March 31, 1981, pursuant to section 613(c) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1943. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Air Force, pursuant to 5 U.S.C. 552a(o); to the Committee on Gov-

ernment Operations.

1944. A letter from the General Counsel, Securities and Exchange Commission, transmitting notice of a proposed new records system, and of changes in an existing system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1945. A letter from the employee benefits and risk manager, Fourth District Farm Credit Institutions, transmitting the annual report of the district's retirement plan for calendar year 1980, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

1946. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to amend section 207(c)(1) of the Federal Property and Administrative Services Act of 1949, as amended, to change the criteria therein so that the provisions of section 207 shall not apply to disposals of surplus real property having an estimated fair market value less than \$1 million; to the Committee on Government Operations.

1947. A letter from the Acting Comptroller General of the United States, transmitting a report on the potential for civil agencies to recover silver from photographic wastes (PLRD-81-48, July 31, 1981); to the Committee on Government Operations.

1948. A letter from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to amend chapter 25 of title 18, United States Code, to provide penalties for the forging of endorsements on, or fraudulently negotiating, U.S. checks or bonds or securities, and for other purposes; to the Committee on the Judiciary.

to the Committee on the Judiciary. 1949. A letter from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to amend chapter 84, section 1752 of title 18, United States Code, to authorize the Secretary of the Treasury to establish zones of protection for certain persons protected by the U.S. Secret Service; to the Committee on the Judiciary.

1950. A letter from the Secretary of Housing and Urban Development, transmitting the semiannual report on energy conservation standards for new buildings, pursuant to section 311(4) of Public Law 94-385; jointly to the Committees on Banking, Finance and Urban Affairs, and Energy and Commerce.

1951. A letter from the Acting Comptroller General of the United States, transmitting a report on safety and health activities at the Department of Energy's nuclear facilities (EMD-81-108, Aug. 4, 1981); jointly to the Committees on Government Operations, Interior and Insular Affairs, Energy and Commerce, and Science and Technology.

1952. A communication from the President of the United States, transmitting a request for additional appropriation language for fiscal year 1982 for the Department of

Health and Human Services (H. Doc. No. 97-81); to the Committee on Appropriations,

and ordered to be printed.

1953. A communication from the President of the United States, transmitting proposed budget amendments for fiscal year 1982 from District of Columbia funds (H. Doc. No. 97-82); to the Committee on Appropriations, and ordered to be printed.

1954. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the military family housing maintenance function at Shaw Air Force Base, S.C. pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLU-TIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Govern-ment Operations. Report on Community Action and the CSA closure decision (Rept. No. 97-216). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 153. Concurrent resolution authorizing a bust or statute of Dr. Martin Luther King, Jr., to be placed in the Capitol (Rept. No. 97-217). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. H.R. 2632. A bill to amend Public Law 96-36 to authorize additional funds to plan for the development of the area south of the original Smithsonian Institution Building adjacent to Independence Avenue at 10th Street Southwest, in the city of Washington (Rept. No. 97-218). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 4372. A bill to amend section 9006 of the Internal Revenue Code of 1954 to provide for funding of the Federal Election Commission from amounts designated for the Presidential Election Campaign Fund under section 6096 of such code; to the Committee on House Administration.

By Mr. BEDELL (for himself, Mr. McDade, Mr. Lewis, Mr. MITCHELL of Maryland, Mr. CONTE, NOWAK, Mr. IRELAND, Mr. SEIBER-LING, Mr. MARRIOTT, Mr. TAUKE, Mr. MURPHY. Mr. MCKINNEY. Mrs. Snowe, Mr. Clay, Mr. Atkinson, Mr. Edgar, Mr. Wilson, Mr. Coelho, Mr. STANTON of Ohio, Mr. WILLIAMS of Ohio, Mr. HOLLENBECK, Mr. BROWN of Ohio, Mr. WOLPE, Mr. SUNIA, Mr. DASCHLE, Mr. STANGELAND, Mr. WORT-LEY, Mr. FISH, Mr. DWYER, Mr. Fog-LIETTA, Mr. DIXON, Mr. CONYERS, Mr. KOGOVSEK, Mr. ROE, Mr. SOLOMON, Mr. HAGEDORN, Mr. LAFALCE, Mr. FORSYTHE, Mr. WEBER OF Ohio, Mr. Daub, Mr. Marks, and Mr. Fazio):

H.R. 4373. A bill to amend the Small Business Act to strengthen the role of the small, firms in federally funded re search and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy; to the Committee on Small Business.

By Mr. BIAGGI (for himself and Mr. Jones of North Carolina):

4374. A bill to improve the international ocean commerce transportation system of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. CONYERS: H.R. 4375. A bill to grant Federal employees the right to strike; to the Committee on Post Office and Civil Service.

By Mr. PHILLIP BURTON:

H.R. 4376. A bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries; to the Committee on Education

H.R. 4377. A bill to amend the National Labor Relations Act to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes; to the Committee on Education and Labor.

By Mr. BUTLER:

H.R. 4378. A bill to amend section 8312 of title 5, United States Code, to provide that a Member of Congress may not be paid an annuity under the civil service retirement system for service as a Member if convicted of any felony which occurred in connection with his employment as a Member and is punishable by imprisonment for 2 or more years, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CORRADA: H.R. 4379, A bill to amend title II of the Social Security Act to provide for the continuation of the statutory minimum benefits under such title in certain cases in which benefits under the supplemental security income program under title XVI of such act are not generally available to individuals who formerly received such mini-mum benefits; to the Committee on Ways and Means

By Mr. PASHAYAN:

H.R. 4380. A bill to establish the water project insurance fund in order to assist water authorities in the financing of the construction and reclamation, irrigation, and other water-related projects, and to provide the Secretary of the Interior with the authority to administer such fund; to the Committee on Interior and Insular Affairs.

By Mr. CRAIG: H.R. 4381. A bill to permit certain leases and float home permits in the Heyburn State Park of Idaho; to the Committee on

Interior and Insular Affairs.

By Mr. DASCHLE: H.R. 4382. A bill to amend the Social Security Act to provide for improved manage ment of the social security trust funds and increase the return on investments to those funds; to the Committee on Ways and Means

By Mr. DELLUMS:

H.R. 4383. A bill to establish minimum prison and parole standards in the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. HOWARD, Mr. ANDERSON, and Mr.

H.R. 4384. A bill to eliminate certain gender-specific language in the Interstate Commerce Act (49 U.S.C. 10101, et seq.); jointly, to the Committees on Energy and Commerce, and Public Works and Transpor-

By Mr. DIXON:

H.R. 4385. A bill to authorize the Attorney General of the United States to make grants and contracts to carry out local programs for the prevention of community crime; to the Committee on the Judiciary.

By Mr. DUNCAN (for himself and Mr.

EMERY):

H.R. 4386. A bill to amend the Internal Revenue Code of 1954 to provide that certain individuals will not be treated as manufacturers for purposes of the excise tax on sporting goods or firearms, and for other purposes; to the Committee on Ways and

By Mr. ERLENBORN: H.R. 4387. A bill to amend the Black Lung Benefits Act to make certain changes in the eligibility requirements established in such act, to establish the Office of Special Coun-sel for the Black Lung Disability Benefits Trust Fund, and for other purposes; jointly. to the Committees on Education and Labor, and Ways and Means.

By Mr. ERLENBORN (for himself, Mr. Ashbrook, and Mr. Johnston):

H.R. 4388. A bill to amend the Federal Employees Compensation Act, and for other purposes; to the Committee on Education and Labor.

By Mr. GONZALEZ:

H.R. 4389. A bill to establish the National Commission for Utilization and Expansion of Language Resources; to the Committee on Education and Labor.

By Mr. GRAMM:

H.R. 4390. A bill to remove artificial impediments on the use of natural gas and to provide incentives for increased natural gas production; to the Committee on Energy and Commerce.

By Mr. HILLIS:

H.R. 4391. A bill to amend the Comprehensive Employment and Training Act to provide a career intern program to encourage school districts and community-based organizations to carry out programs to improve the educational employment opportunity for youths; to the Committee on Education and Labor.

By Mrs. HOLT (by request):

H.R. 4392. A bill to provide for payment to members of the Armed Forces of compensation at the rate of \$10 per day for each day spent in hiding during World War II to evade capture by the enemy; to the Committee on the Judiciary

By Mr. HOYER: H.R. 4393. A bill to promote the domestic recruiting of teachers for teaching positions in overseas dependents' schools of the Department of Defense, and for other purposes; to the Committee on Post Office and

> By Mr. HOYER (for himself and Mr. BARNES):

H.R. 4394. A bill to amend titles 5 and 37, United States Code, to authorize the pay of Federal employees and uniformed service personnel to be continued during periods in which the enactment of appropriations is delayed; jointly, to the Committees on Post Office and Civil Service, and Armed Serv-

By Mr. KASTENMEIER:

H.R. 4395. A bill to extend to all petit and grand jurors in the U.S. district courts eligibility for compensation for work injuries under title 5. United States Code, to provide for the taxing of attorney fees, as court costs, for a court appointed attorney in an action brought by a juror to protect his employment rights, and to authorize the service of jury summonses by ordinary mail; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself

and Mr. RAILSBACK): H.R. 4396. A bill to permit courts of the United States to establish the order of hearing for certain civil matters, and for other purposes; to the Committee on the judiciary.

By Mr. LAFALCE:

H.R. 4397. A bill to authorize new powers for depository institutions; jointly, to the Committees on Banking, Finance and Urban Affairs, and Energy and Commerce.

By Mr. LANTOS:

H.R. 4398. A bill to fight violent crime and crime organizations, to stem the flow of drugs from abroad, and to improve the administration of the criminal justice system; to the Committee on the Judiciary.

Mr. LUJAN (for himself and Mr.

BREAUX):

H.R. 4399. A bill to establish a national policy to provide for the timely notice, conduct, approval, and record of Federal land surveys, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TRAXLER (for himself and

Mr. HILLIS):

H.R. 4400. A bill to amend the Clean Air Act; to the Committee on Energy and Commerce

By Mr. McCOLLUM:

H.R. 4401. A bill to amend the Depository Institutions Deregulation and Monetary Control Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NAPIER (for himself, Mr. Der-RICK, Mr. HARTNETT, Mr. CAMPBELL, Mr. EMERSON, Mr. PASHAYAN, Mr. HOLLAND, Mr. BAILEY Of Missouri,

and Mr. SPENCE):

4402. A bill to amend the Internal Revenue Code of 1954 to provide an additional 10-percent investment tax credit for farm irrigation property; to the Committee on Ways and Means

By Mr. PATTERSON (for himself, Mr. HAWKINS, Mr. DIXON, Ms. FIED-LER, Mr. DYMALLY, Mr. MOORHEAD, Mr. Roybal, Mr. Brown of California, Mr. Waxman, and Mr. Ander-SON):

H.R. 4403. A bill to grant easements across Federal lands to the city of Los Angeles for its Mono Basin Aqueduct and to preserve to the city of Los Angeles all of its existing rights and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RITTER:

H.R. 4404. A bill to provide that petroleum company overcharges paid to the United States shall be available for completing the Strategic Petroleum Reserve; to the Committee on Energy and Commerce.

By Mrs. SCHROEDER:

H.R. 4405. A bill to amend title 10, United States Code, to provide for legal assistance to members of the Armed Forces and their dependents, and for other purposes; to the Committee on Armed Services.

H.R. 4406. A bill to amend the Animal Welfare Act to insure the humane treatment of laboratory animals; jointly, to the Committees on Agriculture, Energy and Commerce, and Science and Technology.

By Mr. SCHULZE: H.R. 4407. A bill to amend the Trade Act of 1974 in order to authorize the President

to respond to foreign practices which unfairly discriminate against U.S. investment abroad; to the Committee on Ways and Means

By Mr. SCHULZE (for himself, Mr. VANDER JAGT, Mr. BRODHEAD, and Mr. HEFTEL):

H.R. 4408. A bill to amend the Energy Tax Act of 1978 to allow certain additional refunds relating to the repeal of the excise tax on buses; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. Kastenmeier, Mr. Pease, Mr. VENTO, Mr. WEAVER, Mr. MITCHELL of Maryland, and Mr. Gejdenson):

H.R. 4409. A bill to preserve the diversity and independence of American business; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey: H.R. 4410. A bill to amend the Education of the Handicapped Act to provide for permanent authorizations of appropriations for certain discretionary grant programs administered by the Secretary of Education; to the Committee on Education and Labor.

By Mr. TAUKE (for himself, Mr. Beil-ENSON, Mr. ERDAHL, Mr. NEAL, and

Mr. RAILSBACK):

H.R. 4411. A bill to amend the Internal Revenue Code of 1954 to provide farmers a refundable income tax credit for acreage with respect to which the farmer uses conservation tillage practices; to the Committee on Ways and Means.

By Mr. WHITTEN: H.R. 4412. A bill to restore rights accorded private citizens against slander and libel to public officials and candidates for public office; to the Committee on the Judiciary.

By Mr. ZEFERETTI: H.R. 4413. A bill to increase the penalties for large-scale marihuana smuggling; jointly, to the Committees on Energy and Commerce and the Judiciary

By Mr. BROWN of Ohio:

H. Con. Res. 170. Concurrent resolution dissapproving the proposed sale to Saudi Arabia of AIM-9L air-to-air missiles, the FAST auxiliary fuel and equipment pods for the F-15 fighter, and the five airborne warning and control aircraft (AWACS) ordered by Saudi Arabia; to the Committee on Foreign Affairs

By Mr. ERDAHL:

H. Con. Res. 171. Concurrent resolution expressing the sense of Congress with respect to the development of a national policy on obsolete job skills; to the Committee on Education and Labor.

By Mr. FINDLEY (for himself, Mr. PRICE, Mr. BADHAM, Mr. CORCORAN, Mr. BROOMFIELD, Mr. COURTER, Mr. DERWINSKI, Mr. DYSON, Mr. EMERY, Mr. FOGLIETTA, Mr. GLICKMAN, Mr. JEFFORDS, Mr. LAGOMARSINO, Mr. PRITCHARD, Mr. REGULA, Mr. SUNIA, Mr. White, Mr. Whitehurst, Mr. Wilson, Mr. Winn, and Mr.

H. Con. Res. 172. Concurrent resolution relating to sea lane security; to the Committee on Foreign Affairs.

By Mr. GRISHAM:

H. Con. Res. 173. Concurrent resolution expressing the sense of the Congress that the United States should embark on a program to construct a permanent manned operations center in low Earth orbit within 10 years, and for other purposes; to the Committee on Science and Technology.

By Mr. BROWN of Ohio (for himself

and Mr. Waxman): H.J. Res. 316. Joint resolution to designate the week of April 19 through 25, 1982, as

"National Nurse-Midwifery Week"; to the Committee on Post Office and Civil Service. By Mr. FINDLEY:

H.J. Res. 317. Joint resolution concerning peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. LEACH of Iowa:

H.J. Res. 318. Joint resolution to designate October 1981 as "National P.T.A. Membership Month"; to the Committee on Post Office and Civil Service.

By Mr. DYSON:

H. Res. 204. Resolution expressing the sense of the House of Representatives in paying tribute to Washington College; to Committee on Post Office and Civil Service.

By Mr. RITTER:

H. Res. 205. Resolution expressing the sense of Congress that the air traffic controllers should immediately end their strike by returning to work while continuing their negotiations with the Secretary of Transportation; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

165. The SPEAKER present a memorial of the House of Representatives of the State of Texas, relative to foreign acquisition of mineral interests in U.S. lands; jointly, to the Commission Energy and Commerce, and Interior and Insular Affairs,

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PEPPER:

H.R. 4414. A bill for the relief of Aerelia Margot Elizabeth Kaeslin: to the Committee on the Judiciary.

By Mr. PETRI:

H.R. 4415. A bill for the relief of Elmer L. Bridson; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 25: Mrs. FENWICK and Mr. GRAMM. H.R. 52: Mr. GIBBONS, Mr. SIMON, Mr. HATCHER, and Mr. Davis.

H.R. 100: Mr. AUCOIN, Mrs. Boggs, Mr. CLINGER, Mr. ERDAHL, Mr. FOGLIETTA, Mr. FRENZEL, Mr. GONZALEZ, Mr. GREEN, Mr. Mavroules, and Mr. Vento.

H.R. 110: Mr. GEJDENSON.

H.R. 157: Mr. HAGEDORN, Mr. McCollum, and Mr. NAPIER.

H.R. 158: Mr. JEFFRIES.

H.R. 568: Mr. HAMILTON. H.R. 654: Mr. GINGRICH.

H.R. 758: Mr. BEVILL

H.R. 808: Mr. Fish. H.R. 835: Mr. Patterson.

H.R. 870: Mr. Bailey of Pennsylvania, Mrs. Chisholm, Mr. Clay, Mr. Conte, Mr. Conyers, Mr. Corrada, Mr. James K. COYNE, Mr. DORGAN of North Dakota, Mr. EDWARDS Of California, Mr. Frank, Gray, Mr. Howard, Mr. Jeffords, Mitchell of Maryland, Mr. Savage, Mr. SIMON, Mr. VENTO, Mr. WAXMAN, Mr. WEISS, Mr. Wolpe, Mr. Yatron, and Mr. Young of

H.R. 992: Mr. DANIEL B. CRANE, Mr. DE LA Garza, and Mr. Napier.

H.R. 1010: Mr. NAPIER.

H.R. 1313: Mr. ROTH, Mr. BOLAND, Mr. GUARINI, Mr. SENSENBRENNER, Mr. PORTER, and Mr. BINGHAM.

H.R. 1502: Mr. NELSON.

H.R. 1509: Mr. McHugh. H.R. 1585: Mr. Daniel B. Crane. H.R. 1662: Mr. Patterson.

H.R. 1776: Mr. PHILIP M. CRANE, Mr. DYSON, Mr. HERTEL, Mr. LANTOS, Mr. LONG of Maryland, Mr. Napier, Mr. Nelligan, Mr. ROEMER, and Mr. CARNEY.

H.R. 1984: Mr. HAMILTON.

H.R. 2137: Mr. BEREUTER. H.R. 2250: Mr. Lowry of Washington.

H.R. 2251: Mr. Ottinger, Mr. Sunia, Mr. Richmond, Mr. Blanchard, Mr. Edgar, Mr. McClory, Mr. Marriott Mr. Staton of West Virginia, Mr. ERDAHL, Mr. SCHEUER, and Mr. Hoyer.

H.R. 2439: Mr. BRODHEAD, Mr. BROWN of California, Mr. PHILLIP BURTON, Mr. DIXON, Mr. Eckart, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Fauntroy, Mrs. FENWICK, Mr. HOYER, Mr. KILDEE, Mr. LOWRY Of Washington, Ms. MIKULSKI, Mr. MAVROULES, Mr. MOTTL, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. ROSENTHAL, Mr. SEIBERLING, Mr. STARK, Mr. WEAVER, Mr. WEISS, Mr. WON PAT, Mr. GIBBONS, and Mr. CORRADA.

H.R. 2445: Mr. Nelligan. H.R. 2488: Mr. Hoyer.

H.R. 2501: Mr. EDWARDS of California, Mr. FORSYTHE, Mr. OTTINGER, Mr. BOWEN, Mr. BARNARD, Mr. LUNDINE, Mr. FRENZEL, Mr. JOHNSTON, Mr. BAFALIS, Mr. PATTERSON, and Mr. ALEXANDER.

H.R. 2646: Mr. McClory.

H.R. 2793: Mr. Washington and Mr. RAILSBACK.

H.R. 2832: Mr. Traxler, Mr. Stangeland, Mr. Hertel, Mr. Roe, and Mr. Davis.

H.R. 2889: Mr. CHENEY, Mr. LEATH OF Texas, Mr. Marlenee, Mr. Pashayan, Mr. Fazio, Mr. Hansen of Idaho, and Mr. Craig.

H.R. 3001: Mr. Albosta, Mr. Daniel B. Crane, Mr. Dougherty, Mr. Edwards of Oklahoma, Mr. Hansen of Utah, and Mr.

LOTT

H.R. 3009: Mr. PATTERSON, Mr. EDGAR, Mr. OTTINGER, Mr. CROCKETT, Mr. AKAKA, Mr. PHILLIP BURTON, Mr. MATSUI, Mrs. CHIS-HOLM, Mr. SEIBERLING, Mr. PEASE, Mr. FARY, Mr. Conyers, Mrs. Schneider, Mr. Fazio, Mr. Lowry of Washington, Mr. WEAVER, Mr. ATKINSON, Mr. VENTO, Mr. DELLUMS, Ms. FERRARO, and Mr. WAXMAN.

H.R. 3039: Mr. Conyers, Mr. Bedell, Mr. BUTLER, Mr. BINGHAM, Mr. LANTOS, Mr. SABO, Mr. PRITCHARD, Mr. BAILEY OF Pennsylvania, Mr. JACOBS, Mr. EDGAR, Mrs. CHISHOLM, Mr. CROCKETT, Mr. HARKIN, Mr. GING-

RICH, and Mr. KEMP.

H.R. 3182: Mr. WRIGHT, Mr. GARCIA, Mr. DELLUMS, Mr. MITCHELL of Maryland, Mrs. CHISHOLM, Mr. CROCKETT, Mrs. COLLINS of Illinois, Mr. Dixon, Mr. Hawkins, Mr. Pat-terson, Mrs. Shamansky, Mr. Foglietta, Mr. Fauntroy, Mr. Vento, Mr. Sunia, Mr. Conyers, Mr. Richmond, Mr. Savage, and Mr. Fish.

H.R. 3269: Mr. SYNAR, Mr. HAMMER-

SCHMIDT, and Mr. WHITLEY.

H.R. 3300: Mr. Coats, Mr. Tauzin, Mr. ROUSSELOT, Mr. JONES OF OKIAHOMA, Mr. ROBERTS OF KANSAS, Mr. PASHAYAN, Mr. ERTEL, Mr. MURPHY, Mr. LAGOMARSINO, Mr. BLILEY, Mrs. Snowe, and Mr. Natcher. H.R. 3314: Mr. Davis.

H.R. 3575: Mr. Bennett, Mr. Dowdy, Mr.

Fazio, Mr. Goldwater, and Mr. Nichols. H.R. 3614: Mr. Benedict, Mr. Bliley, Mr. MONTGOMERY, Mr. D'AMOURS, Mr. BEDELL, Mr. WATKINS, Mr. KOGOVSEK, Mr. PATTERson, Mr. Evans of Delaware, and Mr.

COELHO.
H.R. 3823: Mr. Martin of New York and Mr. OTTINGER.

H.R. 3891: Mr. LAGOMARSINO, Mr. DER-WINSKI, Mr. KASTENMEIER, Mr. BURGENER, Mr. Forsythe, Mr. Sensenbrenner, Mr. MITCHELL of New York, Mr. ANTHONY, Mr. WILSON, and Mr. SAWYER.

H.R. 3892: Mr. Lagomarsino, Mr. Derwinski, Mr. Kastenmeier, Mr. Burgener, Mr. Forsythe, Mr. Sensenbrenner, Mr. MITCHELL of New York, Mr. ANTHONY, Mr. WILSON, and Mr. SAWYER.

H.R. 3904: Mr. FINDLEY and Mr. ROTH. H.R. 3909: Mr. DE LA GARZA, and Mr. TRAX-

H.R. 3958: Ms. OAKAR, Mr. MURPHY, Mr.

AUCOIN, Mr. JAMES K. COYNE, and Mr.

H.R. 3976: Mr. GLICKMAN, H.R. 3985: Mr. TAUKE, Mr. MURPHY, Mr. RAHALL, and Mr. BEREUTER.

H.R. 3986: Mr. TAUKE, Mr. MURPHY, Mr. RAHALL, and Mr. BEREUTER.

H.R. 3987: Mr. Tauke, Mr. Murphy, Mr. Rahall, and Mr. Bereuter.

H.R. 4031: Mr. Hamilton, Mr. Weaver, Ir. Yates, Mr. Rosenthal, Mr. White-Mr. YATES. HURST, Mr. WALKER, Mr. BARNES, Mr. MILLER of California, Mr. Won Pat, Mr. Mollohan, Mr. Dougherty, Mr. Wilson, Mr. Downey, Mr. FISH, Mr. RICHMOND, Mr. McKINNEY, Mr. Shamansky, Mr. Long of Louisiana, Ms.

OAKAR, and Mrs. Bouquard. H.R. 4057: Mr. Dellums, Mr. Erdahl, and

Mr. FISH.

H.R. 4122: Mr. PEPPER, Mr. RINALDO, Mr. SHUMWAY, Mr. JEFFORDS, Mr. HOLLENBECK, Mr. Biaggi, Mr. Sunia, Mr. Scheuer, Mr. LANTOS, Mr. FOGLIETTA, Mr. FAUNTROY, Mr. MURPHY, Mr. OBERSTAR, Mr. ERDAHL, Mr. FISH, Mr. FORSYTHE, Mr. FRENZEL, Mrs. HOLT, Mr. HORTON, Mr. GREGG, Mr. LIVING-STON, Mr. McCLORY, Mr. MARKS, Mr. PETRI, Mr. STANTON of Ohio, and Mr. WHITEHURST.

H.R. 4161: Mr. SEIBERLING and Mrs.

BOUQUARD.

H.R. 4219: Mr. Bafalis. H.R. 4332: Mr. Breaux, Mr. Lowry of Washington, and Mr. Roybal. H.R. 4362: Mr. Railsback.

Res. 58: Mr. Hageborn and Mr. McCollum.

H.J. Res. 131: Mr. ATKINSON.

H.J. Res. 197: Mr. HARKIN. H.J. Res. 214: Mr. ATKINSON, Mr. BENNETT, Mr. Bonker, Mr. Brown of Ohio, Mr. BUTLER, Mr. CLAUSEN, Mr. CLAY, Mr. CONTE, Mr. FINDLEY, Mr. FUQUA, Mr. GORE, Mr. HUBBARD, Mr. KINDNESS, Mr. LOEFFLER, Mr. Long of Louisiana, Mr. Lujan, Mr. Marks, Mr. Martin of North Carolina, Mr. McClory, Mr. Miller of Ohio, Mr. Mitch-ELL Of New York, Mr. Montgomery, Mr. Natcher, Mr. O'Brien, Mr. Oberstar, Mr. Ottinger, Mr. Paul, Mr. Rinaldo, Mr. Rudd, Mr. Sharp, Mr. Stark, Mr. Walker, and Mr. WILSON.

H.J. Res. 220: Mr. GEPHARDT. H.J. Res. 268: Mr. ANDERSON, Mr. BEILEN-SON, Mr. CHAPPIE, Mr. DONNELLY, Mr. FOLEY, Mr. HUNTER, Mr. LEACH of Iowa, Mr. LEE, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MOORHEAD, Mr. MORRISON, Ms. OAKAR, Mr. PARRIS, Mr. SCHUMER, Mr. SIMON, and Mr. WILLIAMS of Ohio.

H.J. Res. 273: Mr. YATRON and Mr. NAPIER. H. J. Res. 285: Mr. ERTEL, Mr. BIAGGI, Mr. BARNARD, Mr. OBERSTAR, Mr. DASCHLE, Mr.

HUTTO, Mr. FOUNTAIN, Mr. SIMON. BROYHILL, Mr. ANDREWS, Mr. LANTOS, Mr. CORCORAN, Mr. LOTT, Mrs. HOLT, Mr. VANDER JAGT, Mr. WORTLEY, Mr. STANGELAND, Mr. BEVILL, Mr. RITTER, Mr. ROTH, Mr. BROWN of Ohio, Mr. McClory, Mr. Porter and Mr. Jones of North Carolina.

H. Con. Res. 1: Mr. PEPPER.

H. Con. Res. 17: Mr. PATTERSON, Mr. Gun-DERSON, Mr. HAGEDORN, Mr. DECKARD, Mr. Young of Missouri, Mr. Grisham, Mr. McCollum, and Mr. TRIBLE.

H. Con. Res. 101: Mr. Albosta, Mr. Beil-ENSON, Mr. CONYERS, Mr. JAMES K. COYNE, Mr. CRAIG, Mr. DANIEL B. CRANE, Mr. DAN DANIEL, Mr. DORGAN of North Dakota, Mr. DOUGHERTY, Mr. ECKART, Mrs. FENWICK, Mr. FOGLIETTA, Mr. GOODLING, Mr. HALL of Ohio. Mr. HERTEL, Mrs. HOLT, Mr. HUNTER, Mr. JEFFORDS, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LANTOS, Mr. McCollum, Mr. McCurdy, Mr. MARRIOTT, Mr. MAVROULES, Mr. MONTGOM-ERY, Mr. NEAL, Mr. OTTINGER, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RATCHFORD, Mr. SIMON, Mr. STOKES, Mr. WALKER, Mr. WAXMAN, Mr. WEISS, Mr. WHITEHURST, Mr. WON PAT, and Mr. COURTER.

H. Con. Res. 151: Mr. Markey, Mrs. Chis-HOLM, Mr. BEILENSON, Mr. CLAY, Mr. ED-WARDS Of California, Mr. OTTINGER, Mr. Brown of California, Mr. MITCHELL of Maryland, Mr. Jeffords, Mr. Scheuer, Mr. Frank, Mr. St Germain, Mr. Foglietta, Mr. WEAVER, Mr. EDGAR, Mr. ECKART, Mr. LOWERY Of California, Mr. GLICKMAN, Mr. Hansen of Utah, Mr. Barnes, and Mr. VENTO.

H. Con. Res. 159: Mr. HANSEN of Utah, Mr. SHUMWAY, Mr. LOWERY of California, Mr. Roe, Mr. Dornan of California, Mr. Dough-erty, Mr. Kemp, Mr. Young of Alaska, Mr. WHITEHURST, Mr. PORTER, and Mr. RITTER.

H. Res. 48: Mr. DAUB, Mr. DERRICK, Mr. GRAMM, Mr. HUTTO, Mr. MICA, and Mr. SAWYER.

H. Res. 101:Mr. RICHMOND.

H. Res. 142: Mr. TAUKE.

H. Res. 197: Mr. Won Pat, Mr. Benjamin. and Mr. Anderson.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

156. By the SPEAKER: Petition of the Executive Council of Church Women United, Estes Park, Colo., relative to military spending; to the Committee on appropriations.

157. Also, petition of the Hawaii County Council, Hilo, Hawaii, relative to the Hawaii Prepaid Health Care Act; to the Committee on Education and Labor.

158. Also, petition of the Executive Council of Church Women United, Estes Park, Colo., relative to foreign economic development; to the Committee on Foreign Affairs.

159. Also, petition of the annual meeting of the National Association of Attorneys General, Jackson Hole, Wyo., relative to funding for successful State and local criminal justice programs; to the Committee on the Judiciary.

160. Also, petition of the City Council, Santee, Calif., relative to nuclear weapons; to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3518

By Mr. BEARD:

-Page 3, immediately after line 21, insert the following new section 104 and redesignate subsequent sections of the bill accordingly:

RESTRICTION ON CONTRIBUTIONS TO THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

SEC. 104. (a) None of the funds authorized to be appropriated by section 102(a)(2) of this Act or by any other Act for "International Organizations and Conferences" may be used for payment by the United States of its contribution toward the assessed budget of the United Nations Educational, Scientific and Cultural Organization if that organization implements any policy or procedure the effect of which is to license journalists or their publications, to censor or otherwise restrict the free flow of information within or among countries, or to impose mandatory codes of journalistic practice or ethics.

(b) Not later than February 1 of each year, the Secretary of State shall report to the Congress with respect to whether the United Nations Educational, Scientific and Cultural Organization has taken any action described in subection (a) of this section.

H.R. 3603 By Mr. PEYSER: -Page 10, after line 13, insert the following new section:

LIMITATION ON ACQUISITION OF DAIRY
PRODUCTS

Sec. 107. Title II of the Agricultural Act of 1949 is amended by adding at the end thereof the following new section:

SEC. 204. (a) Notwithstanding section 201, the Secretary may not purchase butter or cheese during the period beginning on the date of the enactment of the Food and Agriculture Act of 1981 and ending September 30, 1985, if as a result of such purchase the Secretary or the Commodity Credit Corporation would own or control more than 100 million pounds of butter or more than 150 million pounds of cheese after the effective date of this section.

"(b) The sixth sentence of section 407 shall not apply with respect to milk and the products of milk, owned or controlled by the Commodity Credit Corporation on the effective date of this section to the extent that such sentence requires that sales be offset by purchases.

H.R. 4169

By Mr. BEARD:

-Page 32, insert the following immediately after line 23:

None of the funds appropriated in this title shall be used for payment by the United States of its contribution toward the assessed budget of the United Nations Educational, Scientific and Cultural Organization if that organization implements any policy or procedure the effect of which is to

license journalists or their publications, to censor or otherwise restrict the free flow of information within or among countries, or to impose mandatory codes of journalistic practice or ethics.

By Mr. ERTEL:

-Page 43 after line 14 insert the following new sections:

SEC. 508. Except for services provided to the Chief Justice of the United States, none of the funds provided in the Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency in the United States, excluding those positions from this provision which serve dual roles pertaining to a security or law enforcement function.

SEC. 509. Except for vehicles provided to the Chief Justice of the United States, or for other security or law enforcement purposes, none of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon. The requirements of this section may be waived by the Administrator of the General Services Administration for special purpose or special mission automobiles.

H.R. 4241

By Mr. JAMES K. COYNE

-Page 7, line 12, strike out "\$275,545,000" and insert in lieu thereof "\$260,635,000".

EXTENSIONS OF REMARKS

ALABAMA BAND HOTTEST COUNTRY GROUP

HON, RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. FLIPPO. Mr. Speaker, the University of Alabama football team is being challenged as the most nationally famous group in Alabama.

The hottest group in country music is a band from Fort Payne, appropri-

ately called "Alabama."

The band is composed of Jeff Cook, Randy Owens, and Teddy Gentry, three cousins all hailing from Fort Payne, Ala., and drummer Mark Herndon.

Their meteoric rise on the country music charts recently earned them the prestigious "Top Vocal Group of the Year" award given by the Academy of Country Music.

They are easily the hottest new group in country music, recently scoring their fourth No. 1 single in a row as "Feels So Right" charged to the summit. Previous No. 1 hits were "Old Flame," "Tennessee River," and "Why Lady, Why." They also have a top-selling album.

One of their early hits, "My Home's In Alabama," has become sort of a theme song for those of us who love country music and our beautiful State.

One hears so often about overnight successes in the entertainment field, while the truth is that most entertainers labor for years before they become "overnight" successes. This is true of Alabama.

The band has been working hard for 11 years, and only this year have they hit the top of the charts. However, the fact that they have four consecutive No. 1 hits indicates they have found the magic combination and are destined to become one of the most popular and successful groups of our time.

I think it speaks well of my State that after Alabama achieved the pinnacle in country music, they all decided to move back to Fort Payne. Now they travel all over the country playing to sellout audiences and come back home to the source of their success to rest and relax before the next tour.

They have brought fame and recognition to our great State by taking the name "Alabama" for their band and by writing such songs as, "My Home's In Alabama," "Tennessee River," and others

Jeff, Randy, and Teddy have not forgotten the home folk, as they recently did a benefit concert for Fort Payne High School. They reportedly plan a benefit concert for underprivileged children every year in Fort Payne.

Mr. Speaker, Alabama, the State, is indeed proud of Alabama, the band. On August 12, the nearby city of Scottsboro will honor the Alabama band with an appreciation luncheon at Goosepond Civic Center, sponsored by Central Bank. Mayor Roy Owen will present each member of the Alabama band with a key to the city.

Recently, the Fort Payne Times Journal paid tribute to the group with a 12-page supplement in its May 31 edition. I would like to include one article from that supplement entitled, "Alabama Has Weathered The Storm"

Blood is thicker than water, especially when it flows in the music business. More than 11 years ago, cousins Randy Owen, Jeff Cook and Teddy Gentry, known collectively as Alabama, decided that the recording studio was where they belonged, and they have been on a musical roller coaster ride ever since. There have been at least three times over those 11 years the group has been totally resigned to giving it all up. From personnel changes to injuries to utter disillusionment, Alabama has faced and weathered the storms that rocked other's boats and forced then to turn back.

boats and forced then to turn back.

Alabama first met musically in Ft. Payne,
Alabama, where Jeff was working for Western Electric, Randy going to school and
Teddy laying carpet. Randy (the youngest
of the three cousins) and Teddy grew up on
adjacent farms in the shadows of Lookout
Mountain, showing each other chords and
singing when the families got together, the
two formed a band with Jeff not only for
his local renown as a player, but also because he was the only one around with good
equipment—an important consideration at
that point in a band's evolution.

Around Christmas of 1969, Randy, Teddy and Jeff assembled to jam for the first time. They gathered several more times over the course of the ensuing year, but it took that long and a job offer at a nearby tourist park, Canyonland, to fuse them into an organized unit.

Every weekend, Canyonland brought in an established star which Alabama would back up then follow with a one-hour dance set. It exposed them to the influence of stars like Bobby Bare, Jerry Wallace and Cal Smith and formed their first thoughts of cracking Nashville.

Though Randy was still in school and the others at nowhere jobs, the direction was clear and the dedication soul-deep. "There just was nothing else." Randy states candidly. "We all set goals for ourselves and fully intend to make them. We never considered them easy but we never expected less."

them easy but we never expected less."

In the early 70's, Jeff took a government job in Anniston, Alabama, when there seemed to be no fire left in the dream of the cousins finding the musical brass ring together. Wanting to keep the band intact, Randy and Teddy moved to Anniston where

Teddy resumed his career as a carpet layer and brought Randy (fresh out of high school) into the profession as his assistant. "I told them Randy was my helper. He'd never laid carpet in his life," Teddy recalls.

But there was more to Anniston than the government and carpeting. The three became roommates and assembled every night after work to practice music, concentrating on harmonies. They pushed all their beds into the biggest room in the house so they could continue singing until they went to sleep. According to Jeff, "Even with the lights off we'd lay there in the dark and sing until one by one we'd drift off to sleep."

Alabama continued playing weekend dates and working day jobs until March of '73 when they decided it was all or nothing. They quit the government and carpeting, packed up and headed for Myrtle Beach, South Carolina, and started playing six nights a week in clubs there, making as much as the audience offered in tips. Although they had been writing songs all along, the move was the impetus to begin incorporating original material into the show and concentrate on perfecting it.

The stage success of their own songs prompted them to begin recording and pressing their own records which they personally distributed to regional radio stations.

After being turned down by nearly every label in Nashville, they were signed to GRT Records in 1977. They released "I Want To Be With You" which bottomed out at 77 in the national charts, lost in the excitement over fellow GRT releases "The Telephone Man" and "The King Is Gone." From the buzz created with the first records, Dallasbased MDJ Records and Larry McBride became interested in 1979. Owner Larry McBride signed them and took them to Nashville producer Harold Shedd, with whom he had been working on several projects. "I was very impressed with the group." Shedd states. "They were doing some of the things I wanted to do when I was playing."

With the ball in their court and things finally going their way, Alabama's drummer abruptly quit, and once more it appeared as though their efforts were all for naught. But after a month of searching, Mark Herndon entered the picture. He was the catalyst that tied it all together and put them in high gear.

The Alabama-Shedd collaboration resulted in the single "I Wanna Come Over." Although it peaked at 32, it spread the regional buzz into a national stir and laid the groundwork for "My Home's In Alabama" which reached into the top 20 in early 1980.

The stir cranked to a roar, and, as "My Home's In Alabama" climbed the national charts, the same Nashville labels that had initially turned Alabama down were turning their heads and noticing the success and potential.

In April 1980, the band signed with RCA, releasing the single "Tennessee River" and "Why Lady Why" from the album "My Home's In Alabama"—both Number One Country singles for the now-rising superstars. The debut LP was followed in February 1981 with the release of Feels So Right

[•] This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

which has spawned another hit single for the group from Ft. Payne, "Old Flame."

Reflecting on the rewards of success, Randy notes, "We really never thought we'd be here today. One year ago we were about as low as you can get, but, instead of giving up, we decided the only way was up and started over again." Teddy concurs, "We spent years to get to this point, and it's only taken months for it all to fall into place. I guess we made the right decision."

They may be from Alabama but they're at home everywhere.

Mr. Speaker, Alabama's dedication and hard work in the face of years of frustration have proven once again that the American dream is very much alive. If one works long enough and hard enough and really believes in himself, one can reach the top.

I commend Alabama to the Nation and offer my heartiest congratula-

THE PLIGHT OF RAISA RUDENKO

HON, RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 29, 1981

• Mr. McGRATH. Mr. Speaker, once again I rise to express anger over another example of the flagrant disregard of the Soviet Government for human rights and the tenets of the Helsinki accords which our Nation is a party to with the Soviets.

The arrest of Raisa Rudenko by officials of the Soviet Government has been made known only recently. Apparently out of fear of negative international public opinion, Communist agents arrested Mrs. Rudenko in April and refused to admit to any knowledge of her whereabouts. Information has now come from the Ukraine indicating that she is being detained somewhere in the Sovet Union.

Raisa Rudenko is the wife of Mykola Rudenko, a highly decorated veteran of World War II and a highly acclaimed writer and philosopher. He has been imprisoned since 1977 for "anti-Soviet agitation and propaganda." The charges against his wife have not been announced.

It is obvious that the Soviet Government has no intentions of fulfilling its commitment to human rights. The activities of the Rudenkos in the Ukrainian group established to monitor the Helsinki accords are the sole reason for their persecution and imprisonment.

Our duty as Americans is to continue to demand Soviet compliance with the Helsinki accords and use every possible peaceful means to obtain that compliance. The tide of international opinion and the indomitable spirits of the Rudenkos and others will someday bring about the respect for freedom and human rights which has been

sought for so long. I ask that all Members of this body continue to work and pray for that day.

CALIFORNIA CONDOR RECOVERY PROGRAM

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. GOLDWATER. Mr. Speaker, I have worked long and hard to insure funds for the preservation and habitat protection of the dying California condor.

There are only about 25 of these majestic birds left, but since 1975, we have begun a condor recovery program. For fiscal year 1982, we have earmarked \$250,000 for this plan.

The major thrust of this recovery effort is a 3-year program with two major provisions. The first provision is the capturing of nine condors for breeding purposes, and the second provision is the tagging of 12 condors with radio transmitters in order to more closely "track" their habits and flight patterns. A Federal permit by the U.S. Fish and Wildlife Service has already been granted, but the California Fish and Game Commission must grant a State permit as well.

Last Tuesday, the California Fish and Game Commission held a public hearing on whether to approve that State permit. A decision is expected this Friday, August 7. If approved, the plan would begin September 1.

Of course, there are those who will object to our attempts at saving the condor by radio telemetry and captive breeding. Some believe man should leave the condor alone, and preserve its habitat instead. The problem with this approach, however, is that we just do not know that much about the condor's habitat to preserve it. A condor can fly 300 miles in 24 hours, making scientific observation extremely difficult; hopefully, this well-prepared recovery program will give us that knowledge.

Recently, there have been successful results from the capturing of Andean condors in South America. Furthermore, Andean condors born in captivity and later released into the wild have adapted to their new habitat remarkably well, and experts believe similar results can be achieved by the California condor.

Mr. Speaker, we are desperately trying to save the remaining California condors. It would be inexcusable for us to preside over their extinction. I urge California's Fish and Game Commission to approve the State permit.

OPPOSITION VIEWS ON EL SALVADOR

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. STUDDS. Mr. Speaker, the twin issues of negotiations and elections have come to the forefront in recent weeks with respect to the ongoing civil struggle in the small Central American nation of El Salvador.

On July 16, Assistant Secretary of State Thomas Enders delivered a speech in Washington which outlined in some detail the U.S. position on these questions. More recently, the Political-Diplomatic Commission of the united opposition groups in El Salvador issued a statement providing their own views on these vital issues.

The Enders speech received wide publicity, and was excerpted in several major American newspapers. Although I do not by any means agree fully with the positions put forward by the Salvadoran opposition—just as I do not fully agree with those put forward by Secretary Enders—I believe that a full airing of the views on all sides is needed. Accordingly, I include the following statement in the Record, with the hope that it will be of interest to my colleagues:

POSITION OF THE FDR-FMLN'S POLITICAL-DIPLOMATIC COMMISSION ON ELECTIONS AND POLITICAL SOLUTION

On July 16, 1981, Assistant Secretary of State for Inter-American Affairs, Mr. Thomas O. Enders, defined U.S. government policy toward El Salvador in his speech delivered before the World Affairs Council.

The Political-Diplomatic Commission of the FDR-FMLN hereby makes the following statements in regards to this policy.

1. We acknowledge that there is a change in tone in Mr. Enders' presentation with respect to the Salvadorean situation and the parties involved in the conflict. Missing from Mr. Enders' speech is the extremist rhetoric characteristic of the present Administration, a rhetoric full of anti-communist slogans intended to conceal the lack of a consistent and defined foreign policy.

2. We acknowledge that a positive step has been taken by beginning to recognize that the Salvadorean conflict is "deeply rooted in domestic Salvadorean political and socioeconomic problems," thus abandoning the simplistic approach of Secretary of State Alexander Haig and the Reagan Administration which portrays the war in El Salvador as a confrontation between the United States and the Soviet Union.

3. However, it is important to discover the real U.S. policy toward El Salvador under the veil of the new language and analysis. Mr. Enders' closing statements clearly express this policy: The Reagan Administration will a) continue with its program of military and economic assistance to the Junta, and b) it will support and contribute to a "democratic solution" by means of elections.

4. The political solution the State Department proposes is that all parties that re-

nounce to violence should be encouraged to participate in the electoral process. For the American people choosing their representatives through elections is a normal and obvious process, but our historical experience in El Salvador is different. In our country elections have been used by all military dictatorships during the last fifty years to deceive the people. The most recent example took place in 1979: General Romero, confronted with the imminent collapse of his government, offered "free elections, with international supervision." The Christian Democratic Party, however, rejected that offer by declaring that as long as the fundamental political problems were not solved (i.e. political prisoners, dismantling the para-military organizations, halting repression, etc.), it was senseless to participate in elections. The Christian Democratic Party expressed this position in a manifesto entitled "Elections Are Not the Solution."

The Salvadoran people have been struggling against the military dictatorship, with arms in hand and through civil disobedience, for many years. This is so because peaceful channels have been systematically closed by the military. If the present prescription from the State Department is that we all peacefully return to elections, the least we can do is examine the real conditions under which the offer of elections is being made:

The same military officers who now offer "free elections," are those responsible for the systematic repression against all popular opposition to the regime. Proof of this are the thousands of murders that have been committed by the Army and Security Forces since January 1980. The MNR (Movimiento Nacional Revolucionario), the political party Mr. Enders is inviting to participate in elections, has had many of its members and leaders assassinated in the last eighteen months, two of its leaders are now in prison and its headquarters have been broken into and looted by the Security Forces.

Fundamental civil liberties are inexistent. For more than sixteen months the "state of decrees have suspended all constitutional rights and since January of this year the government has imposed martial law. News media has been subjected to censorship and those who have been more critical of the government have been physically destroyed by government forces, and their staffs have been assassinated, imprisoned, or exiled. This is the case of the newspapers El Independiente, Orientacion, La Cronica del Pueblo, and Voz Popular. Finally, almost the entire leadership of the opposition has been sentenced to death by the Armed Forces, and their names have been published in a hit list in Salvadoran newspa-

Colonel Garcia, the strong man in the government who is also the Minister of Defense, is the man who in 1972 was president of the national communications system through which one of the most blatant electoral frauds in our history was implemented; proof of this fraud can be found in the U.S. Congressional Record.

The absence of fair conditions for elections is so evident that even the Electoral Council has advised the eventual candidates to campaign through "paid advertisements in the press, radio and T.V., and remain outside the country." (El Diario de Hoy, July 16, 1981).

The FDR-FMLN is not alone in confirming the lack of minimum conditions for the electoral process. It has also been affirmed

by acting archbishop Rivera y Damas, the Salvadoran Bar Association, the Junta's ambassador to the U.S., and foreign observers such as Cardinal Arns, Mr. Ed Broadbent (leader of the New Democratic Party of Canada), members of the European Parliament, etc.

5. But if elections are not a viable political solution, what then remains in U.S. foreign policy toward El Salvador? The answer is simple: Economic and military aid. In practice the State Department's policy is reduced to its true essense: The search for the Junta's military victory over the Salvadoran people.

The State Department wishes to believe in elections because it is not willing to face the fundamental problem of its policy toward El Salvador. The military aid provided to the Junta, instead of helping to achieve a political solution is strengthening the High Command of the Armed Forces which is responsible for the indiscriminate killings and abuses against the people; it is increasing the suffering of the Salvadoran people and it is prolonging the war. We have to ask ourselves, how is it possible for the U.S. government to curb the violence of the Armed Forces if at the same time it provides them with training and arms to carry out the killing?

6. The FDR-FMLN believes that the rational method to bring an end to war and achieve a "genuinely pluralistic" democracy and social change in our homeland is to attack the fundamental problems through a process of discussions in which we, the Salvadorans, will elaborate our own solutions. In order to achieve this objective the FDR-FMLN proposes the following:

a. A comprehensive process of political negotiations involving the FDR-FMLN and the Salvadoran government.

b. Discussions must cover all fundamental problems based on an agenda to be agreed upon by both sides.

c. In order to guarantee a serious discussion and propitiate an understanding among the two parties, negotiations must take place with the participation of a group of mediators to be selected by both parties.

d. As a guarantee of the mediation process, both parties must have access to the mass media with the objective of explaining the process of mediation to the Salvadoran people.

e. Elections could be discussed as part of the comprehensive solution and within the process of mediation. The FDR-FMLN does not reject the electoral process, but it feels that minimum conditions must be created so that the people can freely express their sovereign will.

f. All agreements made by both parties will be consulted with the Salvadoran people who will be their sole and ultimate judge.

We make this proposal because we are convinced that the FDR-FMLN has developed enough military and political strength and we have the support and confidence of our people in defending their interests both, in the battlefield and in the discussion table.

7. Finally, the FDR-FMLN wants to make clear that it rejects the Reagan Administration's policy toward El Salvador not out of anti-American feelings or because we believe that everything that originates in the U.S. government is evil in principle, but because the State Department's proposal does not address the fundamental problems of our country and does not offer realistic and viable solutions. The cause of peace and deviable solutions.

mocracy could be served better if the State Department abandoned its old illusions and stopped deceiving itself through wishful thinking. The great North American people and the heroic Salvadoran people deserve, and are asking for, a more serious and realistic policy.

A CALL FOR THE RELEASE OF MYKOLA AND RAISA RUDENKO

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 29, 1981

• Mr. HORTON. Mr. Speaker, it has been 6 years since the United States, the Soviet Union, and many other nations of the world signed the Helsinki accords. This monument agreement affirms the universal rights of men to liberty, freedom, and self-determination. Since that time, there have been a multitude of violations of the accords, both documented and undocumented, by the Soviet Union. It deeply saddens me to hear of yet another usurption of basic freedoms in the Ukraine—the imprisonment of Mykola Rudenko.

Mr. Rudenko's sole crime is that he has publicly endorsed the provisions of the Helsinki accords and the human rights standards it establishes. In addition, Mr. Rudenko was a founding member of the Ukrainian Helsinki Monitoring Group, which has worked to make known the abusive treatment of Ukrainian dissentors. Because of his unwavering convictions, Mr. Rudenko is serving out a 12-year prison sentence.

Although reports indicate that Mr. Rudenko's health is deteriorating, to sustain his protest against his oppressors he is partaking in a hunger strike. Shortly after he began, the distressing news came that Mr. Rudenko's wife, Raisa, had disappeared. She has not arrived at scheduled appointments and neither friends or relatives have been able to locate her. Evidence would seem to substantiate speculation that she is being held against her will in retaliation for her husband's bold actions.

Truly, we must not stand by and allow these flagrant violations of the Helsinki accords to go unnoticed. Those of us who are fortunate enough to live in a free and just society must speak out against this repression.

As a member of the Ad Hoc Congressional Committee on the Baltic States and the Ukraine, I appeal to my colleagues and all freedom-loving people of the world to urge the high-ranking officials of the Soviet Government to make known the whereabouts of Mrs. Rudenko, and, in compliance with the Helsinki accords, allow them their freedom.

HAPPY BIRTHDAY SRI CHINMOY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. DOWNEY. Mr. Speaker, it is my pleasure and privilege to join my colleagues today in honoring Sri Chinmoy on his 50th birthday, August 27. This remarkable individual is a creative dynamo who has forged his accomplishments from marathoning to directing the meditation group at the United Nations, from scores of concerts across the Nation to creating a major cross-country bicycling route from New York to San Francisco, from his prize winning poetry to his hundreds of thousands of dynamic and colorful paintings. Through his Sri Chinmoy Centres across the Nation, Sri Chinmoy has inspired thousands of individuals through his outpouring in painting, music, composing, poetry, athletics, and as a dedicated public servant.

Sri Chinmoy's philosophy has much to do with the inner life, but parallel with this emphasis on contemplative experience is a strong affirmation of the value of material existence, and of the need to develop and transform every aspect of life through work and action. This view of reality is dynamic and also his profoundly positive view of human potential leads Sri Chinmoy to stress the transcendence of previously attained goals and the pressing

of limits.

Through his remarkable life he is illustrating that there is no end to our capacities for excellence as individuals or as a nation.

NATIONAL COMMISSION ON FOREIGN LANGUAGES

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. GONZALEZ. Mr. Speaker, for a number of years I have proposed a bill to establish a National Commission to preserve our non-English language resources. The Education and Labor Committee held hearings on my proposal in the 1970's which resulted in a provision being added to the Higher Education Act of 1975 that touched somewhat on my idea that we should preserve this Nation's heritage of language resources and utilize these resources in today's world.

However, I am convinced that our country still needs a National Commission to focus on the important role foreign languages play in our Nation and today I am again proposing a bill based on my original proposal. My bill calls for establishing a National Com-

mission for the Utilization and Expansion of Language Resources. The purpose of the Commission would be to develop a national policy for identifying, preserving, and improving our language resources as well as a program to encourage the development of language skills for use in nontraditional areas such as commerce, trade, and defense.

I believe that the reintroduction of my bill is particularly timely in view of the recent studies within the Government that show the need for foreign languages. For example, the intelli-gence/defense community has recenttestified regarding their severe shortage of language personnel. On July 15, 1981, Adm. Bobby R. Inman, Deputy Director of the Central Intelli-Agency testified before the gence House Postsecondary Education Subcommittee with regard to the declining foreign language ability of its employees and how this has impacted on the Agency's operations. During Admiral Inman's testimony it was brought out that it is becoming increasingly difficult to recruit personnel adequately trained in a foreign language because many colleges and universities no longer have foreign language requirements as part of their mandatory curriculum.

A GAO study showed that of the roughly 17,000 Federal overseas positions which require a competency in a foreign language, around 3,400 of these were vacant in 1979. The study also showed that the foreign language competency of the U.S. personnel assigned to these positions abroad is less than that required for maximum effectiveness and efficiency. Based on these statistics and Admiral Inman's comment that the intelligence community is especially vulnerable when it comes to the more exotic languages such as Arabic and Farsi, it is difficult not to wonder if some of the situations that have developed in the last few years in Iran and Afghanistan could have been mitigated by a better understanding and appreciation of their language and culture.

A third study known as the Perkins Commission on Foreign Language and International Studies stated that the presence of bilingual minority groups in the United States constitutes an as yet untapped reservoir of linguistic and cultural expertise which our Nation so desperately lacks, and I

could not agree more.

Mr. Speaker, I believe that we are all coming to realize that proficiency in a foreign language is vital to the efficient and effective operation in many areas of our Government. The Perkins Commission pointed out that our national incompetence in foreign languages is evidence of a very weak link in our efforts to develop an internationally competitive defense system, and that foreign languages, which are

important to the political, economic, and intellectual security of the United States have been overlooked and allowed to deteriorate.

From all of these studies the conclusion, unfortunately, is that we are wasting much of our national language resources by not utilizing the more than 28 million people in our Nation who speak foreign languages and we are minimizing the importance of foreign languages by not making any effort on the national level to sustain and support foreign language edu-

Mr. Speaker, I believe that it is important to point out that my bill in no way attempts to disestablish English as the common language of American unity, but rather to reinforce and maintain the other languages spoken in our country to be used to the benefit of our Nation.

While our Nation might not be abundantly rich in oil resources, we are rich with diverse peoples and cultures, yet to date there is no agency or branch of Government in charge of a full-scale incentive program to encourage social, educational and political associations, educational institutions. and educational systems at the State and local level to develop programs to preserve and expand our foreign language resources.

I am hopeful that this Congress will seriously consider my proposal to establish the Commission provided for in my bill. Study after study shows that the understanding of another language and culture is vitally important in communication with those across our borders and oceans, as well as within our own Nation. Let us not waste the resources we have but utilize them in the best interests of our Nation.

ATHLETIC ACHIEVEMENTS OF GALLAGHER CATHO-BISHOP LIC HIGH SCHOOL

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

· Mr. HERTEL. Mr. Speaker, I would like to bring to the attention of my colleagues the work of two high school coaches whose dedication to their jobs has given Bishop Gallagher Catholic High School in Harper Woods, Mich., some fine athletic achievements over the past two decades.

Women's basketball coach Joanne Shirkey has been at Gallagher for 18 years. During this period her teams have won seven divisional championships, one Catholic League championship and a State class B championship. In 1977 she was awarded the Detroit Free Press Basketball Coach of the Year and the Detroit News All-Metro

Basketball Coach.

Coach Shirkey has a B.S. in physical education and a M Ed. in guidance and counseling from Wayne State University. She has served as dean of students since 1963, women's athletic di-rector since 1961 and physical education department chairperson since 1964.

Likewise, James Bresciami, head coach of Bishop Gallagher's baseball team has an outstanding record of 406 wins and 118 losses. Over the 17 years he has coached at Gallagher his teams have won 10 league championships, 3 Catholic championships and 2 States

class A championships.

As a coach he has won many distinguished awards including: Detroit News Coach of the Year, 1971; Michigan Baseball Coaches Association Coach of the Year, 1973; Michigan High School Coaches Association Baseball Coach of the Year, 1979; Catholic League Coach of the Year, 1973; and he was inducted into the Catholic Coaches Hall of Frame, 1981.

Coaches Shirkey and Bresciami have maintained good, solid athletic teams over the years and have been an inspiration to their students and the com-

munity.

THE STORY OF A DREAM HOUSE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. HYDE. Mr. Speaker, I was very touched by an article I read in the Chicago Tribune recently about the efforts of Charles and Gay Marino to help establish a home away from home for parents whose children were patients at Children's Memorial Hospital. They wanted to help found a home near the hospital for the families of sick children who wanted to be-and needed to be-close to their children.

I believe the history of this special home which started as a dream of one man and became a reality through a concerted effort, is extraordinary. Charles and Gay Marino, Dr. Edward S. Baum, the Catholic Archdiocese of Chicago and John Cardinal Cody, McDonald's Corp. and the Children's Oncology Services of Illinois, Inc., all recognition and special deserve

thanks.

I am pleased to share this inspiring article with my colleagues:

[From the Chicago Tribune, July 30, 1981] "MIRACLE" LEADS TO DREAM "HOME"

(By Vicki Kemper)

Charlie Marino believes a miracle saved his daughter's life six years ago, and he has been paying back her good luck with his gratitude ever since.

He doesn't say much about the hundreds of children with cancer or leukemia and their families he has helped; they simply are other miracles that happened because he was willing to dream and to invest himself in his dream.

Life was not always this way for the 47year-old Loop lawyer.

We were just a normal family of six," Marino said. "We were busy living life like everyone else; doing a lot of nothing, frankly, but not realizing it.'

Then Marino's youngest child and only daughter, Gage, was diagnosed as having leukemia. She was 5 years old.

'It was absolutely terrifying," Marino re-

Gage's pediatrician referred the family to Children's Memorial Hospital, and life for Marino and his wife, Gay, became a cycle of hospital visits, chemotherapy, and anxiety.

When Gage developed a serious side effect

from the chemotherapy, she was hospitalized in intensive care, and Marino and his wife spent 24 hours a day in the hospital. They slept on chairs and benches and took turns going home for showers and to change clothing. They shared their grief with other parents

Gage's condition worsened until she even-

tually was put on a respirator.

We were terrified of losing her," Marino said. "We were praying and hoping for a miracle and we received one. On July 21, 1975, she turned the corner and started coming back."

Gage, now 12 years old, receives treat-ments once every four months.

When it became clear that his daughter was going to pull through, Marino began thinking of how to help other parents whose children were hospitalized. He wanted to help parents who had no place to stay when they brought their children to the hospital for treatment.

"I started dreaming about whether it might be possible to have a place where families could go and stay. It was a fanta-

sy," Marino said.
"You might think we had enough trouble with our own daughter recovering, but we felt it was miraculous and wanted to do something to pay it back. But how do you pay God back? You can't. So we just followed our dream. We wanted to start a parent group.

Marino first went to Dr. Edward S. Baum, his daughter's physician at Children's Memorial. Baum encouraged Marino and told him of a similar house in Philadelphia that had been started with the help of the Philadelphia Eagles football team and McDon-

Marino and his wife flew to Philadelphia for a day and found a house much like they

had envisioned.

'Again, it was almost miraculous," he said. After several months of searching, bar-gaining, and a few more "miracles," Marino and Dr. Baum, with the help of McDonald's, signed a contract for a three-story Victorian mansion at 622 W. Deming Pl., the former convent of St. Clement's Catholic Church.

The house has 7,800 square feet of living space and is on a half-acre lot. It was pur-chased from the Catholic Archdiocese of Chicago. John Cardinal Cody guaranteed the \$150,000 mortgage.

About 70 parent attended the organizational meeting on April 28, 1976, of Marino's parent group, now called Children's Oncology Services of Illinois, Inc. One year later the Ronald McDonald House opened.

The purchase price, renovation, and furnishing of the house totaled \$450,000. It was provided by the Association of Chicagoland McDonald's Restaurants, several organizations that heard of the project and wanted to contribute, a minitelethon broadcast during the half-time of a Chicago Bears game, and donated labor materials and fur-

The \$150,000 mortgage was paid off within two years. The annual costs of running the house are about \$30,000.

Marino attributes the success of the project to miracles.

"We felt like we were on a track with the Lord leading us," he said. "All these things were happening and falling into place and I had no control over them."

Marino said that more than once he worried about what he had gotten himself into. but the people and the money kept coming.

Today the 18-bedroom house is almost always full. Families staying in the house pay \$5 a night, if they can afford it. Some food is donated, but usually the families bring their own and cook in one of two kitchens. They are responsible for doing light cleaning work around the house.

"We try not only to give them a place to stay but moral support," Marino said. "We try to make it as much like a home as possible. They are not really guests. They're involved in the house. They have responsibilities. It gives them something else to do each day besides worry about their children, which they spend enough time anyway.'

Marino and Dr. Baum also set out to do something for the children themselves. Dr. Baum heard of a summer camp for children with cancer or leukemia in Florida, and Marino investigated the idea of setting up one in Illinois or Wisconsin.

They secured a site at the Lake Geneva, Wis., campus of George Williams College and distributed brochures at area clinics, but they knew it wouldn't be easy for parents to let their children go to camp.

"When you've got a parent with a child who has cancer, the thought of separation is not something that comes easy," Marino said "You get very overprotective of those children. You don't know how long you're going to have them and you want to spend all your time with them. But we realized it would be good for the kids.'

In the summer of 1978, 100 children attended the "One Step at a Time" camp, where they could swim, canoe, run, play baseball, and participate in arts and crafts. Doctors and nurses volunteered to serve at the camp clinic, and family members volunteered as counselors.

Marino had been involved with Boy Scouts with his three sons, so he proposed to Dr. Baum that for the second year of the camp they let some of the children cook outdoors and sleep in tents rather than cabins. Marino thought there might be 10 interested children. Twenty-seven signed

When Marino overheard the children talking about how they wouldn't be able to see one another for a whole year, he tried to think of a way to get them together sooner.

So last summer he chartered Explorer Post No. 9012, under the handicapped scouting program. The 25 members go on outings such as horseback riding, camping, bowling, skiing, and roller skating once a month.

"These kids enjoy being together," Marino said. "They all have cancer. Many of them have licked it. They perceive themselves as normal kids who had a special problem. They can't relate completely to kids who haven't had cancer."

Gay Marino said that providing the children with the opportunity of going to camp or on other outings "helps them get over the hump of losing their hair or their friends. It gives them something to grasp onto because they've moved into another

Oncology Services currently is raising money to renovate the Hemotology Clinic at Children's Memorial. Marino also is working on ways to expand activities and programs for youngsters who are reaching college age. 'I don't know what's next," he said, "but

there will always be something."

Marino admitted he spent a lot of time each week working with his different programs, "but we all have much more time than we realize," he said. "I've found some-thing to invest it in. It's a way of paying back what we have gotten.".

BLOOD DONORS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. PICKLE. Mr. Speaker, it is my privilege to recognize the wonderful efforts of 15 of my constituents in the Central Texas Regional Blood Center who have each donated a minimum of 80 pints of blood during their lifetime-over 10 gallons a piece of the priceless gift of life to so many of their fellowmen:

Mr. M. H. Crockett, Jr. (138 pints); Mr. A. L. Paul (137 pints); Mr. Hubert Kotrla (133 pints); Mr. Melvin Rutt (122 pints); Mr. C. Baynard Roberts (102 pints); Dr. Edward Marquis (96 pints); Mr. Roy Lancaster (87

pints); and Mr. Rueben Mathias (86 pints). Mr. Charles Walker (86 pints); Mr. A. J. Paul (85 pints); Mr. Hubert Kelley (84 pints); Mr. Ray Bockhorn (82 pints); Mr. R. G. Parker (82 pints); Mr. Lawrence Brown, Jr. (81 pints); and Mr. John G. Perkins (81 pints).

I personally know several of these good men, and know that they lead full and active lives. For them to take the time to make the contribution shows they really care about others, and it shows what we can all do to help others.

All these men deserve our respect for giving the most precious of gifts, for their gifts of blood are indeed the gift of life. As volunteer donors, they stand as symbols of all those who recognize the need to give blood to sustain the life of patients who would otherwise die. Theirs is truly the gift of love.

HONORING JOHN DALTON

HON. TOM LOEFFLER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. LOEFFLER. Mr. Speaker, I rise this morning to recognize a friend, fellow Texan and dedicated public servant who has distinguished himself

in his community and his profession and has given of his time and talents on occasions too numerous to mention.

I speak this morning of John Dalton, who is the former chairman of the Federal Home Loan Bank Board.

John Dalton now lives in San Antonio, Tex., where he has joined the Gill Savings Association of that city. He resigned his chairmanship of the savings and loan regulation agency last December to make way for an appointee of President Reagan.

John Dalton and I have served together as officers and board members of the Texas State Society, of which

he is the current president.

He has been honored in the past, as I honor him today, in his service to the Federal Home Loan Bank Board. I would now at this time like to submit the following resolution of the Federal Savings and Loan Advisory Committee which advises the Bank Board on the whole range of issues concerning the thrift industry and housing finance.

The advisory committee commends John Dalton for his work as a member and as chairman of the board, as I do

now:

FEDERAL HOME LOAN BANK BOARD

Whereas, the Honorable John Dalton has served as a member of the Federal Home Loan Bank Board in a distinguished manner

since February of 1980, and

Whereas, Mr. Dalton assumed the role of Chairman of the Board during an extremely critical period for the S&L Industry, and under his leadership, the Board continued to pursue solutions to the challenges facing the industry during this critical period, and

as a result of Mr. Dalton's Whereas, advice, assistance, support and gracious manner the transition of the Bank Board's Chairmanship took place with a minimum of disruption and no less of leadership for

the thrift industry, and Whereas, Mr. Dalton has left a lasting legacy to the S&L Industry and to the American Public that the Industry serves, particularly in making financing for home ownership available to the widest possible spectrum of the American Public,

Be it Resolved that (1) the membership of the Federal Savings and Loan Advisory Council express their gratitude for Mr. Dalton's outstanding efforts in behalf of the nations' public good, and (2) the Council membership wishes Mr. Dalton unlimited success on his return to the private sector.

SOCIAL SECURITY MINIMUM BENEFITS

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. ATKINSON. Mr. Speaker, I appreciate the opportunity to be placed on record as opposing the elimination of the social security minimum benefit program. The future of our social security system is of vital importance to me and we must act quickly but carefully in establishing our priorities to

remedy the troubles the system has incurred. We cannot, although, subject our Nation's citizens to needless suffering by retracting promised benefit programs.

The modest advantage provided by social security benefits, such as the minimum benefit, are for some individuals a sole source of income support. Eliminating the social security minimum benefit would be unthinkable for persons who have no alternative means of making up such an income loss.

In my home district of Pennsylvania, people work hard all their lives to insure a comfortable, but sometimes modest, retirement income. Programs aimed to ease the hardships of elderly life are suddenly pulled out from under them. I am in favor of reduced Government spending, but there must be a more justified way to resolve the problems of the social security system without harming the backbone of the

country, the elderly.

The full support of H.R. 4331, to restore the minimum benefit, will prove to our elderly citizens of this Nation that they need not fear for their future existence, and that they need not fear that their elected representatives will act in haste again by making further reductions in the area of social security benefits. I urge all my colleagues to support this legislation and provide our senior citizens with not a feeling of abandonment, but a knowledge of effective leadership.

Thank you.

ECONOMIC PROBLEMS OF IN WOMEN MIDLIFE AND LATER LIFE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. WEISS. Mr. Speaker, major changes have occurred in our society concerning the family and the roles of women.

The traditional role of women as homemakers has undergone major changes in the past four decades. Only about one out of seven married women actually worked in 1940. In 1970, one out of every two married women was employed.

Today one out of every three marriages ends in a divorce, compared to

one in seven in 1940.

Many women in midlife are discovering that they are ill equipped to adjust to their changing roles, particularly those who have not worked for a long time and are forced to enter or reenter the job market because of a divorce or the death of a spouse.

The net impact is that a whole new generation of women in midlife has emerged in recent years. They have often been victimized by rapidly changing social values, family patterns, and economic developments.

These women—particularly those who are widowed, divorced, or separated homemakers with young children—may find themselves thrust into multiple roles as breadwinners, heads of households, and mothers. They oftentimes are unable to fulfill all these responsibilities adequately, as they attempt to move from their prior fulltime homemaker status.

Economic problems for women in midlife typically produce deprivation in later life. In fact, women represent about 70 percent of all poor persons 65 years or older. They typically suffer from greater extremes of poverty than

older men.

Widowhood also creates major problems for older women, economically as well as emotionally. The death of a spouse is generally regarded as the most traumatizing event in a person's life.

Most elderly women are widowed. The likelihood of being a widow increases directly with advancing age. Only 22 percent of all women 75 or

older are married.

Older black women who live alone are perhaps the most economically deprived group in our entire society. More than five out of every eight who are 65 years or older live in poverty. And four out of five are either poor or marginally poor.

The harsh reality is that almost three out of four married women today can expect to be widowed at some point in their lives. They will survive their deceased spouses, on the

average, by 18 years.

The problems of middle aged and older women are real and serious. They demand attention by the Congress, the administration, and other policymakers.

Dr. Dolores Davis-Wong, the president of the National Caucus and Center on Black Aged, recently described these problems as well as recommendations to improve the economic well-being of older women when she addressed the North American Regional Technical Meeting on Aging.

In addition, she provided fresh perspectives on the economic situation for older Americans and the impact of the administration's proposed cutbacks in social security for elderly blacks.

Mr. Speaker, I insert in the RECORD the remarks of Dr. Davis for my colleagues to read:

STATEMENT BY DOLORES A. DAVIS-WONG, PRESIDENT, NATIONAL CAUCUS AND CENTER ON BLACK AGED

Congressman Pepper and other distinguished members, the National Caucus and Center on Black Aged appreciates the opportunity to testify today at the American Regional Technical Meeting on Aging.

This meeting takes on an added dimension of timeliness because our Nation will hold its third White House Conference on Aging

in less than six months. In addition, the United States will be a leading participant at the World Assembly on the elderly in Vienna, Austria next year. For the first time in UN history, a U.S. citizen—William Kerrigan, the former General Secretary of the International Federation on Aging—will be named as the Secretary General for a World Assembly. This is a well deserved honor for Bill and our Nation.

This conference today also provides an added opportunity for stock taking of the economic situation of older Americans as well as to chart out a blueprint for future actions.

ECONOMIC SITUATION OF OLDER AMERICANS AND AGED BLACKS

Our Nation has made considerable progress in improving the economic well-being of the elderly since the first White House Conference on Aging in 1961. But in many respects today, we seem to be going backwards.

In some vital economic areas, the income position of older Black Americans—as well as other older Americans—has deteriorated markedly. Poverty, for example, increased by almost 400,000 for persons 65 or older from 1978 to 1979, from 2.3 million to 3.6 million. This represented the largest increase for the elderly since poverty statistics were first tabulated about 20 years ago. Poverty data are not yet available for

Poverty data are not yet available for 1980. However, most experts expect another increase—perhaps of the same recordbreaking magnitude that occurred in 1979. The bottom line is that we may see nearly 500,000 to 800,000 elderly persons added to the poverty rolls from 1978 to 1980.

It is ironic, though, that articles have surfaced in recent months in newspapers and magazines, implying that the elderly are living quite well. One example is a February 18, 1980 article on "The Old Folks" in Fortune magazine. The author had this to say about older Americans: "The myth is that they're sunk in poverty. The reality is that they're living well. The trouble is there are too many of them—God bless 'em".

As far as I am concerned, older Americans are not living well when 3.6 million—one out of every seven persons 65 or older—are classified as poor. They are certainly not living well when about 25 percent—one out of every four older Americans—is considered poor or marginally poor under the govern-

ment's own bare bones definition.

The economic deprivation which affects senior citizens can generally be multiplied two or three times for older Black Americans because they suffer from multiple jeopardy since they are old, Black and quite often poor. In fact, aged Blacks are almost three times as likely to be poor as elderly Whites. About 36 percent of all Blacks 65 years or older live in poverty, compared to 13 percent for older Whites. In 1979, 55,000 elderly Blacks were added to the poverty rolls, raising the total from 662,000 to 717,000. This represents the highest number of improverished older Black Americans since 1966, when 722,000 were poor. In addition, almost 300,000 aged Blacks had income not more than 25 percent above the poverty line in 1979.

This means that 1 million Blacks 65 years or older are either poor or marginally poor. The net impact is that one out of every two older Blacks (49 percent) either lives in poverty or so close to it that he or she really cannot appreciate the difference.

Older Black women who live alone or with nonrelatives are among the most economically deprived groups in our society today. A

shocking 65 percent of those 65 or older live in poverty. And 80 percent are either poor or marginally poor.

I have provided these gloomy figures about the economic position of elderly Blacks and other older Americans to emphasize that a retirement income crisis affects millions of persons 65 or older and threatens to engulf many more. NCBA strongly believes that the number one issue confronting delegates at the 1981 White House Conference on Aging is to assure older Americans have an adequate income.

One of the first orders of business—and now more than ever—is to prevent cutbacks in Social Security, which is the elderly's primary source of income. In fact, Social Security, provides at least one-half of the total support for almost three out of four aged individuals who receive Social Security and more than one out of two similarly situated elderly couples. In one form or another, Social Security touches the lives of almost every American family.

A strong and healthy Social Security system and an effective Supplemental Security program are vital for older Black Americans because these two sources constitute the bulk of their income. Most older Americans have income from assets—such as interest from savings accounts and dividends from stocks—but not older Blacks. Elderly Whites are three to four times more likely to have income from assets than Blacks. Approximately 63 percent of White males 65 or older and 40 percent of elderly White women receive asset income—in constrast to 16 percent of Black aged males and 12 percent for Black older women.

NCBA opposes the Administration's proposal to slash Social Security by 25 percent for persons claiming benefits at age 62. Under present law, people retiring at age 62 receive 80 percent of the benefit that would be payable at age 65. The Administration would cut this back to 55 percent.

This penalty for early retirement would work a great hardship for (1) persons who are forced to retire because they are unable to locate employment or (2) those individuals with a disabling condition but not sufficiently severe to meet Social Security's strict definition.

The Administration's proposed cutbacks in disability protection would perhaps impose a greater hardship than the reductions recommended for older Americans. They would greatly erode disability protection for workers and their families by:

Substantially increasing the "recency of work" test to qualify for disability benefits;

Removing vocational consideration in determining disability for older persons and relying instead solely upon medical determinations;

Increasing the waiting period from five to six months to qualify for disability benefits; and

Requiring a disability prognosis to last for at least 24 months, instead of 12 months as under present law. These measures would have a substantial impact upon older persons because more than one-half of all disabled workers are 55 to 64 years old. Older Blacks would be among the major casualties if these proposed changes become law. Blacks account for almost 17 percent of all disabled workers and dependents because:

Blacks run a much greater risk of being disabled than Whites because we are much more likely to work in dangerous occupations; and Economic deprivation increases the likelihood of poor health and deteriorating physical condition.

NCBA also opposes measures to raise the eligibility age for full Social Security benefits from 65 to 68 because older Blacks and other minorities would be most adversely affected by this proposal since they have a shorter life expectancy than Whites. NCBA strongly believes that our national policies should promote employment opportunities for all Americans, including older Americans. But raising the eligibility age for full Social Security benefits is not the way to achieve this objective. There are clearly preferable and more equitable alternatives to implement this objective. For example, the delayed retirement credit may be increased-perhaps from 3 percent to 6 percent beginning in 1982—to make it more attractive for persons to continue working after age 65, rather than retiring. Another alternative is to abolish mandatory retirement completely for individuals in the private sector. And, the earnings limitation could be increased immediately.

If our Nation should decide that it is necessary or desirable to reduce Social Security protection in the future—and NCBA hopes that will not be the case—there are better options than to force persons who cannot work because of physical limitations to absorb the brunt of these cutbacks. These individuals are least likely to have pensions, savings, or other income to supplement their Social Security. They are the people who can least afford a reduction in benefit

protection

I would now like to turn to measures that NCBA supports. First and foremost, our Nation should make it national policy to abolish poverty for all older Americans. We have the resources to allow all older persons to live in dignity and self respect. What is needed is the commitment. NCBA believes that the most cost effective way to implement this objective is to elevate the Supplemental Security Income standards to a level to eliminate poverty for older Americans.

to eliminate poverty for older Americans.

Efforts must also be made to remove the anti-family provisions in SSI. One example is the one-third reduction in the benefit standard for SSI recipients who live in the household of another. This provision penalizes elderly people who are helped by their children or grandchildren. In the long run, it may cost the government more because some of these older persons may wind up in institutions at a much higher public cost than would be the case if they had been maintained in a relative's home.

NCBA urges that the one-third reduction provision be repealed because it discourages families from providing a home for SSI recipients. In some cases, it may actually encourage them to place their relatives in in-

stitutions.

SPECIAL PROBLEMS OF OLDER BLACK WOMEN

The U.S. population is becoming increasingly older and decidedly more feminine. More than 25 million persons are 65 years or older, or one out of every nine Americans. Older women outnumber men by almost three to two.

NCBA strongly believes that our Nation should develop special policies to focus on the unique and growing problems of aged women, and particularly older Black women. Nearly 70 percent of all poor persons 65 years or older are women. Most older women are widowed. Marriage is the exception, rather than the rule, for elderly women. About 52 percent of all women 65 years or older are widowed. Widowhood in-

EXTENSIONS OF REMARKS

creases markedly with age because (1) women have a longer life expectancy than men and (2) men generally marry younger women. In fact only 22 percent of all women 75 or older are married.

Women in mid-life are also discovering that they are ill-equipped to adjust to their changing roles, particularly those who are forced to enter or re-enter the job market after being channeled into marriage and homemaking during their earlier years.

Women have been discriminated against throughout their lives in our society. They are typically paid less than men for the same type of work. Several federal programs view women generally as dependents rather than wage earners. Employers often consider a woman's earnings as "pin money".

These problems are intensified for middleaged and older minority women. They typically suffer a form of "triple jeopardy" because of their age, race, and sex. They are oftentimes channeled into low-paying, sexrelated and race-related occupations, such as domestics, clerical workers and other low status occupations. Their earnings are frequently at the minimum wage or just barely above it.

NCBA is nearing completion of a monograph that summarizes major findings of a one-year study concerning employment problems confronting middle-aged and older women. The report develops several recommendations to maximize employment opportunities for women 45 and above, including: Funding for the Title V Senior Communi-

Funding for the Title V Senior Community Service Employment Program (SCSEP) should be increased to provide more jobs for low-income persons 55 or older. Special efforts should be undertaken to respond to the unemployment problems confronting older women, with major attention to aged Black and other minority females.

The existing Social Security earnings test should be liberalized to encourage more

people to work after 65.

Innovative employment arrangements, such as part-time employment, flexi-time, phased retirement, and others, should be promoted to accommodate a worker's preference and family responsibilities.

Displaced homemaker programs should be

continued and expanded.

Counseling services should be made readily available to enable mature minority women to enter the labor market, particuarly displaced homemakers who have not been employed for several years.

Social Security should assure long-term employees with average lifetime earnings at or somewhat below the federal minimum wage a special minimum monthly benefit above the poverty line.

SOCIAL SERVICES

An effective income strategy alone, though, is not going to solve all the problems of the elderly. Older Americans also need services. Consequently, it is imperative that we have a well thought out social services strategy to complement an effective income strategy.

income strategy.

It is especially important now to develop a broad continuum of care because the "at risk" population—those persons 75 and above who run a much greater risk of being institutionalized—is expected to increase markedly in the years ahead. The Bureau of the Census estimates that the total U.S. population will increase by 21 percent from 1976 to 2000, from 215.1 million to 260.4 million. The 65-plus population, however, is expected to increase almost 39 percent. The sharpest growth will occur, by far and away, among the elderly aged, those people 75 and

above. And, the overall rate will be even higher among older Blacks.

For example, the number of Blacks in the 75-84 age bracket will increase by nearly 78 percent from 1976 to 2000, in contrast to 54 percent among Whites in this age group. The Black and White 85-plus population will nearly double during the final quarter of this century, increasing 89 percent.

One positive step to develop a broad continuum of care is to enact the Pepper-Waxman Community Care proposal which would provide a wide range of home- and community-based services for "at risk" persons who can continue to remain in their communities.

SERVING THE ELDERLY WITH THE GREATEST ECONOMIC OR SOCIAL NEED

NCBA believes that social services should be directed at older persons with the greatest economic or social need. The Congress included this requirement in the Older Americans Act because that legislation simply does not have sufficient funds to serve all persons 60 or older. This requirement takes on added meaning now because poverty increased precipitously for the elderly in 1979. NCBA believes that it is essential that this mandate be fully and effectively implemented.

CONCLUSION

The field of aging is entering a new era. The legislation of the 1960's and 1970's produced major gains for older Americans. It also improved their economic well-being considerably. Quite clearly, we are in a more austere era today. However, I do not believe that people—especially older Americans—want to see years of progress wiped out by hasty or ill-conceived proposals.

The White House Conference on Aging and the 1982 World Assembly on the Elderly can help assure that progress continues in the field of aging nationally and internationally. President Kennedy once remarked that it is not enough to add new years to life. Our goal must also be to add new life to those years. We, as advocates, should work to make this objective a reality.

THE REAGAN PARADOX

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BINGHAM. Mr. Speaker, in scoring his startling victories over the last weeks, President Reagan has demonstrated an extraordinary talent for communicating with the American public and for using the power of the Presidency to achieve his legislative goals. Not unreasonably, he has been compared by many with F.D.R.

The paradox is that he has used that power to reduce "the power of Government to act for the common good."

In a truly distinguished editorial analyzing the significance of the Reagan victories, the New York Times (August 2, 1981) predicts that "one day soon" the American people will not be pleased with what their duly elected President hath wrought:

THE REAGAN PARADOX

One thing is surely settled: the Presidency is no feeble office. Let a shrewd President single-mindedly pursue a policy broadly grounded in his election mandate, and he can put it across

It does not follow that Mr. Reagan's economic program is therefore wise or efficient, or that a different program, without tax cuts, could have fared so well. But conservatives did not invent the technique of buying votes with Federal monies; democracy tilts toward gratifying private wants. It is plainly untrue, however, as many have com-plained, that the democracy of Congress is bound to frustrate the democratic will that elects Presidents.

Nor is it true that Presidential power requires a telegenic face. Rest in peace, Lyndon Johnson. Power lies in circumstance and in the skill with which it is exploited. The Democrats who opposed Mr. Reagan's budget and tax bills played weak hands, but they played them badly. By turning for help to special-interest lobbies, they only challenged the President to outbid them. By forcing a showdown when they lacked decisive strength, they only magnified the

drama of his victory.

But is this President's paradoxical tri-umph also the nation's? He gathers power for the purpose of denigrating its value in shaping America. He does not say the nation is overextended financially. He does not say guns are momentarily more important than butter. He does not rerank the nation's needs or argue against assorted remedies. He denounces all Federal government as oppressive, as the cause of economic dis-

tress and a threat to liberty.

So Mr. Reagan has arranged to shrink annual Federal spending by 1984 by about \$150 billion and cut taxes to let individuals and businesses spend that sum instead. Economically, that is mostly a transfer of purchasing power which cannot much reduce inflation or unemployment, the Federal deficit or debt. On the contrary, a big increase in military spending will enlarge the deficit unless the President finds further huge savings in civilian programs. And the pressure to find them-wherever-is what he values most about his accomplishment.

But why does the President boast that he has thus improved economic prospects? Because he holds, as a matter of faith, that a dollar spent privately creates more wealth than a dollar spent by Government.

That is surely sometimes true: a Government-run railroad that is politically beholden to its unions will tolerate more waste than a private bus company. But it surely also is sometimes untrue: a Government investment in a student or road or depressed community can stimulate more productive activity than the same sum spent by private citizens on diamonds or cameras. Government may be incompetent to achieve some of its social goals. But uncoordinated private spending is notoriously inefficient in meeting large public needs.

Take the obvious, urgent need to cool inflation. Mr. Reagan's answer is a tortuous chain of incentives: cut a family's taxes by \$500 and the money goes to banks and merchants who invest in more businesses and machines which will be more efficient and hold down prices. Also: reduce a citizen's tax on the next earned dollar from 29 to 25 cents and he'll work harder longer and thus

But if it were primarily interested in economic results, Government has surer ways to achieve those results—as even Mr. Rea-

gan's plan recognizes. For it aims large tax reductions directly at businesses that buy cost-reducing machines or job-producing plants. A still more efficient plan would have aimed more precisely at the most wanted machines and at workers who hold down wages or communities that reduce sales taxes

The unavoidable conclusion is that Mr. Reagan wants to use his power primarily to diminish Government-even where that dilutes economic recovery and prevents efficient allocation of resources.

That the President's plan will revive the economy remains to be proved. What is no longer in doubt is that his economic remedies mask an assault on the very idea that free people can solve their collective problems through representative Government. One day soon Americans will rediscover that their general welfare depends on national as well as parochial actions. And then they will want not just a powerful President but one who cherishes the power of Government to act for the common good.

TRIBUTE FOR COMMUNITY SERVICE

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. GARCIA. Mr. Speaker, today I would like to take this opportunity to commend Philip Morris, Inc., and its operating companies for its active participation on behalf of the Hispanic community during the past year. On behalf of the members of the Congressional Hispanic Caucus, I would like to thank them for their support in completing the "National Directory of Hispanic Elected and Appointed Officials," and also for the Philip Morris USA's publication of "A Guide to National Hispanic Organizations.'

For decades, the Hispanic organizations and elected officials of the United States have taken the lead in the continuing struggle for social, economic, and political opportunity. In communities across the land, they have made a powerful contribution to the well-being of the people they serve.

Yet, many of these organizations and elected leaders have had to work in isolation. They have lacked the information that would enable them to communicate with other Hispanic organizations in order to share experiences, establish a continuing dialog, and provide mutual assistance in matters of mutual concern.

That is why these publications are such an important achievement. With these publications the Hispanic community has a comprehensive list of its national, State, and regional organizations and locally elected officials. We congratulate the Philip Morris organization on its active involvement and hope it will continue this level of community activity in years to come.

A BILL TO AMEND THE SHIPPING LAWS

HON, MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. BIAGGI. Mr. Speaker, today, I am introducing a bill that will amend the regulatory aspects of our national shipping policy that are embodied in the Shipping Act of 1916. The purpose of this bill is to clarify and amend the shipping laws so as to provide for greater recognition of commercial maritime standards when approving agreements between common carriers by water, to authorize the formation of shippers' councils, to provide for expeditious procedures for the approval of agreements and the handling of complaints, to provide for a simplified method of civil penalty assessment, and for the bonding of freight forwarders and nonvessel operating common carriers. The bill will, in effect, eliminate the controversial public interest test when approving agreements, thereby reducing effect of the antitrust laws. It will. however, continue to provide safeguards against agreements and practices of ocean common carriers serving the United States that would be detrimental to the commercial interests of our Nation.

To that end, this legislation is aimed at preserving competition by continuing the regulation of services, rates. practices, and agreements of common carriers engaged in the foreign waterborne commerce of the United States through tariff filing, investigatory, and decisionmaking procedures of the Federal Maritime Commission. All carriers, whether U.S.-flag or foreign-flag, whether subsidized or not, whether a member of a conference or acting independently, must adhere to these procedures and controls so as to permit all of them to compete under the same rules.

In this era of deregulation, one might ask why do we still pursue a regulatory program for our foreign waterborne commerce? The reasons lie in the historical development of our shipping and antitrust laws, their relationship to international shipping and trading policies, and the realities of competition in the international maritime marketplace.

For many years, all of the nations engaged in foreign waterborne commerce-including the United Stateshave recognized the violent and unpredictable competitive nature of this commerce and the problems it creates. Invariably, the monopolistic and discriminatory nature of rate-war competition destroys the requisite dependability and regularity of service and the nondiscriminatory nature of the

ocean common carrier—all of which acts to the detriment of the exporter and importer and the consumer in general. Nearly all the maritime nations justify the formation of controls, agreements, and conferences so that these carriers may limit or regulate competition between or among themselves. Only the United States imposes regulatory controls over these agreements and conferences in return for a grant of antitrust immunity.

As common carriers, shipping lines that are members of a conference hold themselves out to serve the public in a nondiscriminatory manner and on a previously announced regularly scheduled basis, regardless of the types of cargo offered. The businessman, the importer or exporter, and all others engaged in the movement of goods in foreign waterborne commerce must be reasonably assured that they will be provided with regular, dependable, and predictable ocean common carriage at relatively stable rates. It is especially important to them that they be assured their competitors are not paying a lower rate or getting undue preferential treatment. The Federal Maritime Commission through its regulatory authority attempts to provide these assurances. The history of this internationalized industry, however, does not provide any such assurance and, in fact, indicates that there seldom is an open competitive system for any reasonable length of time.

During the last Congress, I was involved in the consideration of a voluminous bill that contained major alterations to national maritime policy including a major revision of maritime regulatory policy. It also included major revisions in subsidy policies, taxation, and governmental reorganization. This so-called omnibus maritime bill met with considerable resistance from major maritime interests and the administration, primarily, I believe, because it attempted to do too much at one time. However, the hearings on this bill did provide an insight into the interrelationships and mechanisms of our foreign waterborne commerce, its effect upon international trade and our balance of payments, its effect upon the national defense posture of our Nation, and its effect on our domestic economy.

While some continue to advocate an omnibus approach, I have come to the conclusion that a piecemeal approach is more practical. I have also concluded that a complete revision and rewrite of the 1916 Shipping Act—as was proposed by title II of the omnibus bill—is not necessary. That law and the regulations and procedures implementing it are understood by all interested parties and by our competing trading partners. It only requires minor modifications. The modifications this bill proposes will provide for greater regulatory flexibility so as to

make our laws and procedures consistent with those that have been generally accepted in international trade. This is mandatory if we are to effectively compete within the international maritime marketplace and at the same time limit the potential for monopolistic abuse.

Recently, we decisively acted upon the administration's proposal to transfer the Maritime Administration to the Department of Transportation to facilitate the development of a coherent maritime program. In the near future, I hope we can also act expeditiously upon any specific recommendations the administration might have to resolve the serious problems of our maritime industry. In the interim, I believe it is important that we go forward with these revisions that will make some much-needed improvements in our shipping laws.

SHERMAN BIRDWELL, A GREAT AMERICAN

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. PICKLE. Mr. Speaker, recently we laid to rest in the Texas State Cemetery our good friend Sherman Birdwell

Mr. Birdwell was a man whose imprint has been very prominent in our society today. When Lyndon Johnson was elected to the U.S. Congress he selected Mr. Birdwell as his first Administrative Assistant. In those early days he helped our President mold and advance the programs that launched Mr. Johnson on a national career resulting in his achievement of being elected President of the United States. Throughout the years Mr. Birdwell continued his work in good government, particularly in the National Youth Administration, which helped so very effectively the young men and women of our State and Nation. He served as district director of the N.Y.A. and has always felt a sense of great pride in helping disadvantaged youth. He served prominently in World War II as an officer in the U.S. Navy and returned to Austin to engage in both the radio field and in the business world. He was a tireless civic worker, particularly to the Kiwanis Club, and gave to his city of Austin much effort and time in advancing good causes of government.

I have been associated with Mr. Birdwell all my life as a co-N.Y.A. worker, and as a civic worker, as a business associate, and as a personal friend. I join the many thousands of friends this good man has in pointing out to my colleagues that we have all lost one of the best men who lived. I

extend my sympathy to his family and friends.

JOHN S. KNIGHT

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. HERTEL. Mr. Speaker, I would like to join my colleagues in noting and mourning the passage of John S. Knight, Pulitzer Prize winning editor emeritus of Knight-Ridder newspapers. Knight helped build a \$1-billiona-year newspaper empire of 33 newspapers in 24 cities, including the Akron Beacon Journal, Miami Herald, and the Detroit Free Press. His newspapers won 26 Pulitzer Prizes, including the one Knight won for his columns opposing the Vietnam war.

Mr. Knight had a very diversified career in journalism; he worked as reporter, editor, businessman, and publisher, but he was always proudest of being editor. Knight received many distinguished awards for writing, his best work being a signed column, "The Editor's Notebook," which he wrote for nearly 40 years and for which he won a Pulitzer Prize in 1968.

Jack Knight felt that a newspaper's duty was to get the truth and print it. His newspapers followed that philosophy, always striving to meet the high-

est standards of journalism.

We are all saddened by John Knight's passing, but his newspapers continue to reflect his thoughts and ideas and will continue to be a real asset to this great country, informing the citizens, commending and criticizing the issues of the day and a constant reminder of the freedom on which this country is based. In this way, let us memoralize John Knight, the brilliant and reflective man, the distinguished editor, and the inspirational publisher.

THE BIRTHDAY OF RAOUL WAL-LENBERG IS A DAY OF RE-MEMBRANCE AND ACTION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. LANTOS. Mr. Speaker, today, August 4, 1981, marks the 69th birthday of Raoul Wallenberg, Swedish diplomat who rescued 100,000 Hungarian Jews from the holocaust and who, for 36 years, has been held without explanation in Soviet prisons.

The courage and heroism of Raoul Wallenberg was unmatched by any other person in the closing days of World War II. The story of his bravery and sacrifice have become known

to the American public after more than 30 years of silence. The fact that his mission in Budapest was sponsored, directed, and financed by the American War Refugee Board is no longer kept secret.

In fact, many steps to recognize and honor Raoul Wallenberg are underway. Today, on his birthday, the cities of San Francisco and Washington, D.C., have proclaimed Wallenberg an honorary citizen of each city. In a unique action, San Francisco today renamed Green Street for 1 hour, changing its name to Raoul Wallenberg Street. This is the thoroughfare on which the Soviet consulate stands.

On March 26, 1981, I introduced House Joint Resolution 220 in the House of Representatives. This bill, granting honorary citizenship Raoul Wallenberg (with the bipartisan support of now 280 cosponsors) has passed unanimously the House Foreign Affairs Committee and the Immigration Subcommittee of the House Committee. Chairman Judiciary RODINO, of Judiciary, has generously agreed to place the resolution on the committee agenda for consideration early in the fall.

I am confident that when this resolution reaches the floor of the House my colleagues will join me in an unanimous vote for its passage. Yesterday, the Senate of the United States passed unanimously the companion Senate bill awarding honorary U.S. citizenship to Raoul Wallenberg. The timing of the Senate action, on the day before Wallenberg's birthday, is appropriate and I commend them for it.

I anticipate the administration will continue its unwavering support of this international and national human rights issue. I am optimistic that House action will occur early in the fall, permitting the President to arrange an appropriate ceremony to celebrate the signing into law of this historic bill sometime in October.

PEOPLE FOR THE AMERICAN

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. HYDE. Mr. Speaker, one of my favorite journalists is John D. Lofton, Jr., editor, Conservative Digest. He combines wit and tenacity with a unique style and two examples of his work deal with a new group called People for The American Way. This group is supposed to be an antidote to the burgeoning Moral Majority which so terrorizes the trendy left.

I share Mr. Lofton's articles with my colleagues:

[From the Conservative Digest, July 1981] People For American Way Ad Campaign More Proof Of Failure Of Liberal Ideas

(By John Lofton, Jr.)

Anyone searching for additional evidence further demonstrating the bankruptcy of what passes for liberal thought in this country (and I hasten to add that I can't imagine who might need more evidence) should watch closely a series of so-called public service TV ads being offered by an outfit called People for the American Way (PAW).

For the uninitiated, PAW is a new coalition of such ultra-liberals as the Rev. M. William Howard, president of the National Council of Churches of Christ in the USA Norman Lear, the writer and producer, and the ex-mayor of New York, John Lindsay, It. is seeking to counter what is called "the intolerant messages and antidemocratic actions of moral majoritarians"-that is, the New Right, specifically the religious New

Here's the complete text of a 30-second PAW spot bearing the provocative title "Eggs." The ad shows a variety of individuals saying the following:

'What kind of eggs do I like? I'll tell you what I like. I love Western omelettes.

'Eggs with onion in 'em. That's a horrible thought.

'I like eggs with cream cheese."

"That's kind of disgusting.

"I can't eat eggs."

"They're loaded with cholesterol."

"I still prefer my omelette.

"O.K., you could, but I still like 'em sunny side up and I'm not going to change.

The tagline on this ad is a voice saying: the right to have and express your own opinions. Freedom of thought. That's the American way.'

Ugh. Talk about disgusting horrible thoughts.

One can say what one likes about the religious New Right, but at least they're talking about real issues that touch the lives of tens of millions of Americans: abortion, homosexuality, voluntary school prayer, busing, the family, sex education, drugs, reverse discrimination, etc. And, just for the record, there's not one New Rightist I know who favors any kind of law prescribing the way people ought to eat their eggs.

At a PAW press conference in Washington, D.C., when I asked Norman Lear why his group wasn't taking the religious New Right head on and debating their issues with them, he ducked the question, defer-ring to the Rev. Howard, president of the

NCC. Said Howard:

"Our ads make one feel good. There is a spirit developing in the country that it's not okay to differ. And when you pile on that a rather nonhistorical religious conviction, it really stifles the human spirit." Howard says that the idea that it is legally correct and fun to disagree and debate is an old American notion.

Indeed. But, this is my point: The PAW bunch is not debating the issues with the religious New Right. They are ducking these issues, choosing instead to wrap themselves in the phony banner of some sort of absolute pluralism which has truly become the last refuge of the scoundrel. The PAW is

not debating; it is merely calling its opponents names

In a fundraising letter, Lear accuses the religious New Right of labeling those with whom they disagree as "un-American," "un-Godly" and "immoral." But when I asked Lear specifically who in the religious New Right he is talking about, he was unable to

give me a name. I pressed my point, asking Lear if he had been poorly briefed, if his memory was poor or if perhaps he never knew such a name in the first place. He promised me names if I'd call his office. You can't give me just one? I asked. Says Lear: "I feel no shame telling you I can't remember just one."

This is very strange. When Lear and his PAW colleagues speak of the leaders of the religious New Right (they currently threaten "the very essence of individuality" and are "helping to tear our already-splintered society apart"), they are talked about as if they are the spiritual descendants of Hitler or Stalin or Mao. One would think that this dishonor roll of archfiends would forever be seared into the psyche of Norman Lear. But it isn't. Or, at least, that's what he tells me.

The disagreements between PAW and the religious New Right are about something far more tangible than the right of free expression or free thought. This is a battle about whose thoughts or expressions will prevail. This is a fight about whether it should be legal to kill innocent, unborn children; whether those kids who want to should be allowed to pray in the public schools; whether children should be forcibly bused to schools not of their choosing; whether parents should have any say at all about their kids' sex education.

By all means, let's freely discuss and debate these issues. But the PAW crowd should take a stand and let us know where they come down on these matters. As G. K. Chesterton observed, the individual who admires only choice, fails to choose.

AMERICAN WAY PERSON DOES VERY POORLY IN DEBATE ON ABORTION

In the following exchange, admittedly with mixed results, CD editor John Lofton Jr., attempted to discuss a real issue, abortion, with a member of the advisory board of People for the American Way, the Rev. Charles Bergstrom, executive director, office of governmental affairs, Lutheran Council in the U.S.A. This conversation began when Bergstrom maintained that he "just as concerned" about unborn children as is the Rev. Jerry Falwell, head of the Moral Majority.

Lofton: You mean, like Falwell, you favor legal protection for the unborn?

Bergstrom: What is your question?

L: I repeat the question.

B: I'm against any law that would impose any religious view of abortion on the whole country.

L: But you said you were just as concerned about the unborn as Falwell is, didn't you? And Falwell favors legal protection for the

B: The terminology on abortion is very difficult these days

L: But we both know what the word 'unborn' means, don't we?

B: No, I don't-

L: It means a baby that hasn't yet been born.

B: The fetus is a future human being, a form of human life. It is not a person.

L: A lower form of human life?

B: A form. We don't make a judgment.

L: Is the fetus a form of human life worthy of any legal protection?

B: All life has protection.

L: Even the unborn?

B: I don't know what the "unborn" means. L: Okay, the fetus. What is the legal protection for the fetus, as you understand it? How is the life of the fetus presently protected?

B: By the judgment of the individual par-

L: Legal means, is there a law protecting the fetus? Is there such a law now protecting the fetus at any stage of development?

B: Well, what you would call a law to protect the fetus, I would call an oppressive law to force one religious viewpoint on the rest of us.

L: But before we argue this, I want to clearly understand your position. You've already said the fetus is a different form of human life—

B: Not a different form. It's not a person.

L: Is it human life like you and me?
B: It's human life but not a person.

L: Is it a different form of human life than you and me, or is the fetus as alive as you and me?

B: Well, life is a relationship to God.

L: I thought life is God-given.

B: Right, but we have something to do with it.

L: So, even fetal life is God-given?

B: Right.

L: Then should the law protect this Godgiven fetal life? Is this form of life worthy of some kind of legal protection?

B: See, every one of your questions has a pejorative term like, is it "worthy"?

At this point, the Rev. Bergstrom wisely attempts to shift the discussion to my views on birth control. But, as a former fetus, I am not deterred.

L: Do you support the Supreme Court's 1973 Roe vs. Wade abortion decision?

B: What I support is the Lutheran Church's decision made in democratic convention.

L: Does the church support the court's 1973 decision?

B: Yes, the Lutheran Church in America

For the record: The Supreme Court's 1973 Roe vs. Wade decision legalizes abortion-ondemand—a view the precise opposite of that held by Jerry Falwell.

Talking with the Rev. Charles Bergstrom about abortion, one understands why the People for the American Way would rather discuss freedom of choice as regards music, sports and how one likes one's eggs cooked.

THE PRESTIGE PRESS AND THE CHRISTMAS BOMBING, 1972: IMAGES AND REALITY IN VIET-NAM

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. FIELDS. Mr. Speaker, after losing the Battle of Waterloo, one of the field officers to Napoleon Bonaparte inquired of him, "What will history say of us now?" Reputedly, Napoleon responded "What is history, but a lie agreed upon?"

According to a new book by Martin F. Herz, Napoleon's sentiments could have been accurately directed toward much of the reporting that filled America's newsprint and airways during the Vietnam conflict. Mr. Herz is the distinguished former ambassador who is now director of studies at Georgetown University's Institute for the Study of Diplomacy.

Mr. Speaker, I am placing into the RECORD a review of Mr. Herz's book, "The Prestige Press and the Christmas Bombing, 1972: Images and Reality in Vietnam." The review is written by Peter W. Rodman, a former member of the National Security Council staff. I expect that this review will entice my colleagues to read this book and others like it, and thereby discover that the Janet Cooks of our day have a substantial geneolgy.

[From the American Spectator, August 1981]

A REVIEW OF "THE PRESTIGE PRESS AND THE CHRISTMAS BOMBING, 1972: IMAGES AND RE-ALITY IN VIETNAM"

(By Peter W. Rodman)

Not long ago, a friend of mine teaching at a well-known northeastern university was discussing Vietnam with a group of freshmen and referred to the Christmas bombing. One of the students asked an amazing question: "What was the Christmas bombing?"—amazing because it betrayed not so much the freshman's ignorance as his age. For a new generation is indeed emerging that has no personal memory of these events. They might as well have been discussing the Treaty of Versailles.

Frankly I find this hopeful. The next generation of Americans may yet be able to consider the Vietnam war with some semblance of objectivity, with minds unpoisoned by the passions, the peer pressure radicalism, or the journalistic distortions of the period. And if much of the junior faculty is still, as it undoubtedly is, the entrenched remnant of the 1960s enrages, perhaps the exuberant skepticism of youth will find even their smug antiwar orthodoxy a

natural and juicy target.

But make no mistake about it, the battle for the minds of the young has already begun in earnest. At the end of April the New York Times Book Review informed us of two new brief histories of the Vietnam war written for teenagers. The reviewer chastised one of them for being insufficiently explicit about the lies, deceptions, atrocities, and general criminality of the United States government. The other book he praised. One can imagine what it must be like.

Fortunately there is a growing library of scholarly work of a more balanced character, interested not in waging ideological warfare but in pursuing historical truth. A few years ago, journalist Peter Braestrup, in "Big Story," did a monumental study of how the American press and television reported and interpreted the Tet offensive of 1968; he overwhelmed skeptics with two volumes of irrefutable evidence that media cov erage of the event was a distortion of reality. Guenter Lewy, in "America in Vietnam," has done a meticulous analysis of the military conduct of the war, critical in many respects, but in the process knocking down canards about American war crimes and atrocities. Now comes a first-rate book answering the puzzled freshman's question: What was the Christmas bombing? The author is Martin F. Herz, a distinguished former ambassador who is now director of studies at Georgetown University's Institute for the Study of Diplomacy. His answer may be even illuminating to many who remember the period, because most of the new cover-age of the time—as the book shows—bore

little resemblance to what really happened. On October 26, 1972, North Vietnam and the United States both acknowledged publicly for the first time that they were close to an agreement on a cease-fire, release of prisoners of war, and American withdrawal; Henry Kissinger declared (a bit prematurely) that peace was "at hand." Negotiations resumed in November, settling many maining issues, but ran aground in mid-December. After several days of frustration, the United States concluded that Hanoi had made a strategic decision not to complete the agreement. The impatient new Congress convening in January could be expected to force the United States out of the war on terms far worse than those embodied in the stone-walled agreement. Richard thereupon lifted restriction on the bombing of North Vietnam, and for twelve days, from December 18 to 29, 1972, U.S. B-52s and fighter-bombers assaulted military targets in and around Hanoi and Haiphong. At the same time, General Alexander Haig visited Saigon to bring around our South Vietnamese ally, who was also balking at the ceasefire. Kissinger's negotiations with Le Duc Tho resumed in early January and quickly resulted in a completed agreement.

The bombing clearly caught the American public by surprise, and was perhaps as much of a shock at home as in Hanoi. The antiwar movement, up to that point demoralized by George McGovern's defeat and disarmed by Nixon's apparent near-achievement of peace, erupted in a cathartic last orgy of vicious attacks on Nixon's Vietnam policy. The United States was accused of indiscriminate carpet-bombing of civilian populations. Analogies with the four-day firebombing of Dresden were common; Hiroshima was called to mind. "Terror Bombing in the Name of Peace," howled the Washington Post; "Shame on Earth," lamented Tom Wicker in the New York Times. Editorials predicted that the bombing would only harden the hearts of the North Vietnamese and make a negotiated settlement impossible. And Nixon was much berated for callously remaining silent throughout the period, never fully explaining to the American public what was happening and why.

Ambassador Herz and his research assistant Leslie Rider have collected the available evidence on the bombing, its background, and its effects. And, methodically and at length, they have examined and analyzed the contemporary news coverage by five leading "prestige" news organizations: the New York Times, the Washington Post, Time, Newsweek, and the CBS-TV "Evening News." They found the media treatment to be unbalanced, misleading, and emotional in its revulsion at the bombing-not only in editorial columns but in one-sided news reportage, not only in light of what is known now but in terms of information available then. Charges of U.S. responsibility for the breakdown of the talks, of reckless use of B-52s, of massive civilian damage, of unanimous foreign criticism, of the futility of bombing as an instrument of pressure—these themes dominated the reporting. Much less space was given to the contrary evidence and opinion which demonstrably existed: "The news was largely generated by opponents, and the U.S. prestige media copiously reported as news (with full attribution) the propaganda given out by the enemy and his allies."

The charges of gross urban destruction and massive civilian casualties were belied by Hanoi's own published casualty figures—about 1,300 over twelve days, which, as the Economist later pointed out, was the same number of civilians killed earlier in the year by deliberate North Vietnamese artillery

fire on a refugee column fleeing Quang Tri in South Vietnam. (Deaths at Dresden and Hiroshima numbered in the hundreds of thousands.) Other journalists who visited Hanoi soon afterwards reported, to their credit, that civilian destruction was minimal and clearly not deliberate. Hanoi's population had already been largely evacuated months earlier; the new U.S. "smart bombs" had effectively zeroed in on military targets. The claim that Hanoi would never negotiate under pressure was disproved by events almost immediately, the talks rewhen. sumed. Herz considers it likely (though not conclusively provable) that the Christmas bombing brought North Vietnam back to the conference table. This, of course, was exactly what the U.S. government had intended.

Herz is highly critical, however, of the Nixon administration's failure to explain its case to the American public. Kissinger had described the breakdown of the negotiations in a news conference two days before the bombing began, but the administration's subsequent aloof silence left the field to its ideological opponents and is thus partly responsible for the one-sidedness of the press treatment. It does not excuse the prestige media: Herz shows that, with few exceptions, they made little effort to present a balanced picture and in fact tailored their news reportage to their editorial position. The administration seems to have been resigned to constant vilification at this stage of the war, and hoped to be vindicated by the outcome. Nevertheless Herz makes a valid point—really a moral point—that a government owes its people an effort to explain an unpopular action, and to keep on presenting its reasons and arguments even in the face of seemingly endless and hysterical criticism. Otherwise the public discourse of a democracy is inevitably dragged down to the level of the most demogogic.

Herz and Rider deserve enormous credit for a fair-minded book that documents its conclusions and is honest in its judgments. It is an essential addition to the growing body of research on the Vietnam war. The nation's hope of having an undistorted historical memory will depend on such contri-

THE NATURE OF DEATH IN A COAL MINE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. GAYDOS. Mr. Speaker, death in an underground coal mine has the lightning bolt arbitrariness of violent death anywhere, but it strikes more often and goes by other names-black damp, roof fall, face fall, rib roll.

Black damp is a term from the early days of mining that describes air so foul that it has no oxygen, and those who die of black damp suffocate.

Three miners died together of black damp this June, and in the matter-of-fact phrases of the Mine Safety and Health Administration's fatality reports, here is what happened:

The continuous miner penetrated an abandoned section * * * mined in 1966; an in-rush of pressurized black damp filled the entire section and the three victims were THE CONGRESSIONAL HISPANIC

They were fatalities 47, 48, and 49 for 1981. There was no warning: there was only black damp and death.

Fatalities 23 through 37—"A coal mine gas explosion occurred * * * resulting in the death of 15 miners

Death finds miners in groups and alone and makes no distinction between the 20-year journeyman and the 20-day apprentice.

Fatality No. 52-"* * * cutter bits engaged with mine machine and walked across the face catching the victim in rotating auger."

Fatality No. 38-"* * * scoop traveled through a check curtain and struck partially removed brattice. crushing victim against frame.'

Fatality No. 10-"While * * * transporting eight employees to the working section * * * the scoop hung up between a crossbar and the mine floor * * * while trying to free it, the victim's head was crushed between the crossbar and the scoop.'

Fatality No. 15-"The dust collector became stopped up * * * victim went between the face and the bolting machine * * * draw rock fell between the bolts, crushing his head against the canopy boom."

Fatality No. 16-"The victim was crushed by a section of roof-625 square feet-that fell due to inadequate roof support."

Fatality No. 17-"The victim was removing a prior rib roll from the continuous miner when additional rock and coal rolled from the rib, pinning his head and upper body against the machine.'

The toll is grim.

Nevertheless, we have evidence it would have been grimmer still without the Mine Safety and Health Administration and Safety regulation.

The General Accounting Office, in a recent study of coal, concluded MSHA "dramatically" reduced coal mining deaths.

In other words, MSHA is one agency that is doing what Congress wanted it to do.

Mr. Speaker, my remarks on mining have been made as chairman of the Subcommittee on Health and Safety to highlight how mining is important and what the Mine Safety and Health Administration has done to make safer one of the most dangerous occupations in the country.

My next, and last, remarks in this series will discuss the related nature of all forms of mining and point out the clear need for centralized and coherent safety regulation.

CAUCUS FELLOWSHIP NOUNCED

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

. Mr. GARCIA, Mr. Speaker, the Congressional Hispanic Caucus has realized one of its many goals. Beginning in September, the Congressional Hispanic Caucus will offer four graduate fellowship awards to four students currently enrolled in graduate programs in the public policy area or policy related fields. We would like to take this opportunity to thank the R. J. Reynolds Industries, Inc., for helping to make this dream a reality.

The Congressional Hispanic Caucus fellowship program is designed for Hispanic graduate students or stu-dents for whom that heritage has been an integral part of their academic studies. This program will enable students to gain insight into the legislative process at the national level and advance the nonpartisan preparation of Hispanics for involvement in the political process at State and local levels.

The four students chosen in early July to begin their study in Washington on September 1 are: Michelle Jimenez of Minnesota, Nitza Escalera of New York, Jose Garzon of California. and Amalio Madueno also of California. We wish these students much success during their stay in Washington, D.C. We congratulate the R. J. Reynolds Industries, Inc. on its active participation on behalf of the Hispanic community and hope that it will continue this level of community activity in years to come.

THE OLYMPIC COIN ACT OF 1981

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. KRAMER. Mr. Speaker, in light of the opportunity of the United States to host the 1981 Olympic summer games in Los Angeles, as well as a need to devise a realistic, permanent means to help support both the games and the American athletes involved in them, I would like to urge my colleagues to support the Olympic Coin Act, H.R. 3958.

This bill will provide for the minting of commemorative coins for the 1984 Olympic games without requiring the financial support of either the American taxpayer or the U.S. Government. It is only fitting that we recognize the 1984 games and its participants with a coin that will be in line with our historic tradition and demonstrate our

FUTURE OF HEALTH CARE

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. HERTEL. Mr. Speaker, an editorial in last Tuesday's Washington Star discusses the future of health care as a result of the budget cuts.

I would like to share this editorial with my colleagues:

The article follows:

[From the Washington Star, July 21, 1981] BUDGETS AND THE LATE BABY DOWNING

(Larry S. Gage)

Sometimes it takes a tragic, emotional incident like the death of a premature baby to open our eyes to the damage our budget-cutting mania may do to the national health.

Two pounds, six ounces, "baby boy Downing" died of respiratory failure in a rural Florida hospital earlier this month. He had been denied admission, because of recent budget cuts, to a public hospital neonatal intensive care unit just 40 miles away. In the scant few hours he lived, he taught us several valuable lessons about the remarkable past and uncertain future of our nation's

health-care system.

Perhaps "baby boy Downing" would not have been saved in any event by his transfer to the neonatal unit, but he'd have had a chance. Prior to 1950, his chances would have been zero in any hospital. In even the best-equipped facility in 1965 his chances of survival would have been closer to 7 in 100 than the current estimate of 7 in ten. Recent technological advances in emergency transportation and patient care for these infants, as in many other areas of medicine, have been nothing short of astonishing.

AVAILABLE TO NEARLY ALL

Because this technology has been costly, it is perhaps equally astonishing that we have in many areas made it available to all citizens, regardless of their ability to pay. Despite some noticeable gaps, and notwithstanding our consistent failure to enact universal national health insurance, our patchwork crazy-quilt of federal, state, local, and private support has enabled us—at least until now—to provide this care in many parts of the country to almost everybody who needs it.

The federal government, through Medicaid, Medicare, and other health-care programs, is a major partner in this systembut by no means the only one. Many services are directly funded by state and local governments, through publicly owned hospitals, clinics, and other institutions. These subsidized public services are often far more extensive than people realize-ranging from state-wide emergency transportation systems, to shock-trauma centers, burn units, well-baby clinics, poison centers, renal dialysis, and neonatal intensive care. The neonatal unit in this case, for example, was in a county-owned institution: Tampa General Hospital.

Highly specialized services like neonatal units are expensive. Babies often must stay for a long time, at prohibitive cost. In a public institution, government must ultimately agree to pick up the tab.

In a state like Florida, where Medicaid eligibility is extremely restrictive, a public hospital must find other sources of income if such care is to be provided for those who cannot afford to pay. For the most part such hospitals must rely on direct state or local operating subsidies, which often comprise a major portion of a hospital's budget.

When state or local governments cut back on their contribution, however, a public hospital may have no choice but to slash available services. And despite the special tragedy associated with the death of a child, it is only logical that costly, high-technology services which benefit only a few will be early budget-cutting targets.

Baby boy Downing was refused admission to Tampa General for precisely this reason. The state of Florida has cut direct subsidies for neonatal care nearly in half. The Tampa General governing board responded by insisting that the number of available beds be reduced from 33 to 18.

HOLES IN THE NET

At other public hospitals faced with other budget cuts, the services reduced might be different—but the net result will be the same: people denied necessary medical attention, perhaps even in life threatening situations. In fact, cities and counties are going through similar fiscal crises all over the country, even before the current wave of federal budget cuts goes into effect.

This story is being heard in public hospitals—our system's institutional "safety nets"—all over the country. Denver, Los Angeles, St. Louis, Boston, Chicago, Atlanta, and New Orleans, are among those already struggling with funding shortfalls.

There is clear cause for alarm as Congress works to complete the budget reconciliation process. While neither house accepted the president's proposed 5 per cent cap on federal Medicaid increases, for example, the Senate adopted Medicaid cuts of considerably greater magnitude than the House, primarily by reducing the minimum federal share from 50 per cent to 40 per cent, and indexing federal Medicaid increases in later years to the GNP deflator.

ESCALATING COSTS

Reducing the minimum federal match will have a cruel impact on a small handful of states—California, Michigan, Illinois, and New Jersey will lose over half a billion dollars among them in 1982 alone. Tying the rate of later increases to the GNP deflator will also result in severe disruptions for "safety net" institutions. For without major structural changes in health-care systems as a whole, overall health costs will continue to increase at a rate 3 to 5 per cent faster than general inflation—due in no small measure to new developments in areas such as neonatal care.

Fortunately, the House adopted a more moderate and equitable set of health-care budget cuts, especially for later years, and it is thus up to the Reconciliation Act conferees meeting this week to learn the final lesson from "baby boy Downing": That unless they act with utmost caution in fashioning a final list of health-care budget cuts from the House and Senate proposals, there will be many more like him to come.

dians were able to collect approxi-mately \$200 million in Canadian sales alone. Because this coin program has been designed for both international and national markets, it will provide the greatest possible appeal to both coin collectors and to individuals interested in supporting the Olympic games. These coins, issued in four denominations that will include \$1 copper-nickel coins, \$10 silver coins, and \$50 and \$100 gold coins, will provide the coin collector with a wider variety of what will truly become a collector's item. In addition, several series with different designs will be minted. Again, all of these advantages will occur without any expense to taxpayers or to the Government.

patriotic support. The revenue that

will result from the sale of these coins

will provide important and much

needed funding for three important

groups associated with these games:

the Los Angeles Olympic Organizing

Committee, the U.S. Olympic Commit-

tee, and amateur athletes from the

United States who will be participat-

ing. Since the 1968 games in Mexico

City, every country holding an Olym-

pic which has minted a commemora-

tive coin has raised large amounts of

money for their teams. For example,

in the 1976 Montreal games, the Cana-

Both the U.S. Olympic Committee and the U.S. Training Center are located in Colorado, so I am especially aware of their efforts to promote excellence in amateur athletics while contending with significant financial problems. With the boycott of the 1980 Moscow games, the U.S. Olympic Committee was deprived of badly needed public contributions because many believed that they no longer needed them. However, the Olympic Committee needs to maintain a \$71.2 million budget over the next 4 years to continue their present programs. Unlike many other countries, our Olympic Committee allows not only the world-class athletes, but all classes of amateur athletes to compete in our programs. To continue and expand these programs, as well as carry out the responsibility that Congress gave them in 1978 with the Amateur Sports Act, the Olympic Committee must develop a funding approach that will achieve financial self-sufficiency. This bill would not only do this, but would also promote the Olympic games and recognize the endeavors of those who are involved in the success of these

Because of the demonstrated success of this type of program by those countries who have issued commemorative coins, and because of its appeal to such a large segment of the coin market, I have cosponsored H.R. 3958 and wish to urge all my colleagues to lend their full support to this worthwhile legislation.

TRIBUTE TO U.S. DELEGATION TO THE INTERNATIONAL WHALING COMMISSION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. OBERSTAR. Mr. Speaker, the U.S. delegation to the International Whaling Commission deserve the thanks and commendations of the Members of the House and the entire wildlife conservation community for their participation at the annual IWC meeting in Brighton last week.

The U.S. delegation led successful efforts to impose a virtual prohibition on the killing of sperm whales. In addition, the IWC agreed to ban the use of nonexplosive harpons starting in

1982.

Tom Garrett, acting U.S. Whaling Commissioner, led the U.S. delegation. As a member of the House Merchant Marine and Fisheries Committee, I have had the opportunity to work with Tom during the past several years. He is a principled, dedicated conservationist, whom I greatly respect and I want to add a personal note of thanks for his efforts.

Mr. Speaker, I am inserting an editorial from the Washington Post of July 28, 1981, in the Record, along with an account of the IWC negotiations, as reported in the August 3 issue of Time magazine It offers a well-deserved trib-

ute to the IWC.

[From the Washington Post, July 28, 1981] PROGRESS ON THE WHALING FRONT

The good news is that the International Whaling Commission last weekend approved what amounts to a ban on the killing of sperm whales. The bad news is that it once again defeated a proposal for an indefinite moratorium on all commercial whaling. To its credit, the Reagan administration continued the U.S. support for the moratorium that now extends through four presidencies. Interior Secretary Watt was responsible for appointing and backing a dedicated conservationist and whale expert to head the U.S. delegation.

Since the IWC began setting quotas for commercial whaling, the allowed worldwide catch has fallen from near 50,000 to below 15,000. Whaling from immense factory ships has been banned. A sanctuary has been established in the Indian Ocean where whales may not be killed for 10 years. These are significant achievements requiring, as they do, the cooperation of many nations. But whaling is still allowed for several species that are on the international endangered species list. Of what were once the many species of the world's largest-and, don't forget it, largest-brained—creature, only the small minke whale has not been hunted by man to the point of scarcity or near extinc-

Now that there are inexpensive substitutes for all whale products, including the use of whale meat for human consumption, there is little excuse left for continued commercial killing. Yet endangered industries die hard. Despite the fact that sperm whales cannot be eaten because of their dangerously high levels of mercury, and despite their precariously small numbers, Japan fought hard against the complete ban on killing sperm whales that was recommended by the IWC's scientific advisers. The partial ban that was finally adopted included an exemption for the western Pacific and an offsetting increase in Japan's quota of minke whales. Yet the Japanese delegation made no secret of its dissatisfaction with the outcome.

Little by little the pressure of international opinion is eroding the now unnecessary whale trade. Only the Japanese market keeps it alive. Ultimately a ban seems inevitable. The danger is that it will come too late. Among all animal species, the whale's survival seems to be peculiarly chancy. Once a decline in the numbers of a particular type of whale can be documented, the process often seems to be irreversible. Many whale species—including the largest, the Great Blue—have not yet been recovered after decades of protection. The reasons for this unusual behavior are not known. It may have to do with the small number of whale offspring, their long infancy, and the whales' wide range.

whales' wide range.
Until the answers are known, a moratorium, not the let's-wait-and-see-what-happens justification for annual quotas, is the only responsible policy. Perhaps next year the IWC will take the last needed step.

[From Time magazine, Aug. 3, 1981] BATTLING FOR THE LEVIATHANS

To environmentalists, Interior Secretary James Watt sometimes seems to be an avenging Ahab, citing the Bible and warring against nature. But that image may be unfair. Last week, with the Secretary's blessing, the U.S. came to the help of Watt's surprising friends, the whales.

The occasion was the annual meeting of International Whaling Commission (IWC) in the English seaside resort of Brighton. On the street, save-the-whales demonstrators waved placards, chanted slogans and even floated a 110-ft, inflatable whale named Big Flo. Inside the Victorianstyle Brighton Metropole Hotel, the delegates from 31 member nations pondered the fate of the leviathans. The commission, formed after World War II to regulate whaling, has been setting annual quotas ever since. For this season the permissible commercial take had dwindled to 13.851 whales, 80% of them small minkes. That was less than a third of the total eight years ago. Hunting of such endangered species as the blue, bowhead, right and humpback is now forbidden altogether, except by or on behalf of Eskimos and other native peoples, while sperms may be taken only by coastal-based

ships.
Still, marine biologists worry about the whale's future. Chief U.S. Delegate Tom Garrett, a childhood friend of Watt's and longtime defender of the whales, who was appointed at his urging, said that far too little is known about the populations of various species or their reproductive habits to permit the slaughter to go on, even at reduced levels. He backed a British proposal for a moratorium on all commercial whaling.

The Japanese, who along with the Soviets operate the only large ocean going whaling fleets, insisted that enough is known to set safe limits that will ensure the animals' survival. Whaling, they added, was important to their economy and food supply; they felt no legal or moral obligation to accept a ban.

Conservationist groups replied that the Japanese estimates were grossly overstated.

But on the issue of the moratorium, their words, including President Reagan's plea to save "these magnificent creatures," were to no avail. It failed to get a required three-fourths majority. So did another proposal to stop all whaling in the North Atlantic.

But at week's end the antiwhaling forces won two significant victories. Over Japan's objections, the conference set a "zero quota" on all sperm whaling in the Southern Hemisphere and the North Atlantic. As a gesture to the Japanese, a decision on the North Pacific was deferred until the spring. Said Garrett: "This might be the final curtain for sperm whaling."

The delegates also agreed to outlaw "cold" (or nonexplosive) harpoons on minke whales, starting with the 1982-83 season. Conservationists claim these weapons prolong the animal's final agony, but the Japanese insist that faster-killing grenade-tipped harpoons damage too much of the flesh and are dangerous to the hunters. The decision gives them time to develop a less damaging, safer explosive harpoon.

The antiwhalers were not so successful on the issue of next year's overall quotas. The total number of whales that can be legally taken was reduced by only about 500. Still, if this trend continues, whaling may eventually become so uneconomical that even the persistent Japanese will be forced to drop

it.

LEGAL SERVICES FOR MEMBERS OF THE ARMED FORCES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

• Mrs. SCHROEDER. Mr. Speaker, in keeping with a good thing, I wish to introduce a revised version of legislation I introduced last session providing legal services for members of our Armed Forces. Please allow me to also insert into the Record a section-by-section analysis of the bill:

SECTION-BY-SECTION ANALYSIS

Subparagraph (a) is designed to insure the continuation and permanency of the provision of legal assistance to military personnel and their dependents. The intent of this section is not to alter the existing discretion of the Secretary of each Department to direct how legal assistance will be provided within that Department, but rather to assure that each Secretary require the continued provision of legal assistance to active duty personnel. Each Secretary also has full authority to continue to provide legal assistance to retired personnel and dependents of active duty and retired personnel subject only to the availability of resources within each Department.

Subparagraph (b) clearly places upon the Judge Advocates General the responsibility for the creation and operation of the legal assistance programs. The reference to 10 USC 801 is necessary so as to include the Coast Guard. The Coast Guard has no "Judge Advocate General" and the only place in the law where the term "Judge Advocate General" is made applicable to the Coast Guard is in the definitional section of the Uniform Code of Military Justice wherein it is stated that the term "Judge Advocate General" shall include the General Advocate General" shall include the General "shall include the General" shall include the General "shall include the General" shall include the General "shall include the General "shall include the General" shall include the General "shall include the General "shall

al Counsel of the Department in which the Coast Guard is operating. The language "by the Secretary concerned" refers, in this case, to the Secretary of Transportation.

Subparagraph (c) is designed specifically to indicate that this legislation is not authority for the expansion of the legal assistance program to include the representation in court of those presently able to pay legal fees-i.e. to continue the present expanded legal assistance program to the military indigent, but not provide any requirement or authority for expansion to others than the military indigent. If the client can afford legal fees without undue hardship or if the case is one in which attorney can recover a reasonable fee out of the judgment, then the legal assistance program, insofar as presentation in court is concerned, may not be expanded under the authority of this legislation.

QUESTIONS AND ANSWERS ABOUT MILITARY LEGAL ASSISTANCE LEGISLATION

Question. Who will be entitled to legal

services under this bill?

Answer. Except as limited by subparagraph (c), it is the intent of the bill to provide legal services to active duty personnel and others as prescribed in the regulations of each military department authorizing legal assistance. As with other military benefits, legal assistance has been made available to all grades and ranks, but the overwhelming share of legal services are provided to low and middle income service members who, like their civilian counterparts, are least able to afford the services of an attorney. It is expected that full legal assistance will continue to be a high priority for retired personnel and dependents of active duty and retired personnel.

Question. Who may provide legal services to service personnel and their dependents?

Answers. Active duty military lawyers, civil service attorneys employed by the military departments, civilian attorneys retained under contract and reserve military lawyers are authorized to provide legal assistance under the regulations of the military departments authorizing legal assist-ance. The bill presumes that the same regulations will apply after its enactment.

Question. Will the delivery of legal services to Armed Forces personnel at the level contemplated by this bill be detrimental to

members of the local bar?

Answer. During the seven years that the American Bar Association has worked with representatives of the military services in observing legal assistance programs in operation and in visiting with numerous civilian bar leaders and practitioners, the Committee has found no evidence of any abuse of the civil process or injury to the civilian bar at any location where these programs have been established. On the contrary, the ABA has found an expanded awareness of legal rights and needs in each community. Where the local bar association has encouraged and participated in these programs, there has developed a professional rapport between the military and civilian bar members, and between the military services and the local judiciary and law enforcement authorities in a manner which has ultimately resulted in the improvement of legal assistance. Where the state and local bar associations have worked with the military lawyer community, the legal assistance program has produced a higher quality representation, has reduced the areas of confrontation between military and local authorities, and has increased the level and quality of civilian bar legal services.

Question. What legal services are included "personal affairs" in Section 2 of this bill?

Answer. "Personal affairs" is intended to mean only those types of cases authorized by the regulations governing the provision of legal assistance issued by the military departments. Those regulations include assistance in and/or preparation of wills, powers of attorney, tax matters, domestic relations matters, consumer protection matters, landlord-tenant matters, and others. The regulations do not allow (some in fact prohibit), nor does the bill contemplate, providing legal services for the purpose of assisting a service member in any commercial endeavfor the purpose of instituting a class action (which might be a fairly attractive fee-generating cases for a civilian attorney) or for the purpose of suing the Federal government (legal assistance officers are prohibited by 18 U.S.C. 205 and implementing regulations from instituting such suits against the United States).

Question. Will this bill require the additional expenditure of public funds (includ-

ing personnel)?
Answer. No. The bill does not (and is not intended to) mandate a specific level of legal assistance programs of any kind: rather, the bill merely recognizes and protects by statute a long-standing practice of the services, leaving the implementation to the best judgment of the military departments. The only cost factor is an indeterminate but perhaps identifiable continuing cost of maintaining the present program with no new costs. As a practical matter, the bill closes off the possibility of the total discontinuance of the existing practice of providing legal assistance to service members.

EL SALVADOR

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

 Ms. OAKAR. Mr. Speaker, as we approach the recess of this current session of Congress, I would like to remind this distinguished House of Representatives of some unfinished business—the bodies of four coura-geous women, brutally murdered last December, and thrown in a ditch to rot-an unsolved crime, and criminals not yet brought to justice.

Meanwhile, another crime is in progress: Our continued support of a regime that implicitly tolerates and is manipulated by militaristic Fascists who use American aid to dominate and decimate the people of El Salvador.

What has been accomplished in the intervening months since our military advisors and \$35.5 million in military assistance were sent to El Salvador?

Not a reduction in violence, but an escalation of it: 2 weeks ago, 28 bodies, most of them mutilated, found under a bridge; this past weekend, 44 bodies dumped into a pool-mostly civilians and a handful of guerrillas. These massacres generally take place during curfew hours when only military and security personnel are free to move about. In the past 18 months at least

22,000 people have been slaughteredin a country of 4.5 million; at least 150,000 Salvadorans have fled across the Honduran border seeking safety. What has happened since we went to El Salvador? A more sadistic and sophisticated terrorism of the population. An increase in the number of victims who are children. More torture: People dumped into battery acid, sawed in half, sexually mutilated, disemboweled. Helicopters used as roving machinegun nests to ravage whole villages. Military hit lists labeling respected teachers, priests, religious, lawyers, and doctors as psychopaths and traitors. Mail is arbitrarily opened and inspected; people are detained and disappear.

What has happened since we announced the eclipse of the U.S. human rights policy? One Salvadoran puts it

When your State Department makes friends with Chile and Argentina, our army gets the idea that if they act like Chileans and Argentines, they too will be rewarded.

The corrupt military power structure has grown so powerful that it reportedly now controls the nationalized banks of El Salvador, all exportimport activities, and is implicated in colluding with former landowners to threaten, evict, and even kill peasants who are attempting to register their plots of land.

Thirty years ago, we began training Salvadoran military officers. Today, there are over 2,000 American-trained Salvadoran officers in control of the security forces of El Salvador. What has been the result?

In testimony before our own House Appropriations Committee, a former Salvadoran army captain admitted that the security forces who prowl the nights as death squads, performing acts of terrorism, murder and torture are actually carrying out orders given by high-ranking military officers.

The four women missionaries killed last December were singled out. The Salvadorans know who killed them. They know the orders came from higher up. Why have no charges been filed in a court of law? The answer should be obvious. Twenty-two thousand Salvadorans have also met the same fate.

We dishonor ourselves as Americans by allowing our citizens and our resources to be used in support of such continuous horror. The Reagan policy has had no impact on the reign of terror in El Salvador. As one witness, a former chief advisor to the land reform program, told a House subcommittee:

What your policy tells the army is that it can kill at will. Your administration has in effect said that it agrees that the army has the right to destroy all those organizations and people who want the army to share

I propose a five-point solution to this disaster of El Salvador that threatens to decimate the Salvadoran population and render it even more vulnerable to both communism and a right-wing coup. We are at a critical point. We have a unique opportunity to win, in the true sense of the word. We should:

First, demand that the Salvadoran courts bring charges on the basis of the evidence in the case of the murdered American women. Demand that the court invite lawyers from a neutral country, Mexico, to serve as counsel for the families and kin of the murdered women.

Second, call for a cessation of all military assistance to El Salvador and withdraw our advisers. Limit all U.S. aid to that which fulfills basic human needs, where the recipients can be credibly certified.

Third, insist that the Salvadoran Government establish a neutral electoral commission to register voters and

supervise elections.

Fourth, commission a 2,000-man international peace-keeping force to insure that Salvadoran Armed Forces remain in their barracks and that guerrillas remain in assigned areas.

Fifth, actively promote multilateral negotiations with neutral intervenors, and insist that the Government of El Salvador cooperate in return for our continued economic assistance.

LIBRARIES IN THE SOVIET UNION

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. FIELDS. Mr. Speaker, Jane Fonda once told an audience, "If you really understood what communism is, you would hope, you would pray that one day we would all be Communists."

one day we would all be Communists."

How did comrade Fonda arrive at such a state of philosophical illumination? Perhaps she did her vast background research on comparative sociopolitical systems at the Moscow State

Library.

Mr. Speaker, I am placing in the RECORD a brief article by Matthew Conroy which gives us a better understanding of why the worker's paradise; and the reader's paradise; and why the use of Soviet libraries could turn Miss Fonda into comrade Fonda.

Here again, Mr. Speaker, the illusions and promises of Communist propaganda melt away before the

bright light of reality.

SOVIET UNION'S LIBRARIES MIRROR A LOW-QUALITY SOCIETY

(By Matthew Conroy)

My neighbor recently presented me with Carl Sagan's book, "Cosmos." Perhaps it was meant as a hint: Normally, I am immersed in current political, economic and cultural affairs, and it does one good to be

reminded of the awesome vastness and splendor of the universe.

However, Sagan's book is more than astronomy; it has philosophical content as well. Chapters are preceded with quotations that remind us that the universe is more than galaxies, stars, suns and planets, that there is the glory of man's thought. Sagan quotes from Pascal's "Pensees":

"It is not from space that I must seek my dignity, but from the government of my thought. I shall have no more if I possess worlds. By space the universe encompasses and swallows me up like an atom, by thought I comprehend the world."

To browse through "Cosmos," I had to temporarily put aside another fascinating book, a work dealing with the tribulations of a top Jewish scientist in Russia who inevitably realizes that escape from the totalitarian hell takes precedence over everything. The book is by Mark Azbel and is called "Refusenik," subtitled, "Trapped in the Soviet Union."

What struck me about the book almost immediately was precisely what Sagan tries to impart in his book; the absolute need of a cultivated mind to be exposed to and allowed to explore all aspects of knowledge. It is implicit in Azbel's book, while Sagan quotes T. H. Huxley to get his point across:

"The known is finite, the unknown infinite; intellectually we stand on an islet in the midst of an illimitable ocean of inexplicability. Our business in every generation is to reclaim a little more land."

LIBRARIES AND FREEDOM

To reclaim that land, one must have access to books. This is the legacy upon which every succeeding generation builds. To that end, one of the marks of a civilized country is its libraries and the freedom of the people to use them freely.

Consider, then, these contrasts.

In "Cosmos," Sagan writes of the great library of Alexandria, the city founded by Alexander the Great that flourished for some 600 years beginning around 300 B.C. The library, deliberately destroyed at some point in that past, must have been a true wonder of the times. The civilization that fostered it went to enormous lengths to expand it. The organizers," writes Sagan "combed all the cultures and languages of the world. They sent agents abroad to buy up libraries. Commercial ships docking in Alexandria were searched by the police-not for contraband but for books. The scrolls were borrowed, copied and then returned to their owners.

The estimated half million books the library contained were open to all.

A CLOSED SYSTEM

In the Soviet Union and throughout the entire Russian empire, there are libraries, but the books, journals and other reading material they contain are definitely not available to all. Ever since the Russian revolution, the communist rulers have preemptorily decided what the people under their domination have the right to read. The Bible, for example, is neither available in bookstores nor in libraries. There is a list of officially approved literature, and the works of those authors of whom the communist rulers disapprove are simply nonexistent.

Azbel, in this book, writes about his school years: "Dostoievski was nonexistent, except to be condemned. Tolstoi was a very doubtful writer; we were given almost nothing of his to read. Homer was unknown. The great Russian writers Nabokov. Bunin, Kuprin, Bulgakov, were not even mentioned. They

simply did not exist. Even Gogol, even Chekhov, were heavily cut. . . And I had to suppress from my consciousness the fact that there were such poets as Blok, Akhmatova. Pasternak and many others."

FIRST, FOUR SIGNATURES

Even more restricted to the Soviet public are technical journals, no matter how innocuous. Azbel relates of his efforts to obtain permission to read an issue of Physical Review, a purely scientific journal published by the American Physical Society. Underneath Azbel's application to peruse the journal, the chairman of the Department of Theoretical Physics of Azbel's school had to write, "I attest that the above-mentioned volume of the Physical Review is required for the preparation of a talk at the Science Seminar, and I herewith request that student Azbel be permitted access to it." The dean of the faculty then had to co-sign "I endorse this application." The deputy director of the university then had to sign, "I also support this application." Finally, the director of the library had to write, "I hereby permit student Azbel access to this journal, to be read only on the library premises."

A time span of some 23 centuries or more separates the Great Library of Alexandria from the libraries of the Soviet Union. Is there any doubt where the evidence of greater civilized thought and behavior is to

be found?

A FRESH OUTLOOK-BY RALPH NADER

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. MARKEY. Mr. Speaker, Ralph Nader addressed the class of 1981 Harvard graduates on June 3. His speech was articulate and perceptive. It focused on the vital issues society has been and continues to struggle with in this decade. His comments reflected a well-grounded fear about the direction this administration is heading. The young graduates were encouraged to explore an abundance of work options and to strive to better society through citizen work. Mr. Nader urged them to use all their skills, stamina, and creativity to help resolve pressing social, economic, and energy problems.

Ralph Nader's vision of America is one that embodies the pursuits of peace, justice, liberty, and opportunity for all.

For both a keen and insightful view of modern problems and some positive answers, I recommend Ralph Nader's speech to my colleagues in Congress and to the public.

The text of his speech appears below.

REMARKS BY RALPH NADER, CLASS DAY EXER-CISES, HARVARD UNIVERSITY, JUNE 3, 1981

Proud parents, patient mothers and fathers, daughters and sons of the Class of 1981, relatives, friends, members of the society of Harvard University and rulers of the Harvard Corporation.

As you, citizens of the class of 1981, prepare to graduate into various graduate schools, occupations, national service and other activities, it may be worth some of your time to look backward as a way of looking forward. What did you derive from your four years at Harvard? What did Harvard derive from four years of you? Indeed, what is Harvard, or as educator Robert Hutchins used to pose the question at his guest lectures here: what is the justification for Harvard University? "Sui generis," whispered back an irreverent law student at one of Hutchins' lectures. Although a cute reply, typical of the Law School's ability to make its students sharp by making them narrow, it is not helpful.

Harvard is first and foremost a practice of power—the power of knowledge within an academy linked to many sinews of power near and far from the campus. Much of this knowledge is generated by imagination, but much more is shaped and applied by the power of the material world. The patterns of influence which press upon a university decide its range of inhibition, shape its internal governance and evoke the standards by which its consumers—the students—are measured and, indeed, measure themselves.

So large is this institution and so overconfident is its tradition that one can become engulfed by waves of ethnocentrism.

I recall my early weeks at Harvard Law School in 1955, when I asked a law professor why, given the abundance of courses and seminars in the catalog, there was no course on "food and the law." Nonplussed for an instant, he blurted "Food?" Recovering his composure he allowed that the reason was simply that the subject had not developed to a suitable intensity to qualify as an adequate intellectual challenge at the School. Searching for a frame of reference, I asked him what course would so qualify. He looked up at the sky and then a definite glow crossed his face as he responded: "Taxation."

I want to believe that you did not have similar experiences with the curriculum during your years here. We are told that the atmosphere has changed, that your sophistication extends to the involvement of education with the development of major life skills. Right? You perfected your citizen skills by developing a pre-eminent model of student government that changed the governance of the University from an autocracy hostile to the concept of students organizing as a community to one where initiative, community purposes and reasonable self-determination thrive under an overall institutional discipline. Correct? You sharpened your consumer skills by intelligent examination of annual tuition and other price increases-a process resulting in parent/student reviews of the University budget, its determinants and alternatives. You have viewed the world as a social laboratory for your education, linking knowledge to your behavior in a way that organized your thoughts without being too remote either from fact or principle. Or, so we would like to believe.

However, you are not without any deprivations; few of you are old enough to remember when the President of Harvard University used to matter to the country beyond Harvard Yard.

Given a background of Harvard educational pride, how do you view yourself as a citizen? "Justice," said Daniel Webster, "** is the great interest of man on Earth." "Duty," wrote Alfred North Whitehead, "arises from our potential control over the

course of events." And, he added, "Where attainable knowledge could have changed the issue, ignorance has the guilt of vice." What do these words mean for Harvard graduates?

Taken together, these observations can illuminate the pathways of citizenship at the workplace and in the community at large. How many of you want to become leaders in the achievement of greater justice on earth? If not, why not? Could it be that the nation is suffering from an excess of leadership? Or is it more likely that our times reflect a massive escape from leadership responsibilities? With so much human activity conducted within and between larger and larger private and public bureaucracies, is it any wonder that the "I only work here" syndrome has become an epidemic?

Yet, if we pause for a moment and reflect on the blessings of liberty and progress in our country since 1776, they were not brought about by people who got along by getting along. Consider civil liberties, civil workers' rights, women's * Consider the stalwart Amerirights, cans who first broke the bonds of injustice and advanced the enlightenment for so many of their fellow citizens. These leaders overcame, to some degree, raw power or brute force through the compelling advocacy of humane values under the rule of law. These values possessed stamina precisely because they reflected deep survival meanings. The pursuits of peace, justice, liberty, and opportunity transcend different cultures because they spell survival for people, progeny, culture, and environment.

Our constitution and political traditions do permit, however imperfectly, a greater scope than in most countries for pursuing these values under protected rights. In several countries today students are on the ramparts opposing despotisms in order to achieve the rights in their country that you already have in your country but utilize too infrequently. Can we diminish or lose our rights if we do not use them with some degree of constancy? The current Administration in Washington seems determined to test this question.

If you ever require an overt challenge to citizenship, you need go no further than contemporary Washington. The current Administration is largely a nihilistic, virulent, extremist brand of Republicanism that is likely to make its Nixon and Ford predecessors appear benign by comparison. Now that the assumption of power has replaced the soothing stream of last year's campaign rhetoric, the policy directions are unmistakably clear.

The Reagan Administration is working feverishly to lift the rule of law from unsafe, corrupt, fraudulent and anticompetitive behavior of Big Business. A modest sensitivity to consumer and environmental values, developed under both Democratic and Republican Administrations in the past twenty years, is in serious jeopardy.

Anti-trust law enforcement is being severely narrowed during a period of accelerating mergers, cartels and conglomerates. The present White House has declared war on the successful national legal services program for the poor, the fledgling National Consumer Cooperative Bank which encourages economic self-help, infant nutrition programs that have lowered our country's infant mortality rate, the excellent Freedom of Information law which many citizens have invoked against government secrecy and abuse. Information is the currency of democracy but to the current Adminis-

tration that is a currency to be diminished rapidly. Basic scientific research efforts, important data collection projects and programs for solar energy and energy conservation are among the future hopes of our political economy which are to be dashed.

The horizons are not bright for civil liberties, a competitive economy, open, accessible government, human rights abroad, effective help for the poor, the elderly, the handicapped and the ill. This is a government of reactionary ideologues who do not even make a pretense of compassion; their only concession to public opinion is to mask their ideological cruelty with a jovial demeanor and the usual political buzzwords.

You have read about or heard these phrases. Secretary of Transportation Drew Lewis does not say that hundreds of thousands of Americans will be killed or injured on the highways because, as he told a Congressional Committee, there will be no safety standards issued during his four year tenure. But the death or maiming of Americans are empirical consequences of his nullification of the safety laws. He ignores the spectacular and practical availability of very cost-effective crash protection engineering remedies, long ready for adoption. Instead, his explanation is that he wants to reduce tape, not "nit-pick an auto industry and be supportive of the concerns of auto companies. These companies meet regularly in his large office, but the victims of his indifference have no voice, no presence, no power to persuade him to respect the sanctity of human life under the law he swore to uphold four months ago.

The list could go on-the scuttling of nutritional programs at the Department of Agriculture as an economy move, or the big push by Secretary of Interior James Watt to give away or lease for a pittance to "rip and run" multinational corporations, with few environmental safeguards, the federal lands which earlier Republicans in our nation's history strove to secure for future generations of Americans. As coming months and budgets will reveal, this Administration is not really economy-minded nor citizenminded; it is instead an ambitious architect of the corporate state, a transferer of more power and more resources and more claims on the future from the many to the few and privileged. The Reagan Administration is a government of the Exxons, by the Dow Chemicals, and for the General Dynamics. Social Darwinism is back in the seat of government. Only the "fittest" are outfitted with heavy federal subsidies, tax preferences, inflated government contracts, monopolistic licenses and broad exemption from proper regulatory attentions.

What is your role to be in this decade of the Eighties? One approach is easy-just slide off the Ivy and into the waiting professions and positions where your time and talents are amply rewarding as long as you keep your conscience at home. These are the places that measure almost everything the dollar, where crass commercial values control the most hallowed precepts of American society, where the bosses, as the saying goes, know the price of everything and the value of nothing. These are the upwardly mobile jobs full of more "know who" than "know how," elite jobs that are associated with increasing isolation from the anguish, pains and needs of a tormented humanity around the world, jobs where dissent is taboo and obeisance to the Organization is the totem.

If that is your definition of work, you will have little trouble fitting in place. However,

at this time in your life, near the peak of your idealism and possibly as free to experiment, question, pioneer as you may ever be again, many of you may be ready to explore a different kind of work-a work where you bring your conscience and time and talent altogether to work every day to improve your society. This is the meaning of citizenship. It may come as a surprise to some people to learn that citizen work makes possible traditional employment and much economic activity. Citizen work built a nation rights-constitutional to contractual-make possible greater economic prosperity. Police states are almost never prosperous economies, no matter what their natural resource endowment may be, Monopoly capitalism never is much good for people and for equitable economic development. The history of Brazil is instructive on this

Citizen work produced the land grant colleges and the private colleges which provided multiple points of entry of millions of Americans seeking self-improvement and fulfillment. Citizen work enacted the Homestead law in the eighteen sixties which gave one hundred and sixty acres to individuals who worked them and thereby assured that much of the greatest agricultural breadbasket of the world would not quickly become a collection of giant plantations. Instead, this law encouraged a spread of millions of small, productive farmers who loved their land and who, in turn, nourished the main political economic reforms of the past cen-

More recently, citizen work has been responsible for the principal advances in American justice. Four black freshmen engineering students with their now historic sitin at that North Carolina lunch counter twenty-one years ago were engaging in constitutionally protected citizen work. At least the Supreme Court of the United States thought so. Other citizens, individually and in groups, took on the silent violence of pollution and environmental wreckage from the lead-afflicted ghetto children to the poisonous spills in the air and water. Still others stood tall at their place of work to become ethical whistleblowers against corruption, crime, fraud, and waste. They were the trustees for millions of affected consumers, taxpayers, and workers.

These domestic patriots had everything material to lose and everything noble to win. What was that courageous impetus to their intellect that guided their actions? A sense of communion with the most widely shared value of humankind—a golden rule applied to their daily experience. The quality control inspector at GM who, after numerous reports to his foreman were ignored, put his job on the line in the mid-sixties by exposing risks of carbon monoxide leakage in the company's cars was asked why he did what he did. His reply was too simple for the reporters: It was the shopfloor version of the golden rule.

The opportunities for citizen work, on and off the job, have never been more demanding in a world where tragedy, peril, and risk are found side by side with brilliant but unused scientific, engineering, and organizational solutions. These opportunities beckon you. They invite all the skills, stamina and creativity that you possess. No academic discipline is irrelevant. Problems to be resolved are like bodies of knowledge; they are a seamless web demanding the varied best that human minds can offer. Over time a pollution crisis, for example, needs to draw on almost every discipline which your Uni-

versity embraces—from the physical sciences to the social sciences to the traditional professions and, yes, most definitely, to the humanities.

How, you may ask, after some sixteen years of an institutional education largely indifferent to learning about and engaging in citizen work-an education whose primary thrust flows from memorization to regurgitation to vegetation—can one acquire the desire? There is no single entrance. Try viewing these United States as an exporter of humane democratic examples. Try seeing citizen work, not as a necessary chore, but as a delight, a joy, a counterpoint to alienation, powerlessness and boredom, a way to stretch your analytic and normative skills. Try etching out a future America where most citizens would feel a personal obligation to spend at least 10 percent of their time working on the problem or challenge of their choice in order to improve their community or world, where most citizens would reject the "what will be, will be" attitude of never fighting City Hall, nor Goli-Incorporated, where most citizens would reject the facile cynicism of hating "the government" but would rather make it their government and their way of accomplishing community objectives.

These are self-actuating determinations: no laws, budgets, elixirs are required. But, once actuated, solutions begin to be applied to what hitherto were seen as intractable problems. A functioning democracy permits people to always build power behind their quest for fair treatment and opportunity. It permits people to use directly the modern communications systems now controlled by a few firms. It permits people to shape the investment direction of more than a trillion dollars of pension funds and bank deposits which they already own. People gaining control of the wealth that they already own for themselves or as trustees for their descendants-from the public air waves to the public lands, from shares in companies to the pension funds-forges the link between responsible owners and a responsive political economy. Never have the separations between ownership and control, as illuminated in the early Thirties by Berle and Means, been so diverse, so pervasive throughout the economy and so consequential for the future of economic and political democracy. It is well to keep in mind that, unlike past

It is well to keep in mind that, unlike past generations, our generation worldwide has created two risks—nuclear armaments and penetrating masses of pollution—which could destroy life on Earth. These two mounting risks place a particularly strenuous set of moral imperatives on our public citizen roles.

So ask yourself: what kind of work would you really like to do in life after Harvard, if money were no object? Then start cranking in the dollars and see at what dollar level your ideal choice of work becomes overwhelmed by your instrumental choice of work. From there, proceed to adjust your available time so that you do not have either to suffer your satisfaction or satisfy your suffering. There are many hours in the day for diversifying your interests. Whether you choose to develop consumer-side businesses like cable TV coops or neighborhoodbased legal, health or repair services, or whether you choose to enlarge or build problem-solving civic groups—to suggest just two directions-do keep in mind that the highest practice of citizenship is to defend the political rights of those who may disagree with you as well as those who concur with your pursuits. That is truly the golden rule of a democracy.

Congratulations to you and your parents, to your teachers who persevered, and to the country that is entitled to receive your wisest contributions.

Thank you for your invitation. May your 50th Reunion in the year 2031 find you all back here in good health and better spirits.

UNITED STATES CHANGING HUMAN RIGHTS POLICIES

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. HERTEL. Mr. Speaker, a recent editorial in the Detroit Free Press discusses the United States changing human rights policies.

I would like to share this editorial with my colleagues:

[From the Detroit Free Press, July 25, 1981]

HUMAN RIGHTS: THE U.S. AGAIN VOTES ON THE SIDE OF REPRESSION AND TORTURE

For the first time in four years, U.S. representatives to the World Bank have voted in favor of development loans for Argentina, one of the nations targeted by the Carter administration as a gross violator of human rights. The vote was largely symbolic, since the \$300 million in loans for energy development would have gone through with or without American backing, but it marks a significant change in U.S. policy.

The four-year practice of opposing loans to nations with abysmal records on human rights was itself more symbolic than effective in preventing international development aid from reaching them. During the Carter years, U.S. representatives to the World Bank and the Inter-American Development Bank voted no or abstained on 122 loans to 16 countries, most of which were approved by the multinational lending agencies anyway.

The U.S. position was, however, a rebuke and an embarrassment to nations branded as human rights violators. It was a public reminder that states like Argentina, Chile, Uruguay and Paraguay were places where people disappeared or were jailed by the hundreds; where torture and kidnapping and killing were chillingly routine police activities; where journalists, labor leaders, intellectuals and political opponents of the regime risked their lives to dissent.

Now the Reagan administration has reversed the Carter policy as it applies to those four Latin American nations. U.S. delegates to the two development banks will support some \$480 million in loans to the four countries this month. The administration has also asked Congress to lift an embargo on military aid, sales and training to Argentina. Secretary of State Alexander M. Haig, Jr. says the change is justified because the four nations have improved dramatically in the area of human rights.

It is true, if you look at the raw numbers compiled by organizations such as Amnesty International, that fewer people are being snatched off the street in Argentina and Chile or jailed in Uruguay and Paraguay. But political and labor activity is still illegal in Argentina, and perhaps 10,000 people spirited away by the quasi-official death squads are still unaccounted for.

There has been a wave of new detentions in Chile, a nation that steadfastly refuses to extradite the accused killers of Orlando Letelier, a critic of the regime who was assassinated five years ago in Washington. Uruguay has more political prisoners per capita than any other country in the world. And Paraguay has emptied some of its cells but remains one of the hemisphere's more enduring and implacable dictatorships.

Conditions may have improved somewhat in the four nations, but they are still the most repressive in the hemisphere, with the possible exception of Cuba. If the U.S. embraces this quartet of dictatorships too warmly now, the message will be that a few temporary adjustments—a brief vacation for the torturer and a little cleaning out of the jalls—are all that is necessary to regain respectability and access to aid. The resumption of military aid to Argentina, in particular, implies that there is no need for further liberalization, and suggests the U.S. is once

more a firm ally of military dictators. The Carter human rights policy was mocked as ineffective and as a policy that punished our allies more than our enemies. But the whole point was to use American influence where we actually had some. Mr. Carter used the promise of aid and the threat of censure to urge some client nations toward political decency and minimal reform, and when it worked—as it sometimes did—it was a good exchange. Ask the hundreds of people freed from the jalls of Santiago, Montevideo or Buenos Aires—not to mention those who still languish as political prisoners—if it is not a policy worth keeping.

THE NATIONAL WATER UTILITIES BANK BILL

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. WATKINS. Mr. Speaker, last Friday I introduced H.R. 4366, a bill to create a joint private/Governmentowned Water Utilities Bank. This bank would provide loans and loan guarantees for the construction and improvement of water utility systems. To create an efficient secondary market for private loans to water utilities, the bank could buy and package private loans to water utilities for resale to investors.

The Water Utilities Bank is modeled after the successful Farm Credit Banks and the Rural Telephone Bank which have greatly benefited my district. Just as the Farm Credit Banks have become entirely private entities, Government capital in the Water Utilities Bank would be gradually replaced by private capital until no Government interest remained.

This bill is very similar to H.R. 7781, which I introduced last year. In the intervening year, the case for the bank has become even stronger. This past year brought unprecedented droughts in many parts of the Nation. Water tables and reservoirs have been dropping and wells have been running dry at alarming rates.

The capital needs of America's water systems are enormous. EPA projects that for normal replacement, maintenance and system expansion, water system capital expenditures during the period 1980-83 will exceed \$10.4 billion-more than \$2.6 billion per year. During the same 1980-83 period, compliance with existing EPA drinking water regulations will require more than \$2.3 billion in additional capital expenditure, according to EPA's own figures. The cost of compliance with these Federal regulations bears most heavily on small, rural systems. New regulations that EPA plans to propose to control synthetic organic contaminants in drinking water will cost billions more. Moreover, much of the expense of compliance with the Dam Safety Act will fall on water suppliers. The Federal task force on urban water supply estimates that over the next 20 years, urban systems alone-that is, those serving over 50,000 people-will need to finance capital investments of between \$80 billion and \$113 billion.

Usually, no help in meeting these demands is available from State or Federal governments. In the past, the Farmers Home Administration has provided needed capital to publicly owned or nonprofit systems in rural areas like my district. But this year, it appears this program will be reduced because of fiscal concerns.

For the most part then, water utilities must compete with other industries for needed capital in highly competitive capital markets where interest rates are higher than ever before in U.S. history. Many of the competitors with water utilities for capital enjoy substantial direct or indirect Federal subsidies unavailable to water utilities. For instance, rural telephone utilities have long had access to low interest loans through the Rural Telephone Bank. Small electric utilities have received subsidies from the Rural Electrification Administration. The sewage treatment industry has received about \$4 billion per year in direct grants.

This bill would not attempt to remedy this critical capital shortage by creating another cumbersome and expensive grant program. Instead, my bill would set up a Water Utilities Bank, modeled after the Farm Credit Banks, the Rural Telephone Bank and the National Consumer Cooperative Bank, to supply capital to water utilities at reasonable rates while minimizing cost and risk to the Government.

The Water Utilities Bank would initially be capitalized jointly by Government and private sources. Stock would be issued to the Government, to utilities that are bank customers, and to water utilities eligible to become bank customers. Government financial participation would be eliminated beginning in 1991 or earlier if practical. As the Government stock was gradually redeemed, the bank would, like the

banks in the farm credit system, become an entirely private entity. The bank could obtain debt financing in private capital markets or, with the consent of Congress—through the appropriations process—and the Secretary of the Treasury, from the Government at the average yield at which the Government is selling securities of comparable maturity.

Past programs have been criticized because they circumvent the appropriation process. All Government loans to the Water Utilities Bank and all Government purchases of stock in the bank would, however, come entirely within the appropriation process. The Treasury should actually make a reasonable profit from the Water Utilities Bank. While the Government is entitled to a 2-percent return on its investment in the Rural Telephone Bank, the return on Government Water Utilities Bank stock is to be determined by the Secretary of the Treasury taking into account the average market yield of U.S. Government securities of comparable maturity.

To minimize any risk to the Government, this bill contains several provisions that carefully protect its investment from loss. The Government would not be liable for obligations of the bank. As long as the Government retained any equity, it would have substantial rights to participate in the management and control of the bank. In fact, all directors would initially be governmentally appointed and gradually replaced by shareholder-elected directors as the Government's share of equity decreased. The Government's stock would be preferred, and entitled to a cumulative dividend and interest on unpaid dividends. The bank's debtto-equity ratio could not exceed 20 to 1. Finally, as long as the Government retained an equity interest, the bank would be subject to an annual audit and required to make an annual report to Congress.

This year's bill follows the same framework as last year's bill but a few changes and refinements have been made. These changes reduce the bank's authorization level, narrow the activities eligible for bank financing, and carefully refine the categories of utilities entitled to preferred status in receiving bank financing, as well as making certain technical changes.

The authorization level requested in last year's bill was \$2 billion per year for 5 years. The bill that I am introducing today requests an open authorization of \$1 billion, with no more than \$200 million to be appropriated in the first year. This reduction in authorization level does not reflect that the dimensions of the problem have diminished; if anything, the problem has grown. Rather, I have requested less in recognition of the serious budgetary problems facing this country.

The bank can start on a smaller scale, on a trial basis.

In a further effort to limit the cost of the bank, the new bill has narrowed the scope of activities eligible for bank financing. Utilities would no longer be eligible under section 9(b)(1) to receive bank loans or guarantees to finance ordinary maintenance such as fixing leaks. Under the bill, bank financing would be available only for "extraordinary and nonrecurring" maintenance, such as unusual maintenance procedures needed in the wake of a disaster.

The new bill also prohibits bank financing of the acquisition of a water system by another system unless the acquired system is small—that is, unless the acquired system serves a population of less than 1,000. The purpose of the Water Utilities Bank is to finance projects that will extend service or improve the cost and quality of service, not to finance changes of ownership. The small system exception provides for cases where, due to economies of scale, acquisition of a very small system is likely to improve the cost and quality of service.

The categories of systems entitled to be preferred in receiving bank financing has been changed in two ways. First, while last year's bill called for preferring systems "ineligible for" other Government assistance, section 9(2)(a) of the new bill favors systems "otherwise unable to obtain" Government assistance. This change would make it easier for municipal systems that may be eligible by law for certain programs but that in practice cannot obtain this assistance, to use the bank. It would also make it easier for small companies technically eligible for a program yet unable to participate due to high administrative costs, to use the bank.

Second, section 9(b)(2)(c) was changed to make it clear that systems simply refinancing outstanding indebtedness should not be afforded any preference in obtaining bank financing. On the other hand, if a system needs a new source of capital because of maturing indebtedness, access to the bank should remain a higher priority

A safe, adequate supply of drinking water is absolutely essential for human existence. It is not a luxury. I believe that this new, scaled down bill would provide a proven, nonintrusive means for assuring that our drinking water systems have access to adequate capital. Please join with me in supporting this workable means of meeting the escalating needs of our water supply system.

LOYALTY OATHS FOR FEDERAL EMPLOYEES

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. ROYBAL. Mr. Speaker, I would like to insert in the RECORD and exchange that Hon. PATRICIA SCHROEDER of Colorado and I have had concerning loyalty oaths and the rights of free speech of Government employees. I commend it to the attention of all Members of Congress:

PROPOSED COLLOQUY

Mrs. Schroeder. I move to strike the requisite number of words. I rise to engage the distinguished chairman of the Subcommittee in a discussion of the budget for the Office of Personnel Management. When OPM was created it took over most of the functions of the old Civil Service Commission. Among other functions it took over were security investigations and employment applications. Up until about 1975, the old Commission used to ask applicants about their membership in organizations to see if somehow they were communists or subversive. The Commission had files on a variety of organizations and a name index so it could check out the prior political affiliations of each applicant and employee. After losing a number of court battles, both on Privacy Act and on First Amendment grounds, the Commission revised the 171 application form to remove the offensive language and changed its investigation procedures to avoid interference with the free speech rights of Federal employees and applicants for Federal employment, Now, I understand, the new director of OPM, Donald Devine, has suggested that loyalty oaths and political affiliation questions be restored. I think this is a bad idea, both because of its First Amendment implications and because of its budgetary impact. So, let me ask, did OPM propose that any of its Fiscal Year 1982 appropriation be used for a change in the security programs?

Mr. ROYBAL. No, they never mentioned any change in that program.

Mrs. Schroeder. So, am I correct in assuming that there is no money in this appropriation for an expansion of the security program or the reprinting of Standard Form 171 to add new loyalty questions?

Mr. ROYBAL. That is correct. The appropriation does not assume any new activity in this area. I would consider it an improper use of funds for OPM to use money to change its security and loyalty oath programs.

Mrs. Schroeder. I thank the gentleman. I can assure my colleagues that my Subcommittee on Civil Service will keep a close watch on this area to make sure that no changes are made which affect the rights of citizens or which waste appropriated money.

THE ARROGANT IMMIGRATION OFFICERS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

Mr. GARCIA. Mr. Speaker, Mr. Nelson Lavergne, chief executive officer of the Command Broadcast Associates, recently sent me a copy of an editorial broadcast on radio station WADO in New York. The editorial is concerned with the mistreatment of a Puerto Rican man by U.S. immigration officials. Mr. Lavergne, who has long been a friend of Hispanics, sent me the editorial to point out some of the problems Hispanics encounter in this country because of their ethnicity. The United States does need a new immigration policy, one that is effective and equitable. But a new and more positive attitude toward Hispanics is also needed. I would like to share with you the poignant commentary sent to me by Mr. Lavergne.

At this time I wish to insert into the RECORD the editorial sent to me by Mr. Lavergne.

THE ARROGANT IMMIGRATION OFFICERS

On February 12, 1951, General Douglas MacArthur said that the Puerto Ricans forming the ranks of the gallant 65th Infantry on the battlefields of Korea were writing a brilliant record of achievement in battle and he was proud to have them in his command. He added that he wished that he had many more like them. In that war, the men of the 65th Infantry won 125 silver stars and four distinguished crosses.

On the day that President Reagan was shot this year, one of the first men to help him when he was taken to George Washington University Hospital was a paramedic called Roberto Hernandez—another Puerto Rican.

There are thousands of us here doing our jobs well and contributing to this society, yet we are living in a country where the government persists in calling us citizens, but violating the rights that are inherent with citizenship.

Take, for instance, the case of Salvador Caban: Salvador is a man born in Las Marias, Puerto Rico, in 1944, and he has I1 other brothers and sisters. As it was for many Puerto Ricans, his early years were difficult, mostly spent on a farm helping his father and obtaining a minimal education that only took him to the third grade. We talked to Salvador Caban and found him to be a quiet, respectful man, obviously endowed with a sincere, beautiful humility that is such a common trait of Puerto Ricans raised in the small towns of the island—indeed, a trait that seems to permeate throughout the "campesinos" of all Latin countries.

Again, like many of the rest of us, when he was about 19, he came to the United States, a place that he believed to be his country as well, to do something for himself and escape the yoke of poverty and the humiliating existence of the poor. And, considering his humble beginnings Salvador has done well. He has lived in the same apart-

ment in the Bronx for a number of years and has held the same job for seven years.

But Salvador made one little mistakeafter working in his present job four years and saving a little money, he decided to visit his family in Puerto Rico during the month of December 1977 and from there, he went to visit some friends in Santo Domingo. Then, he came home on an Air Dominica flight on January 5, 1978 and when he got off the plane he met a girl who believes herself to be more American than anybody else and who works for the United States Immigration Department as an officer-her name is Beverly Gordon. Trying to prove that he was an American citizen, born in Puerto Rico, he showed a New York State Driver's license, gave his address and phone number, showed a membership card from the International Union of Electrical Workers, a social security card, and answered whatever other questions he could, in addition to showing his birth certificate obtained in 1977. But officer Gordon did not believe him. She was interrogating him through an interpreter. Then she went to her superior officer who recommended that Salvador Caban be detained and then another one of those who believes himself to be more American than anyone else (an arrogant immigration officer). Assistant Officer in Charge, Douglas Farrell, gave permission to detain Salvador Caban and he was taken to the detention center in Brooklyn, where he continued to be held for six consecutive days!

The sad part of this story is that, in spite of the fact that Salvador gave the names and addresses of his brothers and sisters, in spite of the fact that he provided the name and address of his landlady, in spite of the fact that he gave the name and address of his employer, those arrogant immigration officers decided that this man, this American citizen was not important enough for them to bother calling anyone. Worse yet, when 3 or 4 of his brothers and sisters went to look for him, the arrogant immigration officers would not let them see him and his family obtained a lawyer immediately. But when the lawyer went to the arrogant immigration authorities, they couldn't find his file!

In the meantime, the arrogant immigration officers in Puerto Rico called the Caban family in Las Marias and told them that Salvador was in a lot of trouble, could go to jail for a long time and they'd better get to San Juan fast to identify a picture of Salvador. They went and they identified him. We wonder, of course, why the arrogant immigration officers couldn't have called his brothers and sisters in New York.

You see, the problem was that Caban was detained on Thursday and we guess that Thursday is too close to the weekend for those arrogant immigration officers to do any work, so they just let him sit in a detention center jall until Tuesday, six days later, which is when they began to think that maybe they were wrong and, to add insult to injury, Salvador's family had to put up a \$1,000 appearance bond before being released!

Through the good graces of a lady to whom Salvador told this story, he got an immigration lawyer, a suit for damages was started against the United States government. Salvador has lost the first round. Some judge decided it was perfectly in order for those arrogant immigration officers to do what they did to Salvador Caban. But, the case is being appealed and, if necessary, will go to the Supreme Court of the land.

In a separate case, on June 9th of this year, arrogant immigration officers raided the Ben Foreman and Sons factory in Brooklyn and arrested, handcuffs and all, 72 people. The only problem was, that out of the 72, 10 are citizens and another 30 were either legal residents or had work permits. But the arrogant immigration officers did not even allow those that were legal residents to take their green cards out of their wallets before handcuffing them.

What sin did Salvador Caban and all the other victims of the arrogant immigration officers commit? Only one—they spoke Spanish and were a little bit darker than some other people. We wonder it those arrogant immigration officers would have detained an English speaking, light skinned, blue eyed, red blooded, Canadian, who is an illegal alien.

In the name of God, when are we going to stop these abuses to our dignity and our rights? When are you going to decide this government must stop these Gestapo-type tactics? The rest of America has to know about this because the arrogant immigration officers are doing it to us now, but sooner or later they'll decide that they don't like green eyes or red hair and before long they'll be the storm troopers of this country for everybody.

Flying to Puerto Rico, U.S.A. is like flying to Los Angeles and back—it's all supposed to be American land. We are supposed to be able to go back and forth at will without showing papers, like all other Americans do. But, when are we going to raise our voices against that ridiculous, insulting, and diminishing counter where more often than not, some arrogant immigration officers asks, "What is your citizenship", before we can

get on a plane to come home?

Next September 10th we have some important elections in New York. During the next few weeks you will be hearing some politicians telling you why you should vote for them—WADO is giving them the time. We want to know from them what they are going to do about these arrogant immigration abusers and what they think of arrogant immigration tactics. After they talk, we will be able to separate the hypocrites from the honest ones and we'll be able to tell who to vote for and who to vote against and this time, let's come out to vote en

And its time too for our representatives who are not running in this election to speak out against this outrage in a loud voice. We want to hear our Assemblymen, State Senators, Congressmen, and Senators protest loudly against this outrage; we particularly want to hear from those elected officials who asked for our votes because they too are Hispanics. And we want to hear from our President too. We want to know whether he condones this or not and we want to hear and read about their protests in every radio and television station and in every newspaper in the land.

We want to know now whether those distinguished crosses and silver stars that they gave our men who died for this country mean something or not. And we want to know if those words on the Statue of Liberty that invites the "tired, poor, and huddled masses" of the world mean something or whether they are just a sham. We will demand that those arrogant immigration despots stop treating us like criminals and start respecting us with the same dignity and care that they accord all other Americans.

In the meantime, we are establishing a Hispanic-American Defense Fund to help Salvador Caban take his case to the Supreme Court if he has to. The fund will be held in trust by an impartial attorney and audited each year to provide you with a report. A board will be established to decide which cases are serious and needy enough to use the fund money for legal defenses. Hopefully, the fund will grow throughout the years and will be able to help Hispanies in this country. WADO will start the fund by pledging \$2.000 annually.

If we were able to raise hundreds of thousands of dollars to aid Cuban refugees last year, how about doing the same thing to save our rights and our dignity. Sit down right now and send whatever amount you can afford in check or money order made to: Fund For Hispanic American Defense, Metro Credit Union, Metro Coop, 725 Calle Exterior, Bronx, New York 10451. Please do not send money to WADO and do not send cash. Send only a check or money order made out to the "Fund For Hispanic American Defense" to the address I have just given you. Whatever you send may help you, one of your family, a friend or any poor Hispanic that is being abused by arrogant immigration officers.

INTRODUCTION OF A BILL TO IMPROVE THE REGULATION OF OCEAN TRANSPORTATION BY THE UNITED STATES

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. JONES of North Carolina. Mr. Speaker, I join today in the introduction of legislation which will amend the 1916 Shipping Act, the law which governs the way our international ocean shipping is regulated.

For too long now we have seen U.S. liner operators become less and less effective in the way they can compete with foreign-flag operators, many of whom are completely unburdened by regulation or antitrust concepts. Over the past several congresses, the finger of blame has been pointed at the 1916 Shipping Act, particularly at the difficulties current interpretation of this act imposes on those who must comply with its provisions. The bill which is introduced today is directed at overcoming those difficulties.

In the 96th Congress, the Committee on Merchant Marine and Fisheries considered legislation which would have completely rewritten the basic regulatory ocean shipping laws of the United States. This measure, which was known as title II of the omnibus maritime bill of 1980, while substantially supported by many in and out of Government, did not receive the endorsement of the Carter administration. The failure to enact this needed regulatory reform measure was, in large part, due to the prior administration's neglect.

I had hoped that the Reagan administration could have, by this time, given Congress some indication of the

direction to be taken in reforming our archaic maritime laws. Since assuming the chairmanship of the Merchant Marine and Fisheries Committee, I have indicated a willingness to cooperate with the administration to formulate its maritime policy and maritime legislative program. Maritime policy has never been, nor should it ever become, a partisan issue; by the same token, maritime policy and its accompanying legislative program cannot be the function of one branch of Government if it is to come to fruition.

The bill we introduce today is not an effort to have Congress do it alone. We are, however, aware that in the regulatory area other specific legislative proposals are being advanced. I personally feel that until the administration is able to speak to this issue, it would be best to have more than one proposal available for study and consideration. Therefore, we present an alternative solution to what everyone recognizes to be a most pressing problem—an alternative which is more modest than efforts of the recent past, but one which combines all the essential remedial elements.

I commend to my colleagues in and out of the Congress this bill and invite all to use this legislation as a tool, as an outline, as a basis for action which must be taken, and taken soon, if we are to responsibly address the 1980's maritime needs of this country.

ARAFAT OFFERS ALTERNATIVE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. FINDLEY. Mr. Speaker, on July 26 Yasser Arafat, chairman of the Palestine Liberation Organization, was interviewed on ABC's "Issues and Answers." It was a fascinating exchange. Once again Arafat sent out a tentative signal that he is willing to talk about an overall Mideast settlement that would provide the basis for a lasting peace for all parties, including Israel.

The reporter pointed out that:

It remains in the Palestine National Charter that you want to create a Democratic secular state throughout all of Palestine. That has been interpreted in the United States as a means of driving the Jews into the sea.

Arafat quickly replied:

No. In 1974 I said we are ready to establish our independent state on any part from which the Israelis will withdraw or to be liberated. And in 1969 I said we want to establish a democratic state where Jews, Christians and Moslems can live all together, all the Jews in Palestine together. I am givingwe the victims have offered two solutions, two solutions, whereas the other side didn't offer anything but annihilation * * * And so, this is their resolution—annihilation, while we are offering two solutions. So, I

didn't mention, and nobody mentioned, that we are going to throw anybody in the sea. But we are offering options while the other side are offering nothing but more annihilation, more oppression, and new slavery to my people.

Chairman Arafat has offered a unique formulation which the United States should quickly explore. He has posited two options—first, the familiar and unacceptable democratic secular state, and second, "to establish our independent state on any part from which the Israelis will withdraw." Obviously, the two options are different from each other, and those who genuinely want peace in the Middle East must now ask what Arafat means when he suggests establishments of an independent state.

Would that state recognize Israel? Would it agree to live at peace with

Israel?

Would it pledge to respect Israel's borders?

Would that state be demilitarized so that it could not present a threat to its neighbors?

If Arafat would answer all these questions "yes," then permanent peace in the Middle East is possible.

But someone in authority must ask these questions, preferably an official of Israel—next best, an official of the United States.

Nothing would be lost by asking. If the answers are unsatisfactory, or if they lead nowhere, then the tension and conflict and violence of recent years will be resumed.

But if the answers are positive—as I believe they will be—then they may open discussions that will lead to a settlement of outstanding differences, a modus vivendi that will mean a better life for Palestinians and an end to the constant state of military alert which keeps a cloud over the lives of all Israeli citizens.

Only those with something to fear will fail to talk. Perhaps Prime Minister Begin may fear to talk to the PLO, because talks might lead to a Palestinian state in the West Bank—and an end to Mr. Begin's dream of expanding the permanent borders of Israel to encompass the West Bank. Mr. Begin keeps insisting that this area is a part of historic Israel—Eretz Israel. Israel has kept this area, including more than 1 million Palestinians living there, under military rule since 1967.

The reluctance of U.S. officials to talk to the PLO is more difficult to understand. We do not support Israel's claim to the West Bank. We have great national interests to protect throughout the Middle East. There the PLO is a political force of great importance. It will not drift away or disappear. Nor can it be bombed into extinction.

U.S. reluctance to talk to the PLO, of course, relates mainly to Israeli opposition to the PLO. Israeli officials, and their supporters in the United

States, are wont to use the term PLO and terrorist interchangeably. And this stereotype is so widely held, and not just among American Jews, that the PLO is considered by many people to be untouchable. Now that Begin has ordered the Israeli version of terrorism in Lebanon, perhaps the stereotype will change.

And usually overlooked by U.S. officials, as well as others, is the fact that many American Jews strongly oppose Begin's policies.

If U.S. officials have until now held back from talking with the PLO for fear of domestic political reaction, they should put these fears behind them. Many American Jews are outraged by the Israeli attack on Beirut and the Begin program of expanding settlements in the West Bank. Many of them favor negotiations with the PLO if the Palestinians will accept the right of Israel to exist.

Most Americans, including at least half of American Jews, now believe that peace between Palestinians and Israelis is possible, indeed is a necessity.

A Lou Harris poll taken in July 1980. and commissioned by Edgar G. Bronfman, acting chairman of the World Jewish Congress, showed that by a margin of 66 to 13 percent, Americans believe that "if the PLO would recognize the right of Israel to exist instead of pledging to destroy Israel, then they should be able to join the peace talks about the future of the West Bank." And by a margin of 53 to 34 percent, a majority of American Jews agree with this statement. Americans also believe by a 71 to 12 percent margin that "the Palestinian people are now homeless and deserve their own independent state, just as much as the Jews deserved their own homeland after World War II." And by a similar margin Americans are convinced "there must be a way to guarantee Israel's security and also give the Palestinians an independent state on the West Bank.'

It is time for American policymakers and politicians to move the Palestinian issue to the front burner and to begin looking seriously for a solution to the problem that will insure a lasting peace.

Excerpts from Lou Harris survey follow:

CURRENT AMERICAN ATTITUDES TOWARD ISRAEL AND THE MIDDLE EAST

(A Lou Harris poll taken in July 1980, and commissioned by Edgar G. Bronfman, Acting Chairman of the World Jewish Congress)

By a margin of 66 to 13 percent Americans believe "if the PLO would recognize the right of Israel to exist instead of pledging to destroy Israel, then they should be able to join the peace talks about the future of the West Bank." (By 53 to 34 percent a majority of American Jews agree with this statement.)

By a margin of 71 to 12 percent Americans believe "the Palestinian people are now homeless and deserve their own independent state, just as much as the Jews deserved their own homeland after World War II."

By a margin of 39 to 29 percent Americans believe "Israel has mistreated the Palestini-

an refugees, and that is wrong.'

By a margin of 72 to 11 percent Americans believe "there must be a way to guarantee Israel's security and also give the Palestinians and independent state on the West Bank"

By a margin of 50 to 26 percent Americans believe "by refusing to come up with a plan to give back parts of the West Bank to let the Palestinians have a homeland, Israel makes peace impossible in the Middle East."

By a margin of 56 to 16 percent Americans believe "if Israel can be assured of its security from attack, then it ought to agree to let Palestinian Arabs set up an independent state on the West Bank." (By a slight margin, 41 to 39 percent, American Jews

reject this proposition.)

By a margin of 48 to 22 percent Americans believe "[Begin] has made peace more difficult by announcing he is moving his office of prime minister to the Arab part of Jerusalem." (By a slight margin, 43 to 42 percent, American Jews are also critical of this

Begin decision.)
By a margin of 54 to 19 percent Americans believe "by advocating and allowing more Jewish settlements on the West Bank, [Begin] is making it almost impossible to

get a peace settlement."

By a margin of 44 to 28 percent Americans believe "Israel is wrong to think that the Jewish lobby in the U.S. is so powerful that it can keep them from making the compromises necessary to achieve peace."

By a margin of 48 to 38 percent Americans believe "Israel seems to feel the U.S. will back them, no matter what they do."

"No more than 38 percent of the public as a whole expresses a great deal of confidence in Begin, compared with 54 percent who feel that way about Sadat."

A TRIBUTE TO THE LATE ROBERT MOSES

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. PEYSER. Mr. Speaker, on Wednesday morning, July 29, Robert Moses, 92, the man responsible for facelifting the New York area for close to half a century through public works, passed away. He has been described by many as one of the great builders of our time.

It would be impossible to mention all that Mr. Moses accomplished during his most distinguished tenure as a public servant. Highlights of his career include the building of tunnels. and miles of highway bridges. throughout New York State, and many other projects not limited to mass transportation. He gave birth to Lincoln Center, New York Coliseum, the United Nations building, Shea Stadium, zoos, civic centers, the 1964-5 World's Fair, and 75 parks, including Jones Beach. Mr. Moses also had children in mind, increasing the number of playgrounds in New York City from 119 to 658.

Mr. Moses, a Yale graduate and Rhodes scholar, first came to power in 1924 when he was named chairman of the New York State Council of Parks. But he reached the apex of his career as the head of the Triborough Bridge and Tunnel Authority. In Mr. Moses' vision of a city, the structures, roads, and buildings were paramount. He transformed wastelands into parks, created new land on the edge of the ocean and built hundreds of miles of highways. The impact of his work affects all of New York and the way its citizens live. He saw the city as a place for people to work, shop, and live in style.

As the New York Times most appropriately put it:

And thus quietly, the active career of one of the nation's most powerful public officials came to an end. Mr. Moses' name was virtually a household word, not only in New York but also around the nation, first as a fighter for parks and open space and later as a name that had come to symbolize the sweeping, total approach to urban renewal that he favored.

I know that all Members join me in extending our most heartfelt sympathy to his wife, the former Mary A. Grady, and two children, Barbara Olds and James Moses Collins.

HEAD OF PLO POLITICAL DE-PARTMENT PLEDGES MORE TERRORISM AND A WAR TO DESTROY ISRAEL; RULES OUT COMPROMISE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. ROSENTHAL. Mr. Speaker, Faruq Kaddoumi, the head of the political department of the Palestine Liberation Organization gave an interview to the respected West German magazine Stern last week in which he discussed the strategy of the PLO.

Kaddoumi, who is Yasir Arafat's

closest adviser, declared:

First. That the PLO will never

accept Israel's right to exist;

Second. That a Palestinian state on the West Bank and in Gaza will not satisfy the PLO's ambitions which require the complete destruction of Israel:

Third. That guerrilla warfare aimed at Israeli civilians will remain a key

element in the PLO strategy;

Fourth. That in a war between the Soviet Union and the Western democracies, the PLO would fight alongside the Soviets.

Mr. Speaker, I know that public rhetoric often overblows what is said privately but these on-record statements cannot be ignored or explained away. Once again we see that the Palestinians have yet to develop a reasonable and mature political leadership, a leadership capable of accepting Israel's right to exist within secure and recognized borders.

One essential ingredient of successful international diplomacy is the ability to take the world as it is, and moderate one's goals to fit the available space. Israeli diplomacy, and more recently Egyptian diplomacy have contained large measures of the conciliatory and compromising spirit. The next steps in the peace process require that the other parties to the conflict adopt a like posture.

I am grateful to the Congressional Research Service for its prompt translation of this interview:

[From Stern, July 30, 1981]

WE WILL ALLOW ISRAEL NO SECURITY

Despite last Friday's ceasefire agreement between Israel and Lebanon the fighting continues. Arafat's closest adviser, Faruk Kaddoumi, spoke with Stern correspondent Wibke Bruhns about the strategy of the Palestine Liberation Organization (PLO).

STERN. Menachem Begin— Kaddoumi. Terrorist Begin.

STERN [continuing]. Justifies his attacks on Lebanon with success. For more than a year, until this missile war, there had been no Palestinian attack on Israel.

KADDOUMI. That's correct.

STERN. Begin argues that if the Israel attacks on Palestinian targets in Lebanon were not so frequent and so strong, more numerous and more successful commandos would come across the border.

KADDOUMI. Does he say this?

STERN. At this moment, it does not appear that there is any Arab country or any other country ready to go to war with you against Israel. If these sporadic undertakings of the commandos provoke such terrible preventive and retaliatory strikes by Israel, why do you continue them?

Kaddoumi. We must continue the military operations in the occupied areas. It is better to have a small candle in one's hand than to

constantly curse the darkness.

STERN. Militarily this does not change anything and politically this does not create friends for you, such as in Europe. What is your goal?

Kaddoumi. A counter-question. How does a pearl develop? A strange matter penetrates into the mussel. It irritates the creature, which rubs it and causes it pain. This is exactly what we are doing. In the end we will find the pearl in the mussel.

STERN. As long as it is not opened, the

mussels survive.

Kaddoumi. We will never allow Israel to live in peace. We will never grant it complete security. Every Israeli must feel that behind each wall there is a guerrilla standing and aiming at him.

STERN. You cannot expect Israel to accept this situation without doing anything about

Kaddoumi. The most important thing is that Israel began it. Israel is responsible for the dead on both sides. We have no alternative except to give up. And the operations in the occupied areas are the signs that we are not giving up.

STERN. Another possibility would be to speak with the Israeli government.

EXTENSIONS OF REMARKS

KADDOUMI. With the Zionists? Because Zionism means the colonization of Palestine.

STERN. Then you do the same things as the Israelis, who say there is no question of recognizing the PLO as the representative of the Palestinians. How will this then con-

KADDOUMI. Israel has had our country under occupation for 33 years. The first condition is that it withdraw from the occupied areas. Then we will be ready to negotiate the solution of the Near East crisis at an international conference.

STERN. When you say "occupied territories," what do you mean?

KADDOUMI. First of all, the West Bank, the Golan Heights and the Gaza strip.

STERN. That means thus: first withdrawal,

then negotiation.

KADDOUMI. First unconditional withdrawal. We have a vested right to a part of Palestine. There was a UN partition plan which foresaw two states in 1947.

STERN. Which the Arabs rejected.

KADDOUMI. We were like the mother who went before King Solomon with another woman fighting for her son. He proposed to cut the child in two. But the true mother said, "Let him live. He should not be divided.

STERN. The true mother gave the child to the other woman. In Palestine instead of this there was war. Should you get an independent Palestinian state on the West Bank and in Gaza, what happens then to the remaining part, with Israel within the 1948 borders?

KADDOUMI. We will never recognize Israel, never the usurper, the colonialist, the impe-

STERN. Then what?

KADDOUMI. We will fight for our rights, for the return to our land.

STERN. By doing so you will bind the hands of your friends.

KADDOUMI. Why?

STERN. Your idea means the destruction of

the State of Israel.

KADDOUMI. Yes. The enemy who occupied my fatherland, who murdered my parents, my brothers and sisters-I will destroy him. But we are not murderers. We don't want to throw Israelis into prison, as they do with us. We welcomed hundreds of thousands of them in our countries and sheltered them during and after the Second World War. STERN. That is not quite so. There were

enormous tensions and terrible armed con-

KADDOUMI. We are ready to live with the Jews in a democratic state.

STERN. Which would be ruled by you be-

cause you would have the majority.

KADDOUMI. Of course

STERN. There is a difference between political reality and dreams.

KADDOUMI. Dreams sometimes turn into

reality.

STERN. You have condemned the United States as an aggressor and said that the Soviet Union is your most reliable friend. One of the arguments with which Menachem Begin tries to take away any potential support of you is the statement that a future Palestinian State would be a Soviet

KADDOUMI. We are a national movement. Whoever helps us is welcomed. Syrians are helping us, Iraquis, Libyans, Chinese

STERN. With weapons? KADDOUMI. The Chinese were the first. They provided training and weapons to us. The Soviets as well as the other socialist countries stand on our side with political and military assistance.

STERN. And what do they ask in return? KADDOUMI. What could the Palestinians offer them?

STERN. In the future probably something nevertheless?

KADDOUMI. We are now speaking about the present. Who knows what our relations with the Soviet Union will be in the future? STERN. Your Arab friends are a bit more cautious toward the Soviet Union.

This might apply to Saudi Arabia. But King Hussein of Jordan was in Moscow recently, where he and his hosts understood each other well.

STERN. But if it became serious, it would appear less probable that he would fight on the side of the Soviet Union.

KADDOUMI. If it really came to a comprehensive war, the Soviet Union would be our ally. Because we would rather be friends of the Communists than victims of Zionist and imperialist occupation power.

STERN. The Communists can also be an occupation power, we know.

KADDOUMI. They are not in the Arab world.

MR. WILBUR COHEN ON SOCIAL SECURITY

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

. Mr. HERTEL, Mr. Speaker, the proposed changes in the social security benefits is an important issue that affects nearly every American. In a recent Detroit News article Mr. Wilbur Cohen, former Secretary of the Department of Health, Education, and Welfare and expert on the social security system, comments on this matter.

I would like to share his views with my colleagues:

[From the Detroit News, July 27, 1981]

CAPITOL CONNECTIONS

(By Richard A. Ryan)

WASHINGTON.-When Wilbur Cohen gets excited, his voice becomes high-pitched, almost squeaky. Talk to Cohen about Social Security and his voice starts to go up. Talk to him further about President Reagan's proposed Social Security cuts and the voice jumps several octaves.

Cohen, retired dean of the University of Michigan's School of Education, is spending a lot of time these days talking about President Reagan and Social Security.

He is chairman of SOS-Save our Security-a coalition of some 100 groups representing an estimated 35 million Americans. About six days a month he leaves the University of Michigan's Ann Arbor campus, where he teaches summer classes, to come to Washington to lead the opposition to the

proposed Social Security cuts.
"This is a labor of love for me," he says. "I have spent 47 years working on these problems and now Ronald Reagan and David Stockman (who has ice water in his veins) are trying to tear it all down."

Cohen, 68, obviously is no newcomer to the issue. As part of his graduate study program at the University of Wisconsin in 1934 he worked with President Roosevelt's Cabinet committee that wrote the Social Security legislation. When Roosevelt signed the bill Aug. 14, 1935, Cohen was the first employe hired by the Social Security Administration, where he worked for 21 years.

And as assistant secretary, under-secretary and eventually secretary of the Department of Health, Education and Welfare (now Health and Human Services) in the Kennedy and Johnson administrations, Cohen had jurisdiction over all Social Security programs.

"People are really upset by the Reagan proposals," Cohen says, his voice picking up both volume and tone. "The anxiety level is way up there. It is the biggest mistake Reagan has made to date."

SOS is not a new organization. It was formed during the Carter administration to combat Social Security changes proposed by Mr. Carter. "But nothing ever happened," Cohen recalls. "We had a letterhead and that's about it."

But then President Reagan made his proposals and the group was revived. Several labor organizations made hefty contributions. "All of a sudden this thing came to life," Cohen says. "Instead of being chairman of an organization with a name and a letterhead, I found myself with an army behind me."

Cohen is an idealist. He would like to defeat all of President Reagan's proposed cuts. But he's a realist, too. "We are not going to win 100 percent," he concedes. But he thinks he can hold the cuts to 50 percent of what Mr. Reagan has asked.

"You have to understand my position." he says. "I'm against every cut. With me it's a matter of principle. But if you ask me if we're successful, I'd say this is the only area where Reagan will be beaten to that extent." (While he is over 65, Cohen does not receive Social Security benefits because his teaching salary is above the \$5,500 limit. At age 72, however, he will be able to receive full benefits no matter what his outside income.)

Cohen doesn't deny the Social Security trust fund is temporarily short of cash. But he thinks that problem can be worked out by borrowing money from the general fund. There is sufficient time to study ways out of the long-term problem caused by fewer workers paying for more retirees, he says.

Whatever the solution, Cohen admits it will cost money. "My theory is there is no free lunch," he says. "If we want it, I'm willing to stand up and tell people they have to pay for it. I'm not advocating something for

But the important thing, Cohen says, is for the government to maintain its commitments and pay recipients what they were promised. "To me it is a moral issue," he

"Seven presidents and 22 Congresses have made these promises to us for over 45 years. Now along come Stockman and Reagan and they say that doesn't mean a thing to us. Well, I think that is breaking faith.

"I've lived for 68 years in this country. I've paid taxes. I have three children. I have three grandchildren. I want to leave a country that keeps its promises, that keeps its faith with people.".

EXTENSIONS OF REMARKS

PRESIDENT REAGAN AND MINORITY PROSPERITY

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. FIELDS. Mr. Speaker, President Reagan's recent address before the 5,000 delegates to the NAACP convention in Denver elicited much attention and comment in the public press.

President Reagan's message to the black community is that his economic programs are designed to clear the way for continued and accelerated upward economic and social movement. Minority citizens in Houston, Tex., and all across this Nation have the talents and ambitions to succeed in the private sector of our national economy-many already have, and many more will once the opportunities of a robust and growing economy are open before them. Such opportunities are the goal of the administration's program.

Mr. Speaker, I am placing in the RECORD three articles supportive of the President's approach to the longterm prosperity for our Nation's mi-nority citizens. One article is by the noted political commentator, William Rusher; the other two are by Tony

Brown, a black journalist.

WILL BLACKS ACHIEVE PROSPERITY THROUGH REAGAN'S PROPOSALS?

What do most American blacks want, for themselves and their children? Do they genuinely want to participate in the efforts and rewards of American life, or would they rather be spared the necessity for effort and settle instead for a condition of permanent mendicancy, tactfully defined as compensation for the discriminations they have suf-

Personally, I have no doubt at all that most of our black citizens are eager for full participation, and willing to accept as enough whatever they can achieve on those terms. They know more than the most compassionate white can ever know about discrimination; but they also know that dis-crimination can be used as a crutch as well as a yoke. They have seen, moreover how the money poured by the federal government into programs to aid blacks can tempt a person to spurn honest effort and specialize in hustling the system.

SUPPORTED BY GOVERNMENT

Many blacks, therefore, are more than ready to accept President Reagan's invitation, extended in his address to the NAACP convention, to share in a revived national prosperity, rather than concentrate on lob-bying for ever-larger handouts. "Many"but not all, by a long shot. And therein lies

Partly because so many doors to advancement in the private economy were closed to them, and no doubt partly out of an idealistic desire to help the less fortunate members of their own race, many of the ablest blacks in the last three or four decades have concentrated in the fields of government or charitable work. Some went directly into politics; others entered the civil service, and gravitated toward the social welfare agencies; still others went to work for private charitable institutions such as the NAACP, the Urban League, and the church-affiliated charities. Practically everything that every such organization does is financed, largely or exclusively, by government. (I know, for example, of one church-founded private hospital, specializing in the care of unwed mothers and their children, 90 percent of whose support is today provided by one or another level of government.)

These able blacks are now the bureaucratic backbone of the system of governmental aid that almost totally dominates the black community. There is power in such a role, for those who seek it; there is at the very least a sense of satisfaction for everybody else; and there is-no small point!-financial compensation for everyone involved, for politicians, bureaucrats and social workers

have to eat, too.

Is it any wonder, then, that when President Reagan rose before the NAACP convention to present his plan for cutting back on federal welfare expenditures and encouraging black employment in private industry he was greeted with only "polite applause" The wonder is that there was any applause at all. He was telling these earnest and able people, virtually all of whom had spent their entire adult lives wiring their fellow blacks into the welfare system, that he has an altogether different plan for America's black citizens: full participation in a prosperous private-sector economy.

WHAT WILL HAPPEN?

It is by no means irrelevant to ask what is to become of the whole superstructure of black welfare-a superstructure itself so largely black-if the emphasis in the black community shifts sharply and suddenly to employment in the private sector. Business, and particularly big business, will be welladvised to turn to this pool of talented people for help in adjusting new black work-

Will the Reagan plan work? To argue that it won't amounts, for all practical purposes, to a contention that black Americans as a group are simply unable to compete successfully in our society, and that our obligation, in the historical circumstances, is to carry them on our backs forever. Such a philosophy might provide a good living for the members of a welfare bureaucracy, and a benumbed and marginal existence for most other blacks; but it is not a viewpoint that commends itself to Ronald Reagan-or to most Americans, whether black or white.

CAN U.S. BLACKS SUPPORT THEMSELVES?

Although most blacks want to be self-sufficient, the media image and perception of the black community by most whites and many other blacks is to the contrary.

The recent NAACP convention in Denver a case in point. The news that the leaders of the colored people's group tried to use the media to get across was that they were in the forefront of a struggle to save blacks and the poor from the wrath of a racist president. But the point that was actually made was quite different.

The news that surfaced was not that Ronald Reagan is not going to save blacks with more poverty programs, but that blacks are not willing to save themselves from poverty programs. The stereotype of lazy blacks interested only in their own selfish interests, angry and disinterested in the country's future was reinforced once again.

If some sneering white man had said that blacks can only exist off the surplus of wealth produced by white people, his charge could be safely dismissed as racist. But that, in essence, is what the NAACP implied by its adamant resistance to Reagan's message. It suggests that the self-image of American blacks is terribly feeble and uncertain," wrote Joseph Sobran in the New York Post.

Delicately, President Reagan told the 5,000 NAACP delegates that they spending their \$140 billion non-productively outside of their communities, namely with

white people.

"In most neighborhoods what really brings prosperity is when the income of that neighborhood is then multiplied by turning over several times within that community.

MUST CHARGE SPENDING

"I must tell you that in the black communities in America the turnover is less than once before the dollars, those \$140 billion, go out into the community at large. And that has to be changed."

But Benjamin Hooks, NAACP director, and Margaret Bush Wilson, NAACP chairman, were too busy insulting President Reagan to pay any attention to helping

themselves.

"Executive director Hooks is a seasoned farceur at these performances," wrote R. Emmett Tyrrell Jr. in The Washington Post. If the future of black America was not hanging in the balance, I, too, might enjoy the farce and the joker's stage acting.

Somebody needs to tell blacks to stop begging and help themselves. And I'm glad that Ronald Reagan did so. The black leaders of racial integration are always proposing another room addition to the welfare estate and their grants from the federal govern-

ment top the list.

Moreover, the NAACP spent \$3 million with whites in Denver and avoided the black neighborhood and businesses of Five Points. The "civil rights" group did the same thing to the black community in Liberty City in Miami last year.

'Much of the black leadership is not in the business of leading blacks, but of extracting what they can from whites, and their strategies and rhetoric reflect that orientation" Dr. Thomas Sowell, a black economist noted.

Just how bad is the damage caused by years of government dependency and charlatan leadership? In a television special we asked the Qube two-way opinion poll: "Can Blacks Support Themselves?'

EMPHASIZE RACISM

An overwhelming 86 percent of a television opinion poll conducted did not feel that blacks place enough emphasis on self help and too much on racism. And both guests, professional blacks, agreed that the black organizational ego and how some black leaders put personal achievement above the concerns of the organizations hurt black development. In light of these problems, can blacks help themselves?

Projected figures for 1984 show a black population of over 35 million people earning \$150 billion, with a gross national product that will support an economy of \$300 billion. And the figures just keep growing and

growing.

The bigger the American Dream, the bigger the black reality, Blacks have done a lot of things in 400 years when it comes to dollars and cents, going backwards, however, hasn't been one of them.

Blacks make it and they spend it. They buy Cadillac cars, more wine, more caps and hats, more cologne and mouthwash than whites do for comparable size. They're only 11 percent of the population, but 20 percent

before.

of the heavy users in the rice market, 16 percent of the total market in orange juice, 20 percent of the total market in Scotch whiskey. Blacks account for 32 percent of all sales in malt liquor. They account for 40 percent of record purchases, of a \$3.5 billion market and they're here to stay. Fifty-six percent own their own homes.

As President Reagan pointed out, they make it, but they spend it—not with blacks—but with the wrong people. That's why Hooks and Wilson were in Denver crying racism.

NAACP STABBING OF REAGAN: BLACKS LOST MOST

If a curve is the longest distance between two points, that's what the National NAACP leaders threw President Ronald Reagan at their 72nd annual meeting in Denver recently.

The philosophical difference in social spending between President Reagan and the NAACP heads was generally understood, as was the thrust of his speech, prior to the president's appearance. NAACP Chairman Margaret Bush Wilson and Executive Director Benjamin Hooks had met amicably with the president at the White House the week

But on the day of the president's appearance, Hooks gave the first hint of a surprising hardball attitude when he predicted that Reagan would not get a standing ovation. Mrs. Wilson, in the ultimate condemnation, said that Reagan was reviving "war, pestilence, famine and death" with his budget cuts. Then Mrs. Wilson primed the crowd of 5,000 with more uncivil behavior and something more than a wrist slap when she introduced Reagan with a disclaimer: "The NAACP does not necessarily subscribe to the views which are about to be expressed."

Although the president grinned and waved to the crowd, his face reddened. Nancy Reagan stared straight ahead in unistakable displeasure as the crowd guffawed. Media's projection of this ordeal of a rejected president and an insulted First Lady made, even before Reagan spoke, a loser of the cause of the minority poor. And the extent to which America perceives the leaders of the NAACP as representing all black people is the extent to which the cause of black people has been harmed.

In a furious view, a young black woman questioned why they kept zinging the president: "Why did they invite him if they were going to treat him like that?" Without this raucous overkil, however, it is a fact that the majority of black America either disapproves of or is skeptical of Reagan's budget cuts and the lack of specific proposals to help blacks who will lose benefits because of cutbacks.

His administration's attitude towards affirmative action, his developing policy toward apartheid in South Africa and his reluctance to support an extension of the 1965 Voting Rights Act are liabilities with the nation's blacks.

It's my guess that the violently rude staging of the president's speech was not precipitated so much out of a genuine and absolute concern for those policy areas, but out of the strong emotional bond that the NAACP leaders have with the philosophy of integration or social-racial engineering. Reagan will only succeed with this group if he uses the federal treasury to promote racial assimilation.

Reagan's stunned advisers had overlooked these facts and assumed that a rational

attack on racism, an explanation of the heavy price that inflation extracts from the poor, a promise of 3 million new jobs by 1986 and aid to black businesses would communicate an acceptable policy toward black America. But two miscalculations were inherent in the White House thinking.

The NAACP does not provide, as anticipated, a representative cross-section, but an ideologically segmented group, and the leadership is far to the left of the fundamentalism of the nation's 30 million blacks. The victim of the failed strategy was the pragmatic dialogue with black America envisioned by Reagan's people.

However, on two occasions in his speech—and in a general philosophical sense—the president was more in step with most of the 5,000 NAACP delegates, their 400,000 members and the 29,600,000 black Americans who do not belong, such as myself, than were the national leaders of the host group. Reagan got his soundest applause when he rejected the inherent superiority of white children and the premise of mandatory busing, and extolled the necessity of black colleges.

The NAACP has been the strongest advocate of forced busing—the issue that has estranged it from the majority of blacks it professes to speak for. It had been cool to the continued existence of black colleges.

The president recognized the value of the source of over 50 percent of all black college graduates each year, 80 percent of black professionals and the undergraduate source of over 75 percent of blacks who receive their Ph.D.'s from white universities. He acknowledges the fact that blacks attend black colleges because of a rich heritage and free choice.

By contrast, the NAACP's director of Research, Policy and Plans, Michael Meyers, a Negro, wrote earlier: "No matter what else is taught or how it is taught, the fact that a school is segregated teaches there is a qualitative difference between students in 'black' and 'white' colleges."

Therefore, the Denver clash between the NAACP national leaders and Ronald Reagan was not racial, but philosophical. The president urged blacks, as Booker T. Washington did at the turn of the century, to recognize themselves as a nation within a nation, to develop their own economy and to "turn over" the \$140 billion they spend with other blacks.

"In most neighborhoods, what really brings prosperity is when the income of that neighborhood is then multiplied by turning over several times within that community * * * in the black communities in America the turnover is less than once before the dollars, those \$140 billion, go out into the community at large. And that has to be changed," the president said.

This advice and common sense notwithstanding, the so-called civil rights leaders will march thousands of blacks into conventions in major hotels this summer to unload millions of dollars into the coffers of the white establishment "enemy" while blaming Reagan for the economic ills of black people.

For all of their protestations of injured innocence and fair-sounding rhetoric about programs to help poor blacks, the NAACP's leadership spent more than \$3 million with Denver's white business community to protest white racism and black poverty. Residents of the Five Points area of Denver, a black neighborhood, complained that the NAACP delegates were instructed to avoid that part of the city. The small black businesses and restaurants found their welcome signs to be of little use in attracting any of the money from the NAACP's "affluent poor."

If any of the noble rhetoric of the civil rights groups is going to have meaning, they will have to recognize that the black underclass is hurt more by class segregation from middle-class blacks than from separation from whites by race. The government is obligated to share the tax resources with this impoverished community and the middle class is needed to pry them loose.

But even if the federal government wanted to economically emancipate black ghettos, it lacks the expertise to do so. Help for the new black underclass—including 32 percent of unemployed black teens who have succumbed to drug addiction—will come from one source only; the black middle class. And the so-called civil rights leaders fail to grasp that fact or understand their true role.

The \$140 billion the president referred to is equal to the Gross National Product (GNP) of Canada or Australia and equal to the GNP of the ninth-largest nation in the Free World. Delicately, he told them that blacks were spending their money in a 180 degree angle—in a straight line directly away from themselves—instead of in a 360 degree angle with one another as do other ethnic and religious groups.

Ironically, Reagan's philosophy of a sound economic power base for black America is more compatible with past black leaders such as Marcus Garvey, Booker T. Washington, Elijah Muhammad and Frederick Douglass than are the modern-day disciples of the black establishment.

In announcing a withdrawal of the federal "draft horse," Reagan was suggesting to blacks a return to the fundamental nationalism of their past and asked the NAACP to come to this "realization." Today's black leaders of integration have surrendered the very virtues of thrift, diligence, group cohesion and optimism that are the basic linchpins of black survival.

As a result, the racial misery-index, the gap between black and white achievement, has remained constant and in some cases widened. However, the "new kind of bondage" Reagan warned of isn't too much government help, as he sees it, but a bankrupt policy of too much dependence on the wrong source.

INTRODUCTION OF A BILL TO IMPROVE THE REGULATION OF OCEAN TRANSPORTATION BY THE UNITED STATES

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. JONES of North Carolina. Mr. Speaker, I join today in the introduction of legislation which will amend the 1916 Shipping Act, the law which governs the way our international ocean shipping is regulated.

For too long now we have seen U.S. liner operators become less and less effective in the way they can compete with foreign-flag operators, many of whom are completely unburdened by regulation of antitrust concepts. Over

the past several Congresses, the finger of blame has been pointed at the 1916 Shipping Act, particularly at the difficulties current interpretation of this act imposes on those who must comply with its provisions. The bill which is introduced today is directed at over-

coming those difficulties.

In the 96th Congress, the Committee on Merchant Marine and Fisheries considered legislation which would have completely rewritten the basic regulatory ocean shipping laws of the United States. This measure, which was known as title II of the omnibus maritime bill of 1980, while substantially supported by many in and out of Government, did not receive the endorsement of the Carter administration. The failure to enact this needed regulatory reform measure was, in large part, due to the prior administration's neglect.

I had hoped that the Reagan administration could have, by this time, given Congress some indication of the direction to be taken in reforming our archaic maritime laws. Since assuming the chairmanship of the Merchant Marine and Fisheries Committee, I have indicated a willingness to cooperate with the administration to formulate its maritime policy and maritime legislative program. Maritime policy has never been, nor should it ever become, a partisan issue; by the same token, maritime policy and its accompanying legislative program cannot be the function of one branch of government if it is to come to fruition.

The bill we introduce today is not an effort to have Congress "do it alone." We are, however, aware that in the regulatory area other specific legislative proposals are being advanced. I personally feel that until the administration is able to speak to this issue, it would be best to have more than one proposal available for study and consideration. Therefore, we present an alternative solution to what everyone recognizes to be a most pressing problem-an alternative which is more modest than efforts of the recent past. but one which combines all the essential remedial elements.

I comment to my colleagues in an out of the Congress this bill and invite all to use this legislation as a tool, as an outline, as a basis for action which must be taken, and taken soon, if we are to responsibly address the 1980's maritime needs of this country.

MONOPOLY BY FTC FIAT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. PHILIP M. CRANE. Mr. Speaker, the war which the Federal Trade Commission has been waging for 9 years against cereal manufacturers can only be viewed as a travesty of jus-For almost a decade now, the FTC has attempted to prove that Kellogg, General Mills, General Foods, and Quaker Oats are engaging in a socalled shared monopoly. Despite all its attempts, the FTC has not unearthed any substantiating evidence to support this claim. Although the FTC charges that the cereal companies are engaging in tacit price collusions, fluctuations in their pricing policies, and the prices of their products differ noticeably.

More important than the lack of incriminating evidence, however, is the nature of the charge itself. The idea of a shared monopoly is not based on any antitrust standard established by Congress, but is merely concocted by a handful of economists at the FTC. According to this theory, a few firms may violate the antitrust laws simply possessing substantial market shares-no proof of illegal collusive practices is necessary. Even the chief economist at the FTC concedes that one-third of the U.S. economy could declared an antitrust violation under this theory. The fallacy of this theory is that the market structure called a shared monopoly is actually a highly competitive market in which firms have taken advantage of economies of scale, utilized managerial expertise built on years of experience. and enjoyed widespread consumer acceptance through the production of quality goods.

Furthermore, the remedies which the FTC seeks to correct this supposed wrongdoing are drastic; they include industry massive restructuring through divestment, royalty-free licensing of trademarks, and expropriation of technical know-how without compensation. Obviously, these measures would result in widespread economic disruption by increasing concosts while simultaneously sumer eliminating jobs in the cereal industry.

The editorial which appeared in the June 4 edition of the Detroit News describes the fallacies of the FTC argument in further detail. For the benefit of my colleagues I submit it in its original, unedited form.

[From the Detroit News, June 4, 1981] Two Anti-Trust Agencies?

Michigan businesses have not fared well at the hands of the Federal Trade Commission (FTC)

The FTC's five-year anti-trust investigation of the auto industry was recently canceled, but not before it cost the auto makers hundreds of thousands of dollars. At one point in the auto case, a senior FTC lawyer conceded that the agency was engaged in a "fishing expedition," but maintained it was nevertheless a "good faith" fishing expedition.

But the FTC reserved what some scholars believe is its most innovative approach to anti-trust enforcement for Battle Creek's Kellogg Co. and its competitors in the ready-to-eat breakfast cereal market.

The Commission's case began in 1972 on the theory that Kellogg, General Mills, General Foods, and Quaker Oats were engaged in unfair competition by operating a shared monopoly." This was a novel charge, to say the least, as there is no statutory discussion or definition of a "shared monopoly.

The companies are not accused of having actively agreed to fix prices, but only of having failed to compete aggressively enough for the FTC, thereby engaging in a form of de facto price collusion. But even this allegation was contradicted by testimony that price increases among the competitors were uneven.

Subsequently, the company with smallest portion of the market, Quaker Oats, was successful in having charges against it dropped, even though it had increased its market share (interesting in light of the FTC's theory of tacit agreement among the alleged co-monopolists of the breakfast table).

Nine years later, the case is still pending. Much of the testimony was heard by an administrative law judge who, because of unique circumstances, was under a personal contract to the FTC. In general, administrative law judges are created and have their pay and tenure determined by the federal Office of Personnel Management rather than the federal regulatory agencies whose cases they hear. But Tom Bethell, in a recent article for Policy Review, a journal of opinion published by the Heritage Foundation, notes that the regulatory agencies may still select their administrative judges. At one time recently, according to Mr. Bethell, almost all of the judges hearing FTC cases were former FTC attorneys.

This is an old problem with administrative hearings, and a troubling one. As the late Federal Judge Fred Kaess observed while hearing arguments in which the auto companies sought to move their case from the FTC to Federal Court: "How can you have a prosecutor, a judge, and a jury all in the same body?"

Kellogg estimates its expenses for the FTC case at \$1 million per year. The cost to the consumers of the defendants' alleged economic crime: one-tenth of a cent per breakfast.

Both the cereal and auto cases seem to be the product of an anti-trust agency in desperate search of work. William Baxter, the Stanford University law professor who is now head of the Justice Department's antitrust division, was asked at his confirmation hearing if the nation needs two anti-trust units. "With only a little effort," he replied, "I can imagine life going on without the anti-trust enforcement efforts" of the FTC.

Based on the commission's record with Michigan firms, so can we.

PRIVATE INVESTMENT IN NUCLEAR FUEL REPROCESSING

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

Mr. GOLDWATER. Mr. Speaker, I had intended to insert the following paper prepared for an April 23 meeting between Secretary Edwards and industry representatives on reviewing the prospects of future private investment in nuclear fuel reprocessing during my remarks on July 24 on page H4869. I do so now for the RECORD:

To assist the Department in this review, the owners of the Barnwell Nuclear Fuel Plant (BNFP) in South Carolina 1 have prepared this paper to summarize their views on the five topics the Secretary has indicated that he would like to discuss during the course of the meeting:

(1) Industry views on the need and timing for the establishment of commercial nuclear fuel reprocessing capability in the United

(2) The extent of existing private investment in nuclear fuel reprocessing;

(3) Prospects for future investment in the backend of the fuel cycle, particularly nuclear fuel reprocessing;
(4) Review of policy and regulatory issues

that are obstacles to private industry

(5) Other resources which would age private investment in nuclear fuel reprocessing operations.

INDUSTRY VIEWS ON THE NEED AND TIMING FOR THE ESTABLISHMENT OF COMMERCIAL NUCLE-AR FUEL REPROCESSING CAPABILITY IN THE

The need for nuclear fuel reprocessing is urgent if the United States is to deal with the escalating build-up of spent nuclear fuel and to have a viable breeder reactor pro-

Implementation of a breeder reactor program in the United States for production of electric energy will require large quantities of plutonium. Present DOE planning has the Clinch River Breeder Reactor (CRBR) coming on line about 1990 and construction of a larger breeder reactor is being considered for operation in the 1990s. Reprocessing of LWR spent fuel at Barnwell beginning in 1987 is essential to satisfy plutonium feed requirements for this program.

In the long term, reprocessing of breeder reactor spent fuels will be essential to recover the valuable plutonium that is generated. Together, reprocessing and breeders can extend our probable uranium reserves indefinitely, compared to tens of years with-

out them.

Finally, reprocessing provides many significant benefits to the management of radioactive wastes. Reprocessing places the high-level wastes in a chemically stable form (such as glass), with a seven-fold volume reduction compared to storing spent fuel. Also, because of the removal of most of the plutonium, the high-level wastes from reprocessing would be far safer to store

than spent fuel rods. According to recent DOE estimates, Away-From-Reactor (AFR) storage capacity for spent nuclear fuel will initially be required by 1986, and 6480 tons of such capacity are estimated to be needed by 1995. Because essential decisions have not been made, and because of lead times involved, the goal of having AFR storage on line by 1986 is already jeopardized. There is general agree-ment that it would take at least nine years to design, construct, and license a new facility. With respect to existing facilities, like Barnwell and Morris, the first decision concerning government acquisition must be made this year if they are to be on line for regional interim storage in the 1986-1990 period.

THE EXTENT OF EXISTING PRIVATE INVESTMENT IN NUCLEAR FUEL REPROCESSING

In the belief that nuclear fuel reprocessing offered a good business opportunity, Allied Chemical Corporation applied for a permit on November 7, 1968, to build a reprocessing facility in Barnwell, South Carolina. The Atomic Energy Commission, after public hearings, issued a construction permit for the separations facility on December 18, 1970, and work got underway the following month.

Late in 1969. Gulf Oil Corporation, through its subsidiary Gulf Energy and Environmental Systems, Inc., approached Allied and expressed an interest in entering the spent fuel reprocessing business. Subse quent negotiations led, in February, 1970, to the formation of Allied-Gulf Nuclear Services (AGNS), a 50-50 partnership. In 1974, with the formation of General Atomic Company as a partnership of Gulf Oil Corporation and Scallop Nuclear, Inc. (a Company the Royal Dutch/Shell Group), the AGNS partnership name was changed to

Allied-General Nuclear Services

The initial cost estimate for the Barnwell plant was about \$90 million with commercial operation scheduled for 1974. Construction of the fuel receiving and storage, separations, and UF. facilities was completed in 1975. Continued regulatory changes and fundamental governmental uncertainties related to plutonium recycle, safety, safeguards, waste packaging, waste form, and ultimate waste disposal made it impossible for AGNS to continue with the design of the plutonium processing facility and waste so lidification facility. By 1975 design of the waste and plutonium facilities was halted pending resolution of regulatory and policy issues

In 1975, a proposal was submitted by AGNS to the Energy Research and Development Administration (ERDA) to have these additional facilities constructed by the Government as first of a kind demonstration fa-

With President Carter's indefinite deferral of commercial reprocessing in 1977, any chance of proceeding on a commercial basis was precluded. Since this deferral, Congress has supported a modest R. & D. effort at Barnwell with a view to maintaining the option of using the facility productively in the future.

What exists at Barnwell today is the largest modern spent fuel reprocessing facility in the world. The spent fuel pool is completed and can be available for storage with the installation of new racks, a security system, and other minor modifications. It is often overlooked that the plant is presently capable of performing the same reprocessing functions as are currently in operation at all the foreign and U.S. Government reprocessing plants, including the neighboring Savannah River Plant, which has operated successfully and safely for over 25 years.
On April 7, 1981, Allied Chairman Edward

L. Hennessy, Jr., wrote to Secretary Edwards and advised the Secretary that: "As of December, 1978, we and our partners had invested over \$362 million in this project. We have had no return on that very large investment because the Government has prevented us from operating the plant.

PROSPECTS FOR FUTURE INVESTMENT IN THE BACKEND OF THE FUEL CYCLE, PARTICULARLY NUCLEAR FUEL REPROCESSING

Prospects for further private investment in nuclear fuel reprocessing are so bleak as to be non-existent. The uncertainties are simply too great. The first major uncertainty for the future of commercial reprocessing and the utilization of plutonium was introduced by the 1974 decision of the Nuclear Regulatory Commission (NRC) to require a Generic Environmental Statement on Mixed Oxide fuel (GESMO) before allowing the widespread use of mixed oxide plutonium fuel. While this decision did not necessarily foreclose licensing of commercial reprocessing plants, it turned out (after court, review) that the practical effect has been to make licensing contingent on completing GESMO.

On October 28, 1976, a new deterrent to commercial reprocessing occurred when President Ford issued a Nuclear Policy Statement. In this statement President Ford concluded that:

"I have decided that the United States should no longer regard reprocessing of used nuclear fuel to produce plutonium as a necessary and inevitable step in the nuclear fuel cycle, and that we should pursue reprocessing and recycling in the future only if they are found to be consistent with our international objectives."

Up until this point, commercial reprocessing had been regarded as an expected step in the nuclear fuel cycle. The Ford statement questioned this presumption, but did not constitute a definitive judgment against reprocessing, and the GESMO proceeding continued.

On April 7, 1977, President Carter's policy statement on nuclear power terminated future prospects for commercial reprocessing. In his policy, President Carter stated that: "* * * We will defer indefinitely the commercial reprocessing and recycling of the plutonium produced in U.S. nuclear power programs."

Furthermore, he stated: "From my own experience, we have concluded that a viable and adequate economic nuclear program can be maintained without such reprocessing and recycling of plutonium. The plant at Barnwell, South Carolina, for instance, will receive neither Federal encouragement nor funding from us for its completion as a reprocessing facility."

In implementing the Carter administration's policy of indefinite deferral of commercial reprocessing, the NRC, on December 23, 1977, issued an order which terminated its GESMO proceedings as well as the specific licensing proceedings on the Barnwell reprocessing plant. In connection with this order, the NRC Commissioners noted that future licensing of the BNFP would require reversal of the Carter Administration policy following completion of the two-year International Nuclear Fuel Cycle Evalua-tion (INFCE) and subsequent licensing hearings estimated to require an additional two years. The INFCE concluded in March 1980 and the consensus of the nations involved was that reprocessing development is essential for waste management and to support breeder reactor programs.

In addition to these major uncertainties raised by governmental policy decision, the economic viability of reprocessing plants for the private sector has been jeopardized by delays in bringing light water reactors on line and uncertainties about when commercial breeder reactors will be introduced.

While the Reagan administration supports reprocessing, the political and eco-nomic uncertainties demand government ownership of reprocessing facilities. Other nations reached this conclusion long ago.

Allied Chemical Nuclear Products, Inc., a wholly owned subsidiary of Allied Chemical Corp. and General Atomic Co., a partnership of Gulf Oil Corp. and Scallop Nuclear, Inc. (a company of the Royal Dutch/Shell group).

REVIEW OF POLICY AND REGULATORY ISSUES THAT ARE OBSTACLES TO PRIVATE INDUSTRY

The backend of the nuclear fuel cycle has become so entwined with state, national and international jurisdictions and environmental, energy, and security policies that no realistic combination of circumstances could make private reprocessing practicable.

Above all, Federal interests and policies with respect to reprocessing are dominant and clearly override any private investment

The government is, first and foremost, the regulator and licensor with the power to change the rules every Congress and every administration. President Carter changed the rules in 1977 and put the private sector out of the reprocessing business. The same

thing can happen again. Even before the Carter decision to halt reprocessing, it was apparent that the inability of the government to develop a regulatory framework for solidifying and shipping plutonium and wastes was a major impediment to the BNFP's operation. The same impediments still exist today. In the absence of criteria which must be developed by the government, it would be impossible for any private company to be licensed for plutonium or waste solidification. Resolving the GESMO issues alone would take at least several years if the GESMO proceedings were to be reactivated. And the absence of tested licensing criteria could add more years during the normal six-year design and construction time for the additional facilities. The simple fact is that no private investor can possibly predict whether, or when and under what conditions, licensing of a reprocessing facility would be allowed to proceed. Certainly the process would span several Congresses and administrations and probably several Nuclear Regulatory Com-missions with all the opportunities for policy and regulatory changes inherent in such exposure.

The incentive for private investment in reprocessing is even further reduced by the fact that the government will be the only customer for the plutonium recovered through reprocessing in the foreseeable future. Originally, it was planned that plutonium from Barnwell would be recycled in light water reactors. With the uncertainty created by the GESMO, this option is not available at the present time. A higher priority is to provide plutonium fuel for breed-

The decision to fund Clinch River makes reprocessing at Barnwell essential, unless the Administration intends to import plutonium. Reprocessing of LWR spent fuel at Barnwell is essential to satisfy plutonium feed requirements for this program. There is no other source for the feed and the feed should be ready in advance. The entire output of the Barnwell Plant for the first several years would be required to fuel the Fast Flux Test Facility (FFTF), the Clinch River Breeder Reactor (CRBR), and a followon larger demonstration breeder reactor now being planned. Since these are all to be government programs, the government is the only near-term customer for the pluto-

nium to be recovered at the Barnwell Plant. In addition, the government's dominant role in national security and non-proliferation concerns which increasingly affect reprocessing plants creates additional profound doubt about a private role in reprocessing. There is a growing consensus that reprocessing plants require extraordinary safeguards against proliferation of nuclear weapons. The Nuclear Non-Proliferation Act of 1978 has already underscored the

Federal government's virtually total control over reprocessing and this trend will probably continue. While the need for governmental control is understandable, this is one more circumstance which makes private investment commercially impracticable. It is not surprising that reprocessing plants abroad are all owned by government authorities.

OTHER RESOURCES WHICH WOULD ENCOURAGE PRIVATE INVESTMENT IN NUCLEAR FUEL RE-PROCESSING OPERATIONS

The owners of the BNFP cannot envision any form of government support which would remedy the effects of existing prohibitions against private reprocessing.

There is no way that the government can make a private business out of what is a public business.

Furthermore, there is no way that the government can guarantee against new policy changes.

There is no way that any administration can guarantee a continuing regulatory environment which will bring a reprocessing facility into operation within a reasonable period. Moreover, the widespread skepticism and lack of confidence in the regulatory process have introduced additional uncertainties of major proportions.

This is not a situation where devices for government support like loan guarantees or price supports will be effective. The necessity for Federal regulation and control is so great that the traditional forms of government support for private ventures would not be sufficient to attract private capital to reprocessing.

CONCLUSION

In conclusion, it should be emphasized that President Carter's 1977 decision to defer commercial reprocessing and the administrative and judicial implementation of that decision effectively terminated the prospects for private investment in reprocessing. Consequently, the owners of the BNFP cannot in fairness to their shareholders provide any additional funding to maintain the current R&D program, to invest in additional facilities at the site or to attempt to operate the BNFP on a commercial basis. Furthermore, there is no foreseeable combination of regulatory reform and Federal policy initiatives which would be sufficient to remedy the commercially impracticable aspects of the presently existing situation.

This paper has described the many risks and uncertainties facing any private investor in the back end of the nuclear fuel cycle. Although Federal ownership of the BNFP is essential under these circumstances, it does not follow that the costs of developing and operating the BNFP must be borne solely by the Federal government. To the extent that the government might decide to use the BNFP for services to utilities, like reprocessing and spent fuel storage, appropriate fees would be charged to utilities to recover the cost of these services.

There are many advantages to the government once the BNFP is acquired. For example, the facility can be used as an international fuel cycle center, as a safeguards research, development and training center, as a regional site for interim spent fuel storage or possibly even as an integral part of the defense materials production program. These uses can only occur under government ownership.

Despite the best efforts of the owners the Barnwell facility has been in a holding pattern for six years. The facility has received modest government support for reseach and development activities, but such support is presently to expire on September 30, 1981. Unless a decision on government acquisition is made very soon, the most likely result is that the Barnwell facility will have to be shut down: an irretrievable step which would represent the permanent loss of a unique and valuable facility.

INEFFECTIVE WORKER IDENTIFICATION

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. SCHEUER. Mr. Speaker, Attorney General William French Smith succinctly described the severity of one of our Nation's gravest problems when he announced the administration's new immigration policy. "We have lost control of our borders," he said. "We have pursued unrealistic policies. We have failed to enforce our laws effectively."

Ironically though, the fatal flaw of past immigration policies—the absence of an effective worker identification system for distinguishing illegal aliens from employees who are working here legally—is left unchanged by the administration's plan. Without such a system, no sanctions against employers who hire those illegal aliens can possibly work; and without effective employer sanctions, the job magnet that pulled more than a million illegal aliens to our shores last year will continue to overpower our best efforts to make those borders real.

To be sure, the administration's plan calls for penalties against employers of illegal aliens; but in order to protect themselves from sanctions, employers would merely be required to check for any two of the following forms of identification before satisfying themselves of the legal status of prospective workers: a driver's license, a social security card, a birth certificate or a draft card.

Mr. Speaker, a package containing each of these forms of identification, along with several years of rent receipts, can be bought in any town on either side of the Mexican border for something in the neighborhood of \$50.

The administration plans to build a house of forgeable identity cards that is certain to collapse of its own weight. Simply put, employer sanctions are a vital element of an effective program to check the flow of illegal immigration; and employer sanctions are a paper tiger unless we establish a forgery-resistant identification system to make them meaningful.

Several options are possible.

We could set up a system of computer-stored worker identification numbers. Every worker in America would be assigned a number. Employers could then phone a central computer terminal to verify the authenticity of a worker's number.

Alternatively, each worker could be issued a forgery-resistant identification card bearing a magnetic code similar to those that appear on credit cards. Employers could then verify the authenticity of such cards just as merchants now do in the course of credit card sales transactions.

It has been estimated that such a card system would cost about \$300 million—\$3 per card for each of our country's 100 million workers. That is a significant investment; but in light of the billions of dollars that illegal immigration costs our country, and in light of the untold social, economic, and political strains that the growing flood of illegal immigration imposes on our society, this would be a very wise investment indeed.

There are those who have reservations concerning the civil liberties implications of such a system; but why would a forgery-resistant card pose any greater threat to civil liberties than the easily counterfeited social security card we already require our workers to hold? Other Western democracies such as France and West Germany, already have such systems in place with no adverse effects on the rights and liberties of the card hold-

Moreover, it would not be necessary to establish an identification system for all of our citizens and legal aliens. We need only identify workers-not the elderly, not the infirm, not the very young, not women who do not work outside the home—just workers.
Only with such a reliable worker

identification program in place can we hope to control the influx of millions of illegal aliens whom we have been unable to assimilate or absorb into the mainstream of American life. The alternative is a continued strain of huge proportions on our job market, on social services, and on the scarce resources which we have a moral obligation to employ for the benefit of our own poor and disadvantaged citizens.

This Nation is indeed a nation of immigrants. Over the centuries, new waves of immigrants have sustained and enriched our national life. A reasonable, measured, and carefully controlled program of legal immigration continues to be in the best interests of our country and in the best traditions of our society; but the current flood of illegal immigration is simply intolerable.

The President's new immigration policy contains elements which are a improvement over existing policy. Chief among these is its emphasis on hardening our borders and making them real. Unfortunately, that border-hardening effort is doomed to failure unless we accompany it with an employer sanction program tough enough and effective enough to shut off the job magnet and thus to lessen the attractiveness of illegal immigration into the United States. As long as those jobs continue to lure the developing countries' poor, only the Berlin Wall would suffice as a barrier.

I applaud the administration's determination to regain control of our borders; but until we face up to what it will take to accomplish that mission, appealing rhetoric will continue to bear a hollow ring.

CONGRESS SHOULD SUPPORT THE CONTINENTAL ESOP

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

Mr. AuCOIN. Mr. Speaker, the Senate version of the tax bill contained a number of provisions designed to encourage the formation of employee stock ownership (ESOP's). Among them was an amendment specifically relating to the ESOP of Continental Airlines. Unfortunately, in the give and take of the conference, the amendment was lost, However, Congress may have another opportunity to consider this matter and I rise today to urge that it do so favorably and as soon as possible after the August district work period.

Continental has been seeking to implement an ESOP since March as a way of improving productivity, addressing serious problems of capital formation and meeting the challenge of airline deregulation. The plan has survived challenges before the Securities and Exchange Commission and the Civil Aeronautics Board, as well as U.S. District Court in Los Angeles, the U.S. Court of Appeals and the Superior Court for the State of California. Most recently, however, the California corporations commissioner blocked implementation of this plan in spite of overwhelming support for it by the company's directors and 11,000 employees. The Senate amendment seeks to overcome this obstacle by making clear that the statute regulating such the Employee Retirement Income Security Act of 1974, supersedes State laws.

My interest in this effort is shared by the 42 Members of the House who signed a letter from the House Task Force on Industrial Innovation and Productivity to the CAB in April endorsing the plan. I ask unanimous consent to insert that letter in the RECORD at this point.

HOUSE TASK FORCE ON INDUSTRIAL INNOVATION AND PRODUCTIVITY, CONGRESS OF THE UNITED STATES, Washington, D.C., April 28, 1981.

Hon. MARVIN S. COHEN. Hon. GLORIA SCHAFFER. Hon. GEORGE A. DALLEY, Hon. ELIZABETH BAILEY, Hon. JAMES SMITH. Civil Aeronautics Board, Washington, D.C.

DEAR MEMBERS OF THE BOARD: The employees of Continental Airlines have just voted by an overwhelming margin—8,932 to 359 to establish an Employee Stock Ownership Plan which would buy a controlling interest in the airline. We believe that the plan of Continental's employees is a significant milestone in the renewal of American business through increased productivity and capital formation.

Earlier this year, Texas International Airlines sought permission from the Civil Aeronautics Board to purchase 48.5% of the common stock of Continental Airlines contingent on placing the stock in a voting trust. The CAB granted permission on the terms requested, and Texas International purchased the stock. Now Texas International has filed a petition to modify the CAB's order, entered at its own request, for no apparent reason other than to kill the Continental Employee Stock Ownership Plan.

We are writing as members of the House Task Force on Industrial Innovation and Productivity to urge that the Board deny Texas International's petition and allow the employees to buy control of Continental.

During the 1970's Americans reduced the amount of savings which they devoted to business capital formation. The Congressional Budget Office has pointed this out as a major factor in declining productivity.

The Continental Employee Stock Ownership Plan would counter this trend with a practical demonstration of supply-side economics: Continental's workers propose to allocate \$185 million-15 percent of their pay over the next four or five years-to doubling the airline's capital stock. The employees investment would leave the company in an excellent position to buy more efficient, innovative equipment at the appropriate time. (To date, Texas International has not proposed to add anything to Continental's capital stock. Rather, it proposes adding \$93 million in debt to finance the cost of its takeover.)

Efficient workers are as important to productivity as capital formation. The American airline industry can take one of two courses in order to make more efficient use of labor. Texas International has effectively pursued one course-spinning off the assets of its parent corporation to start New York Air, a new carrier with less restrictive work rules and lower wages.

If the airline industry as a whole pursues this course, the nation will have to bear substantial costs-in the short run, unemployment compensation and other payments (potentially billions of dollars under Section 43 of the Airline Deregulation Act) to the employees of existing carriers; in the long run, a costly series of futile strikes by unions alarmed at their shrinking share of the industry base (see example of the United Mine Workers).

Employee ownership of Continental would offer the airline industry a second course toward a more efficient work force, at less cost to the nation than Texas International's course. The President's Commission for a National Agenda for the 1980's has singled out Employee Stock Ownership Plans as an important incentive to worker cooperation with management and greater productivity.

Everyone involved in the debate on airline

deregulation-proponents and opponents

alike—agreed that deregulation must be effected by a period of transition. Everyone agreed that the carriers and their employees, nurtured in a hothouse of government regulation for forty years, could not be expected to adjust overnight. For example, the Senate Commerce Committee reported

A crucial element of the present bill is the gradual phasing in of its key provisions. The Committee accepted without controversy the principle that a transition period should be provided to airline companies in order to allow them time for adjustment before the full force of the new regulatory system is felt. . . . The Committee believes that Congress, having acted to prevent the normal free market evolution of the industry, now has a duty to the industry and its employees which would not exist if such action had not been taken. In order for Congress responsibly to change its policy now and require the industry to move forward to much more competitive market oriented environment, Congress should attempt to minimize the dislocations caused by the change. The change in policy and the temporary dislocations it may cause would not be necessary if Congress had not left in place so long a regulatory framework designed for the condi-tions that existed in the 1930's. (Amending the Federal Aviation Act of 1958, Senate Report 96-631, 95th Congress, 2nd Session, February 6, 1978.)

The employees of Continental have developed a plan pursuant to which they are willing to sacrifice 15% of their earnings and will commit to working harder and smarter to increase their productivity to insure their airline's successful transition. Fairness demands that they be given the chance to try.

We ask that the Civil Aeronautics Board give Continental's employees a chance to succeed by refusing to dissolve a standard voting trust which it has required in other merger cases—denying special treatment to Texas International.

Sincerely,
Pat Schroeder, Robert Dornan, Norm
Dicks, Thomas J. Downey, Robert Lagomarsino, Don Bailey, Gerald Solomon, Morris Udall, Berkley Bedell,
Tom Lantos, John Conyers, Jr., Stanley N. Lundine, Anthony Toby Moffett, Ron Wyden, Les AuCoin, George
Brown, Joel Pritchard, Harold Hollenbeck, Cecil Heftel, Eugene Atkinson,
Don Clausen, Clair Burgener, Dan
Glickman, Ray Kogovsek, Ed Jenkins,
Tom Harkin, Bob Edgar, Richard A.
Gephardt, John Seiberling, Edward J.
Markey, Richard Ottinger, Michael
Lowry, Barry Goldwater, Jr., Wes
Watkins, Trent Lott, William Brodhead, Martin O. Sabo, Bob Stump,
James J. Howard, Al Swift, Don Edwards, Robert A. Young.

As you see, the signers of this letter believe the Continental plan is a significant milestone in the renewal of American business, an opportunity for dedicated people to show the country that by themselves they can solve their company's problems of productivity and capital formation.

The Senate amendment would have allowed this effort to move forward by making clear that the Continental ESOP has satisfied all relevant requirements of Federal law and could not be killed by the imposition of an

endless series of possibly conflicting State regulations. It would reaffirm Congress traditionally strong support for the ESOP concept. I regret that the amendment was not agreed to; but I remain hopeful that other efforts by the employees of Continental will be successful and stand ready to support them.

A NATIONAL POLICY ON FOREIGN STUDENTS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. HYDE. Mr. Speaker, as the administration proposes a new immigration policy, it is vital that we include a policy concerning foreign students. They are a part of our problem and, recently, Journalist Georgie Anne Geyer wrote an incisive article on this issue. I commend it to my colleagues:

NEEDED: NATIONAL POLICY ON FOREIGN STUDENTS

(By Georgie Anne Geyer)

Washington.—The world's tired and hungry and those "yearning to be free" still are struggling to the United States. Among them is a new group whose presence is creating myriad new problems for America.

It consists of the 300,000 foreign students now in the United States, a number that soon could soar to half a million. In Southern California community colleges, 15 to 30 percent of the students now are foreigners. Thirty-five percent of the total are from OPEC countries and 24 percent are from

Iran and Taiwan, two countries we do not even have official relations with. Indeed, a new Iranian problem is coming to the fore as federal officials investigate

thousands of Iranians here on counterfeit study and work documents.

Though there is a prevalent idea in the Third World that America owes these students an education and should take them tuition-free, the massive influx of foreign students actually brings in about \$2 billion a year. Nevertheless, these students pay only about 60 percent of their costs; taxpayers are subsidizing almost all of them, particularly at state schools.

It is time, then, that we forge some national policy on foreign students. And a group of leading educators is trying to do just that.

"We have to ask, what is our national policy?" says Richard Berendzen, the dynamic young president of American University. "I think we have to develop a global concern.

"The immigration situation and the foreign student situation are intimately linked. I don't know if the American people really understand the momentum of what is happening here. We are becoming a global village."

Berendzen heads the National Commission on Foreign Students and Institutional Policy, an adjunct of the American Council on Education. The commission is trying to hammer out policy directives for the future. But what should they be?

In formulating these directives we should keep in mind these risks:

keep in mind these risks:

The first danger is that we let the influx of foreign students add a further disintegrative note to an American society already divided by other immigration difficulties. Any responsible nation should know who is actually in that nation, and where and why.

The second danger lies in accepting students as if we were a kind of technology drugstore and nothing more. Every foreign student should be required to know or study English (something many, ironically, now complain about) and to take an appropriate amount of American Studies courses. It is crucial that this country not be perceived as a country without pride in its institutions and ideas; it is crucial that foreign students know what we stand for.

Third, we must clean up the misleading

Third, we must clean up the misleading "come-ons" of colleges needing students, not to speak of such outright corrupt practices as issuing false documents to being foreign students here.

Given these long-overdue clarifications, we should welcome foreign students even more generously than before—and learn from them while they are here.

Berendzen's "global village" is indeed upon us. We need to be clear about the law and principles that allow us to live sanely and with civility within that global village.

SPEECH BY THOMAS KEEFE

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. LOWRY of Washington. Mr. Speaker, I would like to take this opportunity to share with my colleagues the text of the commencement speech delivered by Thomas Keefe, Sr., at St. Martin's College earlier this summer.

St. Martin's, located adjacent to the capitol of Washington State, Olympia, provides the type of atmosphere that allows students to develop a philosophy of life as well as the technical skills necessary to earn a living. Mr. Keefe inspires those graduating seniors to review and analyze the rhetoric of the time, applying the lessons of history so they may avoid the errors and transgressions of the past. As he states in his address, our system will survive and flourish if our young people become active participants in it.

OUR SYSTEM WILL SURVIVE AND FLOURISH— COMMENCEMENT SPEECH BY THOMAS KEEFE

Abbott Adrian Parcher, Dr. John Ishii, Sister Katherine Gray, members of the faculty, parents, relatives, and friends of St. Martin's College, graduating seniors: I am deeply honored at being asked to address the graduating class of 1981. In looking for prospective material, I came across the address that Art Buchwald, nationally syndicated humorist, gave at the commencement at Georgetown Univesity in 1980. And I quote: "No one remembers a year later what the commencement speaker said and only a few remember who it was. I only hope that when you're asked who gave your commencement address, you'll remember that it was a short, fat fellow who made you laugh."

Anatomically, I don't fit the physical description, and I've been warned by my children, including my youngest daughter, Molly, who is a freshman here, not to attempt any jokes. So, I'm on my own.

This is a time to be Glad and a time to be Sad.

For the parents and relatives of the graduating seniors, it's particularly a time of joy. This day represents the achievement of goal in which they are vicarious participants. A goal which has been achieved by your efforts and by considerable sacrifice on their part. In many instances, by sacrifices of which you are unaware. Like when they bit their lips in silence when you came home at the end of your sophomore year, the selfproclaimed possessor of all worldly knowledge, which you freely distributed without request, but without reservation. Today they justifiably take pride in your accomplishments. You have reached one of your major objectives and the future is yours

For you graduates the joy of completion is tempered with the sorrow of parting. It is extremely unlikely that you will ever again all be together as a group. Yet each of you will carry a common bond indelibly imprinted by your association with each other and your participation as a member in the Benedictine community with its 1,500-year-old

A Benedictine college offers the student something that no secular college can—a way of life. It's not enough to merely equip the student with the technical tools to earn a living. The student must receive a philosophy of life in which concepts of social justice, moral responsibility and charity have meanings and purpose. This is where the Benedictine Abbey and the lay faculty who, at considerable personal sacrifice, join that community, and give meaning and purpose

to St. Martin's College.

This is my Quadragesimo Anno. Forty years ago, I was a member of the second graduating class of St. Martin's College. Since then, I have attended four universities located in widely separated geographic locations in the United States, and have been associated with hundreds of individuals who have attended practically all of the major universities in this country. As a result of that experience, and using that great gift of hindsight, I can say without equivocation that if I had it to do over, I would choose St. College for my undergraduate work. There is a personal relationship here that exists between the faculty and student that fosters the fullest development of both. It is a relationship that cannot exist in larger institutions because of their size, and does not exist in secular institutions because of their failure to seek the development of the spiritual side of the student. At some point in everyone's life there occurs an event, an awakening, or the influence of anperson which in retrospect they regard as the key point in shaping or directing their life's career. Looking back, I find that Father Thomas Hanley, who was the head of the Political Science Department here at St. Martin's, was that factor in my life. When I asked my eldest son Rob, who practices with me, that person or event in his life, he immediately named Dr. Mike Contris. In like manner, my son Tom named Father Jerome Toner and my daughter Joanne, who transferred after two years so she could pursue a nursing education, named Father Killien Malvey. I am certain that other faculty members both in the past and present have had similar effect on former students and on many of you here today.

In leaving St. Martin's, what does the future hold in store for you? What can you do? What should you do? Last week, the front page of an issue of the Seattle Post-Intelligencer demonstrated how little times have changed in the last forty years. One headline read-"Draft Board Being Set Up" another—"Wider Military Role is Outlined for U.S." Forty years ago, members of my graduating class of '41 were registering for the draft and witnessing the military buildup of America.

This is a time to reflect: What can you do to improve the social order?

The two greatest threats to the continuation of our form of government is not foreign intervention-nor internal disruption by persons or parties espousing an anti-American philosophy. We have had these two scapegoats used by both major political parties over the last fifty years as a matter of political expediency. These myths, when confronted and exposed to the scrutiny of objective analysis, have vaporized.

Today once again we are being told that bombs, not butter, must be our chief priority. We are being asked to tighten our belt in order to support a defense budget of \$136 billion dollars. We are told of the great waste in our social programs to aid the underprivileged, aged and handicapped, yet not one word is uttered about the waste and inefficiency rampant in our military-indus-

trial complex.

However, the greatest threat that is daily growing larger on the horizon is the return to McCarthyism in the name of national security. Dissent cannot and must not be equated with disloyalty. Fundamental constitutional rights of the individual must not be infringed upon. Our Constitution is probably the greatest political document ever drafted. Yet we cannot close our eyes to the weaknesses and shortcomings of our government and its leaders when they fail to live up to the high ideals set forth by the founding fathers. In the early 1940's, my generation and its leaders, with hardly a word of protest, by two separate acts, forfeited America's right to sit as unbiased, impartial judges of international morality. They first summarily rounded up and interned loyal Americans because by birth they were of Japanese descent. In April, 1945, one bomb in a time span of minutes killed over 50,000 civilians at Hiroshima, the Christian center of Japan. Contrast that with the handful of civilians killed in the attack on Pearl Harbor. We opened the Pandora's box of nuclear power and now humanity is paying the price. It's little wonder that other nations sometimes question or suspect our mo-

Peaceful protest and opposition to government programs or edicts when indicated is not only proper, but makes for a more healthy political system. It also can occasionally cause personal inconvenience. Four years ago, on my return home in the late evening hours from the annual Washington State Bar Convention in Spokane, my wife Anne and I were greeted by my second daughter Laurie, and I routinely inquired:

Q. "How are you?

A. Fine.

Q. Where are your sisters?

A. In jail.

Q. Oh, that's nice-WHAT?!"

It's true you can turn white not only in a single night, but immediately.

Then the story unfolded-my remaining four daughters, ranging in age from Molly, 13, to Joanne, 23, had participated in the protest at the Trident Base and had been arrested for trespassing and were then housed in the Federal jail in Tacoma. During my midnight drive over to obtain their release, I kept wondering why they couldn't protest at a more convenient time or hour. Unfortunately, meaningful protest cannot always choose the desired time or

Our right to know so that we can make our voices heard is a very precious and valuable right. The Freedom of Information Act of 1966 makes federal agencies' files-subject to certain guidelines and exceptionsavailable to the public. That right of access has been limited by a recent executive

Our form of government is not perfect, nor will it ever be, since its operation depends on human beings. However, it is far superior to any other form of government in the world today. The threat to its continuance comes not from without, nor from political activity from within, it comes from too much apathy and too little accountability. Your generation is particularly subject to indictment. Only 35 percent of the eligible voters in the 18 to 20 age group voted in 1980. Unless you graduates revitalize our political process, both on the local and national level, we are going to witness further erosions of our system.

Overall, in 1980, only 53.95 percent of the eligible voters in the U.S. cast their ballot, resulting in President Reagan being elected by a mere 27.38 percent of those eligible to vote. Contrast that with last Sunday's election in France where 86 percent of the eligible voters went to the polls. Regardless of your political affiliation, you have a duty to participate. I'm sure that a show of hands as to who participated in their precinct caucus to choose their candidate for the presidency would draw little response. Yet while we do nothing, single issue power groups can and do determine our political programs. Moneyed interests from outside our state have even effected who represents us in Congress. A recent member of Congress from this state, not presently serving, was elected with campaign contributions from outside our state, of over \$250,000. Single issue organizations, when they join forces with other similar groups in support of a candidate or a cause, are a potent and dangerous political force. The problem is as prevalent on the state level as it is on the national. Congress will soon be faced with the continuation or scrapping of such key legislative enactments as the Clean Air Act and the Voting Rights Act, both of which will have major long-run impact on our society. You cannot afford to sit silently by. You must actively participate in our political system. Your voice must be heard.

On the national level, the present catch phrase is: "Get Government Off the Back of Business"

Shall we do away with:

Child labor laws?

The minimum wage?

The Flammable Garment Act (which has saved untold hundreds of infants from painful deaths)?

Miners Safety Act?
Occupational Safety and Health Administration (OSHA)?

Federal Trade Commission?,

and I could go on endlessly. All were government enactments to regulate and police areas where private industry either failed or refused to act.

Last week, after three years of periodic work, I settled a case for a 22-year-old quadraplegic. His accident could have been prevented by an expenditure of \$.68 for a covered limit switch on a machine which cost \$196,668.00. Our present OSHA (Occupational Safety and Health Administration) regulations, which are now under attack, would have required this switch had they been in effect at the time of the accident. Certainly, there are abuses of overregulation in many areas, and there should be changes or modifications where there has been demonstrable harm. But to scrap a social philosophy which aims at protecting the uninformed consumer, or those unable to protect themselves, under the generality of "Getting Government Off the Back of Business", is unconscionable.

In addition to becoming activists, you must demand accountability. It is not enough to elect a qualified candidate; you must examine the voting record. How many know the voting record of their legislative representative during the last session in Olympia on such issues as interest rate increase, care for the elderly, environmental impact, a constitutional convention, to name a few? Yet without holding those elected accountable, we either vote for them again because of name association or party affiliation or, worse yet, fall to vote.

Neither major party has a monopoly on virtue nor is it the sole offender. Watergate, Abscam, and Gamscam should not be "put behind us", as some politicians have suggested. Rather, they should be reviewed and rehashed so that the lessons we learned of dishonesty, lying, cheating, and immorality will not be repeated by our elected representatives.

Our system will survive and flourish if you graduating seniors become active participants in it. We must get rid of apathy and demand accountability. St. Martin's has provided you the educational foundation. Now it's up to you to act. The future of America is in your hands.

ANOTHER STEP TOWARD THE ELIMINATION OF SEX BIAS IN THE UNITED STATES CODE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. DINGELL. Mr. Speaker, I have today introduced a bill, which is being cosponsored by the chairmen of the committees and subcommittees that will be considering the bill (Messrs. JAMES J. HOWARD, GLENN M. ANDERson, and James J. Florio), to elimivarious gender-slanted words nate from the Interstate Commerce Act. This bill, originally prepared by the Interstate Commerce Commission, will make the legislative revisions needed to implement the recommendations by the U.S. Commission on Civil Rights in its 1977 report ("Sex Bias in the United States Code"), and subsequently in a Presidential memorandum issued on August 26, 1977, to the heads of all executive departments and agencies.

Congress has enacted various laws in the past several years which included many of the revisions recommended by the Commission on Civil Rights.

However, there are still many provisions in the United States Code with gender-slanted language that produce discrimination on the basis of sex, sometimes against women, and some-

times against men.

We commend the Interstate Commerce Commission for reviewing the laws it administers and recommending revisions to eliminate gender-slanted words in the Interstate Commerce Act. We urge other agencies of the Federal Government to do likewise, regarding the laws each of them administers. The Congress will be glad to do its share in this task of cleansing sex bias out of the United States Code.

OMNIBUS BUDGET RECONCILIATION ACT OF 1981

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 31, 1981

• Mr. KASTENMEIER. Mr. Speaker, one of the issues which could not be resolved in the reconciliation conference (H. Rept. 97-208) was the extension of the authorization for appropriations for the Legal Services Corporation (LSC). Section 1137 of the Senate version of the reconciliation bill (H.R. 3982) contained an extension of authorization for appropriations for LSC for fiscal years 1982 and 1983 at \$100 million for each year. The House version of the reconciliation bill was silent on LSC. As a result of the conference, the Senate receded to the House on this issue, which was contained in miniconference No. 45.

There is some confusion by at least one Member of this body as to the effect of this conference agreement. The gentleman from Wisconsin (Mr. Sensenbrenner) in a colloquy on July 30 with the gentleman from Iowa (Mr. Smith) on the subject of House Resolution 188 erroneously claimed that the reconciliation package had a zero amount for LSC. The gentleman from Iowa (Mr. Smith) corrected him by noting that the reconciliation bill was silent on the subject, and did not zero fund the Corporation. I would like to associate myself with the remarks of the gentleman from Iowa (Mr. Smith)

on that point.

Legislation to extend the authorization for appropriations for LSC for future years is very much alive. This body spent 3 days considering a reauthorization bill (H.R. 3480) which was passed on June 18 with strong bipartisan support, 245 to 137. That bill contained over 20 new restrictions to the Legal Services Corporation Act.

It is expected that the other body will process H.R. 3480 or in its stead its own reauthorization bill (S. 1533) in September. A report on S. 1533 was filed on July 29 (S. Rept. 97–171), and

indicates a strong commitment by the other body to process S. 1533 in order to preserve the Corporation. The ranking minority member of the Committee on Labor and Human Resources in the other body (Mr. Kennedy) has publicly stated this commitment today. Differences between the House and Senate authorization bills would be resolved in conference.

In some ways it is unfortunate that the authorization bill could not have been incorporated into the reconciliation bill. On the other hand, the normal course is to handle such legislation as a distinct bill. Separate consideration will allow the committees of jurisdiction time to work out their dif-

ferences carefully.

One final point should be made on the interaction of H.R. 3480 and the budget process. H.R. 3480 extends the authorization for appropriations for LSC for 2 more years at \$241 million for each year. This represents a 25percent reduction in funding. An appropriation bill in this body (H.R. 4169) would appropriate \$241 million for fiscal year 1982. Both bills are within the budget allocation totals under 302(b) of the Budget Act which were filed by the Committee on Appropriations on June 11, 1981 (H. Rept. 97-139). In the early warning report filed by the Committee on the Budget on July 28, 1981, it was noted that H.R. 4169 was equal to the 302(b) target for the Subcommittee on Commerce, Justice, State, Judiciary in budget authority and \$18 million below in outlays. That subcommittee has assumed a \$241 million appropriation for LSC in its budget allocation of billion-budget authority-and \$8.7 \$9.9 billion-outlays. It is these budget allocation targets which are binding, not the original assumptions in the first budget resolution. Thus, both H.R. 3480 and H.R. 4169 are consistent with the budget process.

INCREASED PENALTIES FOR MARIHUANA SMUGGLERS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. ZEFERETTI. Mr. Speaker, I have today introduced a bill to increase the penalties for persons convicted of smuggling large amounts of marihuana. This legislation is needed to close a loophole created last year when Congress raised the penalties for large-scale domestic marihuana dealers but inadvertently failed to provide similar treatment for marihuana smugglers operating off the coasts of our country.

our country.

Congress enacted two important measures last year that have given our law enforcement agencies significant

new weapons in the fight to control the multibillion-dollar illicit trade. First, a provision in the Infant Formula Act of 1980 (Public Law 96-359) raised the penalties for trafficking in more than 1,000 pounds of marihuana from a maximum prison term of 5 years, a maximum fine of \$15,000, or both, to maximum penalties of 15 years imprisonment, a \$125,000 fine, or both (double for subsequent offenses). Prior to this act, highly organized, well-financed traffickers moving tons of marihuana were subject to the same low penalties as the street-level pushers dealing in small quantities of the

Unfortunately, this measure amended only the Controlled Substances Act which applies only to domestic marihuana traffickers. It did not provide for similar increased penalties under the Controlled Substances Import and Export Act which reaches offshore

smuggling operations.

Second, Congress enacted legislation to facilitate increased enforcement by the Coast Guard of laws relating to the importation of controlled substances (Public Law 96-350). This authority has enhanced greatly the Coast Guard's ability to seize and arrest traffickers on the high seas. The penalty provisions of this law, however, incorporate by reference the penalties provided under the Controlled Substances Import and Export Thus, large-scale marihuana smugglers convicted under the Coast Guard Act are also subject only to the lower 5 year/\$15,000 penalties.

My bill amends the penalty provisions of the Controlled Substances Import and Export Act so that firsttime violators convicted for trafficking in more than 1,000 pounds of marihuana under either that act or the Coast Guard law will be subject to the same 15 year/\$125,000 penalties that now apply to large-scale domestic marihuana dealers. By operation of existing provisions of both laws, these penalties would be doubled for repeat drug

offenders.

On July 27, Senator CHILES introduced similar legislation (S. 1522) in the Senate. His bill amends the Coast Guard law passed last year but not the Controlled Substances Import and Export Act. While the increased penalties under the gentleman's bill un-doubtedly will apply to most cases of large-scale marihuana smuggling, I believe the approach incorporated in my bill is preferable because it establishes consistent penalties for this crime regardless of the statute under which a violator is convicted.

We are all acutely aware of the menaces created by the massive and lucrative trade in marihuana including increased crime, violence, and corruption. The abuse of marihuana also poses serious threats to the health and well-being of our children, the Nation's most important resource. To stem the tide of marihuana flooding our country, we must give law enforcement the most effective tools available. The legislation enacted last year and the measures approved so far in this Congress to permit increased military support for drug enforcement agencies and remove restrictions on U.S. funding for paraquat eradication programs abroad are all important steps. My amendment will close existing loopholes that allow large-scale marihuana smugglers to escape with substantially lighter sentences than they would get if they were apprehended within the United States. I urge the House to support this legislation.

ALAN EMORY'S "CHINA DIARY"

HON. DAVID O'B. MARTIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. MARTIN of New York. Mr. Speaker, I am pleased to insert into today's Record the final three articles of "China Diary" a series by Alan Emory, Washington correspondent of the Watertown, N.Y., Daily Times and dean of the New York correspondents covering Washington. Once again, I recommend this series to all who wish to know more about the People's Republic of China.

[From the Watertown Daily Times, July 18, 19811

TOUR GUIDES VARY IN FLUENCY, SHARE CONCERN FOR CHARGES

(By Alan Emory)

PEKING.-To the guides of the China International Travel Service (CITS), telling visitors about situations that will "drive you up the wall" just as they are about to show them the Great Wall sends them into gales of laughter.

One refers to himself proudly in American

slang as a "greenhorn."

They love to joke, particularly in slang. A woman guide in Datong tried out the phrase 'big hit" and seemed greatly relieved when her audience chuckled.

One told how he had once confused the two words concubine and cucumber. That seemed pretty funny until it developed that another guide had told another group the same story of confusion. It was obviously a CITS staple.

The success or failure of a tour of a city or landmark often depends on the guide's fluency in English-that varies widely-or in the language of the home country of the group being escorted. In Xian one guide's rench for her clients seemed impeccable. Another appeared proficient in Spanish.

But another, who had just been on the job 10 days, was struggling with his English and could barely make himself understood.

The guides always ply tourists with candy. peanuts or white raisins during a trip on a bus or plane. The candy varies from haw flakes, made from a Chinese berry that is also the source of a fruit drink, to chocolate bars, to chocolate-covered malt balls, to semi-hard candies and preserved pieces of fruit. In Canton the bus fare was fresh li-

CITS provides one guide who stays with his group throughout the China tour, plus separate guides for each city. In Peking and

Xian we had two city guides.

Our all-China guide had three years of foreign language college under his belt. Only four to five per cent of middle-school graduates go on to higher education, and Chinese blame extremely difficult examinations for the relatively few persons who enter college.

Although the hours on tour are not strictly regulated, CITS guides, like other Chinese workers, normally work eight hours a day six days a week, getting Sunday off in most cases.

Also, like other workers, they are entitled to 20 days of vacation a year to visit their families if they are separated from them most of the year. They can choose their vacation time, and the work unit pays their expenses.

Pay averages \$36 a month.

The guides are not hesitant about answering personal questions, nor do they hang back in asking questions about the United States.

One guide lives with his parents and three sisters in a three-bedroom apartment with kitchen. He rode a bicycle to class about 121/2 miles away.

He is not a Communist Party member-he explains that by saying he has not "done enough" to warrant being admitted-but he says he aspires to belong and to "serve" his country and the tourists better through party membership

Sometimes they are surprising with their wry remarks, although, in a country as tightly controlled as China, there is a suspicion some of their observations have been

approved in advance. In Taiyuan, for example, our guide disclosed that there were three new hotels under construction, then added drily he did not know why because the city of 2 million inhabitants only had about 100 tourists a

day in town.

At one point the same guide pointed to a factory spewing colored smoke into the air and said it had been required to pay fines for air pollution, but they did not do any good because the plant was state-owned.

"It was just taking from one pocket and putting in another," he commented.

When it comes to history, the guides faithfully take the party line. They refer sarcastically to Chiang Kaishek as one who preferred to fight the Communists among his own countrymen, rather than battle the invading Japanese armies.

They take great delight in describing Chiang's flight to escape capture in Xian, leaving behind his false teeth and most clothes, and how he was caught trying to hide in a cave in the hills that was too small for his body, so his exposed derriere gave him away.

They provide a straight propaganda line about how the cultural revolution was led by a bunch of "crazies," but even though Mao Zedong was in power at that time they still refuse to blame him outright and insist he had not done a bad job.

'Without Mao there is no New China,"

one guide said firmly.

They perform tasks like explaining the plots of opera, helping to recover items left behind by forgetful tourists, expanding the limited Chinese vocabulary of visitors, interpreting in stores, hotels and places of historical interest.

And, at the end, each country guide feels he has made a group of new friends.

Friends is the key word.

Almost every time a guide addresses his group he starts, "Friends. . . ."
And it did not take the magnificent pic-

ture book that Luo Wei Xien's group gave him to make it sound like he meant it.

[From the Watertown Daily Times, July 20, 19811

HONG KONG A BUSTLING CONTRAST TO CHINA (By Alan Emory)

Hong Kong.-Hong Kong is a hustle set in the midst of a traffic jam.

Or vice versa

When a tourist leaves China he can exchange his excess Chinese money-but only into Hong Kong dollars-about five Hong Kong dollars to one American.

The change from China is visible almost immediately. As the train crosses the border into the New Territories the picture is one of construction activity. Where automobiles are something of a rarity in China, they are a regular sight in the New Territories.

There are actually three sections to what is popularly called Hong Kong. One is Kowloon, the arrival point for air passengers from Japan or Hawaii and for those taking

the train from Canton.

Kowloon is home to many of the newest hotels, some of the best shopping and the most popular point for separating the tour-ist from his money, the famed Nathan's Road. It has a population of about 1.8 mil-

Hong Kong is an island reached by ferry from Kowloon, home to the colonial government, the Aberdeen dock area, Victoria Peak and the popular Repulse Beach—so named because it was where pirates were beaten back-and has a population of 1.2

The largest section of the British Crown Colony is the New Territories, a complex of 1,500 islands, with half of "Hong Kong's" 6

million residents.

The lease on Kowloon and the New Territories from China to Great Britain expires in 1997, and China, which ceded the area to Britain following the opium war of the mid-

1800s, may take it back. Hong Kong's teeming population is packed into a tiny area, much of it a shopper's paradise, for the wary, and hell, for the daring. Jewelry is a good buy for the careful, and so is a watch, but most photographic equipment, calculators and tape recorders sell for about the same prices quoted by New York City discount houses, and they are more reliable than most Hong Kong merchants.

The best buy in Hong Kong is clothing, usually made to order. The visitor picks out the material, style and color of dress, suit, blazer, slacks, shirt or blouse and the fin-ished product, after two fittings, is ready in 36 to 48 hours. A merchant will often come to the customer's hotel for the final fitting.

Other good values include sports clothes by European designers, often one-third to one-half the cost in the United States.

There is a Hong Kong Merchants' Association of about 300 members whose seal is displayed in shop windows, but that guarantee often is accompanied by higher prices, and association member stores are heavily outnumbered.

An unwary stroller can be suddenly taken in tow by an eager hustler and steered to a side street shop where prices are low and the goods usually shoddy.

Tourists looking for jade and silk shirts should be particularly careful. Both are

widely imitated. A good made-to-order silk shirt runs about \$30.

Curiously, tennis rackets are a pretty good buy in Hong Kong.

Kowloon and Hong Kong streets are consistently clogged with massive traffic jams. There is a new subway on Kowloon, with only one line so far, which is mobbed at rush hour.

It operates with the same type of fare card as the Washington subway, with cards purchased from machines, the fare varying with the distance traveled. An average fare is about 44 cents a ride, and the passenger needs the card to leave the station as well as to enter.

Buyers can use credit cards easily, but a credit card purchase automatically boosts the price by the fee the merchant pays to the card company.

Prices can be negotiated with merchants, and some stores will make out fake purchase sheets to enable the tourists to get home under the \$300-per-person duty-free limit.

Most of Hong Kong's newer hotels have

large shopping malls inside.

Aberdeen is the home of the "boat people." They live on their craft, closely packed together in an oily, garbage-strewn harbor. Incredibly, the children use the harbor as a swimming hole.

Aberdeen also is home to a couple of pop-

ular floating restaurants.

One of the nicest points in Hong Kong is Ocean Park, with a children's zoo, macaws that ride miniature bicycles and do other tricks, a breathtaking cable car ride over the mountains and a building housing a spectacular coral reef with every kind of tropical fish imaginable, sharks and a moray eel, all of which can be viewed from above and at two levels below the water line. The entry fee for the whole works is \$5.

[From the Watertown Daily Times, July 21, 1981]

CHINA'S NUMEROUS WALLS DO NOT KEEP RESIDENTS IN OR VISITORS OUT (By Alan Emory)

PEKING.-China is a country of walls, around communities, around homes.

A country where cyclists carry infants in little baskets resting on handlebars.

Where, in early morning hours, old and young alike move out into parks, squares and playgrounds to do martial arts exercises with the grace of ballet performers, their hand movements as smooth as those of hula dancers; participate in team or individual sports, including basketball and soccer, and

Where young men wearing white or navy gym shorts or warm-up suits appear in excellent physical shape.

Where only over-the-counter street-front stores show prices on window display items and people carry leatherette or string shopping bags.

Where crowded and well-stocked department stores sell a Sanyo television set for \$350, a blouse for \$5, and prices are not out of line with those in the United States.

The difference is the longer time it takes the average Chinese to save to buy a TV set. China is Inner Mongolia, where residents buy fried bread on street corners, some collect water in buckets hanging from yokes they carry across their shoulders, while others cycle along with pails of human waste for fertilizer.

Much of the clothing is unisex, white shirts and black pants, blue or green shirtand-pant outfits, rain ponchos with attached caps and clear visors. Girls wear dresses, women shirts and pants.

When it gets really hot men often roll up their trouser legs to the knees for relief.

Footwear is mostly sandals and soft shoes. The Chinese people are extremely friendly, anxious to help a visitor, regardless of language barrier, and eager to practice their few words of English. The friendliness is evident from the moment a youngster brings a tourist's luggage to his hotel room and welcomes him in English.

The Chinese are also meticulous about scouring hotel rooms when a visitor leaves. Any item left behind is returned before the visitor can leave the city. It finds him in a restaurant, train station or airport.

People wave at trains and buses filled with easily recognizable westerners. Mothers take their children's hands and wave for them. Some youngsters call out, "Bye, bye," when tourists leave a school or community.

Except for guides, hotel staffers and a few children people shy away from gifts, even a small cake of perfumed soap and even when the gift is explained in Chinese.

There is general delight when a tourist tries out a few words of Chinese, and if the local dialect is different the residents imitate the visitor with a broad grin, rather than try to correct him.

Pay is minimal by American standards-\$60 a month for a six-day week, for example, with Sundays off. Unless the worker is separated from his family, which merits a 20-day vacation, the only "vacation" is on national holidays.

A worker can earn enough in a year for a TV set, but it often takes that long to save for the all-important \$100 bicycle. Professors are among the best-paid individuals.

Factories and farm operations authorize 56 days of maternity leave with pay for the first child. New mothers, however, may take up to a year off, the rest of the time at 70 per cent of normal pay.

For the second child another 56 days are authorized, but that is the extent of maternity leave. The government pays a bonus to couples who have only one child, but they penalize those who go beyond two.

Families are proud to live together despite a lack of space.

Youngsters are fascinated by digital watches and cameras, and an offer to demonstrate either causes a rush and crowding around.

Men smoke cigarets, very few women. Older men occasionally sport beards, but very few young men wear them.

The basic Chinese currency is a yuan, worth about 60 cents. There are 100 fen in a yuan. There are notes of 10 fen, one, five, 10 and 50 yuan in what is called "script," with English writing, and of one, five and 10 yuan and two and five jiao (often pro-nounced like Mao) of old Chinese money. A jiao is equivalent to 10 fen.

The Chinese say that the old money cannot be taken out of the country, and they discourage attempts to turn it back into western money. Visitors must keep receipts they get whenever they obtain Chinese currency to be eligible for exchanges the other way when they leave.

Agriculture is a serious business in China. Every square inch of available land is cultivated. Crops are sold twice a year, after the summer harvest and at a two-week-long spring festival, at which time farm families gather in reunions for a long feast.

China is apartment buildings in big cities and rows of homes resembling sandstone igloos in the countryside. Some people live in houses of mud and brick with tile roofs. Cows may be tethered outside the front doorway, while goats, pigs and chickens run around the yards.

China is trees planted alongside railroad tracks, many of them 15 years old or less.

Lush greenery contrasts with great stretches of desolate arid land.

Although China has geared up for a rush of tourism, there is still a dearth of hotel rooms in some cities, and visitors often have to double and triple up.

China is a country where only visitors travel freely. The Chinese are sharply restricted and there is no chance to change jobs from country to city or the other way around.

The people seize on conversation with visitors to stress what they see as national defects. One teacher asked an American couple, "How do you like China?" and when they answered they liked it very much replied, "I don't think so."

"We have many shortcomings," he said, describing the visitors' hotel as "dirty" and having too many mosquitoes, when they had found it surprisingly clean and insect-

The man, who teaches Russian, which he learned from television, and listens to English-language radio broadcasts, argued that China was making progress until the Gang of Four took over, and it had only been since their ouster that things had started moving again.

This is the line used everywhere, by travel service guides and man in the street alike.

Guides refer to the "crazy" people who led the cultural revolution, but still insist that Mao Zedong, who was in charge then, was not bad.

American experts say the Chinese legal system is relatively new and from 1963 to 1978 there was no real criminal law. Instead, the country employed a kind of frontier justice.

Only for taxes, divorce and minor civil matters was there any defined legal system. In China men are permitted to retire at 60, women at 55.

There is great respect for old people. If they have children it is the responsibility of those children to look after them. The childless aged are provided with five guarantees: Housing, clothing, food, medical care and burial.

The guides are reluctant to show a visitor Peking's Democracy Wall, where, for a short time, Chinese citizens were permitted to express their opinions in wall posters. Some of those opinions did not follow the Communist Party line.

Eventually the practice was stopped, and inquiring visitors are now told that the thoughts the posters expressed were simply "rumors."

Despite the leap in tourism in China, the people's curiosity about western visitors and the friendliness demonstrated in casual contact is genuine. A tourist gets on a crowded bus and the Chinese, men and women of all ages, rise to give her a seat.

A young man comes up to an American on a street in Xian on a warm evening and greets her with, of all things the Gettysburg Address

The walls may be everywhere, but they do not keep the people in or the visitors out.

This is China in the summer of 1981.

TAX INCENTIVE ACT OF 1981

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BAILEY of Pennsylvania. Mr. Speaker, I, like all other Congressmen, have received a number of communications from my constituents concerning the tax package before the House. As a member of the Ways and Means Committee, I naturally favor our proposal. Not only did I personally participate in writing H.R. 4242, but I sincerely believe that the major differences between it and H.R. 4260—the Reagan bill—are highly significant.

In short, the Ways and Means measure will mean less inflation, because it unquestionably will not produce the deficit in the outyears that the Reagan measure clearly shall.

The Ways and Means measure also focuses more attention on savings and investment, not only through use of Keogh and individual retirement account mechanisms, but by providing personal income tax cuts in those areas where Americans who save in capital-forming investment pools will be most encouraged.

The personal income tax cuts also seem to be more fair in that they are aimed more at middle- and low-income working Americans who, because they are unable to shelter their income, have been most affected by inflation. The Ways and Means measure, therefore, it also more just and fair.

But even more importantly, perhaps, the Ways and Means measure channels more revenue resources to small business, as well as America's capital intensive basic industries so necessary to our economic freedom. The comparison of figures is obvious. The Ways and Means measure means \$28 billion as opposed to \$8 billion in cuts to small business in the Reagan bill. It means reinvestment opportunities for productivity-improving investments. that is, section 38 tangible personal property investments that have qualified for investment tax credits that are the lifeblood of the country's basic industry.

The so-called leasing provisions which parody the sincere Ways and Means proposal, which I authored, will not efficiently direct moneys to these distressed industries for these purposes.

The President, however, is to be commended. He has abandoned his original 10-10-10 proposal in favor of now this—his third substitute—as a response to what is an obviously superior Ways and Means tax measure.

But along the way a good deal has been lost, and even more misinformation disseminated. In not one single piece of correspondence that I have received from across the country, is con-

tained one single correct reason for preferring the Reagan tax plan. People apparently think that the Reagan bill is the only measure before the Congress, or erroneously think that it contains solely the ideas expressed by the administration, or more sadly think that the Reagan administration originated many provisions they copied from the Rostenkowski proposal. For example, I have received telegrams from major corporations, including one in my district, who are not even aware that the research and development bills which I have cosponsored with Congressman JIM SHANNON of Massachusetts were provisions written into the Ways and Means bill, and only copied by the administration.

In short, the measures are the same in both bills, but were being flaunted by these corporate executives as reasons for preferring the administration's bill. Examples of misinformation run on and on. People who think they are going to get a 25-percent cutpeople who think that the President's bill is more than technically a 3-year program, since of course the President's bill is not.

The role of television on the eve of an important vote, the pressures applied to many Members on anything from reapportionment to the intensive lobbying from corporate headquarters, raises serious questions about our political process. Added to this was the unique use of the Republican National Committee to buy radio and television time for the purposes of advertisements to create impressions, none of which were accurate, none of which clarified issues for the public, none of which addressed alternatives or substantive matters.

We, of course, have a job to do here in the Congress that places great burdens upon our desires to be popular and to fulfill the whims and wishes of faddish forces that seem to ripple through the contemporary wisdom. Our function is to deliberate, revise, and produce carefully investigated policy alternatives. I hope that we shall continue to do so and I am sure that we shall, but the last few days we have partaken somewhat of a major diversion.

Generally, the feelings expressed are very partisan, or simply proclaim an allegiance or faith in the President, in many cases regardless of what he wants to do. Although these are feelings with which I do not agree, they are feelings which I very much respect, because unlike the information from individuals and companies who purport to reflect distinctions between the measures, every one of which so far has been inaccurate, my heart does go out to those who very simply and very sincerely and honestly proclaim their faith in our President.

While I do not agree with him, because I see our reinvestment needs as much greater and in a different way, I do admire the way he has been able to very effectively get his point across. But at the same time I wonder if we are not into a frightful age of not examining and debating important policy considerations, but instead are into an age of promoting for personality purposes, simplistic and often-times incorrect information for the sake of political victory.

IRVIN R. TCHON HONORED BY ILLINOIS STATE SENATE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. HYDE. Mr. Speaker, one of Illinois' outstanding citizens has been honored by the passage of a State Senate resolution commending him for his distinguished public service and leadership to the Polish American community. I am very pleased to share an article on Mr. Irvin R. Tchon which appeared in several newspapers that serve the Polish community, and the resolution which passed the State Senate:

IRVIN R. TCHON RECEIVES ILLINOIS SENATE COMMENDATION

SPRINGFIELD, ILL.—Irvin R. Tchon, one of the organizers of the Copernicus Senior Citizen Center in Logan Square and very active in numerous drug awareness and educational programs, was recently honored by the Illinois State Senate for his twenty five years of "outstanding leadership and distinguished service to the Polish American community."

A resolution presented in the eighty-first general assembly offered by some 58 senators pointed out Mr. Tchon's active interest in programs designed health care being provided to the Polish American community.

Tchon, a Chicago retail druggist, is an active member of the Polish American Pharmacist Association, Polish American Political League, Polish National Alliance and a consulting nursing home pharmacist.

Irvin Tchon, is also a member of SS. Cyril and Methodius Society 145 and from a 100 percent PRCUA family. His parents, Joseph and Catherine Tchon, were long time activists in the PRCUA and the recipients of various awards for their efforts in PRCUA activities.

The Senate resolution concluded, "we express the hope that he will continue to serve his community with vision and enthusiasm." We strongly concur.

STATE OF ILLINOIS, 81ST GENERAL ASSEMBLY, SENATE

SENATE RESOLUTION NO. 729

Offered by Senator Nash, Senator Rock, President of the Senate, Senator Egan; and Senators Becker, Berman, Berning, Bloom, Bowers, Bruce, Buzbee, Carroll, Chew, Coffey, Collins, D'Arco, Daley, Davidson, DeAngelis, Demuzio, Donnewald, Friedland, Geo-Karis, Gitz, Grotberg, Hall, Johns, Jeremiah Joyce, Jerome Joyce, Keats, Lemke, Maitland, Maragos, Martin, McLen-

don, McMillan, Merlo, Mitchler, Moore, Nedza, Nega, Netsch, Newhouse, Nimrod, Ozinga, Philip, Regner, Rhoads, Rupp, Sangmeister, Savickas, Schaffer, Shapiro, Sommer, Vadalabene, Walsh, Washington, Weaver and Wooten.

Weaver and Wooten.
Whereas, Irvin R. Tchon, registered pharmacist, is an active community and civic

leader; and

Whereas, The Senate recognizes his outstanding efforts and achievements in pursuit of excellence in the Polish-American Community, in community consciousness, affirmative action, political education and human relations programs; and
Whereas, Mr. Tchon has an active interest

Whereas, Mr. Tchon has an active interest and has participated in special drug awareness and educational programs designed to enhance community preparation, professional competence and quality of geriatric health care being provided to the Polish-

American Community; and Whereas, His distinguished public service has strengthened the democratic form of government, has served to exhibit the finest ideals of those of American heritage and

has benefited all Americans; and Whereas, He has given many years of unselfish service to the ethnic and minority people of Illinois, and has been honorary president of the Drug Abuse and Education Committee and Nursing Home and Geriatric Health Committee of the Polish-American Political League of Illinois; therefore, be it

Resolved, by the Senate of the 81st General Assembly of the State of Illinois, That we commend and congratulate Irvin R. Tchon for his outstanding leadership and distinguished service to the Polish-American Community; that we express the hope that he will continue to serve his community with vision and enthusiasm; and that a suitable copy of this resolution be presented to Mr. Tchon.

Adopted by the Senate, December 5, 1980.

ROBERT MOSES—BUILDER OF

SPEECH OF

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1981

 Ms. FERRARO. Mr. Speaker, we all know that Rome was not built in a day. Neither was New York City, but if you were going to try to build a city in a day, Robert Moses would have been the man to put in charge.

On July 29, at the age of 92 and after 50 years of service to the people of New York City and New York State, Robert Moses died. Over the course of that half century, he remade the face of New York City, creating hundreds of parks, building miles of major arteries, constructing many of the buildings that define the city today.

It is awesome to consider the number of New York City landmarks that were born of the energy and industry of Robert Moses. Lincoln Center, Jones Beach State Park, the United Nations, Shea Stadium, the 1964-65 World's Fair grounds, and the New York Coliseum are all his cre-

ations. And without the bridges and highways he designed and built, New York City would not today be the premier metropolitan center in the world.

I am proud to join my colleagues in offering condolences to the Moses family and in mourning the passing of this remarkable man.

JUSTICE DEPARTMENT BETRAYING CONSERVATIVES?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. McDONALD. Mr. Speaker, it appears that on this historic day of final deliberation on President Reagan's tax reduction measure that there is absolute evidence that the President does indeed have a mandate from more than a majority of the American people. If that is a fact, then we wonder if not that mandate does extend to all areas of the President's political and moral philosophy.

It appears from slowly, but steadily mounting evidence that the President's promises to the American people are not extending to one of the most critical Departments in the executive branch—that of the Justice Department.

Today, I would like to share with my colleagues an item from the front page of the Wanderer, the most influential conservative Catholic weekly in America. The article which quotes a source that I am thoroughly familiar with, and a most reliable one, indicates that the Justice Department is consistently taking positions in both domestic and foreign affairs areas that are totally alien to what was promised the American people in the election of 1980. It appears from this article that the activist leftists are still with us in the Justice Department. It also appears that the President at best is being tendered misinformation that is causing deep consternation among that majority of the American constituency that elected him.

We are seeing the Reagan mandate being manifested both in the Senate and the House. We hope that the word will be passed to the President that indeed the mandate will not continue if the leadership from the White House does not continue. The item from the July 30, 1981, issue of the Wanderer follows:

[From the Wanderer, July 30, 1981]

Memo Charges . . . Justice Department "Betraying" Conservatives

(By Paula A. Fisher)

Washington, D.C.—A memorandum prepared by a knowledgeable Capitol Hill conservative, that is not for attribution, charges that the nomination of Sandra O'Connor to be Justice of the Supreme Court is one of

many "major substantive betrayals of conservatives by the Justice Department."

The document dated July 8th, states that "sources within the Administration" emphasize the central role of the attorney general and deputy attorney general in the selection process (of Judicial appointments).

Beyond that, when conservatives raised objections to O'Connor, it was the attorney general who rallied to her defense with a three-page memo full of incomplete or mis-leading information," the memorandum

The "three-page memo" referred to is the one written by Kenneth Starr, counselor to the attorney general, which has been widely cited as the source of data on which the President supposedly made his decision to nominate Judge O'Connor (see The Wanderer, July 16th, p. 8).
The July 8th Capitol Hill memorandum

continues:

The (Starr) memo states that O'Connor 'has never had any disputes or controversies with (Arizona pro-life leader Dr. Carolyn Gerster).' In fact, Gerster has been adamantly opposed to the O'Connor nomination, stating: 'I'm simply stunned. I still trust the President. I think he must have gotten some extremely bad counsel'

The document goes on to note that the memorandum conveniently looked some glaring discrepancies in O'Con-

nor's record.

'Obviously, O'Connor made some misleading statements in order to secure her nomination," the July 8th Capitol Hill memoran-

dum asserts. It continues:

"Equally obviously, the Justice Depart-ment, which had either done a very sloppy job of background investigation or had considered O'Connor's positions on key social issues inconsequential, did its best to cover up for its earlier inadequacies. It did this by forwarding the (Starr) memo to the President without checking into the accuracy of the statements made therein."

Other Justice Department actions that the Capitol Hill memo considers "disas-

trous" are the following:

An opinion prepared by the Office of Legal Counsel declaring the legislative veto to be unconstitutional. "That opinion quoted from a similar opinion issued by the Carter Justice Department.'

A Justice Department opinion that held an anti-affirmative action amendment in the House to be "unlawful," because it constituted legislation on an appropriations

"Robert McConnell, assistant attorney general for legislative affairs, had to be prohibited from actively lobbying against the (Helms anti-busing amendment) by

White House."

Ted Olson, the legal counsel, has prepared an opinion holding that Congress cannot constitutionally divest the courts of jurisdiction over busing, prayer, and abortion under Article III. This would render unconstitutional a substantial number of conservative bills which seek to remedy court decisions in these areas short of con-stitutional amendment."

'The Justice Department has forced the Washington Legal Foundation and 16 con-servative senators out of a suit by liberal representatives challenging U.S. aid to El

Salvador."

The Capitol Hill memorandum continues: "These positions are not aberrations, but rather a sample of what we can expect for the next four years, given the composition of Reagan appointees to the Department (of Justice).

"With regard to (Attorney General) Smith himself, at least one conservative senator has suggested that Smith has no ideology, and has allowed a liberal bureaucracy to continue business as usual.
"Deputy Attorney General Schmultz has

reportedly stated that he doesn't want 'ideo-'conservatives') in logues' (read 'conservatives') in making spots within the department.

With the exception of Rex Lee no nominee to the department has an identifiable conservative background."

The source of this Capitol Hill memorandum is known to this writer, and is wellplaced and well known among key conservatives in Washington.

A BIRTHDAY DEDICATION

HON, EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. MARKEY. Mr. Speaker, on August 27 Sri Chinmoy will celebrate his 50th birthday. Sri Chinmoy is a man of many accomplishments. Along with 11 years of dedicated service to the United Nations furthering the cause of international understanding, Sri Chinmoy has enriched the world with his esteemed art work, dynamic musical accomplishments, and insightful writings. His work clearly demonstrates his profound sense of quietude and inner peace, qualities respected by

Sri Chinmoy's work has enhanced the quality of life not only for residents of Massachusetts, but in every area of this country. On behalf of my constituents I wish Sri Chinmoy a very happy birthday. His life represents an inspiration to us all and we wish him continued inner peace, ful-

fillment and happiness.

OTA IN THE PUBLIC LIGHT

HON, GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. BROWN of California. Mr. Speaker, there are still many Members of the House who are not fully aware of the fine work that is done by the Office of Technology Assessment in their role as a research arm of Congress. In the last few months, a number of valuable assessments have been completed, making our job as legislators much easier in determining positions on issues which involve new and emerging technologies.

An indicator of the quality of OTA's assessments and other studies is the recognition that this work receives outside of Congress. Many of OTA's publications are reprinted by private publishing companies. Many of OTA's staff people are asked to appear at meetings of scientific and technical organizations, or are sought by the

media for expert opinions. Each time that this happens, the public becomes better informed on complex technological issues and the image of Congress is enhanced because of its foresight in establishing OTA.

An example of this public attention which OTA receives is the inclusion of Dr. John Gibbons, OTA's Executive Director, on NBC's show, "Second Sunday," hosted by Peter Hacker hosted by Peter Hackes. Sunday,' While the entire transcript is too long to be reprinted here, I would like to excerpt Dr. Gibbons' and Mr. Hackes' interactions to show my colleagues the type of attention that Congress is getting through OTA. The edited transcript follows:

HACKES. Welcome to another edition of Second Sunday, I'm Peter Hackes in Washington. Our report on coal as you have heard from four coal energy experts carries with it considerable optimism on the part of those who mine it. But there are some important questions and challenges for those who would burn it. Coal, backbone of the industrial revolution was a prime source of power until World War II when cleaner burning oil and gas took over. But today with new combustion technology coal can be burned far more cleanly. It's cheaper and it's here not in some far off politically unstable Middle East Shiekdom. 38% of the oil we use is imported; not only is that supply unreliable it's ruining our balance of trade. This year we'll be sending abroad 95 billion American dollars to pay for imported oil. That hurts the U.S. dollar badly and fuels more inflation. The office of Technology Assessment a Congressional study group have issued a detailed report on how coal might be one way to reduce oil imports. Dr. John Gibbons, Director of OTA says he foresees a coal boom in the near future.

GIBBONS. I think probably we'll see a coal boom based on the following assumptions. That OPEC and World oil prices are not going to go down. That other, as it were, magical deliverances from our energy issues are just not going to be there. And that our demand for energy will at least hold level if not 10 to 1 increase. Now if these assumptions are the case then the number of options we have to feed our energy demand are unfortunately very limited. Coal is one of our few options it has its problems but it's gonna have to help fill a very important gap over the next two decades.

HACKES. If things go as some are expecting, Deputy Secretary of Energy, John Sawhill predicts that by the year 2,000 US coal exports will have re-established a positive balance of trade with coal surpassing grain as the single most valuable US export commodity. For years coal transportation exports have been working on what's called a cold slurry pipeline to transport coal the way oil and gas are transported thru a pipe. The coal is pulverized at the mine and the tiny coal pieces are mixed with water. That mixture is sent thru a large underground pipeline to a regional center where the water is drained off and the dry coals sent on to where its to be burned. Dr. Gibbons says the slurry pipes big advantage is that much cheaper to transport huge amounts of coal over long distances thru a pipe. But Slurry pipes do have problems. Dr. Gibbons

GIBBONS. There are plans to move coal from the western coal fields on down to

you're

wheat field.

Texas in order to get it from the west to Texas you gotta cross a batch of railroads and the argument with the railroads have been why should we give you the right away if you're taking our business away from us. Another argument against the slurry pipeline is it takes water to move that coal. If you're moving coal out of, say, West Virginia, water's not that much of a problem. But if you're moving it out of Wyoming water's a very scarce commodity and it means

Hackes. Still another important factor in the predicted rosey future of demand for coal is in the area of synthetic fuels. But not for at least a decade. Dr. Gibbons of the Office of Technology Assessment.

taking it away from somebody's

Greens To me the largest sleeper in this area is the turning of coal into liquids. Liquids to replace the distoilits from petroleum. Liquids which can take the form of either alcohol, metholalcohol or even gasoline in competition with shale oil and other forms of liquids to fuel or transportation system and other needs for liquids.

Hackes. In addition another synthetic fuel made from coal. Dr. Gibbons explains. Gibbons. A big gas production facility is just getting underway out in the western states to turn some of the Northwestern coal into gas to go into pipelines which in turn will feed either . . make either electricity for use in homes, in industry. I think a lot of coal gasification will occur in the '80s as our lower cost sources of natural gas continue to be depleted.

Hackes. Even assuming we can push technology to the point where immediate coal problems can be overcome, coal won't be around forever. It's being used up just as other fossil fuels gas and oil are being used up. So how long do we have before we'll have to switch to something else? We asked Dr. Gibbons:

Gibbons. Coal was built up over 100 million years or more of earth's history. We now use coal and gas and oil at a rate every year that corresponds to a million years worth of production. So as I see it, we have less than a century left of good fossil resources to use. That 100 million years of production is gonna be used up in the next 50-75 maybe 100 years. So we don't have that much time in terms of civilization to make our conversion to truly long lasting sources.

HACKES. Truly long lasting sources? What are they? After we reach the 21st century, where do we turn? Nuclear . . . yes for a few more years. Solar, yes for many more years. Perhaps other renewable energy sources, such as the heat of the earth. Experts seem to agree on a few major items as we approach coal as an interim energy benefactor. The United States must continue to increase its research and development, to find acceptable alternate energy sources. Meantime, they also agree, that the country must continue to increase its research into the future consequences. The risks connected with the use of not only coal and other fossil fuels, but the uncertain impact of alternate energy sources. And they also agree that there must be stepped up research and development of protective technology to keep the world from committing environmental suicide. If that ever begins it could become irreversible permanent. At that point even discovery of a new super-source of clean, unlimited energy might come too late. Meantime, even as we wrestle with future energy unknowns and as prices and sources of imported oil get more critical the

careful use of additional US coal may make good sense.

GUARANTEED STUDENT LOAN PROGRAM

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

• Mr. IRELAND. Mr. Speaker, ever since its inception, the guaranteed student loan program has been administered in an extremely lax fashion. The defaults on these loans have been tremendous and efforts to obtain this money by the Federal Government minimal. In a misguided effort to straighten this problem out, the Department of Education is inflicting unreasonable expectations on banks that provide these loans.

For instance, in my district, the intercity offices of the First National Bank of Florida have meticulously worked within the regulatory guidelines set by the Department and have worked with the Department's staff to insure that they work within the regulations. In fact, the bank was assured that they were complying with the regulations. However, the Department has now suggested that the Government may refuse to honor its guarantee on the loans.

I have been a longtime critic of Government waste, but I do not think the solution is to punish those who have worked hard to obey the regulations. The solution is to punish those who break the law, not to punish the law-abiding citizens through unreasonable regulations.

I would like to share with my colleagues the letter I received from my constituent, Mr. Lloyd W. Geiger, the senior vice president of the intercity offices of the First National Bank of Florida, regarding this problem. The letter is below:

First National Bank of Florida, Bradenton, Fla., July 17, 1981.

MARION D. WATKINS,

Program Officer, U.S. Department of Educa-

tion, Atlanta, Ga.

DEAR MRS. WATKINS: Thank you for your recent visit and review of our Guaranteed Student Loan Program. It was the first we have received from the Government since we agreed to extend student loans under the program approximately 15 years ago.

We were frankly shocked by your suggestion that the Government may refuse to honor its guarantee of some of these loans. Our bank entered into the program in a spirit of cooperation and good faith, when very few banks in this area were willing to do so.

We have always made every effort to adhere to the guidelines given us, and the number of past-due student loans which appeared on our past-due loan lists for the last fifteen years concerned us. We have repeatedly been assured by Government employees through the years that we have been following the guidelines set forth, and had no cause for concern.

In particular, you and I discussed those loans which were in default on or about January 1981; and I related to you my conversations with Ms. Rene Simons of the Claims Section. We followed her instructions to the letter, capitalizing the accrued and unpaid interest, refinancing the entire loan and are servicing the loans for the additional 120 days. Ms. Simons assured me that the claims would then be honored for the entire amount, including the capitalized interest.

It seems to me a breach of faith by the Government to entice lenders into a program by promulgating very broad guidelines, and then altering the rules in midstream, and threatening to renege on its guarantee. Unlike the Government, we had no intention of making grants-in-aid to these students.

Our Advisory Board has asked me to convey to you and to the Guaranteed Student Loan Program officials, its strongest protest against this possible breach of faith.

We will appreciate your favorable response to the questions posed concerning the status of insurance coverage on these refinanced loans.

Sincerely.

LLOYD W. GEIGER, Senior Vice President, Inter City Offices.

RETIREMENT OF JUDGE H. T. HADER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. SKELTON. Mr. Speaker, this past week, Judge H. T. Hader, associate circuit judge, division III, retired. I did not want this occasion to pass without an appropriate comment commemorating Judge Hader's legal career and contributions to his community.

Long active in youth organizations, Judge Hader is the first person who ever received the rank of Eagle Scout from Lafayette County. His interest in Scouting continued throughout the years. In 1978, he was selected to be the Eagle Scout Court of Honor sponsor for the council. He also serves on the executive board of the Kansas City Heart of America Council.

Judge Hader began his legal career in 1939 in Lexington with the office of Judge Charles Lyons. After serving in World War II in the Army, European theater, he returned to private practice and was elected prosecuting attorney for Lafayette County. In 1966, he and two other attorneys formed the law firm of Aull, Hader, and Sherman. He was named to the bench in 1974, where he has served with honor and distinction. Judge Hader has contributed to the legal system, to Scouting, and to the community. I congratulate him on his many years of service and wish him and his lovely wife all the best in the days ahead.

NEED FOR BETTER PERSPECTIVE ON POTENTIAL HAZARDS

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. RITTER. Mr. Speaker, I rise today to discuss an issue that I have been promoting since I came to the Congress 3 years ago. An issue that encouraged me to give up the private sector and academia for elected office. The issue is bringing a better scientific basis to regulation and ultimately regulatory reform.

We all face risks to our health and safety in daily life which we try to reduce. The public wants the benefits of a cleaner, safer environment while the subject of regulatory reform enjoys an ever wider appeal. People are also concerned about counterproductive regulation and its effect on inflation, their jobs and the well-being of their communities. It is evident that regulatory reform must include targeting of scarce regulatory dollars into the areas of greatest risk or dangers to people. With finite tax dollars, regulating risks that turn out to be negligible or very small, means real dangers may go unattended while economic damage is great. In an age very much dependent on technology, we need to put hazards in perspective. We need to draw on all our communications abilities to bring that perspective to the public. Then, take the most intelligent actions within that perspective to sup-

port our regulatory efforts.

From the scientific standpoint, we must understand what we are dealing with. A scientist does not claim to understand something like a "potential" hazard until he has objectively assessed it and its effects. Too often, in the past, we have not been objective in our assessment of potential hazards. Politics enters the fray early on and scientific logic is readily surpassed by sensationalism and the rhetoric of scare. I was reminded of this fact when I read an article in the Bethlehem, Pa., newspaper, the Globe Times, which reviewed some of our recent knee jerks which have caused unnecessary anxiety for the public. The article makes the point that calm, reasonably objective evaluations of a technicalregulatory situation seldom makes news headlines. The article is a compelling argument to give risk assessment its due. I believe that risk assessment will contribute to giving some perspective to the health, safety, and environment regulatory tangle we are in. Legislation I have introduced, I hope will add to the efforts to better the technique and the use of risk assessment as a factor in our regulatory process. I have introduced my revised bill, The Risk Analysis Research and Demonstration Act of 1981, this year

after some productive hearings last year. In addition to developing the methods, this bill offers to organize and give some direction to risk assessing actions already going on in our Federal agencies. Risk assessment needs to be understood more fully, both its strengths and its limitations as we seek the goal of putting hazards in perspective for the public.

For the benefit of my colleagues the

Globe Times article follows:

[From the Bethlehem (Pa.) Globe-Times, July 24, 1981]

RELAXED SKEPTICISM ANTIDOTE TO FOOD HEALTH SCARES

(By Louis Rukeyser)

New York.—It's a cliche of journalism—unfortunately, still all too true—that those who make violent and irresponsible charges will tend to capture bigger headlines than those who come along later and attempt, calmly and objectively, to set things right.

Today I'd like to take a few moments of your time to observe how this phenomenon has been operating lately in an area that affects every one of us emotionally, physically and economically: the effects, real and alleged, of chemicals and food additives on our personal well-being.

To some, it's all simple—and simplistic. All chemicals and additives are bad, existing only because of rapacious corporate greed.

Back to the forest primeval!

Alluring—and nonsense. As one with three children of his own, I'm as concerned as anyone with protecting them from needless risk. But the notion that giving free rein to anti-corporate paranola is the route to a healthier and happier America has now gotten so far out of hand that it deserves to be brought to account. Consider:

(1) In case you missed it (and it wouldn't be surprising if you did), a careful study by the New York State Department of Health—published after painstaking review by the highly respected magazine Science—shows that people living near Love Canal don't get cancer at a faster rate than any of

New York's citizens.

This highly publicized industrial-waste site near Niagara Falls has been the cause of near-panic for area residents for some time now. The very name "Love Canal" has become an inflammatory symbol, to many, of grievous harm to a hapless population. Now comes this little-noticed investigative report on what actually happened; it isn't likely to be the last word on this controversy, to be sure, but it's worth emphasizing that the first word, at least, is surprisingly reassuring.

(2) A much-ballyhooed 1978 study done at MIT for the Food and Drug Administration indicated that rats fed sodium nitrite showed an increased rate of lymphatic cancer. Fears were fanned of still another horrible carcinogen in our daily food.

Yet last year, after further study, the FDA and the Department of Agriculture admitted—ever so quietly—that there really wasn't sufficient evidence linking sodium nitrite to cancer.

(3) The Occupational Safety and Health Administration, which consistently has been among Washington's most conspicuous overreachers, was characteristically quick on the trigger in promulgating rules for exposure to the solvent benzene.

In July 1980, the Supreme Court voided these rules—on grounds that OSHA simply

couldn't justify its speculation with scientific facts.

(4) Perhaps the loudest brouhaha of all was over saccharin, the artificial sweetener that raised such havoc when fed in massive doses to rats. This column was an early voice raising serious, pointed questions about the hysteria being promulgated over saccharin; in this case, fortunately, the public resisted panic, and Congress moved to prevent a precipitate ban.

Now, guess what? Long after the furor had subsided, the American Health Foundation, the National Cancer Institute and Harvard Unversity's School of Public Health all reported that clinical studies on 4,000 humans led to the conclusion that absolutely no tie could be established between normal use of saccharin and bladder cancer.

The point is not to reject all charges blindly nor to discourage those carrying on legitimate and desirable research. But we ought to recognize (a) that the "publish or perish" syndrome sometimes leads academicians to hype their findings and rush to go public; (b) that ideologues are always anxious for new ammunition, however flimsy, with which to attack an economic-growth system they deplore; and (c) that bureaucrats are notoriously quick to issue regulations but slow to admit error in the light of new facts.

Zero risk is unattainable in this vale, but it is natural for all of us to seek a healthier world. There is no conflict between that goal and a calmer, less paranoid reaction to the next scare headline. Too often the truth, when it catches up, is far less terrifying—and far less publicized. A dose of relaxed skepticism has frequently proved the best medicine of all.

WASHINGTON COLLEGE, CHESTERTOWN, MD.

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. DYSON. Mr. Speaker, it is my privilege today to introduce a House resolution honoring the 200th anniversary of Washington College, in Chestertown. Md.

The college will celebrate its anniversary next May, as it was on May 24, 1782, that the bill granting its charter was enacted by the General Assembly of Maryland.

I introduce this bill today so that it will be available for the college's bicentennial convocation ceremony, to be held on October 10 of this year.

Washington College is a small school, but its place within the educational history of Maryland and of the Nation endows this occasion with a special importance, It is, afterall, the college first chartered in the State of Maryland, and the 10th in this country. It was named, its charter states, in order to serve "in honorable and perpetual memory" of His Excellency George Washington. Washington himself contributed the "helping sum" of 50 guineas to the school, as "an earnest" of his wishes for its prosperity,

and visited the school in 1784, to sign his name as a member of the govern-

ing board.

In these ensuing 200 years many notable persons have graduated from Washington College: Thomas Ward Veasy, class of 1795, served three consecutive terms as Governor of Maryland; William Holland Wilmer, class of 1802, founded Virginia Theological Seminary, and was elected president of William and Mary College: and John Emory, class of 1805, assisted in the organization of New York University, Wesleyan University, and Dickinson College. These are but three of the numerous Washington College alumni and alumnae who have made significant contributions to the development of this country. I will not list them further, but I do recommend to you an excellent history of the school entitled "Washington College," written by Fred W. Dumschott, which describes in vibrant detail the long history and extensive contributions of Washington College and its graduates.

Washington College has served well the State of Maryland and the United States of America for two centuries. Today in anticipation of the advent of its bicentennial year, I send to all those who are, and have been, a part of Washington College my congratulations. They have much to be proud

of.

THE SMALL AND INDEPENDENT BUSINESS PROTECTION ACT OF 1981

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. SEIBERLING. Mr. Speaker, the business world is currently experiencing a phenomenon that I believe to be partly responsible for some of the Nation's economic woes—the accelerated activity in corporate takeovers, or the

so-called merger mania.

The recent growth in this activity has been record setting. As reported in the Wall Street Journal earlier this month, W. T. Grimm & Co., of Chicago, a merger broker that keeps tabs on acquisition announcements, says 1981 second quarter merger activity kept pace with the first quarter, when corporate purchases totaled \$17.5 billion, an increase of \$7.2 billion over 1980's first quarter. It has even been predicted that by the end of the third quarter, the 1981 total will surpass the 1980, full-year record total of \$44.3 billion.

This trend is worrisome, to say the least. Beyond traditional antitrust concerns, such as those posed by a possible merger between Conoco and Mobil, there are problems related to national productivity. The resources

that companies devote to acquisitions could better be spent on plant modernization and other capital improvements, or innovative research and new product development. I am afraid that what we are seeing instead is a pattern of short-sighted profit maximization and empire building.

Productivity is already in a severe slump. Our economy is crying out for new investment in modernized plants and equipment, in new technology, new products, in new ideas and for aggressive management. But rather than using capital in this manner to create new jobs and increase productivity, too many U.S. corporations are looking to mergers for paper gains. They are buying, not building. And, this may well cause, at least in the short term, a further rise in interest rates.

Another problem accompanying the merger movement is the transfer of control of local businesses to distant cities. Absentee corporations do not have the sense of commitment and community pride that home-grown enterprises do. Important decisions concerning subsidiaries made in distant headquarters are more likely to be made without regard to the needs of the subsidiary's local community or the concerns of local officials, civic leaders or union members. This often results in more job layoffs, plant closures and the loss of local support services and industries.

Increasing size generally brings with it increasing influence, and this describes another danger posed by the merger movement. As corporate entities grow, their voices in the political arena get louder, drowning out the voices of individual American citizens whose wealth and power cannot approach that of huge corporations. Allowing uncontrolled growth of concentrated economic power can only take Government further away from the people.

Another consequence of enormous mergers is that the American tradition of free competition is jeopardized by unbridled economic concentration. Cross subsidization and reciprocal selling are abilities unique to large profitcentered conglomerates which can, if exercised, do harm to the vigor of competition.

These are just a few of the obstacles I see which uncontrolled conglomerate merger movement presents to our traditional interests and values. Simply stated, if huge multibusiness domains are allowed to continue freely consolidating, growing in size and wealth but decreasing in number, we will face the real threat that the entire American economy and way of life will someday be dominated and manipulated by a minute handful of powerful corporate overlords. The threat to our democracy, as well as our free enterprise system, is obvious,

For these reasons, I am today reintroducing a bill I sponsored during the 96th Congress—the Small and Independent Business Protection Act. Specifically, the bill prohibits mergers between companies with assets or sales exceeding \$2 billion. It also prohibits mergers between companies with assets or sales over \$350 million unless the companies can prove that the transactions would enhance competition or result in substantial efficiencies, or unless the acquiring company divests itself of part of its business equal to that gained in the merger.

I was pleased to learn recently that Representative Peter Rodino has scheduled hearings before the Judiciary Subcommittee on Monopolies and Commercial Law on the merger movement in general. The first day of hearings is scheduled for August 26. I look forward to discussing at these hearings the Small and Independent Business Protection Act and also the antitrust policy of the current administration. I am concerned that this policy may be too lenient. Antitrust enforcement is a very important role which our Government plays in securing the health of the economy. In a climate of effective antitrust enforcement, the market is better able to regulate itself-far better than Government could ever regulate it. An administration that proclaims greater reliance on the marketplace as a regulator should be more, rather than less, active in enforcing antitrust law to make sure that the public will receive the full benefits of unfettered competition.

JACOBO TIMERMAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. LAGOMARSINO. Mr. Speaker, in an advertisement in today's Washington Post, the attorneys for Jacobo Timerman, explain why they have withdrawn from his case.

I commend it to my colleagues:

JACOBO TIMERMAN-AS SEEN BY HIS LAWYERS

(We reproduce textually the letter attorneys Ignacio Oclander and Emilio Perliner, prominent members of the Argentine Jewish community, on Oct. 20, 1980 sent to their client, Jacobo Timerman. The letter speaks for itself.

"As of today, our office has notified Argentina's Supreme Court that we have renounced the mandate you gave us in defense of your financial interests.

"We assumed your defense during the most critical moments of the war against subversion, when fear created distances between you and others, including family and strangers. We undertook your defense as a humanitarian duty, ignoring all political considerations.

"We believe one's every act should serve one's homeland with dignity. And as Argentines we would have felt ashamed if, at a time when everyone turned his back on you, we too had been deaf to your plea for professional help concerning your property.

We repeat: we did so as a humanitarian duty, without asking or accepting any remuneration-a principle we uphold now that we withdraw from your defense, rejecting any honorarium, past or future, for our intense professional efforts.

With this background, it is obvious that we vehemently protest your initial statements abroad which affect our nation. At that time, we advised your family of our intention to drop your case. We were then assured that the information had been twisted or mis-interpreted, and that henceforth you would carefully avoid what we were told

were incorrect reports.

"Now, after your voluntary and spontaneous statements to the SIP (Inter-American Press Assn.), explanations are superfluous. We feel completely incompatible in continuing to represent you. This decision is irreversible. And it emanates from us alone. We particularly stress this so that the provocateurs who today envelope you cannot dare claim that we have been subjected to official pressures. We insist: this is our own decision; the only pressure we feel is that of our own conscience as descendants of the noble Jewish gauchos of our native Entre Rios Province. Here in our Fatherland our grandparents are buried, and here our grandchildren flourish.

'Our Argentinism cannot be conferred on us by anyone; nor can anyone, no matter how powerful, deprive us of it. That is the heritage with which we were born, and which we will honor beyond death, through

the generations, which follow us. 'Obviously, you think and act in a very

different way.
"You also think and act differently as a Jew. You have presented the perfidious anti-Semites with an image and an argument the racist beasts have tried vainly to find for a long time: an excuse for irresponsible and resentful hatred.

THE ARGENTINE PATRIOTIC ASSOCIATION, Buenos Aires, Argentina.

THE WINNERS AND THE LOSERS

HON, GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. LONG of Louisiana. Mr. Speaker, the adoption of the tax bill was the final ingredient in President Reagan's economic package. The program is now firmly in place. We all now share his hope that the economy makes a sharp and rapid turnaround-because with victory comes responsibility. If we see interest rates and inflation come down, his economic formula will have proven true. If we do not, there is a lot of suffering ahead for a lot of people. I think Ellen Goodman describes the situation very well in this column:

RICH MAN, POOR MAN (By Ellen Goodman)

Boston.-It is done. Signed, sealed and delivered. Budget cuts and tax cuts. Guns over butter. Rich over poor. We are following the faith of the president.

In the next three years, the big money and big business community will, to put it succinctly, get more.

But there are strings attached to this shifting of wealth. Though they are unwritten, they are common knowledge: a list of ethical and moral promises to be fulfilled.

The cynical, and I have been among them, may simply believe that Reagan and his rich men have done what they always wanted to do: allowed those who make the most money to keep the most. Allowed a few to buy bigger yachts while the majority struggle to keep afloat.

But the glossy presentation to middleclass and working-class American people contained a more saleable visual package. It was a sponsor's dream of what the rich individuals and the big companies could do if

only they were given the chance.

If we believed, if we bought the deal, they could replace the failing public "largess with the private. If we allowed individuals rather than governments to make decisions about money, we would get the economy to work better for all of us.

If there is any truth in advertising, then we are not merely allowing the rich to keep more of the money, to do with it as they will. We are, in effect, giving them our money to use. In return, we expect investments and winnings, and we expect the winnings to be shared.

This is not a wing and a prayer on the part of the working class, the poor, the unemployed. It's a moral obligation on the

part of the rich and the big.

So, there are strings and a cost-accounting to be done on the ethics of these economics and on the morality of the moneyed. We will tally up the ethical balance sheet in at least two human ways: in jobs and charity.

These are not new ideas, but they are measures of decency. As we shift our faith from the public sector to the private sector, we also shift our needs and our hopes. The burden of proof is on those who have promised to be responsible.

There are whole families waiting who have been hit by the buzz bombs of state and federal budget cuts. Some of them have seen a lifetime of public work suddenly dubbed "unessential," a lifetime status changed to "unemployed."

They are now on the losing side of this transfer of wealth.

Others, the poor, whose security has been patched fragilely out of federal programs, have worried less about the government on their backs than the wolf at the door. They

The winners in this national gamble have to perform as promised: to invest in growth, in the creation of jobs for the unemployed, especially those people whose rugs have been pulled out from under them. To behave as advertised, by improving the common wealth.

They will also be judged for charity, for their efforts to replace public support with private. Again and again, Reagan has said that private citizens can and will do what the government has done: care for their own communities. He referred more than once to the Mormon Church, where tithing is common.

The president is himself a poor role model in the annals of private charities. Less than one percent of his own income was given

Yet those who have joined in his marketing campaign bandied about these slogans behind the budget cuts and the tax cuts. Now, the \$100,000-a-year people will have

\$2,137 extra in 1982, \$4,648 in 1983, \$5,822 more in 1984.

They must also join the supply side of fundraising. The most modest supporter of the Reagan philosophy can pay back with the labor of the volunteer.

If all this sounds harsh, full of shoulds, obligations, responsibilities, well, I feel that way. I have had little confidence in the sincerity of the ad campaign. I have seen crude self-interest under a veneer of common

But we bought it, and we bought it with these invisible strings attached. It's up to the winners now to live up to their side of the deal.

We had all better hope it works.

OMNIBUS RECONCILIATION ACT OF 1981

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mrs. COLLINS of Illinois. Speaker, on Wednesday morning, conferees completed action on the Omnibus Reconciliation Act of 1981. The conferees resolved differences pending in the 17 standing House Committees and saved over \$35 billion for fiscal year 1982.

The reality of this action is that the conferees agreed upon a compromise on the food stamp program which resulted in a \$200 million reduction which was greater than what the House passed on June 26, 1981.

The reality is that in the telecommunications area, the conferees extended radio licenses from their current 3 years to 7 years. The House prior to this had no comparable position. Deregulation rode high in this policy arena.

Earlier the House Ways and Means recommended that child welfare and title XX were to be kept out of block grants. The reality is that the conferees agreed to a title XX block grant and a community services block grant.

Instead of encouraging the establishment of small business which have helped make this country what it is today. The conferees agreed to considerable reductions in small business loans.

The reality is that the conferees agreed to limit those who can rescue the VA funeral allowance of \$300, limited class II dental benefits and restricted reimbursements for correspondence training.

The reality is that the conferees let stand the repeal of the 122 monthly minimum social security benefit, action which will undoubtedly impact millions of our retired citizens.

The reality is that the conferees reduced Federal funding for medicaid in fiscal years 1982, 1983, and 1984.

The stark reality of the reconciliation conference report is that in numerous instances, the safety nets which the President promised would save those programs designed to aid the truly needy are either rendered so irrevocably impotent or else they are

no longer intact.

Yes; we have a commitment to the Head Start program, section 312 rehabilitation loans, and have removed the restriction on housing assistance for communities with rent control, have agreed to increase authorizations for public housing operating subsidies and retained family planning as a categorical program. We have also paved the way for program infighting on the State and local levels, because many of the block grant proposals which consist of programs to make our citizen lives better are not targeted or directed. Hence, there will be chaos at the expense of the truly needy.

Mr. Speaker, in closing I would like to share with my colleagues a line from the Bible which says that "You reap what you sow." By voting for the conference report to the reconciliation package we will be sowing seeds which do not contain safety nets but death traps. I only hope that Americans reap the full impact of this report before it

is too late.

THE 21ST ANNUAL UNITED STATES-MEXICAN INTERPAR-LIAMENTARY CONFERENCE—

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. GILMAN. Mr. Speaker, the 21st Annual United States-Mexico Interparliamentary Conference was held from the 11th to the 15th of June in Manzanillo, Mexico. That important conference brought together legislators from both nations to discuss issues of mutual concern, seek a better understanding of each other's point of view and to help improve our bilateral relations.

This year's conference came on the heels of the highly successful Camp David meeting between President Reagan and Mexico's President Jose Lopez Portillo. These important discussions set the tone and the mood for the conference that followed. In recognition of the major role that the legislative branches play in our respected political institutions, President Lopez Portillo attended this year's meeting in Manzanillo to personally express his support for its success.

The U.S. delegation to this, the oldest interparliamentary exchange, was headed by Congressman Kika de La Garza, of Texas, representing the House, and Senator Charles Percy of Illinois, from the Senate. The Mexican delegation was ably led by Deputy Luis M. Farias from the Mexican

Chamber of Deputies and Senator Morelas Jaime Canseco from the Mexican Senate. The leaders of both delegations deserve special recognition for their important contributions to the success of this year's meetings.

As a member of the Committee on Foreign Affairs and the ranking Republican on the Subcommittee on Inter-American Affairs, I have followed United States-Mexican relations closely for some time and was once again honored to serve as a member of the U.S. delegation for the fifth consecutive year. In this capacity, I was privileged to lead the discussion on the subject of the law of the sea. For the benefit of my colleagues, I submit the full text of my remarks at this point in the Record.

STATEMENT OF HON. BENJAMIN A. GILMAN, MEMBER OF CONGRESS (26TH DISTRICT, NEW YORK) BEFORE THE 21ST MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE HELD IN MANZANILLO, MEXICO, JUNE 12, 1981

WORKING TOWARD A LAW OF THE SEA TREATY

Mr. Chairman, I welcome this opportunity to discuss briefly the situation with regard to the United States participation in the Third UN Conference on the Law of the Sea, which I have followed with considerable interest for several years as a member of the U.S. Department of State's Public Advisory Committee on the Law of the Sea, as a congressional advisor to the U.S. Delegation to the Conference and as a member of the Committee on Foreign Affairs of the House of Representatives.

Before the 10th session of the Conference that convened in New York last March, the Department of State announced that the new Administration would conduct a full fledged policy review of U.S. participation in the Conference, and several high-level personnel changes were made in the U.S. Dele-

gation.

The Committee on Foreign Affairs has held several hearings following the conclusion of the New York session, with the new head of the delegation, Assistant Secretary of State, James Malone and, with Ambassador Elliot Richardson, former delegation chairman and president of the U.S. Public Advisory Committee on the Law of the Sea.

Permit me to note two points in this regard: first, the rationale for the policy review; and second, certain problems that the U.S. has identified in the text of the draft convention.

Why a policy review?

Any new administration has the inherent right to review policy on foreign affairs matters. Indeed, the review of U.S. policy in the Conference is considered necessary if the draft convention and, ultimately, the treaty is to obtain the advice and consent of the Senate. It would be unfortunate to conclude the negotiations after years of difficult and delicate work only to have the United States not ratify the treaty. The new administration aims to study the convention in order to make its own imprint on the treaty process and thus legitimize what I hope will be its support for the conclusion of a comprehensive Law of the Sea treaty.

Extent of review

With respect to the policy review—In testimony before the Committee on Foreign Affairs, the new head of the U.S. Delega-

tion, Assistant Secretary Malone has indicated that the policy review is to be thorough and to cover all aspects of the draft convention including U.S. interests and objectives. He also indicated that the review would not be complete until late summer or early fall of 1981. Some of my colleagues and I believe that the U.S. should conclude its policy review promptly and be prepared to return to the resumed session of the conference on August 3. Indeed, I have personally raised this issue with Assistant Secretary Malone and in the recent meeting of the Public Advisory Committee on the Law of the Sea.

Besides the problem of the time-frame, the Administration in its review thus far has identified several problems with the text of the draft convention. These mainly relate to the provisions on the international Seabed Authority, some of which had been identified by the previous administration for review. In brief, let me enumerate some of these problems:

First, access by miners to the international seabed—the draft convention provides that applications of mining companies are to be granted by the Authority upon the approval of the Legal and Technical Commission. Such approval can be reversed only by consensus. However, the industry is concerned that there may be an arbitrary delay or disapproval by the Legal and Technical Commission of an application. To provide assurance to miners, it would be useful to provide a provision calling for prompt commercial arbitration in the event of the Commission's failure to approve an application to mine.

Second, the composition of the 36-member council is a concern—In particular, the U.S. government is concerned that the draft convention assures the Soviet Union a guaranteed seat, but it does not guarantee the U.S. a seat. While the U.S. is likely to be able to obtain a seat either as a major investor or net importer of seabed minerals, the Administration and the industry, considering the huge investments involved, believe that there is a need for the U.S. to clearly have a seat on the Council.

Third, the Administration is quite concerned with the provisions for the transfer of technology-The "Enterprise," entity established by the treaty, will parallel the development of the seabed by private companies. The draft convention requires the seabed miner to sell the technology it owns to the Enterprise, if the Enterprise is unable to purchase suitable technology on the open market. It must also provide assurances for the transfer of third-party technology which he is using. The same requirements apply for transfer to developing countries. Some changes in the draft convention are needed which would eliminate the complications of transferring technology used by third parties to the Enterprise and the mandatory sale of technology to parties other than the Enterprise.

Fourth, the preparatory commission and the protection of prior investments—The industry requires that the investments that they are now making in seabed mining be protected under the draft convention. The preparatory commission, which should be responsible for preparing rules and regulations for the authority and the mining system, should also have authority to approve applications of miners that have made major investments over a prior period, thus allowing them to proceed with their mining capability upon receiving assurance of a

suitable mining site and contract terms.

This would protect their prior investments.

I very much hope that these problems can be worked out in the near future. It is my belief that these matters should and can be ironed out within the context of the present negotiations on the draft convention. The Law of the Sea Treaty is a milestone for international relations and represents a most unique opportunity. Never before has such an international agreement on matters of mutual concern to so many states of the world been attempted. One can not understate the importance of concluding a comprehensive treaty on the Law of the Sea. Such a treaty would promote a high degree of international order; it would establish rules by which potential conflicts could be resolved by peaceful means. In this respect the U.S. and Mexico could look to such a treaty as a guide for bilateral maritime relations.

As we know, there has been a lingering disagreement between our two nations concerning our mutual fishing rights within our 200 mile zones. For several years there have been unsuccessful negotiations to resolve these disagreements. Just this past week, as part of the Camp David discussions between President Reagan and President Portillo, it was agreed that these negotiations would be resumed in order to resolve this issue. Acting Deputy Assistant Secretary of State, Everett Briggs, assured our House Inter-American Affairs Subcommittee that the State Department will move expeditiously to activate these negotiations.

Neither U.S. nor Mexican interests are served if we cannot come to some agreement on the regulation of highly migratory species such as tuna. Our governments have had differences in the past over the issue of allocating tuna; however, I hope very much that we can reach agreement soon. Efforts to resolve these issues would be in accord with the general principles of the draft convention on the Law of the Sea that provides that states should engage in international cooperative arrangements concerning living

resources of the sea.

I would finally like to relate my vigorous endorsement of the guiding principle on which the Law of the Sea Treaty is based. The oceans of the world, and the seabed underneath, represent the resources of the future. I believe all states should share the benefits and the administration of the international seabed area. It is my hope that the path of negotiations will not stray from the universal goal of using this "common heritage of mankind" to the utmost of man's capabilities.

Mr. Chairman, I look forward to building a cooperative spirit between our two nations we address these important issues of mutual concern.

COMPULSORY CAMPAIGN CONTRIBUTIONS REFORM ACT

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. DICKINSON. Mr. Speaker, despite all of the Federal legislation enacted in recent years to regulate the election process in the United States, Congress has failed to limit one of the most blatant abuses of the American political system-the use of compulsory union dues for political purposes. As a result, millions of American voters are forced to support political candidates and causes which they

might otherwise oppose.

Of all private organizations in this country, only labor unions can require a person to pay money as a condition getting and keeping a job. Under this unique special privilege, unions collect about \$3 billion a year from individuals who have to pay up or be fired. The Federal Election Campaign Act, as amended in 1976, prohibits the use of compulsory dues for direct cash contributions to candidates. This appears to restrict the use of compulsory union dues for political purposes. However, the law specifically permits union officials to use money, taken from workers as a condition of employment, to finance the operations of union PAC's and provide extensive "in-kind" political services such as mass mailing, phone banks, precinct visits, and voter registration drives. This in-kind spending is neither documented nor reported to the FEC.

On July 31, I introduced legislation, the Compulsory Campaign Contributions Reform Act, which would guarantee the right of voluntary participation in the election process. This bill would close the current loophole in the FEC law by requiring that all moneys used for political purposes not just direct contribution-be derived from voluntary contributions. It will protect the political freedom of the working man and woman.

We must not permit any man or organization to force any person to make political contributions against his beliefs or convictions. I hope that every one of my colleagues who share that view will actively support my bill, and I invite your cosponsorship.

BRAC INTERNATIONAL PRESIDENT FRED J. KROLL

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. GUARINI. Mr. Speaker, on July 30, 1981, BRAC president Fred J. Kroll lost his fight against leukemia. His death at the young age of 45 is a great loss to his family, his union, and this country.

For us who knew Fred Kroll, the thought of him losing any battle came as something of a surprise even though the opponent was leukemia. Fred Kroll was a hard working man whose determination and drive afforded him a personal success story which in the end benefited every one of his union's members.

Mr. Speaker, with your permission I would like to insert a biography of Mr. Kroll in the RECORD. This biography was prepared by those who knew Fred Kroll, and were fortunate enough to share in his life on a daily basis, the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees.

FRED J. KROLL, 1935-1981

courageously-fought five-year battle with leukemia ended on July 30, 1981 when BRAC International President Fred J. Kroll died at the age of 45.

Death came in a Philadelphia hospital where he had been undergoing treatment and where, characteristically, he continued to chart the union's course and to develop programs and strategies for future collective bargaining and legislative campaigns

Kroll first became president of BRAC in 1976 when he was chosen by the union's Executive Council to complete an unexpired term of office. He was reelected president by acclamation at BRAC's 1979 Toronto Convention.

When he was elected a member of the AFL-CIO's Executive Council in 1978, he became the youngest person ever to be named a federation vice president.

Assuming a leadership position within the ranks of rail labor, Kroll was elected chair-man of the Railway Labor Executives' Association in February 1980. Composed of leaders of 20 unions with membership in the railroad industry, the RLEA is a policymaking group dealing with legislative and regulatory issues involving railway workers and the industry of which they are a vital

EARLY CAREER

No stranger to literally thousands of BRAC members, Kroll was an active and dedicated member of the Brotherhood for 28 years.

Born in Philadelphia, Pennsylvania on October 29, 1935, he came from a trade union family. His father was a long-time member of the International Union of Electrical, Radio and Machine Workers.

BRAC's leader launched his rail career in 1953 as an IBM machine operator on the former Pennsylvania Railroad. Quickly becoming involved in Quaker City Lodge 587, he served as vice president, president, and local chairman.

In 1970, he was elected general secretarytreasury of the Penn-Central System Board. The next year he was elected general chair-

Unanimously returned to office as general chairman in 1973, he continued to head BRAC's largest system board until January 1975 when the Executive Council elected him an international vice president. He was reelected at the union's May 1975 Convention in Washington, DC.

During the period of his general chair-manship and later his vice presidency, his leadership abilities were successfully tested while meeting the challenge of protecting workers' rights when the northeast railroads (including the giant Penn-Central) plunged into bankruptcy. He played a key role in shaping the legislation that led to the creation of Conrail.

From his earliest days as a trade unionist, Kroll was widely recognized as a skilled and determined negotiator.

An equally skilled and forceful spokesman on behalf of his own members and all of rail labor, Kroll spearheaded the April 29 Rail Labor Rally in Washington that drew 20,000 railroaders to protest the Reagan Administration's budget-cutting policies with regard

to Conrail and Amtrak. Throughout March and April, he worked tirelessly in testifying before Congress to urge restoration of adequate funding for both railroads.

And, shortly before his death, conferees adopted legislation insure the continuation of Conrail and Amtrak and to provide a solution to the financially Railroad ailing Retirement System.

FROM "REASONABLE MILITANT" TO "MAVERICK LEADER'

Once describing himself as a "reasonable militant," Kroll quickly captured the attention of the media after his election as BRAC president and was frequently profiled in major news magazines and newspapers

The Norfolk and Western strike, which he launched in July 1978 and which lasted for 82 days, tested his mettle, and his masterful handling of it led to the eventual elimination of both the rail industry's mutual aid pact and one existing in the airline industry. Business Week magazine called him "the mayerick leader who bested the N&W."

Kroll himself described that precedent-setting strike as one that "let the railroads know we are an aggressive union, that we mean business and that we have the support of our people."

A cover story in the August 1979 issue of Time Magazine on "Fifty Faces for the Future" cited BRAC's president as one of those who possessed "the sense of boldness that remains the prime prerequisite for leadership." The article described Kroll's efforts to make the labor movement more attractive for younger workers by encouraging greater initiative at the local level.

As Next Magazine phrased it in an April 1981 profile, Fred J. Kroll was one of the 'five-score Americans who has the potential to achieve substantial power over the minds and lives of their fellow citizens during this

That potential ended tragically on July 30, 1981 but his legacy of bold leadership and dedication to economic justice and dig-

nity for workers will endure.

A devoted family man, he leaves his wife Hildegarde; three daughters-Karen, Anita and Michele; his parents—Fred and Catherine; and three brothers—Albert, John and Joseph.

DEDICATION TO REV. HUGH MCHENRY MILLER

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. COURTER. Mr. Speaker, 35 years ago, Rev. Hugh McHenry Miller came to Dover as pastor of the First Memorial Presbyterian Church. A benign man of religious devotion and knowledge, Reverend Miller took a great deal of interest in the welfare of his congregation and the residents of Dover and Morris Counties.

He participated in and promoted many community service programs, such as the drug and alcohol abuse council, the recreation commission, the library board, and the Dover Volunteer Fire Department. He served as finance chairman of the Dover Child Care Center and the president of the Rotary Club.

Reverend Miller donated his time to other organizations as a member of the health planning council, as chairman of the Morris County Welfare Board, and as director of the Morris County Legal Aid Society where countless people were helped thanks to his unselfish concern for his fellow

A minister of the Presbyterian faith, Reverend Miller was equally involved in church affairs in the local community and on the State level. The First Memorial Presbyterian Church of Dover was cited for ministry to military personnel and families by the U.S. Army Munitions Command at Picatinny Arsenal in Dover. He furthered the cause of interdenominational organizations as well when he served as chairman of the General Commission on Chaplains and Armed Forces Personnel in Washington, D.C., and as a member of the Commission on Ministry to Service Personnel in East Asia of the National Council of Churches of Christ.

Reverend Miller has offered guidance and counsel to many troubled souls, compassion to those in times of need, and spiritual uplifting and peace to many in today's hectic world.

I thank my colleagues for the opportunity to recognize the many accomplishments of Rev. Hugh Miller during his 35 years of service to the secular and religious communities in Dover and Morris Counties. And on behalf of the many people whose lives he has touched in some small way, I would like to offer my most sincere gratitude. I wish the reverend and his family much happiness in the years ahead.

ANTI-SEMITISM IN THE UNITED STATES

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. SOLARZ. Mr. Speaker, I would like to bring to my colleagues' attention a particularly thoughtful article that recently appeared in the Washington Star entitled "Uneasy Eye on the Anti-Semitic Fringe." Phil Baum, the author of this piece and an associate executive director of the American Jewish Congress, has long been recognized as one of the outstanding leaders of the American Jewish community.

Mr. Baum makes two important points in his article. First, he notes that, despite media reports of intensified anti-Semitic vandalism and violence in the United States, there is considerable evidence that anti-Semitism is not on the rise here. In fact, Mr. Baum concludes that anti-Semitism "has become shabby, disreputa-ble, and abhorent" in the eyes of the American people at large. But he also warns that there is still cause for concern about a revival of anti-Semitism, particularly at a time when the economy is declining and social opportunities are narrowing

I urge my colleagues to read this article, the text of which follows:

UNEASY EYE ON THE ANTI-SEMITIC FRINGE (By Phil Baum)

In one sense the Jewish community can never properly be accused of overreacting to signs of anti-Semitic activity. The trauma of the Hitler period does not allow us to feel entirely secure even in free and apparently enlightened societies. The history of Western culture is burdened by a tragic legacy of anti-Semitic prejudice. We sense that this predilection, quiescent from period to period, lurks beneath the skin of our civilization.

At the same time, it is imperative to perceive accurately the situation we currently confront. In recent months, reports of intensified anti-Semitic vandalism and violence have filled the media. These attacks have, for the most part, taken the form of scurrilous graffiti scrawled on the walls of houses and schools, the defacement and looting of synagogues and other public Jewish buildings and demonstrations, rallies and marches by neo-Nazis and the Ku Klux

Viewed against the vastness of our country, the complexity and heterogeneity of our society and the general increase in crime in America, however, the problem of anti-Semitic vandalism cannot be said to be in imminent danger of getting out of control. This judgment is confirmed by the latest Gallup Poll, which shows that positive attitudes toward Jews have increased in recent years.

There is no evidence that any of the reported acts of anti-Semitism were carried out in concert or pursuant to any common design, purpose or arrangement. In the overwhelming of the cases in which the perpetrators have been found, they have been teen-agers under the age of 17, and in virtually all cases they acted independently. There is no evidence of conspiracy.

The principal basis for the persistent belief that there is a resurgent, organized effort to promote anti-Semitism in the United States derives from reports of a reviving Ku Klux Klan and American Nazi party. And, indeed, both government reports and the findings of private investigators tend to confirm that there are significantly more Klan members today than there were a year ago. Yet it seems fair to say that the Klan does not appear on the verge of a breakthrough in terms of public support.

IMPOTENCE DEMONSTRATED

Similarly the various neo-Nazi parties in the last year have captured a larger share of media notice-but with no evidence of concomitant growth in their influence, standing or numbers. On the contrary, American Nazi rallies and demonstrations during the past several years have proved the impotence of these fringe groups and demonstrated their marginality and the total contempt and hostility in which they are held.

Moreover, the results of last November's elections (even though members of the Klan and Nazi party were able to attract enough votes to win two or three primary election contests) attest unmistakably to the sharp, almost historic, decline of antisemitism as a factor in American elections. Jews continue to hold public office in numbers disproportionate to their percentage in the population. In fact, Jewish candidates were elected to high position not only in districts in which there was a large Jewish constituency but also in places in which Jewish voters were few. Here, too, the Gallup Poll confirms the facts. In 1937, 46 percent of Americans responding to the poll said they

would vote for a Jewish presidential candi-

date; by 1978, the figure had risen to 82 per-

All the social indices measuring anti-Semitism over the years converge in this same direction. Jews are not significantly discriminated against in employment or housing. Jews confront no special encumbrances in gaining admission to the most prestigious universities and professional schools. More critically, there is not a single public personality or molder of public opinion, not a single influential publication, not a single important radio or television commentator who has not expressed complete and total abhorence and revulsion over anti-semitism in all of it manifestations.

Finally, there are no significant denominations or church bodies in this country which espouse or condone anti-Semitism, although there are certainly individual religious leaders who come close. When they do, they are invariably repudiated by their own colleagues and their own churches and find it necessary or at least prudent, to attempt to explain away their comments and to disavow any anti-Semitic intent.

LEGACY OF THE SIX MILLION

The fact is that anti-Semitism has become shabby, disreputable and abhorrent since the slaughter of the Six Million by the Nazis. To be sure, this is an intolerable price for our acceptance. We would rather have back the Six Million and take our chances with the world, as we have done throughout our history. But this at least is the legacy left to us by those martyred by the Nazis.

Why then, the persistent, pervasive sense of unease? Because despite these indicators, we still intuit a certain potential for instability at the heart of public life.

Most Jews believe that the well-being and security of our own community is intimately and ultimately bound up with the manner and intelligence with which our country collectively confronts the challenge of national life. At a time of a declining economy and narrowing social opportunity, no one can dismiss a pronounced societal trend toward irrationality, a susceptibility to absolute and simple solutions, a dangerous and increasing impatience with the tensions and ambiguities that inhere in freedom.

The social and psychological mechanisms that produced cults and inspired mystical fads have more recently encouraged a proliferation of extremist political groups that do not flinch at claiming moral rectitude as well as political panaceas. It is not inconceivable that the yearning for certainty and simplicity in a complex world may become further corrupted and induce some to revive the mythology of anti-Semitism.

As Jews, neither our past nor our present allow us to relax into smugness. But neither must we mount the barricades or erect fences around our community. It is in helping to make a better world that the Jewish community acts truest to its prophetic tradition and its own self-interest.

ALL MINERS WORK IN A DANGEROUS LEAGUE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. GAYDOS. Mr. Speaker, debating whether metal, nonmetal, and other mining are less dangerous than coal mining is like debating whether to stop is more sudden in falling from 300 yards or 300 meters-distinctions can be found, but they make very little difference in the result.

All forms of mining are dangerous. Distinctions make very little difference when it comes to result.

On these results the Mine Safety and Health Administration (MSHA) keeps statistics and arranges them in a formal fashion so they can be properly introduced to the Congress as data.

And the data for the first 9 months

of 1980 show us:

A death rate underground of 0.08 per 200,000 mine hours among coal

A death rate underground of 0.07 underground for all other forms of mining.

A death rate of 0.03 for surface coal

A death rate of 0.05 for all other surface miners

If the 97th Congress is like Congresses past, bills will be passed to exempt certain forms of surface mining from MSHA jurisdiction on the supposition they are less dangerous or somehow different.

But the data show:

A death rate of 0.06 for those who work in surface stone pits and quar-

A death rate of 0.05 for surface sand and gravel pits.

A death rate of 0.05 in surface nonmetal mines.

A death rate of 0.04 in surface metal

Remember, this is matched against a surface coal mine death rate of 0.03 and an underground rate of 0.08

Clearly some forms of mining for which exemption is sought-on the supposition of difference-approach underground coal mining in danger.

In addition, surface miners of stone and sand and gravel accounted for 47 percent of all surface mining fatalities in the United States.

Stone mining alone accounted for 28 percent

And those who tear stone and sand and gravel from the earth represent only 21 percent of all surface miners, but take 47 percent of the deaths.

The data seem to show that anybody who mines at the surface is playing in the same league, a fast and dangerous

Mining in any manifestation is very dangerous, and there may be small distinctions, but there are very few differences.

By the way, Mr. Speaker, preliminary MSHA figures for last year indicate that mining deaths in 1980 were below mining deaths in 1979.

In MSHA we have an effective agency that pays attention to miner safety and health and only miner safety and health. There is concentration, focus and knowledge. These are Congress should reinforce rather than disturb.

CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. DERWINSKI. Mr. Speaker, Captive Nations Week received a new spirit from the strong support it received from events held across the country. Such active support for the cause of freedom will provide the spark to effective year-long efforts in the unending struggle for a triumph over communism. This is the inspiration of Captive Nations Week.

I would like to insert several news articles and reports of observances of the week as evidence of this new spirit. These reports follow:

Invocation by the Very Reverend Stephen Shawel, C.S.S.R., Before the Captive Na-TIONS WEEK LUNCHEON OF JULY 15

In the name of the Father, and the Son, and the Holy Spirit:

Merciful God, as we gathered here today to mark the 22nd anniversary of the Week of Captive Nations and the 40th anniversary of the renewed statehood of Ukraine, we ask Thee, shed Your grace upon all those subjugated nations enslaved by godless communism and free them from captivity.

We especially pray for all those proud we especially pray for all those proud people who stand up and demand their God given freedom for their nations, and for this they are committed to forced labor camps, exile, mental institutions, and even subjected to a mandate famine.

Bless, O Father, our President Ronald Reagan, the Members of the Senate, and House of Representatives. Grant them the strength and courage to stand without compromise in the defense of human and national rights for all oppressed people in the whole world.

We ask this in Thy name in the hope that our prayers will be answered, Amen.

[From the Washington Inquirer, July 17, 1981]

REAGAN REVIVES CAPTIVE NATIONS WEEK

An indication that the recent change of administrations brought with it a hardnosed stance on what poses the greatest threat to human rights in the world appears in the contrast between President Ronald Reagan's Captive Nations Week proclamation issued on July 1 and those of his predecessor.

Reagan's proclamation denounces "the denial of the most elementary forms of personal freedom and human dignity," with specific indictments of Marxism-Leninism and other forms of de-humanizing statism. Former President Jimmy Carter's Captive Nations Week proclamations were for the most part bland, cryptic memos whispering praise for the ideal of self-determination.

On July 17, 1959, a joint resolution of the Eighty-sixth Congress provided for the President to proclaim the third week of every July as Captive Nations Week. In Carter's first year in office, the week was half over before he woke up and belatedly commemorated the occasion.

Carter was better prepared in 1978; his proclamation of July 11 preceded Captive Nations Week by five days.

Carter's proclamation on June 22, 1979 designated July 15 as the start of Captive Nations Week. In this same timeframe, another captive nation was born. The Sandinista guerrillas, whose dedication to the ideals of Fidel Castro serves as inspiration to others, completed their conquest of Nicaragua—Anastasio Somoza Debayle resigned as President on July 16 and the interim government collapsed two days later.

In 1980, Carter issued the Captive Nations Week proclamation far in advance of the July 13 commencement date: May 19, the day before the Michigan and Oregon primaries. After the 1979 fiasco over the Soviet infantry brigade in Cuba, Carter may have been inspired to demonstrate that he wasn't "soft on Communism," for in a notable departure from his previous proclamations, he singled out an oppressor-a nation which had betrayed his trust and taught him much about its true nature the previ-ous December. "Our ideal has remained that of our founding fathers: governments derive their legitimacy from the consent of the peoples they govern. Soviet aggression against Afghanistan is the latest stark reminder that this ideal is not universally re-Carter growled.

Soviet aggression proceeded unchecked throughout 1980's Captive Nations Week, and while Soviet heavy weaponry reduced Afghan villages to rubble, the Olympic Games opened in Moscow with many Free World teams competing in spite of Carter's call for a boycott. There was one consolation for the year 1980: on July 20, the first day of the following week, 12-year-old Walter Polovchak asked for political asylum in the U.S. when his disenchanted parents prepared for the family to return to the Soviet Union.

Common to all four Carter proclamations—with the exception of the single reference to Soviet aggression—is the banality of the texts. These seemingly half-hearted proclamations are weak reeds to lean on when critics of the Reagan administration ballyhoo Carter's human rights principles.

From the language of his proclamation designating July 19 as Captive Nations Week, President Reagan appears to have a leg-up on eclipsing the Carter record. In length alone, it is two-thirds of the sum for Carter's prim releases: in vigor and feeling, it is a passionate sermon from the "bully pulpit" in condemnation of oppression.

CAPTIVE NATIONS WEEK, 1981—BY THE PRESIDENT OF THE UNITED STATES OF AMERICA A PROCLAMATION

Twenty-two years ago, by a joint resolution approved July 17, 1959 (73 Stat. 212), the Congress authorized and requested the President to proclaim the third week in July as Captive Nations Week.

Last January 20 saw again a change in Administration under our Constitution, the

oldest written document of its type in continuous force in the world. The peaceful and orderly transfer of power in response to the sovereign will of our people is sometimes taken for granted by Americans. Yet events in some other areas of the world should remind us all of the vital, revolutionary ideal of our Founding Fathers: that governments derive their legitimacy from the consent of the peoples they govern.

During Captive Nations Week, Americans should realize our devotion to the ideal of government by consent, a devotion that is shared by millions who live in nations dominated today by a foreign military power and an alien Marxist-Leninist ideology.

This week, Americans should recall the series of historical tragedies—beginning with the broken promises of the Yalta Conference—that led to the denial of the most elementary forms of personal freedom and human dignity to millions in Eastern Furope and Asia.

In recent years, we have seen successful attempts to extend this oppression to Africa, Latin America and Asia—most recently in the brutal suppression of national sovereignty in Afghanistan and attempts to intimidate Poland.

During Captive Nations Week, we Americans must reaffirm our own tradition of self-rule and extend to the peoples of the Captive Nations a message of hope—hope founded in our belief that free men and women will ultimately prevail over those who deny individual rights and preach the supremacy of the state; hope in our conviction that the human spirit will ultimately triumph over the cult of the state.

While we can be justly proud of a government that is responsive to our people, we cannot be complacent. Captive Nations Week provides us with an opportunity to reaffirm publicly our commitment to the ideals of freedom and by so doing maintain a beacon of hope for oppressed peoples everywhere.

Now, therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning on July 19, 1981, as Captive Nations Week.

I invite the people of the United States to observe this week with appropriate ceremonies and activities and to reaffirm their dedication to the ideals which unite us and inspire others.

In witness whereof, I have hereunto set my hand this thirtieth day of June, in the year of our Lord nineteen hundred and eighty-one, and of the Indpendence of the United States of America the two hundred and fifth.

RONALD REAGAN.

OPENING REMARKS GIVEN BY HORST A.

UHLICH, CHAIRMAN OF THE CAPTIVE NATIONS COMMITTEE OF NEW YORK, ON
SUNDAY, JULY 12, 1981, THE OPENING DAY
OF CAPTIVE NATIONS WEEK, AT THE CENTRAL
PARK MALL IN MANHATTAN

Senator D'Amato, Mayor Koch, Congressman Biaggi, Congressman Green, Honorable Bruce Caputo, Dr. Garcia—President of the World Anti-Communist Action Front—, Honorary Chairman Dr. Docheff, Distinguished Guests and all our Friends:

On behalf of the Captive Nations Committee of New York, I welcome you to the 23rd Annual Captive Nations Rally. We are very happy that you are all here with us today, because every one of you represents a forceful symbol of freedom. Your spirit proves that you care deeply about our work. Your very attendance at this important rally for

freedom—in these worsening times—tells the world that you have not forgotten your homelands, and you have not forgotten those who still suffer under Communist domination over these homelands. It also proves that you care very much about your adopted country, the United States. The history of this great country sets a perfect example for us. Certainly, if our Founding Fathers had sat back in their chairs, just waiting for things to happen instead of working hard, this country as we know it today would not exist.

The struggle, beginning in 1776, for freedom of the American Colonies from English tyranny, looked hopeless. To all observers, it looked like a foolish dream. But a handful of determined and courageous men risked their lives against that tyranny.

When we think of English tyranny, we cannot help but sympathize with the suffering population of Northern Ireland. And going back only a few decades, we remember with contempt the diabolical Anthony Eden, Foreign Minister of Great Britain, who was such a worshipper of the criminal Josef Stalin that he ordered hundreds of thousands of freedom fighters from the many Captive Nations-numbering many of our Slavic brothers-back to their deaths at the hands of the bloodthirsty regime in Moscow. This brutal plan, hatched in London, has become known in history as "Operation Keelhaul." On top of this, we are reminded of that product of the English political intelligence-the expulsion of 17 million East Germans from their homelands during the years 1945 to 1947. The hordes of Bolshevism were invited to overrun Eastern and Central Germany, subjecting over 3 million helpless women and children to rape and massacre while the British government rejoiced and applauded. And, of course, there were entire nations, such as the Cossacks, which were entirely exterminatedand Eastern and Central Europe were delivered to the Commies.

The United States was founded as a haven of refuge for oppressed peoples from all nations; and as such, it should be the foremost enemy of the Communist Party International. Our Founding Fathers would have wanted it that way. However, there are those who represent the Devil who, since 1917, has had only one thing in mind-to deliver more and more nations of people into the hands of the Communist Party International. We see it in the work of the New York Times, which devoted every column to the defeat of our heroic soldiers and sailors in Vietnam. And now, the same newspaperassisted by the rest of the mass media that has always leaned toward the Communist dictators—is hard at work checkmating American efforts in Central and South America, with Cuba in between. And their sympathies have been with all the Red movements on the continent of Africa-even as they leaned toward Mao Tse-tung in his brutal career in the Far East.

We must get to work to overthrow this force of pro-Communist propaganda that is hiding the truth of history from the American people—especially our youth. These propagandists have no right to use the airwaves that belong to the American people, for the promotion of ideas that are leading to the destruction of American freedom, American morality—and America itself.

Now, as far as our organization and our activities are concerned: you may rest assured that the more successful we become in our efforts, the more danger there is of attack against us through negative attitudes

and undermining rumors. We must be on the alert that no one and nothing succeeds in undercutting and dividing our common front against the Communist enemy. We go forward, as we have always done, undivided and always expanding our organization and increasing our activities.

Thus, we will carry on toward our objective of total success in freeing the Captive

Afghanistan, Albania, Armenia, Azerbai-Cambodia. jan, Bulgaria, Byelorussia, Cambodia, China, Croatia, Crimean Tatars, Cossackia, Cuba. Czechia, East Germany, Estonia, Georgia, Hungary, Idel Ural, Karatchays, Laos, Latvia, Lithuania, Mongolia, North Caucasus, North Korea, North Vietnam, Poland, Romania, Serbia, Slovakia, Slove-Vietnam, Tibet, Turkestan, nia. South Ukraine.

We can and we must stop the advance of the Communist Party International. Let's stand united. And God bless us all.

FIFTH AVENUE MARCH STARTS SPECIAL WEEK FOR CAPTIVE NATIONS

(By Joachim C. Becker)

Nations Week in the United States got off to a colorful start in the City as flags of 35 communist-ruled countries fluttered in yesterday's breeze during a march up Fifth Avenue to a rally at the 72nd Street bandshell in Central Park.

The parade, which began with a mass in St. Patrick's Cathedral, featured an estimated 1,000 ethnic Americans dressed in their native folk costumes and clutching national flags, an all-girl Croatian marching band and placards urging freedom for the peoples in captive nations from Afghanistan to Viet-

Sen. Alfonse D'Amato, the grand marshal; Rep. Bill Green, parade marshal; Horst Uhlich, chairman of the Captive Nations Committee, and other committee officials marched from parade start at 51st Street to

the bandshell.

'Our nation must be second to none to thwart Soviet aggression at home and abroad. We must put the Soviets on notice that the United States has the will to oppose them and encourage the rest of the world to stand firm against them," D'Amato told the assembly gathered at the band-

'God has entrusted this nation with a special mission, it has the absolute obligation to the peoples of this world to remain strong and steadfast with a commitment to peace and justice. Freedom is everyone's right," the Republican junior senator from New York concluded to cheers and applause.

Rep. Mario Biaggi, D-Bronx and Queens, joined officials at the bandshell and called attention to the important principles involved in the meaning of the week, which was established by Congress in 1959.

"This handful of committed individuals continues year after year to give hope to those people behind the Iron Curtain that some day they will have the freedom they

once knew," Biaggi said.

When the paraders had filed into the bandstand area, an Israeli tourist who saw the red flags carried by the Polish contingent asked if they were a communist demonstration.

"No they are anti-communists," someone replied.

The Israeli clapped. Then he read their signs saying they were from captive nations.

Only they know what communism means and what it really means to be without a nation, like we were once," he said.

The parade had earlier passed the Yugoslavian mission to the United Nations at 66th Street, where 10 police officers watched the flags and chanters pass on the other side of the street.

This is not a difficult detail," one patrolman remarked.

Before the parade had started, marchers talked about the situation in their enslaved homelands.

"We have to be careful what we say in our letters to my brother who is in Afghanistan. We can only say social things," said Abdullah Kwaja, who was dressed in a chapan (robe of many colors) and dopou (cap), the traditional native costume.

'We can't open our heart to them," said his wife, Sabahat.

THEY'D PUNISH OUR FAMILY

Kwaja added: "There is no freedom to send letters, it is just too dangerous. They'd punish our family, relatives, even friends.

Estonians waiting next to the people from Turkistan agreed with the Afghan refugees.

The Soviets took the snap shots out of letters to our relatives, and we know they never got them," said Hilga Holpus, who lives in Suffolk County with her parents, who fled Estonia after World War II

Miss Holpus, wearing a "rahva riided" or folk costume of a rust-colored skirt, white blouse and muetz (headdress) said all her relatives still lived in Estonia.

When they write us, they ask for clothes, materials, shoes and nylon stockings," she

At the bandshell, Uhlich assailed The New York Times for defending communism and trying to defeat "our heroic soldiers and sailors in Vietnam." He also criticized the media in general for working to "checkmate the U.S. and freedom in Central and South

Uhlich further warned that "media-supported communist propaganda is hiding the truth from America, especially our youth. Something has to be done against the use of U.S. air waves which are being used to destroy American young people, their morality and spirit and America herself," he said.

During the ceremony, a deeply tanned youth on rollerskates, wearing earphones, rolled to a brief stop in front of the bandshell. He listened, then skated rythmically

Catholic War Veterans and Ladies Auxiliary will observe Captive Nations Week July 1981 with a Rosary Service at St. Domi nic's Church, 630 E Street S.W., Washington, D.C. Various nationality groups have been invited to recite the decades of the rosary in their respective languages as a means of emphasizing the plight of the people behind the iron, the bamboo, and the sugar cane curtains. All will assemble outside the church at 11:45 am. After the mass there will be a reception in the Assembly Rooms. All invited.

INSIGHTS ON CONGRESS

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

Mr. O'NEILL. Mr. Speaker, I would like to take this opportunity to share with my colleagues an article which appeared in the July 13, 1981, issue of Newsweek magazine. Its author, Mr. Norman J. Ornstein, has observed the deliberations of the Congress for more than a dozen years. I am sure that you will find his insights to be of interest.

DON'T BE BEASTLY TO CONGRESS. (By Norman J. Ornstein)

America's second favorite indoor sport is knocking politicians. True, this has long been the case-it goes back well before Mark Twain referred to Congress as America's only native criminal class, or Will Rogers said we have the best politicians money can buy. But lately, the criticism of our government and our leaders has been at almost a fever pitch. If the news on Congress doesn't focus on Abscam, sex scandals or alcoholism, it features tales of overseas junkets, overgenerous political perks or oversize Congressional office buildings. Political cynicism and public bitterness over our politicians' venality are rising at an even faster rate than the national debt.

None of the news stories are made up, but they tell only a small part of the story. I have watched Congress and Washington closely for more than a dozen years, most of it from the outside, and I can add with total confidence the following startling tions:

1. Congress is clean and honest. I would bet a lot of money that the proportion of alcoholics, drug abusers, homosexuals, bribe takers and sex maniacs is no greater in Congress than it is among any other group of people with similar high-pressured jobs, whether they be doctors, lawyers, dentists, journalists, bankers or industrialists. In fact, it is probably less. But a congressman sleeping with a lobbyist or even his own wife (if it's on the Capitol steps) is news, while a businessman's affair is not-and even if the latter makes the headlines, it's not generalized in the same way. The plain fact is, however, that the overwhelming majority of people in Congress are of the basic, dull, family-oriented variety.
2. Congress works hard. The average

member of Congress works 70 to 80 hours a week in public business, ranging from committee hearings to floor debate to meetings with consitutents. The workweek is usually seven days, four or five in Washington and the weekend back in the district-a nomadic existence that strains family life and physical well-being. Everyone derides congressional recesses, including the President, and newsmen are especially fond of poking fun at the Congress's own term for them "dis-trict work periods." In fact, they are district work periods. Most legislators go back to their districts and work long hours-meeting with individuals, visiting senior-citizen homes or community centers. We all try to have it both ways: we accuse the member of Congress of "losing touch" if he doesn't spend a lot of time back home, and of "laziness" if he misses a vote or a meeting in Washington-but then we deride him when he tries to meet all our demands.

3. Most Congressional 'junkets' are in the public interest. It is the rare trip that is taken for pleasure alone. Most congressional travel is brief, with as much time in the air as on the ground, and involves far more work than play. Our domestic and foreign policies are shaped by Congress; we need to have congressmen travel. We would be in a fine mess if we forced our legislators to become insulated from the outside world. We cannot possibly set the best policies for the United States in agriculture, arms sales,

energy or any other area without seeing how our key allies in Europe do things or how they feel about our policies. We also need direct contact with the Russians, the Chinese, the Salvadorans and every other nation. Congressional trips inform and educate, and an informed and educated Conis in everyone's interest

4. Congress's working conditions should be improved. Capitol Hill is filled with uncomfortable offices. It may be hard to believefor those who read about expensive, posh office buildings (and the cost overruns are inexcusable)—but, despite the odd exception, legislators and their staffs do not luxuriate in plush offices with fancy furniture. They sweat and strain in overcrowded offlees with too many people and too much noise. Few if any businesses would tolerate such a setup. Congress should have better

office arrangements.
5. Members of Congress are underpaid. Every attempt to increase Federal pay results in a cacophony of screams of outrage. Of course, it is hard for the average citizen to feel sorry for a poor congressman trying to get by on "only" \$60,000 a year. But the fact is that in Washington—where a truly modest family home in a decent location goes for \$200,000 and up-\$60,000 does not go very far. This is especially true for a member of Congress, who must maintain two residences, including one in the district. Moreover, for most members, serving in Congress means a substantial financial sacrifice; their "peers"—lawyers, lobbyists and consultants-command anywhere from two to five times a Congressional salary. Our best public servants regularly receive lucrative opportunities out of government. We should keep Congressional pay at a level where legislators like Sen. Pete V. Domenici (with eight kids waiting to go through college) are not forced out of public life because they can't afford it.

I am well aware that many people will greet my claims about Congress with disbelief and outrage. But many others-including, I suspect, some who make their living reporting on Congressional scandal and sloth-will recognize their truth. I hope the latter group will start to echo my themes, or at least to counter some of the worst negative excesses. I hope that people and organizations with some clout and prestige will apply some resources to recognizing and rewarding our best public servants, instead of publicizing and emphasizing our worst.

For the foreseeable future we living in a political system where citizen demands exceed public supplies, where government services are cut back and redistributed, taking more from some than from others. There is no better way to commit societal suicide than to reinforce the erroneous belief that Congress is a collection of corrupt, venal, greedy and hypocritical characters who, by extension, make unfair and illegitimate decisions. I for one would rather have Congress making tough decisions than any other legislature on earth, or than any other collection of people I could name.

PERSONAL EXPLANATION

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. PASHAYAN. Mr. Speaker, in the debate on July 31, 1981, I stood

with the gentleman from Illinois, Mr. MICHEL, in his position on minimum social security benefits, that the needy are not deprived by its elimination.

I therefore should have voted the other way.

OLD PROBLEMS OF BUREAUC-RACY GET ATTENTION

HON, JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

Mr. COURTER. Mr. Speaker, I commend to the attention of my colleagues a recent column which appeared in the Washington Star, discussing the progress of Office of Personnel Management Director Donald Devine. Philip Shandler, the Star's columnist on Federal Government affairs, discusses Mr. Devine's efforts to improve OPM operations, in the interest of better serving Federal employees and taxpayers as well.

The article follows:

OLD PROBLEMS OF BUREAUCRACY GET ATTENTION

The new man at the helm of the federal bureaucracy is moving to untangle it from some costly and frustrating procedural seaweed that has accumulated over the years.

One mess is possible classification. It's been estimated that as many as 100,000 federal white-collar jobs are classified at too high a grade-meaning they're overcompensated, to the tune of about \$500 million a

Another morass is a backlog of retirement applications. As recently as January, it was about double the 30,000 cases a year that the government itself considers normal. Processing time averaged 98 days per application-in the face of a 35-day work standard. The situation has been demoralizing.

Both classification and retirement are overseen by the Office of Personnel Management, the government's central person-

nel agency.

In March, at a confirmation hearing, Donald J. Devine, President Reagan's nominee to head OPM, listed the retirement claim backlog as his top concern. He noted that OPM has had more complaints from Congress about this in recent years than about anything else.

Actually, the retirement backlog has been target of OPM efforts for several years. By the time Devine came aboard, the agency, under the leadership of Gary R. its associate director for compensa-Nelson. tion, already had streamlined its procedures and was beefing up its processing staff.

Devine kept up the momentum, and last week was able to report that the backlog was down to about 41,000 cases, that processing time had been sharply cut and that OPM expected to meet its work standards processing fully documented applications in 35 days, for example-by Oct. 1

Devine's report was made to members of Congress who in 1979 had asked the General Accounting Office to look into the backlog. GAO recently came up with some outdated findings and recommendations. But Devine said he welcomed GAO's "helpful suggestions.

The classification problem was laid before Devine in April, in a report by an OPM task force that had made the first major analysis of the situation in a decade. The report said that about 11 percent of the government's nearly one million whitecollar positions were over-graded and about 3 percent were undergraded-a net over-grading of about 8 percent

To deal with the over-grading problem, the report urged a \$3 million, two-year crash effort to develop new position classification standards, many of which were a decade or more old and virtually meaning-

Devine said in an interview recently that OPM didn't have the resources for a crash reclassification program. But he said the agency is stepping up the pace of an ongoing overhaul of job standards by contracting out some of the work. It hopes to contemplate the work "over the next few vears." he said.

In a speech recently, Divine also promised to resist mis-classification by federal agencies. He said he had been told that some OPM evaluators feared they wouldn't be supported if they objected to irregular classification. But Devine said he would "back anyone who reports abusive practices will go all the way up to the president, if that is what is necessary . .

As with reclassification, Devine cited a lack of resources for not accepting a staff recommendation that OPM review all conversions by agencies, after Jimmy Carter had lost the White House to Ronald Reagan, of political appointees to career positions (from which these people can be dislodged only with considerable difficulty).

During the transition this winter, OPM had investigated reports of impropriety in 43 conversions, had found that 13 had been improper and had reversed them, GAO reported in June GAO endorsed an OPM staff recommendation for a review of the conversions-a proposal that the Carter White House had rejected, as it was disclosed here.

But Devine said recently that he was satisfied that in investigating allegations of impropriety during the transition. OPM had "caught the real problems." In any case, he said, OPM couldn't spare the staff to go back over all of the conversions.

Devine said he has under study a recommendation from one of his own appointees to deal with a simmering career executive problem. The executives resent the fact that Congress last year cut from 50 percent to 25 percent the number of them who could be given bonuses (which at their level are in place of raises) and the fact that OPM later cut the number to 20 percent.

Devine has been urged by George Nezterczuk, associate director for executive personnel, to go back up to the 25 percent level to help offset a brain drain-an unprecedented exodus of unhappy veteran careerists.

And Devine said he would like to encourage more bonuses. But he said Congress still is touchy on the issue and "I want to make sure we don't endanger the whole bonus process."

A FIGHTER WHO WILL KEEP GOING

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. DIXON. Mr. Speaker, I would like to bring to the attention of my colleagues the accomplishments of Mrs. Marnesba Tackett.

Marnesba Tackett recently retired as executive director for Southern Christian Leadership Conference serving Los Angeles. At 73, she has not abandoned the civil rights struggle and will continue to direct a project promoting greater participation in elementary and secondary education. Twenty schools and 5,000 parents in the Los Angeles area have come together in this effort, guided by Mrs. Tackett's enthusiasm and leadership.

To many, retirement is a time of relaxation, but Marnesba has chosen to seek her dream; the realization of equal educational opportunity for black and other minority children. In her words, she "will hang in there

until the last."

Marnesba Tackett easily recalls the days when separate was the prevailing mode of equal. Separate pay counters in dime stores, restaurants, and sections on public transports scar both her child and adult memories. But not even separate classrooms with only "white" text books could shake her determination to attain a college education. And after a joyful delay, caused by the birth of her daughter, she attended the Negro Branch of Kansas City College, graduating cum laude 2 years later.

As a child and then an adult, the dual system of education greatly disturbed Mrs. Tackett, causing her to believe "the whole thing is engineered to keeping a certain group of people in

an inferior place.

Raised in Kansas, Mrs. Tackett's lifetime involvement with civil rights began when she joined the NAACP while still in high school. After moving to Fort Valley, Ga., where her husband, a minister served the Trinity Baptist Church, the Tacketts moved Los Angeles. It was in southern California, while looking for a job, that she had her first taste of discrimination on account of both her sex and race. This reconfirmed her convictions about our color-conscious society and rekindled her activity in the NAACP. Marnesba's meeting of Dr. Martin Luther King in 1953, only further resolved her dedication to the cause of equal educational opportunity.

Mrs. Tackett's philosophy regarding education has kept pace with the times, and in many an instance, is a few steps ahead. Many in the Los Angeles area know Mrs. Tackett for her tireless activity in the school board.

Though never a candidate herself, she has been a key figure in many local campaigns, seeking to insure that her ideas are well represented.

Mrs. Tackett has also been instrumental in breaking down discrimination in housing in the Los Angeles area and is in fact a licensed real

estate broker.

Her recent retirement dinner supplies a touching and telling story about this indefatigable woman. She arrived at her dinner, which at her request was held in a restaurant operated by a black businesswoman, with a small doll in hand. A gift from old college friends, the doll had a notice pinned to its yellow dress and read:

Put this doll on your bed or in your rocking chair. It can retire, but you keep going.

Marnesba Tackett cannot be sufficiently thanked for her devotion and continued commitment to helping others. A poem by Langston Hughes captures the spirit which she embodies.

STILL HERE

I've been scarred and battered. My hopes the wind done scattered. Snow has frix me, sun has baked me.

Looks like between'em
They done tried to make me
Stop laughin', stop lovin', stop livin'—
But I don't care!
I'm still here!

Mr. Speaker, I can attest that those of us in Los Angeles are indeed fortunate and grateful that Marnesba is still here. Much work remains in our cause, and it won't be done without her.

MONO LAKE

HON, FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. STARK. Mr. Speaker, I recently cosigned a letter to Congressman SEIBERLING with a number of my California colleagues regarding Lake. In this letter we urged the chairman of the Subcommittee on Public Lands and National Parks to hold hearings this fall in Washington, D.C., on the whole issue of Mono Lake. Because of the increased interest in the Mono Lake issue I would like to bring to the attention of my colleagues an article that appeared yesterday in the Christian Science Monitor. This may help explain the growing concern about current policy with regard to the entire Mono Lake area.

Los Angeles is Drinking Up Beautiful Mono Lake

(By Leon Lindsay, staff correspondent of the Christian Science Monitor)

San Francisco.—Efforts to save Mono Lake, a unique natural wonder bequeathed by the ice age to the Sierra Nevada region of California, are receiving renewed atten-

tion because of recent developments—some discouraging, and some positive.

The blue, saline lake, in dry hill country abutting 14,000-foot, snowclad peaks, is not nearly so well known as its resort-rimmed neighbor, Lake Tahoe. But it is being cited by environmentalists as a classic example of how human society can, in a few years, dismantle nature's works of eons.

Formed some 12,000 years ago when glaciers receded, Mono Lake is salty, but not "dead"—at least not yet. Its waters support a chain of life that begins with microscopic plants (phytoplankton) and takes wing with gulls, ducks, and other bird species.

Tourists who find their way to the lake marvel at the geological formations—including two volcanic islands; the Mono craters, a recently formed chain of cones and lava flows; and "tufa towers"—chalk-white, erosion-sculptured upthrusts of calcium carbonate which are in some cases delicate, in others grotesque.

What endangers Mono Lake is the thirst of Los Angeles. Since 1941, the metropolis to the south has diverted water from streams in the Mono basin to help meet its ever-growing need for water. At present, the city water and power department takes 101,000 acre-feet a year from the basin. Over the past 40 years the lake level has dropped at a rate of 1 to 2 feet a year. It was at 6,417 feet (measured from sea level) in 1941; in June of this year it measured 6,373 feet.

This summer it was discovered that, possibly because of increased salinity, the population of brine shrimp, a key part of the Mono Lake food chain, had dropped sharply. Researchers found that only 5 to 15 percent of shrimp eggs hatched in June.

One-fourth of the California gull population in the United States nests at Mono Lake, and the chicks are nurtured on brine shrimp. This summer, says biologist David Gaines, practically all the gull chicks have starved. If it happens again next year, he adds, that will be the end of the California gull colony at Mono Lake.

California gulls are not an endangered species; they breed at a number of other locations, including Utah's Great Salt Lake. But Mr. Gaines and others say that what is happening to the shrimp and gulls at the lake is dramatic evidence of how the whole system is slowly—or perhaps not so slowly—destroyed.

The answer, they say, is for Los Angeles to reduce the amount of water it diverts from the lake. In 1979 a state task force recommended several alternative plans for maintaining the lake level at 6,388 feet. The Mono Lake committee, of which Gaines is chairman, supports one of the plans.

But Los Angeles, which has a permanent state license to divert as much as 167,000 acre-feet of water annually from the Mono basin, accepts none of the alternatives.

Further, the city recently informed the US Department of the Interior that it would like to purchase 23,000 acres of federal land along the Mono Lake shore. This was in response to a letter sent out by Interior Secretary James G. Watt inviting state and local governments to apply for the right to purchase federal lands at \$1.25 an acre.

Acquisition of this land would give the Los Angeles Water and Power Department control over much of Mono Lake's shoreline.

But there are countermoves afoot in California and Washington, D.C.

A bill to establish a Mono Lake state preserve was introduced this year in the Legislature. Passed 30 to 0 by the state Senate, it is expected soon to be approved by the Assembly.

Although this step would not affect the rate of water diversion by Los Angeles, Gaines says, it would at least give official status to the lake environs and help protect against vandalism, which is increasing.

US Rep. Norman D. Shumway (R) of California, whose district includes Mono County, has introduced two bills in Congress. One would grant national monument status to the immediate Mono Lake area and provide for a study of ways to reduce water diversion. The other bill would repeal the 1936 federal law under which purchase of federally owned land at \$1.25 an acre is authorized.

Both bills have been sent to the House Subcommittee on Public Lands, and Gaines says hearings are expected in October.

He says the effort to preserve Mono Lake has gained support among state legislators and California congressmen. There is a good deal of support among officials of state resources agencies, he adds, but Gov. Edmund G. Brown, Jr. has taken no position. The governor, who plans to run for the US Senate in 1982, is treading a fine line on water issues, always politically dangerous here.

Perhaps more than anything else, Gaines points out, the Mono Lake committee needs support in Los Angeles. The group maintains an office there and is circulating news letters and petitions. Response lately has been encouraging, the committee chairman says.

CLEANING UP FEDERAL WORKERS' COMPENSATION

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

• Mr. ERLENBORN. Mr. Speaker, I am introducing today, together with my colleagues Mr. Ashbrook and Mr. Johnston, comprehensive amendments to the Federal Employees' Compensation Act, the Federal Government's workers' compensation program for its own civilian employees. FECA provides compensation—wage-replacement income, medical benefits, and death benefits to survivors—for job-related injuries or death.

This bill, entitled the "Federal Employees' Reemployment and Compensation Amendments of 1981," stems from the administration's proposal of June 2, 1981, which was incorporated in the Gramm-Latta substitute and, thus, in the House-passed reconciliation bill (title V, subtitle C, ch. 1, subch. C). The Senate did not include any amendments to FECA in its reconciliation bill. The Senate FECA subconferees, however, recognized the underlying merits of the administration's package and were prepared to recede to the House with clarifying and improving amendments. My bill incorporates those amendments.

Despite the manifest fairness of the Senate amendments, the House majority members of the subconference, in confederacy with the House majority budget conferees, and contrary to their responsibility under the House rules to support the House position, immediately voted to recede to the Senate and, thus, sabotage the FECA amendments and the mandate of reconciliation as it related to the FECA subconference. Senator HATCH agreed only when it became apparent that his refusal would jeopardize timely consideration of the conference report on the Omnibus Reconciliation Act.

The thrust of the administration's amendments is to reduce the skyrocketing costs of the program (currently exceeding \$1 billion annually) by removing some of the current incentives for fraud and abuse, by revising the benefit structure, and by integrating the program with civil service retirement (CSR).

The record shows strong medicine is necessary. Since the 1974 amendments liberalizing the program, claims filings and costs have skyrocketed.

In fiscal 1978 the total number of FECA claims had risen to 126,000 from 31,000 in fiscal 1974, prior to the amendments. More specifically, annual filing of COP (continuation of pay) claims rose from 32,000 in fiscal 1974 to over 94,000 in fiscal 1978; and, as an indication of employees taking advantage of COP, lost-time reported injuries during this period increased from 36 to 51 percent.

Long-term claims have increased in numbers and complexity; 30,000 back injuries reported annually since fiscal 1975; hearing loss claims have jumped from 13,900 total between 1966 and 1974 to 37,200 between fiscal 1975 and 1978. These long-term cases accounted for about two-thirds of total costs in 1979, with direct payment rising from \$26.4 million in 1966 to \$463.6 million in 1979. Estimated future costs for long-term cases are over \$6 billion.

Total compensation costs have risen from fiscal 1974 to fiscal 1979 from \$270,676,000 to \$700,023,000 to an estimated \$1 billion in fiscal 1982.

While acknowledging significant FECA cost problems, some minimize this explosion by citing Federal pay increases to which FECA benefits are tied, medical costs, and cost-of-living adjustments as major contributing factors. They are, indeed, contributing factors, but focusing on these ele-ments ignores why claims find their way into the system in the first place. That is utilization, and GAO findings indicate a rapid rise in utilization since 1974. The Government Printing Office suffered an astronomical increase in lost time injuries from 1974 to 1976 of 862 percent. The comparable figures for the Postal Service is 112 percent: for the General Services Administration, 109 percent; for Department of the Army, 106 percent; and for the Veterans' Administration, 115 percent.

Undoubtedly, some sudden incentives must have been injected into the

system to produce such a rapid expansion in caseload, utilization and costs. The narcotic is the 1974 amendments; and the FECA system has just about overdosed on them.

Significant changes were incorporated in the 1974 amendments:

First, a 45-day continuation of pay period was enacted permitting agencies to continue an employee's full pay up to 45 days following an injury. Its purpose was to alleviate claimants' cash-flow problems stemming from claims processing delays;

Second, employees were granted free choice of physician; and

Third, the 3-day waiting period before which compensation is payable was moved from the onset of disability to after the 45-day COP period.

GAO's extensive study of the FECA program places the onus for FECA's difficulties largely on these three changes. As to:

COP: Although the Federal civilian workforce has remained stable over the past 10 years, lost-time traumatic injury claims, as noted above, have risen sharply. Claims actually dropped during the period 1970 to 1974—from 17,000 to 12,000. Passage of the amendments, however, saw claims—COP claims—jump the next year to 37,000, then to 80,000 in 1976, and to 101,000 in 1979.

Three-day waiting period: The 1974 amendments' elimination of a 3-day waiting period at the onset of disability is clearly the most serious shortcoming in the present law and has led to an avalanche of abuse. GAO found that up to 46 percent-nearly half-of all COP claims could have been eliminated were there merely a 3-day waiting period at the onset of disability. Fully 46 percent of surveyed claims were considered by GAO's physician to be minor, frivilous, or marginal claims-37 percent minor or frivilous and 9 percent marginal (lasting 4 to 7 days).

Free choice of physician: The 1974 amendments granted an employee the right to choose his own physician. This, GAO concluded, has contributed to abuse of COP and to employees not using light duty to the extent possible. Specifically, GAO found that 20 percent of its claims sampled appeared abusive in occurrence, job relatedness, or duration; and that in all cases light duty could have been used.

The free choice of physician permits doctor shopping for a sympathetic physician. Not surprisingly, if the claimant's personal physician is not sympathetic, another doctor is likely to be. A physician, especially one unfamiliar with the patient or his employment, often must accept the patient's statements that he is in pain.

FECA's problems extend beyond these three areas, however:

Benefit structure: The overlay of an uncommonly generous benefit struc-ture on COP, lack of a waiting period, and free choice of physician has aggravated FECA cost and administrative problems. The current formula based on 66% percent or 75 percent (if one or more dependents) of gross pay (taxfree) replaces far too great a proportion of predisability pay-from 86 percent for a GS-2, receiving the basic benefit under FECA, to 118 percent at the maximum FECA rate for a GS-15. The result is claims filing incentives, and rehabilitation and return-to-work disincentives.

Retiring on FECA: The law now permits Federal employees to use FECA as a retirement system. There is essentially one reason for this malady: Generally, FECA benefits are higher than Civil Service Retirement Act annuities or other disability benefits and are tax free. In recommending conversion of FECA beneficiaries to retirement programs at age 65, the Department of Labor explored the differences in the

two programs:

FECA beneficiaries receive a greater net compensation beyond retirement age than persons who retire with the maximum years of Federal service (41 years and 11 months). While current FECA benefits are tax free, and Civil Service retirement income is taxed at regular rates, the disparity between FECA benefits and CSRA retirement income would, with few exceptions, not be resolved by taxing FECA benefits. In nearly all instances, FECA benefits would still be greater than the retirement income of an

uninjured worker.

The disparity in benefit rates between FECA and CSRA creates substantial economic incentive for Federal employees to seek FECA benefits. Although the absolute number is not great, there is increasing evidence that employees are seeking FECA benefits in lieu of retirement, particularly when few years of service are involved. The economic incentives are inversely related to years of service * * * In fact, under the existing system, it is possible for a permanently disabled employee to obtain FECA benefits and also withdraw all contributions from the CSR system. Workers who are in-jured or diseased and otherwise eligible in-

creasingly argue that their injury is workrelated.

GAO's claims survey revealed that 85 percent of FECA beneficiaries on long-term rolls will probably never return to work; 51 percent were over 55 years old. Of these, 62 percent were over 60, and 30 percent exceeded age 65. Thus, most long-term beneficiaries have, in effect, already retired. In fact, GAO found that most Federal employees retire within 3 years of eligibilityage 55 with 30 years' service-so a case could be made for converting them to CSR at age 58.

This bill addresses these and other

shortcomings in FECA by:

Changing the benefit formula from 66% percent or 75 percent of gross pay to 80 percent of spendable income, defined as gross pay minus amounts withheld for Federal, State and local income taxes, mandatorily withheld pension contributions and, where applicable, social security;

Eliminating the 45-day continuationof-pay period but providing a safety net of interim compensation beginning on the 21st day following the Labor Department's receipt of all information necessary to adjudication. The employing agency would also have the option of advancing compensation be-

ginning on the third day of disability if the employee was expected to be totally disabled for at least 28 days; Establishing a waiting period of 7 workdays at the onset of disability,

with 5 days compensation repaid if the

disability lasts beyond 14 days Converting FECA beneficiaries to civil service retirement at age 65 or when vested after age 65, returning FECA to the proper role of workers' compensation of replacing lost wages due to employment injuries;

Paying the same benefit (80 percent spendable income) to survivors as paid

to disabled workers; Paying the same benefit (GS-8 step 1) for loss or loss of use of a body member regardless of income level with no offset for wage-loss benefits;

Instituting mandatory rehabilita-

Increasing funeral, attendants, and

maintenance allowances:

Amending the basis for the cost-ofliving adjustment from increases in the Consumer Price Index to the average annual Federal wage increase, so that employees on disability are treated equally with nondisabled employ-

Pursuant to hearing, prohibiting re-imbursement under FECA to medical providers who have been indicted or convicted of fraud, in connection with another Federal program, or have been found to have furnished inappropriate medical services;

Requiring the Labor Department to develop a fee schedule for providers of

services under FECA;

Granting employing agencies, pursuant to a recommendation by the GAO, specific authority to order agency-paid

medical exams; and

Revamping the claims review process by narrowing the scope of review of cases by the Employees' Compensation Appeals Board consistent with appellate-level review, and providing both employing agencies and employees with a new right of case-reconsideration by the Office of Workers' Compensation Programs.

The legislation's effect would be prospective only, both as to the new benefit formula and conversion to CSR. Current beneficiaries would be "grandfathered" and, thus, not sustain bene-

fits cuts.

I call on the chairman of the Labor Standards Subcommittee to schedule hearings and markup on remedial legSOVIET UNION PERSECUTES CHRISTIANS

HON, JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

. Mr. KEMP. Mr. Speaker, in the Soviet Union, equal protection under the law means that not only Jews are persecuted for their religious beliefs. While we hear frequent horror stories of the plight of Soviet Jewry, this story of five Christians sentenced to labor camps and internal exile for seeking to emigrate to practice their religion freely is a reminder that in the Soviet Union all creeds are equally repressed so long as they deviate from the party line.

[From the Los Angeles Times, Aug. 3, 1981] SOVIETS SENTENCE PENTACOSTALISTS

A court in the Ukraine sentenced five members of a religious group to terms in labor camps and internal exile on charges of slandering the Soviet Union dissident. sources said in Moscow. Four of the Penta-costalists were given five years in labor camps followed by five years of internal exile. The five had asked for emigration visas and renounced their Soviet citizenship in protest against not being allowed to practice their faith freely.

WHEAT INDUSTRY COUNCIL BEGINS OPERATION

HON, THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. FOLEY. Mr. Speaker, it gives me a great deal of pleasure to announce that on July 1, 1981, the Wheat Industry Council began its first fiscal year of operation. The entire wheat industry is to be congratulated and commended for their efforts in making this organization a reality.

The Wheat Industry Council was established by the Wheat and Wheat Foods Research and Nutrition Education Act of 1977. As one of the sponsors of that legislation and a longtime advocate of a wheat industry education, research, and promotion organization, I am happy to report that the intent of Congress is being fulfilled in the clearly stated goals, objectives, and planned programs of the council adopted March 24, 1981, as follows:

Contribute materially to the health and well being of all people;

Enhance the quality and use of American Wheat, processed wheat, and wheat end products to insure the economic vitality of the wheat foods industry;

Educate the public on the nutritional and economic value of wheat foods;

Increase sales and per capita consumption of wheat based foods; and

Evaluate effectiveness of the program.

The programs and activities of the council are directed by its members who represent the entire wheat foods industry and consumers. Specifically the members include the following segments: Producers-wheat farmers; processors-millers and others; end product manufacturers-bakers, pasta manufacturers, and cereal producers; and consumers. Incidentally, it should be noted that the inclusion of consumers as members of the council is unique among industry-wide promotion organizations.

The following have been appointed by the Secretary of Agriculture to serve as members and alternates of

the board of directors:

Baird, Vernon, Mrs. Baird's Bakeries, Inc., Fort Worth, Tex.

Bathurst, Harry, National Wheat Growers' Association, Blackwell, Okla.

Batty, Lauren, ITT Continental Baking Co., Rye, N.Y.

Bisogni, Dr. Carole, Cornell University,

Ithaca, N.Y. Capps, Clifton, California Milling Corp.,

Los Angeles, Calif. Davis, Raymond, National Wheat Grow-

ers' Association, Potter, Nebr. Feeney, J. J., General Mills, Inc., Minne-

apolis, Minn. Hale, H. D., ADM Milling Co., Shawnee

Mission, Kans. Hatcher, E. L., National Wheat Growers'

Association, Lamar, Colo.

Hayes, Earl, National Wheat Growers' As-

sociation Stafford Kans Heffelfinger, M.W.K., Peavey Co., Minne-

apolis, Minn. Hinkle, B. J., Interstate Brands Corp.,

Kansas City, Mo.

Howard, Chelsea Milling Co., Holmes. Chelsea, Mich. Jepsen, Robert, National Wheat Growers'

Association, Heppner, Oreg. Knutson, Carolyn, Clackamas Community

College, Lake Oswego, Oreg.

Krafft, Richard, Star of the West Milling Co., Frankenmuth, Mich.

Kruse, Richard, National Wheat Growers' Association, Breckenridge, Minn.

Liebman, Bonnie, Ctr. for Science in the

Public Interest, Washington, D.C. Milner, Dr. Max, American Institute of Nutrition, Bethesda, Md.

Myers, R. G., Seaboard Allied Milling Corp., Shawnee Mission, Kans.

Nelson, Wayne, National Wheat Growers' Association, Winner, S. Dak.

Nissen, John, Nissen Baking Co., Falmouth, Maine.

Orth, Philip, Philip Orth Co., Oak Creek, Wis.

Rasmussen, Dr. Arlette, University of Delaware, Newark, Del.

Rawlinson, Frank, Centennial Mills, Portland, Oreg.

Sands, Frank, Sands, Taylor & Wood Co., Brighton, Mass.

Schaus, Robert, Reymond Baking Co., Waterbury, Conn. Shepard, Victor, National Wheat Growers'

Association, Gilliam, Mo. Sidles, Sheila, Iowa Consumers League,

Centerville, Iowa.

Stack, Richard, Capital Area Community Food Bank, Washington, D.C.
Thom, Jeane, Consumers Coop. of Berke-

ley, El Cerrito, Calif.

Thurston, Lester, C. F. Mueller Co., Jersey City, N.J.

Tollett, Clifford, National Wheat Growers' Association, Thornton, Wash.
Viviano, Joseph, San Giorgio-Skinner,

Inc., Hershey, Pa. Wager, Robert, American Bakers Associa-

tion, Washington, D.C.

Winterfeldt, Dr. Esther, Oklahoma State

University, Stillwater, Okla.
Witteman, William, National
Growers' Association, Mohall, N. Dak.

Oversight is assigned to the U.S. Department of Agriculture. Initially the role of the USDA was to hold hearings, conduct the referendum, and other adminstrative procedures. On a continuing basis it is responsible for seeing that the council's programs meet the mandate of the law.

The formation of the council was officially approved in a March 1980, referendum of end product manufacturers. The end product manufacturers will support the council under an assessment based on wheat flour usage.

I particularly want to commend nose forward-looking, progressive business leaders who are supporting the Wheat Industry Council. Their efforts and their financial support will help insure that every knows that wheat and wheat food products are essential for good nutrition: that wheat food products are an important protein source; and that wheat food products are not fattening.

Everyone-from the wheat producers to the consumers-will benefit by the council's information, education, and research programs. The council plans a balanced program which will help all segments of the wheat foods industry and the general public.

For more information on the specific programs of the council, contact executive director, C. Joan Reynolds, Suite 205, 6000 Executive Boulevard, Rockville, Md. 20852; telephone (301)984-1300.

A TRULY AMERICAN FOREIGN POLICY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

. Mr. PAUL. Mr. Speaker, for over a century and a half, with only a few, short-lived violations, the United States followed the foreign policy formulated by President Washington: peace and commerce with all nations; permanent, entangling alliances with none.

However, over the last 30 years, we have intervened in countries around the world, subsidized the defense of wealthy allies, provided aid and comfort to our enemies, and spend a national treasure on the military. This policy has had devastating effects on the economy and has compromised the security of the Nation.

Recently, the writer and former FBI official Dan Smoot commented that while President Reagan may be "the right man, in the right place, at the right time," without the right policy direction we will travel even further down the path to national destruction.

If we merely change the names of our "friends" and "enemies," direct our rhetoric and aid to different quarters, and spend trillions more on outmoded weapons systems that do not increase our real defense capabilities, we will continue to fail.

I commend Mr. Smoot's essay to the attention of my colleagues.

THE DAN SMOOT REPORT ON OUR FOREIGN POLICY

All of the necessary governing powers of a great nation cannot be listed in a constitution, defined, and limited to specified functions. Many forces-global wars, political upheavals, technological revolutions, natural disasters-change society and its needs. Government cannot remain static, and serve a social order forever changing.

These assertions being considered, we must marvel at the wisdom of our Founding Fathers. They made no attempt to list, define, or circumscribe the vast governmental powers that are, or may be, necessary in regulating domestic affairs. They specified the few matters they wanted the federal government involved in, explained its jurisdiction in those matters, and left all the rest (unmentioned, undefined, unlimited) to the states or to the people. On the other hand, they denied the states direct power in handling foreign affairs, giving all necessary powers, largely undefined, to the federal government.

Consequently, the Constitution is not the same infallible guide to the proper handling of foreign affairs that it is in the handling of domestic affairs. We do have an adequate guide, nevertheless: George Washington's Farewell Address to the nation in 1797. Washington warned against foreign influence in the shaping of American affairs. saying the nation could not fulfill her high destiny if government kept her permanently entangled in the wars, revolutions, and internal politics of other nations. He suggested a foreign policy of benign neutrality.

President Washington's benign neutrality became America's traditional foreign policy. Americans clung to that policy doggedly even reverently, until the middle of the Twentieth Century. For decades, internationalists-largely under the pervasive influence, if not consciously under the direct control, of the international Communist movement-vilified and misrepresented the policy of benign neutrality, calling it "isola-tionism." Eventually, America surrendered tionism." Eventually, America surrendered to the internationalists. Our traditional foreign policy was abandoned in 1949. Now, 32 years later, the consequences are hideous and obvious.

In October, 1980, Burt Raynes published an analysis concerning the probability that the Soviet Union will destroy the United States in a preemptive first strike with nuclear weapons. Raynes, former chairman and chief executive officer of Rohr Industries, had spent a year studying this momentous problem and working on possible technical solutions. He says the Soviet missiles that can reach the vitals of the American nation greatly outnumber American missiles that can reach comparable Soviet targets. The Soviets have an anti-ballistic missile defense system; we have none. We have only a warning system that might give us an 18- or 22-minute alert before impact of

Soviet missiles.

Raynes believes the Soviets will make the strike against us not later than the fall of 1983, because, by that time, the Soviets think the N.A.T.O. nations of Europe will be sufficiently armed with nuclear missiles threatening Russia that they will be a real danger to the Soviets. So, the Soviets will reason that if they hit European N.A.T.O. nations, the United States would come to the aid of Europe, and that would be dangerous. On the other hand, if the Soviets hit the U.S., the European nations will not come to our defense, and the building up of European nations as nuclear threats to Russia will be stalemated and neutralized.

But the Soviets are stupid to believe that N.A.T.O. ever was or ever will be a threat to Russia. The United States has squandered something like a quarter of a trillion dollars on N.A.T.O., which has never provided a dime's worth of deterrence against Soviet imperialistic aggression, or a penny's worth of defense for the American homeland. It follows, therefore, that N.A.T.O. has been a mighty boon to the Soviets in that it has drained off immense sums of money that could have been spent on weaponry to defend America against a Soviet surprise attack. I agree with the Soviet conclusion that none of our N.A.T.O. allies will come to our aid if the Soviets attack us. Consequently, I think we are near the point of no return in defending our homeland.

AMERICA IS ON ITS OWN

Frankly, we do not have any allies. We have accelerated our own rush into bankruptcy by a hemorrhage of about a trillion tax dollars to aid, arm, defend, and fight wars of other nations everywhere, without thus acquiring one ally who would make a life-or-death decision to stand with us in the face of a Soviet nuclear threat. With this prolonged outpouring of our treasure and our blood, we have helped build the industrial and military strength of our sworn enemies, the Communist nations; we have overthrown governments and destroyed rulers friendly to the United States, aiding the installation of Communist rulers; we have subsidized socialist nations, and foreign industries which have captured world markets from American industries; we have aided both sides in some 50 wars since the end of World War II.

For 35 years, we have armed, aided, and defended other nations in the vain hope that they would be willing and able to help us when needed. In our preoccupation with mutual defense of the world, we have left our homeland without adequate defense in the presence of the deadliest foreign

menace in our history.

Yet, there is no national leadership to change the basic foreign policy which has so betrayed us. Patriots have been outraged, of course, at what our foreign policy has been doing for decades, but they attribute this to mismanagement of the policy. Most of them are now rejoicing that the Reagan Administration shows promise of managing the policy so that it will support our friends instead of our enemies and will thus secure for us sturdy foreign allies who will stand by us in need.

It will not work, it has a 2,000-year record of never working. A great nation is dependent exclusively upon its own strength (and God) for survival; and that strength cannot be kept at the level necessary for survival if it is shackled and dissipated by permanent

commitments to, and entanglements with, other nations.

In World Wars I and II. we violated our traditional foreign policy, but the public did not realize the consequences. Presidents Wilson and Roosevelt lied repeatedly and engaged in secret commitments to draw us into the two World Wars. In 1916, while E. M. House was manipulating Wilson to get us into World War I, Wilson campaigned for re-election on the promise that he hated war and would continue to keep America out of the then-raging European conflict. In 1940, while maneuvering to get us into World War II without it looking as if he were doing so, Roosevelt campaigned for reelection on the promise that he hated war and would continue to keep America out of the then-raging European conflict. On both occasions, the American people clung to their traditional policy of benigh neutrality until the adroit falsehoods and manipulations of their Presidents frightened them into accepting temporary involvement, as allies, in the wars and internal affairs of foreign nations. Temporary, notice! The people did not give up their traditional foreign policy until 1949, when Truman committed us to the N.A.T.O. pact, clearly entangling us permanently in the internal political and military affairs of foreign nations.

THE TRADITIONAL SOLUTION WILL WORK

Our discarded traditional policy is more needed today than it was when President Washington first explained it. Other nations could not afford the expensive and destructive wars they have been fighting for more than half a century with our money. Restoration of our traditional concepts of national defense is also necessary. We cannot afford, do not need, and cannot effectively use massive land armies, permanently mobilized and stationed in foreign lands—or even at home.

If we had, in place, the kind of defenses against intercontinental weapons that we are capable of building; if we had, in readiness, the kind of retaliatory and first-strike capability that we could produce; if these were manned by a relatively small corps of technicians and engineers, all under the control of the kind of commander-in-chief that Ronald Reagan appears to be, no nation or combination of nations would ever risk a preemptive first-strike or any other kind of strike against us.

Having that kind of national defense would necessarily mean that our government was no longer aiding and abetting the existence and expansion of the worldwide Communist slave empire, as it has been doing for a generation. This fact alone would provide the non-Communist nations of the world more security against foreign aggression than they now have under the

prevailing imbalance of terror.

Thus, by looking to our own national interests and concentrating on our own national defense, we would make the greatest contribution to world peace that we have ever made since the foundation of the Republic. This would not be done under the duress of aggressive military power, or bought with foreign aid, or achieved with mutual defense pacts, or sustained by any other form of meddling in the affairs of other nations, but guaranteed simply by our resolve to leave other nations alone, and to inflict grievous wounds on any who do not leave us alone.

If President Reagan could persuade Congress and the people to restore constitutional government, as I believe he could, surely he could lead them in restoring traditional

American foreign policy and creating effective defense for the nation. The public has no respect for the foreign policy our nation has followed since 1945. People would rejoice at the idea of spending our tax money on armaments to defend our homeland, rather than on largess to foreign nations.

It may be that we have the right man, in the right place, at the right time. But all of us who helped put him there need now to help him move quickly in the right direction.

DONALD STINGEL'S CONTRIBU-TION TO THE EXPORT-IMPORT BANK

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. WALGREN. Mr. Speaker, on August 2, Don Stingel, stepped down from his position as a director of the Export-Import Bank. I hope this Congress and the country will recognize the contributions Mr. Stingel has made to the Export-Import Bank and to our economy through his work in promoting American exports.

Mr. Stingel came to the Ex-Im Bank from the presidency of Pullman-Swindell, a Pittsburgh-based corporation engaged in engineering and construction worldwide. Although a Republican, Mr. Stingel was appointed by President Carter in 1977 and was unanimously confirmed by the U.S. Senate. He brought to the bank the distinction of being the first graduate engineer to serve as a director of the bank along with his broad background in business management.

Over the last 4 years, Mr. Stingel worked hard to dispel the deep misunderstanding in the American public and Congress about the purpose and benefits to our economy of the Ex-Im Bank. He gave a special effort to educate Members of Congress and the press about the direct benefits to the American economy of Ex-Im Bank financing—a program that is often mistakenly confused with foreign aid or thought to be an expenditure of Government funds rather than an investment.

The fact is that, although treated in our budget process as a current expenditure, Export-Import Bank loans have, for all practical purposes, always been repaid with interest and have resulted in increased revenue flowing to the Federal Treasury of almost \$2 billion since its inception.

Mr. Stingel has been an effective advocate in presentating the bank's case to House of Representatives and the Senate. Thanks to his efforts to a considerable degree, the Export-Import Bank supported \$18.2 billion worth of exports alone in 1980. That represents \$18.2 billion of income for American

companies to employ tens of thousands American workers.

Exports now make up a major part of the American economy. What was simply an "add on" 30 years ago has become a major factor in the strength of the American economy. It is a certainty that exports will only increase in their importance as international trade grows in the future. If this part of our economy is to grow, our commitment to the Export-Import Bank must grow

Donald Stingel has made a major contribution in giving future Congresses a good base to build on. The country is better off from this man's public

service.

TWENTY-FIRST ANNUAL UNITED INTERPAR-STATES/MEXICAN CONFERENCE-LIAMENTARY PART II

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. GILMAN. Mr. Speaker, as I indicated in Part I of my report on the 21st Annual United States-Mexico In-Conference, terparliamentary this year's meetings in Manzanillo, Mexico, took on added significance in light of the highly successful Presidential talks concluded just prior to the conference. In addition to the distinguished delegations from both bodies of the two nations' legislatures and visit by Mexican President Lopez Portillo, the conference was honored by the presence of the U.S. Ambassador to Mexico, His Excellency John Gavin. and the Mexican Ambassador to the United States, His Excellency Hugo Margin. Both the visits by President Portillo and the Ambassadors underscored the important role the legislators play in helping to formulate and implement bilateral policy.

One of the major issues in our bilateral relations and one that played an important part in the conference discussions was the subject of coopera-tion in the fight against the production, traffic, and consumption of drugs. As a member of the Select Committee on Narcotics Abuse and Control, I was privileged to lead the discussions on this important topic. For the benefit of my colleagues, I am inserting the entire text of my remarks

at this point in the RECORD:

STATEMENT OF THE HON. BENJAMIN A. GILMAN BEFORE THE 21ST MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE HELD IN MANZANILLO, MEXICO, JUNE 11-15, 1981

Mr. Chairman, distinguished legislators from Mexico and the United States, I welcome this opportunity to participate again with our Mexican colleagues in the 21st Mexico-United States Interparliamentary Conference and to discuss the progress of

our mutual efforts to prevent and control narcotics trafficking and drug abuse.

As a member of the Select Committee on Narcotics Abuse and Control and as the ranking minority member of the Foreign Affairs Subcommittee on Inter-American Affairs, I detect a new ERA of mutual respect and understanding between our two nations on a variety of issues: Trade, tourism, immigration, fishing agreements, energy, and drug abuse prevention and control.

We have come a long way since both our delegations adopted, in 1977, the Hermosillo Declaration committing both of our nations to greater cooperative efforts in combatting

the traffic in drugs.

The efforts of the Mexican law enforcement authorities and the Mexican military forces in interdicting narcotics trafficking and in eradicating the illicit production of drugs at their source have become successful models for other nations to emulate.

During the past year, we have been advised that Mexican law enforcement authorities are establishing new records in drug interdiction. During the first 6 months of this year, Mexican law enforcement authorities seized 7 heroin laboratories, 1.870 pounds of narcotics, more than 1.8 million pounds of marihuana and hashish, 726 pounds of cocaine, compared to the seizure 6 heroin laboratories, 3,476 pounds of opium, and slightly more than 2 million pounds of marihuana and hashish for the entire preceding year.

The eradication of opium poppy fields has dramatically increased by 70 percent-from the destruction of 863 poppy hectares in 1979 to the eradication of 1,468 poppy hec-

tares in 1980.

Although Federal, State, and local drug law enforcement authorities in my country also reporting increased seizures of heroin, cocaine, marihuana, hallucinogens, and other dangerous drugs, our two nations must not become complacement and must not rest on our accomplishments.

Drug trafficking is a multibillion-dollar business, reaching into every region of the world and causing misery for unknown millions of citizens throughout the world. Drug trafficking just in the United States alone has reached a staggering \$64 billion in street sales, compared to an estimated \$48 billion in 1977. Obviously, this is only the tip of the iceberg since global narcotics traf-

ficking far exceeds that amount.

Both our nations share the common urgency to prevent and control drug trafficking. According to one recent report, the cultivation of illicit drugs in Oaxaca, an area of 570 municipalities and 2.8 million inhabitants, far exceeds the lawful cultivation of food crops by more than 7 billion pesos. Food crops in this area amount to 3.6 billion pesos, compared to the cultivation of marihuana and poppy valued at 10 billion pesos, thereby making Oaxaca the number one cultivator of marihuana and poppies in Mexico and replacing Sinaloa as the main producer of marihuana and heroin. (See article entitled, "Drug Crop in Oaxaca Worth More Than Legal Crops," by Rafael Medina C., Mexico City, Excelsior, 7 March 1981, Pp. 4-A, 20-A.)

We share this problem with you. In the United States, domestic cultivation of marihuana in California has become a billiondollar business, replacing that State's largest legal crop, grapes, by more than \$136

The "war" on drug abuse is a dangerous, difficult, and frustrating task confronting law enforcement officials throughout the

world. According to the regional coordinator of the Office of the Attorney General of the Republic of Mexico:

The fight against drug trafficking in the area is difficult. The drug traffickers take advantage of the [people . . . and] the fact that the Federal authorities cannot reach many of the sites in the mountain ridge. give the [people] money to sow death.

The regional coordinator further states that when government officials arrive to eradicate the marihuana and poppy fields,

The people receive us with applause and greeting from below. They think we are the same people who invited them to plant marihuana. When we land and tell them that that is bad, they agree, explaining that the ones who gave them seed and money also were in helicopters and were well armed.

Mr. Chairman, there is an urgent need for both our nations to continue to work closely together to prevent and control drug abuse. There is also an urgent need to develop a comprehensive, coordinated regional drug strategy designed (1) to interdict drug trafficking, (2) to eradicate the illicit production of drugs at their sources, (3) to educate our citizens regarding the dangers of drug abuse, and (4) to properly treat and rehabilitate those individuals who are dependent upon or addicted to drugs.

In this regard, we urge the Government of Mexico, whose drug eradication and drug interdiction programs are highly respected throughout the world, to help us formulate such a regional drug strategy. If the "war" on drug abuse in this part of the world is going to be won, then there is an urgent need for all of us to benefit from the leadership, skill and dedication of Mexico's law en-

forcement officials.

Mexico is a leader in the drug field * * * it is self-sufficient in this area. The entire international community is indebted to this great nation for the expenditure of funds and for the commitment of its law enforcement officials who have dedicated their lives to the interdiction of parcotics trafficking and to the eradication of the illicit production of drugs harvested in Mexico's dangerously rugged mountains.

Finally, Mr. Chairman, we commend the Government of Mexico for its support of the United Nations Funds for Drug Abuse Control (UNFDAC). Last year, for the first time since UNFDAC was created a decade ago, Mexico contributed to the UN Fund. In 1980, 6 nations from Latin America contributed \$25,000 to the UN Fund: Argentina (\$10,000); Bolivia (\$1,000); Brazil (\$5,000); Chile (\$3,000); Mexico (\$4,000); and Venezuela (\$2,000), compared to the \$20,000 contributed by Argentina, Brazil, Chile, and Venezuela for 1979. Hopefully, Mexico will encourage other members of the Latin community America to contribute UNFDAC.

With regard to United Nations drug initiatives, Mexico is to be commended for its leadership in hosting this December a UN sponsored conference on combating the illic-

it production of drugs.

Preventing and controlling drug abuse is a never-ending task * * * a herculean prob-lem. It requires the concerted, cooperative efforts of the entire international communi-ty. In this regard, Mexico plays a vital role: Its leadership and expertise are urgently needed. We encourage cooperative efforts between Mexico and our National Aeronautics and Space Administration (NASA) to develop sophisticated scanning devices to identify marihuana and opium poppy fields.

Mr. Chairman, on behalf of those in my Government who have been working on our drug problems, I want to thank the people of Mexico and its distinguished President for your efforts in assisting us in trying to stem the tide against drug traffickers whose business transactions are undermining the health of our citizens and corrupting the political, economic, and social institutions of our two great nations.

Thank you, Mr. Chairman, for providing

me this opportunity to share with you and this distinguished committee my thoughts regarding this vitally important issue.

BLANCHARD ANNOUNCES QUESTIONNAIRE RESULTS

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BLANCHARD. Mr. Speaker, earlier this spring I mailed a questionnaire to residents of Michigan's 18th Congressional District. My purpose was to find out what priorities people feel I should be spending my time on, and how people feel about President Reagan's economic policies.

To date I have received responses from nearly 5,000 citizens, I believe that the preliminary results of this survey would be of interest to my col-

leagues.

The questionnaire consisted of four parts. The results were as follows:

In response to the statement, "(A) I wish that you would give the President what he wants; (B) vote the interests of your district; (C) make your own judgment and vote as you think best", the breakdown was:

Give the President what he wants. Vote the interests of your district.. 41 Make your own judgment and vote 25 as you think best

In response to the statement, "I would like to see you spend your time on the following issues and activities", the 5 most frequently cited concerns were:

 Decreasing waste in Federal programs. 2. Preserving the social security system in its present form.

3. Reducing taxes.

4. Exempting education from budget cuts. 5. Diversifying and revitalizing Michigan's

Mr. Speaker, the difficulty we face is determining how best to make progress on these issues. Hopefully we can craft innovative and forwardminded proposals.

I would especially note that the fifth most often mentioned point, was the issue of diversifying and revitalizing Michigan's economy. While this issue would probably not be listed as a major concern in other parts of the country, the results of the questionnaire clearly demonstrates the need for developing an effective economic revitalization policy targeted to certain sectors and regions.

The House Banking Subcommittee on Economic Stabilization, which I chair, is in the process of a thorough indepth examination of the subject of economic revitalization. We have already conducted 17 days of hearings and heard from 61 witnesses in such key issues as capital formation, research and development, job retraining and relocating policies, the effects of high interest rates, the status of the defense industrial base, and urban infrastructure needs. We have also contacted experts from all over the country in the fields of business, labor, finance, and education seeking their ideas and insights. We plan to continue hearings in September and hopefully issue a report with recommendations later this fall.

CALIFORNIA ENERGY CONSERVATION PROJECT

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. DREIER. Mr. Speaker, I would like to take this opportunity to commend Southern California Edison Co. and the Community Services Department of San Bernardino County for the effective implementation of a unique, cost effective energy conservation project.

The southern California mobile home audit program resulted in an annual energy savings of approximately 500 kWh and an estimated \$40,000 reduction in energy costs for 1,000 lowincome families in San Bernardino County. I applaud this joint private/ public sector effort to reduce energy costs and conserve energy.

I am inserting an article which presents the specifics of this creative energy conservation effort which was awarded the President's Award for Energy Efficiency.

The article follows:

A joint conservation campaign sponsored by a San Bernardino County poverty agency and Edison has helped 1,000 low-income families reduce their energy bills by a total of nearly \$40,000.

In conjunction with the campaign, Robert L. Boyton, vice president, Eastern Division, presented a plaque during ceremonies before the County Board of Supervisors citing the "substantial contributions" that have been made.

Bob Hammock, board chairman, and Rodolfo Castro, executive director of the County Community Services Department (CSD), accepted the plaques, which read:

'In recognition of outstanding contribution to America's economic and national security, through exemplary leadership in the national effort to achieve energy efficien-

Edison and CSD focused their consideration efforts on low-income mobile home residents, since that group is among the hardest hit by rising energy costs.

Dina Hunter, SCE conservation resources

coordinator, said that Edison has contributed several thousand dollars for the year-

Energy-use surveys were conducted by CSD conservation teams trained by Edison personnel and were able to identify no-cost or low-cost ways to cut energy waste.

It's estimated that because of the yearlong, joint effort, the average family experienced an annual consumption cut of about 400 to 500 kilowatt-hours, representing an annual savings of about \$40,000 in reduced energy costs.

Most older mobile homes, it was pointed out, have little insulation. The metal sides and roofs act as conductors of heat and outdoor temperatures quickly transfer into living areas. The older mobile homes are thus hot in summer, cold in winter.

"In many cases, families in such situations were paying more than the average customer living in conventional housing," Boynton

Results of the campaign were noted in the Company's candidacy last year for the President's Award for Energy Efficiency. Edison was subsequently honored for "successful residential programs" which contributed to achieving the national goals of reducing U.S. oil imports during 1980.

"And remember," Ms. Hunter added, "the low-income families involved will be saving energy for years to come, thanks to this program."

SALUTE TO JANE HANSON

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

. Mr. SCHUMER. Mr. Speaker, it is with great honor that I rise to salute Ms. Jane Hanson of WNBC-TV in New York. Ms. Hanson is that special kind of reporter whose work in my district in Brooklyn typifies the impact a persevering and caring journalist can have on a neighborhood.

Jane Hanson first reported that raw sewage was backing up to residents' homes in the Midwood section of Brooklyn and that community pressure alone had not gotten the proper government agencies to alleviate the problem. She, however, did not stop there. She pursued the matter with district office staff and and pressed the municipal authorities who had theretofore turned a deaf ear to the residents. Ms. Hanson continued her efforts until the sewage pipes were repaired.

On behalf of our neighborhood, I want to thank Jane Hanson for an outstanding job of reporting and investigating and even more importantly, for her persistence and commitment in helping to solve what had seemed an unsolvable problem. She is a journalist that the people of New York City need, and we applaud her for her outstanding work.

CONGRESSMAN CLAY ADDRESS-ES THE LOW VOTER TURNOUT ISSUE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. STOKES. Mr. Speaker, I take this opportunity to bring to the attention of my colleagues an interesting and provocative article written by my distinguished colleague and good friend from the First Congressional District of Missouri—the Honorable WILLIAM "BILL" CLAY. The article is entitled "What Low Voter Turnout?" and was published in the July, 1981 St. Louis Journalism Review.

In the article, Congressman CLAY carefully examines the sometimes confusing and distorted view projected by media organizations to the Nation about the existence and reasons for the proverbial low voter turnout in recent national elections. In a very concise manner, Congressman CLAY clarifies the issue by contrasting the voter turnout in previous elections versus the 1976 and 1980 Presidential elections. From this contrast, he effectively sets the record straight about the dismally low voter turnout stories we hear so often.

Mr. Speaker, probably just as important, Congressman CLAY, in his well written article, outlines possible reasons as to why the voting record in this country is not better. It is on this point that I refer back to my initial statement that the article is quite provocative and is worthy of more than just passing acknowledgment.

I believe that the facts and theories presented by our distinguished colleague from Missouri on this matter provides a good starting point for Members of this body and journalists alike to responsibly analyze the voting behavior of the American people in general and more specifically, voting patterns of underrepresented groups in this nation.

At this point, Mr. Speaker, I insert in the Record, the article entitled "What Low Voter Turnout?" written by Congressman William "Bill" Clay. I hope that my colleagues will join me in applauding Congressman Clay's efforts in addressing this issue and in starting the dialog on the appropriate note for this issue.

The article follows:

WHAT LOW VOTER TURNOUT?

(By Representative WILLIAM L. CLAY)

The gentlemen of the media have made quite a to do about the fact that less than a majority of the voting age population participated in the 1976 and 1980 presidential elections. Editorials and news stories flourish with indignation because only 27.2% and 26.7% of the voting age population went to the polls in 1976 and 1980 respectively. The point is emphasized that the republic is fall-

ing apart and citizens no longer care about who will lead the nation.

But the simple truth is that those percentages are higher than the turnout for twenty-eight previous presidential elections. Not once in the history of this country has a majority of the voting age population cast votes to determine who would be president. It's misleading for the media to give the impression that the number of persons involving themselves in the electoral process is decreasing. That number may be shocking. but, nevertheless, it is not decreasing. It's pretty much par with the percentage of voters since 1920 when Warren Harding was elected by 25.6% of people of voting age. Certainly it's better than the 23.7% which elected Calvin Coolidge, the 25.3% which elected Harry S. Truman and the 26.4% which elected Richard Nixon to his first

Between 1828 and 1916, from Andrew Jackson to Woodrow Wilson, 23 presidents were elected. The highest percentage of voting age population participating was during the election of William McKinley and it was only 18.8 percent. Admittedly the entire populace was not permitted to vote during those years. Blacks were not permitted to vote until 1870 when the 15th Amendment abolished race as a barrier to voting. Even then only a few actually were permitted to vote. Then, in 1920, the 24th Amendment give suffrage to women. In 1971 the 26th Amendment lowered the voting age to 18 years, giving this privilege to those who were allowed to fight in the military.

Without attempting to condone the practice of not voting, it should be pointed out that there are many reasons people don't exercise this right. Probably the biggest reason is that they don't have the capability of relating government and its leadership to their everyday lives. But beyond that there are factors which tend to discourage voting. Registration in itself is an impediment. When the media attempts to compare election results in this country with foreign contests, the comparison is tainted. In most of the countries where 80 to 90 percent of the electorate go to the polls, there is no requirement for registration.

Perhaps the second biggest reason for boycotting elections is fear. Many are actually afraid to enter a polling booth and pull levers. Some cannot read and are ashamed to ask for assistance. Some are not acquainted with the candidates or issues and fear voting blindly. Others, usually in low income areas, refuse to register for fear that the information is not confidential. In too many instances they have moved to new residences in order to avoid creditors. A change of registration immediately alerts the creditor to their new addresses.

Criminal records also play a role in low registration and voting. In most states persons who have been convicted of a felony automatically lose citizenship and the right to vote. Until the governor or some state agency restores that citizenship, it is another felony to register to vote.

So, until the rules of the game are drastically changed, there will be no drastic change in the percentage of people who exercise their right to vote.

CAREER INTERN PROGRAMS

HON, ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. HILLIS. Mr. Speaker, unemployment among our youth remains unacceptably high. Unless we take the necessary actions to lower the unemployment rate among teens, we will soon have an entire generation of capable people who have never held a meaningful job. This type of tragedy cannot be allowed to happen.

As our lives become more complicated due to ever higher levels of technology, the level of education needed to obtain gainful employment increases. Young people who have failed to learn how to read and write adequately, or who have simply dropped out of school, are unable to compete in today's job market. The sophistication of today's technologies means that even entry-level jobs require high school degrees at a minimum.

Our Government must address the problems associated with youth unemployment. To help in this effort, I have today introduced a bill which I feel will go a long way in solving the problems of youth unemployment. The bill will encourage local educational agencies to develop career intern programs (CIP).

The career intern program is not a new idea. It is a proven way of helping the educationally disadvantaged unemployed youth. The program was started in the early 1970's by Dr. Leon Sullivan through the Opportunities Industrialization Centers in six cities. Since then hundreds of young people have earned a high school degree through the CIP's.

The following is an excerpt from an OIC publication discussing in detail the career intern program. I commend this reading to every Member of the House. Hopefully, when the Congress returns in September work can begin to insure passage of this program.

The decade of the 1960's was a time of struggle, strife and turmoil. Millions of Americans who had been systematically excluded from the economic mainstream of American society demanded access to improved economic conditions. The nonviolent protests of the Civil Rights Movement opened the doors of opportunity for a few of these alienated and disenchanted Americans. The vast majority, however, lacking skills to compete for meaningful jobs, were left in a state of hopelessness, frustration and despair. Their anger erupted into riots in urban centers throughout America.

The Opportunities Industrialization Centers of America (OIC/A) was born during this period, led by Dr. Leon H. Sullivan, Founder and Chairman of the Board. OIC provides alternatives through training and services which enable the poor and the disadvantaged to make reality of their hopes. From the beginning, in 1964, the program

focused on individualized, integrated work/ life planning, fusing academic instruction, skills development and personal and occupational counseling.

Today, OIC/A is the largest private, nonprofit, skills-training network in America. OIC programs are in over 140 communities in various states, serving thousands of adult

poor and disadvantaged persons.

As the impact of OIC/A spread throughout America and the world, Dr. Sullivan turned his attention to the problems of young people who were dropping out of high school. Without a diploma and without a job skill, they were poorly prepared for a constructive role in society. To stem the tide of dropout-ism, Dr. Sullivan formulated the Urban Career Education Center (UCEC) in 1971. It involved parents supportively in the educational, career and personal development of their children. It introduced career education concepts and techniques into traditional school curricula. The first CIP was a model, experimental career education program. With the endorsement and cooperation of the Philadelphia Board of Education, and the support of the National Institute of Education and the Office of Education, UCEC was initiated as a pilot project in Philadelphia, Pennsylvania. Its central component was an alternative high school program for potential and actual high school dropouts, as well as other students who needed help to integrate their educational, career and personal goals. Thus was born the Career Intern Program (CIP). Since then, expansion of the Program has been guided by the experience OIC has gained from organizing independent affiliates throughout America and abroad.

Formal, internal and external assessment has been rigorously applied to refine the CIP model. Current operations are rooted in the experience of what works. There are now five CIP branches, locally operated but based on CIP principles. The CIP design provides the flexibility needed to adapt to

local conditions.

CIP requires each intern to set specific career goals and to work toward those goals. Interns are provided with a consistent flow of honest feedback on both educational and personal progress. Assessments are formalized in report cards; interns also are appraised in other ways: staff conferences review each intern's status, problems, progress and contingency alternatives. Thus, constant communication between staff and interns provides honest "readings" of individuals' progress.

Program performance has been objectively measured. In 1972, the National Institute of Education established an external evaluation component to conduct a rigorous formative and summative evaluation of the

Career Intern Program.

The evaluation consisted of administering a battery of standardized instruments to measure the comparability of CIP interns to control and comparison groups in academic, career and personal growth. The control groups were randomly selected and the comparison groups consisted of traditional high school students. An ethnographic design was employed to identify casual linkages and basic interrelationships among various components of the CIP and observed intern outcomes. A follow-up component was added to the evaluation to determine what happens to interns after graduation from CIP.

No CIP program starts without the endorsement and a resolution of cooperation and support from the local school system.

CIPs are authorized to function as an adjunct to the school system, to enroll eligible youth as interns, to help interns earn the course credits necessary for graduation and to validate those credits. The CIP course requirements and credit-awarding procedures meet local educational standards. CIP staff members should meet the certification requirements of the local school system.

Each CIP thus becomes semiautonomous, observing the procedures of the local school system but providing an alternative educational experience and setting for students. Each CIP cultivates a close working relationship with its local school system. It is not a rival, but rather a specialist and an ally to the school system, educating disadvantaged youth. Interns maintain their association with their "parent" school and can participate in athletic and extracurricular programs. Upon graduation, they receive diplomas from that school. The strong, cooperative bond between CIP and the local school system gives interns a mix which furthers their educational, personal and career goals.

For CIP to be viable on a local level, other strong supports have been established. These include, but are not limited to, cooperative linkages with the business and industrial sector, institutions of higher learning, skills-training and technical schools, social service and community agencies, state and local governmental institutions, civic and professional groups. CIP staff members continually strengthen and broaden this array of supportive linkages so that interns have access to a network of effective ancillary services. A CIP Advisory Council is an important channel for this support systems; with representation from the public and private sectors. Local Councils assist in expansion and practical implementation of the linkage system. Council members also advise the CIP leadership of changing conditions and new opportunities in the various fields they represent.

The CIPs incorporated the OIC policy of cementing partnerships with federal, state and local agencies. They recruited as advisors, executors of major business and industrial corporations, religious and social institutions, community and civic groups, and educational and professional organizations.

After passage of the Youth Employment and Demonstration Projects in 1977, Dr. Robert Taggart, former Administrator of the Department of Labor's Office of Youth Programs, and the National Institute of Education authorized OIC/A to establish four additional CIPs: Detroit, Michigar; New York, New York; Poughkeepsie, New York; and Seattle, Washington. This was to test whether CIP would work in communities with different clienteles and different programs.

In such manner, CIP evolved from problem-analysis, adapted OIC philosophies and formulated career education concepts which have been tested and have proven effective in a variety of settings. It is a replicable, educationally-sound model. It is flexible and responsive. It adapts to specific community and youth problems. Interns get individualized, one-on-one attention. The program fosters a supportive atmosphere. CIP interns respond positively to a staff which cares about them, respects them and gives them practical assistance in the maturation process. CIP interns develop social identity and a positive sense of status, tools which will help them all their lives. CIP is not where they have to be, but where they choose to

Interns learn first-hand how and why employers select, supervise, discharge or promote employees. They learn which skills, work habits and interpersonal techniques are essential. They learn about career options in the world of work. They are prepared to address that world and to negotiate for themselves a place in the economic life of the nation.

CIP staffs deal with the personalized needs of the whole individual. Academic progress is inter-related with personal wellbeing. Curricular materials, teaching and counseling methodologies are designed to facilite individual and groups inquiry, to fuse career and affective information into academic subject areas, and to provide opportunities for experimental learning through in-class and out-of-class experiences. CIP staff members impart positive expectations to interns and convey both the determination and inspiration that interns can, will and must succeed.

Recruitment is active wherever young people congregate. Referrals come from the school system. Others are nominated by social, religious, and community agencies, by parents and peers. Some candidates are found in pool halls, youth centers, and on street corners. CIP recruiting is designed to reach and involve all eligible and interested youth within a community.

From the first day, staff members strive

From the first day, staff members strive to create an atmosphere of awareness, understanding and cooperation with a prospective intern. Parents are encouraged to become involved, as they must become an active and integral part of the educational process.

The Intake Interview and an assessment determine the youth's potential for adaptability to CIP, and that CIP is the program the youth is seeking and needs. Since CIP is designed to screen young people in and not out, all efforts are made to insure that a correct and unanimous decision is made by the prospective intern, his/her parent(s) and the CIP staff. If it is determined that another program would be more appropriate, CIP refers the youth to such a program. CIP staff "follow-up" afterwards to see that youth get such other services.

Orientation officially welcomes the intern into CIP and gives interns and their parents additional information about CIP. Orientation facilitates information exchange, fosters supportive relationships between interns, their families and staff, and estab-

lishes mutual goals.

Career Awareness course offerings consistent with the courses required by the local school system. They vary in accordance with the state and local educational reguirements. Classes and other activities provide fundamental academic skills, improve attitudes and stimulate interest. Instructors use creativity and initative in designing course syllabi and lesson plans-consistent with school system requirements. They utilize minilessons, individualized instruction, small or large group interactions, didactics, and other teaching techniques. Subject matter, activities and materials are careeroriented. Career fairs, resource speakers. field trips, and off-campus activities correlate classroom subject-matter with the surrounding environment, the world of work, and personal, career and academic aspira-

During the summer, interns become involved in other summer employment programs, summer classroom programming, off-campus educational programming, or consumer programming. This keeps them

motivated and committed to learning while meeting their income needs.

CIP utilizes the entire community as a learning resource. More advanced interns who have accrued sufficient credits and are successfully progressing in all levels of CIP endeavors are involved in a variety of other activities. These include educational enrichment programs, collaborative programming with postsecondary institutions, technical schools, and on-the-job training.

Counseling is intensely individualized and encompasses academic, career, and personal development. Counseling sessions are held with each intern at least once every two weeks. Counseling is the coordinative bond to provide such services to interns as child care, employment, health, etc., from service resource centers within the community. Counseling also involves parents in support activities to assist interns in achieving their goals. Counseling support further prepares the intern for the attitudinal and behavioral adjustments which are required in the world of work.

As interns complete more quarters (or semesters depending upon the schedule of the local school system), and accrue more credits toward graduation, more advanced course work is introduced. A variety of more sophisticated instructional methodologies are used. More specialized career-oriented subject matter and supplementary materials are introduced. Career options are explored through career fairs, resource speakers who are employers, field trips, and off-campus activities. There is more intensive career counseling as well as greater parental involvement.

As interns begin to focus upon particular careers, they are prepared for their "handsexperiences. Interns spend time at worksites where they observe pace and procedures and learn the parameters and educational requirements of careers in which they are interested. This usually includes performing tasks, under a worksite supervisor, through which they learn more dimensions of the work world. (When company or union regulations preclude their performing "hands-on" tasks, the interns observe in-tently—and review processes and procedures afterward, in class.) Interns who complete the "hands-on" phase of their training have a more realistic perception of their career choices, the world, and the expectations associated with their career choices.

When the intern approaches graduation, planning for the next level of activity begins. Interns interested in college get enrollment and scholarship information. Interns interested in employment are taught job-finding skills. Those seeking advanced skills or technical training are assisted to enroll in appropriate institutions. Interns interested in the armed forces or on-the-job training are assisted in researching proper placement. CIP is designed to insure interns' transition into situations commensurate with their training, abilities, goals and ambitions.

Entering the 1980s, the problems of youth have reached epidemic proportions. With no chance for meaningful careers and lives, millions are dropping out of school. The unemployment rate has reached nearly 40% among some youths. Hopelessness and despair are spreading.

The CIP's effectiveness has been demonstrated in terms of the compelling evidence presented in the publication, the Career Intern Program: Final Report: An Experiment in Career Education That Worked and the Citing of CIP by the U.S. Divison of

Education's Joint Dissemination Review Panel as an exemplary, educational program in 1977. Though the evaluation reports for the CIP Replication have not been published, (they are to be published by June 1981), the Interim Reports present strongly encouraging evidence, across sites, of the effectiveness of the CIP on a national plane. According to the Reports, among the findings are:

Statistically significant gains were observed in both reading and math across sites.

Statistically significant gains were observed across sites on the Planning, Use-of-Resources, and Informational Scales of the Career Development Inventory; the Self-Esteem Inventory, and the Internal-External Scale.

Enforcement of maintenance, system, e.g. school rules and regulations regarding promptness, appropriate apparel, etc., contributes to interns' internalizing "world-of-work" norms.

Enforcement of the program's maintenance component is also responsible for the absence of profanity, smoking in class or in the hallways, graffiti and loitering.

The use of contracts and various teaching devices contribute to a greater understanding and sense of responsibility on the part of the intern.

Maintaining high expectations of interns, personally and academically, contributes to an improved attendance pattern, higher grades, and increased self-esteem for many interns.

Providing a supportive context for interns contributes directly to increased attendance, higher grades, selection of a career, and graduation.

Providing auxiliary services, e.g. day care facilities, enable them to attend on a regular basis.

VOTING RIGHTS REQUIRE BIPARTISAN SUPPORT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. McCLORY. Mr. Speaker, the Voting Rights Act of 1965 extended in 1970 and again in 1975 will expire in October 1982.

Efforts to further extend this act are based upon a need to continue its beneficial effects without impairing the voting rights of any American against whom discrimination might still be practiced.

It should be borne in mind that under the 1965 legislation those States and counties which are subjected automatically to the stringent requirements of this law have been obliged to submit all statutes and ordinances relating to elections or voting to the U.S. Attorney General for preclearance. This requirement imposes a 60-day delay in the effective date of all such measures pending which the Attorney General may interpose objections and thereby nullify the attempts of States and local units of government to amend their statutes or ordinances.

In the pending legislation intended to extend for another 10-year period, the original Voting Rights Act, substantial interest has been expressed to permit States and counties to bail out of the stringent preclearance requirements where practices of discrimination have been discontinued. Certainly a 10-year record of nondiscrimination would seem sufficient to liberate States and communities from the burdensome preclearance provisions.

Mr. Speaker, the diligent efforts to reach a bipartisan agreement on this issue were frustrated, not from within the committee but from sources outside the committee structure where adamant demands were made, intended to impose restrictions on affected jurisdictions even beyond those established in the original Voting Rights Act of 1965.

Mr. Speaker, it is my hope that a bipartisan measure may yet emerge from persons of good will in this body from both sides of the political aisle. Fairness and equity should control our actions. Precious voting rights should be enhanced, discrimination must be discouraged, and those jurisdictions where discrimination has been eliminated should be restored to equality with other areas of the Nation where Federal examiners have never been installed and where preclearance has never been imposed.

Mr. Speaker, the Voting Rights Act must not be permitted to descend into the uncertainty of the political arena when a truly bipartisan solution is ready and available to keep this worthwhile program in effect.

THE DEFENSE BUDGET IN CONTEXT

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. WALGREN. Mr. Speaker, as the Congress has deliberated the 1982 Federal budget in recent months, I have had deep reservations about the level of defense funding that has been approved.

The Reagan administration has requested \$222 billion for the Department of Defense for 1982. The administration has indicated that they plan to spend \$374 billion annually by 1986, meaning that defense will receive 37.6 percent of the Federal budget compared to the 24.7 percent it now receives. During this 5-year buildup, defense expenditures will total \$1.65 trillion.

Congress has in effect ratified this plan by adopting the Gramm-Latta amendment to the budget resolution, by adopting the Gramm-Latta reconciliation amendments, and by approving the Department of Defense Authorization Act, H.R. 3519.

I am disappointed and worried about the course this administration has set for defense and which Congress seems willing to rubberstamp. No one, and certainly not I, denies the need for a strong defense. But we should put the magnitude of these numbers in perspective and examine just what these dollars buy for us. Few Americans can conceive of \$1.65 trillion; it is a mind-boggling figure. What it means is spending \$1 billion a day in 1986.

I am troubled about this course for several reasons: First, national priorities have gone awry; second, efforts to cut waste from the Defense Department have failed; yet almost every other Federal program has been reduced; third, spending \$1.65 trillion is not good economics; fourth, spending \$1.65 trillion will not necessarily get us a good defense.

PRIORITIES ASKEW

The flood of budget cutting has left the Department of Defense essentially untouched. The Gramm-Latta budget included \$226.3 billion for 1982. Let us compare this to some other programs. For the current year, the following programs are receiving these amounts:

[In millions]

Elementary and secondary educa-	
tion	\$2,800
Education for handicapped chil-	
dren	1,100
Alcohol and drug abuse education.	3
Rehabilitation services for the dis-	
abled	930
Home health care	4
National Cancer Institute	1,000
Emergency medical services	30
Highway safety research	9
Mass transit	3,700
Bridge repairs	200
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Quite frankly, I think this policy puts peoples' needs last.

Waste, fraud, and abuse have been popular catchwords lately, yet we have refused to apply them to the DOD, and to that Department alone. Congresswoman Schroeder proposed a sensible amendment, requiring the President to cut \$8 billion of waste from the Defense Department by January 15, 1982. In my view, this was quite reasonable in light of the \$16 billion or more of waste found by both the GAO and the Republican Study Committee. I supported that amendment, but it was voted down.

There are ways to reduce the Defense budget and I have cast several votes to do so:

On July 16, I voted for the Schroeder amendment to require the President to make rescissions of at least \$8 billion in Defense Department spending so as to combat waste, fraud, and abuse.

On July 9, I voted for an amendment that would have permitted the President to transfer B-1 procurement funds to research and development for an advanced technology bomber.

On July 9, I also supported measures to reduce spending for the MX by \$2.4 billion and to prohibit obligation or expenditure of funds for the MX missile system basing mode until the President certifies a specific mode to Congress, and Congress is given 60 days in which to disapprove the basing mode selected.

On May 7, I voted against the Gramm-Latta budget, which allocated \$226 billion to the Department of Defense, \$7 billion more than in the Jones budget, which I supported.

On July 16, I voted to tighten up on multiyear weapons procurements, which increasingly have resulted in seemingly uncontrollable cost overruns.

DEFENSE SPENDING IS INFLATIONARY BY ITS NATURE

Economic recovery has also been the watchword this year, but I am not convinced that massive spending for defense is going to revitalize our economy. In fact, it might help drag it down. Quite simply, putting money into expensive weapons systems is inflationary by its very nature. Just as printing money to cover deficit spending by the Government leads to inflation by causing more dollars to chase the same amount of goods, defense expenditures, by their very nature, have the same inflationary result.

It is in the nature of defense spending that the product produced by our money is removed from the market-place because we do not offer things like the B-1 bomber for sale. The result of removing the work product of defense expenditures from the marketplace is to have the same amount of money chasing fewer goods. The inflationary effect of this kind of spending is equal to deficit spending; defense spending only affects the other side of the equation that must be kept in balance if we are to avoid inflation.

TRILLIONS DO NOT MEAN A STRONG DEFENSE

The philosophy reflected in the size of these figures seems to suggest that spending is the sole path to a strong defense. In my view, there are several other important elements.

First, there is people. We must have members of the Armed Forces with a high morale and dedication to their country. To attract and retain these individuals, we must offer incentives and provide good working conditions. And yet, what few military cuts that have been made have been made in the people aspect of the military—not the weapons, not procurement, not in the military functions that are duplicated in the various branches.

Maintaining peace and national security also depend on cooperative international defense, like that that we have with NATO, with efforts like nuclear disarmament and arms limitations—not to mention a healthy domestic economy. I am very afraid that this spend-spend course will endanger international peace, by stimulating a new arms race and by threatening our economy with more inflation.

I have supported and voted for a strong national defense. I am concerned that defense spending today is going largely unscrutinized, largely unquestioned. When programs like social security, school lunches, and medicare get slashed, defense too must take a share of the slice.

Because the average person does buy things like guns and airplanes, the production of defense equipment will result in the same number of dollars chasing fewers goods. When the same amount of dollars chases fewer goods, inflation will be inevitable.

GARY HYMEL ENTERS PRIVATE SECTOR

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mrs. BOGGS. Mr. Speaker, at the beginning of last month a very good friend and key employee of the House of Representatives left to enter the private sector. I am sure all of us feel the loss of our good friend, Gary Hymel, but we understand his reasons for leaving, and we congratulate Gray & Co. for its gain.

Gary was a long-time close personal friend and confidant of mine and my family. He has helped me immeasurably over the years by providing advice, counsel, and moral support in times both trying and joyous. His dear wife, Winky, and their lively and attractive children have added precious dimensions to our relationship.

Last Saturday, the Richmond Times-Dispatch carried a column in which Gary shares some of his observations of the political changes that have taken place in this body in the years since he came to Washington to work with my husband, Hale. I would like to take this opportunity to share Nick Thimmesch's column with my colleagues.

[From the Richmond Times-Dispatch, July 31, 1981]

THE SPEAKER LOSES RIGHT-HAND MAN (By Nick Thimmesch)

Washington.—Gary Hymel, until recently Tip O'Neill's right-hand man, is little known in the Republic, but was an important figure on Capitol Hill for 16 years. To hear Hymel, a gentlemanly Louisianaian, ruminate is to realize how dramatically Congress has changed in recent years.

When Hymel arrived in 1965 as the late Hale Boggs' administrative assistant, the great Society legislation of the Johnson administration was being churned out. The federal government swelled and so did Congress The number of House employees has nearly doubled since Hymel arrived, and now totals 12,200. It costs nearly three times as much to just run Congress now. Where there were 107 subcommittees in 1972, often unstaffed and lethargic, there are now 136 busy ones fully staffed.

"The proliferation of subcommittee and staffing is the biggest change in my time on the Hill," Hymel says. "By allowing younger members to bid for subcommittee and committee posts, and even let them become chairmen, the old seniority system was shook. The Watergate class of 1974 made the reforms, but they were originated by the Democratic Study Group (a liberal congressional organization).

"Another big change involves trust.

"People don't trust each other like they did when I came here. If a committee voted a bill out, members trusted the chairman's advice to vote for it. Now, the members are younger and brighter and want everything proved."

In an earlier time, say, when Sam Rayburn was speaker, freshmen members were sworn in, and resigned themselves to constituent services, listening to their elders, and waiting for years before earning a measure of power. That situation prevailed in Hymel's first years on the Hill when John McCormick was speaker.

"LBJ had made a fine art out of tuning Congress, and with the discipline we had then, legislation poured through," Hymel said. "When Tip was leader during the Watergate period, and Carl Albert was speaker, Congress overwhelmed Nixon. The benchmark was when Congress passed the anti-impoundment act, and stopped Nixon from tying up funds.

"Nowadays, there isn't the party loyalty there was when I first came. Members get elected by running against the Establishment. There's less fun up here and more scrutiny by the press. There are fewer characters and wheel horses—the kind of men with a sense of humor who didn't take themselves so seriously. And there are no more spitoons. The last one was owned by Speaker McCormick."

In 1971, Hymel's boss, Hale Boggs, was killed in an airplane crash in Alaska where he was compaigning for Rep. Nick Begich. "You know," says Hymel, "that trip showed the kind of man Hale was. Begich had opposed Hale when he ran for leader, but Hale went out and campaigned for him because he felt the key to being a good leader is not to get mad and stay mad.

"Hale hired me from the New Orleans States-Item where I was a political reporter. He thought I knew the political turf in Louisiana and could help him. He treated me fine, and was the brightest man I ever knew.

fine, and was the brightest man I ever knew. "With Hale gone, Tip became leader and kept me in the job. I was the only Southerner on his staff. Tip felt I could help him with the Southerners. But New Orleans is a little different from the rest of the South.

"Tip and I had some things in common—we are both Catholics, Jesuit-educated, and regarded ourselves as liberals. I must say that Tip wasn't for McGovern in 1972 though. He was the only Massachusetts delegate for Ed Muskie.

"The hardest decision in my life was to leave Tip. He was a great boss, a warm human being, unpretentious, and totally honest. I had been holding back, and finally, at the elevator one day, I just let it out, and I flinched a little."

O'Neill misses Hymel professionally and personally. Hymel was the eyes and ears for

Tip on the Hill, and also served as his connection to the press. But Hymel, father of eight, has three children in college and a wife about to enter college. He felt that his \$55,000 salary wasn't enough, though it is top pay on the Hill for a staffer.

So Hymel, 48, signed on with Bob Gray, a Reagan Republican, who runs an influential public relations firm. Hymel is now paid a selery reported to be in six figures.

salary reported to be in six figures.

He'll be working the Hill, but in a different way. He has lost none of his affection for it. "The beauty of the House is that it is a mirror of what America is," Hymel says. "America is more educated and independent now, and so is the House. Running every two years is good for members, because it makes them respond to their constituencies. This is a very human institution.

SOCIAL SECURITY OVERVIEW

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. SHUMWAY. Mr. Speaker, no issue has generated more controversy and caused more concern among the citizens of this country than that of the future of the social security system. The intense debate over social security's financial problems has tended to undermine public confidence in the ability of the system to meet future commitments; current and future retirees alike are growing increasingly concerned that anticipated benefits may not be forthcoming at all.

Because of the confusion presently surrounding the social security debate, I would like to take this opportunity to discuss the history of the social security system, the nature of current problems, and prospects for the future. In so doing, I hope to lay to rest much of the misunderstanding which now exists.

When the social security system was established in 1935, it encompassed a social insurance system to provide benefits for retired workers, an unemployment compensation program to be financed by the States, and a mechanism for matching grants to States to provide help for the aged, blind, dependent and crippled children, and for maternal and child welfare. Title II of the basic Social Security Act provides the statutory authority for the old age survivors insurance program (OASI) and the disability insurance program (DI), through which most current recipients receive benefits.

Social security was originally intended to be a form of social insurance to protect against the loss of income at retirement. It was never expected that social security would be the only means of support for the elderly, but rather one source of income to be supplemented by private investments, pensions, and savings. As a social insurance plan, social security is today further meant to protect individual

workers and their families from income loss as a result of occurrences such as retirement, death, and disability, as well as to protect society as a whole from the problems associated with those individuals who, for one reason or another, are not self-sufficient. Inherent in this basic premise is the concept of social adequacy rather than social equity. Unlike traditional annuities, for instance, benefits are not now and were never intended to be allocated strictly on the basis of earnings and years employed, but are instead computed by a benefit formula weighted to favor the long-term, lowwage earner. In so doing, social security is to some degree an income redistribution system which awards the highest relative benefit to the lowest earner, and vice versa.

The original act covered only workers in commercial and industrial occupations—about 60 percent of the workforce in 1935—but amendments over the years have extended mandatory coverage to more employee classes as well as increased the categories of eligible beneficiaries.

Federal employees as well as railroad workers were exempt from the outset because it was felt their own retirement systems were adequate. State and local government employees were excluded because of the constitutional difficulties levying a Federal tax on States and localities; nonprofit employees were considered to have the same tax-exempt status as their employing organizations, and agricultural and domestic workers were excluded because of administrative problems in keeping comprehensive wage histories-one of the advantages of social security is that OASDI credits are "portable," that is, "carried" with the employee as he moves from job to job.

Over the years, mandatory coverage for OASDI has been extended to regularly employed domestic and farmworkers, most self-employed professionals, members of the Armed Forces, Federal civilian employees not under a retirement system, residents of Puerto Rico and the Virgin Islands, Americans working overseas for American employers, home workers, ministers, and some religious orders. Voluntary group coverage was extended to State and local government employees as well as to nonprofit workers.

As mandatory coverage was expanded, so have the categories of eligible beneficiaries. The original act provided benefits to retirees age 65 or older who had been paid wages in 5 different years—after 1936 and before reaching age 65—the sum total of which was not less than \$2,000. Recognizing the effect that loss of income could have on an entire family, the act was amended in 1939 to provide benefits to dependents and survivors of insured wage earners—the eligible cate-

gories included: Aged wife, child under 18, widowed mother caring for an eligible child, aged widow and dependent aged parents, if there were no surviving eligible widow or child. This approach also served to further the concept of social adequacy since benefits are not strictly related to contributions-even though a single wage earner and the primary wage earner of a household pay the same payroll tax, the family of the primary wage earner receives a higher return on contributions through survivors benefits than does a single person who would only receive his or her retirement benefits.

Currently, primary old-age benefits are paid to a fully insured worker who has reached age 62—the amount of monthly payment is 80 percent of what would otherwise be received at age 65—and terminate with the monthly payment for the month prior to the death of the insured worker.

Primary disability benefits are paid to workers who are unable to engage in "substantial gainful activity" by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted for a period of not less than 12 consecutive months, or blindness. A disability-insured worker under age 65 is entitled to a disability benefit after a waiting period of 5 consecutive months; benefits terminate with the payment for the month prior to the month of death or attainment of age 65, whichever happens first. A worker receiving disability becomes entitled to an old-age benefit when he reaches age 65.

As noted, secondary benefits-that is, benefits payable to dependents and survivors of the wage earner-have expanded drastically since the social security system was established: Dependent aged husbands of insured workers were added in 1950; widows, aged 62 in 1956; children aged 18 to 21 who are full-time students, in 1965; undergraduate students up to the end of the quarter or semester of their 22d birthday, in 1972; and dependent grandchildren in 1972. In 1965, the hospital insurance (HI) benefits program (medicare, part A) was started, financed by a portion of the payroll tax. In addition, benefit levels have been repeatedly raised and adjusted for inflation.

Contrary to widespread popular opinion, OASI benefits are not paid to illegal aliens. In fact, it is far more likely that such illegal workers are paying social security taxes, but never collecting benefits, and that they are obtaining false social security cards to work rather than to collect benefits. Further, supplemental security income (SSI) which is totally funded through general revenues-although administered by the Social Security Administration-is paid only to eligible U.S. citizens or eligible aliens legally admitted for permanent residence.

With regard to prisoners' benefits, Public Law 96-473 passed last year suspends the payment of DI benefits to any individual who is in prison due to conviction of a felony unless he or she is actively and satisfactorily participating in a court-approved rehabilitation program. Legislation has been introduced in this Congress to suspend all social security benefits paid to prisoners

The mechanism by which the social security system is financed is often misunderstood. Since its beginning, social security has essentially been operated on a current-cost financing basis; that is, current taxes are used to pay current benefits and administrative expenses, and to maintain the reserve levels of the trust funds. A few, relatively minor programs are funded by general revenues. Because the current-cost financing mechanism is designed to produce tax collections that are approximately equal to the beneand administrative expenses during a given period-plus a small amount to maintain the trust funds at an appropriate contingency level-the trust funds generally serve as reserve accounts only, to be used to pay benefits for a short period of time should current payroll taxes not be sufficient to cover all of the costs of current benefits

Since an individual's contributions to the system are not retained by the trust funds, but are passed along to pay benefits to current retirees, the social security program is sometimes said to be a "treaty among generations" whereby current workers pay OASDI taxes which are used to fund benefits for an older generation of retirees. When the younger generation reaches retirement age, its social security benefits will be paid only if the following generation of workers agrees to support the system with its taxes. Viewed in this light, the system can also be termed an intergenerational income-transfer mechanism, by which part of the earnings of current workers is transferred to current retirees.

The current-cost financing system was more than adequate in 1935 when there were 11 workers for every person 65 or older. Today, however, there are only three workers for every retiree, and by the year 2020, the ratio is expected to be 2 to 1. Further, when social security was enacted, the life expectancy of the average American was 61 years. Today it is 73.2 years; those males who reach the age of 65 today can expect to live an additional 14 years, females an additional 18.4 years.

Initially, social security was financed by a matching 1-percent employer-employee tax on maximum earnings of \$3,000. The tax rate was first increased in 1950, to 1.5 percent on \$3,600, and has since been raised on several occasions—including the 1977 enactment of the largest peacetime tax increase in our history. Today the social security or FICA tax is 6.65 percent on maximum wages of \$29,700, for a maximum annual tax contribution of \$1,975.05. Yet, because of inflation, unemployment, the demographic changes mentioned above, rising health care costs, and extended benefit coverage, current social security taxes cannot assure the future solvency of the system.

Each year the trustees of the OASDI and HI funds-the Secretaries of the Treasury, Labor, and Health and Human Services, and the Commissioner of Social Security-issue a report to Congress and the public on the financial condition of the trust funds. This annual report outlines trust funds expenditures for the previous year, and provides long-range, actuarial predictions of trust fund financing and retiree benefit needs based on several different scenarios. While actuarial assumptions can be highly accurate, they are nevertheless dependent on variables such as employment rates-high unemployment decreases contributions-inflationhigh cost-of-living adjustments increase expenditures-and the kind of demographic changes discussed earli-

At this point, I would like to quote from the Trustees' 1981 annual report:

The actuarial cost estimates presented in this report are based upon economic assumptions which are subject to considerable uncertainty. Nevertheless, it is virtually certain that, unless legislation to strengthen the financial status of the OASI Trust Fund is enacted soon, that fund will be exhausted in the latter half of 1982. The DI Trust Fund, on the other hand, is projected to increase rapidly. The enactment of legislation to reallocate tax rates from the DI Trust Fund to the OASI Trust Fund or to permit interfund borrowing between the two funds would not, however, postpone the latter's exhaustion by more than a few months.

The fact of the matter is that, based on current projections, the OASI fund will be bankrupt by fall 1982 unless major changes are soon made. Simply stated, the increase in benefits paid is now significantly greater than revenues received. The problem is not new—the large 1977 social security tax increase was an effort to insure solvency at that time-nor is it by any means insoluable. In this regard, much of the political rhetoric that has surrounded the social security question thus far has been quite misleading. In drawing attention to the precarious nature of social security financing, the administration and others are not attempting to frighten or threaten recipients, and are not contemplating a reduction in benefits for current retirees, but rather are attempting to openly explain the problems that now exist. In so doing, reasonable and effective solutions can be openly debated and hopefully implemented before insolvency becomes a real threat.

From the outset, the administration has expressed its willingness to compromise on its preliminary proposals, which have not yet been introduced in the form of legislation. As announced by Secretary Schweiker in May, the administration proposes to reduce the pensions of workers who retire before age 65, reduce somewhat payments to those who retire at the age of 65 or older-again, no current recipients would be affected-relate disability insurance more closely to a worker's earnings history and medical condition, and eliminate the social security minimum benefit. The administration also proposes to abolish the outside earnings limitation on recipients between the ages of 65 and 72, and to gradually reduce the social security payroll tax.

With respect to early retirement, those who elect to retire at age 62 receive, under current law, 80 percent of the benefits they would be entitled to at age 65. The President proposes to discourage early retirement by offering only 55 percent of the maximum entitlement for those who retire at age 62, but under the President's plan, this amount would gradually escalate over an 18-month period until, at age 63½, retirees would receive exactly what they would have under existing law: 80 percent of full benefits.

Although I do not necessarily agree with all of the changes proposed by the administration, these proposals have the advantage of restoring both the short- and long-term solvency of the system without raising the retirement age, without taxing benefits, without changing the cost-of-living adjustment formula, and except for a one-time delay in the COLA of 3 months, not affecting current retirees.

The elimination of the minimum benefit is another proposal which has generated tremendous constituent concern, and one which I would like to discuss briefly.

The original Social Security Act of 1935 provided for a minimum social security benefit of \$10 a month in the interest of administrative efficiency and to avoid the public relations problems that would arise if very small monthly benefits were paid. The minimum benefit amount has been continuously raised over the year, and in 1972 a special benefit computation formula was provided by Congress for certain long-term, low-paid workers so that no one would get less than the minimum payment—currently \$122 per month-regardless of the amount earned through contributions. The share of minimum payments which exceeds earned benefits constitutes a pure welfare payment; one which the trust funds can no longer afford.

Careful analysis of the 3 million minimum payment recipients indicates that virtually none would suffer significant hardship as a result of this change. The General Accounting Office estimates that 1.2 million would continue to receive the same size payment because they earn the benefit based on their contributions or because they are classed as "minimum" through an accounting technicality; 200,000 are college students and minor children of double-dippers; up to 800,000 have comfortable total incomes which exceed an average of \$20,000 a year. Only about 300,000 would be seriously affected by elimination of the minimum benefit, and even they would be protected by a Federal safety net of supplemental security income, food stamps, and medicaid

which, added together, provide the equivalent of \$6,980 for individuals and \$10,600 per couple. Another 500,000 could make up the loss, dollar

for dollar, through SSI.

Other comprehensive legislation to restructure social security financing and benefits-most notably H.R. 3207 introduced by Representative JAKE PICKLE-is currently pending in the Ways and Means Subcommittee on Social Security. Several of the provisions of H.R. 3207 have already been included in the Omnibus Reconciliation Act of 1981, including the phaseout of postsecondary student benefits, termination of mothers' and fathers benefits when a child attains age 16. elimination of the minimum benefit-PICKLE's bill would have eliminated it prospectively, but the Reconciliation Act applied the termination to both current and future minimum beneficiaries-rounding of benefits, a cap on disability benefits, and elimination of funding-with certain exceptions for vocational rehabilitation services.

In closing, Mr. Speaker, the social security system has been one of this country's most successful social programs. I share the President's desire to restrain the growth of the nonretirement portions of social security, and to redirect the program to its original purpose. Further, I am committed to doing all I can to see that those who have contributed for many years to the social security system continue to receive their rightful benefits upon retirement.

A SALUTE TO FRANK L. "DOC" KELKER

HON. LOUIS STOKES

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IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to bring the man who, in every sense of the phrase, has been the doctor of the spirit of the city of Cleveland and many of its residents to the attention of my colleagues—Mr. Frank L. "Doc" Kelker. Probably more than any other Clevelander in recent memory, Frank "Doc" Kelker has helped to cure the societal ills of the city and pave the way for achievements by both the city and its residents.

As Doc Kelker, as we affectionately call him, enters retirement, I would like to pay tribute to him on behalf of the residents of the 21st Congressional District.

Mr. Speaker, I can attest to the outstanding virtues of Doc Kelker through the long association that I have had with him. My brother, Carl, and I were two of the Clevelanders of whom I spoke who were taken under the protective wing of Doc Kelker. He showed us that mediocrity was intolerable. He instilled in us the philosophy that bridging the gap between rich and poor, white and black and between the haves and the have-nots should be our primary goal. We aspired to these philosophies because of the shining example Doc Kelker set for us to follow.

Mr. Speaker, like many other Clevelanders, I remember when Doc Kelker came to the old Central High School in Cleveland as the physical education teacher. It was at that time that he took an interest in me and my brother.

The guidance and fatherly image he portrayed continued as I participated in youth clubs directed by him at the central YMCA in Cleveland. Throughout our association, he armed me with both the physical strength and moral conviction which has helped me to achieve and face seemingly insurmountable odds. I know that he did similar things for others. That is why the respect and love for Doc Kelker is shared by so many people in the city of Cleveland.

Mr. Speaker, you would think that a man like Doc Kelker who had dedicated himself to improving the lives of so many young people and the vitality of the city would have little time for career achievements in his own right. This is not the case with Doc Kelker. A well-known high school and college athlete, Doc Kelker went on to become chairman of the Cuyahoga Community College Board of Trustees, a great civic and civil rights leader, and confidant to many of the public officials in the city of Cleveland.

In his career, Doc Kelker fought racism and forged new paths where others dared not tread. He almost singlehandedly has taken this drive, determination, and power and instilled it in prominent city officials so that Cleveland today is a much better place for all residents to live regardless of their race or economic class.

EXTENSIONS OF REMARKS

Mr. Speaker, Doc Kelker is a man of great integrity. He is a man of great vision. He is loved and respected by

people throughout the city.

Most importantly, Doc Kelker is one of Cleveland's shining stars. He placed a glimmer of hope in the lives of many of the less fortunate in the city while letting them know that success in any endeavor was within their reach. For these unmatchable gifts and for being an exceptional human being, I thank him and send him my best wishes as he enters retirement.

At this time, Mr. Speaker, I would like my colleagues to join me in wishing Doc Kelker the very best as he starts his new life. I enter in the RECORD an article which appeared in the Cleveland Plain Dealer on Doc

Kelker:

[From the Cleveland Plain Dealer, May 24, 19811

DOC KELKER HELPED MOLD, HOLD CLEVELAND TOGETHER

(By Dan Coughlin)

People remember Frank L. (Doc) Kelker as a great athlete, probably the greatest who ever played for Western Reserve University in its heyday as a regional sports power in the 1930s. This is unfortunate, because that is but a speck on the sundial of his life.

The impact Kelker made on Cleveland in the 43 years since he was graduated is the stuff of legend. He was part of this city's backbone. He helped mold it. He helped

"Everything I ever was, did or will be was Cleveland," he said May 12, the final day his address was 13935 Southington Rd., Shaker Heights.

Kelker, 65, and his wife, Audrey, left the next day for their retirement residence, an

apartment in Los Angeles.

'My wife has a sister and two brothers there. She's been bugging me-no, she asked me to consider it-for a long time," Kelker explained. "Oh, yes, I'll miss Cleveland. But you remember when the Browns played Oakland last January? We were in Los Angeles and watched it on television. It was 85 degrees. The next day it was 90."

Kelker had more going-away parties than anybody in recent memory, 15, he estimat-ed. Every civic group he belonged to honored him with a luncheon: Cuyahoga Community College, Juvenile Court, the Citizens League, Rotary Club, Marymount Hospital, Dyke College, Case Western Reserve University, and the Great Lakes Region of the YMCA. Mostly it was the YMCA, where he

spent the last 41 years.

Kelker did not become rich, although he was graduated from Western Reserve in 1938 with honors and with nine athletic letters, three each in football, basketball and track. Upon graduation, he was offered coveted jobs in Cleveland industry. He eschewed them to work with youngsters

For two years he taught and coached at old Central High. In 1940 he joined the Cedar YMCA, where he remained until 1950, when he moved to Kansas City as executive director of a YMCA there. In 1956, he returned to Cleveland and became executive director of the Cedar YMCA.

All the time, the legend of Kelker as a civic leader grew. He became chairman of the board of Cuyahoga Community College, which he served nine years. Last year, he served as foreman of the Cuyahoga County grand jury. Afterward, he advocated abolition of the grand jury system, calling it redundant.

Ironically, the man who gave so much was rewarded with abuse late in his term as chairman of the CCC trustees. In 1969, during the peak of racial unrest, black students labeled him an Uncle Tom and called him a pig and racist.

There were times during that turbulent period when that became almost a full-time job," Kelker reflected. "One time we had meetings for 15 consecutive days.

Kelker's philosophy never changed. He turned the other cheek and plunged even more enthusiastically into his job.

"All these things I became involved in were therapeutic," he explained. "If they asked me to join something, I wouldn't unless I knew something about it and felt I could make a contribution. So few people are willing to take on responsibilities beyond their jobs. So many people helped me. I wanted to do my fair share to make life better for everybody."

Like those who taunted him in the '60s, Kelker experienced racial ostracism

He came out of Dover High School in 1934, after leading the Tornadoes to undefeated football seasons and to the state basketball championship. Paul Brown, who coached Massillon at the time, dropped Dover from his football schedule after Kelker's team beat Massillon two years in a

Kelker recalls that there were about 1,000 blacks in Dover's population of about 10,000 in those days. As a youngster he was oblivious to racism. It didn't touch him until he made a trip to Springfield with the Dover High basketball team.

"We went into a hamburger stand, just a little hamburger stand, and they wouldn't serve me. We thought those people were crazy. So we all left," Kelker recalled.
"You'll see a lot of that," his father ad-

vised him.

When Dover played for the state basketball championship in Columbus, Kelker found that as the only black on the team, the only place he could get a meal in the state capital was the diner at the railroad

He was headed to Ohio State University. where the coaches said he would break the Big Ten color barrier, but Western Reserve coach Sam Willaman persuaded Kelker's father to send the young man to Cleveland.

"My father said I was going to Western Reserve, and I said, 'Yes, sir,'" Kelker re-

College scholarships for blacks were rare in those days. Kelker was an exception. A scholarship at Western Reserve consisted of free tuition, period. He worked for his room, board and everything else.

He rose at 5 a.m. to sweep floors and wash walls at Flora Stone Mather College, working three hours each morning for 40 cents an hour. After classes and practice for either football, basketball or track, he studied and then sifted ashes at the school power plant.

He was graduated with honors.

He made Little All-American in football. He scored as many as 21 points in basketball. He ran the 100-yard dash in 9.9 seconds and the quarter mile in 49.1 seconds, both school records at the time. His speed was remarkable for a man so big, 6 feet 2 and 195

Kelker set school scoring records in basketball against competition that included such major powers as Stanford, Nebraska, Notre Dame and City College of New York.

Until the Unversity of Dayton and Syracuse defeated Reserve on consecutive Saturdays, Kelker had played in 53 straight victorious football games in high school and col-

On the football field, Kelker was a rangy, sure-handed end who also occasionally carried the ball from the backfield position and on end reverses.

Kelker was a target not only for his own tailback's passes, but for the other teams' mayhem. He always had to be alert on the football field, jumping to his feet after making a tackle. When he was on the ground, he was vulnerable to a kick-not because he was Kelker, the great football player, but because he was Kelker, the black football player.

"People always asked me why I jumped up so quick," he said with a laugh. "I said I was anxious for the next play. It was survival, that's what it was.'

He wasn't always quick enough. He came out of some games with his face swollen and bleeding, his countenance bearing enemy bootmarks. He was knocked out of the Dayton game in the first quarter because of a vicious kick, for which his assailant apologized many months later.

Kelker learned in later years that some schools, Nebraska and Georgetown among them, canceled football games with Western Reserve because of Kelker.

His contemporaries contend he could have starred in the National Football League or in major league baseball, but professional sports were not sufficiently enlightened.

In September, following graduation from Reserve, Kelker played on an Ohio collegiate all-star team in an exhibition game against the Cleveland Rams of the NFL. The Rams won, 9-0, at League Park.

Kelker recalls a Rams' assistant coach saying to him afterward, "We'd like to use you, but you know we can't do that."

The idea of traveling around the country playing in the Negro National League of baseball did not appeal to him. Thereafter his sports interests were in golf. He became an excellent golfer, scoring in the mid-70s. Later he gave golf lessons.

"I'd teach doctors how to play golf," he remembered. "I'd call them Joe or Bob or John. They'd call me Doc."

Many people thought Kelker was a medical doctor because of that nickname. He acquired it as a toddler learning to say "Da

The nickname was pinned on him by his twin brother, Fred, who died of cancer three years ago.

The Doc spent a lifetime trying to cure what ails Cleveland. He has been closer to former Mayors Ralph J. Locher and Carl B. Stokes and Mayor George V. Voinovich. Locher was a football foe at Heidelberg. Stokes and his brother, Rep. Louis Stokes, D-21, came under Kelker's wing at the

"This city is having its problems, but they can be cured. The city is better than it was,' Kelker maintained.

The city is better, of course, because of Doc Kelker.

THE SMALL BUSINESS INNOVATION RESEARCH ACT

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. BEDELL. Mr. Speaker, today I am introducing a bill, the Small Business Innovation Research Act, together with the Honorable Joe McDade, the Honorable JERRY LEWIS, and 42 cosponsors. This bill seeks to amend the Small Business Act to strengthen the role of small innovative firms in federally funded research and development programs.

I believe this bill will also serve to strengthen our Nation's economy. We are in grave danger of losing our technological superiority and this dearly affects our desire to maintain our national security, achieve energy independence, increase our industrial productivity and expand the quality of

our lives.

The bill we are introducing today is similar to one introduced in the Senate by Senator RUDMAN. The Senate bill has attracted 82 cosponsors. The bill simply requires that large Federal agencies with research and development budgets over \$100 million establish a small business innovative research (SBIR) program to enable small firms to develop new products and processes that fall within areas of national need as designated

by the agency.

The small business innovative research programs the agencies will organize under this legislation will be modeled after the National Science Foundation's successful small business program. That program provides for a three-phase developmental cycle for small business research and development proposals. In the first phase, selected proposals are funded to determine technical feasibility. Phase II funding would be given to those projects that are deemed technically feasible and are suited for the marketplace. Phase III requires that the private sector pay for the commercial development of the research.

This legislation also requires that Federal agencies with research budgets in excess of \$20 million annually evaluate their activities with small business contractors and set goals that would increase the role of small businesses in their research and development contracting activities every year.

Mr. Speaker, this bill is needed because the role of innovative small businesses has continuously been neglected by Federal agencies. The statistics are astounding. In addition to being the economy's leader in job creation and employment growth, small businesses have provided this Nation with over half of our major innovations since World War II. According to the

National Science Foundation, small businesses are far more cost effective than larger corporations when engaging in research, producing 24 times more innovations per research and de-

velopment dollar.

How do our Federal agencies respond to those statistics? The answer is disappointing, but the facts are that small businesses' share of Federal research and development funding is between 3 and 4 percent of the total Federal research and development effort. For example, one witness told the Small Business Committee Senate that of the more than \$15 billion of Federal research and development procurred from business, just 70 companies contract for 80 percent of this research, and only 4 companies contract for nearly 20 percent.

find those statistics incredible. Those large companies whose research programs are being financed by the Federal Government have the funds to pay for their own research. Of course, there are some projects of such a huge scale that the prime contract work must be performed by large companies; but is it really necessary for the Federal Government to fund for a new automobile engine program with General Motors, or pay to develop the commercial viability of a catalyst

These companies have plenty of money to fund their own research programs. And are we that naive to believe that a large company, with considerable investment in existing technologies, is going to fully and quickly exploit a new innovation that may make a part of their product line obso-

owned by the Mobil Oil Co.

lete?

Small businesses, on the other hand, do not have the access to internally generated funds to support their research programs. And they do not have the embedded investments in other product lines, manufacturing facilities, and channels of distribution that are threatened by new innovations. It is in the best interest of a small firm to quickly and fully exploit new innovations, through joint ventures, licensing agreements, and internal growth. This self-serving interest on the part of the small entrepreneur in turn serves the best interests of society.

Mr. Speaker, it is important to note that this legislation would require no new Federal spending. In fact, where applicable, I would like to see the Federal Government recoup its investment in successful research and development projects. I would like to encourage Federal agencies to set their own rules in this area. This legislation merely states that each Federal agency that is covered, set aside by 1984 only 2 percent of what it is already spending on research and development for its small business innovative research program.

In light of the tremendous contributions that small business makes to our Nation's economy, it is not unreasonable for Congress to ask that large Federal agencies spend 2 percent of their research budgets to promote small business innovative research.

Mr. Speaker, I ask unanimous consent that the text of the bill be print-

ed in the RECORD.

H.R. 4373

A bill to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the Small Business Innovation Research Act of

Sec. 2. (a) The Congress finds that-

(1) technological innovation creates jobs. increases productivity, competition, and economic growth, and is a valuable counterforce to inflation and the United States balance-of-payments deficit; and

(2) while small business is the principal source of significant innovations in the Nation, the vast majority of federally funded research and development is conducted by large businesses, universities, and Government laboratories.

(b) Therefore, the purposes of this Act

(1) to stimulate technological innovation; (2) to use small businesses to meet Federal

research and development needs; and (3) to increase private sector commercialization of innovations derived from Federal research and development.

SEC. 3. Section 9(b) of the Small Business Act is amended-

(1) by striking out "and" at the end of clause (2):

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof and"; and

(3) by adding at the end thereof the following:

'(4) to develop and maintain a source file and an information program to assure each qualified and interested small business concern the opportunity to participate in Federal agency small business innovation research programs;

"(5) to coordinate with participating agencies a schedule for release of SBIR solicitations, and to prepare a master release schedule so as to maximize small businesses opportunities to respond to solicitations:

"(6) to independently survey and monitor the operation of SBIR programs within par-

ticipating Federal agencies; and

'(7) to report annually to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives on the SBIR programs of the Federal agencies and the Administration's information and monitoring efforts related to the SBIR programs.".

SEC. 4. Section 9 of the Small Business Act is amended by adding at the end thereof the

following new subsections:

"(e) For the purpose of this section-"(1) the term 'Federal agency' means an executive agency as defined in section 105 of title 5, United States Code, or a military department as defined in section 102 of such title:

title;
"(2) the term 'funding agreement' means
any contract, grant, or cooperative agreement entered into between any Federal
agency and any small business for the performance of experimental, developmental,
or research work funded in whole or in part
by the Federal Government;

"(3) the term 'small innovation research program' or 'SBIR' means a program under which a portion of a Federal agency's research or research and development effort is reserved for award to small business concerns through a simplified, standardized acquisition process having a first place for determining, insofar as possible, the technical and economic feasibility of ideas proposed under the program, and a second phase, the awarding of which shall take into consideration the potential commercial applications of the research or research and develop-ment, to further develop the proposed idea to meet the particular agency needs; and a third phase where private capital pursues commercial applications of the research or research and development; phase three may also involve follow-on production contracts

Government; and "(4) the term 'research' or 'research and development' means any activity which is (A) a systematic study directed toward fuller scientific knowledge of the subject studied; (B) a systematic study directed specifically toward applying new scientific knowledge to meet a recognized need; or (C) a systematic application of new scientific knowledge toward production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements. Such term does not include studies related to the social sci-

with some agencies for products or processes intended for use by the United States

ences or the humanities.

"(f) Each Federal agency which has a research or research and development budget in excess of \$100,000,000 for any fiscal year beginning with fiscal year 1982 shall expend not less than three-tenths of 1 per centum of such budget for fiscal year 1982, not less than 1 per centum for fiscal year 1983, and not less than 2 per centum of such budget for all subsequent fiscal years with small business concerns specifically in connection with a small business innovation research program which meets the requirements of this Act and regulations issued hereunder. Funding agreements with small business concerns for research or research and development which result from competitive or single source selections other than under an SBIR program shall not be counted as meeting any portion of the percentage requirements of this section.

"(g) Each Federal agency required by subsection (f) to establish a small business innovation research program shall in accordance with this Act and regulations issued

hereunder-

"(1) establish an agency small business in-

novation research program;

"(2) determine categories of projects to be in its SBIR program;

"(3) issue SBIR solicitations in accordance with a schedule determined cooperatively with the Small Business Administration;

"(4) receive and evaluate proposals result-

ing from SBIR proposals;

"(5) select awardees for its SBIR funding agreements:

"(6) administer its own SBIR funding agreements (or delegate such administration to another agency);

"(7) make payments to recipients of SBIR funding agreements on the basis of progress toward or completion of the funding agreement requirements; and

"(8) make an annual report on the SBIR program to the Small Business Administra-

tion.

"(h) In addition to the requirements of subsection (f), each Federal agency which has a budget for research or research and development in excess of \$20,000,000 for any fiscal year beginning with fiscal year 1982 shall establish goals specifically for funding agreements for research or research and development to small business concerns, and no goal established under this subsection shall be less in actual percentage than the portion of research or research and development awards made to small businesses in 1981

"(i) Each Federal agency required by this section to have an SBIR program or to establish goals shall report annually to the Small Business Administration the number of awards pursuant to grants, contracts, or cooperative agreements over \$10,000 in amount and the dollar value of all such awards, identifying SBIR awards and comparing the number and amount of such awards with awards to other than small business concerns

business concerns.

"(j)(1) The Administrator of the Office of Federal Procurement Policy, in conjunction with the Small Business Administration, shall promulgate and issue appropriate regulations, in accordance with the provisions of subsections (f), (g), and (h) and within one hundred and twenty days after the date of enactment of the Small Business Innovation Research Act of 1981, for conduct of small business innovation research programs within the Federal Government. Such regulations shall—

"(A) provide for simplified standardized and timely SBIR solicitations, proposals,

and evaluation processes; and

"(B) require Federal agencies to coordinate SBIR solicitation release schedules with the Small Business Administration.

"(2) The National Science Foundation and the Small Business Administration shall furnish the Administrator of the Office of Federal Procurement Policy advice and assistance in the promulgation of regulations under this section.".

SEC. 5. The amendments made by this Act do not authorize the appropriation of

funds.

TRIBUTE TO THE MEMORY OF MASTER BUILDER ROBERT MOSES

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. SCHEUER. Mr. Speaker, I rise to pay tribute to the memory of

to pay tribute to the memory of master builder Robert Moses, who passed away on July 29, 1981, of con-

gestive heart failure.

Mr. Moses was a firm believer in satisfying the needs of the people, especially those of moderate resources. Due to his efforts to connect New York City with its outlying areasthrough the construction of 481 miles of highways and 11 bridges—Moses made New York City the "Nation's

first city for the automobile age." He will also be remembered for his work in building 75 State parks, 658 playgrounds, the New York Coliseum, the Lincoln Center, the Robert Moses Niagara Powerplant, zoos, civic centers, exhibition halls, the 1964-65 New York World's Fair, and Jones Beach—as well as other beaches. Moses also reconditioned Central Park Zoo. Many of these projects were funded by the revenues obtained from previous projects that came under the control of the public authority.

During his 40 years of service, he held positions on the city planning commission and the housing authority. Moses also served as New York City Park Commissioner from 1934-60, the head of the city parks department and Triborough bridge authority, consultant to the Triborough bridge and tunnel authority, and city construction coordinator. He was also instrumental in bringing the United Nations to its present East River location.

The city of New York and the Nation at large are indebted to Robert Moses for his vision, his creative genius, and his lasting contribution to the society in which he lived.

A-PLANT FUNDING STATEMENT

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. McEWEN. Mr. Speaker, I want to express my sincere appreciation that both the budget reconciliation bill and the energy and water appropriations bill contain the necessary funding for continuing the scheduled construction of the gas centrifuge uranium plant at Portsmouth. The timely completion of this plant is a key element in reestablishing the United States as a reliable international supplier of enriched uranium. To date, foreign sales of enrichment totaling nearly \$3 billion have added favorably to our balance of trade.

The assured supply of uranium is also an essential element in the development of alternative energy sources in this country. In addition to supplying 100 percent of our domestic needs. all the requirement for defense needs must be met by the gaseous diffusion plants operated by the Department of Energy. DOE currently holds longterm contracts to supply separative work well above the capacity of its diffusion plants. These demands for enrichment can be met most economically by keeping the Portsmouth centrifuge plant on schedule for operation in 1989.

There are other compelling reasons to complete the Portsmouth plant as rapidly as possible. The centrifuge process requires one-twentieth the electric power consumed in the diffusion process. The energy savings would result in tremendous cost savings as well.

In closing, let me point out another serious problem addressed by the enrichment activities. Today there are approximately 10,000 people engaged in the operation, maintenance, and support of the three diffusion plants at Portsmouth, Oak Ridge, and Paducah. In addition, more than 3,000 people at all locations are engaged in the design and construction of the gas centrifuge project. This does not include the subcontractors who supply components, materials and servicesperhaps another 5,000 to 7,000 people gainfully employed by this worthwhile project.

The important economic impact of uranium enrichment on U.S. jobs, balance of trade, and efforts to reduce dependence on foreign oil are quite evident. Therefore, I thank my colleagues for their foresight in approving adequate funding for this project so vital to the interests of the United States.

MY VOTE AGAINST THE REAGAN TAX CUTS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

 Mr. STOKES. Mr. Speaker, I have received many inquiries relative to my vote on President Reagan's tax cut proposals. I think it is important for me to state for the record my reasons for not supporting the President's proposals.

First, let me assure you that I believe that tax reform is essential to the revitalization of the Nation's economy. I do not believe, however, that the administration's tax reform proposals will provide economic relief or incentives in those areas needed to stimulate our economy. Unfortunately, and I use this term in complete sincerity, the House of Representatives approved the administration's tax proposals by a vote of 238 to 195 on July 29, 1981.

I did not support the administration's proposals because I believe that these proposals are geared toward the rich rather than the low- and middleincome families who really need tax relief. I disagree with the administration's "trickle down" philosophy which has already proven to be inequitable and unworkable in this country back in the early part of this century.

The Washington Post has labeled the tax package "a monstrous grab bag of expensive gimmicks" which "could lead to a nearly uncontrollable loss of revenue in future years." The combination of untargeted individual

tax cuts, distortionary business tax cuts, and special interest provisions will fail to encourage orderly economic growth and will produce massive deficits. At a time when the public is increasingly concerned about the reality of future budget cuts and inflation, the magnitude and bias of these tax cuts can hardly be justified. Public opinion polls have shown that voters do not want large tax cuts that will set off another round of rampant inflation.

The individual tax cuts in the President's proposals would disproportionately benefit upper-income taxpayers who are less vulnerable to inflation and cuts in Government programs. These taxpayers would receive virtually all the benefits from more favorable capital gains treatment, the all-savers certificates, incentive stock options for executives, and estate and gift tax

The business depreciation proposal, 10-5-3, would cost more than \$100 billion between fiscal year 1981 and fiscal year 1990. Although 10-5-3 has been billed as a major stimulus for all industries, it would, in fact, provide uneven benefits and distort investment flows. It would be especially generous to very profitable, capital-intensive industries and in some cases would actually provide tax subsidies for investments in certain kinds of assets when the new, more valuable investment tax credit is taken into account. As a result, businesses will be encouraged to invest in plants and equipment solely because of tax benefits. Similarly, investors will be drawn to invest in some industries for their tax shelter potential, not for their prospects for long-run economic growth.

The tax proposal which I supported, the Udall-Obey-Reuss substitute, was the only fiscally responsible and realistic proposal. This substitute would have provided significant tax reductions while balancing the budget. It would have resulted in a \$2 billion surplus in fiscal year 1982 and more than \$20 billion surplus in fiscal year 1983. The substitute permitted a balanced budget which would not have required the Government to enter the money market and compete with businesses and private borrowers to raise the money to pay for the tax cut. In addition, the substitute contained no costly special interest giveaways to the oil industry, savings and loans, and the very wealthy.

For individuals, the Udall-Obey-Reuss substitute would have provided the lions share of tax relief to those families with incomes of \$30,000 and below—the majority of the American public. The Udall-Obey-Reuss approach would have allocated 50 percent of the tax cut for these families as compared with only 36 percent under the administration's bill. In

stark contrast, the administration's bill provides a whopping 35 percent of the tax relief to the most wealthy families in America—those with incomes above \$100,000. These prosperous families would have received a more moderate 18 percent of the tax cut under the Udall-Obey-Reuss substitute.

For businesses, the substitute would have provided \$9.5 billion in tax incentives for modernization and increased productivity in fiscal year 1982. It would have helped small businesses by lowering their corporate tax rates and widening the tax brackets, but would not have provided bailouts to failing industries or unnecessary cuts in the maximum tax rates for large corporations.

Mr. Speaker, this is why I did not support the President's tax cut proposals. As in the past I will continue to oppose those Reagan policies which I deem to be inimicable to the best interests of the American people.

ENDORSEMENT OF SOLIDARITY DAY

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. SAVAGE. Mr. Speaker, on July 8, I sent a letter to Lane Kirkland, President of the AFL-CIO, informing him that I was circulating a "Dear Colleague" among the Members of the House of Representatives, asking for their endorsement of Solidarity Day.

I think the American people should be aware of the Representatives who are actively opposed to the Reagan administration's "feed the rich and starve the poor" economic program.

Listed below are the names of those who have endorsed Solidarity Day. I would like to take this opportunity to commend them and thank them for their support.

MEMBERS OF CONGRESS—SOLIDARITY DAY ENDORSEMENT

Joseph Addabbo of New York. Mike Barnes of Maryland. Jonathan Bingham of New York David Bonior of Michigan. William Brodhead of Michigan. John Burton of California. Phil Burton of California. Bill Clay of Missouri. Cardiss Collins of Illinois. John Conyers of Michigan. George Danielson of California. Ron Dellums of California. Bob Edgar of Pennsylvania. Dante Fascell of Florida. Geraldine Ferraro of New York. Thomas Foglietta of Pennsylvania. Harold Ford of Tennessee Augustus Hawkins of California. John LaFalce of New York. Mike Lowery of Washington. Nicholas Mavroules of Massachusetts. Barbara Mikulski of Maryland. Parren Mitchell of Maryland

Austin Murphy of Pennsylvania.
James Oberstar of Minnesota.
Richard Ottiner of New York.
Claude Pepper of Florida.
Henry Reuss of Wisconsin.
Pat Schroeder of Colorado.
Charles Schumer of New York.
John Seiberling of Ohio.
Stephen Solarz of New York.
Ted Weiss of New York.
Frederick Richmond of New York.

A THANK YOU FROM A GRATEFUL NATION

HON. ED WEBER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

· Mr. WEBER of Ohio. Mr. Speaker, August 30, 1981, will mark the end of a 33-year career of a medical officer in the U.S. Army who dedicated himself unselfishly to the service of our country. His efforts have gone beyond the realm of just duty. It has touched the lives indirectly of everyone in every State, Puerto Rico, the Virgin Islands, Guam, and the District of Columbia. I am referring to Col. John Raymond Daniels, U.S. Army, affectionately known as Jack Daniels. He is a fellow Ohioan. He is from Columbus, Ohio. He typifies the all-American from the Midwest and never hesitates to make the fact known that his hometown is Columbus, Ohio. Yes, you can take the boy out of the country, but you cannot take the country out of the boy-that is Jack.

Columbus, Ohio was the center of his formal education—North High School, Ohio State University, and his medical degree from the Ohio State University College of Medicine in 1950. His medical internship was served at William Beaumont Army Hospital in Texas and he came to Washington, D.C. in 1952 to attend the Army Medical Graduate School at Walter Reed

Medical Center.

I will quickly touch on some highlights of his career before I concentrate on his final assignment here in Washington. In August 1952, he was assigned as the Army Surgeon of MAAG—Formosa where he worked closely with the Chinese Nationalist Army. Using an interpreter was timeconsuming, so he learned to speak Mandarin. In July 1954, Captain Daniels was sent to airborne school at Fort Bragg, N.C., where he earned his parachute wings. He subsequently attended the jump master school there and made 54 jumps from the heavens. He was assigned as Regimental Surgeon of the 82d Airborne Division, and sent to Germany as Clearing Company Commander and later, Medical Battalion Commander of the 11th Airborne Division. He learned to speak German there.

November 1957 and the following year found Major Daniels in general surgery at the U.S. Army Hospital at

Fort Bragg. That tour was followed by service in urology at Tripler Army Hospital in Hawaii. It was during that tour that he met and married Lorna Leong Douglas. His Hawaiian assignment moved him to the famous Schofield Barracks. However, all good things must come to an end. At the end of 2 years, in February 1962, he was transferred to Fort Hood, Tex.

In Texas, Lieutenant Colonel Daniels was the Division Surgeon of the First Armored Division. Shortly thereafter, he was transferred to Fort Lawton, Wash., and then for 1 year from July 1964, was the Corps Surfrom July 1964, was the Corps Surfrom July 1964.

geon of I Corps in Korea.

It was in September 1965 that he was first assigned to the National Guard Bureau at the Pentagon as the Army Surgeon, an assignment which he thought would be his longest tour-5 years. There he began the task of pulling all the loose ends togetherthere it was that he realized he needed all his experience and knowledge of hospital and field medical training. His ability and his personality were assets and a great deal of diplomacy was required since he dealt with all the adjutant generals and the State physicians of the Army National Guard. He slowly became aware of the needs and most of all basic requirements to function more effectively in their respective missions.

At the end of 5 years, Col. Jack Daniels was sent to Alaska as the Chief Surgeon of the Army Medical Alaskan Command. Again, there he established new guidelines and implemented the regulations which were required for the then expanding command. He was even able to establish a rapport with the State medical officers and the Natives in the bush, making it possible for the villagers in the back country to receive basic medical assistance while using unique ideas and giving the Army physicians the practice they wanted. You can't say that Jack doesn't make the most of an assign-

Following the rigors and hardship of Alaska for 2 years, Jack and his family were packed off for another 2-year assignment at Schofield Barracks in Hawaii again.

And then, in April 1974, Col. John Daniels was reassigned back to the Pentagon—a tour to last 7 years! He was asked to return to his old job as Army Surgeon of the Army National Guard Bureau—but the responsibilities were greater in view of the emphasis being focused on the growing National Guard of our country and the growing decline of the Volunteer Army.

It is on this tour that I would be remiss if I did not especially recognize his efforts which went beyond the scope that was required. He established and implemented ideas which stirred the very spirit and drive of his

colleagues and fellow physicians throughout the Nation. He guided the medical officers of the Army National Guard in programs which helped them in their own areas of responsibility. Those programs and ideas were successful and are ensconced as procedures today.

Jack Daniels is responsible for the medical readiness of 390,000 individual Army National Guardsmen and the organizational readiness of more than 200 Army Guard medical units comprised of 20,000 individuals. He substantially upgraded the medical situation within the Army National Guard throughout the country by creating a centrally planned, regionally coordinated, and State-operated medical service. He successfully established an Army National Guard physicians assistant program coordinating with the U.S. Air Force which enabled the Army Guard to utilize their facilities to train personnel in a physicians assistant program when such capabilities were not available within the Army. He was also able to establish a civilian education program for licensed practical nurses using the facilities of the civilian community to train these personnel for Army National Guard duty. He established three Army National Guard medical brigades in the three Army areas, one of which is in Ohio.

In face of the acute shortage of physicians in the military and in order to procure and retain qualified physicians in the Army National Guard, Jack established a program which enabled physicians in the National Guard to participate in a continuing medical education (CME) program at Federal expense.

Jack, no doubt, has gained much satisfaction from his career in realizing the fruits of his efforts to build and maintain a physically fit and healthy Army National Guard. His colleagues and multitude of friends are sad to see him leave for other challenges.

The Army National Guard found recognition as a result of Jack's efforts to become active in the Association of Military Surgeons of the United States where he served as Chairman of the Army National Guard Section. The section is now well-established and the Army National Guard has found its place in this prestigious medical association. It can now share in decisions with other military services of our country.

Colonel Daniels has been recognized by individual States and other governments he has worked with. Among the awards he was decorated with by the Army, he wears the Legion of Merit with Oak Leaf Cluster, Meritorious Service Medal with Oak Leaf Cluster, the Army Commendation Medal, the Good Conduct Medal, American Campaign Medal, and the World War II Victory Medal.

He still finds the time to belong to civic organizations. He is a member of the American Medical Association, Association of American Physicians and Surgeons, Association of Military Surgeons of the United States, a Member of the Pan-Pacific Surgical Association, and an active member of the Arlington Rotary Club.

Jack found the time to be a father to his son, Capt. William Douglas, who is stationed in Fairbanks, Alaska, Glen Douglas of Spokane Washington, Tom who is a senior at Dartmouth, and his daughters, Lori attending Mary Washington College and Lisa attending James Madison University, both of

Virginia.

Mr. Speaker, on behalf of the citizens of Ohio and the rest of the Nation, I would like to express our heartfelt thanks to Col. John Raymond Daniels, a friend whom I am proud of, for a job well done. I wish him good health and success in all his future endeavors.

VISTA PROGRAM

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. WEISS. Mr. Speaker, I am extremely disturbed by the recent charges issued against the VISTA program by the new Director of ACTION, Thomas Pauken. His attack is unwarranted and illustrates the Director's inexcusable disregard for the goals of the program. Clearly, the dubious action of the administration's appointee reflects the President's interest in eliminating this valuable program.

Mr. Pauken recently distributed a "hit list" of 32 VISTA projects which had allegedly taken "partisan political positions" which they are prohibited from doing. The evidence makes clear, however, that these accusations are nothing more than an attempt to undermine many worthwhile VISTA

projects.

The factual errors and distortions in Mr. Pauken's list betray the haphazard methodology used to prepare it. At the time the list was compiled, 6 of the 32 criticized projects no longer had VISTA volunteers on staff. Projects were singled out for no discernible reason and without indepth documentation of their purported wrongdoing. Each of the questionable projects has been previously approved by the ACTION State and regional offices as well as by the Governor of each State involved. Many targeted projects, such as the Massachusetts Association of Older Americans, which has succeeded in securing the construction of housing projects and an eye clinic for the elderly, have been applauded for their contribution by public officials in the communities they serve.

The VISTA program embodies many of the values that we as Americans

of the values that we as Americans have espoused throughout our history. Over the 17 years it has existed, it has proven that our noble tradition of volunteerism can effectively help people

to help themselves.

Since 1964, VISTA has focused its attention on the most challenging and serious of our Nation's concerns: Poverty, equality and social justice; 70,000 men and women of all ages and ethnic groups have served as VISTA's in thousands of communities across the country. They have successfully demonstrated innovative approaches to assisting the less privileged and fostering feelings of hope in their communities.

Last year, 4,000 VISTA's served more than 4 million low-income people. A recent survey found that each VISTA volunteer mobilized an average of \$25,000 in resources at the local level and recruited an average of 15 community volunteers to work on the project. Remarkably, 75 percent of the projects were continued and supported by the community after the VISTA assistance was phased out.

There are many examples of the fine work that VISTA has performed to date. In 1 year, 4 VISTA's, working with a citizens' organization in Chicago, generated jobs for 1,200 unemployed people. Two tenement buildings were rehabilitated and converted into cooperative apartments for low-income residents in the South Bronx through the work of VISTA's and the neighborhood association. VISTA volunteers started the first battered women's shelter in Anchorage, Alaska. I've offered only a few examples, but the list goes on and on.

At a time when we are examining the cost effectiveness of every program that aids the poor, it should be clear that VISTA is worth the relatively small sum we spend on it. VISTA's budget for 1981 was \$34 million. The president plans to slash its budget by \$15 million next year and phase out the program entirely by 1983. VISTA's budget constitutes less than one tenthousandth of the Federal budget. For that minimal investment, the rewards have been substantial.

VISTA continues to generate needed jobs, resources, and services for poor communities as well as to create a sense of self-respect and dignity for those it serves. I urge my colleagues to express their support for this program and condemn the unjust attack of its new Director on its goals.

TIME TO GET WITH IT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. HUBBARD. Mr. Speaker, Lawrence Hinton of Lomstead, Ky., recently sent me a clipping from the Kentucky New Era, published in Hopkinsville, Ky., which reflected the thinking of many of my constituents when he said it is time for Congress to embrace President Reagan's solutions to this Nation's economic and defense problems. I feel the editorial should be shared with my colleagues and I wish to do so at this time. The editorial follows:

Reagan Is Trying To Do What He Promised To Do

The basic issues seemed very clear as the presidential campaign progressed last year. In November, the voters made their choice and overwhelmingly voted for Ronald Reagan.

We don't believe most of those Reagan votes were cast for the man Ronald Reagan, but rather for the solutions he proposed to the country's economic and defense problems.

After all, Reagan was no American hero. Although he was a former movie actor, he never attained great stardom in that field, If there is a personal quality about the man that attracted masses of voters, it is his ability to communicate well in speech.

But there were legitimate doubts about candidate Reagan when the campaign began, some of which persisted right up to the election. There was his lack of experience in national affairs, and certainly the matter of his advanced age. He turned 70 shortly after taking office. In short, many wondered whether he could handle the job.

There seems little doubt that Reagan's ultimate appeal to the voters grew out of his message. He struck a responsive chord with Americans who had lost patience with inflation, burdensome taxes, government interference in their daily lives, and lost national respect around the world.

The people bought Reagan's proposals for turning the country around and pointing it in a new direction.

He promised to reduce federal spending and the taxes that fueled it. He vowed to attack waste, fraud and mismanagement in government agencies.

He pledged to get the federal government, where possible, out of people's lives and off the back of the country's free enterprise system. And he promised to rebuild the nation's defenses to counter the massive military buildup of the Soviet Union.

Even President Reagan's severest critics must admit that he did not hoodwink the American voters. His plans for the country were made crystal clear.

The voters had a clear choice of whether to continue down the path the country had been following in recent years or opt for real change.

They chose the latter, thus giving Reagan a mandate to initiate the programs he described so vividly throughout his campaign.

So far, at least, he has followed through on his campaign pledges, even while dragging the Democratic congressional leadership kicking and screaming every step of the way. Such now is the case with the president's across-the-board income tax cuts.

The issue is being clouded with charges that the president's plan is inflationary and favors the rich over the poor.

Reagan is trying to do what he promised to do. That's what the voters wanted. It's time for Congress to get on with it.

IL PROGRESSO-100 YEARS OF QUALITY AND EXCELLENCE IN JOURNALISM TO BE COM-MEMORATED IN NEW YORK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. BIAGGI. Mr. Speaker, on December 13, 1980, a major milestone in journalism occurred as II Progresso, the leading Italian language newspaper, observed its 100th birthday, On September 9, 1981, a special 100-page issue will commemorate the 100th anniversary of the founding of this newspaper. I am honored to bring this information to the attention of my House colleagues, and wish to pay tribute to Il Progresso for this marvelous achievement.

In 1880. Il Progresso was founded by Carlo Barsotti to serve the needs of the burgeoning Italian immigrant population in the United States. The first issue was published on December 13 of that year. Il Progresso continued to operate under its original owners until 1928, when the paper was sold.

New ownership and life came to Il Progresso in the summer of 1928, when it was purchased by Generoso Pope, the famous industrialist and philanthropist. Under Mr. Pope's direction, this journal became the leading Italian language newspaper in the United States. It is published daily and on Sundays. To Italian immigrants, Il Progresso became a dear friend, aiding them in assimilating into the United States while allowing them to remain in touch with their homeland.

Throughout its 100 years, Progresso has had a profound impact on politics, business, government, education, and the professions. When Generoso Pope assumed ownership of Il Progresso in 1928, Italians and Americans of Italian origin held no high positions in the aforementioned fields of endeavor. By demonstrating the kind of journalistic persistence that has characterized Il Progresso, he labor let politicians, businessmen, people, educators, and professionals know that there were highly qualified, intelligent, hard-working, dedicated men and women of Italian origin available and ready to accept important and responsible positions. Fortunately, the tide began turning; today we can point to great progress, measured by the increased number of Italian Americans in the upper echelons of these fields.

Il Progresso has always used the columns of its newspaper to reinforce the bond of friendship between Italy and United States. It has consistently been in the forefront of all campaigns to help Italy whenever the country was

struck by a disaster. One personal example I can recall occurred following the tragic earthquake which devastated the Friuli region of Italy. Working closely with Il Progresso, we were able to pass emergency legislation providing some \$25 million in relief aid to Italy. Il Progresso leadership also aided in raising millions from other sources to help the affected area. Il Progresso has never let the Italian people down in their hours of need.

Another area in which Il Progresso has been in the lead is the battle to end discrimination against Italians. I worked with Il Progresso throughout my life in public service, in a partnership to eliminate those false stereotypes and stigmas about Italian Americans which have been allowed to exist for too long in our society. This is a battle in which progress, though it is being made, never seems to be swift enough. Yet we would not have made what progress we already have, had it not been for the work of Il Progresso and the Pope family.

In April of 1950, Generoso Pope passed away and his son Fortune Pope became publisher and editor. I am proud to say that Fortune is one of my closest friends, and that under his leadership, many important technical and editorial changes have been made to improve the quality of the newspaper. Through his talent and hard work, Fortune Pope has earned both national and international acclaim and respect. Like his father, he continued to defend and fight for the rights of Italians and Americans of Italian

origin.

The profession of journalism is a highly competitive one in these United Through some 1,700 daily newspapers and 8,000 weekly newspapers, the multiplicity of journalistic voices in the United States by far surpasses that of the rest of the world. Consequently, in order for a newspaper to continually publish for 100 years, it must maintain both a standard of excellence and a fluidity to reflect the changing times. Il Progresso has done this and much more in its

Journalism has always been a profession in which experience is the best teacher. The breadth of experience associated with Il Progresso is remarkable. As it observes its 100th anniversary. Il Progresso looks back with pride on what it has accomplished, and forward—to another 100 years of service. know my colleagues in the House join me in congratulating Il Progresso on its 100th anniversary.

During this anniversary period. there is a new and special excitement at Il Progresso. The first and oldest Italian-language daily published in the United States has started on a new course, under the direction of its new publishers, Piero Pirri Ardizzone, Oscar Maestro and Carlo Caracciolo,

who have acquired the newspaper in order to relaunch it, revamp it, and redesign it. They could not have seized upon a more favorable time and opportunity. For, in the United States of the eighties, the nearly 30 million Italian-Americans are surely going to exert a growing, powerful influence on the decisionmaking process of this country. With their combination of knowledge, culture, dedication, willpower, affluence, and well-placed ambition, they already represent a power-collectively and individuallyrecognized by the entire country.

I look forward to Il Progresso's continuing inspiration toward the advancement of the Italian-American community within this country in the decades ahead-for another 100 years of solid development and achievements. I delight in the expectation of new improvements at Il Progresso to carry their message. Il Progresso has opened its pages to an unconditionally free debate among all segments of the Italian-American community. newspaper is about to become a real bridge between the public opinions of this country and Italy. Most exciting of all, the format of the newspaper is being redesigned and the publication will become bilingual. This is certainly a sign of the times, and a turning point in the century-old life of the

My very best wishes to the new leadership at Il Progresso, Piero Pirri Ardizzone, Oscar Maestro, Carlo Caracciolo, and general manager and managing director, Carlo Scarsini, for their success in all their good and talented efforts. With the aid of all Italian-Americans of good will, I am certain that they will succeed. Clearly challenges lie ahead-as they did in the previous century. However, I am certain that like the Pope family, the new leadership of Il Progresso will meet these challenges with the same standards of excellence which have highlighted the history of this great newspaper. I wish them and Il Progresso another century of success and accomplishment. It has been and will continue to be a mainstay of the all important Italian American community in this Nation.

THE SOVIET DAY OF SHAME

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. DERWINSKI. Mr. Speaker, I would like to direct the attention of the Members to the upcoming 13th anniversary of the Soviet Day of Shame, which occurred on August 21, 1968, when Soviet-led armies invaded Czechoslovakia. The continuing violation of human rights of the people of EXTEND THE VOTING RIGHTS ACT

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

On that day in August 1968, the Soviet troops invaded Czechoslovakia to crush the reform-minded government of the then President, Alexander Dubcek. Although this invasion contravened the independence of a sovereign state and denied its people selfdetermination, it is important to note that there existed and does exist today a strong yearning for freedom in Czechoslovakia. This strong nationalistic spirit is still evident. Unfortunately, experience has shown that the Soviet bloc, despite an occasional small concession to its people, has no regard or respect for human rights and justice. Even peaceful dissent is not permitted and to express an unpopular view is to invite imprisonment.

Czechoslovakia under Soviet occupa-

tion obliges us as representatives of a

free people to denounce the Soviet's

contempt for the Helsinki accords, the

United Nations Charter, as well as the

Czechoslovak Constitution. With its invasion and occupation of Afghani-

stan in 1979, the Soviet Union contin-

ues its quest for world domination.

The Helsinki accords forbid political or military intervention into the affairs of other countries. However, the Soviets have shown no inclination toward embracing a policy of upholding those basic human rights outlined in the Helsinki accords.

We must continue to express our support for the freedom-loving Czechs and Slovaks who suffer under the tyranny imposed upon them by the Soviet Union. The Soviets justify their occupation with what has become known as the "Brezhnev Doctrine." We must emphasize the strong opinion that exists in the U.S. Congress that the people of Czechoslovakia and other peoples of Eastern Europe have a right to self-determination.

It is especially evident that the people of Czechoslovakia continue to oppose the violations of their human rights by the Soviet-imposed government by their demands for the restoration of fundamental civil and political rights in manifestos, "Charter 77" and "Petition 78" which were circulated and signed by nearly 1,000 signatories, and their numbers are growing despite the severe oppression by the puppet government in Prague.

As attention is directed to this tragic anniversary, we must express our support for the cause of freedom for the people of Czechoslovakia. Only with the end of political repression, religious persecution, and cultural genocide, will the Czech and Slovak peoples be able to obtain their legitimate aspirations of independence and self-determination.

• Mr. SCHUMER. Mr. Speaker, in 1965 President Lyndon B. Johnson signed into law the landmark legislation which has been vitally important in increasing the voting opportunities for all citizens—the Voting Rights Act. Now, some have suggested that we no longer need the protections embodied in the act. They argue first, that the act has accomplished its goal and, therefore, is no longer needed, and, second, that we should get the Federal bureaucracy off the backs of State governments. I strongly disagree with both of these arguments.

It is imperative that those who still want to guarantee the rights embodied in the fourteenth and fifteenth amendments vigorously support H.R. 3112, Judiciary Committee Chairman Rodino's bill to extend the Voting Rights Act past its August 6, 1982 deadline

We must extend the Voting Rights Act in order to express our most vehement determination to curb a disturbing trend toward discriminatory election changes made by local authorities. There is a distinct difference between Federal interference in local affairs and the need to keep a close eye on the discriminatory practices of localities in order to protect freedoms guaranteed by the Constitution. The citation of 538 election violations over the last 5 years should be enough to convince anyone that we cannot afford to weaken the major vehicle for protecting these freedoms.

It is important that, in this time of merciless cuts in social services to minorities and the rekindling of hatred by groups like the Ku Klux Klan and the American Nazi Party, we in Congress do all we can to strengthen rather than weaken the inalienable, constitutional right of all Americans to vote. At the very least, let us extend the Voting Rights Act so that all Americans can enjoy that most cherished of American freedoms.

I proudly join my colleagues who have spoken out on this issue, and urge those who have not yet done so to join us in this effort.

Mr. Speaker, a New York Times editorial of July 28 persuasively states the case for extending the act. I ask that it be printed in the Record.

SUSTAINING THE RIGHT TO VOTE

These are critical days for the Voting Rights Act, even though the struggle for its renewal is not even half over. The House Judiciary Committee meets today to mark up a bill extending the 1965 law for another ten years. Given the chilly atmosphere in the Senate, the House is the more promising forum for early action on a strong bill. Much depends now on the legislative skill of diverse factions. The trick will be to meet civil rights needs with enough flexibility to attract the votes of moderates.

It seemed for a time that this most effective of all civil rights laws had run its course and lost its broad, bipartisan support. Some argued that the past 17 years brought so much more political freedom for blacks and Hispanics that the law was no longer needed. Some found the law oppressive, putting whole States in political receivership by requiring them to clear any voting rule changes with the Federal Government.

But the House hearings have shown that the job is not finished. And fresh political soundings have shown that the act is still widely appreciated.

The hearings made clear that minority gains are too recent and too fragile to withstand the hostility that endures in many states and localities. Some jurisdictions still observe the law in name only; they continue to make it hard for minorities to vote and still cook up schemes to devalue their ballots with racial gerrymanders. This was the notable finding of Representative Henry Hyde, the Committee's ranking Republican, who at first opposed but now favors extension of the act.

Others, too, have been coming around and no longer see extension as a political liability. Senator Barry Goldwater supports it. Southern Republicans are going along, chastened by the loss of a House seat last month in Mississippi, where the act was an issue. President Reagan, though slow to join the issue, is leaning toward renewal.

The politics surrounding the measure come down now to a few major issues, the most crucial of which is something called "bailout." It has been virtually impossible so far for a reformed State or locality to get out from under the act's restrictions. Civil rights forces recognize that the time has come to allow some jurisdictions to earn back their sovereignty. The challenge is to draft a bailout procedure that does not become a sleve for the undeserving.

If the House can hold out realistic hope for jurisdictions with clean records and constructive programs for wider enfranchisement, it will command the respect of all factions and probably the support of the Senate. But if Congress adopts a bailout that is really a copout, permitting wholesale reversion to the old discriminatory ways, the act itself will not be worth renewing.

NAIROBI CONFERENCE ON RE-NEWABLE ENERGY (PART III): U.S. NATIONAL PAPER READY

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BEDELL. Mr. Speaker, I offer today the third and final report on the upcoming U.N. Conference on New and Renewable Sources of Energy—UNCNRSE—scheduled for August 10-21, 1981, in Nairobi, Kenya.

Because the conference is drawing near we should reflect on the preparation conducted during the past 2 years. As initially conceived, UNCNRSE was organized into three distinct groupings: Eight technical panels, six ad hoc expert groups, and a synthesis group. The technical panels were to assess the "state of art" and development prospects for solar energy; biomass; fuel wood and charcoal; wind energy; oil shale and tar sands; ocean energy; geothermal; and hydropower. The ad hoc groups were responsible for studying certain cross-cutting issues including financial barriers; inadequate education and training; R. & D.; and restricted informa-tion flows. In addition, the ad hoc groups examined the broad restraints on energy applications in the rural and industrial sectors. Finally, a preparatory synthesis group summarized and integrated the technical panel and ad hoc group recommendations for use at the conference itself. Copies of all these studies are available through the U.N.

For its part, the United States has prepared three major documents, each to be distributed to participating delegations: "The U.S. National Paper," "Information Resources in the U.S.A.," and "U.S.A.: Living With the Sun." These represent, in highly readable form, the latest national effort to assess the growing potential of renewable energy, and can be obtained through the State Department.

The "U.S. National Paper," prepared by the Solar Energy Research Insti-tute (SERI), details the U.S. experience with and expectations for 10 new and renewable energy technologies: Low temperature solar collectors, intermediate and high temperature solar collectors, solar cells, biomass, wind energy, ocean energy, hydropower, geothermal systems, oil shale, and tar sands. It begins by noting that the United States depended almost entireon renewable energy—primarily od—until the late 1800's. At wood-until the present, however, renewable sources meet roughly 5 percent of U.S. energy needs: 3 percent hydropower, 2 percent wood, and a small fraction from wind, solar water heaters, and alcoholfuel supplements. The study is careful to point out, however, that while "renewable energy may be humanity's most ancient power source * * * it is also becoming the basis for some of our most modern power systems." Indeed, the report concludes that by the year 2000 renewable technologies could account for 20 percent of the Nation's energy consumption.

The document "Information Resources in the U.S.A.," is an excellent reference work prepared by the Department of Energy's Technical Information Center. It describes not only what technical research is being done, and by whom, but also how this information is distributed, including a discussion of trade secrets, patents and international technology transfer. As such it outlines the availability of U.S. scientific and technical information on

renewable energy, the policy framework in which these technologies are developed, and the roles of both public and private sectors. Equally important, the report contains a directory of sources for additional printed materials, computerized data bases, institutional services, and personal contacts at Government facilities, trade associations, nonprofit research institutes, and special libraries throughout the country.

The third document, "U.S.A.: Living With the Sun," was prepared by the National Center for Appropriate Technology (NCAT) as an illustrated pamphlet of successful private and grassroots renewable energy projects. The pamphlet will add to the international awareness of small-scale opportunities in the field of renewable energy, as well as give practical examples of possible near-term demonstration projects. In addition, it will demonstrate to developing countries the commitment within the United States to small-scale renewable technologies.

The State Department has stated three broad U.S. goals for the Nairobi Conference:

Accelerate the development, acceptance and use of new and renewable sources of energy, taking into account the effects on the global environment and resource base:

Elaborate a program for improved and expanded international cooperation in new and renewable energy as part of our overall strategy of furthering constructive international treatment of energy matters; and

Help educate all countries about the real opportunities new and renewable sources of energy offer in meeting energy needs.

In many ways, the UNCNRSE preparations have brought us closer to these goals. Through the process of drafting a "national paper," many countries for the first time have assessed the potential for new and renewable technologies within their own borders. Participating countries, more-over, have created "national focal points" on new and renewable energy, which will be critical to future awareness and development of these resources. Above all, the conference preparations have legitimized greater reliance on nonconventional energy sources, much as the 1972 Stockholm Conference did for environmental concerns, particularly in skeptical LDC's anxious for rapid modernization.

A SALUTE TO AGNES JACKSON

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

• Mr. STOKES. Mr. Speaker, I take this opportunity to bring to the atten-

tion of my colleagues an individual who is on the frontline every day in the fight for decent housing and economic equality for all residents of the Buckeye-Woodland area in Cleveland. That individual is Agnes Jackson, president of the Buckeye-Woodland Community Congress which is located in my congressional district.

Mr. Speaker, Mrs. Agnes Jackson is a master negotiator and formulator of policy and planning for housing for the disavantaged and working class of the Buckeye-Woodland area in the 21st Congressional District. She is a fierce warrior when it comes to fighting for the cause she has dedicated her life to-the right to quality housing and safe neighborhoods. At the same time. Agnes Jackson displays the savvy and tactical shrewdness of a seasoned veteran in working with housing financiers and government officials to secure needed funds for housing and neighborhood revitalization.

However, Mr. Speaker, under this tough facade, Mrs. Jackson is a kind and warmhearted individual. People in the Buckeye-Woodland Community Congress know that she is a relentless fighter for them and at the same time is keenly sensitive to their needs. For these reasons, she is loved by everyone in the Buckeye-Woodland area and maintains a rapport amongst her associates and neighbors that is unmatched.

Mr. Speaker, I have had the pleasure of working with Agnes Jackson on many occasions. I, too, respect and admire her. The comments I have made about her are an attempt to give my colleagues an opportunity to feel and see in their mind's eye just what Agnes Jackson has meant to the residents of the Buckeye-Woodland area in Cleveland.

If it had not been for Agnes Jackson, many of the renovated houses in the Buckeye-Woodland area still would be gutted shacks, eyesores and useless to the community. If it had not been for Mrs. Jackson, the number of homeless and ill-housed people in that area would be at an abominably record high level. Finally, if it were not for Agnes Jackson, many people in the Buckeye-Woodland area would be stranded hopeless with little or no motivation to fight for what they deserve and need—quality housing.

Mr. Speaker, for these people and for myself, Agnes Jackson has been an unflinching supporter and pillar of strength. I take this opportunity to formally thank Agnes Jackson for that commitment, determination, and sensitivity to her peers and disadvantaged in the city of Cleveland. I ask my colleagues to join me in a very special tribute to Mrs. Agnes Jackson.

Mr. Speaker, at this time, I will insert in the RECORD, an article which appeared in the Cleveland Plain

Dealer on this very special woman-Mrs. Agnes Jackson, president of the Buckeye-Woodland Community Congress in Cleveland, Ohio.

The article follows:

[From the Cleveland Plain Dealer, May 31, 1981]

AGNES JACKSON: A TOUGH, LOYAL FRIEND TO THE DOWNTRODDEN

(By Judy Pennebaker)

She's battled everyone from the board chairman of AmeriTrust Co. to the lowest city bureaucrat, challenged the federal government and made Cleveland's fat cats howl.

Agnes Jackson, president of the Buckeye-Woodland Community Congress, what it means to be tough. She learned

early and does it well.

Dressed in black jeans and a bright floral tunic that bespeaks a forceful personality, the tall, imposing Jackson is someone you know you wouldn't want to cross. Yet, beneath that tiger-like facade beats the heart of a pussycat, filled with genuine concern

for her downtrodden fellow man.
"She doesn't always use the right verb said one of her supporters, "but she

gets the job done."

Jackson learned about toughness in Tuskegee, Ala., where she grew up in the '40s, being pelted with eggs and overripe tomatoes hurled by unfriendly white children as she walked home from the movies.

They didn't like us being there," she recalled. "There" was a reference to a segregated section of the theater. "If we fought

back, we got jailed."

Retribution, when it came, was sweet

As a teen-ager, Jackson participated in a boycott of town merchants, which served as a model for some of the early civil rights action in the South and made Jackson an optimist for life.

"I believe there's always a way to get things done," she said. "I'm always willing to give it my best shot."

She remembers growing up on a small farm outside Tuskegee with six brothers and two sisters, helping her parents raise "mostly cotton and corn." Her family was strongly religious, Southern Baptist, and "that basic belief in God and goodness has kind of gotten me through," she said.

Jackson's mother, 73, has only a fifthgrade education, the fond daughter said, but she is the smartest woman I ever met.

"My mother was kind of like Jesus," she continued. "He turned water into wine. She could turn water into meat. She made us think we were eating well even when things were rough."

Jackson said that as she was growing up, her mother would say to her, "You're the black sheep of the family. You always ques-

tion things.

When Agnes Jackson was graduated from high school in 1953, she was more than

ready to come North.

"There were no jobs for us in the South, besides picking cotton and baby-sitting," she

She moved to Cleveland, lived with relatives and got a job running a knitting machine at Dalton of America. Soon after, she was married.

Today she has daughters, 23 and 9, a son

7, and two grandchildren.

"Being with my family is one of my greatest joys," said a sentimental Jackson, whose streetwise countenance melts quickly when she talks about those she loves.

Her husband, Theodore, was disabled on the job and no longer works: "He stays at

home, cooks, takes care of the kids and says to me; 'Go get 'em.' I do.

Attracted to the Buckeye-Woodland Community Congress in its early years because of her frustrations as a homeowner, Jackson has stayed to help the group become strong. It was formed in the early 1970s, and is the granddaddy of Cleveland community associations.

Jackson has been able, through tough talk and demonstrative action, to get banks and savings and loan associations to invest more in the neighborhood. Dealing repeatedly with the Federal Housing Administration, she has successfully countered many of the problems of early foreclosure and faulty home inspections.

envision the world as good and democratic," she said. "That's what I was taught in school. I became disappointed when I saw how things really are, how the fat cats-the oil companies, the utility companies the banks and the big politicans-control every-

"We have to put Government back in the hands of the people," she philosophized. "We're the taxpayers. They can't shove us

around '

Jackson, who is not one to mince words about politicians or their politics, had some relatively kind comments for former Mayor Dennis J. Kucinich.

"We had the same philosphy: Get the fatcat establishment. He was on the right track, but couldn't execute it," she said. "He was often surrounded by bad people.

Jackson classifies Mayor George V. Voinovich as "a smooth operator. I like his style. He isn't too flamboyant, but I take issue with a lot of things. We need a safety director and a safer city to live in."

She considers the Reagan administration a major setback. A staunch supporter of former President Carter and his policies, she finds the Reagan cutbacks "to the poor, the elderly, the oppressed-shocking.

"If he continues this, all hell is going to break loose," she predicted. "When you have a family to support, hungry kids to you've got to have some income or there's going to be a lot of trouble.'

Jackson is involved in many political and activist groups and was instrumental in the recent formation of a local jobs program

committee.

"We're going to fight back," she pledged. "We're going to start at the local level and go all the way to Washington." (She's been there before, testifying at hearings on hous-

Jackson believes in peaceful racial co-existence, and has fought hard for that in her

neighborhood.

'Maybe I'm a dreamer, but I still think we can be a great country-when more people become aware of others' hurts and needs,' she said.

COMMUNITY CRIME PREVENTION ACT OF 1981

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. DIXON. Mr. Speaker, today I am introducing the Community Crime Prevention Act of 1981, which would authorize the Attorney General to make grants and contracts with units of local government or nonprofit community based organizations, for the prevention of community crime.

We all know that crime is the first and foremost problem currently plaguing our Nation's communities. My hometown of Los Angeles, as well as most communities throughout the country, have experienced dramatic crime inceases. According to a recent poll taken by Public Response Associates of California, crime surfaced as the No. 1 concern among Californians. Correspondence from my constituents indicates that they want some action by Congress to combat the crimewave sweeping our country. While we are not in the position to intervene locally, we should provide encouragement alternatives at the Federal level. I believe the key to fighting community crime lies with organized, visible, and vocal neigborhood organizations, and Federal efforts should be steered toward involving community residents in fighting crime.

As you know, the Congress has significantly reduced the authorization and appropriation for the Law Enforcement Assistance Administration. over the past year. While some of its programs and projects were perceived as ineffective in reducing various crimes, a significant number of the Agency's programs proved to be very effective. One such program is the community anticrime program, which encourages neighborhood residents to get involved in neighborhood crime prevention. I believe it important that we continue this commitment.

Created in 1977, the community anticrime program has funded nearly 200 projects in urban and rural communities throughout the country and between 100,000 and 200,000 citizens have been mobilized to fight crime. Since the lack of citizen involvement is a major problem in efforts to prevent crime, we should encourage approaches to prevention which involve individuals and stimulate the interest and involvement of entire neighborhoods and communities.

A wide range of important services have been provided through this program, including escort services for the elderly; block watch programs; tenant patrols in housing projects as well as suburban communities; victim assistance programs; security education campaigns; youth crisis centers; and community based approaches to crime prevention. The program has been particularly responsive to the needs of the elderly, in providing services to prevent victimization. This aspect should not be overlooked, because for the elderly, fear of crime is often the most serious problem, and because of that fear, many older people virtually imprison themselves in their own

The Community Crime Prevention Act of 1981, would allow the Attorney General to make grants and contracts with units of local government and nonprofit community based organizations, to continue those programs and services which have been available to our Nation's crime-ridden neighborhoods and communities. The program would be authorized for a 3-year period, with annual authorizations of \$25 million. The Attorney General would be authorized to identify those affected communities through consultation with the Community Relations Service. As you know, the Community Relations Service has much expertise working with communities and local law enforcement agencies, which can be drawn upon in identifying success-

ful model programs.

I believe it important to note that these projects are not limited to our major urban areas, just as the problems of crime know no geographic boundaries. The community anticrime program has helped to create lasting improvements in all types of communities. I believe it would be a mistake to send a message that Congress no longer cares about community participation in fighting crime, at a time when our Nation's problems in this regard have reached crisis proportion. I strongly urge that we maintain this small but effective sign that we care and ask that we act swiftly to enact the Community Crime Prevention Act of 1981.

OBSERVING WORLD FOOD DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

o Mr. GILMAN. Mr. Speaker, my colleague, the gentleman from Illinois (Mr. Simon), and I have introduced legislation, House Joint Resolution 243, to commemorate October 16, 1981 as World Food Day. I urge my colleagues to support this legislation in order to demonstrate our commitment to helping resolve the critical problem of world hunger and malnutrition.

I recently received from Ms. Patricia Young, Coordinator, National Committee for World Food Day, suggestions which the committee has prepared, for World Food Day observances. At this point in the RECORD I would like to share these suggestions with my colleagues who may be receiving inquiries from their constituents

about World Food Day:

SUGGESTIONS FOR WORLD FOOD DAY OBSERV-ANCES BY NATIONAL COMMITTEE FOR WORLD

Letters are coming to us from individuals and community groups throughout the country requesting suggestions on how to organize World Food Day observances. The first thing to remember is that there is no single theme for the Day this year. It was decided that each country-and even each

group or community within a country—might have different food-related interests and priorities for local, national or international action.

The link between national and international action is clear. All World Food Day observances will serve to heighten awareness of food, nutrition, land use and poverty issues, and all observances together will demonstrate our global concern.

Remember, too, that the National Committee for World Food Day, the U.S. Department of Agriculture or the Food and Agriculture Organization of the United Nations will help you with appropriate materials or further guidance once your group shows a special interest in an observance plan. Requests sent to the National Committee will be forwarded to one of the official organizing channels or to appropriate organizations among the committee's participating members.

With this as background, we offer the suggestions below. Any one of them will contribute to our national and world effort

1. Raise the idea of holding a World Food Day study meeting with friends or a community organization to which you belong. For a good analysis of the issues, write to the U.S. Government Printing Office, Washington, D.C., 20402, for a copy of "Overcoming World Hunger: The Challenge Ahead" (Price: \$2). This excellent 29-page booklet is an abridged version of the report of the Presidential Commission on World Hunger. It can be a valuable resource for discussion with public officials.

2. It's hard to act alone. Join a community or national organization which is doing something to solve hunger problems year around. These groups may already be planning World Food Day observances or be able to give you advice on how to organize or

participate in one.

3. Ask your local school officials to organize World Food Day events that involve parents and students, and to include world food and hunger material in social studies for that week (Oct. 12-16). School observances might include essay contests, homework projects or World Food Day fairs that combine fun with educational material and perhaps fund raising for a food-related cause at home or abroad. (Ask school officials to write to the National Committee for guidance on study materials.)

4. Have your study group, club or church invite local government officials to discuss hunger and poverty problems in your town, county and state, and what programs are available to those in need. One action plan for World Food Day would be to insure that all people in your area are aware of state and federal programs they might be entitled to share in. With local officials, discuss how well food programs are working and what problems they face.

5. Find out what resources on world hunger issues are in your local public library and school library. If these are limited, suggest that additional material be obtained for World Food Day, including audiovisual presentations. Both FAO and the Department of Agriculture have both free and sale materials, as do many of the sponsoring organizations of the National Committee. Ask that libraries organize special displays of this material throughout the week of World Food Day.

6. Does your town have a community vegetable garden? World Food Day would be a good time to launch one. Plots can be offered to apartment dwellers and others without gardening space to grow an impor-

tant part of their own food. These community gardens have proven extremely popular across the country.

7. If your children belong to a Boy Scout Girl Scout unit or any other kind of youth organization, talk to the group leaders to suggest ideas for youth programs built around World Food Day. Ask group leaders to write to the National Committee for further ideas on how this can be done.

8. Ask the editor of your local newspaper and other media in your community (radio/ TV) to publicize the World Food Day observance you are planning and also to include world hunger material in their publications and broadcasts during that week. Materials to give to media, including suggested editorials, will be available through the National Committee. Have your group leader offer to appear on local radio or TV programs to discuss food issues and your World Food Day observance.

9. The United States is a "representative"

democracy. After your World Food Day observance write a joint letter to your national congressman or senator stating your views on what should be done to solve hunger problems at home and abroad. Your representatives in Washington want to hear from you. Without your guidance he or she cannot fully know your views and therefore cannot fully "represent" you as an Ameri-

can citizen.

In all of the suggestions given above, you can find an organization eager to provide further information or technical advice on programs. Why not write to several of them and then choose a program that suits you best. Even if you decide not to pursue one of these ideas, you will be learning more about national and international food and poverty issues by contacting the organizations involved. And simply by doing that you will be participating in the spirit of World Food

ROBERT MOSES

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, July 30, 1981

Mr. FISH. Mr. Speaker, it is with a sense of loss to our country that I join my colleagues in paying tribute to the late Robert Moses, who almost single-handedly changed the face of New York State as no one else probably ever will.

Mr. Moses, the quintessential urban planner, directed a bevy of public works projects throughout his life, from building highways through New York to developing over 70 State parks encompassing 2.6 million acres of land. He helped bring the world to New York City with the building of the United Nations and through his presidency of the New York World's Fair Corp. in 1963.

His building achievements and contributions to New York State aside, Robert Moses left his influence on the way in which all of America has built her cities. He once said, "Those who can, build. Those who cannot, criticize." Robert Moses certainly built, and we can only admire.

FULFILLING THE PROMISE OF THE BLACK LUNG BENEFITS PROGRAM

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. ERLENBORN. Mr. Speaker, today I am introducing a bill to amend the Black Lung Benefits Reform Act of 1977 and the Black Lung Benefits Revenue Act of 1977, both enacted in 1978. The necessity of understanding the problems of the Federal black lung program and the need to tighten up the eligibility for the program are

overwhelming.

The black lung program originated in 1969 as a one-shot deal to compensate those who had contracted totally disabling black lung before it was recognized by the States as an occupational disease. Even though all States now recognize black lung as a compensable occupational disease, it remains a permanent Federal program. Originally, the program was to compensate miners totally disabled by black lung. In 1972, the program was changed to compensate all miners with some stage of black lung, whether or not the disease was in a disabling stage. In 1978, the program was changed to compensate most miners and their dependents and survivors whether or not the miner had any medical evidence of the disease.

It should be pointed out that the scientific and medical testimony clearly establishes that black lung is medically detectable and that disability can be medically determined. Black lung, known as coal workers' pneumoconiosis (CWP), can be determined by Xray. Simple CWP is categorized as stages 1, 2, and 3, and in those stages is not usually disabling and is not usually progressive. The complicated form of CWP is called progressive massive fibrosis (PMF) and is usually disabling and is usually progressive without fur-

ther exposure to coal dust.

In 1976, the National Academy of Sciences issued a report entitled "Coal Workers' Pneumoconiosis Medical Considerations, Some Special Implications" which showed that after working 30 years in coal mines of the anthracite regions, only 14.3 percent of the miners had progressive massive fibrosis, the disabling stage, while 60 percent had some stage of the disease. The number of miners with the disease is smaller in other regions. In the Appalachian region, only 2.1 percent of the miners were disabled, while 45 percent had simple stages of the disease. In the Midwest and West, no statistically significant number were disabled and 25 percent in the Midwest and 10 percent in the West had the simple stage of the disease. In recent testimony before the Subcommittee

Ways and Means, July 27, 1981, the National Institute for Occupational Safety and Health reported some of the results of the third round of examinations in the national coal workers' health surveillance program. Over 95 percent of those examined had no evidence of the disease, over 3 percent demonstrated category 1 of CWP, and no statistically significant number had advanced stages of this simple form of the disease or the complicated form of the disease.

With these figures in mind, despite the low percentage of miners with the disabling stage of black lung, the General Accounting Office (GAO) reports that from 1969 to December of 1980, the Social Security Administration (SSA) has paid over \$9 billion in benefits to almost 400,000 claimants, out of 537,000 miners and survivors who filed claims with SSA. From July 1973 through April 1981, the Department of Labor has approved over 94,700 claims out of the more than 282,500 claims it has reviewed, paying benefits of over \$1.75 billion from the black lung disability trust fund created in

Very clearly, the approval of these claims has not been based on disability. The startling fact is that in 88.5 percent of the cases, medical evidence was not adequate to establish disability or death from CWP (GAO report entitled "Legislation Allows Lung Benefits To Be Awarded Without Adequate Evidence of Disability' (HRD-80-81, July 28, 1980)). In a recent review of the Department of Labor's administration of its program, GAO concluded that in 84 percent of the cases deemed eligible for benefits, the medical evidence was not adequate to establish disability or death from black lung (testimony of GAO before the Subcommittee on Oversight, Committee on Ways and Means, July 27,

These statistics and these findings by GAO, the National Academy of Sciences, and NIOSH demonstrate the need to drastically revise the black lung program. The bill I am introducing today will bring the black lung program closer to a real disability program. Further, the bill fulfills the promise of the sponsors of the original law by having State workers' compensation cover future black lung claims after February 28, 1983, the same as States cover other occupational diseases.

A summary of the provisions of the bill follows:

The bill narrows the definition of pneumoconiosis since the present definition has been interpreted to include such conditions as emphysema, which is not a chronic dust disease of the lung, and lung cancer, which has not been shown to be related to coal workers' pneumoconiosis. In addition, the

on Oversight, House Committee on bill excludes sequelae, thus excluding unrelated lung conditions.

The present definition of "miner" includes anyone who has worked around a mine, in transportation, or even in construction. The Benefits Review Board has allowed a claim of a laboratory analyst who worked in the lab analyzing coal. There is no evidence that these people suffer any increased likelihood of developing coal workers' pneumoconiosis. The bill amends the law to define miners as those who have been employed directly in the mining-extraction-of coal.

In order to keep definitions in different Federal laws parallel, the bill amends the definition of "total disability" to be compatible with that of the Social Security Act. To collect benefits for total disability, the claimant should be unable to perform any work. The definition of total disability applied by the Social Security Administration requires proof that the claimant cannot "engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment."

The bill also restricts the use of the present presumptions in the law and strikes the 411(c)(3) and 411(c)(4) presumptions and the 411(c)(5) entitlement. It is really necessary that proof of the existence of black lung disease be required before any presumption is raised, and the bill does this. Besides, if there is medical evidence that black lung disease does not exist, the bill provides that a presumption cannot be used to establish a claim.

The bill deletes the provisions tying the benefit level to the increase of the Federal wage level of a GS-2. The increase only contributes to the rate of inflation and the rapidly increasing costs of the program. Since the program was intended to provide a supplement to income-not as the sole income of a recipient-there is no reason to index these benefits.

The bill removes the "unrelated death benefit" provision. Presently if a miner who is entitled to benefits dies from any cause-even a cause completely unrelated to his pneumoconiosis-his eligible survivors are entitled to benefits. This amounts to a life insurance program and not a compensation program and should be repealed,

which my bill does.

Black lung benefits are presently offset only by benefits from a State black lung program. They are not offset by workers' compensation benefits from any other program. This means that for benefit purposes a worker can be disabled twice-an irrational concept. The bill amends the statute to permit the offset of black lung benefits by any other workers' compensation benefits.

Since an X-ray is one way of proving or disproving a claim, the bill allows

the denial of a claim based on negative X-rays and strikes the provision that does not allow for the rereading of X-rays. If the program is to be placed on a sound medical basis, the best available medical evidence should be sought and allowed. Presently, claims may be denied or allowed based on a totally inaccurate reading of X-rays. The bill will correct this inequity.

The present law allows an affidavit to be sufficient where there is no medical or other relevant evidence. That means those who will benefit can submit an affidavit that a miner had a cough and can receive benefits. This provision is probably one of the most important reasons the GAO concluded that 88.5 percent of the random sample of claims are not supported by medical evidence of disability. It is a provision encouraging fraud. Because of its total inappropriateness, the bill strikes this affidavit provision. The bill further strikes the provision requiring the Secretary to accept an autopsy report. That does not mean the Secretary cannot accept an autopsy report; it just means the Secretary does not have to accept all autopsy reports submitted.

One of the original promises of the black lung program was that it would be a temporary Federal program. However, despite vast improvements in State programs and benefits, no State program has yet been approved. This is in part because the black lung statute requires the States to adopt standards similar to the Federal law for the determination of the existence of the disease and the definition of disability, and to automatically provide widow's benefits without proof that the miner's death was the result of pneumoconiosis. Even if the Federal Government were to approve a State plan, the program would still remain federally regulated. Rather than have the Federal Government approve State plans, my bill totally terminates the Federal program from processing new claims after the fifth anniversary of the 1978 amendments (Feb. 28, 1983). This is compatible with the original promise that the black lung program was to be a temporary supplemental

The black lung program has incorporated many of the provisions of the Longshoremen's and Harbor Workers' Act. One of those provisions provides for a 20-percent penalty when a claim is not paid upon approval. This is an abuse of the due process procedure. Accordingly, the bill provides that no penalty is added to the compensation award until the operator, or trust fund, has the right to contest the claim. In addition, the bill provides that no retroactive payments shall be made of reviewed claims until all administrative and judicial review is completed. Those retroactive payments which have already been paid

out where it was ultimately concluded that the miner or survivors were not entitled to benefits have not been retrieved by the Federal Government. This adjustment to the law will provide that those moneys will not be lost to the Government.

Presently, benefits payable from the trust fund are not subject to being contested by either operators or the trust fund. The bill establishes a special counsel in the Department of the Treasury in order to controvert claims that are the responsibility of the trust fund. By being able to protect the trust fund from ineligible claims, it is hoped that moneys from the Federal Treasury will be saved. Although the trust fund is financed by a tax on coal, the trust fund is insolvent, with con-tinued projected insolvency, and the trust fund must borrow against general revenue funds. Those funds should be protected and the Office of Special Counsel will do that.

The present 50 cent tax per ton on underground coal and 25 cent tax per ton on surface coal is inadequate to fully fund the trust fund. The bill changes that tax to 3 percent and 1 percent of the price at which coal is sold by the producer of underground and surface coal, respectively. Projections by the Department of Labor in early May show such a tax would make the trust fund solvent in fiscal year 1986.

A summary of the bill follows:

Section 1. Short Title—"Black Lung Amendments Act of 1981"

TITLE I. SECTION 101 GENERAL (AMENDMENT TO SEC. 401)

Changes the findings and purposes to reflect that all States now cover occupational disease, that Congress will cooperate with the States, and removes the reference to death unrelated to pneumoconiosis.

Sec. 102. Definitions (Amendment to Sec. 402)

- (a) Redefines "pneumoconiosis" as it was originally defined in 1969, eliminates "sequelae" and "respiratory and pulmonary impairments."
- (b) Redefines "miner" by striking "or around" and transportation and construction workers. The definition specifically excludes certain workers, including those listed above as well as lab workers, supply clerks, administration and supervisory persons who do not work in a coal mine.
- (c) Redefines "total disability" to have the same meaning as "disability" in section 223(d) of the Social Security Act.

Sec. 103. Presumptions (Amendments to Sec. 411(c))

- (a) Requires 15 (instead of 10) years of mine employment for a rebuttable presumption that pneumoconiosis arose out of such employment.
- (b) Strikes Sec. 411(c)(2)—the presumption that if a miner who had 10 years' employment died from a "respirable disease," it is presumed that death was due to pneumoconiosis.
- (c) Changes the irrebuttable presumption in 411(c)(3) (redesignated 411(c)(2)) to a rebuttable presumption.

(d) Strikes 411(c)(4)—the 15-year rebuttable presumption of pneumoconiosis where there is a negative X-ray but other evidence of respiratory or pulmonary impairment—and 411(c)(5)—the 25-year employment before June 30, 1971, and death prior to February 28, 1978, entitlement of survivors—and requires the presumptions in the remaining 411(c) (1) and (2) to come into play only where there is no relevant medical evidence.

Sec. 104. Benefit Payments (Amendments to Sec. 412)

- (a) Removes the indexing of benefit payments to the cost of living adjustment to the pay of a GS-2.
- (b) Removes the "unrelated death benefit" provision. IIf a miner is receiving benefits, but dies from an unrelated cause, the eligible survivors are presently entitled to benefits—this is striken. However, if a miner dies from pneumoconiosis, the eligible survivors are still entitled to benefits under this amendment.]
- (c) Provides for offset of black lung benefits by other workers' compensation, unemployment compensation, or disability laws of the State. Requires the Secretary to take action to insure that the reductions are carried out.
- (d) Provides for offsets in part C, in other than just "due to pneumoconiosis."

Sec. 105. Medical Examinations (Amendments to Sec. 413)

- (a) Allows denial of a claim on the basis of an X-ray.
- (b) Strikes the provision allowing affidavits to be sufficient where there is no medical or other relevant evidence; strikes the no rereading of X-ray provision; and strikes the provision requiring the Secretary to accept an autopsy report.

Sec. 106. State Compensation (Amendments to Sec. 421 and Sec. 422)

Terminates the part C Federal program on February 28, 1983 (the fifth anniversary of the 1978 amendments), and provides thereafter that claims of a coal miner will be treated under State workers' compensation laws.

Sec. 107. Penalty Payments (Amendments to Sec. 422)

Provides that no penalty is added to the compensation award until the operator, or trust fund, has had the right to contest the claim.

Sec. 108. (Amendment to Sec. 430)

Apply amendments to part B of this act to part C as appropriate.

Sec. 109. (Amendment to Sec. 435)

Provides that no retroactive payments shall be made of reviewed claims until all administrative and judicial review is completed.

TITLE II. PROTECTION OF TRUST FUND

Establishes a special counsel in the Department of the Treasury in order to controvert claims that are the responsibility of the trust fund.

TITLE III. COAL TAX

Changes the tax from 50 cents per ton on underground coal and 25 cents per ton on surface coal to 3 percent and 1 percent of the price at which each ton of coal is sold by the producer of underground and surface coal, respectively.

THE VIEW FROM LITHUANIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. DERWINSKI. Mr. Speaker, I would like to insert the following article from Newsweek into the record describing the political reforms of Poland's Communist Party and the rippling effects on the people of Lithuania and the Baltic States.

Ever since solidarity cast the first stone at the glasshouse of Poland's Communist Party, the entire world has focused its attention on the historical changes taking place in the lives of Polish workers.

But few have watched the events with greater interest than the neighbors of Poland: the people of Lithuania. Although Lithuania is far smaller than Poland they both share a historical hatred for Moscow's constant efforts to deny their countries independence.

We can only hope that the monumental reforms of Poland's Communist Party will play a major role in breaking down the imperialistic colonialism which the Soviets maintain over the nations of Eastern Europe. The Soviets, through their illegal occupation of the Baltic countries, holds captive the people of these nations with barbed wire, prison fences, and a relentless KGB. We pray that the tide is turning.

[From Newsweek, Aug. 3, 1981] THE VIEW FROM LITHUANIA

After six days of outspoken meetings, the reform congress of Poland's Communist Party closed last week. At the final session, delegates chose a new, fifteen-man Politburo; it included eleven new faces but kept a careful balance of centrist reformers, conservatives and liberals. In a tough speech, Wojeciech Jaruzelski Minister warned that a 110 percent increase in food prices-far more than the boosts that have led to strikes in the past-is required if Poland is going to address its desperate economic crisis. The government also cut the individual meat ration by 20 percent. The Soviet Union seemed willing to live with the results of the congress, at least for now. Just across the border, Soviet Lithuania was intently watching Poland's experiment in reform. From Vilnius, the Lithuanian capital, Newsweek's Moscow bureau chief Andrew Nagorski filed this report:

Every Sunday, St. Theresa's Church bustles with worshipers of all ages streaming in for the Masses that are conducted alternately in Lithuanian and Polish. Outside, one eye cocked for Soviet authorities, peasant women do a brisk business selling rosaries, imitation-gold crosses and holy cards. No sooner had I begun taking pictures than one alarmed middle-aged woman ordered me away, assuming that I was a KGB agent. After we cleared up the misunderstanding, the woman apologized, explaining that Soviet authorities have been trying hard to keep Lithuania's Catholics on a very tight rein. "They are trying to prevent what is

going on in Poland from happening here," she told me.

Like the Poles, Lithuanians are overwhelmingly Roman Catholic. They share Poland's pride in famous sons such as the nineteenth-century nationalist poet Adam Mickiewicz and last year's Nobel Prize laureate Czeslaw Milosz, both of whom studied in Vilnius. And they join the Poles in a deep, historical hatred of Russian domination. "Everyone talks about Poland all the time," said one woman of mixed Polish-Lithuanian background. "Lithuanians say the Poles are smart and they know what they are doing—if only it could be like that here."

It probably can't be: Poland's population is 36 million and Lithuania's only 3.4 million. Even so, Moscow has much to worry about. Lithuanian partisans resisted the 1940 Russian seizure of their country well into the 1950s, and even today, Lithuania is one of the most troublesome Soviet republics. Despite Soviet repression of Lithuanian dissidents, numerous underground journals now circulate widely, protesting everything from the Soviet invasion of Afghanistan to the regime's new policy of teaching Lithuanian children Russian as a second language beginning in first grade. "To destroy a country, the most important thing is to destroy it language," chided one dissdent.

REPRESSION

The government's anti-Catholic policy is another very sore point. The Soviets permit only ten churches to operate in Vilnius, acity of nearly 500,000, and the church at the university is now a "museum of science." Priests are not allowed to teach religion to the young. Only one seminary, at Kaunas, offers training for the priesthood, graduating about twelve young men each year, and the KGB must approve candidates. It is not unheard of for priests to be waylaid and beaten by thugs presumably working for the regime.

Lithuania's Catholics have long since found ways to cope. Believers who occupy state or party positions often avoid trouble by attending Mass in towns where they will not be recognized. The church conducts a small underground seminary, and many women who work in occupations such as nursing also belong to secret orders of nuns.

To stop the "Polish disease" from spreading to Lithuania, the Soviets have restricted contacts with Poland: once-routine visas for family visits are now granted rarely and grudgingly. Lithuania's Polish minority complains that letters from Poland arrive weeks late, if at all. "I don't know what is happening with my family," said one elderly woman who had not received a single note since Polish strikes began a year ago. Newsstands now sell only those Polish newspapers the authorities consider "safe." At political sessions for Lithuanian workers, Soviet lecturers stress the dangers of "counter-revolution" on Poland. Anyone with personal ties to Poland is suspect—and the KGB has stepped up its surveillance.

Lithuanians are nevertheless fascinated by Poland's heretical path. Although the Soviets often jam Western broadcasts, Lithuanians listen to Polish radio and some have been able to watch Polish history—from the Pope's visit to Lech Walesa's press conferences—unfold on Polish television. But if Lithuanians yearn openly for a Polish-style renewal, most seem to realize it is an impossible dream for them. "We can only envy the Poles—and we can only be happy for them if they succeed," one Lithuanian dissident told me. Then she added,

with a shrug of hopelessness: "Our poor Lithuania."

RABBI LOUIS J. CASHDAN RETIRES AS SPIRITUAL LEADER OF TEMPLE SOLEL, BOWIE, MD.

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. HOYER. Mr. Speaker, I rise to pay tribute to an outstanding religious and civic leader, Rabbi Louis J. Cashdan of Bowie, Md.

For 48 years, Rabbi Cashdan has served as spiritual leader of congregations in Great Britain, Canada, and the United States. In 1967 he came to the Temple Solel in Bowie, where his tireless dedication to his congregation and his community made him one of the area's most beloved citizens.

A native of New York City, Rabbi Cashdan was ordained at Hebrew Union College, after graduating from the University of Michigan and doing graduate work at the Universities of Wisconsin and Chicago.

As rabbi of the West London Synagogue during World War II, he was one of the few American rabbis who remained at his post during the torturous days of the Battle of Britain. After his home was bombed, he lived in the synagogue during 58 days and nights of intense aerial bombings.

Throughout Rabbi Cashdan's distinguished career, he has served as the president of the welfare councils in West Virginia and Missouri; he is a past national officer and member of the executive committee of the Central Conference of American Rabbis. Rabbi Cashdan was a delegate to President Truman's White House Conference on Children and Youth and was president of the Rabbinical Associations of both Greater Kansas City and Toronto.

Since coming to Maryland, Rabbi Cashdan has served on the faculties of Johns Hopkins University and Bowie State College. He is a member of the Board of the Jewish Social Service Agency of Washington, D.C., and is the immediate past president of the Washington Board of Rabbis.

Mr. Speaker, on June 12, 1981, I had the great honor to attend services at Temple Solel in Bowie for retiring Rabbi Cashdan. His congregation and civic and political leaders in Bowie paid tribute to the rabbi and his lovely wife, Eve, for their outstanding contributions to their community, both religious and secular.

Since then, Rabbi and Mrs. Cashdan have toured Egypt and Israel and, on their return, have become able advisers to me on the question of Soviet Jewry.

As Rabbi Cashdan assumes his new role of rabbi emeritus of Temple Solel, I know all the Members of this House will join with me in wishing him and his lovely wife, Eve, good health and happiness in the years ahead.

REAGAN'S UNJUST ATTACK ON AMERICA'S ELDERLY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. STOKES. Mr. Speaker, I address my remarks to a subject which touches the life of each and every individual in this country. It is a subject which we, as a body, will have to take action on very soon, and will shortly thereafter have to account for to our constituents. I am speaking of the proposed changes in the social security program that the administration has asked this Congress to approve.

In return for approving the changes, the President claims we will at some future point in time be able to reduce the social security tax workers must

currently pay.

In preparing for the debate on the President's proposals, and I use the word debate in a very literal sense, I believe we here in Congress need to fully understand the effect of the President's proposals on a program which was designed to protect this country's workers, and their families, from the loss of income suffered through retirement, death, or disability. I believe that we also need to consider the circumstances under which these proposals are offered. And finally, I believe we need to view these proposals in light of the very severe and extensive cuts this body has already imposed on social security benefici-aries through the budget reconcilia-

While I am inclined to believe that even the changes incorporated in the budget bill may not be enough to completely solve social security's financing problems, I am firmly confident that all of the proposals submitted by the President are not necessary to save this vital program. I have just returned from a working trip in my district where my constituent's very clearly voiced their disapproval of the President's reversal of his position on social security. In campaigning for office the President repeatedly stated that he would not change social security. Then, less than 2 months after taking office he began unfolding a very comprehensive, inhumane, discriminatory, and unjust program for changes which can only lead to financial disaster for this Nation's aged population, survivors of deceased workers, and those who have been dis**EXTENSIONS OF REMARKS**

The proposals are comprehensive because they touch every current beneficiary, 36 million people, regardless of the type of benefit being received. For example, the proposal to compute the annual cost-of-living increase based on the annual CPI rate will result in small, yet very real, decreases in the system's ability to protect individuals against inflation. For a great many individuals, every dime in benefits received is accounted for before their check arrives. When one considers that the payment of the cost-of-living increase is made after prices have risen, the effect of the administration's proposal would be to further erode the purchasing power of each and every beneficiary.

administration's proposals The would also reduce benefits for future retirees by changing the formula used to compute benefits. According to estimates by the Select Committee on Aging, approximately 3.5 million new retirees and their dependents would be affected by this proposal during the first full year of enactment alone.

The administration's proposals are inhumane because they will force cur-rent beneficiaries, and those workers planning to retire in the near future, to make radical changes in their plans and spending habits, without advance notice. For workers planning to retire at age 62, the administration plans to reduce the benefit payable by about one-third from current levels. In addition, if those workers have dependent children, the children's benefit will no longer be payable.

In the same vein, the proposal to change the requirements for disability benefit eligibility will result in over 30 million people losing coverage overnight. To approve a change such as this would be a disastrous travesty for individuals who, through no fault of their own, suddenly became unable to work.

The administration's proposals are discriminatory because they eliminate or reduce benefits for lower paid workers, the category many minorities and

women fall into.

Through past discrimination in jobs and educational opportunities, minorities and women have had to accept lower paying jobs thus having smaller earnings records on which benefits are based. The administration proposes to cap benefits for families in the lower earnings group so that families that have an average indexed monthly wage of \$196 or less would not receive any dependent benefit. Families with an average indexed monthly wage between \$196 and \$270 would have dependent benefits reduced. Families with three or more dependents and an average indexed monthly wage in excess of \$270 would also have dependent benefits reduced. This provision, contrary to the original intent of social security, would all but eliminate

protection from the loss of income for those most in need of it; lower paid minority and female-headed households.

Finally, the proposals are unjust because they provide for removing the work test as a criteria for eligibility. Over 67 percent of the increased benefits payable based on this provision would go to individuals already earning over \$17,000 annually. To use an old phrase, this amounts to "the rich getting richer and the poor getting poorer.

I think it is important at this point to understand that the administration. through these inequitable proposals, intends to solve both the short-term and long-term problems faced by the social security system. This is important because in projecting the magnitude of the long-term problem, the administration has changed the rules on us. First, the rules are changed to use a more pessimistic set of economic assumptions for social security financing purposes than were used in the overall budget request. To me, that smacks of 'having your cake and eating it too.'

Second, the rules were changed by using a new method of interpreting the effect of the economic assumptions on the social security program. The administration, in projecting the needs of social security, wants us to believe that everything that can go wrong will go wrong-for the next 50 years. Based on this philosophy, the President and David Stockman want us to approve a program which can only lead to the dismantling of the social security entirely.

As a result of the budget reconciliation process, both Houses of Congress have passed measures which virtually guarantee the elimination of the social security minimum benefit for all current recipients, not just those individuals receiving a Government pension: and the elimination of new student benefit awards with a reduction and phaseout of current student benefits. The House provisions were included in the Gramm/Latta amendments in the nature of a substitute to H.R. 3982, and the Senate provisions were included in the Senate budget bill (S. 1377) introduced by Senator PETE V. Do-MENICI, chairman of the Senate Committee on the Budget. These changes. if coupled with a provision to allow interfund borrowing between the old age and survivors insurance fund, the disability insurance fund, and the health insurance fund would be sufficient, I believe, to address the critical shortterm financing shortfall. To go beyond these changes at this time to correct dubious, at best, or nonexisting longterm problems would be a grave error.

On Thursday, July 16, 1981, one of the major networks aired a program entitled "Social Insecurity." At the conclusion of that program the question was asked-"what do we-the American people—want social security to be?" That question will be answered by the measures we here in Congress pass. Secretary Schweiker, during the course of the program, suggested that the administration's proposals are bitter but necessary medicine to solve the system's long-term problem that workers and beneficiaries will swallow, and must swallow now.

Well, I say that we, the Members of Congress are the doctors who prescribe the medicine. I for one, don't intend to prescribe what can only be described as an overdose to a problem not clearly or adequately diagnosed.

JOHN M. SNYDER, POINT MAN FOR THE PROGUN LOBBY

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

Mr. ALBOSTA. Mr. Speaker, I include in the Record today an interview with John Snyder, director of public affairs for the Citizens Committee for the Right To Keep and Bear Arms. I think you will find the interview most interesting and informative. Mr. Snyder is an acknowledged expert on this subject:

JOHN M. SNYDER, POINT MAN FOR THE PROGUN LOBBY

Question. Americans more than any other people seem peculiarly fascinated with guns. Why this preoccupation with weaponry? Doesn't the easy availability of handguns perpetuate the climate of violence in our so-

SNYDER. The fact that most Americans want handguns is not necessarily an indication that they also want violence. The fact of the matter is that handguns are peculiarly suited to the purpose of self-defense. You can't assume that Americans want handguns simply for nefarious purposes. Regarding the easy availability of handguns, it is virtually impossible to legally buy a firearm without complying with a few of the 20,000 gun laws we already have in the United States governing various aspects of gun ownership and acquisition. Most of the guns used in crimes are illegally acquired.

Question. It is believed that some 60 million handguns are now in circulation in the United States, with more than 2 million being added each year. At the present rate, Americans will have 100 million handguns by the turn of the century. What are lawabiding citizens doing with all these handguns? Are you saying that all are used for self-defense?

SNYDER. There's no question that a good portion of the handguns are in private possession are acquired for purposes of self-defense. But many are purchased for other legitimate activities like target shooting, including competitive shooting as well as for plinking and hunting. Few people realize it, but 48 states have laws specifically regulating hunting with handguns. So there are various legitimate purposes for which people acquire handguns.

The climate of crime and violence that we

The climate of crime and violence that we are experiencing in this country has caused a lot of concerned people to buy handguns

and learn how to use them for self-defense. I think it is pretty obvious that the police cannot protect all of the people all of the time. People must have a way to protect themselves, and the acquisition of a handgun is one of the simplest means of accomplishing that objective.

Question. But any way you look at it, handguns are made and sold for one purpose: to kill human beings. Why not put limits on their availability? Why this obsession with the "right" to bear arms?

SNYDER. Often the mere presence of a handgun in the possession of a law abiding citizen is enough to deter a criminal. As I pointed out before, there are also other legitimate uses for handguns. As a matter of fact, many of the most valuable handguns monetarily are those that are made for competitive shooting, including Olympic competition. It's a fallacy to argue or state that handguns have only one purpose, to kill. Their chief purpose, I believe, is to save life; to protect oneself from criminal attack.

Any limits on the availability of handguns should be placed on their availability to criminals. The best way to do that is by placing mandatory minimum penalties on the use of handguns in felonious acts of violence. But I don't think the limitation should be general. You're taking the position that anyone and everyone who wants a handgun is a criminal. The right to keep a gun for self-protection is in many cases concomitant with the ability to protect one's life. So the interest in the right to keep and bear arms is not an obsession.

Question. You told Congressional Quarterly recently that the gun is a symbol of freedom and that it has more significance to many people than a job. You don't call that an obsession?

SNYDER. Not at all. An obsession is an interest in one aspect of life to the exclusion of all others. For many people, their job is not an all-consuming interest in life. I have to believe that more men and women have a greater interest in their spouses than they do in their jobs. In that context, keeping a firearm for protection is more important than a job because it is the means by which one can protect their loved ones.

Question. Do you seriously believe that your right to possess handguns should take precedence over someone else's right not to

be gunned down in the street?

SNYDER. That's a loaded question. I believe that the right to possess handguns is necessary in order to prevent one from being gunned down in the street. The two issues should not be posited as antitheses, but rather as concomitants.

Question. New Right conservatives are the first to defend the right of life for the unborn and are willing to impose government controls on abortions. But when it comes to protecting the lives of individual citizens through gun control, they seem to adopt a "pro-choice" attitude and insist on their "rights." How do you grapple with this philosophical inconsistency?

SNYDER. It's not a philosophical inconsistency at all. The right to life is the paramount right. It is a right given to us by God. It precedes any grant of privilege by any government. In order to maintain the right to life one must have the capability under certain circumstances to protect one's life against those who would illegitimately try to take it away. In other words, if you deny the means to protect life, you deny the right to life.

Question. Gun advocates claim controls won't work. Isn't it a fact, though, that in

Japan where laws make it almost impossible to get guns, the kill rate is 200 times lower than in the United States, where 10,000 people a year die by the gun?

SNYDER. In Japan the conquering army of the United States under General MacArthur disarmed the citizenry. I would hope that the gun control advocates do not seriously believe that we should regard ourselves as a conquered people. But there are countries that have strict gun laws and high homocide rates—some of which are much higher than the United States. I'm talking of Mexico, which the gun control advocates usually don't like to mention because it has strict controls on firearms. There the homocide rate is 22.1 per 100,000, whereas in the United States the rate is 9.7 per 100,000.

Question. Wait a minute. You say "homocide rate." Shouldn't you differentiate that from deaths caused specifically by handgun violence?

SNYDER. What difference would that make to the victims? What difference does it make to a dead person whether he's been stabbed to death or shot to death?

Question. It makes a lot of difference. You're distorting statistics to bolster your argument against gun control.

SNYDER. Are we talking about preventing homocide or merely preventing gun owner-ship?

Question. C'mon, you know what we're talking about. We're talking about preventing homocide and violent crimes using hand-

SNYDER. The real issue here is the prevention of crime per se. As I said, it makes little difference to a dead person whether he's been stabbed to death or shot to death. The interest on our part is in preventing homocide—period. So when I cite the example of Mexico, which has strong gun controls but a homocide rate three times higher than that of the U.S., I'm using it to show that the imposition of strict gun control laws is not something which can be correlated with a homocide rate. My interest is in preventing homocides and I point to Mexico to show that gun control laws don't necessarily prevent homicides.

Question. With the killing of John Lennon in New York and the attempted slayings of Ronald Reagan and Pope John Paul, the nation again expressed shock and outrage as it has so many times before. Until handguns are eliminated altogether, won't we eventually lose all sensitivity to such violence?

SNYDER. It's interesting that you should bring up the case of Pope John Paul II, one of the great religious leaders of our time. It brings to mind the Biblical story of the first murder, when Cain killed Abel. This was thousands and thousands of years before gun powder was even discovered. So obviously homocide is something which preexisted firearms. The argument that sensitivity to violence will increase as the number of handguns are decreased simply doesn't make sense. It's the guy who pulls the trigger on unsuspecting victims who is insensitive to violence. That's the guy who should be dealt with, not the inanimate object.

Question. Cheap crimes by cheap criminals with cheap handguns. Is this the kind of image of America that your organization has come to tolerate? What has to happen before you become outraged too?

SNYDER. I'm outraged by violence period, whether it's committed with handguns or anything else. But my outrage is directed against the perpetrators of violence and not at the instruments with which such acts are

criminal acts.

GOLDEN DOOR AWARD

HON. FRANK GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

The gun control advocates are inadvertently contributing to a climate favorable to crime. The only people who obey gun laws are the law abiding citizens. A criminal bent on murder or theft certainly won't think twice about disobeying laws limiting the possession of firearms. Thus, the effect of gun control would limit the availability of firearms to law abiding citizens who would become even more helpless against criminals.

committed. The gun control advocates, if

they are sincere about reducing crime, will

begin to direct their outrage at the crimi-

nals and not at the mere possession of hand-

guns by people who use them to prevent

Question. Every publicized shooting revives the debate about gun control without bringing the two sides closer together. Is there no room for compromise, or is the safety of every American citizens just not that important?

SNYDER. There is room for compromise, provided the gun control advocates surrender. Without that there will be no compromise because the right to keep and bear arms is concomitant with the right to life itself. There is absolutely no way we are ever going to give up arguing for that right. There's no room for compromise on so basic an issue.

Question. Progress in reducing handgun violence would almost certainly require aggressive police methods, undercover operations, and other techniques that would trample on the civil rights of all of us. Isn't gun control the lesser of two evils?

SNYDER. That's another loaded question because the lesser of two evils is still an evil. To be effective any gun control law would jeopardize the rights of law abiding citizens against unreasonable searches and seizures.

Question. Isn't the reluctance of elected public officials to do anything about either gun control or to stiffen the penalties for violent crimes nothing less than an abdication of their moral responsibilities?

SNYDER. I can't comment on the morality of individual legislators. I don't know what their motives are. But I would way that they do have a responsibility to penalize violent criminals and to make punishment swift and sure. Until we really sock it to these criminals, I don't think we can ever stop this outrageous groundswell of violent crime. Our public officials have a moral responsibility to address this issue and to address it promptly.

Question. Finally, what is the status of gun conrol legislation on Capitol Hill? Does the election of Ronald Reagan and a GOP Senate put the lid on controls for the foreseeable future?

SNYDER. The climate for the repeal of existing federal firearms legislation is warmer now than it's ever been in the last 13 years. The McClure-Volkmer bill would eliminate certain of the more onerous provisions of the gun control act of 1968. It has been endorsed by the Reagan administration and has wide support in both the House and Senate. It has a good chance for passage sometime during the 97th Congress.

• Mr. GUARINI. Mr. Speaker, I am honored today to present for the edification of my colleagues here in the House of Representatives a report of an outstanding event, sponsored by the International Institute, which has taken place at St. Peter's College in Jersey City, N.J.

The International Institute is an organization in Jersey City, more than 60 years old, which has dedicated itself to assisting newcomers to the United States adjust to the American way of

Indeed, this group has a record of outstanding service, helping tens of thousands of individuals enter the mainstream of our society, many of whom have distinguished themselves in medicine, law, education, nursing, and business. They are a volunteer group which develops programs in immigration assistance, interpreter services, refugee resettlement, and student, ethnic, and cultural awareness.

As a tribute to the tremendous efforts of individual volunteers, the International Institute has established the Ethel Jones Golden Door Award, in honor of one of the founders of this fine group. The coveted Golden Door Award is presented annually to a foreign-born person who has contributed significantly to the betterment of the community. A main stipulation is that the recipient must not only have gained opportunity for himself but must have taken the opportunity of being an American to help others.

On a visit to the Statue of Liberty, which I am proud to say rests in the geographic boundary of my district, but 200 yards off the Jersey City shore, one will find The New Colossus by poet Emma Lazarus engraved on the famous Bartholdi statue, symbol of hope for the millions of immigrants who have come to our shores. This poem provides the inspiration for the Golden Door Award:

Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest-tost to me: I lift my lamp beside the golden door.

The award, which was created 3 years ago, was first received by Charles Kreiger, an Austrian-born financier, who rose to become the mayor of Jersey City. Last years's recipient was Mrs. Santa de Gross, who has spent a lifetime of service to others in the development of mental health programs. Born in Tunis, North Africa, of Italian, French, and Jewish ancestry, she was motivated by a problem with one of her family members, and has dedicated her life to helping others in

gratitude for the great blessing of American citizenship she has received.

This year, Melachrine Karagounelis, president of the International Institute, has advised me that a 96-year-old Italian immigrant, Dominick Colonna, of Hudson County, has received the prized Golden Door Award. Grace Bilotti Spinelli, past president of the International Institute, told me that Colonna, a successful businessman, is being honored because he opened his own golden door after landing alone, a virtually penniless immigrant at the age of 18, on the shores of the United States.

Mr. Colonna's hard-working, forward-minded attitude can be summed up in the following passage from the museum at the base of the Statue of Liberty, which states:

Before World War I, the crowded streets of New York's lower east side echoed with the many-tongued cries of pushcart vendors and the squalling of newborn Americans. Life was hard in the teeming, squalid tenements but the immigrant generation endured hardship so that the next generation might enjoy the promise of America. At least there was hope and always the inspiring example of those who had succeeded by self-sacrifice and hard work.

The Jersey Journal, in an excellent article written by Marion Courtney, traces the saga of Mr. Colonna from the day he came to the United States in 1902, landing in Jersey City, to his current status, that of founder and president of the flourishing Colonna Food Products.

After living briefly in Manhattan, Mr. Colonna worked as a barber and with his brother-in-law in an electric business. In 1907, he married the former Grace Di Lena. They made their home in Union City, N.J., and rasied four children. Grace Colonna died in 1939; they would have celebrated their 74th anniversary only days before this award's presentation.

Mr. Colonna entered the food business during World War I in response to the scarcity of certain products. Purchasing cheese wherever he could, he grated and packaged it at home, and sold his goods to the many neighborhood stores in surrounding communities. This later developed into the family grocery operation now operated by Joseph and Leonard, his sons.

Our Golden Door Award recipient feels that it is not yet time to retire, at age 96, and shows up every morning to work. He now lives in Fort Lee with his daughter, Madeline Florio, his sonin-law, and grandhchild. He has six grandhildren and six great-grandchildren.

His contributions have been many. He has touched thousands of immigrants who sought him out as their friend and counselor. His friends point with pride to St. Rocco's Church in Union City, which he helped found. He has given a start to hundreds of

families by providing work in his operation. He has provided financial assistance to countless small businesses, which have always been the lifeblood of our Nation.

Dominick Colonna has worked hard to catch the good within our reach. He is a master of the great art of living because he encourages the golden moment of opportunity. He epitomizes the late John F. Kennedy's message that:

As the iron of the new world is being forged and being readied for molding, our job is to shape it, so far as we can, into the world we want for ourselves and our children and for all men.

I am pleased to join Nino Domingo, chairman of the program, and Alberto Rosiak, Albert Arendas, members, and Nicholas Montaldo, executive director of the International Institute, who have worked so long and hard on this tribute, along with Geraldine Gillio and Grace Schut. Of special significance is the work of Purita Hornilla, who led the Garden State Filipino-American Dance Ensemble in a fine presentation.

Dominick Colonna is a reminder to some within our Nation who have attempted to build walls of social stratification. They are reminded of President Franklin D. Roosevelt's famous message delivered November 4, 1944, in Boston, that:

All of our people all over the country—except the pure-blooded Indians—are immigrants or descendants of immigrants, including even those who came over here on the Mayflower.

Dominick Colonna proves that life gives nothing to man without labor.

God has blessed Dominick Colonna and has also blessed us by sending Dominick to America. May he enjoy good health for many years to come.

A SALUTE TO MARYLAND PUBLIC SERVANT, JO-ANN OR-LINSKY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

 Mr. HOYER. Mr. Speaker, I would like to take the opportunity to recognize the achievements of one of Maryland's leading public servants, Jo-Ann

Orlinsky of Baltimore City.

Mrs. Orlinsky's 2-year term as chairperson of the Maryland Commission for Women has just recently ended, as well as her 7-year tenure on the commission, and her friends, colleagues and fellow commissioners will be gathering in Baltimore on August 5, 1981, to honor her many achievements. Unfortunately, I will not be able to attend, which I deeply regret, since my association with Jo-Ann goes back many, many years. I have been privileged to work with Jo-Ann and her

husband, Walter S. Orlinsky, the distinguished president of the Baltimore City Council, in the Democratic politics of our State for much of the past two decades.

A graduate of Mount Holyoke College, Jo-Ann Orlinsky has been associated with and served as an invaluable adviser to numerous government officials. She began her career as a special assistant to former Maryland Senator Joe Tydings, and is presently executive assistant to the commissioner of the Maryland Division of Labor and Industry. However, in her ceaseless volunteer efforts she has had a most dramatic impact in our State, and it is for these numerous and varied activities that she is this week being honored.

In the mid-1970's Jo-Ann served as the first chairperson of Women Together, a coalition of 23 Baltimore metropolitan area women's organizations representing more than 20,000 women. Because of her knowledge and leadership of women's rights in 1974, the Governor of Maryland appointed Jo-Ann Orlinksy to what was then known as the Maryland Commission

on the Status of Women.

In her work on the commission, Jo-Ann has been a tremendously effective advocate of strengthened laws relating to crimes of rape and sexual assault. On the commission she chaired the central assault task force, the rape task force, the rape coalition and the rape coalition conference on legislation. While I was president of the Maryland Senate, and chairman of the general assembly's committee on rape and sexual offenses, I was privileged to work with Jo-Ann on legislative efforts to investigate and reform the State's laws regarding rape and sexaul assault crimes. With her able assistance, the general assembly enacted a comprehensive package of reforms which provide appropriate penalties to the criminal and create a system with greater compassion toward the victim. I believe Maryland's laws in this area are a model for the rest of the Nation. and they would not have been enacted without the significant contribution and dedication of Jo-Ann Orlinsky.

In other work on the commission, Jo-Ann was the guiding force in establishing a State network of sexual assault centers. Maryland's program of centers is far ahead of most other States, and again we have Jo-Ann Or-

linsky to thank.

In the implementation of title IX equal education opportunity programs in our State, Jo-Ann has played an important role as a member of the committee to implement title IX of the Maryland Department of Education. On the Commission for Women she chaired the title IX task force on equal education and women's sports and cochaired the conference for title IX equity.

Certainly Jo-Ann's expertise and leadership ability has been recognized nationally and she currently serves as a board member of the Women's Equity Action League.

Jo-Ann's history of public service does not begin and end with her more than 7 years on the Commission for Women. While it is specifically for her service on the commission that this occasion has been planned, I would be remiss if I did not mention the other contributions Jo-Ann has made to her community and State. In hospitals. homes for the aged, programs for youth activities and children's rights, cultural and religious affairs, indeed in every facet of the Baltimore community, Jo-Ann has made an indelible mark. As you can see, it is with good reason that she has been more than once named "Woman of the Year" by various civic and professional organizations.

Mr. Speaker, I know you would want to join with me in a salute to Jo-Ann Orlinsky for her many achievements, and for her dedication as a true public servant.

FRED J. KROLL

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. LANTOS. Mr. Speaker, several days ago Fred J. Kroll, one of the outstanding men of our time, died at the age of 45. Fred was elected president of the Brotherhood of Railway, Airline & Steamship Clerks in 1976, when he was only 40. Two years later he was the youngest person in history to be named to the AFL-CIO Executive Council. Time magazine praised him for possessing the sense of boldness that remains the prime prerequisite for leadership, and pointed out his efforts to make the labor movement more attractive for younger workers by encouraging greater initiative at the local level.

As we all seek in the days and years ahead to resolve the difficult social, economic, and collective-bargaining problems that face the country, Fred Kroll's wisdom and leadership will be badly missed.

I would like to place in the RECORD a summary of Fred's unique achievements:

FRED J. KROLL, 1935-1981

A courageously-fought five-year battle with leukemia ended on July 30, 1981 when BRAC International President Fred J. Kroll died at the age of 45.

Death came in a Philadelphia hospital where he had been undergoing treatment and where, characteristically, he continued to chart the union's course and to develop programs and strategies for future collective bargaining and legislative campaigns.

Kroll first became president of BRAC in 1976 when he was chosen by the union's Executive Council to complete an unexpired term of office. He was reelected president by acclamation at BRAC's 1979 Toronto Convention.

When he was elected a member of the AFL-CIO's Executive Council in 1978, he became the youngest person ever to be named a federation vice president.

Assuming a leadership position within the ranks of rail labor, Kroll was elected chairman of the Railway Labor Executive's Association in February 1980. Composed of leaders of 20 unions with membership in the railroad industry, the RLEA is a policymaking group dealing with legislative and regulatory issues involving railway workers and the industry of which they are a vital part.

EARLY CAREER

No stranger to literally thousands of BRAC members, Kroll was an active and dedicated member of the Brotherhood for 28 years.

Born in Philadelphia, Pennsylvania on October 29, 1935, he came from a trade union family. His father was a long-time member of the International Union of Electrical,

Radio and Machine Workers.

BRAC's leader launched his rail career in 1953 as an IBM machine operator on the former Pennsylvania Railroad. Quickly becoming involved in Quaker City Lodge 587, he served as vice president, president, and local chairman.

In 1970, he was elected general secretarytreasurer of the Penn-Central System Board. The next year he was elected general chairman.

Unanimously returned to office as general chairman in 1973, he continued to head BRAC's largest system board until January 1975 when the Executive Council elected him an international vice president. He was reelected at the union's May 1975 Convention in Washington D.C.

tion in Washington, D.C.

During the period of his general chairmanship and later his vice presidency, his leadership abilities were successfully tested while meeting the challenge of protecting workers' rights when the northeast railroads (including the giant Penn-Central) plunged into bankruptcy. He played a key role in shaping the legislation that led to the creation of Conrail.

From his earliest days as a trade unionist, Kroll was widely recognized as a skilled and

determined negotiator.

An equally skilled and forceful spokesman on behalf of his own members and all of rall labor, Kroll spearheaded the April 29 Rail Labor Rally in Washington that drew 20,000 railroaders to protest the Reagan Administration's budget-cutting policies with regard to Conrail and Amtrak. Throughout March and April, he worked tirelessly in testifying before Congress to urge restoration of adequate funding for both railroads.

And, shortly before his death, congressional conferees adopted legislation to insure the continuation of Conrail and Amtrak and to provide a solution to the financially alling Railroad Retirement

System.

FROM "REASONABLE MILITANT" TO "MAVERICK LEADER"

Once describing himself as a "reasonable militant," Kroll quickly captured the attention of the media after his election as BRAC president and was frequently profiled in major news magazines and newspapers.

The Norfolk and Western strike, which he launched in July 1978 and which lasted for

82 days, tested his mettle, and his masterful handling of it led to the eventual elimination of both the rail industry's mutual aid pact and one existing in the airline industry. Business Week magazine called him "the maverick leader who bested the N&W."

Kroll himself described that precedentsetting strike as one that "let the railroads know we are an aggressive union, that we mean business and that we have the support of our people."

A cover story in the August 1979 issue of Time magazine on "Fifty Faces for the Future" cited BRAC's president as one of those who possessed "the sense of boldness that remains the prime prerequisite for leadership." The article described Kroll's efforts to make the labor movement more attractive for younger workers by encouraging greater initiative at the local level.

As Next magazine phrased it in an April 1981 profile, Fred J. Kroll was one of the "five-score Americans who has the potential to achieve substantial power over the minds and lives of their fellow citizens during this decade."

That potential ended tragically on July 30, 1981, but his legacy of bold leadership and dedication to economic justice and dignity for workers will endure.

A devoted family man, he leaves his wife Hildegarde; three daughters—Karen, Anita, and Michele; his parents—Fred and Catherine; and three brothers—Albert, John, and Losenh

In lieu of flowers, the family requests that contributions be made to the Herbert L. Orlowitz Institute for Cancer and Blood Diseases, Hahnemann Medical College and Hospital, 230 North Broad Street, Philadelphia, Pennsylvania 19102.

GOLD STANDARD SUPPORT

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. JEFFRIES. Mr. Speaker, even before the dust has settled over the recent budget and tax cut votes, many are saying the economy cannot be turned around until the United States returns to the gold standard. I concur with this analysis as the 10-year experiment with an unbacked paper currency has been disastrous. The president is moving the country in the direction of slower monetary growth, reduced Federal spending increases, and true tax cuts. But an important ingredient in this recipe for economic growth is a gold-based currency.

History has proven that irredeemable paper has almost always been accompanied by soaring inflation, unbalanced budgets, and high-interest rates. On the other hand, during most times in our history when the dollar was backed by gold, we have seen reasonable price stability, balanced budgets, and affordable interest rates. Since severing the tie of the American dollar with gold, the debasement of the dollar has accelerated, with both the money supply and prices doubling in the last 10 years.

Obviously, gold is not the only currency which can be used by a free society. But it has served as the chief instrument of exchange throughout history because its value does not depend upon the whims of government. It is scarce, transportable, and impossible to counterfeit. On the contrary, the worth of paper money is dependent upon the promises made by government, and it is too easy to reproduce when in short supply.

I look forward to the Gold Commission's report in October and future congressional hearings on the subject. The return to the gold standard must be considered if our economy is to get back on the right track.

SUGGESTIONS FOR A BETTER FOOD STAMP PROGRAM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. GINGRICH. Mr. Speaker, there are features—such as useless regulations—that hamper the efficiency of the food stamp program. James M. Huddleston, director of the division of family and children services of the Georgia Department of Human Resources offers an interesting commentary on the inequities of the food stamp program. The food stamp program must be returned to its original purpose: To provide nourishing food for the truly needy. I would like to share his letter with my colleagues:

DEAR NEWT: The workers and myself in this office, the Division of Family and Children Services, object to some features of the food stamp program with perhaps most of them being regulations.

In the case of Aid to Dependent Children, the parent must register for work when the youngest child reaches six, but it is not required in food stamps until the youngest child reaches 12. Of all the clients who are required to be referred to the Labor Department, only about 20% apply. We cannot deny them benefits until we contact them to find out if they have a good excuse, as everybody does, and refer them a second time.

We are not allowed to prosecute in the case of food stamps until there is an administrative hearing or court has ruled that it is fraud. Since this policy was instituted, we have yet to have the first administrative hearing.

A client can report no income and receive the total allotment of food stamps. The person no longer has to prove how they are paying other expenses such as rent, house payment or utilities. They can simply say somebody loaned them the money or is paying it for them.

An applicant can apply for food stamps on April 30th and if qualified, we must issue stamps for April and May. They have already survived the month of April, and they are not allowed to pay off a grocery bill using the stamps. We feel this is unnecessary.

An applicant can have a reserve of \$1,500 in the bank, and if they meet the Federal regulations on expedited services we must issue stamps within two days which sometimes does not give adequate time to check all the facts. We felt it was better when the local office was allowed to determine cases which were emergency and issue stamps in an expedited manner.

Under regulations it is permissable for a recipient of food stamps to refuse to work more than 30 hours per week, if by working more than 30 they would become disquali-

fied from receiving stamps.

If husband and wife had a child under 18 and one is working, the other cannot be forced to accept employment. If the wife could earn \$125.00 per week working and the man had a skill paying \$500 per week, they could elect for her to work, and there is no requirement that he be required to work.

These are some of the objections we have to the program. We feel if these inequities were corrected, benefits might be more reasonable to those who are in need and qualify. I am not restricting this information, but you understand I am not agitating opposition to whatever our state officials thoughts may be in the matter.

Sincerely,

JAMES M. HUDDLESTON,

Director III.

REAGAN ADMINISTRA-THE TION'S RACIST ABANDONMENT OF HUMAN AND CIVIL RIGHTS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. OTTINGER. Mr. Speaker, I am including in today's Record two articles which recently appeared in the New York Times and which clearly reveal the Reagan administration's racist attitude, opposed to human rights abroad and civil rights at home.

The first piece, written by James R. Hanson, concerns Mr. Lee Moon Young who is imprisoned in South Korea. Mr. Lee has been beaten so severely that he cannot raise his arms, he is plagued with frostbite, and he is condemned to solitary confinement all for expressing his views freely. Yet the administration studiously has refused to seek to prevent the brutal human rights abuses perpetrated by the regime of Chun Doo Hwan.

"Looking back at United States involvement," notes Mr. Hanson in his article, "I think that the Soviet Union has succeeded in stripping us of our principles, for which we have substi-tuted an inverted ideology under which we bind ourselves to dictatorships throughout the world." Clearly this is the inverted ideology which the President is pursuing, as enunciated in Ambassador Kirkpatrick's ludicrous theory on "benevolent tyrannies."

The administration is not against human rights abroad, it opposes civil rights at home. This is made clear in another article which I EXTENSIONS OF REMARKS

am including in today's RECORD, by Robert Plotkin, former chief of the special litigation section of the Justice Department's Civil Rights Division. Mr. Plotkin protests the Reagan administration's attempt to turn back the clock on civil rights, and thus turn its back on millions of Americans.

I am appalled at efforts by the administration to replace principled civil rights policy with political gamesmanship. Indeed, as this article points out, not only has the Justice Department moved away from vigorous enforcement of civil rights laws, but in some instances it has purposely manipulated the legal process in order to abandon the country's commitment to civil rights. This reflects the administration's deep-seated hostility toward the laws that protect minorities and

handicapped persons.

President Reagan claims that he is undecided about extending the Voting Rights Act of 1965. Recent hearings in the House Judiciary Committee demonstrated that our country has a long way to go before the rights of every citizen are guaranteed. Tactics which obstruct minorities from voting are still employed in some localities. In the face of these attempts to deny some Americans their most fundamental rights, the administration should be unwavering in its commitment to enforcing civil rights laws. Yet, as Mr. Plotkin states in his article: "* * * In a government otherwise tickled by its own ability to seem bold and imaginative, the lack of a coherent civil rights policy is ominous. It masks an antipathy toward civil rights that stretches far beyond particular disputes about effective remedies for discrimination."

Mr. Speaker, I commend both of these important articles to the atten-

tion of my colleagues:

INJUSTICE DEPARTMENT

(By Robert Plotkin)

Washington.-President Reagan may be undecided about extending the Voting Rights Act of 1965, perhaps the most important civil rights legislation in United States history. But Justice Department policy across the entire spectrum of civil rights issues reveals a deep-seated hostility toward the laws that protect minorities and handicapped persons.

Attorney General William French Smith has already promised that the Justice Department will not pursue busing orders in school-desegregation cases, that it will not seek the imposition of numerical quotas to correct employment discrimination, and that it will not impose "onerous" standards upon state and local prisons to correct conditions that violate inmates' rights.

The Attorney General has not said how ever, what the Reagan Administration will do in these and similar cases. This silence is not simply the pause of indecision. Indeed, in a Government otherwise tickled by its own ability to seem bold and imaginative, the lack of a coherent civil rights policy is ominous. It masks an antipathy toward civil rights that stretches far beyond particular disputes about effective remedies for discrimination.

This Administration sees civil rights laws as imposing unnecessary regulatory and economic burdens on society, and would like nothing better than ultimately to replace today's tough laws with toothless "tigers." The debate about the voting legislation is simply the opening round in a bout that is sure to go the distance.

Principled civil rights policy-making at the Justice Department has been replaced by the political gamesmanship of Deputy Attorney General Edward C. Schmults. Allies of the new Administration have learned quickly that a telephone call to Mr. Schmults will achieve favorable results and bypass the lawyers of the Civil Rights Division, whom their new bosses see as subver-

sive "liberals."

For example, Senator Jeremiah Denton, Alabama Republican, recently called Mr. Schmults to complain about language that he found objectionable in a legal document filed by the Civil Rights Division in a voting case against the city of Mobile, Ala. Within 24 hours, an amended pleading had been filed at Mr. Schmults's personal direction, removing the offending words. Although the legal significance of the change was inconsequential, its political message was clear: The Civil Rights Division is under control.

The "Denton maneuver" was also executed by the Governor of Texas, William P. Clements. Complaining about a successful prison-conditions suit brought in district court by the Civil Rights Division, Governor Clements wrote to the Attorney General that the court's decision would cost Texas "billions of dollars" to implement, pointed out that "it makes good political sense" for the department to reconsider its position. The letter was referred to Deputy Attorney General Schmults, who agreed to review the case and wrote to the Federal District Court for the Southern District of Texas asking it to delay further orders. To its credit, the court refused to delay again the eight-year-old controversy, but Mr. Schmults's promised review will continue while the case is on appeal.

Similarly, in a discrimination suit against North Carolina's college system, the Department of Education, without consulting the Civil Rights Division lawyers responsible, negotiated a settlement that failed to resolve important issues in the case. When those attorneys refused to sign the agreement, Mr. Schmults reassigned the case to another division and ordered the compro-

mise to be filed.

The Administration has publicly denied that the Justice Department has moved away from vigorous enforcement of the civil rights laws. Labeling the new course as a "change of focus," Attorney General Smith has promised minority groups that he intends to seek more "innovative and practical approaches" to achieve racial equality.

Significantly, not a single Reagan appointee at the Justice Department has any background in civil rights. Not a single appointee is a member of a racial minority. No special "task force" exists to study controversial civil rights problems, although the Attorney General has made much ado about other task forces he has created, such as the one on violent crime.

If we are to believe that creative new solutions will replace the supposedly outmoded policies of the past, who will devise them? And when?

It is remarkable that the Reagan Administration continues to refuse to admit that the era of civil rights enforcement is dead.

This refusal, obscured as indecision, deprives concerned citizens of their right to publicly debate the matter. It also assumes that public dissatisfaction with busing equals rejection of racial equality. The Administration is not only turning back the clock, it is also turning its back on millions of Americans.

A Korean In Prison (By James R. Hanson)

COLUMBUS, OHIO.—A friend of mine, a law professor in South Korea, was arrested last year, imprisoned, and beaten so severely that he could not raise his arms. He was in solitary confinement; last winter in his cell he suffered frostbite on his face and on an ear. He can contemplate spending next winter in the contemplate spending next

winter in the same prison.

I have great respect for this man and his courage, and his grasp of the simple, central principle that to live, one must give his life.

He is Lee Moon Young. In 1952, he was in the South Korean Army; I in the United States Army. I helped him find a school and

a sponsor in the United States.

He was at the University of Michigan when I began law practice in Ann Arbor. My first assigned case was that of a black youth charged with wrongfully entering an automobile. His family and friends didn't have the \$250 for bond; attorneys were forbidden to put up bail. When Moon Young heard of it, he insisted on providing the money, despite the fact that he was skipping breakfast to economize. In his soft, halting English, he told me he could not understand how a person could be kept in prison for not having \$250.

Last year, impatient with the Carter Administration, I wrote the President about my friend's situation, enclosing a check for \$250 as "the least I could do for Moon

Young."

A White House aide undramatized my gesture by returning the check, admonishing me that it was against the President's policy to accept money. I sent the \$250 to the American Friends Service Committee toward its campaign to save the opposition leader Kim Dae Jung from execution.

It was his association with Mr. Kim that got Moon Young in prison. He was quoted as having told Mr. Kim that he was not interested in political office but that he would advise him.

He was in prison before, when Park Chung Hee was President. He had ample opportunity to leave South Korea. When he was in Ohio a few years ago, he told me that he expected persecution, "even death"—the words startled me then, and now ring in my ears. He was removed from his professorship at Korea University. That didn't silence him, so he was imprisoned. He and others were released when Chun Doo Hwan took office. They were arrested by General Chun in May 1980.

When Mr. Kim's life was spared in this year's "amnesty," the sentences of Moon Young and some others were reduced from 20 years to 15. One gets the feeling that the chapter, and the book, are closed. The last letter to me from the State Department, in May, declared that the department does "not believe it either appropriate or productive for the U.S. to intervene." The American news media have turned to other subjects. Koreans feel abandoned.

We hear little from South Korea because of total censorship of press and mail, and the effectiveness of the Korean Central Intelligence Agency, even in this country. The full-page ads purchased by American Koreans welcoming President Chun in February were a tribute to the K.C.I.A.

Moon Young's wife held a prayer meeting recently for wives and friends of the prisoners, and for this spent four days in jail. She gets to go to island jail once a month for a 10-minute view of Moon Young through a double glass. He is not allowed to speak of conditions, but once he told her it was good to see light! Those who have seen the prisoners say that some still bear scars from last winter's frostbite.

I went to South Korea in 1952 with ideals like Moon Young's. We spent our time there, and a goodly number spent their life's blood, to save Southeast Asia from Communist rule.

Looking back at United States involvements, I think that the Soviet Union has succeeded in stripping us of our principles, for which we have substituted an inverted ideology under which we bind ourselves to dictatorships throughout the world, I am told this is necessary and that the human cost can't be helped. Be that as it may, it doesn't follow that we should avert our eyes from what is happening on this frontier of liberty, which was established with our blessing and our blood.

At this time of renewed patriotism in America, it is important for us to recognize the quality of the devotion of these men to their ideals, which are the very ones we revere in our Founding Fathers.

COMMUNITY EFFORT IN ARLINGTON

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. WOLF. Mr. Speaker, I would like to bring to the attention of my colleagues the following article, "Search and Save' Drive Aims to Reclaim History," which appeared recently in the Arlington Journal. It describes the noble community effort headed by Janet Green, chairman of Arlington County's historical commission, to locate Arlington's records. Once part of the Nation's Capital, Arlington is rich in history which makes this work especially important.

The article follows:

"Search and Save" Drive Aims To Reclaim History

(By Lee Michael Katz)

Once part of the nation's capital, and still home of innumerable political and military leaders, Arlington is rich in history. The problem is, most of it is recorded elsewhere.

"Arlington County has been part of the District. It has been a part of Fairfax. And it's been a part of the city of Alexandria," explains Janet Green, chairman of the county's historical commission. "So its records are dispersed in all directions."

In 1911, Arlington County became an independent government entity, according to historical commission member Michael Pol-

But the county's history began in the early 1600s. And to make up for the more than 300 years Arlington didn't keep its own records, the historical commission is conducting a "search and save" drive in Northern Virginia. It is looking for photographs,

papers or letters that might provide clues to earlier Arlington life.

While county residents are being asked to comb through their attics and family safes, part-time genealogist Pollock aims to search a different written source: gravestones.

By reading the epitaphs in cemeteries with marked graves, Pollock hopes to ferret out information not now available.

Tombstones "can indicate the quality of life at the time," he says.

For example, "a significant number of infant deaths in a two- to three-year period might indicate an epidemic of some sort."

He estimates there are between 40 and 50 cemeteries in Arlington, though "many of them do not have stones."

Pollock and the other commission members, meanwhile, are launching an appeal for the personal archives of noted citizens.

"Many prominent public officials have lived in Arlington," commission chairman Green says. "We want any papers relating to such people as congressmen and senators." According to a commission study, six senators and 33 congressmen live in Arlington.

Chief Justice Warren Burger of the U.S. Supreme Court has been a resident for many years, Green notes. Former President Dwight D. Eisenhower lived in Arlington when he was a general stationed at Fort Myer.

And the Wright Brothers conducted one of the earliest airplane flights at the turn of the century at Fort Myer, Green says.

Further back, Confederate leader Colonel (later General) Robert E. Lee was once master of Arlington in the late 1850s.

And colonial settler John Smith started it all by sailing up the Potomac in 1608 to the area that later became part of Arlington.

Interest in historical research has grown nationwide, Green declares. "I think the future is built on the past and always has been."

ALBERT FRAENKEL: FREE ENTERPRISER OF THE YEAR

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. MOORE. Mr. Speaker, we are all familar with the rags-to-riches idea popularized by Horatio Alger. In almost any other country such stories would be labeled fairy tales, but in the United States the right to succeed and prosper is as basic to the foundation of our Nation as the Declaration of Independence itself.

Such opportunity is possible because of our economic system, the free enterprise system.

Like any freedom, however, it is easy to lose sight of its importance until we lose it.

Each year I sponsor in my congressional district a special program, Free Enterprise Week, to remind the citizens in my area of the importance of the free enterprise system and the opportunity we all enjoy through it.

One of the most important aspects of this program is the Free Enterpriser of the Year Award. This is presentSRI CHINMOY

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1981

This year, the Free Enterpriser of the Year Award was presented to Mr. Albert Fraenkel, owner of Fraenkel Wholesale Furniture Co., of Baton Rouge. Mr. Fraenkel's story is one which serves as an example to us all.

ed to a local individual who has suc-

ceeded through the free enterprise

system. The award recognizes the ac-

complishments of the individual and it

also serves to remind others that such

opportunity still exists. By honoring

such individuals we identify role

models for our young people.

He attended high school in New Orleans, where he was the recipient of the American Legion School Award and the National Honor Society Award. He was a member of Beta Gamma Sigma scholastic fraternity and Kappa Delta Phi leadership fraternity, while attending Tulane University, from which he graduated with a bachelor's degree in business administration in 1947.

Mr. Fraenkel learned the wholesale furniture business while working for the Lester D. Scharff Wholesale Furniture Co. in Shreveport, La. He remained with that company from 1947 to 1959, taking time out for a 2-year tour of duty with the U.S. Navy, during the Korean war.

In February 1959, he opened Fraenkel Wholesale Furniture, in Baton Rouge, with three employees: himself, his wife, Eleanore, and M. L. Stewart. Now that company employs 113 persons and the Baton Rouge facility is currently being remodeled and increased to some 120,000 square feet of showroom, warehouse, and manufacturing space.

The company expanded to Memphis in 1972 and to Atlanta in 1976. Today, it serves over 2,000 retailers in a 12-State area.

Even with the demands of his growing business, Mr. Fraenkel has given unselfishly of himself to his community. He serves on the boards of directors of: Audubon Council of the Girl Scouts of America, Junior Achievement, Baton Rouge Alliance for Good Government, and the Louisiana Association of Business and Industry. He is a member of the board of trustees of the Baton Rouge General Hospital and the advisory board of trustees of the Baton Rouge General Hospital and the advisory board of the Salvation Army. In addition, he is a tireless worker for the Baton Rouge Chamber of Commerce.

Mr. Fraenkel is also currently serving as president of the congregation of Temple B'nai Israel and is past president of the Jewish Welfare Federation of Greater Baton Rouge.

Mr. Speaker. I salute Mr. Albert Fraenkel, Free Enterpriser of the Year for 1981. • Mrs. BYRON. Mr. Speaker, I would like to take this opportunity to briefly acknowledge the accomplishments of a public servant who will be celebrating his 50th birthday on August 27. Sri Chinmoy Kumar Ghosh came to the United States from India 17 years ago. In this period of time he has pursued the twin goals of public service and individual growth through his personal example as well as through the establishment of several nonprofit centers nationwide.

I met Sri Chinmoy last year as a result of our mutual enthusiasm for physical fitness. On this occasion, the gentleman was receiving an award on the steps of the Capitol from the President's Commission on Physical Fitness and Sports. The award was prompted by Sri Chinmoy's efforts in organizing a Nation-crossing bicycle route, a 50-State relay run in honor of the bicentennial, as well as his sponsorship of running events, tennis tournaments, and lectures.

Supporters and friends of Sri Chinmoy are quick to note that this is merely one interest of this multifaceted achiever. It has been brought to my attention that Sri Chinmoy is an artist, composer, musician, writer, and poet who has been nominated for the Nobel Prize in literature. In addition, he was named chaplain for the 1980 winter Olympic games in Lake Placid and has offered weekly meditations at the United Nations for diplomats and staff for several years.

In closing, I would like to submit Sri Chinmoy's tribute to the hope and promise of America:

SALUTATIONS TO AMERICA

Yesterday America enjoyed the sacred flame of liberty.

Today America enjoys the sacred light of equality.

Tomorrow America shall enjoy the sacred sun of divinity.

America's vision was to become transcendentally great.

America's mission is to become universally good.

The spirit of the past was the discovery of inner adamantine will to fight against bondage. The present spirit is the aspiration for God-manifestation plus the aspiration to become humanity's brother, humanity's selfless lover and divinity's constant server.

There are two special qualities that Americans can work on to help bring forward all their potential divinity. These two divine qualities are the feeling of universal oneness and constant and cheerful self-giving to the Supreme Pilot, who is man's own highest Reality.

American citizens can learn to love their country more by realizing the supreme fact that there is no difference between true love of one's country and true love of God.

One's country is nothing short of God's concentrated creation.

America gained her independence two hundred years ago by virtue of her determined will power. Now her spiritual independence will be founded upon her conscious oneness with God, and this can be established only on the strength of her implicit surrender to God's divine Dispensation and Will.

In a freedom-loving country patriotism is a conscious prayer, a conscious concentrated force to spread freedom so that the country can achieve and distribute love-light to each of its countrymen and to the world at large.—SRI CHINMOY.

H.R. 4144—ENERGY AND WATER DEVELOPMENT APPROPRIA-TIONS BILL

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. WALGREN. Mr. Speaker, on July 23 and 24, I cast several votes to bring the Federal budget under control and which question several wasteful Federal expenditures. I opposed several large construction projects that I believe are not only questionable on their merits, but also drain resources from our waterway needs in the Northeast.

In western Pennsylvania and Ohio. we have a network of rivers that must be able to handle growing traffic, particularly heavier barge traffic as the Nation converts to increased coal use and as coal exports grow. A recent Corps of Engineers' national waterways study has reported that of the Nation's 184 principal locks, the average age is 40 years. Many of these locks have been in service for 80 years and are greatly in need of rehabilitation and/or replacement. According to the report, waterborne commerce has tripled since 1947 to 2.1 billion tons a year and will increase to 2.7 billion during the 1979-2003 period. Coal, grain, chemicals, metallic ores and crude petroleum-Alaskan crude-will be the fastest growing commodities.

The economy and jobs of the Northeast are greatly dependent on our ability to move these goods, and we must take some serious steps to make sure our waterways are capable of handling this traffic. Because of these needs, I have a hard time supporting questionable projects like the Tennessee-Tombigbee, the Garrison diversion, and the Clinch River breeder reactor. The rivers of our Nation are a vast network requiring careful planning and coordination among all the interlocking pieces. My region of the country, whose economy so greatly depends on our rivers, must receive our fair share of the Nation's resources. I believe that these three projects, should they go ahead, would proceed at the expense of the waterway needs of the Northeast.

TENNESSEE-TOMBIGBEE UNSOUND

I cannot support construction of the Tennessee-Tombigbee Waterway, at a cost of \$2 billion. The proposed route. connecting Tennessee with the Gulf of Mexico, would parallel two perfectly usable routes, the Mississippi River and an existing rail network. The costs, originally projected to be \$386 million, have now mushroomed to \$3 billion, an inexcusable cost overrun. The General Accounting Office, Congress investigative arm, has concluded that only 20 percent of the benefits projected through 1981 have actually materialized. And at this \$3 billion price tag, there will be no flood control, no improvement in water supplies, and no hydropower benefits. Finally, the legal status of this project is cloudy. On July 13, 1981, the U.S. Court of Appeals for the Fifth Circuit halted construction on the project, saying, "We find no solid evidence that the corps has ever asked the right question, much less answered it reasonably.

GARRISON DIVERSION: MORE PORK BARREL

I also opposed the Garrison diversion irrigation project in North Dakota, to delete \$4 million earmarked for the project for 1982. For this project, the taxpayer would be spending over \$3,300 per acre to be irrigated, \$810,000 per farm. Irrigators are scheduled to repay less than 3 percent of these costs. During these budget-tightening times, I cannot support this tax-free subsidy to a handful of people for a very questionable project.

The Garrison project too has legal problems. In May, a Federal district court judge ruled that construction could not continue prior to congressional reauthorization. Finally, this project is not welcomed by our Canadian friends across the border. In 1977, the International Joint Commission reported that the project would introduce pollution into Canada's waters.

CLINCH RIVER BREEDER: COST OVERRUNS OFF
AND RUNNING

The Clinch River breeder project cannot meet the test of cost-effective Government spending in an effort to make our country energy self-suffi-

In 1973 the project began as a cooperative agreement between a consortium of utilities and the Federal Government. At that time, the utilities agreed to contribute \$257 million or 61 percent of the total expense of \$422 million. Since then, however, the costs have ballooned to a total of \$3.2 billion. As the utility contribution has remained static, the Government share has grown to a point where the taxpayers are now paying 30 times more than what was originally agreed upon.

A graphic example of the cost growth in the Clinch River project is

described in a report recently issued by the Energy and Commerce Subcommittee on Oversight and Investigations. This report points out, among other things, that original plans called for spending \$56 million on 11 generators; yet the first 2 purchased have already cost \$143 million.

Mr. Speaker, during this time of economic trouble we are asking the American public to make sacrifices in the form of reduced services and reduced assistance. It is clearly appropriate that the same budgetary scrutiny and discipline be applied to all Government activities.

If we are going to tighten the Federal spending belt, we must do it in all areas, and make sure that no sacred cow, no boondoggle goes unnoticed. In the area of waterways, we must be especially prudent. These projects are often very expensive and mammoth in scope. We must be especially sure that they are sound and do contribute to restoring the Nation's economic vitality.

SUPPORT FOR THE NATIONAL SCIENCE FOUNDATION

HON, VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. FAZIO. Mr. Speaker, I wish to state for the record my strong support for the National Science Foundation and for its research programs in the areas of economical, biological, behavioral, and social sciences.

On July 21, 1981, when the House of Representatives was considering H.R. 4034, the Department of Housing and Urban Development and independent agencies appropriations bill for fiscal year 1982, Mr. Winn offered an amendment to reduce the NSF's funding for these programs by \$70 million. I incorrectly voted for this amendment and now wish to clarify my position on this matter.

For the past 3 years, since my arrival in Washington, I have continuously supported the National Science Foundation and have consistently opposed any efforts to cut NSF's budget for research programs.

I firmly believe, that if this Nation is to retain its position as a major industrial and social force throughout the world, we can ill afford to neglect basic essential research programs. We are not talking of frivolous and meaningless activities. We are speaking of indepth studies which go to the core of the problems which plague us as a nation and a society, and which must be resolved if we are to continue to advance. Issues like: the national decline in productivity—causes and solutions; the monumental breakthroughs in technology and society's ability to

adapt and progress; methods of improving innovation in small business; women and minorities in the work force—trends and implications. These are but a few of the social and economic issues that we must fully understand in order to formulate sound and intelligent public policies.

Furthermore, if we are to improve the quality of life, we must increase our understanding of biological and behavioral matters. But this is basic research, as opposed to applied research, and must be funded, at least in part, by the Federal Government. We cannot expect the private sector to bear the full cost of such studies, nor would it be in our overall best interest for that to occur. The results of basic research are too unpredictable and require a large investment in time. Private firms cannot afford these risks: but more importantly, the successes are of such enormous consequences that no single firm should be allowed a monopoly on this knowledge. Thus it becomes a necessary and legitimate governmental role to fund biological and behavioral studies. Otherwise, how are we to learn more about what causes abnormalities in behavior and how to address mental and psychological problems? How are we to know what types of widespread behavioral reactions will result from changes in environment, changes in demographics? These are issues that will have a profound effect upon us. Who will conduct these studies if the NSF can no longer award grants to our universities for such?

These institutions of higher education are responsible for 80 percent of the basic research done in this Nation. The men and women who conduct these studies are dedicated to the acquisition and dissemination of knowledge. They must be allowed to continue their vital work without unnecessary restrictions being placed upon them due to unsound budgetary constraints. For this would lead to a diminution of necessary information on which decisions are based. And indeed, without adequate data and indepth analysis on which to decide public policy, we, as Members of Congress who must draw upon these resources, are likely to make the wrong decisions thereby compounding our problems and our costs.

I realize that we are in an era of budgetary restraints and that we must look for areas where we can reduce Federal expenditures. But, we can ill afford to make across the board cuts without looking carefully at the full ramifications of our actions.

I commend the HUD Appropriations Subcommittee on the NSF funding levels contained in H.R. 4034, and I commend the House for overwhelmingly rejecting the efforts to cut funds for NSF's basic research programs. I wish this statement to represent my views on this matter, and to reconfirm my present and future commitment to our Nations research institution.

A SALUTE TO CHARLES V. CARR

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. STOKES. Mr. Speaker, it is a pleasure for me to introduce to my colleagues in the House of Representatives a man of legendary stature in the city of Cleveland-Mr. Charles V. Carr. Mr. Carr is a giant of a figure in the city of Cleveland and is a fountain of wisdom for city politicians.

Mr. Speaker, in honor of Charles Carr's 30 years of public service, I think that this is an opportune occasion and forum to salute him with all the dignity he deserves. By this salute, I want Charles V. Carr to know that his services in the past have been appreciated and that he will be remembered forever by people from every walk of life in the Cleveland metropolitan area.

Mr. Speaker, even though Charles Carr normally shuns such praise, he is, in fact, a legend amongst the citizens and politicians in Cleveland. One only needs to reflect on the positive deeds and continuous service to the community during Charles V. Carr's life to see what an important and priceless person he has been to the city of Cleveland.

Mr. Speaker, Charles Carr had the longest running career in the Cleveland City Council when he left that body in 1975. He was a wizard of city administration and particularly city finances. He also was the first black elected to a city council leadership position when he served as the council's majority leader. Currently, he is one of the senior members of the 10member Regional Transit Authority board and perhaps the most respected

member of that body.
In addition, Mr. Speaker, he has been the confidant of many politicians in the city of Cleveland. My brother, former Mayor Carl B. Stokes, relied on his advice and political wisdom often during his tenure. The current city council President George Forbes also has a great deal of respect for Charles Carr's opinion and advice.

Mr. Speaker, Mr. Charles V. Carr has been characterized by some as having a computerlike mind and being a shrewd politician. That is the absolute truth. However, I would like to add that Charles V. Carr also is a man who throughout his career has dedicated himself totally and unselfishly to working on behalf of the city and its people. He did that on city council. Even today, he continues to display those same commendable qualities as a member of the Regional Transit Authority board.

It is exactly this dedication and lovalty which has made Charles V. Carr a legend among the politically powerful and the electorate. At the same time, this dedication and commitment for the people has kept him alive and alert

At this time, Mr. Speaker, I take this opportunity to thank Charles V. Carr for his service on behalf of all those people in Cleveland who have benefited from his wisdom and work. I ask my colleagues to join me in saluting Charles V. Carr. At this time. I am inserting in the RECORD an article which appeared in the Cleveland Plain Dealer on Charles V. Carr.

[From the Plain Dealer, May 25, 1981] OLD FOX STILL SLY

(By Brent Larkin)

He is kept alive by a tiny pacemaker which steers the heart on a proper course. The hearing is fading, and what was once a walk is a slow shuffle.

The years have taken their toll on the man referred to as the old fox. The hospital stays are becoming more frequent, the public appearances few and far between. In view of these physical limitations, it would seem that, at 77, Charles V. Carr is perhaps a mere shadow of his former self.

But like the old story about judging a book by its cover, those still granted the rare opportunity of watching Carr in action marvel at the shrewd, computer-like mind which functions beneath the surface.

As one of the senior members of the Regional Transit Authority (RTA) board, Carr is perhaps the most respected of the 10member panel.

"When he is up to par physically, Charlie is always the one who puts things into proper perspective, and the rest of the board members seem to fall right into line behind him," said one high-ranking RTA official. "When the chips are down, he's the best."

Further testimony to Carr's RTA wizardry came from old friend, Council President George L. Forbes, D-20.

"Leonard Ronis (RTA general manager) told me Charlie Carr is the most talented member of the board," said Forbes. "He knows finances backward and forward. He's slowed down physically, but mentally he's as sharp as ever.

But Carr shrugged off such praise as unnecessary flattery. "I just try to keep up with the younger members of the board," he said. "Public service is something that's in my blood-or what's left of my blood.'

It has been nearly six years since a young upstart named Lonnie L. Burten sent shockwaves through Cleveland political careers by drawing the final curtain on the longestrunning career in City Council history.
Over a 30-year period, Charlie Carr

became an institution in council, representing the near East Side's Ward 12. Having ousted W. O. Walker from the council seat in 1945. Carr proceeded to serve 15 uninterrupted terms before being unseated in 1975.

Through the years, Carr earned the reputation in council as the master of city finances. He was a trusted adviser to former Council President Jack P. Russell, former Mayor Carl B. Stokes and to Forbes. He served a brief stint as council majority leader, the first black to be elected to a council leadership position.

Yet, away from City Hall, Carr was continuously haunted by rumors of involve-ment in illegal numbers betting. In 1948, his house was bombed during what police officials described at the time as part of a war among rival numbers factions, and rumors about Carr persisted for so long that they became accepted fact.

Carr shrugged off the numbers talk as gossip and the frustration of law enforcement officials who spent years attempting to prove his involvement in illegal gambling. But the closest they came was in 1975, when a federal court jury found Carr innocent of evading \$74,000 in income taxes. It was soon thereafter that the voters sent Carr into retirement, and Forbes rewarded him with a seat on the RTA board.

Today, Carr said he devotes all his working hours to RTA and the board of directors of a Chicago insurance company on which he serves. But he keeps a close watch on city politics through conversations with old friends. Of city government in 1981, Carr pronounced Mayor George V. Voinovich as unbeatable in this year's election.

"Voinovich is a smart man," he said. "I admire him a lot. He can do no wrong and has a great future.

"Forbes is the shrewdest man I've ever seen in council." said Carr. "He's a magician. He's the greatest I've seen at getting councilmen to do what he wants. They act like trained seals for him.

Carr said that, health permitting, he has no intention of stepping down from the RTA board

'RTA has a bad image, but that's because we've depended too much on the federal government in the past for help and now those funds are being cut back," he said.

One who pays little attention to RTA matters is Stokes. But the former mayor warned that RTA officials would be wise to follow Carr's suggestions, whatever they might be

"I never went wrong by relying on him, and I'm sure the RTA people wouldn't either," said Stokes, "Charlie Carr has seen it all. He knows all the players, and he comes up with the decisions that will work.
"He's the old fox. There's no one

better.".

RUDOLF HESS, POLITICAL PRISONER NO. 1-PART 2

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

Mr. McDONALD. Mr. Speaker, I have not yet succeeded in finding any sane explanation of why the United States cannot extricate itself from continued participation in a Soviet atrocity. Last Saturday, on August 1. American troops marched through West Berlin to Spandau Prison. Their mission is a shameful one-to prevent the release of the single 87-year-old inmate who had, on that day, begun his 14,694th consecutive day of captivity. By August 6, that will become a rounder number, 14,700 days.

Rudolf Hess, who flew to Britain hoping to make peace between Britain and Germany, on May 10, 1941, has paid more horribly for that than anyone could have imagined. From that day to this, he has never known freedom. So long as the American Government chooses to comply with Soviet wishes, he will never even be permitted to embrace his wife and son, much less step into freedom.

During this month, then, American troops are participating once more in this Soviet atrocity. We are told that the Soviets would not like to see Hess freed because they would then be deprived of their six-times-a-year parade through West Berlin. Well, perhaps we could allow them to guard a totally empty prison—the absurdity would be no greater than it is now.

Our officials claim to be terribly worried about a "tit for tat," as they put it. We might, that is, have to endure a tit of Soviet retaliation if we inflicted the tat of ending this sickening atrocity.

One might hope that the U.S. Government includes a few people who could think their way around a tit for

On July 31, I placed in the RECORD (pages 19273-19275) part I of a summary of the Hess case. This is part II.

On September 30, 1966, two of the remaining three war criminals in Spandau were released, yet appeals to include Hess as well, and bring to a close this entire episode, fell upon callous Soviet ears.

Thus, on October 1, 1966, Rudolf Hess entered upon a period of unparalleled solitude as the only prisoner in the 600-man prison. From that day until today, four supposedly great nations have continued the ponderous process of keeping an old man imprisoned. Forty years now, and three governments claim to be slaves to the whims of the fourth.

Hardly able to believe it, the Hess family and its lawyer, Dr. Albert Seidl, embarked upon a campaign to publicize the gratuitous cruelty exhibited by the so-called great powers. Frau Ilse Hess and Wolf Ruediger Hess issued a public statement which was addressed to the Pope, the World Council of Churches, and the United Nations Commission on Human Rights. The text appears below:

STATEMENT BY THE HESS FAMILY, OCTOBER 1, 1966

Frau Ilse Hess and Wolf Ruediger Hess, the only living relatives of Rudolf Hess, erstwhile Reichsminister, make public the following statement, which they have also addressed to His Holiness Paul VI, the Council of World Churches at Geneva, the United Nations Commission on Human Rights at Strasbourg, and the Heads of State of the four custodian powers:

After hoping for many weeks for the release of our husband and father, Rudolf Hess, a possibility which for the first time had left remoteness and approached to within the bounds of possibility, it has today, 1st October, 1966, to our greatest consternation, become certain that he is to

continue to be held in allied custody as a solitary prisoner. We are convinced that this cruel situation, hitherto unknown in the annals of modern law, was neither foreseen nor desired by the Nuremberg Court.

In the verdict it passed on 1st October, 1946, the Court exonerated Rudolf Hess of the charges of war crimes and crimes against humanity brought against him. The only count on which he was found guilty was based on the historical and political accusation that he had aided and abetted the preparations for and the implementation of a war of aggression. During the proceedings, Rudolf Hess withheld comment; we, as his next of kin, decline to put forward any argument.

Even those who acknowledge the verdict of the Court will appreciate the fact that Rudolf Hess hoped, by his act of personal courage in flying alone to Britain during the night of 10th May, 1941, to terminate hostilities. Since that night-more than a quarter of century ago-he has been in custody. It was not the intent of the Nuremberg Court to impose the maximum penalty; that is why he was not sentenced to death. In every civilized country, however, a life sentence is considered to have been duly served after fifteen to twenty-five years, and the practice at Spandau with regard to release has also thus far taken account of humanitarian points of view. Admiral of the Fleet Raeder and Walter Funk, Minister of Economics in Third Reich, both, like Rudolf Hess, sentenced at Nuremberg to imprisonment for life, were returned to their families in 1955 and 1957 respectively to spend the waning years of their life on earth in peace; Baron von Neurath, Minister of Foreign Affairs in the Third Reich, sentenced at Nuremberg to fifteen years, was also prematurely released—in 1954.

What is now about to begin in Spandau, however, in absolute solitude, constitutes, we feel, what is tantamount to a subsequent aggravation of the sentence originally imposed and is perhaps a more dreadful process of extinction even than the executions at Nuremberg—a process exercised on a septuagenarian.

We appeal to every man and woman who thinks humanly to protest against this martyrdom before it ends as it must, unless restrained.

During the next few years, the Hess family obtained statements from many leading British and American participants in the Nuremberg trials who agreed that 25 years in prison was long enough, that in civilized countries a life sentence was considered served in less time than that. Normal human decency says as much, as reflected in the shift of public opinion in favor of Hess.

The best American expression of opinion on this subject which appeared during these early efforts to reach a larger public appeared in Modern Age, a quarterly published by the Intercollegiate Studies Institute of Bryn Mawr, Pa. It reviews Hess' motives and expressly deals with the fact that Hess was not convicted of war crimes or crimes against humanity. Rather, Hess flew to Britain on a peace mission and is the only man in human history to be sentenced to life imprisonment for crimes against the

It is so sad to note that the same editorial could be written today—nothing has changed during the past 12 years—but we do not see the paladins of human rights rising to the occasion at all. Rudolf Hess is surely the most senior political prisoner in the world, yet the humanitarians with access to the mass media ignore him. Perhaps that is because he is not a Communist.

EXCERPTS FROM "THE PRISONER OF SPANDAU," AN EDITORIAL IN MODERN AGE, SPRING 1969 (By Eugene Davidson)

The last of the Nuremberg prisoners and the last man to be the cause of military collaboration by the four powers common deployment has long been limited to Spandau, is Rudolf Hess, the man who flew to Scotland on a self-appointed mission of peace to prevent the two Nordic powers, Britain and Germany, from shedding more of their precious blood. Hess told his British captors he saw unspeakable horrors ahead unless peace were made, he saw long lines of women grieving over the bodies of their uselessly slain in a conflict that was 'suicidal for the white race." Convinced that only a dramatic gesture would bring an end to this civil war of the Germanic brothers he had flown to Britain without Hitler's knowledge but with the conviction that peace would be made if the British would only listen to him .

It is the ambiguities in the search for peace that have been his downfall. For Rudolf Hess is the only man in all history to be sent to prison—in Hess's case the sentence is for life—for having plotted to wage aggressive war and then to have waged it. The decision to make war has hitherto been regarded as an act of state, an impersonal act made on behalf of a government and its people, and it was only the Nuremberg Tribunal that stated this new and retroactive law that sent Hess to Spandau for as long as he lives.

[Hess had] agreed with Haushofer that a victorious Russia would mean the end of the British empire and the triumph of Communism on the continent of Europe. In any event, what Hess yearned for was the collaboration of Britain and the Reich. Germany would get its colonies back, control the continent of Europe, and would help preserve the British empire...

Many people including Goering thought Hitler had secretly sent Hess to Britain so that if the mission failed he could disavow it, and if it succeeded England would at last be out of the war. But this seems an unlikely hypothesis. It was unnecessary for the Fuehrer's deputy to fly to Britain to make contact with British representatives. Switzerland, Spain, Sweden were all used during the war for negotiations between nationals of the warring powers and Hitler had no need to place such high propaganda cards in the hands of the British to make his "peace known. Hitler's propaganda chiefs could not possibly make any capital from the flight, but Churchill could not use it to full advantage either. Hitler was beside himself when he heard the news. Here was his deputy taking off on a private peace mission, a demonstration to all the world of political crack-pottedness in the Third Reich, and this at a time when the preparations for the war with the Soviet Union was going into high gear. "I hope he dives into the ocean," Paul Schmidt, Hitler's chief interpreter, heard Hitler say . . .

Hess was indicted on all four counts of the Nuremberg charges-on the two counts of plotting to wage and waging aggressive warfare and also of committing crimes against humanity and war crimes. On the latter two he was found not guilty but concerning his crimes against peace the Court was stern. Hess' signature appeared on the law of March 16, 1935, establishing compulsory military service, the Court said, and he had known how determined Hitler was to realize his ambitions and how little likely the Fuehrer was to refrain from resorting to force. Also the Court declared that Hess had been an informed and willing participant in the aggressions against Czechoslovakia, and Poland. All this was the dogma of the New Revelation written under pressure of the gaseous notions of a world order to be administered by peace-loving nations; and imaginary order which had already broken down long before the end of the trial.

As for the Court's findings, how could it be criminal for any member of a government (Hess was a Minister in Hitler's Cabinet) to sign a bill establishing compulsory military service when every country in Europe had conscription? How could Hess have been aware of Hitler's belligerent intentions when Hitler himself shifted as opportunity offered from pro-Polish to anti-Polish, from years of denouncing the Soviet Union as the arch enemy to making a pact and even a short-lived military alliance with her? As for the aggression against Austria, the German soldiers were joined by Austrian units in their "flower march" and were received with wild enthusiasm by the rejoicing millions of this most pro-Nazi segment of the Germanic peoples. As for Czechoslovakia, she had been partitioned with the aid of Britain, France, and Italy in as legal a fashion as any nonviolent change of borders in Europe has ever been effected. And as for Poland, almost every serious writer on the subject of Germany's post-Versailles boundaries had said the next war would be likely to originate there in the land of the Corridor and of a Polish state that has existed in modern Europe only when either Russia or Germany or Austria-Hungary were unable to partition her or to bring her in one piece into the Slav or Germanic orbit. In any event Hess had had nothing to do with Hitler's orders to invade.

Aggression like sin may be more readily identified than defined and despite the labors of recent generations of international lawyers its definition still eludes any formulation. It is what the enemy does, it is what those who disturb the status quo do, it is any move made by any power we dislike or fear and above all it is the notion that we can never be safe until the world is moulded in our own image. Hess, the man who flew to England to stop the war, committed no crimes whatever against peace, and it is unlikely that anyone in a position to act on behalf of a sovereign power commits such a crime as a personal indulgence, persuasive as it may seem to equate members of governments with common law breakers. Heads of state and their advisors act for better or worse, mainly it seems for worse, on behalf of their own people. To prepare an invasion of a neighboring country like Cuba, which has intercontinental missiles aimed at the United States supplied by a hostile foreign power, can be regarded either as self-defense or as an act of aggression and any decision as to which it is will depend more on one's ideology than "pure" legality. The Allies who put him in prison have long since

abandoned any notion of bringing post-Nuremberg aggressors to trial . . . Only this extraordinary precedent of the case of Rudolf Hess who flew off to stop the war and so landed in prison for the rest of his life, remains, for a time at least, a living reminder of the mental aberrations of those presumably sane people in high places who were building a world order of law and peace no wider than the Nuremberg courtroom.

In November 1969, Hess fell ill at Spandau, suffering the effects of a perforated ulcer—yet the Kremlindominated Soviet doctor vetoed his removal to the hospital for 5 days. At last Hess was moved to the British military hospital nearest to Spandau, and was successfully treated.

His recovery was slow, however. until a visit from his family was arranged. Hess had not wanted his family to visit him under prison conditions, especially Soviet-imposed Spandau conditions, which involve the physical humiliation of visitors, regardless of age or sex. But, facing the likelihood of dying soon without ever seeing them again, Hess relented and the visit took place on Christmas eve in the British military hospital. Naturally, it was marred as far as possible by the Soviets. The heartless rules they impose mean that Frau Hess. who has been faithful to her husband through the long and often extremely unpleasant years since 1941, has yet to be permitted to touch her husband. Nor has Hess ever been allowed to embrace his son, who he had not then seen since the boy was 3 years old. If the Soviet Government has its way, they will never be able to touch each other.

Actually, it tells us nothing which the experience of tens of millions of other people over the years since 1917 have not tried desperately to tell us about how Communists treat people when they have them helpless.

Because the visit took place at the hospital, there was some journalistic coverage despite the draconian gag rule imposed upon the family. Coming as it did in the holiday season, British and European public opinion was roused to considerable sympathy; 96 percent of Britons polled, in December 1969, favored the release of Hess. Nearly 200 Members of Parliament eventually, over the next few months, braved the slings and arrows reserved for anyone who tries to help any person bearing the Nazi label by signing a statement supporting Hess' right to freedom at long last.

In March of 1970, a discussion of the Hess case took place in the House of Lords. Beneath the various titles of those speaking lay government officials and former intelligence and Foreign Office veterans, nearly all with some first-hand familiarity with the case. Each in turn deplored what was being done to Hess, and most then followed the standard Western excuse for being part of it.

The standard excuse, from that day to this, is that the four-power agreement governing the status of Berlin is incredibly fragile and beyond price. A unilateral transfer or release of Hess, we are told, would bring upon us unnamed horrors which are nowhere laid out in any detail. The evocation of vague, murky, ponderous threats, inevitably left without supporting detail, could lead toward the suspicion that the actual dangers are overdrawn, but are summoned to screen a mere reluctance to shake the status quo.

By the end of 1970, all efforts had come to nothing, because the Soviet Government is not merely impervious to public opinion, both domestic and foreign, but because it serves the interests of political terrorism, the basis of Soviet rule, to be perceived as relentlessly vindictive.

The West German Government can do nothing except to pay the bills. West Germany is not yet a free and sovereign state, because among other things, no free and sovereign state would budget tax money, year after year, for the maintenance of a political prison which it does not control and does not want. But the German people are still required—not by, but through their Government—to pay for Spandau.

Dr. Seidl, the family lawyer, has constantly peppered every possible person or group which could bring influence to bear to end what one critic has called this macabre theatrical performance: The futility of appealing to organizations like the World Council of Churches or Amnesty International or the United Nations High Commission on Human Rights can be imagined, but in this case it has been experienced. The United Nations, by the way, ducked behind the enemy stat clauses, articles 53 and 107, of the United Nations Charter, to maintain that, 35 years after the end of World War II, the winners still have the right to do anything they like to the losers. Those articles were inserted to make certain that none of the idealistic vaporings of the period interfered with the business of vengeance.

Life in Spandau is divided into monthly guard turns, when each country in turn provided the luckless platoon of soldiers who must man the grim brickpile within which a single man is buried alive. The American guard turn is the months of April, August, and December. Each such month represents opportunity to end our own dishonor. We have completed 44 guard turns since Hess has been in solitary at Spandau. Forty-four times our Government has lacked the courage to do the elementally decent thing.

Will August mark the 45th consecutive demonstration of that fundamental failing?

TRIBUTE TO FRED J. KROLL

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

• Mr. RUSSO. Mr. Speaker, last week the labor movement lost a courageous and dedicated leader with the passing of Fred J. Kroll, international president of the Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes (BRAC).

Time magazine cited this fine man in its "Fifty Faces for the Future" story in 1979 as one of those who possessed "the sense of boldness that remains the prime prerequisite for leadership." In this instance they were describing Kroll's efforts to make the labor movement more attractive for younger workers by encouraging greater initiative at the local level.

This was only one of Fred's achievements and as an active and conscientious member of the brotherhood for 28 years, his record of such achievements is long and impressive. He played a key role in shaping the legislation that led to the creation of Conrail. He spearheaded the April 29 rail labor rally in Washington opposing the administration's budget-cutting policies with regard to Conrail and Amtrak. Throughout March and April, he worked tirelessly in testifying before Congress urging that adequate funding for the two railroads be restored. And, shortly before his death, congressional conferees adopted legislation to insure the continuation of Conrail and Amtrak and to provide a solution to the financially ailing railroad retirement system.

Fred Kroll was recognized from his earliest days as a trade unionist as a skilled and determined negotiator. The Norfolk & Western strike in 1978 lasted 82 days and led Business Week magazine to call him "the maverick leader who bested the N. & W." Kroll described the precedent-setting strike as one that "let the railroads know we are an aggressive union, that we mean business and that we have the support

of our people."

He first became president of BRAC in 1976 to complete an unexpired term of office and was reelected president by acclamation at BRAC's 1979 Toronto convention. When he was elected a member of the AFL-CIO's executive council in 1978, he became the youngest person ever to be named a federation vice president. Assuming a leadership position within the ranks of rail labor, Kroll was elected chairman of the Railway Labor Executives' Association in February 1980.

It was a relatively short career as president for the Philadelphia-born son from a trade union family. He traveled a long distance from his days as an IBM machine operator of the former Pennsylvania Railroad and active involvement in Quaker City Lodge 587. Along the way he made friends and countless contributions to the lives of union members and strength of the union movement. This man who once described himself as a "reasonable militant" leaves behind a great legacy.

We will miss him. As Next magazine said in its April 1981 profile, Fred J. Kroll was one of the "fivescore Americans who has the potential to achieve substantial power over the minds and lives of their fellow citizens during this decade." The potential ended on July 30. In 45 years he had proven himself a winner in many a battle, but there was one last courageous battle with leukemia he could not win.

I know my colleagues join with me in extending deepest sympathy to his wife Hildegarde, his daughters Karen, Anita, and Michele and his parents Fred and Catherine and brothers Albert, John, and Joseph. Many of us who were privileged to know and work with Fred Kroll share their grief.

DINGELL-JOHNSON SPORT FISH RESTORATION ACT

HON. JOHN BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BREAUX. Mr. Speaker, on March 3, 1981, I introduced legislation at the request of many sport fishing organizations to expand the Dingell-Johnson Sport Fish Restoration Act. That bill is now being considered in the Subcommittee on Fisheries and Wildlife Conservation and the Envi-

ronment, which I chair.

George Reiger, the noted columnist for Field and Stream magazine, has written a thoughtful article on sport fishing in America that highlights many of the problems facing recreational fishing that I commend to my fellow Members' attention.

[From Field & Stream, June 1981] SPORT FISHING IN AMERICA (By George Reiger)

An unprecedented conference on the future of sport fishing in America was held March 4 on Capitol Hill. Its purpose was to elicit the support of the U.S. Congress and the Reagan Administration for an expended Dingell-Johnson Fund that would include a 3 percent tax on the factory price of boats less than 25 feet long (excluding hydroplanes, kayaks, and sailboats), outboard and electric trolling motors, boat trailers, fish finders (including depth sounders and temperature devices), outriggers, downriggers, fishing chairs, rod belts, harnesses, gaffs, nets, and other angling accessories.

The present Dingell-Johnson fund is woefully inadequate in meeting the rising costs of building launch ramps, artificial reefs, and hatcheries; acquiring property and easements for angling access; and conducting

fisheries research and restoration programs. The current 10 percent tax on rods, reels, and terminal tackle does not even cover your fishing line or the tackle box in which you pack your gear!

Thus, while the average American angler spends many hundreds of dollars per year on his recreation, he contributes well under a dollar in taxes specifically ear-marked to improve his angling opportunities and to maintain the resources that make his recreation possible. By comparison, hunters pay between six and ten times as much per capita toward the perpetuation of their sport through the Pittman-Robertson Fund.

More than 100 senators and representatives turned up at the conference, along with Vice President George Bush, who pledged the Administration's support. However, the battle is just beginning. Several leading boat and motor manufacturers are opposed to anything that will increase their products' base price—even though there would be no market at all for their products without wholesome and productive waters to use them on!

Unfortunately, such short-sighted business considerations are not unique to boat and motor manufacturers. Back in the mid-1930's, when the Pittman-Robertson Fund was being created, certain arms and ammunition manufacturers fought like fury against the proposed tax with some of the same kind of arguments that are used by the boat and motor people today.

For example, "The nation is in an economic slump; it's the wrong time to propose another tax." (When is it ever the right

time to propose another tax?!)

Or "why should target shooters have to share the tax burden with hunters?" Today, it's "Why should water skiers have to share the burden with fishermen?"—as though target shooters never hunt and water skiers never fish!

All of the manufacturers who originally fought the Pittman-Robertson Fund now march at the head of the parade extolling its virtues and their part—although manufacturers don't pay the tax; hunters do!—in restoring wildlife in America. Hopefully, boat and motor manufacturers will soon be heading a similar parade on behalf of fisheries restoration.

My job at the conference was keynote speaker, and I began with a thought that had occurred to me the day before on my trip into Washington, D.C. As I drove across the Chesapeake Bay Bridge, I saw a great flock of whistling swans flying north along the Kent Island shoreline. Those birds would be obvious harbingers of spring everywhere they pass on their way up the Susquehanna before bending west to Canada. Migrating swans, geese, and ducks remind people that a new season is beginning—that throughout the temperate and sub-Arctic zones, life has begun to stir again.

Yet in the waters of the Chesapeake, other harbingers were on the move. They are not noticed by poets and politicians, so the miracle of their renewal has few artists and writers championing their cause. They do not pass in clamorous ranks to stir the imaginations of ordinary people.

Yet the unseen migrations of herring, shad, eels, and the striped bass are no less majestic than the migrations of birds, and no less apt symbols of spring. Certainly fishes are more important to the ecological and economic well-being of the areas they frequent than the here-today, gone-tomorrow waterfowl.

However, what most men cannot easily see, they cannot easily imagine, wonder at, or worry about. And each spring, the seeing becomes a little more difficult for most aquatic resources.

That is why there is a more important harbinger of spring than all the flights of swan, blackbirds singing in a marsh, or blooming redbuds—a harbinger that is readily perceived by anyone, and that should be viewed with increasing respect by politicians and economists.

I'm referring, of course, to the recreational fishermen, and whether he fishes for perch in a New England lake, for suckers in a Midwestern river, for trout in a Rocky Mountain stream, or for mackerel on the cold green waters of the Atlantic, he is as much a part of the seasonal landscape as his unseen prey.

In a sense, the fisherman is a seer, for his experience and imagination enable him to see things that other people cannot; and his optimism and energy enable him to prove that such wonderful things exist.

Where nature's first green is gold, the fisherman is there to share its wealth. When sunlight first thickens with the luxury of lengthening days, the fisherman is there to watch it scintillate from the ripples on a snow-fringed stream or burst through icy spray hurled against the coast.

Even in the seemingly endless summer of the Florida Keys, the pace of life begins to quicken when fishermen report the first daisy-chaining tarpon sculling their serpentine shadows across the dazzling flats.

Too often man perceives himself as something outside nature—an exception to its rules and a voyeur to its beauties. This describes the mode of those content to dip into national parks and view wildlife through rolled-down car windows. But it does not describe the angler.

In order to derive the most pleasure from his outings, the fisherman must immerse himself in his environment—sometimes literally. Stream fishermen prefer wading to walking the margins; surf fishermen turn their backs on the safety of the strand for the surge of the surf; and bass fishermen—contrary to the popular picture of them racing hell-bent-for-leather across the surface of placid lakes—are happiest when they've worked themselves back into a mosshung slough where the biggest bass in the state should be living—if she has any esthetic sense, that is!

In matters affecting water quality, the recreational fisherman serves society the way the canary serves the miner. No one understands the cycles of aquatic life as microcosms of human life so well as the educated angler. His concern for healthy fish and compatible waters next season, and the season after that, has saved more than one river from thoughtless foresters, arrogant industrialists, and ignorant bureaucrats. By the example of his commitment, the angler has helped make many such men—and in the process, himself—a little less thoughtless, arrogant, and ignorant.

In The Infinite River, biologist and fisherman William H. Amos describes how each brook originates in the sun-heated seas, and how the ocean's gift is transfigured by clouds and rain to mist glistening on a rod and beading briefly at the tip before dropping and merging with the one immortality of which all men are certain.

Each angler has his favorite environment among the many ecosystems in which fish are found. Some prefer the sight of snowcapped mountains while they ply a broad river with a fly rod; others like the domain and sanctuary-sense of cane-pole bobbing in a farm pond.

I'm an estuaries and ocean man myself—but only a fool, or a non-angler, would perceive such preferences as mutually exclusive. Water is the matrix of life, and it binds each ecosystem to the other and binds them all to the angler's soul. Any fisherman knows that when we're not near the waters we love and fish, we fish and love the waters we're near.

Yet all is not well with most of our favorite ecosystems, and, like the miner's canary, recreational fishermen have been earnestly telling the rest of society about it. The majority seem to be listening, but as often happens with people who achieve power, many of our politicians and industrialists have lost the acute sense of hearing that once gave them their power.

Dammers and channelizers continue to pore over maps to find free-flowing waters to homogenize and pasteurize; careless farming and industrial practices over-enrich some waters, sterilize others, or just plain poison still others; developers put up PRI-VATE—KEEP OUT signs along every foot of coast, until their building schemes run afoul of Mother Nature's commonsense, and the developers begin sobbing for public money to pay off these bad gambling debts. Tragically, Uncle Sam not only antes up

Tragically, Uncle Sam not only antes up the money under such euphemistic guises as "flood plain insurance" payments and "beach nourishment," but he also underwrites the continuing search for markets for what he calls "under-utilized fishery resources."

Now, whenever you hear a bureaucrat use the word underutilized, you know that (a) the resource to which he refers will sooner or later be a candidate for a threatened or endangered species list, because (b) the bureaucrat doesn't know the first thing about its ecological requirements, and because (c) commercial exploiters, by and large, don't care

Open most any contemporary magazine and discover how our lack of political, economic, and biological restraint continues to erode America's once-vaunted Quality of Life.

American Forests magazine points out that for the supposed safety of U.S. drivers, one-tenth of all the world's annual salt production is dumped on our winter highways. Adverse rebates include slick and hazardous films left on pavements by dissolved salts, contaminated aquifers and reservoirs all across the nation and into Canada, and dying trees and fishes by the countless thousands during spring runoffs.

Rail used to be the ultimate symbol of life, but besides overdoses of salt, freshwater fishes must now contend with sulfuric acid transported in our overindustrialized skies. The February issue of Natural History magazine documents how this problem was first noted by a Norwegian fisheries inspector in 1959, and how despite a growing number of articles concerned with the problem over the past two decades-including an award-winning piece by Field & Stream's Ed Zern-our elected officials continue to waffle on clean air standards, and every year more unsuitable factories continue to operate and more unsuitable power plants are built. As a consequence, with every year, more lakes, rivers, and streams throughout the Northern Hemisphere continue to die.

It is pathetic to consider that concerned anglers were once able to help the Atlantic salmon in its battle for survival with Danish drift-netters, and that we continue to help this beleaguered species in its fight with coastal gill-nettlers and river poachers, but that we are helpless without support from our elected leaders during this, the most far-reaching war of all, in which countless salmon eggs, larvae and parr are destroyed before their first taste of the sea.

Finally, there is the endless, but increasingly passionate, story of water in the West. Since all life is based on water, so is all wealth. But what we in the East have long taken for granted, and even complained about—our humidity—some Westerners have literally committed murder to acquire. In these emotional, and often violent, arguments over who has the greater right to water—the farmers and ranchers who live near the source, or the majority living in cities many hundreds of arid miles away—the instream flow needs of aquatic life are often ignored.

In the allegedly farsighted plans for the Columbia River Basin, not one politician or engineer paused to compare the promises of fifty years or irrigation and power with the immense values of food and recreation from the the river system as it was—without spending one public dime.

Sad to relate, the once-mighty Columbia and its tributaries had the capacity to feed more people more high-quality protein than will ever be possible by diverting its precious waters into irrigation pipes for farmers and ranchers.

Oh, sure, I know fishing is fine in many parts of the country. However, these areas are still good either because man has used his knowledge and skills to maintain local waters, or because man has found substitutes for missing resources.

Take the Chesapeake, for example. Fishing is great these days because Sciaenids such as weakfish, drum, croaker, and spot have moved in vast numbers into the lower bay to take the place of the vanished striped bass, and bluefish have moved into the middle bay to provide recreation for trollers and chummers who also once counted on the missing striper.

A multi-million-dollar program is underway to find out what happened to the striped bass. That knowledge may give us the opportunity to restore this magnificent food and game fish to the mid-Atlantic region and New England.

Yet what about the Sciaenids? Do we know enough about their life histories and ecological needs to prevent them from vanishing, as they periodically tend to do?

What about bluefish? They, too, experience cycles of abundance and scarcity. In fact, they are somewhat overdue for decline.

Are such cycles inevitable? What role does man play in these cycles? Why have we not worked out a management plan for this species in advance of seeking new markets for its products? Is it possible for man to learn anything at all from experience and history?

And so we approach the bottom line: The angler's responsibility to the resources he exploits. In the past, we either bought an inexpensive license to fish in freshwater, or no license at all to fish along the Atlantic coast. Many anglers seemed to view the freshwater license as a kind of an absolution: By paying a \$1 or \$2 fee, we consigned to the states our obligations to the resources.

Many fishermen still think this way. Yet not all states are equally competent as custodians, and even those that are working with shrinking budgets and, rising costs. Broader bases for funding must be found.

Still, our fisheries crisis offers opportunity as well as adversity. After all, there are many areas and ways in which fisheries management can be improved and for which the ordinary angler should demand improvement. This is painfully evident in marine recreational fishing.

Of course, part of the problem is that appointed officials take their cues from elected officials, and elected officials know that fish don't vote. People who like to fish vote, but if many fishermen still complain about paying even a token share of the cost of research and maintaining resources, why should politicians care?

The word recreation means just that: Recreation. It is absolutely essential to our souls to have recreation, and anywhere between 40 and 75 million Americans derive significant portion of their annual recreation from fishing

Yet the very fact that angling proponents don't know exactly how many of us there are is the politician's clue that we are not a very potent political force to reckon with.

Any politician is familiar enough with generalities, vague promises, and hyperbole to know that the only thing that really matters to his continuing occupancy of public office is a body of organized constituents willing and able to write letters, appear in court, and fight for their vested interests.

In other words, the people with political clout are those who are willing to pay something, not to have somebody else do their dirty work for them, but as testament of their willingness to take on greater burdens themselves. Squeaky hinges get oil, but only after they prove themselves worthy of the oil.

Thus, the two principal objectives of the Washington conference on the Dingell-Johnson Fund were to discuss ways to get more "oil"—the kind that will give American anglers energy independence long before the rest of the nation achieves that elusive goal—and to discuss whether there are ways we can build better "hinges."

For example, I'd like to see a genuine bluefin tuna management plan. But I know I won't see one until the hypocritical and ecologically disastrous tuna exemption in the 200-miles-fisheries law is eliminated. And I don't see a management plan even then until biologists pull together all that they know about this resource, decide what still has to be learned, learn it, and then allot the bluefin's annual surplus optimally—meaning with the welfare of the oceanic environment along with the sustained yield of the resource in mind.

Naturally, none of these things is possible without a recreational saltwater fishing license. Representative John Breaux of Louislana recently introduced a bill for such a license. Since the Atlantic coastal states have refused to act, it is sadly, but inevitably, time for the federal government to create its own omnibus measure for making coastal anglers accountable to themselves and to our coastal resources. At the same time saltwater anglers are long overdue their fair share of the rebates from the Dingell-Johnson Fund.

A bluefin tuna management plan, just one of dozens critically needed, requires not only more money, but more thoughtful participation by anglers. Sadly, there are still too many fishery administrators who want less of our participation, and too many anglers who believe themselves too busy to participate.

I said at the outset that anglers are like seers in their ability to envision wonders to which others are blind. Yet in ancient mythology, seers themselves are depicted as blind. The idea was that after superficial sight is eliminated, a person may then be able to perceive things as they really are.

Hopefully, the conference on the future of sport fishing will help us perceive the fact that we are at an economic and political crossroads. Even more important, we are at a crossroads with the very resources that make our recreation, and—in turn—our revitalization and wisdom, possible.

William Shakespeare, evidently no stranger either to fishing or the sea, said it succinctly nearly 400 years ago:

"There is a tide in the affairs of men "Which taken at the flood leads on to for-

"Omitted, all the voyage of their life
"Is bound in shallows and in miseries
"On such a full sea are we now afloat

"And we must take the current when it serves.

"Or lose our venture."

Gentlemen and ladies, that tide is now, We need your support. Write your representatives and senators and ask them to vote for HR. 2250 and S. 546. These bills are the future of sport fishing in America.

CRITICAL DECISION ON MIDDLE EAST

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

. Mr. WOLPE. Mr. Speaker, in the very near future, this body will be called upon to make a critical decision which will have great impact in shaping the future of the Middle East. Congress will have to decide whether the United States should arm Saudi Arabia with AWAC's aircraft, Sidewinder missiles and other materiel. I hope that Congress will not acquiesce to the administration's new strategy of using Saudi cooperation in Lebanon as a justification for the AWAC sale. While laudable, these are separate issues and must be considered as such. The fact remains that the AWAC sale is not in the national interest of the United States. That must remain the bottom line, sole consideration.

I have already voiced my oppostion to the AWAC sale for several reasons. First, Saudi cooperation in the recent Lebanese crisis notwithstanding, Saudi Arabia has done little to advance the peace process in the Middle East and remains an implacable foe of Israel. The Saudis have opposed the Camp David peace accords and the Egyptian-Israeli Peace Treaty. The kingdom remains in a state of war with Israel. And Saudi princes have rejected any restriction on the use of their military equipment.

Second, from the standpoint of American security interests the transfer of AWAC technology to a region whose long-term stability is in serious question makes little sense. This technology represents the highest, most advanced state of the art, and needs to remain under American control. It is sobering to reflect, in this connection, that the last time the sale of AWAC's was contemplated it was the Shah of Iran that was the intended recipient.

Mr. Speaker, during the last month Saudi actions have further proven the folly of providing Saudi Arabia with this military hardware. The desert kingdom has vowed to "bear the cost of rebuilding the Iraqi nuclear reactor * * * to shoulder its responsibilities in full." And last week, Saudi Arabia pledged to add an additional \$20 million to the hundreds of millions of dollars it already gives to the PLO.

These Saudi actions as well as the recent events in the Middle East reinforce my oppostion to the sale of offensive military hardware to Saudi Arabia. The region is just too volatile, the Arab animosity to Israel is just too great, and the threat to our Nation's security is just too dangerous. I join the hundreds of may colleagues who stand opposed to the sale.

VIETNAM VETERANS OF SOUTH BOSTON

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. MOAKLEY. Mr. Speaker, over 20 years have passed since the first young Americans were killed in Vietnam. When that grueling struggle finally ended, 57,000 American men and women had lost their lives. Equally important, however, are the estimated 9 million Vietnam-era veterans who have returned to civilian life.

No brass bands and cheering crowds greeted these men and women on their arrival. They returned to a nation that was desperately trying to forget the horror and the trauma of the Vietnam war. The Vietnam veteran went to a war which, in most cases, he did not understand. He came back to a peace where he found either an indifference or a contempt for the military service he felt compelled to perform.

The Vietnam war was an unpopular war, a war which incurred a great deal of suffering, not only on the battle-fields, but also in the hearts of many Americans. It was altogether understandable that a majority of Americans were more than happy to put the war squarely behind them. But wars do not end when the shooting stops. They live on in the lives of those who fought. They live on in the lives of those who are survivors and dependents of those who lost their lives in war.

But most of all they live on and on in the memories of those who have served—who have given their best for

this country. That is why this Nation should never forget, because the veteran never forgets.

The men and women who served in the war brought back with them pain and problems-rage and guilt, sorrows and confusions-that have gone ignored and unattended for years. Now, at last, they are commanding our attention.

The Reagan administration's plans to cut \$131 million out of veterans' counseling, employment, and education programs met with considerable criticism from all sectors of the population. Editorial writers pointed out the hypocrisy of increasing defense spending while cutting out veterans' benefits and many veterans angrily stated that they would never let their sons fight for a country which victimizes and betrays its soldiers upon their return to civilian life.

Last month, the House of Representatives approved a number of bills which give Vietnam-era veterans long-

deserved benefits.

But legislation can only make a dent in the Vietnam veteran's profound sense of exclusion, his bruised conviction that America has done him wrong. What is needed is a change in the attitude of the American public toward the individual Vietnam veteran. Unless the sacrifice they selflessly made for this country is acknowledged, younger Americans will be left with the inescapable impression that military service merely invites contempt.

A symbolic change in attitude toward veterans did begin last January. The lavish welcome home that America proffered the hostages filled many vets with a sense of maddening unfairness. It awakened in them a sense of aggressive pride, unencumbered by the old shame of the loser. For the first time, Vietnam veterans began insisting that they are an important resource for the Nation, not an embarrassment. Despite the fact that they are among the business, professional, and everyday people whose contributions to the community make up the news columns, one is never identified as a Vietnam veteran until he robs a store or shoots someone. The result has been the perpetration of the myth that Vietnam veterans are walking time bombs that cannot be trusted. It is about time that we changed the myth.

The men who went to Vietnam deserve much more than a guilt complex from their countrymen. The vast majority of them went, not willingly, but because their country called. And when they got there, the vast majority performed the same acts of valor and bravery that American soldiers have in every other war. So let us honor those men, not as poor unfortunate victims, but as we honored soldiers of past wars.

South Boston, Mass., lost 25 of its sons in the Vietnam war. This is the highest figure for a community of South Boston's size anywhere in the State of Massachusetts, and ranks among the top five in the Nation. A committee of South Boston Vietnam veterans was created over 3 years ago with the intention of erecting a fitting memorial to those 25 brave men. Both veterans and neighbors felt it their moral responsibility to pay homage to the memory of their brothers, to let their sacrifice be known forever to the people of the community, and on September 13, 1981, their goal will be realized.

Their effort not only bears witness to the depth of South Boston's spirit. but it stands as a forerunner to the larger national memorial which will be completed in Washington within the next 2 years. It is an outstanding example of the people of this Nation reassessing their attitude toward those who served in Vietnam.

Mr. Speaker, I would like to pay tribute to those 25 men from my community who gave their lives for this country by having their names recorded in

the Congressional Record.

They are:

VIETNAM VETERANS OF SOUTH BOSTON

Joseph Agri, Lance Corporal, United States Marine Corps.

Charles Bazzinotti, First Lieutenant, United States Army.

Richard Borovick, Specialist 4th Class,

United States Army.

John Calhoun, Lance Corporal, United

States Marine Corps.

John Cole, Private First Class, United States Marine Corps. Paul Daley, Specialist 6th Class, United

States Army. Ronald Delverde, Private First Class,

United States Marine Corps. Joseph Desmond, Private First Class, United States Marine Corps.

Joseph Dunn, Private First Class, United States Marine Corps.

Devon Enman, Sergeant, United States Army.

Eugene Grover, Staff Sergeant, United

States Marine Corps. Francis Hubisak, Private First Class,

United States Army. Douglas Itri, Specialist 5th Class, United States Army.

John Jacobs, Corporal, United States Marine Corps.

John Joyce, Corporal, United States Army.

Edward Milan, Sergeant, United States Air Force.

James O'Toole, Private First Class, United States Army.

Burton Peterson, Lance Corporal, United States Marine Corps.

Paul Sheehan, First Sergeant, United States Marine Corps.

Edward Sullivan, Private First Class. United States Marine Corps.

James Stewart, Private First Class, United States Marine Corps.

Edward Stone, Private First Class, United

States Marine Corps.

Joseph Thomas, Private First Class, United States Marine Corps.

Donald Turner, Lance Corporal, United States Marine Corps.

James Wheeler, Specialist 6th Class, United States Army.

Those men, who were diverse in age, education, and interests, all shared one common ingredient-a loyalty and devotion to God and country. They went to war because their country called, and they made the ultimate sacrifice for something they believed in. That is why they deserve to be remembered. Those 25 young men who were friends of my family and me, as well as the entire South Boston community should be honored as positive examples of true patriotism during a period of profound uncertainty.

RESOLVING THE MONO LANDS ISSUE

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. PATTERSON. Mr. Speaker. today I am introducing a bill which is intended to resolve a longstanding issue between the city of Los Angeles and Mono County, Calif. Back in 1936, when the city of Los Angeles was building its Mono Basin aqueduct project, Congress passed a law authorizing the Secretary of the Interior to sell to Los Angeles certain public lands and grant to the city rights-of-way over public lands in Mono County. Los Angeles has had, since 1944, applications pending before the Department of Interior for the purchase of 23,850 acres of Federal land. For many years now, a cloud has hung over the status of this land and officials from Mono County and the city of Los Angeles have worked together to resolve this issue. This bill, which is the product of that effort, will repeal the 1936 act while at the same time it will retain for the city the rights-of-way it needs to insure the operation of its project.

Mr. Speaker, while the purpose of this bill is to resolve the Mono lands issue, the Mono Lake issue cannot be overlooked. The situation at Mono Lakes needs to be addressed. It is my hope that a long-term solution which will protect this environmental resource will be achieved. This solution should not, however, come at the expense of the southern California ratepayers. The first step in finding this solution must be a careful and comprehensive study of problems at Mono Lake. The bill I am introducing directs the Secretary of the Interior to work cooperatively with the city of Los Angeles to study the effects on Federal lands and natural resources of the continued operation of the city's Mono Basin aqueduct project.

Mr. Speaker, I commend my California colleagues who have joined me in sponsoring this legislation and I look forward to working with all of the interested parties in resolving both the Mono lands issue and the Mono Lake issue.

INDOCHINESE REFUGEE GROUP ASSISTANCE PROGRAM

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. AuCOIN. Mr. Speaker, over the last several years, Oregon has opened its doors to more than 15,000 refugees from Southeast Asia. About 10,000 of these refugees rely on services provided through the Indochinese refugee group assistance program. Its services include the teaching of English and employment training. This program is a lifeline to refugees and their families who are struggling to adjust to a new culture and overcome the hurdles that lie between them and productive, independent lives.

Sadly, this program has been handicapped by unpredictable and inconsistent management by the Reagan administration. State program administrators in Oregon have no assurance from one quarter to the next that Federal allocations will be received—even though Oregon welcomed refugees from Southeast Asia on the basis of assurances that the Federal Government would share in the costs of resettlement, adjustment, and education.

One out of every four calendar quarters the Government has been so tardy in meeting its commitments that Oregon has had to turn to its congressional delegation for help. I am acutely aware of the problems because I have had to prod the Department of Health and Human Services time and

Whether it is ineptness at HHS or a begrudging attitude toward refugee assistance, I really cannot say. As recently as May, I wrote to Secretary Schweiker asking for his personal attention to the State of Oregon and the overall management of the refugee assistance program. I pointed out that the shortsighted policy of limiting and delaying funds would have severe consequences.

Meanwhile, Oregon's third-quarter allocation for this fiscal year was unaccountably postponed. Under law, program administrators in Oregon ultimately were forced to send out termination notices to refugees.

The Department of Health and Human Services needs to know that it is manipulating people, not just numbers. Its accounting practices create uncertainty and have grave human consequences.

In the case of Shue Long Vue, a 62year-old refugee from Laos, the consequences were tragic and irremediable. Two years ago, Mr. Vue and his family joined the exodus of people fleeing political repression and genocide in Southeast Asia. They found sanctuary in Oregon.

Mr. Vue and his family were among the refugees receiving help through the Indochinese refugee group assistance program. A week ago, Shue Long Vue opened his mail to find a notice that financial aid would not be forthcoming. He was devastated by the news. He literally lost hope. In the early morning hours of Monday, July 27, Mr. Vue committed suicide.

Two weeks before Mr. Vue's death, the State notified the Department that termination notices would have to go out if funds were not forthcoming at once.

There is an ironic twist to this tragedy. Just hours after Mr. Vue's death, State administrators announced that the Federal Government was sending the State's allocation. Oregon now has \$2.6 million to keep the refugee assistance program in operation. Mr. Vue's family has been notified that help has been restored, and their grief is deepened by the knowledge that Mr. Vue's death was pointless.

In the aftermath of Mr. Vue's death, in the Indochinese community in Portland, a connection is being drawn between this death and the evident restoration of assistance hours afterward. In the refugee community, the question is being asked: Are suicides required to assure that help will be continued? These are people who have known unimaginable hardships, who are prepared to make sacrifices they believe are necessary and honorable for the sake of their families.

The Secretary of Health and Human Services needs to know this. The Secretary needs to understand the potential consequences in the Asian refugee community of administrative delays and holdups. I am not sure this is understood by the Secretary or his Department, or that he cares. The Secretary has not been responsive. I have not heard from him.

I wonder if he has heard about Shue Long Vue.

DELAWARE COUNTY'S IDEA MAN

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. EDGAR. Mr. Speaker, I would like to take this opportunity to commend "Delaware County's Idea Man," Mr. Carl Mau. Throughout his 40 years in the area, Carl has been in the forefront of leadership of many charitable and civic activities. He has raised countless thousands of dollars for the less fortunate, particularly those left

destitute by the Johnstown flood and the Italian earthquakes. He has organized a program that recruits clergymen to give the opening prayer at county council meetings. Carl's notable record of service to his fellow man has been acknowledged through the many awards that he has won; the Philadelphia Bulletin's "Jefferson Award," the Delaware County Jaycee's "Man of the Year" award, and the Associated Press plaque for outstanding radio broadcasting. But as a member of the Veterans' Affairs Committee, I am most proud of the work that Carl Mau has done on behalf of the brave men who have served our country in the military. Mr. Mau's distinguished contributions have been recognized most recently by the Pennsylvania chapter of the American Legion, who have bestowed on him the high honor of the "1981 Distinguished Service Medal." For these accomplishments, and other too numerous to mention. I would like to thank Carl Mau for his service to Delaware County, and to express my best wishes for his future.

A SALUTE TO DR. NOLEN ELLISON

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. STOKES. Mr. Speaker, I would like to take this opportunity to introduce to my colleagues an exceptional educator in the city of Cleveland—Dr. Nolen Ellison. As president of the rapidly expanding Cuyahoga Community College, Dr. Ellison simultaneously is a symbol of educational opportunity in Cleveland and a bulwark in the community.

Mr. Speaker, Dr. Ellison has worked tirelessly in planning the growth in physical facilities and academic reputation of the three-campus Cuyahoga Community College. His energetic and ambitious labor has reaped the fruits of accessible and quality educational opportunities for individuals in every economic class and age group in the Cleveland metropolitan area through the Cuyahoga Community College.

Appropriately Mr. Speaker, this achievement has brought recognition and accolades to Dr. Ellison. Even though he normally prefers to stay out of the limelight, I take this opportunity to officially applaud Dr. Ellison for his efforts and am proud to share his achievements with my colleagues.

Mr. Speaker, as I review in my mind the association I have had with Dr. Ellison and his background, I have come to the conclusion that Dr. Ellison's success is built on an uncanny desire to win. This motivation apprently has been with him throughout his life.

From his early days as an All-American basketball, football, and baseball star to his association with the Kansas City Community Junior College, the key to Dr. Ellison's achievements has been his constant determined effort to succeed with dignity and to break down barriers for himself and others. This philosophy about success has served him well as he has accumulated many firsts in his career.

Mr. Speaker, Dr. Ellison at the age of 31 was this country's youngest college president. Currently, at the age of 40, he serves as the president of the Cuyahoga Community College which is the third largest school of higher learning in the State of Ohio.

At the Cuyahoga Community College. Dr. Ellison has been the unshakable force which has prodded and managed the expansion of the college. Dr. Ellison has utilized his educational and administrative expertise, finesse and foresight to make Cuyahoga Community College one of the best in the

Furthermore, Mr. Speaker, Dr. Ellison has made the kind of lasting and significant mark on the community which many men dream of doing but few actually attain. He has helped to construct a superior campus and at the same time a quality academic program geared to the unique needs of the community.

The faculty of Cuyahoga Community College has followed the lead of Dr. Ellison in terms of enthusiasm for and commitment to the school and its students. This has resulted in a college which operates well administratively and academically. Therefore, the college serves as a tribute to him.

Dr. Nolen Ellison, in every meaning of the word, is the cornerstone of the Cuyahoga Community College. By virtue of that fact, Dr. Ellison also has been a positive force for the community.

With those thoughts in mind, Mr. Speaker, I ask my colleagues to join me in applauding the work of Dr. Nolen Ellison, president of the Cuyahoga Community College in Cleveland. At this time, I will insert in the RECORD, an article which appeared in the Cleveland Press on Dr. Ellison.

> TRI-C'S ELLISON LEADS QUIETLY EX ATHLETE THRIVES ON HARD WORK (By Barbara Chudzik)

In high school he was an all-state and all-American athlete. He attended college on a full athletic scholarship and was the third draft choice of the Baltimore Bullets bas-

ketball team. At age 31, he was the youngest college president in the nation. Today at 40 he's president of Ohio's third largest school of learning-Cuyahoga Community higher College.

On or off the court, Nolen Ellison is a

He was born in Kansas City, Kans., the second son of Tavern Ellison, chief mechanical inspector for the city, and Margaret, manager of a neighborhood grocery store. Ellison and his brother Benoyd grew up knowing Satchel Paige and other professional athletes.

"Ours was a family where sports was stressed, and I believe this has contributed to my success," he said, "Athletics is a broadening experience for kids. It's an important part of the maturation process and helps develop the fiber of leadership.

"Athletics blurs the lines of separation between people. It's a way for mutual respect to be established. Thanks to athletics, have strong feelings of respect for individuals. Colors and religions are not differences that separate us. They're strengths.'

Living in the black neighborhood of Kansas City, Ellison became acquainted with urban renewal at an early age when his family was ousted from their home so the city could build a school on the site.

He attended black elementary and junior high schools, but along with a dozen friends chose to walk three miles to all-white Wyandotte High School.

'It was just after the Brown vs. the Board of Education court case which started desegregation," he said. "I've always made adventuresome choices but the main reason I wanted to go to Wyandotte was for the

'I had been a successful athlete in junior high basketball and track. But the black high school had no basketball or swim team, and it didn't play in a conference league."

During his sophomore year, Ellison won a varsity letter in basketball. In his junior and senior years, he won six letters—two each in basketball, football and baseball. He was named all-American for basketball and allstate for football and baseball.

He was equally successful in his studies and was the first black inducted into the

National Honor Society.
"I was the only black in most of my classes, and this was a stimulus to achieve." he remembers. "I worked extra hard to prove I was as good as the white students and that I had come from a good background."

Ellison won a full basketball scholarship to the University of Kansas and soon was known as the "Kansas Iron Man" for his strength, tenacity, skillfulness and cunning on the court

He played every minute of every game in his senior year, and with a career point total of 1,400 was the highest-scoring guard in the history of the school.

Despite his athletic success, Ellison says he never planned on a career in professional sports because "you have to be brutal." He majored in history and social studies, intending to become a high school teacher. In 1963 he was the third draft choice of the Bullets.

Ellison said he turned down the tempting offer because he "had a pregnant wife, a job offer at Sumner High School (the black high school in his hometown) and was a folk hero back in Kansas City.

After one year of teaching and coaching, Ellison accepted an invitation to join a State Department sponsored basketball team on a two-month goodwill tour of the Orient.

He returned to teach three more years before turning to a new career at City Hall.

'I was elected to the board of trustees of Kansas City Community Junior College, and the day after the election, the Sumner High School principal told me to choose be-tween teaching or being a trustee," he said. "So I quit and joined the Kansas City plan-

ning department for two years."

During the next four years, the busy Ellison earned his master's degree from Hampton University in Virginia and his doctorate from Michigan State University, became executive assistant to the president of Michigan State and executive assistant to the chancellor of the Metropolitan Junior College District in Kansas City.

In 1972 he was named president of Seattle Central Community College. At 31 he was the youngest college president in the nation. Two years later he came to Cleveland as head of the three-campus Tri-C.

The 6-foot, 2-inch, mustachioed Ellison says he has spent the past seven years "trying to keep a low profile and simply do a good job.'

"Who Nolen Ellison is isn't as important as what Cuyahoga Community College is," he says. "I have a great responsibility to serve the citizens and not get my own role out of focus. Leaders can be more effective if they're not always looking to be in the public eye.

He and his wife, Carole, sweethearts since junior high school, will celebrate their 20th anniversary this year.

The Ellisons live in Shaker Heights with sons Marc, 17, who will continue the family tradition of attending the University of Kansas in the fall, and Steven, a student at Woodbury Junior High School.

TRIBUTE TO SRI CHINMOY

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mrs. SCHNEIDER. Mr. Speaker. I would like to take this opportunity to pay tribute to a man of many talents who has contributed greatly to the effort of increased human cooperation and international peace. Through his work, Sri Chinmoy, a prolific musician, artist, author and spiritual leader has sought to foster the ideals of inner reflection and action in human life. As the Director of the Meditation Group at the United Nations, Sri Chinmoy is active in the pursuit of world peace and has been recognized by this esteemed body when he received the Silver Medallion.

Sri Chinmoy has also made important contributions to the State of Rhode Island. The Sri Chinmoy Center in Bristol has been active in community service through the sponsorship of cultural, civic and athletic events. On August 10, the Center will be sponsoring a triathlon in Watch Hill, R.I. Last year, Sri Chinmoy presented Brown University with 100 titles of his work. These represent a significant contribution to the University's collection of literary, religious and philosophical documents. Sri Chinmoy has also lectured at other universities in Rhode Island and a mural of his paintings hangs in the children's ward at the Rhode Island

On the occasion of Sri Chinmoy's birthday on August 27 I would like to share one of his many poems with my colleagues:

SALUTATIONS TO AMERICA

Yesterday America enjoyed the sacred flame of liberty.

Today America enjoys the sacred light of equality.

Tomorrow America shall enjoy the sacred sun of divinity.

America's vision was to become transcendentally great.

America's mission is to become universally good.

The spirit of the past was the discovery of inner adamantine will to fight against bondage. The present spirit is the aspiration for God-manifestation plus the aspiration to become humanity's brother, humanity's selfless lover and divinity's constant server.

There are two special qualities that Americans can work on to help bring forward all their potential divinity. These two divine qualities are the feeling of universal oneness and constant and cheerful self-giving to the Supreme Pilot, who is man's own highest Reality.

American citizens can learn to love their country more by realizing the supreme fact that there is no difference between true love of one's country and true love of God. One's country is nothing short of God's concentrated creation.

America gained her independence two hundred years ago by virtue of her determined will power. Now her spiritual independence will be founded upon her conscious oneness with God, and this can be established only on the strength of her implicit surrender to God's divine Dispensation

In a freedom-loving country patriotism is a conscious prayer, a conscious concentrated force to spread freedom so that the country can achieve and distribute love-light to each of its countrymen and to the world at large.

—Sri Chinmoy.

TESTIMONIAL DINNER TO HONOR POLICE CAPTAIN McLAUGHLIN

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. RUSSO. Mr. Speaker, good laws make it easier to do right and harder to do wrong. And good policemen to enforce these laws help to keep our loved ones and our cities secure. Paul McLaughlin has been a member of the Chicago Police Force for the past 35 years and a captain for over a decade. He has served our city well. During his long and illustrious career, Captain McLaughlin has shown leadership, dedication, professional expertise, and personal courage throughout many troubled times such as the Chicago riots, the Croatian hostage situation, and the El train accident. In thanks, Captain McLaughlin has received hundreds of letters and many commendations praising his behavior in action.

On May 4, 1981, Paul McLaughlin retired from the Chicago Police Force. On September 3, 1981, there will be a testimonial dinner in honor of Captain McLaughlin. All those family, friends, and fellow police officers who have ad-

mired and respected him through the years will have the chance to thank this outstanding public servant.

I commend Captain McLaughlin for his unfailing service and I know my colleagues join with me in wishing him a full and happy retirement.

LIBERALS, CONSERVATIVES, AND GOD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

• Mr. ALEXANDER. Mr. Speaker, recently I had the opportunity to attend Sunday services in Heber Springs, Ark., at the St. Francis Episcopal Church. Rev. Arnold Hearn delivered a most enlightening and thought-provoking sermon which I would like to share with my colleagues here in the House. Reverend Hearn's sermon of July 5, 1981, follows:

Liberals, Conservatives, and God (By Rev. Arnold W. Hearn)

The annual observance of Independence Day turns our thoughts to the life of the nation. And that prompts reflection on the turmoil, the divisions, the changes which have marked our experience as a people in recent decades and on the further change of direction represented by last fall's national elections. And these thoughts immediately raise the tangled questions of future social realies.

Each must ask: What stance, what posture shall I adopt? What shall be my hopes and expectations? How shall the church be related to society's decision-making processes? What orientation is appropriate from the standpoint of Christian faith?

1

We are in the habit of speaking as if we have two broad options. We can be liberals, or we can be conservatives. The situation is actually far more complicated than that and for a number of different reasons. Yet there is enough truth in designating liberalism and conservatism as the major alternatives to make it a useful way of speaking and to enable that distinction to serve as a starting point for further reflection. The labels "liberal" and "conservative" do seem to stand for two distinctive ways of confronting and participating in the life of the world.

At the risk of considerable further oversimplification, let me try to characterize the difference between these two postures. Liberals might be described as those whose chief concern is to bring new good into being. The liberal inclination is toward changing things, toward experimentation, toward extending the frontiers of justice, equality, and human rights. Liberals want to change things in the conviction that things could be much better than they are.

Conservatives, on the other hand, can be thought of as those whose chief concern is to prevent established good from being lost. The conservative inclination is toward tradition and order and the stability of institutions, toward preserving values and systems and practices that work—however imperfectly—rather than running the risk of chaos and disorder. Conservatives are skeptical of change and want to cling to the

goods we have for fear that, if we do not, things may turn out to be much worse than they are.

Whether or not "liberal" and "conservative" are the most accurate and illuminating labels for them, there are, in any case, these two ways of confronting the present. There are those who are turning on by a vision of a better future and who seek to bring new good into being. Theirs is a creative impulse. And there are those who are filled with appreciation for the accomplishments of the past and who refuse casually to discard the heritage of long experience. Theirs is a preserving impulse.

II

If, however, you and I are at all serious in our affirmation of Christian faith, then our concern is not just to decide whether we are going to be liberals or conservatives. Our first concern is to ask: where is God in all this? What is God doing in the midst of human affairs?

An important clue appears in words which you and I repeat each time we offer the General Thanksgiving from The Book of Common Prayer: "We bless you for our creation, preservation, and all the blessings of this life." These two words, "creation" and "preservation," point to a great deal of what God is doing in his world. When you and I try to locate ourselves within or beyond the options of liberalism and conservatism, it seems to me profoundly important to remind ourselves that (while it might seem odd to call God liberal or conservative) the God we worship is both creater and preserver. He is one who is constantly at work to bring new good into being. He is one who is ever concerned lest any good be lost.

I am not suggesting God is a timid, middle-of-the-road moderate, lukewarmly creative and half-heartedly preserving. There is a thoroughgoingness and a steadfast faithfulness to be discerned in both his creative and his preserving work.

The God of biblical faith is one whose creative Spirit is constantly brooding over and surging through his world to bring new good to birth—though the birthing be painful and though something of the old does have to be surrendered to make way for the new. In the long story of natual evolution, God's power is at work, bringing a wonderful diversity of species into being to share in the life of the earth. In human affairs he moves for the increase of justice and the liberation of the oppressed. He is ever leading and goading his people toward greater and richer fulfillment of human possibilities and human community. He is the creating God who brings new good into being.

Yet the God of biblical faith is also one whose fatherly care is constantly exercised to confirm and conserve the good that has been already achieved—though the preservation of past achievements does sometimes establish banks within which the river of creativity must flow. By his providence advances are consolidated; protective structures develop; nature acquires the balance and harmony on which its creatures depend. In human affairs, stability is achieved through the emergence and experience of institutions such as family and state and laws and church and school; through functioning systems for the production and distribution of goods and services; and through all the things that make possible a sane, orderly, reliable, and at least tolerably just human existence.

The influential American theologian Paul Lehmann has described the divine activity by saying that God is at work in the world "to make and to keep human life human." And that is exactly the point! This making and keeping, this creating and preservingthese are what God is doing.

The philosopher Alfred North Whitehead has said that God is always leading and luring not only human life but the whole universe into what he calls "creative advance." But Whitehead says also that God is constantly exercising "a tender care that nothing be lost."3

Creating and preserving-these are nothing less than the work of God. And these are divine activities with which faith intends always to be aligned. We dare not forget either concern.

The creative thrust involves making human life more and more fully and completely and authentically human. It involves bringing new good into being. The preserving thrust involves keeping in human life the humaneness and the humanity which have been already achieved. It involves preventing established good from being squandered. The God you and I worship is one who works both to create and to make and to preserve and to keep. And in the process he resists, overthrows, destroys whatever thwarts either his creative or his preserving concern.

III

So what does all this mean with respect to the question with which we began? With what outlook shall you and I face the decisions which confront our nation and ourselves? I shall not suggest how any one of us should resolve any particular issue, but I think what I have been trying to say about the nature and activity of the God we worship does imply something about the attitudes with which you and I can best face the future and participate in the society of

which we are members

If the God of Christian faith is both creator and preserver, then both "liberal" and 'conservative" concerns have a legitimate role within the life of the church. Both have a place in our concern for human well being. Both have a place in our striving to express love to God and neighbor. But since both have validity, none of us ought let himself or herself get locked into a doctrinaire position wherein response to every is automatic. Whether our reflexes tend to be liberal or conservative, we need the grace to get beyond the knee-jerk response. We need to keep ourselves open to diverse possibilities.

As servant of God and neighbor, one ought to be willing to find oneself aligned with conservatives on one issue and with lib-

erals on another.

We ought also be able to welcome correction from those who see things differently from the way you or I may see them. Each of us has got finally to come to his or her own decisions. We have to follow the best light we have. Yet we can, at the same time, glad that-within the providence of God-there are other persons who see things differently and who are laboring on behalf of values we might be inclined to ne-

Political and social struggle gets pretty messy sometimes. But through it all, you insights and fragmentary wisdom and onesided, unbalanced efforts of a lot of differing people as the context out of which he can bring forth something better than any one of us, or any limited group of us, could ever have achieved alone. And that conviction is surely close to the heart of what democracy is all about. Still, it is not enough to say God is creator

and preserver and leave it at that. There is more in the General Thanksgiving that what I quoted earlier. Listen to the same passage slightly extended: "We bless you for our creation, preservation, and all the blessings of this life; but above all for your immeasurable love in the redemption of the world by our Lord Jesus Christ.'

The God we worship-the creator, the preserver-is also savior. And that conviction supplies the assurance you and I need if we are to do much of anything at all, whether in the more public arena of political activity or in the more private circle of personal life and interpersonal relation-

For anything we do is risky. We can always be mistaken in our choices. We can always be misled by our own biases and our

own blindness.

But we can run the risks and take the chances in the faith and trust that the same God who is creating and preserving is also saving. He will take your blunders and perversities and mine, and those of the persons and interests we oppose, and he will redeem them and use them for good as he weaves them into the story of his own gracious and ongoing purpose.

ERIE, PA., ZOO

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. MARKS. Mr. Speaker, this past weekend, I had the distinct pleasure of visiting the Erie Zoo in Erie, Pa. The zoo, founded in 1924, is a small 15-acre public park run by the Erie Zoological Society. Director James Rhea and his friendly, highly competent staff are always on hand and eager to explain particulars and answer questions.

Besides housing 70 species and 200 specimens, the zoo contains picnic facilities and playgrounds which are in full use throughout the spring and summer months. The zoo also sponsors an annual spring parade which is widely attended by the entire community. More than a quarter of a million people visit the Erie Zoo in the course of a year. Erie ranks third in the Nation as the most attended zoo for the size of its metro area. One of the zoo's most popular attractions is Pixie Land, a playground of tame animals that roam about free from confinement. Children have the opportunity to pet and feed goats, lambs, ducks and a wide assortment of friendly, gentle animals.

While at the Erie Zoo this past weekend, I was particularly fortunate to be able to see their newborn giraffe. The beautiful baby giraffe calf was

born on Monday, July 27, 1981. The birth of a baby giraffe is unusual for a zoo the size of Erie because giraffes and other large specimens often do not reproduce in relatively confining habitats. The calf was approximately 7 feet tall at birth. The calf is unique in his markings in that he has the identical shamrock design on his chest that his father possesses. The calf has yet to be named, but as is the custom for popular newborns at the Erie Zoo, officials are planning a name contest in which the community can participate.

The Erie Zoo, despite its relatively small size, has also been successful in breeding polar bears, having had successful births in 1977 and again in 1980. The birth of polar bears in confinement is a delicate procedure since a polar bear will often abort or devour its young at the slightest provocation. The officials at the Erie Zoo were able to devise a successful method of isolation which provided the proper conditions for birth.

I would like to take this opportunity to commend the Erie Zoological Society, its many patrons and the officials and attendants at the Erie Through their dedication and hard work the Erie Zoo has served as one of the community's favorite sites for recreation and family get-togethers as well as a fascinating museum of live wildlife.

PRUDENCE AND PUBLIC HEALTH

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

. Mr. PURSELL. Mr. Speaker, the head of Michigan's Department of Public Health recently testified before Appropriations Subcommittee, which has jurisdiction over programs of the Department of Health and Human Services. I have been asked to make an abstract of his remarks available to the full House and would like to do so at this time.

Thanks for this opportunity. I have some true stories to tell you this afternoon. They come from a quarter of a century in Michigan's State Health Department. They also reflect the views of the 55 other states and territories. I believe, as do colleagues in county, city and state health departments, that it is prudent to invest in public health. Here's why:

In southwest Michigan this afternoon, a child lies in bed in a hospital. He does not recognize his family. Doctors say his brain has been destroyed. He is a victim of Eastern Equine Encephalitis, a disease carried by mosquitoes. The cost to him and to his family is beyond words. The cost to taxpayers through Medicaid is \$450,000 this year. We face more such losses to the extent that prevention funding is reduced. The sequel to this story is that, thanks to an alert Governor and Legislature and dedicated staff, we were able to move some money around

^{&#}x27;Paul L. Lehmann, "Ethics in a Christian Context" (New York: Harper & Row, 1963), p. 85 et passim.

² Alfred North Whitehead, "Process and Reality" (corrected edition, eds. D. R. Griffin and D. W. Sherburne; New York: Free Press, 1978), p. 344 et

³ Ibid., p. 346.

fast enough to hire DC-3s for a massive spray program, which wiped out the mosquitoes and held the damage to one child

and several horses.

You've heard how we made spectacular advances against infectious diseases. Our death rate has gone down by over 60 percent since the turn of the century. Your lifetimes and mine, on the average, are 20 years longer than they would have been in 1900. Each year, local and state health departments serve over 30 million people directly in communicable disease control programs, and the entire population indirectly. However, in order to sustain a reasonably adequate national program to protect children from acute infectious diseases, you've been persuaded to provide special, high level funding for immunization. This may be one of the easier things to support. It is harder to help Michigan battle Equine Encephalitis. Or Arizona, with rabies along the border. Or Mississippi, with tuberculosis. That was why we worked with you in 1978 to design the PHS 314(d) cost sharing incentive, and the companion accountability tool known as the National Public Health Program Reporting System. Apparently, this halfway house between block grants and categoricals-a national investment, state by state, in a defined set of services, subject to local priority setting, but accountable to you-has been all but abandoned. We do not understand why. But, we urge you to do all you can to sustain the national investment in disease prevention and control. We urge you to sustain the Centers for Disease Control, which those of us in public health look to as a beacon of hope and direction in an otherwise bizarre world of Federal acronyms

In Michigan, as in the nation as a whole, our investment in sickness care in the last 15 years has far outstripped prevention. We pay about a billion yearly for Medicaid alone, in our State, compared with less than one-third billion for local and state health department services combined—and many of these include treatment activities. This is

a costly imbalance.

In a nursing home in central Michigan a 55 year old man spends most of his days rocking endlessly in a worn, maple rocker. He had uncontrolled high blood pressure for many years. A stroke at age 54 left him partially paralyzed. Even though our health department regulatory programs assure him a reasonable hope for quality care, he is a failure of public health. We didn't act soon enough to help him learn to control his disease. We face more such losses to the extent that funding for prevention is reduced. Each year, it's estimated that we needlessly lose 65,000 Americans to the plague of hypertension—as many as from highway accidents. In Michigan, less than one of three of our nearly one million adults with hypertension have their blood pressure under control. Where our country's local and state health department maternal and child health programs serve over 20 million people and our communicable disease program about 30 million, our chronic disease programs (heart disease, cancer, stroke, diabetes, renal disease) serve only a little over 5 million. We do not have equity.

In southeast Michigan, a three year old has scars around her face which will last her lifetime. She was bitten by rats in her crib. She will carry the evidence of those hungry rats into her teens and adult life. She is a failure of public health. We didn't move fast enough to save her. The cost is in medical bills and whatever the scars may do

to her life chances. We face more such losses to the extent that funding for prevention is reduced. Even though you've provided, in the past, some funds for the control of hazards such as rats and lead-based paint poisoning, the investment has not reached out sufficiently to help us do the job. In Michigan, for instance, we have six community programs in rat control, while nearly all urban centers have similar problems and are not helped. In 1979, state health officials of the nation reported 3.9 million field inspections in environmental health and 179,000 enforcement actions. But environmental health program data also show a broad variation in what is available and accessible to our people and communities, depending on which state you live in. We do not have equity.

In a small southern Michigan town of Adrian, a Mexican-American will lie awake tonight worrying about his children. His home, his dooryard, the playground, the neighborhood, have been contaminated with a chemical dust which potentially can cause cancer. The dust (Curene 442) was spread by a nearby plant, where his family and most of his neighbors work. His fears are a failure of public health. We didn't act in time to help protect this community. More communities will face such anxieties and disruption to the extent that prevention funds are reduced. The cost of cleanup, from private and public sectors, is expensive. The local and state governmental agencies are being responsive to this severe problem. But we are playing catch-up, having already lost the battle for community protection.

This is one of scores of examples of the substantial tasks confronting local and state health departments of the country, in collaboration with state environmental and agricultural agencies and the Centers for Disease Control.

We have emphasized that it is prudent to pay the lower cost of health, rather than the higher prices of sickness; that it is prudent to promote health; and prudent to help people and communities protect themselves and prevent contamination. The axiom remains that an ounce of prevention is still worth a pound of cure. In my written testimony, I include additional examples indicating what the country will lose if public health is cut, and what we will gain if we sustain robust public health programs. We salute you. We stand ready to try to respond to your questions on behalf of the Association of State and Territorial Health Officials.

INVASION OF CZECHOSLOVAKIA

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Ms. OAKAR. Mr. Speaker, August 21, 1981, marks the sad anniversary of the invasion of Czechoslovakia in 1968. This brutal invasion was a violation of the sovereignty of a member state of the United Nations and a cruel negation of the right of self-determination of peoples. The continued occupation of Czechoslovakia is another crime against the right of a country to determine its own destiny and aspirations.

Since that sad day in 1968, the brave people of Czechoslovakia have made repeated efforts to assert their right to freedom and self-expression. Over a thousand citizens of Czechoslovakia signed the Charter 77 which petitioned their government to adhere to the principles of the Helsinki Final Act. Instead of responding to the honest and heartfelt sentiments of its citizens, the Prague government responded with repression. Thousands have been arrested and harrassed. Many more have had their careers ruined.

It is important that the United States take a strong stand opposing the invasion and occupation of Czechoslovakia, no matter how many years have elapsed since the first Soviet tanks crossed the border to crush the Prague spring 13 years ago. The American people support the efforts of all people to be free. After all, our own country began with the stirrings for independence and freedom.

And so I join with Americans of Czech, Slovak, Subcarpatho-Ruthenian and Moravian descent in commemorating this sad occasion to pray for the eventual deliverance of Czechoslovakia from the cruel occupation. May the day soon come when Czechoslovakia stands proudly and independently as a free and equal partner in the international community of nations.

LIST OF KEY VOTES

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. PEASE. Mr. Speaker, it has become my practice to periodically list in the Congressional Record the key votes I have cast in the U.S. House of Representatives.

This list of my key votes is arranged as follows: Each item begins with the rollcall number of the vote, followed by the number of the bill or resolution, and a description of the question on which the vote was taken. This is followed by my own vote on the issue. Finally, the vote of the entire House of Representatives is indicated by passed or failed followed by the yeanay vote totals.

The list printed here includes key votes taken between January 5, 1981, and June 26, 1981.

LIST OF KEY VOTES OF CONGRESSMAN DON J. PEASE, 97TH CONGRESS, 1ST SESSION

(10) H.R. 1553. Bill raising the temporary public debt ceiling by \$50 billion to \$985 billion, effective through September 30, 1981. Yes. Passed 305-104.

(13) H. Res. 13. Resolution re-establishing the Select Committee on Narcotics Abuse and Control for the 97th Congress. Yes. Passed 276-101. (14) H. Res. 67. Resolution continuing the investigation of alleged improper conduct by Members of Congress in the ABSCAM

affair. Yes, Passed 390-1.

(16) H. Res. 115. Amendment providing for a 10 percent reduction in the spending ceiling for standing and select committees in the U.S. House of Representatives for calendar year 1981. Yes. Passed 407-2.
(17) H. Res. 115. Amendment reducing the

spending ceiling for standing and select committees to \$35.3 million or 9 percent below actual expenditures in 1980. No.

Failed 184-225. (20) H.J. Res. 182. Resolution designating April 26, 1981, as a national day of recognition for veterans of the Vietnam era. Yes.

Passed unanimously.
(33) H. Con. Res. 115. Obey amendment to the budget resolution which mandated \$26 billion in spending cuts, provided a budget surplus in fiscal year 1982 as well as fiscal year 1983 and 1984, and delayed individual tax cuts until January 1, 1983. Yes. Failed 119-303.

(36) H. Con. Res. 115. Amendment to the budget resolution offered by Reps. Gramm and Latta which mandated \$23.1 billion in spending cuts, provided a \$31 billion deficit and provided a \$51.3 billion tax cut for fiscal year 1982. No. Passed 253-176.

(37) H. Con. Res. 115. Final passage approving the Gramm-Latta substitute to the

budget resolution. No. Passed 270-154. (39) H.R. 3512. Amendment to renege on the American commitment to the International Development Association by further decreasing our contribution even though the amount requested was the smallest per-centage ever committed by the United States and 75 percent of IDA loans go to the poorest countries. No. Passed 272-126. (40) H.R. 3512. Amendment to reduce

direct loan authority for the Export-Import Bank which promotes overseas sales for U.S.

corporations. No. Passed 231-166. (49) H.R. 2098. Bill establishing Offices of the Inspector General in Defense, Justice, and Treasury Departments and in the Agency for International Development. Yes. Passed 334-65.

(50) H.R. 2979. Bill providing \$3 million in each of fiscal years 1982 and 1983 for the National Historical Publications and Rec-

ords Commission. No. Failed 165-231.
(53) H.R. 3520. Bill extending the deadline for steel industry compliance with requirements of the Clean Air Act on a case-by-case basis provided that funds saved as a result of the extension are committed to modernization. Yes. Passed 322-3.

(54) H.R. 3499. Bill providing hospital care to Vietnam veterans exposed to Agent Orange and extending pyschological read-justment counseling. Yes. Passed unani-

(56) H.R. 3337. Bill extending youth employment programs for one year while their effectiveness is being thoroughly reviewed. Yes. Passed 309-84.

(57) H.R. 1100. Bill changing from 6 months to 60 days the length of time a former POW must have been interned to establish a presumption of service connection for certain diseases and medical conditions. Yes. Passed 394-2.

(62) H.R. 3455. Amendment deleting \$29.6 million to acquire 244,000 acres to expand Fort Carson in Colorado and preventing a further encroachment of federal land own-

ership. Yes. Failed 175-209.

(63) H.R. 3455. Amendment withdrawing authority to construct a facility at the Pine Bluff Arsenal designed to produce binary nerve gas. Yes. Failed 135-220.

(64) H.R. 3455. Bill Approving \$7 billion for fiscal year 1982 for military construction and family housing covering 773 construction projects at 399 military installations. Yes. Passed 311-36.

(69) H.R. 3462. Amendment prohibiting the Department of Justice from using funds to require directly or indirectly the transportation of students to a school other than that nearest the students' home. No.

Passsed 265-122.

(73) H.R. 3413. Amendment prohibiting the Department of Energy national security programs from using federal funds for the production or research and development of enhanced radiation nuclear weapons. Yes. Failed 88-293

(76) H.J. Res. 287. Resolution urging the Reagan Administration to notify the World Health Organization that the United States will cooperate fully with other nations to protect children from illness and contamination from U.S. infant formula. Passed 301-100.

(83) H.R. 3480. Amendment preventing the Legal Services Corporation from acting in behalf of poor persons to bring class action suits against federal, state and local governments. No. Passed 241-167.

H.R. 3480. Amendment preventing the Legal Services Corporation for providing legal assistance to promote, defend or protect homosexuality. Yes. Passed 281-124.

(86) H.R. 3480. Amendment prohibiting Legal Services Corp. lawyers from informing eligible clients of the current state of abortion law. No. Failed 160-242.

(88) H.R. 3480. Amendment prohibiting Legal Services Corporation-funded legal assistance for or on behalf of aliens not legally admitted or permanent residence in the U.S. Yes. Failed 141-262.

(91) H.R. 3480. Bill continuing the Legal Services Corporation in fiscal year 1982 and 1983 and requiring the establishement of state advisory councils to review grant and contract applications. Yes. Passed 245-137.

(94) H.R. 32614. Bill further increasing Department of Defense funds already approved for fiscal year 1981 by \$2.66 billion. No. Passed 360-50.

(102) H.R. 3238. Bill to continue the Public Broadcasting Corporation with budget reductions from previous year. Yes.

Passed 323-86.

(113) H.R. 3982. Omnibus reconciliation bill revising existing law to achieve budget savings by cutting social security, supplemental security income, school lunches and consolidating numerous education, health, energy and community services programs into block grants. No. Passed 232-193.

RODINO QUESTIONS WAVE OF MERGERS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

 Mr. SEIBERLING. Mr. Speaker, I want to share with my colleagues piece that appeared on July 26, 1981, in the Newark Star Ledger by the distinguished chairman of the House Committee on the Judiciary, PETER W. RODINO, Jr. This piece reflects and comments on the present "merger madness" infecting the upper echelons of corporate America and the response or lack thereof by our institutions of government. I should add that the Subcommittee on Monopolies and Commercial Law of the House Committee on the Judiciary will begin a series of hearings on Wednesday, August 26, 1981, on present merger policy.

MERGER MADNESS

(By PETER W. RODINO, JR.)

The message to the corporate giants is out: Seldom will be heard a discouraging word from the new "trustbusters" out of the

Attorney General Smith has assured them that bigness is not badness. Assistant Attorney General Baxter has told them that Antitrust Division guidelines on permissible concentration are too tough.

Responding to these signals, some of our nation's largest corporations have embarked

on a new wave of mergers.

All right, bigness may not necessarily be bad, but neither is it inevitably best, whether the evaluation is economic, political or

Disciples of relaxed merger standards suggest that the resulting freedom will ultimately bring about a more efficient industrial structure that more sensibly uses our valuable resources. This is questionable.

Studies show that economies of scale are also subject to the law of diminishing returns and are unlikely once a corporation exceeds a certain size. Moreover, any efficiency gains are most likely in mergers among competitors, the very type of horizontal combination that Mr. Baxter says should be most closely monitored. Anyway, according to former FTC Commissioner Robert Pitofsky, few of the recent large mergers have been undertaken to achieve efficiencies. Rather, as the Wall Street Journal has pointed out, corporate officials pursue mergers to deversify investments, to obtain tax breaks, or simply to increase the size and prestige of the corporation (and thereby nationalizing higher salaries for the top management).

These facts indicate that many mergers may be nearly meaningless for most of us, if not for a fortunate few. But, although all the evidence is not in, there are mounting indications that a continuing merger wave is not merely passive, that it could in fact adversely affect our nation's economic growth. The large sums of cash available in many corporate treasuries could be well invested in research and development or in capital expenditures to promote long-term growth. If, instead, this money is spent to acquire the assets of other firms, a major potential source of fruitful investment has been dissipated, because cash in the hands of stockholders usually only reluctantly finds its way quickly into productive investment.

Other drains on corporate cash result from merger. Every time there is an acquisition, significant transactional costs gnaw away at available capital: fees for lawyers, for accountants, for investment bankers. Also, the attention of a company's highlevel management probably is diverted from other pursuits that might better benefit the company and our nation in the long term.

There is also the question of whether these huge merger efforts affect the credit markets and the flow of capital. In the Conoco affair and related developments, six corporations reportedly have borrowed or hold options to borrow some \$25 billion at a

time when the prime interest rate hovers around 20 percent. Is this borrowing devouring available credit? Is it driving rates up to the detriment, for example, of the auto industry, the housing industry, and small business?

Finally, there is evidence in a recent National Science Foundation study that, while bigness may not in itself be bad, it may be less productive of new technology. Over a 20-year period ending in 1973, the study found that small firms produced 23 times more exploitable ideas per dollar spent on research and development than did the

large corporations.

These concerns I have expressed relate only to the economic effects of mergers. The Members of Congress who passed the Sherman Act of 1890, reacting to the economic domination of "trusts" such as Standard Oil, also feared the social and political consequences of concentrated corporate power. Local communities and their workers, they knew, suffered when plants were closed or relocated. But, at least, they dealt with local owners who likely had a personal commitment to the community's well-being. Today these local groups more often must deal-if, indeed, they can deal at all-with a far-away conglomerate management interested primarily, if not only, in short-term profits. Some businessmen may admire such detached decisionmaking that is devoid of human and community values, but in the long run, I doubt that our Nation will tolerate this kind of aloof management.

There are also troubling social and political consequences if small businesses were to die. Self-reliance, hard work, innovation, these are the threads of the fabric of American life, woven into it by the traditional independent entrepreneurs of this nation. Will these values survive if all our economic assets are concentrated in the hands of a few large corporations? Might not complacence replace self-reliance? Why work hard if benefits flow only to a distant management and unknown shareholders? surely are concerns as important as the presumed beneficial economic effects of monopoly that seem to be the sole point of ref-

erence of this administration.

Any departure from long-term antitrust policy, I think I have shown, brings with it large, political, social, and economic risks. And once mergers and acquisitions have occurred, the damage may be irreparable. When any merger or acquisition has been consummated, assets are comingled; personnel shifted, hired or discharged; technology and trade secrets shared. Recreation of the original separate entities becomes impossible, even when dictated by the courts. For example, the 1959 Pabst acquisition of the Blatz Brewing Company was declared un-lawful by the Supreme Court; but, after 16 years of litigation, the case was ended when the Government could not obtain any divestiture of Blatz. And recent Government antitrust litigation involving IBM and AT&T suggests the crushing economic and political costs in any attempt to restructure an industry.

Because of the Government's inability to deal effectively with illegal mergers and acquisitions, I sponsored the Hart, Scott, Rodino Antitrust Improvements Act 1976, which gave the enforcement agencies sufficient access to advance information about proposed acquisitions and mergers so they could block unlawful activity. However, all the Government's enforcement tools are worthless if the Administration declines to tighten the screws, or close the cutoff valve. In short, despite the available enforcement tools, we may suffer structural changes to our economic system that might

be damaging and irreversible.

The new merger wave highlights rather dramatically some of the remaining inadequacies of our merger law, including its failure to address directly large conglomerate acquisitions. The Administration by its nonchalance about these issues, could, ironically, spark a campaign that will end up deciding that bigness, if not bad, is not benign.

FREEDOM OF CHOICE AND RETIREMENT PLANS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

McDONALD. Mr. Speaker, Mr. within the Economic Recovery Tax Act of 1981, under the innocuous title of "Miscellaneous Provisions," is section 314(b), a section that will drastically alter the basic concept of individual retirement accounts (IRA's) and other types of individual retirement plans. Section 314(b) will impose a prohibitive penalty on those individuals who seek a hedge against rampaging inflation by investing in tangible assets. By this provision, we are, in essence, establishing a national economic policy with regard to retirement plans whereby only intangible assetspaper-are to be considered as a proper form of investment by those who are working and who are making investments and attempting to plan for their retirement.

We must ask ourselves if this is our intent, because regardless of our intent, this will be the effect of our actions. In a fluctuating economy, can we say with certainty that one form of investment, tangible or intangible, is acceptable while the other is not?

Section 314(b) is contrary to the basic principle under which Congress enacted legislation creating IRA's and other types of individual retirement plans. Is it now our intention to renounce that principle and declare that the individual is incompetent to invest the money that he or she has earned and that Congress will direct such investments? What is to become of the concept of freedom of choice and its basic tenet that the individual is the best judge of his own personal affairs? For in no uncertain terms, section 314(b) deprives our citizens of that basic freedom of choice, to self direct their investment dollars.

In the near future, legislation will be introduced to correct the unfortunate provision that we are voting on today. However, I bring this matter to my colleagues' attention at this time and I urge them to support legislation that will return the individual's freedom of choice in directing their investment dollars into whatever medium they believe will provide them with the greatest security.

In addition, I recommend to my colleagues the following statement of Harry V. Lamon, Jr., Esq., of Atlanta,

I am founder and past president of the Southern Pension Conference and the Southern Federal Tax Institute, and served as a member of the ERISA Advisory Council representing the general public from 1975 through 1979. In my view, the conference committee report language is unfortunate for a number of reasons.

Current tax law generally permits individuals to self-direct investments in individual retirement accounts (IRA's) or in accounts held under qualified retirement plans. Many individuals have chosen to invest in coins. metals, gems, stamps, art and other items of tangible personal property. To avoid current taxation on such investment, current law requires that such investments be held under the earmarked account, and not be held as a personal possession of the individual. A little known provision of the Economic Recovery Tax Act of 1981, Sec. 314, would change current law effective January 1. 1982, and would provide that any investment in a "collectible" automatically would be deemed a current distribution subject to current taxation. This provision should be repealed for the following reasons:

The provision was adopted without prior notice to the public and without hear-

ings

2. The provision effectively prohibits a form of investment which has substantially outperformed more traditional investments in recent years.

3. The provisions substantially curtail the freedom of individuals to invest their own money as they determine is in their own best interest

4. The provision discriminates against individuals who wish to invest their own money in tangibles as opposed to intangi-

The provision will have a substantial and detrimental impact on thousands of businesses, most of which are small, which trade in coins, stamps, gems, antiques, art, precious metals, antique automobiles, and other items of tangible personal property.

6. The provision grants to the Internal Revenue Service through the Secretary of Treasury, extremely broad powers expand the restrictions to "any other tangible personal property". It would appear that IRS could assert the authority extend the restrictions to investments in commodities and equipment and items not even contemplated by the Congress.

7. Portions of the provision are unclear. Does it extend to jointly owned property? To property owned in a joint venture or general partnership? To property owned through a limited partnership? To property owned by a corporation? To property owned by an electing corporation under Subchapter "S" of the code? To property owned by a trust?

8. The provision is limited to IRA's or individually-directed accounts. It apparently does not apply to non-directed accounts under qualified plans. This would permit a trustee to invest plan assets in "collectibles" for all participants, whether the individual participants desired such investments or not, but would not permit individuals to direct their own investments.

In conclusion, I wish to emphasize that Sec. 314(b) applies not only to Individual Retirement Accounts (IRAs) but also applies to acquisitions of "collectibles" by participants in all self-directed qualified retirement plans described in Internal Revenue Code Sec. 401(a).

This is a major reversal of tax policy and one which will begin a rush, in the coming months before December 31, 1981, by individuals to earmark "collectibles" which they may never have considered had they been given the option to acquire them over a period of years. This is simply bad tax policy. It focuses millions of dollars in a direction which might never have been conby participants under qualified plans had collectibles not been singled out for elimination as a permissible investment. in "individually-directed accounts"

In the hearings leading to enactment of ERISA, much testimony was given in favor of exempting "individually-directed accounts" from the normal rules on diversification and prudence. The concept adopted was to allow individuals to invest their own money as they saw fit. This policy is now being attacked by defining as impermissible investments, those "hard assets" which have always been the ground rock of our

American democracy.

This opportunity to protect one's purchasing power at his actual retirement date is now, by this section, being eliminated without the benefit of any hearings or public discussion of this important tax policy change.

Sincerely.

HARRY V. LAMON. Jr.

NEW ECONOMIC CHAIR AT HARVARD

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981 . Mr. MARKS. Mr. Speaker, I have

the unique good fortune to count as one of my dearest friends, Mr. Herbert Ascherman of Erie, Pa. Herb is one of Erie County's leading business figures, having served for years as the president of American Hardwood Industries of Union City and as a consultant and a leading stockholder of Hammermill, Inc., one of the Nation's major producers of paper products.

Herb is a highly competent business executive, a community leader, philanthropist, and a devoted husband and

father.

One of his particular areas of interest has been economics. Herb in my opinion is one of the most thoughtful and articulate defenders of a free enterprise economic system that it has been my privilege to know. It is Herb's nature to support with his time, energy, and financial resources that in which he believes strongly. He has therefore just recently generously endowed a teaching chair in economics at Harvard, which is his alma mater.

This new economic chair at Harvard. the Ascherman Professorship, was created specifically to "stimulate consideration of alternate ways of providing for the legitimate social needs of the American people within the framework of our free enterprise system." Herb's own articulately expressed rationale for endowing this economic chair gives real insight into Herb's combined commitment to free enterprise economics and to the social welfare of his fellow human beings, and I quote:

1. In December 1980, an under-publicized but very significant conference entitled 'Eurosocialism and America' was held in Washington under the auspices of Michael Harrington's Democratic Socialist Organizing Committee. Speakers included Willy Brandt, Olof Palme, Francois Mitterrand, Tony Benn, Joop den Uhl and other leading Western European socialists-intelligent, committed, persevering leaders of western society, not wild-eyed radicals. They espouse a very appealing meassage for large numbers of people in the western world.

Based on twenty years of extensive business travel throughout Europe, my observation is that Europeans perceive socialism to be the best available means of effectuating a justified correction in the imbalance between the way of life of the rich and the average, not just the poor. That the process involves central planning, the concentration of economic power in the hands of a bureaucratic few and the erosion of a degree of individual freedom is regarded as an acceptable price to be paid for the benefits received. Restrictions on free enterprise hardly justify conversation, much less concern, Economic systems are not nearly as interesting to European voters as the promised size of their piece of the economic pie—as evidenced by the recent national elections in France, notwithstanding the economic problems currently developing for the socialist governments of Sweden, the Netherlands, Belgium and West Germany.

In my opinion, Western Europe today is a mirror of this country tomorrow unless strong, affirmative action is taken to counteract socialism's ideological momentum. If we do not devise and articulate an understandable, creditable and appealing social program consistent with our free enterprise system we will lose our way of life simply by default-not because of any conscious effort to change our economic system, but because political promises to ameliorate society's social ills will lead to bigger government, central planning and socialism. In short, the social tail will wag the economic dog

2. While we Americans are quite articulate in our criticism of what we are against in the socio-economic sphere, we are very inarticulate in promulgating what we are for. If there is a well defined, proactive, creditable and appealing approach to America's social system, it is well hidden from the vast majority of Americans. We don't read about it, we don't hear about it and we are incapable of debating it with those who urge and defend other systems.

3. The American genius has often solved difficult problems when attention is focused and energies, resources and creativity are harnessed in concerted effort. The formulation of a social policy consistent with our free enterprise system that can renew the hope of all Americans for a life of dignity characterized by freedom from want war-rants (indeed demands) a coordinated attack by thinking, concerned Americans,

I think all Americans will benefit from this magnanimous act of Herb Ascherman and I am privileged to bring his philanthropy to the attention of my colleagues in the Congress.

THE RESPONSIBILITY OF THE MEDIA

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to put forth my candid assessment of the performance and responsibility of the media to serve every citizen of this Nation regardless of their race or economic class.

From my perspective as a public figure and one confronted with the press on a daily basis, I have to say that the media does not always meet its responsibility. Too often, it is my belief that the determination and actual communication of the news is done without taking into account the news needs of every segment of the population.

Mr. Speaker, we need not look far to find supporting evidence for this assessment. In March 1981, when I and my colleagues in the Congressional Black Caucus met the President's challenge by developing an alternative budget which was more in line with the needs of the poor and disadvantaged in America, news organizations across the country were provided information on the budget. However, few news organizations with the exception of the ever vigil black press. gave the proper coverage of this significant news event.

Through this arbitrary classification and disregard for this legitimate news event comes the stark realization that news affecting minorities and the less influential Americans, especially positive news, is oftentimes ignored.

Mr. Speaker, for a medium that enjoys such freedom and one that repeatedly references the fact that it fulfills "the people's right to know", this absence of news and communication to minorities and the downtrodden in this country is a breach of responsibility and inexcusable.

Mr. Speaker, I would be remiss in my duty if I merely cited the problem and provided no solution. One way that I envision that this situation can be rectified is by the hiring of blacks and other minorities by our news organizations. This hiring should range from the starting reporter position up the ladder to include the people who actually determine what is newsworthv.

At this time, Mr. Speaker, I would like to insert in the RECORD the speech delivered by Mr. Thomas Winship, president of the American Society of Newspaper Editors on this subject:

REMARKS OF THOMAS WINSHIP, PRESIDENT. AMERICAN SOCIETY OF NEWSPAPER EDITORS

My president's speech will be short and to one point. I appeal with all my heart to the conscience of the leadership of the print media to confront our failure in minority hiring. I realize social engineering is a taboo subject in Washington these days but maybe I can have safe passage because I'm talking about social engineering initiated and paid for by private industry, not government.

Our casual attitude toward minority employment is particularly embarrassing because our mission is semipublic and because it is protected by constitutional guarantees. Yet newspapers, with a nearly all-white face, attempt to portray accurately a mixed society.

Our industry has spent millions in dra-matically successful technological research separation for the age of satellites, computers, cable and video.

Our industry has invested millions in readership and market research.

Our industry has devoted uncounted programs, panels, discussions and staffing in a national push for better writing.

The commitment and funding for these

enterprises has been impressive.

But how strong is the moral commitment to equal opportunity inside our newspaper offices? Where is the commitment to sensitivity in new coverage that can be enhanced

by racial mixture on our staffs.

Fourteen years ago, the Kerner Commission, which studies racial strife, said: "By and large, news organizations have failed to communicate to both their white and black audiences a sense of the problem America faces and the sources of potential solutions. The media report and write from the standpoint of a white man's world. . . . this may be understandable, but it is not excusable in an institution that has the mission to inform and educate the whole of our socie-

ty."
The Kerner Commission barely pricked our conscience. The effort to increase the number of minority journalists simply never has had broad-based backing among editors and publishers. The majority of the daily newspapers in the Nation still do not employ minority journalists—and never have. The number of minorities in newspaper management jobs is still negligible.

A year ago, there were 47,300 professional journalists in the country-reporters, copy editors, photographers, artists and news executives, and of these, 2,400 were minorities, up 100 from a year ago and 4.96 percent of

our work force.

Two years before, in 1978, the same survey showed 1,700 minority journalists out of a total 43,000 in the profession-or 3.9 percent.

Although 4,300 more minorities were hired in 1980 as business expanded, only one

of every 11 was a minority.

But, according to Jay Harris, Assistant Dean of Medill School of Journalism, the percentage of newspapers with minorities on their news staffs has dropped 40 to 37

percent in the past year.
From the standpoint of background, 29 percent of the minorities have five or more years experience. Ten percent have 10 or more. Only a trickle of minorities are work ing their way up the ladder. Most are still coming in as reporters or at other entrylevel positions rather than closer to the top.

You can count the number of top-ranking

minority editors on one hand.

No one can feel comfortable about that record. One conclusion can be drawn from

the last 14 years: Apparently most publishers and editors do not see a compelling enough argument-professional moral or economic-for ending this history of neglect of a truly integrated American press. It is fair to ask whether such compelling arguments do exist.

I believe they do.

First, the right of the press to be free from government control was guaranteed by an amendment to the U.S. Constitution in 1791. The goal of the framers of that was not just to ensure that newspapers in the country would be free. Rather, the Amendment was intended to protect the press because newspapers are an ssential means to an important end-a fully informed citizenry as the necessary foundation of a democratic society.

As far as minorities are concerned, the press has failed to satisfy that responsibility and a major reason for this failure is the paucity of minorities among the ranks of re-

porters and editors of newspapers. Consequently, too many minority readers reject newspapers and in so doing reject an important opportunity to become fully-informed. They thus lessen their ability to participate effectively in the process of self-

government.

Second, newspapers are—or at least should be—the glue which makes a community out of a group of individuals who live in the same area. But, once again, because of the absence of an integrated staff and the resulting inadequate reporting, this community service is not performed well. To be there are periodic blockbusters produced by newspapers-those impressive and often commendable one-shot efforts to "tell it all." But persons in a community live But persons in a community live from day to day, and need to be informed about each other's lives on just that regular

Newspapers also offer leadership to a community-or should. Most often that is accomplished through reporting or editorials. But newspapers also lead by example, and in all too many American communities the example newspapers set and the leadership they offer in the matter of equal opportunity are ultimately quite out of step with the

best principles in this Nation.

Third, profits. The time has come to cease being shy about mentioning profits in connection with minority hiring. There are literally millions of minority nonreaders to whom, I believe, newspapers can be sold. And, if we are able through the development of a better newspaper, a more widely distributed newspaper, to sell newspapers to more minorities then we can sell those new minority readers to advertisers. Thus, newspapers will be more prosperous and in a better position to do more important things for more important reasons.

The racial complexion of nearly all city rooms in 1981 presents a crisis in moral values and demographic blind-sidedness. Can we afford business as usual in minority employment at a time when our electronic brethren and exploding scientific and computer breakthroughs are bombarding newspapers in all directions; at a time when newspaper circulation and lineage gains are

not the easiest to achieve.

Today the black population stands at 26.4

or 11.7 percent of the Nation's total.

Today there are 19.8 million Hispanics in the United States. A figure that has grown 14.3 percent in just the last 5 years. In Texas one of every four residents is Hispanic; in California, one out of five. Recent Census figures on minorities in all major cities underscores this dramatic shift.

Yet the average daily newspaper is still covering this multi-faced society through white eyes and ears.

Ask any circulation manager how he is doing in the nonwhite areas of the city.

Ask any advertising director how well he does in the nonwhite market. A respected market research firm in California places the combined income of blacks in this country at \$125.8 billion and Hispanic income at \$60 billion and rising.

Fourth, and most important is the morality issue. We believe in equal opportunity for all. The momentum has somehow slipped. Let's pick it up.

I have a proposal, not a cure-all by any means, but one I wish the various journalist organization would consider. Among newspaper organizations, the Nation's editors have been in front of others in expressing concerns over minority hiring. Only ASNE has a standing committee on minorities. thanks to the wisdom of Eugene Patterson of St. Petersburg, who set up this committee 3 years ago during his presidency. Since then, this committee, especially under the leadership of Chairman Richard Smyser, has been the most active group in ASNE.

But, we are dealing with a critical situation that is industrywide. We need the help of the advertising directors, who know the growing purchasing power of Blacks and the Hispanic population. We need the help of circulation managers who are out on the streets, and above all, we need the help of the publishers, who are the ultimate word on hiring and firing and who negotiate the union contracts.

Dick Smyser's ASNE report mentioned the need for a "super committee." I take his thought a step further.

Let us use the Newspaper Readership Project, now in its second year, as a structural model for bringing all elements of the newspaper industry together to address this most crucial moral and economic problem. I suggest that we set up a separate newspaper minorities project. It should have adequate industry funding and be directed by a respected publisher or expublisher. It should be represented equally by all the standing industry organizations-the American Newspaper Publishers Association, the American Society of Newspaper Editors, the Associated Press Managing Editors, the International Advertising Executives Association and the International Circulation Managers As-

This plan would at least do two things. It would display a new sense of urgency about this social blight in our business. It also would provide the funding for fresh hardheaded market research into the economic and educational aspects of our crisis in morality. There's no other way to describe it.

I urge the hierarchy of ANPA, ASNE and APME to consider the proposal. Tear it apart, come up with a substitute approach. if you will. But, please at least address seriously this overriding problem.

COMMEMORATING THE DAY OF THE INVASION OF CZECHOSLO-VAKIA

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

Mr. RITTER. Mr. Speaker, August 21 will mark the 13th anniversary of the Soviet invasion of Czechoslovakia. It was on that fateful day that the Soviets invaded that country with over Warsaw Pact troops crushed the dreams and liberal reforms of the Czechoslovak nation. With events in Poland somewhat similar to those of Czechoslovakia 13 years ago, this anniversary takes on an increasingly important meaning.

Throughout the early part of 1968, the people in Czechoslovakia had begun to enact liberal reforms. Under Alexander Dubcek, the Government attempted to incorporate these reforms while at the same time not arousing Moscow's ire. In many respects, the Czechoslovakian reforms followed the Khrushchev doctrine of roads to Socialism." summer, though, the Soviet press had begun a war of vilification against the liberal reforms of the Dubcek government. By August it seemed a compromise had been worked out between the Kremlin and Prague. The denunciations in the Soviet press stopped, Soviet troops were removed from the border, the problem seemed to have lessened. A business-as-usual feeling prevailed and plans were underway for the summit meeting between President Johnson and Prime Minister Kosygin in Glassboro, N.J.

The euphoria in the streets of Prague, however, was to be shortlived. Late on the night of August 20 and early into the morning of August 21, without the slightest warning or provocation, Soviet troops and tanks poured over the border and destroyed whatever hopes the Czechoslovakian people had of reform. In all 650,000 Soviet troops were employed, and Prague, with a population of only 1 million, was awash with Soviet troops and tanks. By means of comparison, the United States at the very height Vietnam War had 530,000 the of combat troops in all of Vietnam.

The invasion of Czechoslovakia did little more than cause international condemnation and instill in the people of Czechoslovakia an undying hatred of the Soviets. The invasion also shattered once and for all the myth that the Soviet Union was the "fraternal brother" to all the Eastern European peoples. It was a grim reminder of how totalitarian and how unmerciful the Soviet leadership is. Most significantly though, it demonstrated that these Eastern European satellites Soviet have an unquenchable thirst for na-

tionalism. As was the case with Czechoslovakia 13 years ago, and in Poland today, the Soviets must always look over their shoulder and be wary of nationalism. Today in the Ukraine, the Baltic States, East Germany, and most notably in Poland, the seeds of nationalism have again begun to germinate. Marxism-Leninism has not given any cohesion to compete with nationalism. Cracks have appeared all over the Soviet house of nations.

As a Congressman, representing a community deeply tied to its roots in Eastern Europe and in the nations of the Soviet Union, as a member of the Helsinki Commission, I am proud to stand up today and speak with pride and respect for the people of Czechoslovakia and for all the people who continue to work toward the day when freedom replaces totalitarianism. Although 13 years have passed from that fateful day in August, the spirit and courage they demonstrated to the world has not and will not be forgotten.

SPACE IS A VITAL AREA FOR CONSERVATIVES

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

Mr. GINGRICH. Mr. Speaker, I do believe that America is back in space to stay. But it is a critical time for America's space program; we must look toward the future and set clear goals for America in space. George F. Will in a column for Newsweek takes a creative look at politics and space. His column follows:

MEET HALLEY'S COMET (By George F. Will)

In 1910, the last time Halley's comet came by, an Oklahoma sheriff had to stop some peculiar citizens from sacrificing a virgin to the comet. The comet is coming again in 1986, so Oklahomans should lock up their daughters. And David Stockman should stop sacrificing science on the altar of parsimony.

I shall use my dying breath to whisper praise of Stockman, but he should not have killed NASA's plan to send a satellite to intercept the comet. It would have cost \$300 million over five years, 25 cents per person a year, and it should have been an occasion for the Administration to leaven its frugali-

ty with a farsighted exception.

Comets, and especially Halley's, have excited superstition far from Oklahoma. The historian Josephus said a comet resembling a sword (Halley's, in A.D. 66) foretold the destruction of Jerusalem (A.D. 70). The visit of Halley's comet in 1066 was thought to have been a portent of the unpleasantness that befell King Harold at Hastings. Shakespeare said: "When beggars die, there are no comets seen; the heavens themselves blaze forth the death of princes." The day Edward VII died (May 6, 1910) Halley's comet was especially vivid (more vivid than that particular prince merited). Mark Twain, born during the comet's 1835 visit, said he would be disappointed if he didn't depart when it came again. He died April 21, 1910, just before the comet's "tail" brushed earth and as (Twain would have loved this) people were selling anti-comet pills to a public panicky about gases in the tail.

In "The Comet Is Coming! The Feverish Legacy of Mr. Halley," Nigel Calder says Halley's comet is, as most comets probably are, "sky pollution," a "dirty snowball that comes tumbling out of the freezer of twilight space." (There are an estimated 100 billion comets in our itsy-bitsy system.)

FLU MACHINES

These cosmic jaywalkers rarely bump into each other because space is even more vacant than Wyoming. (If there were just three bees in America, the air would more congested with bees than space is with stars.) But there is a constant rain onto earth of meteoric debris, and an occasional "thump." Calder writes: "Early in the morning of 30 January 1908 the driver of the trans-Siberian express heard loud bangs and imagined that his train had exploded. his wide-eyed passengers said they had seen a bright blue ball of fire . . ." A small comet had leveled a 70-mile-long strip of forest.

But some collisions may have been constructive. One theory is that a comet brought to earth the first bacteria or whatever it was that started the ol' ball of life rolling 4 billion years ago (fortunately, before governments demanded environmental-impact statements). Another theory is that comets are "flu machines," bringing viruses to earth. Ask now what caused the fall of Rome and the rise of Christianity. Calder says some theorists argue: "During the period from A.D. 400 to 1400 the earthlings had a particularly nasty time with the clouds of diseases spun off from comets. A 'diseases-filled' millennium forced people to live farther apart and thus to 'uncivilise' themselves; it also . . . moved the Europeans to adopt the 'sombre' religion of Christianity.'

But if that is true, Calder asks, why not "If a millionth part of the meteoric debris falling to earth from comets consists of viruses, a small garden could collect millions of viruses every day, ready to assail plants, pets and humans."

Calder finds a bit more plausible the theory that a comet killed the dinosaurs; they did die out suddenly, and folks used to think they were just too big for Noah's ark. Today some scientists think a big comet, perhaps 6 miles in diameter, struck earth, throwing up a hundred times its weight in dust-much more dust than was sent up by the eruption in 1883 of the Krakatau volcawhich produced "glorious sunsets" around the world for two years. The theory is that the cloud produced by the comet collision blocked out sunlight, and in the fouryear "night" much vegetation and most dinosaurs died.

Why, then, is there no crater? Well, there is a suspicious ring-shaped something on the seabed north of Australia. (Oceans and continents have been meandering around during the last 65 million years.) And in geological formations around the world are thin layers of clay with a chemical composition that suggests that long ago the earth was suddenly swamped with a particular element (iridium) in an amount that seems unlikely to have come from a source on earth. If this theory is true, then if, 65 million years ago, the comet had come by an hour

earlier or later, it would have missed and dinosaurs might still rule the earth. So a comet may have been a benefactor.

MYSTERIES

Anyway, comets are owed the respect due the elderly. Most comets in our solar system spend most of their time lottering (relatively speaking) beyond the outer planets. So they are among the "oldest," meaning least changed, objects; they experience less of the erosion and evolution that erases the imprint of the birth of the solar system. A rendezvous with one might reveal evidence about the origins of the universe, the human race and Oklahoma.

If our curiosity about such things atrophies, so will our humanity. That is why the Halley's comet intercept program, which can still be saved, should be used by the Administration as an opportunity to practice "creative exceptionalism." The country wants conservatism, but needs conservatism subtle enough to make exceptions to the principle of parsimony. Conservatives cannot turn space exploration over to their two lovers, federalism or capitalism—to the states or the private sector. Neither Utah nor Exxon can do it. Only Big Govern-

ment—only our government—can do it.

Conservatives are supposed to take the long view, and to take intangibles seriously. They should want to look back toward the creation of the universe that has produced, as its crowning glory, the Reagan Administration. And they should look far into the future and imagine a future in which mankind is not curious about the wondrous mysteries of its situation.

We know next to nothing about virtually everything. It is not necessary to know the origin of the universe; it is necessary to want to know. Civilization depends not on any particular knowledge, but on the disposition to crave knowledge.

JOHN GLENN'S CONTRIBUTION TO THE TAX BILL

HON. BOB SHAMANSKY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. SHAMANSKY. Mr. Speaker, I would like to call to the attention of my colleagues the efforts of Senator John Glenn on the recent tax bill as outlined in the Wall Street Journal of July 28, 1981.

[From the Wall Street Journal, July 28, 1981]

MORE TAX CREDITS FOR RESEARCH ARE VOTED BY SENATE, COMING CLOSER TO HOUSE BILL

Washington.—The Senate voted to liberalize corporate tax credits for research and development costs, bringing its measure closer to the more generous provisions in the House tax bill.

By voice vote, the Senate approved a measure offered by Sens. John Glenn (D., Ohio) and John Danforth (R., Mo.) that would allow business to calculate incremental tax credits for research-expenses incurred for wages, supplies and leasing computers. The original tax bill based the credits only on wage outlays.

The Senate amendment broadens the definition of eligible research expenses but doesn't change the original bill's formula for calculating the credit.

Under the formula, a business would average its research expenses over the preceding three tax years, then take a 25% tax credit in the fourth year for the amount exceeding that average. For example, if a company spent \$1.5 million on research in one year after spending an average of \$1 million in each of the prior three years, its credit in the fourth year would be 25% of the

\$500,000 difference, or \$125,000.

However, the eligible research expenses in the fourth year can't be more than twice the average of the past three years. Therefore, if a company's average research expenses are \$1 million during the three-year period, its 25% credit would only apply to as much as \$2 million in outlays in the fourth

The ceiling, which Senate sources said was pushed by the Reagan administration, was imposed to keep the estimated loss of revenue from the new provision in line with the losses projected from the original measure. The credit is expected to cost the Treasury \$40 million in fiscal 1981, \$329 million in fiscal 1982, \$602 million in fiscal 1983 and \$724 million in fiscal 1986.

The House is considering two versions—offered separately by Democrats and Republicans—that include a broad definition of research expenses along the lines of the one the Senate approved. In addition, both House versions allow corporations to deduct 65 percent of their expenses for research contracts granted to universities. The Senate version doesn't have any such provision.

Separately, the Senate approved an amendment of Sen. George Mitchell (D., Maine) that would make the last-in, first-out method of inventory accounting more attractive for businesses whose annual sales averaged less than \$3 million over the three preceding tax years. Under the LIFO method, items purchased last are considered sold first and charged against current sales. This reduces the ballooning effect of inflation on profit.

Under generally accepted accounting standards, companies must increase their inventory values when they adopt LIFO. That generally raises their tax liability.

The Mitchell amendment, which was approved in a 94-to-0 roll call vote, would allow small businesses to spread that higher tax liability over three years instead of the current one year.

In addition, the Mitchell amendment would let companies use either the Labor Department's consumer price index or the Commerce Department's producer price index for valuing their inventory under the LIFO method. Under current law, a company must calculate its own index at a huge cost. The index is applied to its inventory for each year after the year LIFO is adopted.

ROBERT ABRAMS' COMMENTS ON THE VOTING RIGHTS ACT EXTENSION

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. GARCIA. Mr. Speaker, under leave to extend my remarks, I herewith insert in the following testimony on the Voting Rights Act to my colleagues:

STATEMENT OF ROBERT ABRAMS, ATTORNEY GENERAL OF THE STATE OF NEW YORK, ON EXTENSION OF THE VOTING RIGHTS ACT OF 1965

I am grateful for the opportunity to testify before this distinguished subcommittee in support of the proposed extension of the Voting Rights Act of 1965. I speak as the elected Attorney General of the State of New York—a state which has three of its largest counties covered by the special provisions of the Voting Rights Act. I believe that extension of those provisions is essential.

The right to vote and to have that vote count is the bedrock of our democracy. By ratifying the Fourteenth and Fifteenth Amendments in the 1860's, the states declared this to be true. By passing the Voting Rights Act one hundred years later, Congress sought to make the Constitution's promise of voter equality a reality, at long last, for our minority citizens.

Every state of course has the right to determine its own electoral processes, and the Voting Rights Act does not interfere with this right. But Congress has also declared that states' activities must be exercised within the constraints of the Fourteenth and Fifteenth Amendments. Federalism can mean no less.

The history of the past fifteen years has proven Congress right. The Voting Rights Act does give practical effect to the Fourteenth and Fifteenth Amendments. It has led to dramatically increased registration and voting among Black and Hispanic citizens, and has helped to increase the numbers of Black and Hispanic elected officials. Because the Act works so well, Congress wisely decided to extend its terms in 1970 and again in 1975.

The Act eliminated the literacy test for voting, a discriminatory requirement of long standing. And to assure that more novel or subtle devices did not replace older forms of discrimination, the Act included a "preclearance requirement." For the past fifteen years, this requirement has deterred the use of new forms of discriminatory practices—in many cases by discouraging even their introduction into state legislatures.

In 1975, many argued that because the affected jurisdictions had made significant gains, the Act's preclearance requirement was no longer necessary. It turned out not to be true. In 1976, the Department of Justice objected to as many or more proposed changes from some affected states as it had in any previous year. The same arguments are being made today, and are equally likely to prove untrue. Unfortunately, discriminatory practices will continue to be devised next year, and in future years, and our nation cannot tolerate that. Extension of the preclearance requirement is the crucial safeguard we must maintain.

In 1975, Congress also extended the protections of the Voting Rights Act to language minorities, after finding that they too had been systematically excluded from the electoral process. In the last six years, bilingual elections have begun to translate the Fourteenth Amendment into a reality for many American citizens who are not fluent in English. For example, the number of Hispanic citizens who voted last November was 20% higher than in 1976. And this increase took place despite what the Federal Election Commission in 1979 found to be "minimal" compliance with the bilingual provisions in some areas of the country.

The Voting Rights Act's prohibition against discrimination in voting applies nationwide. The special provisions of the Act apply only to states and political subdivisions that meet certain specifications. Kings, New York and Bronx counties in New York State are subject to the Act's special provisions, including Section 5, which requires preclearance of any changes in voting, and Section 203, which requires bilingual elections. The balance of my testimony will relate to New York's experience in complying with these requirements. That experience convinces me that neither requirement is overly burdensome and that both requirements effectively serve to protect the rights of minority citizens.

ADMINISTERING THE PRECLEARANCE REQUIREMENT

The counties of Kings, New York and Bronx first came within the purview of the Act in March, 1971. It was then that the United States Attorney General determined that the literacy requirement imposed by New York law was a "test or device" within the meaning of the Voting Rights Act, and the Director of the Census Bureau determined that less than 50% of the persons of voting age residing in each of the three counties had voted in the preceding presidential election.

Thereafter, as allowed by the Act, the three counties attempted, to be exempted by the federal court from the preclearance requirement. They tried without success to demonstrate that New York's literacy test had neither the purpose nor effect of abridging any citizen's right to vote on account of race or color. As a result, New York has been required to submit to the Department of Justice all the voting laws and procedures enacted since November, 1, 1968 which affect any of the three counties.

Because any change in state law or regulation necessarily affects the three counties, all such changes are precleared with the Department of Justice. Redistricting affecting any of the three counties is precleared; two examples are the upcoming statewide reapportionment and the recent realignment of the New York City Council after the 1980 Census. Additionally, changes unique to any of the three counties, such as location of polling places, are also precleared.

Because responsibility for complying with the Act's preclearance requirement regularly falls both on the New York City Board of Elections and the New York State Board of Elections, I recently had my staff discuss with the heads of these two agencies their views on the preclearance requirement. From these discussions, it became clear that the preclearance requirement has not been overly burdensome to administer.

The New York State Board submits to the Justice Department for preclearance all amendments to our Election Law. On average, eight to twelve amendments are submitted each year. The submission includes a cover letter of transmittal, a copy of the bill, the memorandum in support prepared by the bill's sponsor, any other memoranda that were influential in gaining passage, and the memorandum explaining the bill's terms and effect, which is prepared by the State Board of Elections for the Governor. By submission of these documents, the State Board of Elections is usually able to provide the Justice Department with all the information it requires to determine whether or not a proposed change will have a discriminatory impact. It should be noted that with the exception of a routine cover letter, the submission generally includes only documents which had already been prepared as part of the process by which the bill was enacted into law. On the rare occasion when this information is insufficient, the additional information required can generally be transmitted by telephone. When the voting change is not objectionable, the preclearance process imposes an insignificant burden on the state and results in no delay in implementing amendments to our voting laws.

The preclearance procedure followed by the City Board of Elections is similarly not cumbersome. The vast majority of changes submitted involve changes in local district lines and polling places. Again, the original submission is usually sufficient; when the Justice Department requires additional information, that information can also generally be provided by telephone.

OBJECTIONS TO VOTING CHANGES

Since becoming subject to the Act's preclearance requirement, New York has had approximately 500 changes in voting practices reviewed by the Justice Department. The Department raised objections three times: twice in 1974 and once in 1975.

A brief mention of these situations aptly demonstrates the Voting Rights Act's effectiveness in preventing changes with harmful consequences for minority citizens. In September 1974, the Department objected that certain polling places had been located in New York County in apartment complexes with mostly white tenants, although polling places had not been similarly located in complexes with mostly minority tenants. As a result of the objection, steps were taken to make polling places equally accessible to white and minority voters. In September 1975, the Justice Department objected to the consolidation of two Democratic leadership districts in Manhattan. The proposed consolidation would have dismembered a predominantly minority district, with the possibility that the votes of minority voters would be diluted. As a result of the objection, the consolidation plan was abandoned. In each case, the objection was interposed in a timely manner, causing the minimum necessary disruption to the electoral process. And, in each case, the matter was resolved without litigation.

The third objection, and the one which resulted in the United States Supreme Court's decision in *United Jewish Organizations of Williamsburgh, Inc. v. Carey,* involved the 1974 redistricting of State Assembly, State Senate, and Congressional districts in Kings and New York counties. Most of the redistricting was unobjectionable. However, the Justice Department was concerned that the creation of certain districts in those two counties would have the effect of abridging the right to vote on account of race.

While, of course, New York had the right under the Voting Rights Act to challenge the Justice Department's determination in court, the state chose instead to redraw the districts to prevent vote dilution. The reapportionment amendments were submitted to the Justice Department on May 31, 1974 and were approved one month later. However, white voters in Kings County sued, alleging that the plan violated the Fourteenth and Fifteenth Amendments.

Ultimately, the Supreme Court in the UJO case upheld the plan, ruling that the Constitution does not prohibit racial considerations when they are used to minimize the consequences of racial discrimination. New York, in redrawing the districts, had appropriately sought to alleviate the consequences of racial inequities and to achieve a

fair allocation of political power among white and minority voters in Kings County. Under the Voting Rights Act, the effectiveness of minority voting power could not be diluted by dividing minority communities among predominantly white districts.

The Court's decision in UJO acknowledges that a blind approach to redistricting may well produce grossly unfair results—albeit perhaps unintended. For example, in Kings County, in the early 1970s, the bulk of the Black population was concentrated near the center of the county. At that time, the traditional method of drawing district lines in New York State was to start at the peripheries of a county and work toward the center. Using this method of redistricting, the Black population would likely have been divided among more districts than would have been the case if the redistricting procedures started at the interior of the county and worked outward. The 1974 district lines in Kings County were, accordingly, drawn to avoid any unintentional discriminatory fects that prior districting plans may have had in distributing black residents, and thereby reducing the chances to elect representatives responsive to the needs of the minority community.

I have spoken in some detail about the effect of preclearance on the redistricting in Kings County because it raises the issue of vote dilution; that is, the practice of reducing the potential effectiveness of the votes of minority group members by redistricting, at-large elections, and annexations. We cannot permit the voices of black and Hispanic voters to be muted by dispersing these voters among districts in which by their numbers they comprise ineffective minorities. Both on local and national levels, legislatures will reflect the interests of all of the people, and not just one segment of the population, only when election districts are drawn in a non-discriminatory manner.

In the 1970's and 80's, the issues of voting discrimination have shifted from vote denial to vote dilution. With this shift, the preclearance requirement of Section 5 has become crucial. The overwhelming majority of objections interposed under Section 5 to expire just as the post-1980 census redistricting is taking place would be particularly inappropriate.

One recent New York example again highlights the complexities of redistricting and the continuing need for the preclearance mechanism. After 1980 census figures were released (unadjusted for minority undercount), the New York City Council rewrote the council lines in all five boroughs of New York City. The Voting Rights Act, and especially the preclearance requirement, has figured prominently in this redistricting. On the one hand, the Council redistricting appears to preserve the opportunity for incumbent minority members to be reelected. On the other hand, some claim that the Council could have been realigned to increase the number of districts in which minority voters constitute a majority, and thereby more accurately reflect the increased minority population of New York City which went from 31% to 47% between 1970 and 1980.

The Council's redistricting plan will have to be submitted to the Department of Justice for preclearance prior to its implementation. Obviously, we cannot now adequately analyze the factors that went into the reapportionment, or the effect on minority voters of the City Council redistricting. The Voting Section at the Department of Justice, with its acquired expertise, will evalu-

ate its ultimate impact. It will do so within 60 days, before the plan is implemented. If there were no preclearance, a potentially discriminatory redistricting plan might be implemented, and years spent in expensive and time-consuming court challenges. And even if the plan were ultimately found to be fair, the perception of deception or discrimination that might grow out of accusations made in protracted, heated litigation could not easily be eradicated.

The 1980 and 1990 post-census redistricting create the opportunity for diluting the voting strength of the growing numbers of minority voters. This seems to me argument enough for a ten-year extension of Section 5's preclearance requirement. Additional argument, however, is found in Section 5's deterrent effect. Some point to the fact that of the hundreds of submissions from New York, only three have resulted in objections. They cite this as evidence that Section 5 has become an unnecessary burden. I believe rather that these figures are evidence of the Act's effectiveness as a deterrent. A former member of the New York Senate's Election Committee has described to us how amendments to the Election Law, which might have had a discriminatory effect if passed, were often defeated or not even offered because of the barrier erected by the Voting Rights Act and the need for preclearance by the Justice Department.

The burden of meeting the preclearance requirement is one we can well afford. It is far less costly and far more expeditious to hundred voting five process through the Justice Department than to litigate through the courts the manifold challenges that would ensue absent preclearance. And, more importantly, Section 5 is a crucial safeguard of the gains the nation has made in transforming the promises of the Fourteenth and Fifteenth Amendments

into reality.

PROTECTING THE RIGHTS OF LANGUAGE MINORITIES

The language minority provisions of the Voting Rights Act are equally important in guaranteeing the right to an effective vote. New York State has a Hispanic population of at least 1.6 million people, 1.4 of whom live in New York City. As much as I would like to be able to say that New York has a long history of protecting the voting rights of its language minority citizens, I cannot fairly say that. However, I can state that with a prod from Congress and the federal courts-we are now taking steps to bring our Hispanic citizens into the electoral process.

In 1965, the Voting Rights Act included a provision, Section 4(e), which mandated that no person who had successfully completed the sixth grade in a public school,1 or a private school accredited by the Commonwealth of Puerto Rico in which English was not the language of instruction, could be denied the right to vote in any election because of an inability to read or write English. This provision was sponsored by Senators Robert Kennedy and Javits and Representatives Gilbert and Ryan, all of New York. Its explicit purpose was to deal with the disenfranchisement of large segments of the Puerto Rican population in New York because of an English-language literacy requirement in New York's constitution and election laws. There were those who honenstly believed that New York's English-language literacy requirement for voting was

an appropriate mechanism to encourage our citizens who did not speak English to learn it. But Congress declared that so precious a right as the right to vote cannot be withheld while a citizen, otherwise qualified to

vote, is learning English.

As an example, all those born in Puerto Rico are citizens of the United States. While Puerto Rico has a bilingual society, the primary language of Puerto Rico's people and its classrooms is Spanish; many citizens, born and educated in Puerto Rico are unable to speak, understand or read English. Until the mid-1970's, New York had no comprehensive program of instruction in English and Spanish. Congress recognized that it was inappropriate to penalize citizens for attending Spanish-language schools in Puerto Rico, or schools in the United States which had only recently begun to implement effective educational programs to teach English.

Elimination of the English literacy test was only the first step in opening the New York electoral process to citizens who are not fluent in English. In 1974, in Torres v. Sachs, a federal court, finding that New York's English-only voting procedures violated the Voting Rights Act, ordered New York City to provide bilingual elections. Specifically, the court order requires the New York City Board of Elections to:

1. Provide all written election materials, including ballots, in both Spanish and Eng-

lish;
2. Provide a sufficient number of bilingual election officials at each Board of Elections county office and at all polling places in areas with a high concentration of Hispanic

3. Post Spanish-language signs at all polling places and places of registration, stating that election officials are available to assist Spanish-speaking voters or registrants, and that bilingual printed materials are available: and

4. Publicize elections in the media in

Spanish.

In 1975, the State Board, after encountering some difficulties in obtaining statewide implementation, consented to a similar federal court order requiring bilingual elections statewide in Ortiz v. New York State Board of Elections.

New York's experience with bilingual elections demonstrates that although local officials may indeed be committed to a fair electoral process, it may take federal legislation or a court order to ensure that the commitment becomes action. The 1975 amendments to the Voting Rights Act, requiring bilingual elections in areas with significant numbers of language minorities, do precisely that. The Act's bilingual election provision, like those of Section 5, apply only to the counties of the Bronx, Kings and New York, where they serve to reinforce federal court

The New York experience demonstrates the importance of the bilingual provisions and the fact that they are not burdensome or costly to implement. In New York City. all printed election materials are bilingual. the extent possible, all forms are printed in both Spanish and English on the same form—either front and back, top and bottom, or left and right side. This policy extends even to the "No Smoking" signs. The envelope containing the "Notice of Cancellation of Registration" has a return address in English and Spanish, and a warning that the enclosed material is "very imconcerning voting status" both English and Spanish. And, needless to say, the enclosed notice is entirely bilingual.

The financial burden to the state of bilingual elections is minimal; beyond start-up costs, the sums are truly insignificant. For example, all translation of state-wide registration and voting materials is handled by the New York State Board of Elections. The translations are done by the Chairman of the Political Science Department of the State University at Albany, and cost, on average, just over \$1,000 per year for the entire state. In Westchester County, with a Hispanic population of over 45,000 people, the costs of providing bilingual materials is approximately \$3,000 per year, or less than 2% of the County Board of Elections' budget. By using volunteer interpreters provided by the Maryknoll priests and local Hispanic organizations, Westchester County spends no money on interpreters. And the return on these insignificant expenditures is enormous. It is estimated that since New York first provided bilingual elections, Hispanic registration has increased by 20 percent. Since 1965, the number of New York Hispanic representatives in the state and federal legislatures has more than doubled. With minimal costs or burden, New York has done much to integrate the Hispanic community in New York into the electoral

To those who contend that the bilingual provisions of the Act are no longer necessary, I point to the fact that significant numbers of people still emigrate to the United States from Puerto Rico alone. All of them, and many other Hispanic citizens who are not fluent in English, are citizens, entitled to vote. The Fourteenth Amendment's guarantee of voter equality demands continuation of the Congress' commitment to the Act's bilingual provisons.

CONCLUSION

The special provisions of the Voting Rights Act apply to all or part of 22 states. As I have testified, three New York counties, with more than 4.8 million people, are covered by the Act's special provisions. More people are protected in these three counties than are protected in the States of Alabama (3.9 million), Mississippi (2.5 million) or South Carolina (3.1 million) and only slightly less than in Georgia (5.4 million) or Virginia (5.3 million).

I am troubled by the argument that the Act singles out the Southern states. Even the few statistics that I have cited indicate otherwise. Furthermore, the Act's special provisions are triggered only by practices that are demonstrated to have a discriminatory impact, regardless of the state where they occur.

I am equally troubled that one response to this perception of regional discrimination is that preclearance should be implemented nationwide, without a trigger mechanism. Unless there is a need in all jurisdictions, it seems simply wasteful and arbitrary extend preclearance in this fashion. At a time when the stated goal of Congress is to cut the budget, and the goal of the Administration is to do away with excessive government, it is ironic that some in Congress would propose extension of a program without any prior showing of need for that extension. One can only suspect that the effort to extend preclearance nationwide is in reality an attempt to undermine the Act's effectiveness.

At a time when our national priorities are undergoing a major reassessment, it is critical that the Congress as our representatives not permit our commitment to voting rights to wane. The right to vote is fundamental

^{&#}x27;In 1970 Congress eliminated the sixth grade education requirement.

because, as the Supreme Court has noted, it alone preserves all other rights. If elected officials are to consider eliminating programs which aid racial and language minorities in obtaining social and economic equality, it is imperative that those minorities fully and fairly participate in the electoral process. We can ill afford to send to the American people a signal that voter equality is no longer a top national priority. Failure to extend the special provisions of the Voting Rights Act would do just that.

QUESTIONNAIRE RESULTS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. ROTH. Mr. Speaker, I am pleased once again this year to present to my colleagues the important results of the latest congressional questionnaire from my own Eighth District of Wisconsin. I know that other Members of Congress feel as I do that our job of representing the people of our great Nation would be much more difficult without the detailed information these thoughtful citizens bring to us in the form of questionnaire responses.

This survey was returned by more than 10,000 residents of my district. They responded from not only the metropolitan areas, but also from rural areas of northeastern Wisconsin. The ages of the respondents corresponds to recent Census Bureau information about our district's population. In all, I am assured that the respondents mirror quite well the balance of their fellow citizens in the Eighth District.

trict.

Briefly, Mr. Speaker, the respondents gave President Ronald Reagan's economic recovery plan their endorsement. They supported his spending and tax-cutting program with optimism. These have been important steps we have taken in Washington this year.

The distribution of Federal aid through the administration's planned block grant programs was also endorsed by a 70- to 22-percent margin. The Eighth District's respondents thus reflect not only a high degree of support for President Reagan's economic program, but realize, too, that the cost of doing business in Washing-

ton has risen far too high.

Crime control, specifically legislation I have introduced to extend mandatory sentencing for most Federal crimes committed with the use of handguns received overwhelming, across-the-board support. Stricter probation standards and less plea bargaining by our prosecutors similarly motivated a favorable response from all parts of northeastern Wisconsin. Crime is an issue which I trust this Congress will adequately address in the coming months because our coun-

trymen undoubtedly sense more needs to be done to stem lawlessness in our cities and towns, at the Federal level no less than the local level.

People were generally in favor of a firm stand toward the Soviet Union. Stressing a resurgence of American prestige around the globe appeals to over 80 percent of the respondents to this questionnaire. Support of some form of national service by young Americans continues to be a matter of great concern among the people of the Eighth District as is also evident around the country.

Those are highlights of the responses I received. I am certain that this information is of value not only to my fellow residents, but to other Members of Congress and the executive branch. For that reason, and to further clarify the views of the participants, I add the detailed results to the Record today:

CONGRESSMAN TOBY ROTH'S 1981 LEGISLATIVE QUESTIONNAIRE

[In percent]

ESCHOOL VERSER OF THE SECOND	Yes	No
I. If Congress passes the President's economic program basically intact, are you optimistic it will reduce inflation and interest		
rates?	67	2
funds? 3. Indicate which alternatives you believe would best ensure a sound social security system for the future:	70	2
a. Supplement system with Federal tax dollars	43	4
b. Increase social security taxes.	20	7
c. Raise age of eligibility for full benefits to 68	26	6
d. Discourage early retirement by lowering benefits e. Trim extra programs for students, survivors, and the	39	5
disabled	68	2
Reduce cost-of-living benefits for current recipients Do you favor relaxation of federally-imposed air, safety, and environmental regulations if it would get the economy moving.	32	5
again? Which of the following do you feel would best curb the rise in violent crime?	56	4
a. Strictly enforced mandatory minimum sentences	89	
Registration of handguns. C. Less plea bargaining and more strict probation stand-	32	5
ards	90	
d. Death penalty Do you support the administration's "get tough" policy with	72	2
the Soviet Union? Should American youth be required by law to spend time serving their country in either military or community-related	80	1
service?	68	2

Note.—Percentages do not total 100 percent as all questions were not answered by all respondents.

CONSTRUCTION GRANTS PROGRAM

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. EDGAR. Mr. Speaker, I would like to commend Chairman Roe of the Public Works and Transportation Subcommittee on Water Resources and the members of the subcommittee for their diligent work in conducting 5 days of comprehensive hearings on the construction grants program of the Clean Water Act.

Construction grants provide Federal assistance for communities to build sewage treatment plants. Our recent hearings in the Water Resources Sub-

committee conclusively reaffirmed that this program is critical to our Nation's efforts to clean up and protect our waters. As one witness testified:

Nationwide, the program helps stop the further degradation of our waters, and fosters significant improvements in the quality of our waterways * * * when the nearly 5,000 projects currently under construction begin to come on-line in the next few years, we should see more dramatic improvements in the Nation's water quality.

Furthermore, we have the firm commitment of the Reagan administration to work for reforms in the construction grant program and insure the program's continuation. Speaking for the U.S. Environmental Protection Agency, Deputy Administrator John Hernandez testified:

I really believe that the administration wants a bill and wants this thing to move along * * * We will do everything we can to move it along * * * so that we have some kind of consensus that will be funded.

In Delaware County, Pa. (Delcora), the regional water authority, will need over \$20 million from the construction grants program as local sewage treatment projects enter construction. Philadelphia treatment facilities, which are used by many Delaware County residents, also require multimillion dollar grants to continue current construction.

The current construction grant authorization expires September 30, and the Water Resources Subcommittee is currently drafting a reauthorization bill. Witnesses testified about a number of important changes in the program which would increase water quality benefits, reduce costs, and avoid project disruptions. I would like to point out several important changes which I feel should be included in the new clean water legislation:

Multiyear reauthorization: An authorization of at least 4 years would insure the kind of stability that is the most essential ingredient for an efficient construction grants program.

Maintain and increase the current set-aside for innovative and alternative technologies: These technologies, such as land application, water and energy conservation, and others, are our best hope for attaining clean water at a reasonable price.

Eliminate Federal funding for reserve capacity and collector sewers: This should encourage communities to more realistically assess their future growth needs, and more carefully plan their projects.

Increase emphasis on water conservation: Conservation should be recognized as an important means to reduce needed treatment capacity and costs. This is a legitimate focus for Federal assistance.

Retain funding for infiltration/inflow and rehabilitation: This is especially important in older urban areas where ground water leaks and rain-

water inflow unnecessarily burden treatment capacity.

Increase operator training and public education: We must protect the huge Federal investment in treatment plants by insuring that they are properly operated. Expanded education programs and information sharing would increase use of innovative, cost-effective technology.

Implement plans on nonpoint source pollution: Toxic pollutants entering water from urban and agricultural sources can defeat the water quality gains made through sewage treatment. Federal funding for areawide planning boards under section 208 must be made available as well as funding for the implementation of these plans.

Combined sewer overflow development program: This is a major water quality issue, especially in older cities. A development program should be created to provide grants to develop cost-effective solutions to combined sewer overflow problems.

Contractor liability: Faulty design and construction, leading to costly plant malfunctions, is made worse by a lack of accountability of designers and contractors. Supervision of construction, design standards, and liability provisions must be strengthened.

Taken together, these changes would increase the effectiveness and efficiency of the construction grants program. In addition, these reforms are consistent with the key elements of the Reagan administration's proposed program reforms, and also paralleled many of the provisions of a clean water bill approved by the Senate Environmental Pollution Subcommittee. The President has made a funding recommendation for construction grants contingent upon program reforms, and the budget reconciliation conference report includes conditional budget authority for the program if a reform bill is enacted.

I am confident that the House subcommittee will approve a bill which addresses these important reform issues. We are at a critical stage in the reauthorization process. The legislative committees of the House and Senate must move quickly and responsibly in order to insure that proper funding action is taken by the Budget and Appropriations Committees. Further disruptions in program funding would wreak havoc on vital sewage treatment programs across the Nation.

The health and safety of the American people depend to a large extent on clean water. We must responsibly reform the construction grants program so that it can continue its vital function.

AGONY PROLONGED—THE MIA PROBLEM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. McDONALD. Mr. Speaker, the recent return of the bodies of three of our MIA's from Vietnam highlights the cruelty of the Hanoi regime as regards the MIA problem. Communist countries think nothing of keeping prisoners years beyond the end of hostilities as they have proved time after time. It makes no difference whether they are dealing with a live or dead prisoner. Prisoners are not taken by the Communists just to prevent them from fighting against them as in the normal rules of warfare. To Communist nations, prisoners are a prize to be tortured in order to break their spirits, used for propaganda purposes and then if possible sold for ransom. The individuals and families mean nothing to the Communist rulers. The Richmond Times-Dispatch of Friday, July 24, 1981, summed this all up in an excellent editorial which I strongly commend to the attention of my colleagues.

[From the Richmond Times-Dispatch, Friday, July 24, 1981] AGONY PROLONGED

Nothing more graphically illustrates the ghoulish nature of the communist regime in Vietnam than the facts behind this month's release of the remains of three American servicemen who were shot down in the war from 10 to 14 years ago.

It is not as though these three men were killed in action and their bodies lost in some remote place, their skeletal remains to be recovered only years later. They had been seen parachuting to safety. The Navy told the family of Lt. Stephen O. Musselman that he probably had been shot to death as he floated to earth. But Cmdr. Ronald W. Dodge and Capt. Richard H. Van Dyke were known to have been taken into captivity.

The evidence of Cmdr. Dodge's incarceration as a prisoner of war, although never confirmed by Hanoi, became a matter of worldwide record when Paris Match, a French magazine, published a photograph of him in September 1967 being escorted by North Vietnamese soldiers after capture. The photo was subsequently reprinted on the cover of Life magazine and used on five million brochures distributed by an organization on behalf of the MIAs.

And yet Hanoi not only failed ever to acknowledge that Cmdr. Dodge had been in custody, but also never reported his death, even after the end of the war, never produced the smallest scrap of information about him. Brad Dodge, who was 4 when his father was shot down in 1967, grew up wondering about his baseball-playing father, a prospect for the Cincinnati Reds, wondering if he would ever have a chance to play catch with him some day.

As for Capt. Van Dyke, POWs who were later released confirmed that he had been in the same camp with a leg injury incurred during bailout. A Vietnamese guard told one of them.

"Your buddy has to have his leg amputated," and then returned to say, "Your buddy didn't make it."

Once again, Hanoi did not have the elementary decency to report this death or to repatriate the body until a decade later, when American laboratory technicians had to identify it.

Why would any regime want to prolong the agony of the MIA families for so long by holding corpses and refusing to acknowledge their identity? The only conclusion, if there is any rational one, is that the Vietnamese Reds were trying to hold America hostage by means of a diabolical sort of body politics. It was the kind of ghastly ploy that even Iran's grim ayatollahs only briefly indulged in after eight American servicemen were killed in the aborted raid to free the U.S. Embassy personnel in Tehran. Hanoi hoped, by keeping the fate of some Americans a secret, to retain leverage that might be used to extract concessions from the U.S.—diplomatic recognition and billions of dollars worth of reconstruction aid.

There are still 2,528 Americans listed as missing in action in a tragic war that ended for America, essentially, with the signing of the ill-fated Paris treaty of Jan. 23, 1973. Based on the grossly tardy return of these three bodies, it is reasonable to assume that Hanoi knows about the fate of many more MIAs—and it is even remotely possible that a few may still be alive in Indochina.

Americans should never forget the MIAs and the agony their families have bravely endured, and the Reagan administration ought to continue to make plain to the jackals of Hanoi that prolonging the agony beyond the ridiculous extreme it already has been dragged out will gain them nothing, and in fact cost them much.

DISTRESSED INDUSTRIES

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BAILEY of Pennsylvania. Mr. Speaker, there have been a number of insertions in the Congressional Record alluding to the so-called Bailey bailout in a detrimental fashion. None of them have been accurate; all of them have been false. Every single one of them engendered either a misunderstanding or a misperception of the changes these carryback provisions make, as well as serious misperceptions of their obvious and clear interrelationship to current law.

First, no profitable company would have an incentive to take advantage of these provisions to the detriment of any other company in a designated industry. In fact, under current law a profitable company, because of current tax liability, would be encouraged to avoid the incentives that we have provided. Simply put, if you are profitable and have current tax liability, instead of having to elect to collect your investment tax credits over the next 4 years, write them off under this year's tax liability, as current law provides.

Second, it simply is not true that the industries chosen were haphazardly, surreptitiously, or deliberately chosen for selfish, unfair, or unreasonable purposes. These industries were chosen because they are all highly capital intensive. They were chosen because the remaining bulk of the unused investment tax credits carried by marginally profitable firms, eligible to utilize them, lie almost totally within the utilities area. Utilities have other advantages in the Tax Code, and because of pass-through problems, quite frankly would not choose to participate in these provisions if they could.

The arguments that you have heard about other industries who need this help or could use this help and are being denied it because they were not one of the chosen few is completely and totally false, without foundation, do not make good economic sense, and any person who studied these matters would know that.

Quite frankly, other industries either lack the capital intensive nature of the distressed industries, and thus are not carrying earned but unused ITC's, or are in an economic environment where they have either not earned the unused investment tax credits referred to in these provisions, or they have already utilized them.

Third, you have been told that this is a giveaway or a slush fund of some type for a designated few. That also is not true. None of the above are accurate. It is no type of slush fund. These credits and the tax liability against which they can be used are only applicable to productivity-improving investments of the type of property that qualifies for an investment tax credit in the first place.

In short, not one penny could be used for dividends or profits, and because an investment tax credit only has value of 10 percent of the qualifying investment made, there is certainly no incentive under this provision to invest with that kind of writeoff in mind. Therefore, these provisions do not encourage acquisitions or mergers, as has been erroneously reported to you. They are only good and provide some necessary relief for capital intensive industries, who suffer under a discriminatory Tax Code and under the yoke of harsh environmental regulation requirements.

Takeovers would not be encouraged; mergers would not be encouraged. There is no special tax break involved. The use of language like "slush fund" and "boondoggle" and "bailout" are sad misrepresentations of proper recognition only to the extent of tax liability for qualified investments which have already been earned. Unfortunately, we had a chance to do something for America with these provisions—something to insure basic industries like steel, where 19 percent of our

domestic market goes to more modern foreign companies. And that 19 percent will grow year after year. Modernization of our mills is vital to our national defense.

This irresponsibility and inaccurate misrepresentation of the intent and purposes of these provisions will not serve this Nation's industrial base very well. Long-term investment suffers in our system; capital is taxed disproportionately and excessively. Only some type of response to this situation will enable this Nation to survive with an industrial base that will serve her needs

It is no curious fact that the industries most in trouble in this country are our capital-intensive industries. Automobile manufacturing is a good example. Airlines are another good example. And in the case of these industries, the examples go on and on.

All this extended carryback provision was intended to do was to allow marginally profitable companies within these vital industries to write off qualified investments they have already made against taxes they have already paid to help modernize these industries, to help make them competitive, to save American jobs, to insure America's strength.

A profitable company and/or an unprofitable company with a profitable partner or parent company, would not want to wait the 4 years and elect to take the payback against past tax liability. But you have been told incorrectly that this is the situation—beneficial to such profitable entities under these provisions that I have drafted. Such is not the case.

This opportunity to change the Code is being disserved by inaccurate and misleading information, and is a sad commentary on the dire need our Nation has to recognize the precarious problems faced by her vital and necessary capital-intensive industries.

THE TRUE MEANING OF THE REAGAN ECONOMIC PROGRAM

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BONKER. Mr. Speaker, with today's House passage of the conference report on the tax cut, President Reagan now has had 100 percent of his economic program approved by the Congress.

The President has accomplished this radical turnaround in American economic policy in just 6 short months. Although much of the impact of the deep cuts to social, health, and educational programs will be felt almost immediately in the months ahead, the most profoundly important repercus-

sions of the President's program will not be apparent for a number of years.

Recently, an article in one of the leading newspapers of the Pacific Northwest, the Seattle Post-Intelligencer, offered a glimpse of what these long-term repercussions might be. The vision is a sobering one, and I commend it to the attention of my colleagues.

In the article, Prof. Arval Morris of the University of Washington School of Law argues that President Reagan's program represents a wholesale shift away from the enhancement of our Nation's greatest resource—the energy and creativity of the American people—toward a concentration upon the machinery, capital investment, industrial plant, and all the other trappings of our manufacturing-based economy of the 1940's which represents economic recovery to the Reagan White House.

Professor Morris' analysis exposes the poverty of the administration's shortsighted policy of pursuing immediate budgetary savings through slashes to social program spending, without regard to the consequences—and, ironically, higher costs—in the future.

[From the Seattle Post-Intelligencer, July 23, 1981]

REAGAN PLAN SHOULD PUSH PEOPLE POWER (By Arval A. Morris)

President Reagan declares that the point of his economic plan is to produce a welter of new capital investment—new plant and machinery, the instruments of production that will reindustrialize America.

His method is enormous budget and tax cuts that greatly favor the rich, because, he says, the rich will save the money. Savings institutions will loan that money to businesses which will use it to buy new capital goods, and thereby increase the productivity of the American economy. With a greater supply of goods available to meet existing demand, Reagan expects prices, and inflation to fall. He does not say exactly when, especially since he is increasing defense spending by about \$40 billion.

It's a supply-side, trickle-down plan, with a vengeance. Also, it's very "iffy"—if the rich save, if business borrows and invests, if, if, if. John Maynard Keynes once said that there are many a slip between cup and lip. And, THAT may well be the fate of Reagan's plan.

But, no one can deny that we have suffered a decline in productivity for more than a decade. From 1948 to 1965, the output per hour of all workers in the private sector increased an average of 3.2 percent per year. But, between 1965 and 1973, the average rate of increase dropped to 2.3 percent a year. From 1974 to 1979, it rose by only 0.6 percent. Except for the depression, one must go back to before World War I to find such low increases in productivity

LOOK AT GNP

So, Reagan sees the need to increase productivity, but his plan to do it probably will fizzle. What he does not see is the revolution that has occurred during the last 20 years in our labor force. First, there was the

post-war baby boom, and second, the dramatic entrance of significant numbers of women into our work force. But, most importantly, there has been a wholesale shift away from production to service jobs in the private sector.

We had a Gross National Product of \$259 billion in 1948, with the manufacturing share accounting for \$74.5 billion and the service sector share accounting for \$140.6 billion, roughly twice that of manufacturing. By 1977, manufacturing's share of GNP was \$456 billion and the service sector's share was \$1,250,2 billion, or roughly three times that of manufacturing.

Reagan's tunnelvision is concentrated solely on increasing productivity in manufacturing. It ignores the real productivity pattern in our country as a whole. It is obvious that the President's focus should be on human beings in the services sector as well as on machines in the manufacturing sector. Simplistic assumptions that the American economy is predominantly a manufacturing economy are at least 35 years behind the times. Eli Ginzberg recently stated that 'proposed reindustrialization of an economy dominated by services is an exercise in futil-This is Reagan's supply-side follies

What America needs from its President is fresh look at human capital formation. And this need is rooted in the actual production patterns of this country today.

"SPIRIT" SPREADS

Yet, Reagan is marching in precisely the wrong direction with a significant share of his drastic budget cuts. For example, the Stockman-Reagan cut in the National Science Foundation's education budget threatens its extinction, going from \$80.7 million in 1981 to \$9.9 million. Reagan has cut research in cognitive and behavioral sciences by 70 percent, from \$40.1 million to \$10.1 million. It goes on and on, slashing items like the school lunch program to provide money to build tanks and buy military hard-

This "spirit" has caught on at state and local levels. The University of Washington's budget is austere, and community colleges are turning away students for lack of funds. Human capital investment is denigrated.

The people of this country did not give Ronald Reagan a mandate to change the fundamental structure of American society. Nor was last November's election an endorsement of supply-side economics. presidential choices offered were so lackluster that only 54 percent of this country's eligible voters bothered to vote. Of that 54 percent, only 50.8 percent voted for Reagan. So, he was elected by 27.4 percent of the eligible voters of this nation, most of whom were worried about inflation and voted for a change from Jimmy Carter. It was not an ideological victory at all.

York Times-CBS poll A recent New showed that only 31 percent approved of Reagan's budget proposals; and only 38 percent supported his proposed tax cuts; about half were undecided or bemused by it all. That is no mandate for radical change in the fundamental structure of American soci-

On the other hand, there is the Soviet Union. University of Chicago Mathematician Izaak Wirszup has published an article showing that the Soviet Union is far surpassing us in mathematics and science edu-The new program was voted on in 1966. Its effects are just being felt. All young Russians now get:

1. Three years of arithmetic (grades 1-3)

2. Two more years of arithmetic combined with algebra (4-5)

3. Five more years of algebra (6-10)

4. Ten years of geometry (1-10)

Two years of calculus (9-10). Five years of physics

Four years of chemistry One year of astronomy

9. Five and one-half years of biology

10. Five years of geography

11. Three years of mechanical drawing 12. Ten years of workshop training

ADVANTAGE TO SOVIETS

Obviously, if Russia were a free country it would have to include significant amounts of liberal education in the humanities-literature, history, philosophy, classics, and drama-as well as social sciences. But it is totalitarian, and seeks to develop only science and technological skills in its people.

Professor Wirszup assesses the situation

this way:

'The Soviet Union's tremendous investment in human resources, unprecedented achievements in the education of the general population, and immense human pool in science and technology will have an immeasurable impact on that country's scientific, industrial, and military strength. It is my considered opinion that the recent Soviet educational mobilization, although not as spectacular as the launching of the first Sputnik, poses a formidable challenge to the national security of the United States, one that is far more threatening than any in the past and one that will be much more difficult to meet."

Perhaps Reagan should give serious thought to the quip that the departments of defense and education should be combined because that is where the money is! Education is, after all, the best way for America to improve its human capital, which is its real, first line of defense, as well as its largest sector of domestic productivi-

ty.

He has no ideological mandate, and it makes no sense for Reagan principally to favor the manufacturing sector and to permit the service sector of the economy to be victimized by evangelical political simplism. He must focus on our broader and greater need to develop the human capital of America. Otherwise, our country will suffer, and Reagan's presidency aptly will be termed that of "The Man In the White House from Fortune's 500."

DR. MARVELLE COLBY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. LEHMAN. Mr. Speaker, it is with particular pleasure that I congratulate Dr. Marvelle Colby on her recent appointment as executive director of the Greater New York Council of Girl Scouts of the U.S.A. Dr. Marvelle Colby, a former constituent and close friend, was recently honored at a special congressional reception. Her appointment is particularly noteworthy because the council is the New York metropolitan area's largest grassroots organization for young girls age 4-17 and it enjoys a membership of over 34,000.

The parent organization, Girl Scouts of the U.S.A., was founded by Juliette Gordon Low in 1912. Ms. Low began with a troop of less than 20 girls and today Girl Scouts of the U.S.A. has a membership of nearly 3 million. The Girl Scout program is a "continuous adventure in learning that offers girls a broad range of activities which address both their current interests and their future roles as women." Through activities that stimulate self-discovery, they are introduced to the excitement in the world of science, the arts, the out-of-doors, and people. Girls have opportunities to develop new skills and self-confidence, to have fun, and to make new friends, and through meaningful community service to acquire understanding about themselves and

In conjunction with Girl Scouts of the U.S.A., the Greater New York Council has designed a career education program to address the critical need expressed by educators for ageappropriate career exploration and planning methods for children. The council's proposed program is specifically designed to fuse with New York City public school curriculum. Its present objectives are: To employ 100 teenagers in internship programs at minimum wage; to employ 10 college interns to help implement the program; to employ a full-time career education project director and administrative assistant; to initiate careeroriented activities; and finally to evaluate the program.

The program is fully developed and has been implemented and utilized in New York and other areas throughout

the country.

Access to career development opportunities is important for all of our youth, and Dr. Marvelle Colby should be commended for her participation in this area.

OMNIBUS PENAL REFORM ACT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. DELLUMS. Mr. Speaker, today introduced the Omnibus Penal Reform Act. The bill consists of original legislation built around what I feel is the most progressive proposals for penal reform introduced in Congress. In developing this legislation I sent copies of the bill to nearly 100 Federal prisoners as well as to criminal lawyers and experts in penology and requested that they all review the proposal and make suggestions for improvement.

The response to this mailing was incredible; many Federal prisoners said it was the first piece of legislation which realistically confronted the problems of penology in the United

States today. At the same time, the prisoners, due to their uncanny insight into the true nature of the prison system, made many suggestions to close loopholes, improve language, and to make the bill much more effective. Experts in penology and criminal lawyers were able to be most helpful and commented on both the form and content of the bill.

I believe this legislation now represents the most workable, progressive, and comprehensive piece of penal reform legislation to be introduced in the House of Representatives.

Many penologists and prison authorities say prisons have changedthat prisons are for rehabilitation, not for punishment. Despite these claims, rebellions at Attica, San Quentin, Soledad, and virtually every other major penitentiary have aptly demonstrated they are wrong. Prisoners across the land continue revolting against brutalizing and inhumane conditions. The sad truth is that in many instances prisons are no different today than at the turn of the century. For example, the Federal Government operates one of its largest institutions at Atlanta. It was built in 1910, and is just as oppressive today as then. Certainly, it is not an atmosphere in which rehabilitation could take place.

We must realize that no person is made more fit to function as a member of society through systematic corporal punishment. And despite claims to the contrary, such punishment exists in prisons today. I have seen the scars. We must also realize that prisoners are entitled to every human and moral right as members of free society. Confinement in a penitentiary is certainly punishment enough and is in itself a most extreme act of retribution by society. Any prisoner will tell you that the sexual and psychological tortures one goes through in prison leave their mark stamped indelibly on the individual's pysche.

Prisons-the backbone of the criminal justice system-reek of injustice and inhumanity. They also have a very definite class characteristicthere are very few white collar criminals in penitentiaries. White collar criminals responsible for millions-if not billions-of dollars worth of crime annually are not in prison. Prisons are full of people who have committed \$10 or \$15 robberies; prisons are full of people who told me that in order for them to survive in what they see as a most oppressive economic atmosphere they went outside the law to provide food and shelter for their families. For them, prisons are the final defense in the maintenance of a social order that insures the affluence of certain seg-ments of society at the expense of others.

And exploitation does not stop when one reaches prison—it increases. Prisoners are paid minimal wages—they

perform virtually slave labor for the Government, which receives a handsome profit in the process. The U.S. Penitentiary at Atlanta-the oldest and most experienced are here-has the highest average sentence per prisoner in the Federal system. It is here where the Federal prison industry produces a major share of its products. We are told that there is extensive rehabilitation in the process-rehabilitation that somehow takes place on outdated machinery that has little or nothing in common with machinery in outside industries. We should ask why such an extensive "rehabilitation" program should be in an institution where the average prisoner is serving a 20- or 30-year or life sentence, instead at institutions where prisoners are serving 2- or 3-year sentences and could benefit from training programs. The situation at Atlanta cannot help but make one wonder if prison authorities are more concerned with making a profit from the exploitation of captive and free labor than with the rehabilitation of the prisoner population.

It is my sincere hope that Congress will see fit to pass this legislation. The uprisings and tragedies we have experienced in our Nation's prisons clearly demonstrates the need for a massive overhaul of the system. If we are truly concerned with penal reform, we must treat the causes, and not the symptoms of the problem.

At this time I would like to submit to the record a summary of the revised Omnibus Penal Reform Act.

SUMMARY

The "Omnibus Penal Reform Act" is divided into eight titles. Five sections expand and solidify prisoners' rights, two titles are concerned with reorganization of the United States Board of Parole, and one title restores voting rights of felons once they have successfully completed their sentence. If passed into law, each title would independently represent a major progressive change in penological practices. However, despite this independent nature, each title highly complements the other sections of the measure.

TITLE I MINIMUM STANDARDS

Establishes the National Prison Standards Administration, as an independent agency in the Executive branch. The Administration would promulgate and enforce rules to insure minimum standards in prisons, including:

No discrimination on grounds of race, sex, language, religion, national or social origin, wealth, or political beliefs.

Establishment of living quarters taking into account prisoners age, sexual preference and criminal record; adequate and private sanitary facilities and minimum standards with respect to cubic content of air, floor space heating and ventilation in living quarters.

Adequate medical, psychiatric and dental care; pre-natal care for women.

Minimum standards for food preparation and service.

Restriction on corporal punishment and solitary confinement.

Written regulations of appropriate prison behavior which will be provided to every prisoner upon admission.

Restriction on prison authorities from inspecting incoming mail except for the purpose of detecting contraband. Mail to government officials, courts, or attorneys to be serviced only by employees of the United States Postal Service.

Allowance of at least three visits a week, and that visitors need not be on an approved list.

Unimpeded availability of newspapers, periodicals, radio and television; media not to be restricted for ideological reasons.

Protection of prisoner property.

Comprehensive vocational training, rehabilitative and work release programs.

Restrictions on nature of prison work and establishment of maximum work hours.

Title I also provides up to a five year \$5,000 sentence for prison authorities who deprive or attempt to deprive a prisoner of rights granted under this title. Such a provision provides prisoners with a minimum assurance that their rights will be protected.

TITLE II. MINIMUM WAGES

Provides for minimum wages equal to the highest minimum wage rate in effect under Section 6 of the Fair Labor Standards Act of 1938 for all Federal prisoners working in prison industry. Also gives prisoners the right to form unions for the purpose of collective bargaining regarding their employment.

TITLE III. FAMILY VISITATION

Provides at least 12 days of furlough a year for prisoners with satisfactory conduct records.

TITLE IV. COMMITMENT AND TRANSFER

Instructs the Attorney General to designate as initial place of confinement the institution nearest the person's place of residence suitable for immates of the prisoner's classification, and stipulates that no transfer shall be made to another place of confinement solely for punitive reasons unrelated to a clear and present danger to the physical safety of the transferred prisoner, other prisoners, or of prison officials and employees.

TITLE V. FEDERAL PRISONERS IN STATE INSTITUTIONS

Provides protection under federal prison regulations for all federal prisoners quartered in state or local institutions.

TITLE VI. REENFRANCHISEMENT

Reenfranchises felons to vote in Federal elections after they have successfully completed their term of sentence, probation or parole.

TITLE VII. PAROLE

Restructures the Parole Board into a national board and five regional boards. This decentralization of parole powers will bring the prisoner closer to the individuals who make parole decisions. Also provides that the boards proportionately reflect the racial and ethnic composition of the prison population.

Gives the prisoner the right to examine all documents that were used in the parole determination hearing. This enables the prisoner to more readily ascertain why parole was denied or why certain restrictions were placed on the parole.

Sets up provisions for goodtime allowances for parole. The longer a parolee maintains good conduct, the shorter the term of parole.

EXTENSIONS OF REMARKS

Entitles the parolee to an attorney at revocation hearings and the opportunity to confront and cross-examine witnesses, as well as stipulating that there be a full and complete hearing record.

TITLE VIII. STATE PLANS

Provides federal assistance to the states for improvement of state parole programs and to develop and operate community oriented for the supervision of and assistance to parolees.

TRIBUTE TO BISHOP JAMES WALSH

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mrs. BYRON. Mr. Speaker, last week the people of Cumberland, Md., lost one of their most distinguished citizens. Bishop James Edward Walsh faithfully represented his church as a foreign missionary to China for 40 years, the last 12 of which were spent in a Shanghai prison. He was deeply revered by the Chinese Catholics which he diligently and enthusiastically served, and despite his arrest in 1958 and subsequent incarceration, he never lost his love and respect for the Chinese people.

To a man who sacrificed his personal freedom in the name of religious freedom, no tribute can be too great. Receiving his assignment to China in 1915, Bishop Walsh accepted a monumental challenge which was only to become more difficult as the years progressed. After serving as Superior General of Maryknoll Fathers in Ossining, N.Y., he returned to China in 1948, remaining firmly committed to his task despite the turmoil surrounding the Communist insurgence which was to take place the following year. Though his mission was ordered closed in 1951, he was never discouraged from preaching the gospel of Christ to a people desperately needing a form of security in the midst of unprecedented change in a land so deeply founded in its ancient traditions. He persisted in this courageous work until it led to his

arrest in 1958.

Not only will a man of his character be missed among the millions of Chinese and American Catholics who were touched by his energetic preaching, but he will also be remembered by all people who value honest and sincere devotion to a call in which they believe. Perhaps the people of Jiangment in southern China best described the head of the mission by the name they gave him, Wha Lee Sou, meaning pillar of truth.

Mr. Speaker, I submit for inclusion in the Record a copy of an obituary of Bishop Walsh, which was printed in the Washington Star on July 30, 1981.

BISHOP JAMES WALSH DIES, ONCE IMPRISONED IN CHINA

Ossining, N.Y.—Bishop James Edward Walsh, the last Christian foreign missionary to serve in China and imprisoned there for 12 years, died Wednesday at headquarters of his order, the Maryknoll Fathers. He was 90

Only the day before, he had been released at his request from St. Agnes hospital in White Plains, N.Y., to return to his room at the seminary here. He previously had expressed a wish to die on home ground.

He had undergone surgery last month for a urinary allment, and a subsequent infection had forced his return to the hospital last week, but his strength had ebbed.

Walsh, a Maryland native, was released from Shanghai's Ward Road prison in 1970 after serving nearly 12 years of a 20-year sentence. He had been accused of counter-revolutionary activities, including spying for the Vatican and the U.S.—charges he vigorously denied.

When released, the gaunt, aging missionary of 79, clad in rumpled khaki trousers and a faded checkered shirt, walked across Hong Kong's Lo Wu bridge to freedom on July 10, 1970, hailed as a hero by the free world and a modern Rip Van Winkle.

The last of about 7,000 Roman Catholic and Protestant missionaries from the West to be expelled from China, he had received no news reports during his long imprisonment. He had to be told of such events as the moon walk, the election and assassination of the first Catholic president, John F. Kennedy, and the sweeping reforms of the Second Vatican Council.

He said afterward that the reforms, which increased participation of people by allowing them to use their own language in worship instead of Latin, "surprised and pleased me very much because the church is for the people and the clergy are only servants of the people."

Of his imprisonment, he said: "I have no bitterness toward those who tried and condemned me. I love the Chinese people."

But he strongly denied the espionage charges.

"I came to China in 1918 as a priest and missioner for the purpose of preaching the gospel of Christ to the Chinese people. I can tell you in all honesty and sincerity that I have never spent a day during my 40 years on Chinese soil in doing anything but that."

He applauded later American efforts establishing diplomatic relations with China.

"The Chinese have a natural genius for friendship and sociability," he said, adding that "establishing communications with them may bring about a modification of the Chinese government's policies and perhaps eventually be of some help to the church."

eventually be of some help to the church."

The Chinese since have allowed reopening of churches and greater religious freedom.

Walsh was born April 30, 1891, in Cumberland, Md., one of nine children. After finishing college, he worked for two years in a local steel foundry and then at age 21 entered the then-new Maryknoll Seminary with its first class of six young Americans studying to serve in foreign missions.

He was assigned to China three years later as a member of a four-man team of the Catholic Foreign Mission Society of America, popularly known as Maryknoll. One of his companions was the Rev. Francis X. Ford, who also later became a bishop and died in a Chinese prison in Canton in 1952.

Walsh was made a bishop at the age of 36, the first bishop of Jiangment (Kongmoon) in southern China. Chinese Catholics gave Walsh the name of Wha Lee Sou—Pillar of Truth.

"The task of a missionary," Walsh said when he became bishop, "is to go to a place where he is not wanted but needed, and to remain until he is not needed but wanted." He returned here in 1936 and was elected Maryknoll superior general. He served a 10-year term, returning to China in 1948.

When the communists came to power in 1949, foreign clergy was harassed and pressured to leave. Walsh's bureau was ordered out in 1951.

When Maryknoll officials expressed concern about his safety he showed a bit of Irish temper, saying, "To put up with a little inconvenience at my age is nothing. Besides, I am a little sick and tired of being pushed around on account of my religion." He was arrested in 1958.

He is survived by four sisters. All of them

COMMUTER AIRLINES: AN INDUSTRY COMES OF AGE

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. DASCHLE, Mr. Speaker, for the last 8 months I have been involved in the search for commuter airlines to replace service in South Dakota communities which have been threatened with termination of all air service by the major carriers. In that time, I have come to realize that the commuter industry is a growing, aggressive one which can offer a real opportunity for improved air service to many communities. The following editorial which appeared in the July 1981 issue of Commuter Air outlines some of the progress that has been made within this industry, particularly in its public perception. I would like to recommend it to all of my colleagues, particularly to those whose districts might, like mine, soon face the necessity of finding replacement air service.

AT THIS POINT IN TIME—COMMUTER: IT'S NOT A DIRTY WORD

Much today is still being said about the word "commuter." Some question its fitness as a proper label for shorthaul, high-frequency air carriers. Others argue it is appropriate and should be given strong buildup in the marketplace.

Those who want to dump it say its popular image is that of a nine-to-five metro train or bus service. They claim it is too restrictive for longer-distance intercity air carrier operations.

Purporters, however, say the name already has been accepted in the marketplace as a proper label for the special brand of community air service these smaller airlines provide. Contending the "bad apple" stigma attached to the name two years ago has disappeared, they point to a "tremendous improvement in stature during the last 12 months" because commuter air carrier operating records have shown remarkable improvement and because the world transportation industry has accepted the name as the logo for this type of air service.

Webster gives "commuter" broad application, saying it means "to travel back and forth regularly," an appropriate definition for commuter airlines whose passengers do

Whatever the name, it must be one accepted and employed by the entire industry to prevent confusion. Commuter Air sampled opinions from more than 80 world industry aerospace executives at Paris and from select executive groups in Washington, DC, where there is a high concentration of aerospace officials who commute on a global scale. The survey found:

Most U.S. executives believe "commuter" is an appropriate word; they say it clearly stands for shorthaul, high-frequency feeder

service to hub terminals.

All respondents, including the small minority of U.S. executives who believe the name is inadequate, couldn't agree upon a substitute

Non-U.S. executives reflected the labels for commuter-level service in their particular country. "Regional," "third-level" and "feeder" were the most-used names. They indicated, however, that the U.S. "commuter" label is beginning to appear and gain favor in international official documents. They cite the international aerospace media's use of the term as evidence.

During each interview respondents were asked to offer their preference for alternate names. Those offered by CA were: feeder, third-level, connector, regional, local, air taxi, shuttle, shorthaul, small-regional and community. None received rave notices with shuttle, feeder, connector and regional re-

ceiving mention only.

Here are some humorous but significant observations made by survey respondents: "Feeder" conjures up visions of a mother feeding her child ... "Shuttle" reminded some of New York's graffiti-adorned subways ... "Local" reminded one executive of a smoke-belching milk train ... "Regional" was termed meaningless unless applied to governmental population statistics ... CAB's term "small-regional" was ridiculed as an unpopular tag used in desperation to satisfy a statistical purpose when all else fails ... "Connector," according to one executive, "sounds like some kind of electrical plug."

Thus, from this small venture into opinion-molding executive and passenger views it appears that "commuter" is still top dog

among names.

The alleged "unsafe" tag attached to commuters is fast disappearing as well, say respondents to the survey. Many felt commuters are as safe as the large airlines. Only one or two said they were less safe.

Since commuter is no longer a dirty word, perhaps it's time to embellish its image to symbolize those public service qualities exemplified by this special class of carrier—safe, reliable shorthaul air transportation fitted to community needs.

GENESIS, REWRITTEN

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

 Mr. SCHUMER. Mr. Speaker, there have been many questions raised regarding Israeli Prime Minister Menachem Begin's recent actions in the Middle East. Because of the questions that have been raised, I would like to bring the following editorial to the attention of my colleagues. The editorial, entitled "Genesis, Rewritten," was written by Mr. Sidney Zion, a journalist who often writes about the Middle East. The editorial appeared in the July 31, 1981, edition of the New York Times.

GENESIS, REWRITTEN (By Sidney Zion)

The Middle East memory bank is empty again. Just read the papers, watch the television. The new Book of Genesis begins with the raid on the Iraqi reactor and climaxes with the bombs over Beirut. The world is outraged and the world will not forget. The world has forgotten everything else, and if the American news media is representative, the world does not want any reminders. It is angry with Menachem Begin, it is impatient, it is at wit's end. And so history becomes intolerable. Still, history has its claims, does it not? And a memory bank is the only bank in history that needs a run on it to get back in business. So here are a few facts.

Lebanon. Israel never touched Lebanon until the Palestine Liberation Organization moved in after King Hussein drove it out of Jordan in September 1970. Prime Minister Golda Meir warned the Lebanese Government that Israel would not countenance a new sanctuary for terrorists. Still, Lebanon gave the inch to the P.L.O. and the rest is what we see, the destruction of a nation. The P.L.O., with leftist Lebanese forces sacked and pillaged Christian cities until Syria, fearing a radical takeover, came in and began slaughtering the Palestinians and their cohorts. After the Syrian "peacekeeping" mission had succeeded in putting the P.L.O. under its control, Syria and the P.L.O. turned their guns on the Christian minority. There are 32,000 Syrian troops in Lebanon and at least three times that many Arabs have died in that land in the last decade thanks to these peacemakers and their Palestinian allies.

During this period, successive Israeli Governments have bombed Palestinian enclaves in Lebanon. Sum up all these Israeli strikes, including the invasion of Lebanon in 1978, including the bombing of Beirut, and still the casualties inflicted by Israel are minuscule next to what the "Arab nation" has done to its own people. The world hardly took note. When more than 90,000 Arabs die by Arab guns and bombs, it's just one of those crazy things. When 300 Arabs die by Israeli fire, it's a Holocaust committed by a Jewish Mad Bomber, Begin. It begins with Begin. Read the papers, watch the televi-

Jordan. In September 1970, Hussein killed 10,000 Palestinians and drove the P.L.O. out of Jordan. From that moment on the Jordanian border has been virtually without incident. No P.L.O., no trouble. There is balm in Gilead, but nobody notices. Indeed, President Reagan is asked to press his "client state" Israel to establish a Palestinian entity next door. But not a word is said about leaning on Jordan—a client state if there ever was one—to recognize Israel and join the Camp David Accords.

When it comes to Jordan, the memory bank was closed before it opened. I know people who think it's 2,000 years old. But Jordan was only the name of a river until 1922, when Winston Churchill, then Colonial Secretary, turned its east bank into the Emirate of Transjordan—created an emirate

out of the British Mandatory territory of Palestine. Transjordan was 80 percent of the land mass of Palestine. Transjordan is Palestine. In 1946, by British fiat, Hussein's grandfather Abdullah became King of Transjordan. In 1948, Abdullah changed the name of his country to the Hashemite Kingdom of Jordan. Presto! The Ancient Hashemite Kingdom of Jordan. So what? So everything. What was in every respect Palestine became a refugee camp for Palestinian Arabs, a host country for those "driven out" by the Jews. And so it is viewed today. The Hussein family, brought out of Arabia by Churchill, are the only truly non-Palestinians living in Jordan today. Yet the world sees Palestine as wherever the Jews live.

Hussein, who took over in 1953, is considered a benign, embattled monarch. Yet from 1948 until 1967, Jordan not only occupied but annexed the west Bank. Without a scintilla of international authority, without the consent of the West Bank population. And without a whimper from the world.

Egypt. A consensus as big as the Pyramids holds that Israel gave nothing for peace with Egypt. By turning over the Sinai oil-fields, which it discovered and developed, Israel merely gave up its economic security. The future will tell whether it surrendered its physical security as well. And all for little more than Anwar el-Sadat's word of honor.

Israel did not, however, agree to turn over the West Bank and Gaza to the P.L.O. For this it is accused of intransigence. But why do it, at least until those who want the territories recognize Israel, not to say sue for peace? Have we forgotten that Hussein lost the West Bank because he went to war against Israel in 1967?

Have we forgotten that only yesterday the Arab world condemned—and still condemns—Sadat for Camp David? If not, why are we continually advised that Begin is the obstacle to peace, that he has isolated Sadat from the Arabs? Does anyone really believe that the Arab world wants a Palestinian state? Israel's neighbors, if they want peace, have a track to follow. They need only walk in Sadat's footsteps.

History is often intolerable—just ask the Jews. It also instructs—just tell the Arabs.

PRESIDENT REAGAN'S TAX CUT

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. EDGAR. Mr. Speaker, by now everyone knows that Congress recently enacted the largest tax cut in American history. Not everyone is fully aware of the alternatives that Congress faced on the tax cut issue. I have always favored a responsible, targeted, fair tax cut which would demonstrate the proper concern for reducing the Federal deficit. I voted for such a tax cut when it was offered on the House floor on July 29, 1981.

The fact is that Congress faced three major alternatives on July 29: First the administration proposal which President Reagan advertised in a major televised speech on July 27; second the House Ways and Means Committee proposal, representing a more cautious approach but essentially paralleling the administration proposal; and third a balanced-budget tax cut offered by senior Representatives DAVID OBEY, MORRIS UDALL, and HENRY REUSS. I supported the Obey-Udall-Reuss tax cut, and I'd like to take a moment to explain why.

The overall size of the tax cut I supported is less than half the administration tax cut, leaving enough revenue in the Federal Treasury to balance the budget in 1982 and provide a \$20 billion surplus in 1982. Under Obey-Udall-Reuss a business tax reduction would have been effected immediately in 1982, while cuts in individual income taxes would have been phased in over 1982 and 1983. The alternative tax cut was designed to provide a 5-percent reduction in marginal tax rates primarily for middle-income families. Also, a series of specific tax reductions would be enacted to address longstanding inequities in the tax code.

Admittedly, this alternative tax cut would use tax policy to achieve certain needed social goals and reforms. The administration proposal also repre-sents a use of the tax cut to advance the interests of certain members of society, whether President Reagan recognizes this or not. In fact, the administration's tax cut disproportionately benefits the wealthy instead of targeting tax relief to lower and middleincome taxpayers. The administra-tion's tax cut in 1982 will give the 5.6 percent of taxpayers who earn more than \$50,000 a year 35 percent of the tax cut. Even worse, 0.2 percent of taxpayers—the one taxpayer in 500 who makes more than \$200,000 a year-will get over 10 percent of the administration's tax cut, or over \$3½ billion.
The Obey-Udall-Reuss substitute

The Obey-Udall-Reuss substitute also represents certain clear goals for Federal budget policy. For years Congress has been advised that continuing Federal deficits are a contributor to inflation and high interest rates. How-

ever, many of the so-called conservatives who once favored balancing the budget now have found a new theme—supply-side economics. The Reagan administration has minimized the harmful effects of the Federal deficit in order to justify an economic program which guarantees a Federal deficit until the last year of President Reagan's term in office.

Moreover, even the projected bal-anced budget in 1984 assumes that Congress will enact \$45 billion in future-year spending reductions which the administration has not yet even proposed. Additionally, the administration's projections assume enactment of an unpopular \$10 billion cut in social security benefits which the Republican-controlled Senate has already rejected 96 to 0. Furthermore the Reagan administration has fallen victim to the old political habit of making unrealistic projections about the future performance of the economy. If interest rates, inflation, and unemployment fail to meet the administration's goals of performance, the Reagan tax cuts and defense spending increases will produce the largest budget deficits in American history

The House Ways and Means Committee tax proposal, though it mirrored the administration tax cut in many respects, foresaw the potentially devastating effects of massive tax cuts on the Federal deficit. For this reason, the Ways and Means Committee sought to guarantee some measure of flexibility in future economic policy by setting a trigger mechanism on the last 10 percent of the 25-percent individual tax cut the administration proposed. It is interesting to note that the administration did not have enough confidence in its own economic projections to accept these projections as conditions for the triggering of the final year of the tax cut.

I give the President credit for his boldness and his political skill in securing adoption of what is clearly the most radically new policy initiative since the 1960's, or perhaps even the 1930's. Within the last few days Congress has approved the Reagan budget and tax program and time will tell of its success or failure as economic policy. Though I have grave doubts about this new course, we all must hope that it will work.

It strikes me that the primary thrust of President Reagan's appeal on behalf of his program has little to do with economics. As during his Presidential campaign, Mr. Reagan's appeal is based on his attack of the role of the Federal Government. The tax cut has been argued for as a way of diminishing the Government's role in American social and economic life. If you take away the Government's revenues, you limit the Government's policy options for attempting to solve the Nation's problems.

This is fine up to a point. The American public asserted its right to check the growth of Government by electing President Reagan. I am concerned, however, about the President's apparent inability to define what the legitimate role of Government ought to be. I feel most Americans would agree that there are areas of national life where the Government must act firmly. Among these areas are education, transportation, energy policy. health policy, planning of growth and preservation of infrastructure, protection of workers and consumers, employment security, protection of the environment, protection of the elderly, the disabled, and the disadvantaged, and many other tasks for which there must be a public responsibility.

The President has shown his ability to lead an attack on the Government which he now heads. I hope that in future tests of his skills the President's leadership will extend to constructive actions which the Government must take to insure our Nation's political, economic, and social prosperity.

SENATE-Wednesday, August 19, 1981

(Legislative day of Wednesday, July 8, 1981)

NOTICES OF HEARINGS

SENATE SMALL BUSINESS COMMITTEE

• Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public that the Senate Small Business Committee will hold 2 days of oversight hearings on the Small Business Administration's farm disaster loan program on September 9 and 10, 1981. The hearings will convene on both days at 9:30 a.m. in room 424, Russell Senate Office Building. For additional information, contact Mike Haynes, chief counsel for the committee, at 224-5175.

SUBCOMMITTEE ON ENERGY AND MINERAL

RESOURCES

 Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of public hearings before the Subcommittee on Energy and Mineral Resources.

On Friday, September 11, beginning at 10 a.m., the subcommittee will hold a hearing on S. 1542. a bill to amend the Mineral Lands Leasing Act of 1920.

On Tuesday, September 15, beginning at 10 a.m., the subcommittee will hold a hearing on S. 1516, to amend the Geothermal Steam Act of 1970 to expedite exploration and development of geothermal resources.

On Thursday, September 17, beginning at 10 a.m., the subcommittee will hold a hearing on S. 1457, S. 651, S. 466, and S. 383, bills to provide for the reinstatement and validation of U.S. oil and gas leases numbered OR-13713, W-46102, M-15450(ND), and M-16402(ND) ACQ., respectively.

On Tuesday, October 27 and Wednesday, October 28, beginning at 10 a.m., the subcommittee will hold oversight hearings to consider America's role in the world coal export market. The subcommittee will receive testimony with regard to the European countries on October 27 and with regard to the Pacific rim countries on October 28

All of the subcommittee hearings will be held in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings, you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-4236.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

 Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of public hearings before the Committee on Energy and Natural Resources. On Thursday, September 10, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the full committee will hold a hearing to consider the nominations of Robert A. G. Monks, Victor M. Thompson, Jr., C. Howard Wilkins, and Victor A. Schroeder to be members of the Board of Directors of the U.S. Synthetic Fuels Corporation.

On Monday, September 14, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the full committee will hold a hearing to consider the nominations of William A. Vaughan to be an Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness; Rayburn D. Hanzlik to be Administrator of the Economic Regulatory Administration; and Dallas L. Peck to be Director of the Geological Survey.

Those wishing to testify or who wish to submit written questions for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings you may wish to contact Mr. David Doane at 224-7144 or Mr. Gary Eilsworth at 224-7146.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

• Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Energy and Mineral Resources regarding the Surface Mining Control and Reclamation Act of 1977. This oversight hearing will be held on Wednesday, September 2, beginning at 10 a.m. at the Russell Building Auditorium on the Southwest Virginia Community College campus which is located on U.S. Route, 19, 3 miles south of Richlands, Va.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing, you may wish to contact Mr. Roger Sindelar at 224-4236 or Mr. Ron Andes at 224-3159.

ADDITIONAL STATEMENTS

THE U.S.S. "OHIO"

 Mr. CHAFEE. Mr. President, as the Space Shuttle Columbia was landing in the desert after a flawless pioneer flight, another landmark achievement in American technology was waiting in the wings.

Just 2 months after the Columbia completed its astounding success, the U.S. Navy's first Trident submarine completed successful sea trials.

The completion of the U.S.S. Ohio, the Nation's first Trident strategic nuclear ballistic missile submarine, is a milestone in the history of this country's defense. It measures 560 feet—5 feet taller than the Washington Monument, if the ship were placed on its stern. It will carry 24 Trident missiles, each armed with up to 10 warheads, and will be manned by 154 officers and men.

August 19, 1981

The Trident, which will be delivered on October 31, was built by the 25,000 men and women of Electric Boat, which has facilities in Quonset Point, R.I., and Groton, Conn. These workers take pride in their design and construction of the Ohio, which will serve as our country's first line of defense, acting as an underwater deterrent to nuclear attack.

Built to replace the Polaris and Poseidon fleets, the Trident is the most survivable and effective submarine ever built. Along with the 688 class of attack submarine, the Trident will be the cornerstone of a strong sea-based defense of our Nation.

This year to date, Electric Boat has delivered three Los Angeles-class fast attack submarines: The U.S.S. Bremerton, the U.S.S. Jacksonville, and the U.S.S. Dallas. Three more Los Angeles-class submarines will be delivered this year: the U.S.S. La Jolla, the U.S.S. Phoenix, and the U.S.S. Boston.

The delivery of six major nuclear submarines to the U.S. Navy is a major development at this time, when the United States-Soviet strategic balance is in question. When we continue to debate the fate of the MX missile program, as well as development of a manned penetrating bomber, the Trident production line is open, having launched its first ship successfully.

Mr. President, I ask that the following two articles, one from the Norwich, Conn., Bulletin, and one from the Readers' Digest, be printed in the RECORD.

The articles are as follows:

[From the Norwich (Conn.) Bulletin, July 27, 1981]

CHEAPENING A TRIUMPH
The Space Shuttle blasted into the sky

from Cape Canaveral early one Sunday morning for its trials above the earth. Half the nation witnessed the event on television.

The reusable spacecraft circled the planet for two days before making a picture-perfect landing on a California desert, to the amazement of the world.

America's technological ego and the spirit of the people soared with the shuttle's success. It provided a long-overdue flush of national pride.

The shuttle project's afterglow dispelled widespread public concern over the Columbia's staggering cost overruns, years of delays and government ordered redesigns.

Months later, an event of equal national importance took place in eastern Connecticut, with far different public response.

No widespread acclaim emerged when another technological triumph, the sea trials of the Ohio, America's first Trident, took place.

The massive submarine slipped through the fog one early morning for two days at sea. The mission was shrouded in secrecy, mandated by the U.S. Navy, but news leaked out that the vessel performed nearly perfectly.

More flawlessly than the shuttle, according

to some well-placed sources.

Neither the shuttle nor the Trident are bargains, from the standpoint of cost. But while the shuttle overran its federal allocation by a factor of 9, the Trident went to sea just percentage points above its original cost estimates.

Perhaps Admiral Hyman G. Rickover's harangue about Electric Boat poisoned the well prior to the Ohio's maiden voyage. Perhaps Navy allies on Capitol Hill, during the Seapower Subcommittee hearings, unleashed too many barbs against the shipyard.

One point stands out. The Ohio, for all its significance to future national security, didn't draw the attention given the Columbia despite, in many aspects, surpassing the space shuttle as a triumph of American enterprise and technological achievement.

Rather, the Trident program seems to be fair game for Navy and congressional cheap-shot artists who seems hell-bent on a mission to discredit the only shipyard capable of such accomplishment.

A case in point. . .

In the most-recent issue of *Time* magazine. Adm. Rickover is quoted as telling a congressional committee, "They (workers and management at EB) don't care if they manufacture horse turds or ships."

We can't fathom why the admiral would

make such statements.

Why would a national news magazine would print such a statement—two months after the fact?

The logic escapes us, other than the magazine was used as a conduit for a Navy compulsion to hold the shipyard, its employees and the Trident program itself up to national ridicule.

The last thing EB, eastern Connecticut or the nation needs is to have the shipyard con-

tinually tarred over the Trident program.

Trident was constructed in Groton—by thousands of men and women who live in the region.

Ignoring, downplaying and now ridiculing the significance of the Trident is an unacceptable low blow.

It is time for Trident to be recognized fully for what it realiy is: technology equal to or greater than the shuttle, and at cheaper delivery cost. It is also time for Rickover and his allies in the Navy and on Capitol Hill to offer cooperation rather than crude vituperation.

TRIDENT: DEADLY NEW DETERRENT (By Joseph A. Harris)

When the Navy commissions the USS Ohio, expected later this year following extensive sea trials, America will get much more than just another nuclear-powered, missile-toting submarine. The 560-foot Ohio will be twice as big in tonnage as any other U.S. submand the most deadly. On board, her skipper will have at his fingertips the power to bring a total of 192 targets under nuclear attack.

Everything about this lethal leviathan is outsize. Its 42-foot-wide hull could accommodate four city buses side by side. Its 90.000-horsepower nuclear reactor can propel it more than 400,000 miles—some 16 circumnavigations of the globe—at underwater speeds approaching 30 knots (35 mp.h.). Equally impressive is the Ohio's price tag: \$1.2 billion. In all, the 15 Trident subs now planned, plus new missiles, and two large support bases, will cost taxpayers nearly \$30 billion—America's most expensive weapons program to date.

What are we getting for all that money? The first real improvement in our nuclear deterrence in a decade. Except for the airlaunched cruise missile, Trident is the only major strategic system approved by Congress during the 1970s. Like Neptune's spear, Trident has three prongs: the sub itself, its long-range nuclear missiles, and its support bases for maintenance and crew training.

The Sub. Trident, the third generation of Fleet Ballistic Missile (FBM) submarines following Polaris and Poseidon, is significantly superior to them in every department. With its greater speed and range, Trident can operate in an area some ten times larger than previous subs. Sophisticated engineering reduces the telltale noise that subsearchers listen for. Longer patrols and shorter maintenance time in port mean that Trident subs will spend some 66 percent of their 30-year lifetimes at sea, compared with 55 percent for Poseidon subs.

The Missile. Each Trident will carry 24

The Missile. Each Trident will carry 24 missiles, compared with 16 for previous FBM subs. And the range of the Trident I missile is 4,600 statute miles, 60-percent greater than its predecessor the Poseidon, with each missile packing up to eight warheads. "This gives a single Trident more capability than ten Polaris subs," says Chief of Naval Operations

Adm. Thomas B. Hayward.

The Trident I missile can reach to within striking distance of potential targets almost as soon as the sub leaves home port on Kitsap Peninsula, near Seattle. The missile can be prepared for firing in about 15 minutes—approximately the time it takes the sub to come up from its normal cruising level to launch depth. On the sub's back, a muzzle hatch swings up and open. Steam pressure pops the missile through the surface in a foaming geyser of sea spray, and the two-million-horse-power, first-stage rocket ignites. The eight hydrogen-bomb warheads can be independently aimed at different targets, and each is able to strike within a few hundred yards of dead center.

The new missile will serve not only the U.S. Navy but our British allies as well. The United Kingdom is planning to buy 100 Trident I missiles and spend \$4 billion to construct four subs to accommodate them. Says former British Defense Minister Francis Pym, "We need to convince Soviet leaders that even if they thought the United States would hold back as a conflict developed, the British force could still inflict a blow so destructive that the penalty for aggression would prove too high."

The Bases. Trident's third prong was ready July 1, when Naval Submarine Base Bangor went operational. Across Puget Sound from Seattle, the huge Kitsap base will be home port to the first squadron of ten Tridents. Returning from their 70-day patrols, the subs will be refitted here at the deepest dry dock the Navy has ever built. While the boats are being repaired and provisioned, their crews will be reunited with their families in handsome quarters set among towering firs. Having complete Trident support facilities at a U.S. site avoids the costs of renting a base abroad and of shuttling crews back to various locations to join their families.

Bangor has certain strategic advantages too. The majority of Soviet antisubmar'ne forces are concentrated in the Atlantic and Mediterranean, so putting Trident in the Pacific complicates the Russians' subdetection process and stretches their resources thinner. The Pacific site also uses Trident's greater speed and range to fullest advantage. But the Navy is not neglecting the Atlantic. Its second Trident squadron will be located at Kings Bay, Ga.

Completion of Trident's three prongs can come none too soon, for the program is nearly

2½ years behind schedule. (The Ohio was originally planned for delivery in April 1979.) Perhaps it was inevitable that such a gigantic project would have problems. From the start, Trident was engulfed in controversy, with critics in Congress and the Navy asking why a sub had to be so big and costly. The Navy conducted studies of possible alternatives before going ahead with Trident. No acceptable one was found, and a contract was awarded to the Electric Boat Division of General Dynamics Corp. in 1974.

The initial debate over Trident was followed by workaday problems once construction got under way. From the original \$800 million, the price of a single Trident sub shot up 50 percent to its present \$1.2 billion. "We never put together a sub of this size before," a Navy spokesman admitted. Another added, "We had difficulty with people, plans, production, material, scheduling."

New management and increased attention to recurring quality-control problems at Electric Boat seem to be getting Trident production on track. Eight vessels are under construction at its ten-acre yard beside Con-

necticut's Thames River, and there are plans

to turn out three Tridents every two years. In the field of anti-submarine warfare, the U.S.S.R. is making great strides, most notably production of "killer" subs designed to find and destroy ballistic-missile subs. But with the Trident's advanced sonar, superior speed and range, and its super-quiet running, the sub's crew is not likely to spend much time worrying about being found. Its 15 officers and 142 enlisted men will be more concerned with getting through the inevitable boredom of spending 70 days in a long metal cylinder where the temperature is always around 70 degrees Fahrenheit and the light is always fluorescent.

Even a common cold should be infrequent, thanks to air conditioning that scrubs the air of microbes. As compensation for being cut off from the sun—and rain and traffic jams—there is a new movie every day and plenty of popcorn—600 cans of its on a typical patrol.

The crew will sleep in roomy nine-man bunk areas. Each bunk has a stereo headset, and there are a study area and a gym on board. Says one young sallor who was selected for Trident duty, "Now I won't be in the middle of a passageway every time I jump out of bad."

The operational heart of Trident is the gray-green control center directly beneath the conning tower, or sail. So precise is the instrumentation that even at hundreds of feet below, the skipper will know exactly where the sub is. For one thing, he can "read" much of the ocean floor with sonar and compare its configuration with Navy charts. But mostly he will rely on computerized reports from the Ship's Inertial Navigation System (SINS). SINS contains accelerometers that measure the sub's movement with respect to true North. They are held in position by electrostatic gyromonitors—rotating beryllium balls the size of marbles, suspended in air by electromagnetism. The extreme precision of SINS is vital not only to navigation but also to precise missile targeting, which depends on pinpointing the exact launch position.

on pinpointing the exact launch position. Submariners are a notoriously taciturn lot. If the captain and crew of the Ohio, along with those of other upcoming Tridents, worry about their awesome responsibilities, it does not show. Asked whether he is excited about being one of the first Trident skinders, Capt. Thomas A. Meinicke admits, "It's a choice assignment, but when you get down to it, a sub's a sub." As to the possibility of wreaking nuclear devastation, his answer is unhesitating: "If we have to push the button, then the whole deterrent system has

failed."

Trident is America's strongest statement to date of that basic rule of the nuclear age: deterrence must not fail.

THE MORAL MONETARY SYSTEM

Mr. HELMS. Mr. President, the morality of money is not a commonly discussed subject. Yet, it seems to me that the constantly depreciating unstable currency system we have is, indeed, an immoral one.

Inflation is unjust.

The corruption of the most important economic standard in society—the dollar—is an unforgivable act committed by the Government.

On the Wall Street Journal editorial page of July 30, Lewis Lehrman comments on "the case for the gold standard."

His comments go to the heart of the issue and should be read by every member.

Mr. President, I ask that the Lehrman article be printed in the RECORD at this time.

THE CASE FOR THE GOLD STANDARD (By Lewis E. Lehrman)

The U.S. dollar today is an inconvertible paper currency. But this is nothing new. In 1690, the Massachusetts Bay Colony promised a limited issue of 7,000 pounds in paper notes. But by 1714, the colony had issued 194,000 pounds worth, and the value of the paper pound had fallen 70 percent. Naturally, the politicians blamed the currency depreciation on the people, they being "so softish as to deny credit to the government."

During the Revolution, the Continental Congress financed the war with paper money. "Do you think, gentlemen, that I will consent to load my constituents with taxes," said one member of Congress "when we can send to our printers, and get a wagonload of money, one quire (25 sheets) of which will pay for the whole?"

Congress issued \$2 million worth of continental currency in early 1775. At first, the law required two Congressmen to sign and number each note—a sunlight procedure that much appeals to me. But that implicit restraint limited the number of paper notes, and the issuing technique was soon changed. By 1779 Congress had issued \$200 million in continental currency and its purchasing power had fallen to 1/100th of gold's.

American patriots suffered most of the depreciation, wrote William Gouge, President Andrew Jackson's financial adviser, since they accepted and held the paper money. "The Tories . . . made it a rule to part with it as soon as possible." More than two centuries later, we still hear the phrase "not worth a continental."

PAPER MONEY

During the Civil War, both North and South printed paper money. The Union issued \$450 million worth, and the price level more than doubled. Every American knows what happened to Confederate paper money.

In our time, President Nixon officially uncoupled the last link between the dollar and gold. The U.S. currency became once again an irredeemable paper money issued at will by the government. Since that act in 1971, the money supply has more than doubled, and so have prices.

Irredeemable paper money has almost always been accompanied by unbalanced budgets, high inflation and high interest rates. But the true gold standard has been associated with balanced budgets, reasonable price stability and low interest rates. Paper, money has been the handmaiden of war, protectionism and big government. But the gold standard was the symbol of peace, free trade and limited government.

At one time, American companies could sell 100-year bonds paying 4 percent interest. Because of the gold standard, Americans saved and lent their savings for generations to growing corporations. People saved because the gold dollar's purchasing power did not decline. The price level was no higher in the 1930s, when we left the domestic gold standard, than it had been under President Washington.

Today, we must decide whether to have a nominal paper dollar or a real dollar, defined by its weight in gold; whether to have a budget balanced at current tax receipts, or continued deficits.

Establishing the gold standard would by itself balance the budget. One trillion dollars in national debt will cost the Treasury about \$100 billion in interest payments next year, at about a 10 percent average annual interest rate.

Under the gold standard, the national debt could be refinanced at an interest rate of 5 percent or less, thus saving at least \$50 billion. David Stockman estimates the 1982 deficit at approximately \$45 billion.

The road to the balanced budget is paved with the gold standard.

To choose the gold standard and the balanced budget is to choose stable prices, low interest rates and economic growth. To some, that choice seems too simple—a prime reason many economists, politicians, and intellectuals reject the gold standard. Even a balanced budget is too straightforward for them. They want more complex institutions and problems to manipulate.

But a gold-based currency is the only money worthy of a free people. Most Americans cannot afford sophisticated financial and tax advisers, nor an economist to figure out the Fed's actions. Gold money, on the other hand, can be easily understood by everybody, and working people can control the quantity they desire. People, free to choose, decide for gold, because it is democratic money.

Gold is also the best co-ordinator of a world market order. For centuries gold has been a common international currency. A gold dollar would benefit all nations, because there is only one economy, the global economy. Through the mechanism of arbitrage, the prices in all national economies are linked. This is, of course, a good thing. It leads not only to the maximum amount of individual liberty, but also to the maximum production of goods and services, to the special benefit of the poor. To choose the gold standard is to choose openness over isolation.

Inflation is immoral as well as an economic problem. The gold standard, being a human institution, is imperfect. But it is the least imperfect of all monetary institutions. Paper currenctes and unbalanced budgets are dishonest and disorderly. The depreciation of the dollar deranges the movement of relative prices and interest rates around the world, and it causes unemployment through misdirected investments and uncertainty.

Above all, inflation fraudulently transfers hundreds of billions of dollars from the weak and honorable to the slick and wellplaced. This wealth transfer—from the thrifty to the speculator, from the small businessman to the giant government contractor, from the saver to the spender, from the aged and poor to the rich and powerful—violates our reli-

glous heritage, makes a mockery of honest work and erodes our faith in constitutional government.

Today, interest rates are at the highest levels in American history: higher than during the Civil War, when the very life of the nation was in question. The real value of the average worker's paycheck is 14% less than 10 years ago. Small businessmen are being crushed by government bond sales, the result of federal deficits. At present interest rates, Americans can no longer afford to borrow money for a car or a house. They are not consoled by government officials who preach sacrifice for working people while spending more on the public sector.

ALMOST IMPOSSIBLE

The Dow Jones average is 52% lower, in real terms, than in 1971. The bond market is 61% lower, and most companies find it almost impossible to raise long-term capital.

As a remedy we are offered austerity and monetarism. But these well-meaning policies will not work here, any more than in Margaret Thatcher's Britain, where in two years they have doubled unemployment to 11.8%. Compassionate and enterprising Americans reject such an outcome here.

What America needs is a policy of financial order, the Reagan tax program and economic growth. That is why the establishment of the U.S. Gold Commission by Congress was so timely. The commission will consider, in the words of the Helms-Paul Amendment, what role gold should play "in the domestic and international monetary systems."

The National Monetary Commission of 1908 led to the creation of the Federal Reserve System in 1913. The Gold Commission could be as significant, as its work inspires a national debate about the choice between paper money and the gold standard. There is nothing like the free market to determine the real value of a product or idea.

As in the marketplace of ideas, so in the world of money: Now every American must discover again what is false, and what is true.

PRESQUE ISLE COMMEMORATES "DOUBLE EAGLE II" VOYAGE

• Mr. MITCHELL. Mr. President, it is my privilege to join the community of Presque Isle, Maine, to honor three American heroes. Three years ago, on August 11, 1978, balloonists Maxie Anderson. Ben Abruzo and Larry Newman took off in the Double Eagle II from Presque Isle, Maine, for a journey that would make history.

Lifting off from Merle and Alice Sprague's field, which is next to a potato field, before a crowd of 11,000 cheering people, these three men set off to do what no men had done before: cross the Atlantic Ocean in a balloon.

In honor of this flight, the Spragueville Extension and the Presque Isle Chamber of Commerce sponsored an anniversary celebration on August 11, on the Sprague field. Students of the Northern Maine Vocational Technical Institute have constructed an 11-story high commemorative balloon, which is now displayed on the field, at the site of the take-off.

The three men braved severe weather conditions which forced them to throw everything but bare essentials overboard as ballast. But despite the incredible odds against them, Anderson, Abruzo, and Newman were able to find the *Double Eagle II* in Misery, France, on August 17, 1978—ironically, next to a potato field.

I congratulate Maxie Anderson, Ben Abruzo and Larry Newman of the *Dou-ble Eagle II* for their heroic deed. The citizens of Presque Isle, Maine, and indeed the entire country, can take great pride in this historic event.

CHAIRMAN DIRK F. MUDGE

• Mr. ANDREWS. Mr. President, recently I was visited by Dirk F. Mudge, Chairman of the Council of Ministers of the Government of South West Africa/Namibia. Namibia is a territory under the Republic of South Africa, similar to our own U.S. territories of the Virgin Islands, Puerto Rico, and Guam. It was mandated to Great Britain by the League of Nations in 1920, and when South Africa became independent in 1961, Namibia continued under South African jurisdiction until such time as it achieves full independence on an internationally acceptable basis.

It is significant to me that Mr. Mudge was elected as Chairman of the Council of Ministers by the 12 members, 10 of whom are black. He tells me that since December 1978, Namibia has had black majority rule, on a one man, one vote, universal adult suffrage basis. Because of the failure of the United Nations to develop an acceptable plan to hold elections in 1978, the internal political parties decided that they had to keep their commitment to the people of Namibia to hold elections. As a result, the Namibian people went to the polls and elected a 50-member National Assembly which exercises full legislative authority. The Council of Ministers has been selected by the National Assembly from its elected members to exercise executive authority in the Territory.

As a member of the Senate Appropriations Committee, I am concerned with the fact that the United Nations continues to help finance activities of various terrorist groups, including the South West Africa People's Organization (betknown as SWAPO). Chairman Mudge tells me SWAPO, as a Soviet-bloc terrorist organization, is engaged in active efforts to intimidate the people of Namibia into supporting and electing a SWAPO government. Each year U.S. taxpayers contribute more than \$700 million in the United Nations' budget-25 percent of the total. Not a single dollar of U.S. taxpayer money should be used by United Nations to finance the operations of SWAPO or any other terrorist group. Chairman Mudge has asked that the U.S. Congress include in our appropriations bills a prohibition against U.N. financing of terrorists anywhere, anytime, or for any purpose. He tells me there can be no free and fair elections in Namibia until the United Nations withdraws its support from SWAPO. Because of the interest of U.S. taxpayers and my colleagues in the U.S. Senate in helping Namibia toward full independence and sovereign recognition, I ask that Chairman Mudge's letter to me be printed in the RECORD.

The letter follows:

GOVERNMENT OF SOUTH WEST AFRICA/NAMIBIA, August 4, 1981.

Hon. Mark Andrews, U.S. Senator,

Senate Office Building, Washington, D.C.

Dear Senator Andrews: The people, the political parties, and the people's duly elected government in Namibia strongly support President Reagan's declared policy of opposition to Soviet sponsored terrorism and his refusal to negotiate with terrorists. The black civilian population in the northern part of our country has been under more or less continuous terrorist attack by Sam Nujoma's Communist-bloc terrorists of the South West Africa People's Organization—better known as SWAPO.

The people of Namibia hope the United States will take leadership among the Western Five (United States, West Germany, Canada, France, England) to compel the removal of the SWAPO terrorist bases which are now given sanctuary by the government of Angola. From these Angolan bases, SWAPO terrorists cross the northern border of Namibia and plant Russian made landmines in our highways, fire Russian-made mortar weapons into living compounds, kidnap Namibian school children and carry them across the border to SWAPO headquarters where they are impressed into guerrilla military duty, set fire to food stores in Namibia, and extort money from Namibian shopkeepers on threat of murder and arson against Namibian people and property in the area.

We want the representatives of the Western Five who are negotiating our independence to know that the duty elected representatives of the Namibian people in the internal political parties insist that they be consulted and be permitted to participate in any decisions affecting the future of Namibia. There can be no fair and free elections in Namibia until (1) the SWAPO bases in Angola have been closed down and the SWAPO terrorists have been removed, (2) the Cuban soldiers who maintain the Marxist government in power in Angola have been sent back to Cuba, (3) the United Nations withdraws its financial support from SWAPO, (4) the United Nations withdraws its preposterous and farcical recognition of SWAPO as the "sole and authentic" representative of the people of Namibia, (5) the United Nations ends permanent observer status at the U.N. it now grants to SWAPO, (6) and until appropriate guidelines have been adopted by the internal parties and the people of Namibia through their duly elected representatives.

There are no circumstances under which we will permit a Soviet-sponsored government to be imposed on the people of Namibia or allow the Kremlin's flag to fly over our capital city of Windhoek. There are no circumstances under which the duly elected internal party representatives of the Namibian people will authorize or participate in an election which is not based on constitu-tional principles adopted by the Namibian -an absolute essential if we are to avoid civil strife. There are no circumstances under which an election can be held under the auspices of the United Nations as long as it continues to support the SWAPO terrorists financially and through recognition. There are no circumstances under which we will permit U.N. troops to enter Namibia as long as these troops are perceived by some of the people of Namibia as being supporters of the SWAPO terrorists.

The United States and the free world have an important national security interest in maintaining the freedom and independence of Namibia. We do not intend to make a unilateral declaration of independence from South Africa, and we want full independence at the earliest practicable time, couper which sovereign recognition by the community of nations. However, we will not have a false independence thrust upon us which results in a Soviet-bloc take over our country and its resources. We are well aware that the Communist-bloc would like to gain control of Namibia and of our vast uranium reserves and other mineral resources as well as our deep water port at Walvis Bay.

We ask the people and Government of the United States to draw the line and stop further Soviet expansionism in Africa at the northern border of Namibia—surely by now the free world will have learned its lesson and will have had enough of Russian-sponsored "liberation" movements designed to add more territory and mineral wealth to the Soviet Empire. We have one man one vote majority government now as a result of our 1978 elections. We will not give up our right of self-determination by allowing a Soviet-bloc SWAPO government to be forced upon us. We have chosen freedom, and we hope the United States will help us maintain it.

Very truly yours,

DIRK F. MUDGE,
Chairman, Council of Ministers, Government of Namibia.

SOVIET HUMAN RIGHTS VIOLA-TIONS CONTINUE IN UKRAINE

• Mr. HEINZ. Mr. President, I am unhappy to report that the number of Ukrainians arrested by the Soviet Government since the beginning of the Madrid Conference last November has been increasing. These human rights violations cannot be permitted to continue and we must demand compliance with the Helsinski Final Act in Ukraine.

Unfortunately, the repressive Soviet policies against the Ukrainian people are worsening. Twenty-seven Ukrainian Helsinki Monitors were recently arrested and sentenced. Ivan Kandyba, the last free member and one of the founders of the Ukrainian Helsinki Group, was arrested on March 24, 1981 and is awaiting trial for unknown charges.

The World Congress To Free Ukrainians (WCFU), representing approximately 2 million people of Ukrainian descent in North and South America, Western Europe, and Australia, has been monitoring the human rights situation in Ukraine and has consistently criticized the Soviet human rights violations. The group recently completed a study entitled "Ukraine and the Helsinki Accords: Soviet Violations of Human Rights, 1975–1980," which discusses the repeated violations by the Soviet Union of the Helsinki Final Act. The documents include verified lists of Ukrainian citizens imprisoned for political and religious activities in the last 5 years.

Four specific requests were made by the WCFU of the governments of the countries participating in the Madrid Conference. These included demanding that the Soviet Union immediately release the imprisoned members of the Ukrainian Helsinki Group and other human rights spokesmen. They also asked that the government of the U.S.S.R. terminate the imprisonment of innocent people for simply expressing their political or religious beliefs and

permit freedom of religious worship in Ukraine. The fourth request demanded that the Soviet Union remove emigration restrictions for all people, regardless of nationality, religion, or political persuasion.

The WCFU and other courageous supporters of human rights in Ukraine are to be commended for their hard work and dedication in their ongoing struggle for freedom for the Ukrainian people. The pressure of world public opinion must be maintained and we must continue to demand compliance with the Helsinki Final Act in Ukraine. These violations of fundamental human rights cannot be tolerated, and our Government must recognize and denounce the repressive Soviet policies.

OUTSTANDING PERFORMANCES BY RHODE ISLAND PUBLIC SERVANTS

 Mr. CHAFEE. Mr. President, we Americans too often take for granted the exceptional services performed by public safety personnel in our cities and towns. Unfortunately, the daily risks encountered by these men and women frequently go unrecognized.

As examples, I would like to recount the experiences of three individuals from different communities in my own State

of Rhode Island.

Howard M. (Bucky) Sheats is a patrolman in the town of Cumberland.

He was on duty on a recent Sunday evening when he received a call for assistance from a fellow officer sent to investigate a report of a gang fight behind a local school.

As the first officer arrived, a car sped by him, and he radioed Officer Sheats. The car struck a utility pole, and the first officer arrested one occupant, while Mr. Sheats pursued the other three. One was caught, but two jumped into the Blackstone River.

Without regard for his own safety, Officer Sheats jumped into the river in an attempt to rescue a 15-year-old young man who was unable to reach the other side.

Fighting the current and the cold water, he sought to reach the boy. Unfortunately, he was unable to do so, but he refused to quit until he was totally exhausted. Police and firemen finally persuaded him to grasp a life-ring thrown from shore and accept rescue himself.

At 3 p.m. the next day, the boy's body was recovered by a U.S. Navy diver.

Rene Coutu is a lieutenant with the Central Falls Fire Department.

He recently responded to an alarm for a fire in a seven-unit apartment house. Bystanders alerted him to the fact there were a woman and a 3-year-old child stranded in a second floor apartment. He climbed a ladder in an effort to reach them, but an explosion threw him to the ground, and he suffered a broken jaw, broken left arm, and cuts and bruises.

The happy part of this incident is that the child was dropped safely from a window into the arms of another firefighter. The woman died in the blaze.

Donald R. Casanta, Sr., was a patrolman with the Warwick Police Department and proud of his job. In addition, he was active with the Police Athletic League and other youth organizations.

He was on duty on a Saturday afternoon when a call was received about a minor accident on Interstate Highway P-37. Patrolman Casanta was dispatched to direct traffic around the area.

It was what could be considered a routine assignment without a great element of danger. However, another driver sought to speed by the scene and struck Patrolman Casanta full force. He was thrown off the highway and over the guard rail. Despite efforts by his fellow officers to assist him, he was pronounced dead at Kent County Hospital.

What had seemed to be a minor incident on a quiet summer afternoon had become Don Casanta's final tour of

duty.

Suddenly, Mrs. Casanta was a widow with two fatherless children.

Mr. President, these three seemingly unrelated occurrences illustrate graphically the daily hazards which are part of the lives of those men and women who serve in public safety organizations. They are by no means unique. Such events take place every day, not only in Rhode Island, but throughout the Nation.

By calling to the attention of my colleagues the selfless efforts of Patrolman Sheats, Fire Lieutenant Coutu, and Patrolman Casanta, I mean to pay tribute not only to them but to all who serve all of us in local, State, and Federal law enforcement and firefighting organizations.

May we never again take for granted the protection which they provide.●

STUDY REVEALS BROAD BUSINESS SUPPORT FOR EXPORT TRADING COMPANY LEGISLATION

• Mr. HEINZ. Mr. President, the New England Congressional Institute recently conducted a month-long survey involving 650 businesses and banks in the six New England States on the export trading company (ETC) legislation. The respondents included manufacturing and service firms, banks and export managing companies. The following information highlights the overall favorable response of groups from the aforementioned categories to proposed ETC legislation:

First, manufacturing and service firms show a keen interest in legislation which could allow them to increase their export potential. Eighty-nine percent of the responses in the manufacturing and service sector came from firms with less than \$50 million in annual sales and less than 500 employees. Fifty percent of all survey respondents currently export less than 10 percent of their sales. While 80 percent of the respondents had no detailed working knowledge of the ETC legislation, over half expressed a desire to utilize ETC services: 76 percent needed expertise in marketing, while 69 percent indicated a need for financing expertise.

Second, banking sector respondents were small- to medium-sized full service banks of which 71 percent had assets of less than \$450 million and 38 percent had assets of less than \$50 million. The survey revealed that large metropolitan

banks openly support legislation to allow bank control of ETC's. Few bankers surveyed demonstrated awareness of the specific provisions of the ETC legislation; however, 100 percent of the surveyed banks stated that banks should have the option to invest in and control ETC's. Ninety-two percent of all respondents assumed that larger banks already active in international trade transactions would be the primary initiators of ETC's, while small banks hoped to use their correspondent relationships with city-based banks to offer extended trade-related services to their clients. Eighty percent of the bank respondents stated that the S. 734 antitrust provisions were sufficient to avoid giving the large banks and companies an unfair competitive advantage. All of the bankers' statements suggested that decisions about relinquishing corporate control would be based upon individual circumstances after the legislation is complete.

Third, export management companies operating in New England responded positively to ETC legislation: 73 percent surveyed indicated that they would want to be certified as an ETC with the Department of Commerce. Over half of the respondents indicated that they would like to cooperate with a bank in a joint venture ETC under a specific contractual agreement. One-hundred percent of those polled indicated they felt that the ability to offer direct financing to their clients would increase their sales: 57 percent expected an increase of over 25 percent, while 36 percent felt that this capability would increase their sales by

11 to 25 percent.

These survey results are clear indicators of the broad base of support that exists for ETC legislation. We must continue our efforts to improve domestic export performance and reduce our trade deficit. The ETC legislation is an important step to help promote U.S. exports in order to increase U.S. competitiveness in the world marketplace.

SUCCESSOR GENERATION

• Mr. HEINZ. Mr. President, I call my colleagues' attention to the following commentary on the "Successor Generation" problem that troubles the Western Alliance. It is a companion piece to my July 16 Record statement.

Tensions over the direction of East-West relations, arms limitation talks, deployment of strategic weapons, and trade and economic questions are making the news these days. But a fundamental problem underlies the more visible pressures creating divisions within the Western Alliance. Many of the rising young leaders in the Western democracies suffer from historical amnesia, focusing too often on the relatively minor topical differences that separate us and not on the cultural and historical bonds that unite us.

As the United States sets out in a new foreign policy direction, it is high time we in the Congress and our counterparts in the Reagan administration realize the full dimensions of the successor generation problem. One ramification is the alarming strength of pacifist sentiment

in the Western democracies and another is the apparently increasing vulnerability of Western Europe to "Finlandization." Too many European and Japanese young people who lack a sense of history and a sense of cultural kinship with the United States see little difference between the United States and the Soviet Union. I fear that we have not yet seen the full implications of this historical and cultural oblivion.

The answer is largely a matter of information and education. I call on my colleagues and the administration to develop a strategy to deal with the problem-and to begin by reading the penetrating analysis by David Broder that follows:

[From the Washington Post, July 12, 1981] FADING MEMORIES THREATEN THE WEST

(By David S. Broder)

Oxford, England .- I don't know what President Reagan will hear when he meets with allied leaders in Ottawa in a week, but I suspect the talks won't convey the full tale of what lies beneath the troubled state of the Western alliance. They couldn't, because the most critical voices will not be heard there.

That is the impression left from separate conferences here and in Berlin of groups of about three dozen European parlimentarians, politicians, educators and journalists and their American counterparts. At those meetings of the Aspen Institute Berlin and the Atlantic Association of Young Political Leaders, we heard the following things,

- not all of them mutually consistent:

 1. There is a growing potential of crisis within the alliance, keyed to the deepening doubts in Europe about the wisdom of American policy and the prudence of seeking security primarily through military efforts to deter the Soviet nuclear threat. The skepticism is most evident among younger peoplethe so-called "Successor Generation" to those now in power, who inherited their leadership from the original architects of the postwar alliance. It centers now on the question of deploying medium-range nuclear missiles in Europe while delaying arms talks with Russia, but it represents deep currents of religious as well as political belief and can be ignored only at peril.
- 2. At root, some say, the challenge is cultural and generational. It reflects the young Europeans' boredom with the Cold War and the suspicion that it is a relic of their parents' fixation.

Or it represents a failure of permissive education systems on both sides of the Atlantic to impart the lessons of history to these youths. A German professor sees it as a healthy reaction in Freudian terms, a necessary revolt against the "father figure," Uncle Sam. A French politician says it represents the ambivalence of the young about the values of materialism, the very concept of progress. In any event, the argument is not between the United States and Europe but between the generations.

3. Alternatively, at root the problem is eco-We have our internal SS20s." Frenchman says, referring to the Soviet missiles targeted on Western Europe. "They are called inflation and unemployment." A British Tory MP reports that unemployed youths in Liverpool mix "ban-the-bomb" shouts with their imprecations against the bosses and the cops. A German says that young people feel that just as their governments have lost control of their economies they will lose control of the weapons they are eager to build. A countryman asserts that unions fear that Reagan's "reverse redistribution" policies may be adopted as the model for Europe. In any case, a veteran American diplomats says, the threats of trade wars or oil-access rivalries dwarf the differences over

- military strategy.
 4. Some would like to believe the problem is Russia. What is shaking Europe, they say, is nothing more complicated than naked -fear engendered by the realization that the Soviets have upset the military balance in their own favor and now have the capacity to reduce Europe's cities to smoking ruins. Others think the Soviets are shrewdly manipulating European opinion by promoting the "peace" movements and by propagan-dizing in ways that suggest they are "reasonand the Americans intransigent on arms control.
- 5. Many assert the problem is not anti-Americanism but anti-Reaganism. Some of them are honest enough to concede that six months ago, they would have used Jimmy Carter's name instead of Reagan's. But despite the differences in the policies and personalities of the two presidents, they see a common denominator: an uncertain, illdefined approach to foreign policy, symptomized by sudden swerves of policy. To them, Reagan represents high interest rates, minimization of human rights concerns, an ef-fort to drag the Third World into the Cold War arena and a slowdown if not an outright sabotage of nuclear arms negotiations. "The nswer to anti-Americanism," says a Dutch parliamentarian, "must be found in America."
- 6. If there is a problem, others assert, it is no one's "fault." Nations must operate their foreign policies on the basis of interests, not sentiments, and in some areas, Europe's and the United States' interests just diverge. Europe has profited from trade with the Eastern bloc since the beginning of detente, and is understandably more reluctant to see it end. Europe has its own economic and political links to the Arab nations and the Third World in general. It cannot accept that NATO must function as monolithically in regard to those countries as it does toward Russia. The alliance will be all right, these Europeans maintain, so long as there is tolerance for the inevitable differences that will arise among allies.

7. Finally, there are a few who say the whole "problem" is a fantasy, a concoction of Soviet propaganda, or a few alarmists, or a European press some of whose members may projecting their own hostility to the United States. All three parties in Germanya focus of the current concern—espouse the alliance as the keystone of their foreign policy, a German diplomat calmingly declares. Opinion polls show the United States still by far the most admired foreign country.

In France, where anti-Americanism is nothing new, the recent campaigns were singularly devoid of such expressions, a French journalist contends, and President Mitterrand has given the mildest of rebukes to American criticism of his appointment of Communist Cabinet members—an impertinence which no U.S. president would tolerate from an ally. As for England, the Thatcher government is eagerly buying Trident missile submarines, and the best known names in the Labor Party broke ranks rather than accept the left-wing "unilateralism" of those now in the ascendancy. So what's to worry? The "Dutch disease"—the possible rejection of new "theater nuclear forces"-can hardly

infect all of Europe.

After listening to this talk fill the Junior Common Room at St. Peter's College here, or the villa that Aspen has built on the lakeside site of Joseph Goebbels' former residence, one can grow more than a bit confused.

But the most dangerous course for American policymakers, I came away believing, would be to accept the last view, the counsel of those who say there is no cause for concern. I say that because the most urgent voices—the most critical and passionatewere those of the politicians in their 30s, and they are the ones best qualified to point

where Europe may be headed in the future. It is clear that the tensions which made a John J. McCloy say, "I have never been as concerned about the alliance as I am today," are at least in part generational in their origins and expression. "Every sixth-former (16- to 19-year-old) I meet is wearing a CND Committee for Nuclear Disarmament) button," Chris Patten, a British Tory MP, said at lunch. His colleague, David Hunt, a defense specialist in Parliament, told the con-ference here that the young people in his Merseyside district "are agnostic, antistructuralist, almost anarchic in their views and responsive only to broad sentiments like 'peace.' I'll go to a meeting of young blacks in Liverpool 8, where youth unemployment is about 36 percent, and in the middle of talking about jobs, they'll say, 'Oh, by the way, when are we going to get rid of the nukes?' It seems like an irrelevancy to me, but to them, 'nukes' are part of the 'arrange-

ment' of society that they reject."

At the Berlin meeting, Jakob Kohnstamm, a 30-year-old newly elected member of the Dutch Parliament, said, "Anti-Americanism is not the problem; it's really more of an international generation gap. We don't see government bringing the economic solutions we want and there is fear that nuclear deterrence is creating its own problems. We all agree that the SS20s are a threat, but we think it is ridiculous to build up our destructive power to the point we can kill every Russian three or four times."

"Do you and your friends ever talk about Hitler's exploitation of the military imbalance?" one of the older conferees asked in a sharp tone.

"The balance of power is not irrelevant," Kohnstamm replied disdainfully. "But being able to kill a person once is enough. Why should I have the power to kill him three or four times?"

As that exchange indicated, even in the artificially polite atmosphere of the conference rooms, far from the demonstrations or the amplified oratory of the antinuclear rallies, like the church-sponsored Kirchestage that drew more than 100,000 people, many of them youths, to Hamburg late last month, there was a real edge to the generational ex-

When Karlheinz Schonauer, the paid executive director of the youth wing of Ger-many's ruling Social Democratic Party, joined the Berlin conference, the atmosphere changed. The young Socialists had just re-pudiated Chancellor Schmidt's policy of commitment to 1983 deployment of medium-range missiles in Europe. Schonauer arrived just as McCloy was warning that "anti-Americanism in Europe" could trigger a go-it-alone response in Congress and the administration.

"It's not anti-U.S.," Schonauer corrected the American, who is old enough to be his grandfather, it's anti-U.S. policy. You speak of 'the free world.' but there are very different interpretations of that phrase. Alexander Haig's view on right-wing regimes makes some young people think that if his policy had been in effect 40 years ago, the U.S. would have been allied with Hitler instead of opposing him. The medium-range missile raises the spectacle of a 'winnable' nuclear war being fought in Western Europe. Many, many of our young people are afraid of that, and their fear feeds the new peace move-

The older generation of Germans—diplomats, politicians, professors—were pained, incensed, embarrassed by Schonauer's words. "My party is trying to teach history to our young people," said one Free Democratic member of the Bundestag, with an expression that suggested, "You see what we are up against."

But what they are really up against is the passage of time. World War II, the Marshall Plan, the NATO alliance, the Berlin airlift, even the Berlin Wall—a few miles away—were all before the young people's time.

As Karsten Voigt, a predecessor of Schonauer in the youth job who is now a sometimes critical young supporter of Schmidt in the Bundestag, said, "It is important to understand what lies behind the alienation of our youth. You cannot expect young Catholics to support U.S. policy in El Salvador. You cannot expect young Protestants to support his [Reagan's] policy in South Africa. You cannot expect our environmentalists to applaud James Watt, or our trade unionists to praise the cutbacks in social programs in the U.S. We need the freedom to try to influence each other, without condemning each other as we do it."

A member of Schmidt's government, who may not be identified by name, said toward the end of the Berlin meeting that "my impression is that the interdependence of Germany, Europe and the U.S. is much more complicated and critical than I had realized. There are such changes taking place that we cannot afford to take things for granted."

And here at Oxford, a few days later, David Hunt, the mid-thirtyish Tory MP, said, "I hear all this concerning about the 'Successor Generation.' I'd guess I'm what they're talking about. And I want to tell you, there's a lot smaller gap between me and the generation now in power than there is between me and the young people I meet when I go home to Liverpool—the ones in their 20s. If the policies were hard to explain to us, think what it's going to be like to explain them to them."

STRONG MULTIFILTER ARRANGE-MENT WILL AID DOMESTIC KNIT-WEAR INDUSTRY

• Mr. HEINZ. Mr. President, the American knitwear industry is being seriously injured by imports. The number of imported sweaters as well as knit shirts and blouses has been growing steadily in recent years, leading to increased unemployment rates in the domestic knitwear industry and lost business for thousands of Americans across the country. New foreign suppliers have invaded the domestic market, joining with the existing low-cost suppliers to contribute to the 1980 trade deficit for knitted outwear overall of \$1,650,000,000.

The multifiber arrangement governing world trade in these products, which expires at the end of this year, must be strengthened in order to reduce the current onslaught of foreign products in the knitwear industry as well as many others. A coherent, aggressive negotiating strategy is needed now in order to accomplish our objectives, preserve American jobs, and resolve this important trade policy issue for American industry.

I recently received a detailed letter from Stanley Matzkin and George Vargish, president and chairman of the board of the National Knitwear and Sportswear Association, respectively, which describes some of the current problems in the industry. I ask that the letter be printed in the RECORD.

The letter follows:

NATIONAL KNITWEAR & SPORTSWEAR ASSOCIATION, New York, N.Y., July 24, 1981.

Hon. John Heinz, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR HEINZ: The knitwear import crisis is now. More than half of all sweeps and almost one-third of the knit shirts and blouses sold in our country are imported. Five-hundred-forty-three million, yes, 543,-000,000 of these garments alone were imported in 1980. The 1980 trade deficit in sweaters was \$706,000,000 and for knitted outerwear overall was \$1.650,000,000.

outerwear overall was \$1,650,000,000.

These imports mean lost jobs, wages and tax revenues on the one hand, and higher unemployment, welfare payments and government spending for relocation allowances on the other. The most sharply affected are the least skilled workers of the small firms, frequently those located in the inner cities.

Sweaters have taken the brunt of this charge and demonstrate the seriousness of the import threat to the entire knitwear industry.

In 1980, domestic sweater shipments amounted to 9.1 million dozen—a 16 percent increase—while imports reached 12.5 million dozen—a 25 percent increase—that accounted for 58 percent of the U.S. market. In women's sweaters, the more important segment of the U.S. market, 1980 imports exceeded domestic shipments by more than 40 percent despite a 19.5 percent increase to 6 million dozen in those domestic shipments. The situation has been worsening throughout the decade.

The heavy surge of wool sweater imports from China demonstrates just how rapidly this trade can develop. In 1979, U.S. imports were 17,000 dozen, and in 1980 the figure rose to 500,000 dozen or six million wool garments.

Wool sweaters are among the most heavily impacted categories of any U.S. apparel item. According to the U.S. Department of Commerce, the ratio of wool sweater imports to domestic production in 1979 was 136.4 percent. Women's wool sweater imports exceeded domestic production by more than 2½ times, with an I/P ratio at 260.7 percent. And in 1980, imports increased by more than 81 percent over 1979.

Concentration of these sweater imports is important. Key low-cost suppliers are Hong Kong, Korea, Taiwan, and the People's Republic of China. They accounted for 11.4 million dozen imports last year.

New countries are moving in. Significant amounts of wool sweaters were imported in 1980 from small suppliers which had hardly shipped in 1979.

SOME NEW SUPPLIES TO THE U.S.—WOOL SWEATERS—1979 TO 1980

1980	1979
14, 024	3, 647
35, 405	925
32, 536	6, 346
13, 623	0
17, 010	1, 365
112, 598	12, 283
	14, 024 35, 405 32, 536 13, 623 17, 010

In May, 1981, tiny Mauritius accounted for 57,000 dozen more. These figures highlight but one example of the degree and magnitude of this sweater and knitwear import problem, and the pace at which it can worsen.

China further compounds the problem, and on a scale not previously experienced. The Chinese bilateral with the United States expires at the end of 1982. Their desires and demands will be extensive, and may not be approachable absent a massive redistribu-

tion of existing quotas forcing Hong Kong. Korea and Taiwan to compete with China for a single major country quota.

CURRENT SITUATION AND OUTLOOK

The Commerce Department's Import/Production ratios show just how far imports have moved into the U.S. sweater market. In the principal area of the domestic market, women's, girls' and infants' sweaters, imports far e_ceed domestic production.

Sweater categories I/P Ratio	1979
All Cotton	146.5
Men's & Boys' Wool	67.8
Women's, Girls' & Infants' Wool	260.7
Men's & Boys' Manmade Fiber	78.6
Women's, Girls' & Infants' Manmade	
Fibers	133. 0
Total	120 5

While 1980 and 1981 have been relatively strong sweater years, the cycle is due to turn, and the 1982-1983 outlook is likely to show weakness.

Labor costs are a key element in our vulnirability to imports. In June of 1980, average hourly wages in the U.S. knitwear sectors were \$4.51 for knit apparel, \$4.71 for knit fabrics, \$4.63 for yarn, and \$4.40 for dyeing and finishing. Compare these to China, where the sweater mill wages are 15 cents per hour, or to Mauritius where it is understood to about \$1.80 per day!

Low wages enable extensive production on hand-powered knitting machines, greater finishing and detail work, and overall, a significantly lower production cost. And that assumes that production cost is relevant. In China, where foreign currency earnings and employment maintenance are crucial, production cost does not appear to be an important concept in sweater production or export pricing.

THE IMPACT At wholesale

The impact of all this on our industry comes at the store level. U.S. industry sells at wholesale to chains and independent retail operators. The price at which retailers may obtain goods from foreign suppliers is crucial; regardless of the price at which those goods are sold to the U.S. consumer. Some recent import values are shown below. Retail stores seeking higher mark-ups, search out the lowest cost imported goods which are then sold to consumers at prices as close as possible to those being charged for domestic goods. Consumers do not benefit fully from the low wholesale prices of these imports. Importers and retailers of Chinese wool sweaters have acknowledged buying sweaters in China for \$5.00 each which they have sold to U.S. consumers at \$24.00 each, a mark-up of more than three hundred percent—after duties and freight!

Unit prices for U.S. wool sweaters at wholesale are in the range of \$7.75 to \$10.00 for lower-end, reprocessed wool and wool blend sweaters. Fine goods range to \$15.00 per and up. Some unit values of imports—as declared for duty purposes—shown here:

Average Unit Price Wool Sweaters; Women's, Girls' and Infants—446

Country	1980
Sri ! ani-a	\$3.35
Thailand	4.86
Malaysia	3.62
Singapore	4.13
Macao	5.79
Mauritius	4.31
China	5.57
Hong Kong	7.15

On job opportunities

Sweater imports represent lost jobs and business for people and companies in all sectors of the industry. Ten people produce approximately 100 dozen sweaters per week. The 1980's 12.5 million dozen sweater imports, on a 47 week production year, common in this industry, would represent a full year of employment for more than 28,000 sweater production workers. Additional supervisory and management positions are also displaced. And, it is not sweaters alone that lose out. Sweaters are at the top of a broadly-based manufacturing pyramid.

These sweaters require yarn. Imported sweaters account for approximately 8.325 lbs. of yarn per dozen, so that 1980 imports would displace more than 103 million pounds

of varn.

Dyeing and finishing generally assumes 10 lbs. per dozen sweaters. 12.5 million dozen would yield 125 million pounds for dyeing operations, and would represent a year of employment for an industry the size of that presently employed in U.S. operations.

The wages lost range from \$3.50 per hour for trimmers in sweater operations to \$8.40 per hour for sewing machine mechanics. The average wage for domestic sweater production is in the area of \$4.65 per hour, plus approximately 25 percent for fringe benefits. An annual payroll of \$300 million is involved here.

Additional amounts are spent by local, state and federal government unemployment compensation and social action programs required to deal with the impact of these imports.

Where does it hurt? States with important sweater and knitwear production are Pennsylvania, New York and New Jersey, Massachusetts, and the rest of New England, North and South Carolina, Ohio, Wisconsin, Virginia and California. Cities hurt by imports include Cleveland, Philadelphia, Milwaukee, and of course, New York County. The industry's fiber, yarn, materials and services suppliers are located throughout the country. All would benefit from immediate relief, and from the prevention of further damage.

Threat to other knit sectors

Repetition of the sweater import problem in other knit sectors, particularly knit shirts and blouses, is feared unless action is taken, because the knit sectors are open to low cost investment and ease of entry. Imports of knit shirts and blouses already exceed 43 percent of domestic production. Knitting mills can be set up quickly, with high productive output.

Can this sector be saved?

The Multi-Fiber Arrangement governing world trade in these products is up for renegotiation now. The United States can and should use this chance, and 1981-1982 bilateral negotiations to freeze the quotas for sweaters, and to establish the system rules needed to prevent further damage. The U.S. must take up President Reagan's campaign commitment:

"The MFA expires at the end of 1981, and needs to be strengthened by relating import growth from all sources to domestic market growth. I shall work to achieve that goal."

INDUSTRY RECOMMENDS

Emergency action on the sweater categories is needed until the domestic industry is assured a 50 percent share of the U.S. market now and through the next upward sweater market cycle.

Imports from the major suppliers must be

Imports from the major suppliers must be frozen at 1980 levels (below in the case of China), and new suppliers must be limited to the average of their 1979/1980 imports for 1982. (Alternatively, quotas from the major suppliers could be reduced and partially reassigned to newer, small developing countries.) These overall levels must be retained until 1983-1984, when the sweater market should have passed through its next downturn and be into a recovery period. At that

time, if U.S. producers have regained at least half the U.S. market, import growth could be permitted in line with anticipated growth in domestic production.

Knit shirt imports should be frozen for two years (1982/83), so that any growth in the domestic market in these categories is reserved for domestic production. Following a two-year freeze, imports would be allowed to grow annually at a rate not in excess of average annual domestic production growth in these categories during the preceding five

All other knitwear categories should be monitored closely and regulated so that import growth is limited on the basis of a five year moving average of domestic production growth (or decline) during the period beginning 1982.

During this special control period, all flexibility on these products in bilateral agreements, including swing and carryover shall be eliminated. Thereafer, all such flexibility should not be permitted to total more than

1% of the relevant quotas.

In the last analysis, the U.S. must apply comprehensive restraints in these heavily import penetrated categories so that excessive low cost country imports will not be accepted into the market, in excess of the amounts indicated, regardless of the diversity of their country or countries of origin; this action must be combined with vigorous enforcement of existing Customs laws to prevent quota and tariff evasion, false product marking, and transshipment frauds.

Domestic producers are investing in new technology and can recapture an improved share of the market, but not if each emerging, developing low-wage country is permitted to obtain an important slice of the market in addition to the shares already held by the Far East giants. Major import supplies must give ground in the U.S. if the U.S. market is to accept still more goods from emerging country producers. U.S. producers can give no more.

Very truly yours

GEORGE VARGISH, Chairman of the Board.

MACNEIL-LEHRER REPORT

Mr. PERCY. Mr. President, there has been much discussion lately concerning the alleged oil glut in this country, and its effect on business and industry. While it is true that there appears to be plenty of oil available at present, we must not allow ourselves to be beguiled into thinking that the need for energy conservation has passed. The fact that oil is readily available at the moment is due in large part to the successful efforts of many Americans to conserve energy. Last month, I chaired hearings of the Subcommittee on Energy, Nuclear Proliferation and Government Processes on conservation strategy for the 1980's, at which a number of important conservation topics were raised, and the subcommittee concluded that conservation remains one of the most cost-effective means of reducing our dependence on foreign oil.

In June, the "MacNeil-Lehrer Report," a highly respected public affairs program aired on public television, presented an excellent program dealing with the so-called oil glut and the possible consequences for energy conservation efforts. Representatives from the travel and hotel industry talked about the consumer response in terms of summer travel plans, and a utility president spoke about

the effect on short- and long-term utility prices. The fourth guest was the executive director of the Alliance to Save Energy, Ms. Linda Parke Gallagher, a woman with whom I have worked closely to shape national energy policy, and who testified at the subcommittee hearing.

The alliance is a coalition of business. labor, government, and public affairs groups that the late Senator Hubert H. Humphrey, the Honorable Carla Hills. and I organized in 1977. The alliance has long promoted energy conservation as an important means of reducing our national dependence on foreign oil, and as chairman of the alliance, I have worked with this organization to encourage conservation in all sectors of society. Ms. Gallagher has worked closely with the industrial sector concerning the potential for increased energy efficiency in this area, and she discussed this important topic on "MacNeil-Lehrer.'

Her testimony touched upon many issues that must be of interest to all of my colleagues who are concerned about the energy future of this Nation. Therefore, I ask that excerpts from the "Mac-Neil-Lehrer Report" of June 15, 1981 be printed in the RECORD.

The excerpts follow:

THE MACNEIL-LEHRER REPORT

CONSERVATION UPDATE

MacNeil. To some, conservation is not merely to be viewed as a sacrifice, but as the equivalent of new energy sources. The Alliance to Save Energy is a coalition of business, government, public interest and labor organizations committed to that view. Linda Parke Gallagher is the executive director of the Alliance. Ms. Gallagher, how much do you reckon conservation has contributed to the recent fall in oil imports into this country?

LINDA PARKE GALLAGHER. Well, Robert, we think that as much as one-half of the reduction in oll imports, or perhaps as high as 75 percent, could be due to conservation. Of course, that's a very difficult figure to quantify. But we do think that it has been substantial and significant, and that it will continue.

MacNeil. Is your association worried that the so-called glut may reduce the incentive

in this country to conserve?

Ms. Gallacher. No, we really are not. The price of oil since 1972 has jumped dramatically, by about 1,000 percent, and has gone up significantly—doubled—in the last couple of years alone. So consumers have an adequate incentive right now to conserve based on the price of energy. And energy is going to continue to rise at least at the rate of inflation for the foreseeable future, so that the built-in incentive—the price incentive—will remain.

MacNeil. So you think the price is really

MacNeil. So you think the price is really the determining thing in conservation and not availabilities, like gasoline at the moment?

Ms. Gallagher. I think that the availability of gasoline is what in the past has been referred to as conservation. The conservation response after the Iranian oil cutoff, when long lines at gasoline stations were experienced by consumers, did lead to shorterm curtailment. But it was just that: short-term curtailment. When we speak of conservation, we speak of investments in automobiles, in appliances, in more efficient building stock, in more efficient industrial processes. And those are the types of long-term investments which will induce meaningful and long-lasting conservation.

MACNEIL. You don't see any change in those trends since the supplies became more plentiful?

Ms. GALLAGHER. No, not at all. No, I think if anything, they're accelerating.

MACNEIL. Do you see any change in business-in its commitment to greater conservation efforts?

Ms. GALLAGHER. Business has been one of the—one of the real success stories in con-servation. Business has achieved about a 17percent savings in efficiency improvements since 1973. These trends are continuing. However, business, like the average consumer, is constrained right now by the lack of availability of capital at reasonable interest rates. So to the extent that we move to bring down the rate of inflation to make more reasonable interest rates a reality, and make capital in general more available—through new capital formation legislation—to industry, we should see this capital begin to be invested systematically in efficiency improvements

MACNEIL. I see. So you would agree with Mr. Pistilli that tax incentives coming down-hopefully coming down for business-could be an incentive to more conservation investment? Is that-would you agree with that?

Ms. GALLAGHER. Yes, I would definitely agree with that. I think specifically in the six most energy-intensive industries, where energy costs at times represent as much as 70 percent of total product cost—so, for these industries, the incentive to conserve is very, very great, and may mean the difference between the competitive edge between one company and another.

MACNEIL. Briefly, apart from the tax plans, is the federal government doing everything it could to encourage conservation?

Ms. GALLAGHER. I think the attitude of the Reagan administration right now is rather a mixed bag. We would applaud it-the Alliance—the accelerated decontrol of oil prices. However, we have to realize that natural gas prices remain subsidized, remain controlled; that we are giving very large incentives to produce oil and gas and other forms of energy, and that one of the administration's first acts was to drastically slash the conservation budget from about a billion dollars to about \$300 million. So cuts were aimed at the conservation area to much greater extent than to any other area of the Department of Energy. So we are concerned that a more thoughtful approach towards energy efficiency and conservation needs to be taken by the administration. We are rather have a wait-and-see attitude, though, because we think they are moving in the right direction in terms of general capital incentives, bringing down the inter-est rates, and decontrolling the price of energy.

LEHRER. But the Reagan administration is

removing some of that heat, is it not?

Mr. MAULDEN. Well, I think that that is true. I don't think that we're getting the federal mandates—or the approach to federal mandating getting off gas and oil and onto coal that was prevalent in the previous administration. But it's still a matter of economics, and I believe that the utility companies will follow that course of action that will produce the lowest-cost product for their customers.

LEHRER. Is that the kind of thing that bothers you, Ms. Gallagher, in terms of the Reagan administration—like taking the heat off Jerry Maulden and others to convert, get out of the oil-using business?

Ms. Gallagher. Well, I should say that we are working with Jerry Maulden on a study that is sponsored by the John A. Hartford Foundation on encouraging utilities to more aggressively go after conservation investments. We think that-

LEHRER. You mean-whats a conservation investment for a power company?

Ms. Gallagher. The kind of thing that we're working with Arkansas Power & and other utilities, is to identify invest-ments actually on their customers' premises that might save energy. An example might be cogeneration and allowing the utility and the industry to go into a partnership, of them to put up capital and to split the savings and also the profits that may accrue. This is a more creative, innovative financing arrangement.

LEHRER. Sounds like a great deal, Mr. Maulden. I don't know why you're not doing

Mr. MAULDEN. Well, we're certainly working toward that end.

LEHRER. Okay. Robin?

MACNIL: Yes, Ms. Gallagher, if this country has succeeded, since 1978, in lowering its daily imports from 8 million to 5.4 millionthat's roughly one-third-how much further do you reckon practical conservation measures could lower it over the next few years? The import figure?

Ms. Gallagher. I think it's quite amazing that conservation has gone as far as it has gone as quickly as it has gone. It has absolutely outstripped any energy prediction from Harvard's energy future, to Ford Foundation studies, to the Department of Energy's own forecasts. The Department of Energy in NEP III was forecasting oil imports of over 6 million barrels of oil a day by 1900. And we're already beyond that. And yet we have barely begun to tap the energy source of energy conservation, energy efficiency. There is enormous potential. Our work with industry in another study that we're doing-sponsored by the MacArthur Foundation—we're working with the six most energy-intensive industries, and there are literally billions of dollars—it's been estimated as high as \$50 billion worth of productive investments in conservation that have yet to be made. So I think that as market forces begin to work, they may outstrip our wildest expectations as to what is possible.

MACNEIL. Would you agree with that, Mr.

Pistilli? That you've got a long way to go?

Mr. PISTILLI. Yes. We have a long way to go. Some of us in our industry think that oil is the fuel of transportation, and the fuel for generating electricity and running our industrial plant has to come from coal and nuclear energy, and I think this is going to be the ultimate solution.

INTERNATIONAL HARVESTER MEETS WITH CONGRESS

Mr. PERCY. Mr. President, on June 25th I had the honor of meeting with my two good friends, Brooks McCormick and Ben Warren, of International Harvester. This year is the sesquicentennial of the invention of the reaper by Cyrus McCormick, truly a landmark event in our Nation's agricultural and industrial history. I ask that the remarks made by Mr. McCormick, chairman of the board, and Mr. Warren, president of IH's Agricultural Equipment Group, on June 25th to a luncheon with Members of Congress representing States and districts with IH facilities be printed in the RECORD.

The material follows:

REMARKS BY MR. BROOKS MCCORMICK

Distinguished members of the Senate and the House of Representatives, some of our International Harvester people have come to Washington today because our company is recognizing its 150th anniversary. To help commemorate that event, we're sponsoring a special exhibit at the Smithsonian's National

Museum of American History. The exhibit, which we dedicated this morning, is titled "The Changing American Farm," and that title, it seems to me, is a massive understatement. The "Productivity Revolution" on the American farm would be far more accurate.

In the exhibit is one of Cyrus McCormick's earliest reapers which he successfully brought to market in the early 1830's. That was the beginning of a global revolution in farming. When that early reaper was perfected, one farmer, using a cradle, could cut two acres of grain a day. The same farmer could produce enough food to feed himself

and three other people.

The McCormick reaper quadrupled the harvest to eight acres a day. But more importantly, the exhibit contrasts this to the miracle which takes place every day on our American farms—the farms of many of your constituents. Today our company's Axial-Flow combine can harvest 100 acres of wheat in a single day. This kind of productivity enables one American farmer to produce enough food for 48 U.S. citizens, and there is enough left over to feed 20 other people overseas. I don't have to tell you how important that is to the strength of the dollar and our balance of payments position.

However, at this particular moment, I be-lieve all of us may be more concerned with IH's future than its past. There have been many opinions expressed in the media, and many of these opinions are in conflict with each other. As I believe I've heard some legislators say from time to time—I'd like to take a few moments and set the record

straight.

The company is in the final stages of what is thought to be the largest debt restructuring program in history. It involves nearly \$5 billion and, as you well know, there is no government involvement whatsoever. I am pleased to tell you that lenders accounting for more than 95 percent of the funds involved in forming two revolving credit facilities totalling about \$3.4 billion have approved, in principle, their participation in these facilities. Indications of interest also have been received in connection with the \$1.5 billion of additional funds which would be provided by banks through a proposed purchase facility for IH Credit Corporation receivables.

This is just a long way to say that IH is well on its way to regaining the financial flexibility that is needed to assure its longterm stability, growth and success

The company's short-term liquidity problem resulted from a number of events which unexpectedly converged at the same moment. In April of last year, when the company settled a long and hard six-month strike, all three of its major markets were moving into a time of recession. It is the first time in decades that all three of IH's major product lines have simultaneously experienced such soft market conditions, both domesti-cally and overseas. This includes highway trucks, agricultural equipment, and con-struction machinery. In the agricultural sector the problem was aggravated by the grain embargo and drought.

In addition the roller coaster jumps in interest rates hit the company from two directions. We had modernized our plants with huge sums of money, increased our debt, and the increased interest expense cut into our profit margins. In addition, our customers looked at these interest rates and promptly postponed the purchase of equipment.

Now what are we doing at International Harvester to combat these adverse pressures? I can tell you that the company's management is taking continuing and intensive steps to insure that IH can be profitable even if demand for our products was to remain at today's low levels.

For example, in 1977, our profits were about 2 percent of sales on a LIFO pasts.

Today, on a modest increase in unit volume, we will be much closer to being a 5-percent company, and our goal is at least an 8-per-

cent return on sales

We are making the strides that will allow to meet this goal through a variety of initiatives. In the last three years, our company has introduced cost improvement programs which are now saving us over 400 million dollars a year. This year alone, we realistically expect to achieve additional cost reductions of over \$300 million. These improvements have resulted from such efforts as reducing the cost of purchased items, more commonality of parts, cutting transportation costs, decreasing inventory levels by taking a leaf from the Japanese book, increasing utilization of our plants and equipment without working our people harder, and using energy more efficiently.

Non-profitable or underutilized assets are

being identified and eliminated. At the same time, we are still spending money to further modernize our facilities—an expected total of more than \$300 million in 1981. This will enable IH to meet the future challenges of competition from this country and abroad. It also means that our plants and offices will be able to provide secure employment for the over 80,000 TH em-

This year, we are introducing 51 new prod-ucts—an all-time record for the company. And we have one of the strongest dealer networks available to any company. In the United States, IH has almost 4,000 dealers with an aggregate net worth of about \$1.5 billion, and a total of over 7,000 dealer outlets around the world with an aggregate net worth of perhaps \$3 billion.

An independent study by Booz, Allen & Hamilton of both International Harvester and competitive dealers verified our dealers'

strength, loyalty, and confidence.

These three ingredients—capital equip-

ment advanced products, and dealer orga nization—are combined with a base of skilled and loyal employees. That's the recipe for long-term stability and future record earn-

The signs of this strength are apparent even in today's depressed capital goods economy. Our market shares in heavy and medium duty trucks are expected to set all-time records this year. We are a strong number two to John Deere in farm equipment, and we're really closing the gap on a world-wide basis. Ben Warren will discuss that with you in just a few minutes.

But the bottom line is that with our market shares and our improved cost structure. we will be able to achieve substantialy increased profit margins as our unit volume

The independent Booz, Allen study projected that IH could return to traditional levels of profitability from continuing opera-tions in 1982 and that earnings in 1983 could be an all-time record. With the capital gain which we expect from the anticipated sale of our Solar Turbines International division for \$505 milion, we should be in the black for all of this current fiscal year.

We're making progress that makes me very proud. But we really need Congress to quickly pass a program that would allow significantly faster depreciation. This would stimulate business investment in productive equipment-something that is urgently needed if we are to meet the challenges of global competition. We also believe such action will break the dam of pent-un demand and move the economy forward so it will more than make up any short-term revenue loss from lower tax levels.

I would now like to introduce one of my colleagues, Mr. Ben Warren, who is president of our Agricultural Equipment Group. Ben will give you an overview of the outlook for this segment of our business.

REMARKS BY MR. BEN H. WARREN

Thank you, Brooks. Agriculture is the industry in which our company had its begin-ning 150 years ago. Today, farm equipment continues to be a basic cornerstone of IH's future, and it is the business segment into which we are currently placing the highest percentage of our company's capital and search dollars.

About 65% of the Agricultural Equipment Group's sales are generated in North America. We have about 10,000 of our Group's employees at five U.S. plants. If you were to look at a map, our plants line up like a belt right down the fertile Midwest center of the country—stretching from Rock Island and East Moline, Illinois at the north—through Canton, Illinois—to Memphis. Tennessee-and down to Gulfport, Mis-

As Frooks mentioned, our company is introducing an all-time record of over 50 new products in 1981. More than 30 of these are advances in agricultural machinery to in-

crease farm productivity.

IH has already added new tractor models which are being produced at the Farmall plant in Rock Island. This includes the innovative 2 + 2 tractor which has the traction and strength of four-wheel drive coupled with the mobility of two-wheel drive. It allows farmers to get in their fields earlier and stay longer-despite adverse weatherduring the critical planting and harvesting seasons

At East Moline, IH is producing the most modern line of combines available—the Axial-Flow rotary models. They increase productivity by improving yield, reducing grain damage, and cutting fuel consumption.

Our new line of Early Riser planters became available to farmers just this spring. They're produced at East Moline and Canton and offer faster field speeds as well as a system which packs moist earth around the freshly planted seed for faster germinating

crops.

At Memphis, we are now building disk harrows that for the first time incorporate our own Earth Metal disk blades that are up to 30% stronger and last up to 20% longer than conventional blades. And the Gulfport plant adapts small and medium-sized tractors for the North American market.

This quick tour around the nation's heartland shows the stake IH has in agricultural equipment. In the first six months of this fiscal year, our sales of farm machinery amounted to \$1.6 billion which equalled 43% of IH's total sales in that period. We be-lieve this percentage will continue to grow in the future

There's another figure which shows our dedication to the farmer. Our company spent a total of \$384 million on capital improvements in 1980. Of that total, \$229 million, or 60%, went into agricultural equipment plants. And this commitment to investment hasn't slowed. We still have multi-million dollar programs moving forward to increase efficiency, upgrade the quality of our prod-ucts, and improve the working environment of our employees

In addition to advanced products and plant modernization, the third part of our future success formula is the capability of our dealers and the IH marketing organization that supports them. We have a well-established network of 1,835 IH agricultural

equipment dealers in the U.S. These are privately controlled, independent businesses that have been with IH for an average of 18.4 years.

Like our farm customers, they too are looking forward to new legislation that speeds up depreciation on farm equipment

and buildings

As we all know, we are still in the midst of a difficult time in the farm equipment business. Because of low levels of retail de-mand, primarily due to continuing high rates and declines in commodity prices, many of our plants-as well as those of our competitors—will be closing for an extra week or two on top of normal three-week vacation shutdowns this summer.

However, we continue to be moderately optimistic about the remainder of 1981. Most business indicators are good in the agricultural sector. Interest races are predicted to decline to more reasonable levels. Crop prospects are generally favorable for most of the country. Export demand is still heavy. And even though commodity prices have dropped in recent months, farmers are generally assured of good prices for their crops.

With the fundamental strengths of IH, we will take full advantage of this turnaround. Our company expects another 150 years of productive accomplishment-and I personally believe the coming years will be even better than the first decade and a half.

To show you why we are so optimistic, I'd like to give you some insights into the futuristic systems we're looking at in our IH

technology and engineering centers.

An example is the combine of the future. We're looking at total systems rather than just a few functions in our advanced harvesting group. It is now possible to make a combine that can harvest, process the crop, package it, freeze it, and have it ready for shipment. The technology exists which could make this a reality. But I honestly have to tell you that it's economically impractical today.

I mention this concept to illustrate that we are working on similar systems approaches that will be equally revolutionary, and will literally be on the market in less than a decade. The essence of our work in advanced harvesting systems is to look at the individual links in the chain of agricultural production—the soil, the crop, the harvesting mechanism, the product, the by-product, and finally the manner in which the final product will be used in the marketplace. We're looking at all the links in the chain of agricultural production and how they all integrate together to efficiently and effectively produce food, feed, and fiber.

Like advanced harvesting, our biomass department also is taking a systems approach

in its activities.

We see a tremendous opportunity for the farmer, or cooperative groups of farmers, to significantly be more fuel efficient than they are today. In addition to growing food, feed and fiber, the farmer might also be able to grow fuel perhaps as a direct or indirect product of his agricultural business.

The IH biomass group is exploring a variety of technical approaches to producing energy from wood, farm waste and municipal wastes. As a feed stock, these materials could be used to generate synthetic gas as a fuel to heat homes, farms or factories; to burn in electricity-producing generators; or to be used in chemical synthesis to produce methanol.

At International Harvester, we feel energy uses of biomass should be prominently ex-plored and utilized. It is common ground that can benefit all mankind.

EXTENSIONS OF REMARKS

BEST WISHES TO TED PIERCE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 4, 1981

• Mr. FARY. Mr. Speaker, later this month, August 21, is the last day which Mr. Ted Pierce will be with my office. Ted served in my Washington office this summer as our L.B.J. congressional intern. He will be returning to his studies at New England College in Henniker, N.H.

I would simply like to reiterate how invaluable the intern program is to the operation of congressional offices, as my colleagues well know. Ted was a dependable and enthusiastic worker whose efforts contributed measurably to our efficiency. There was nothing that he was not willing to tackle.

I served with Ted's father, State Representative Daniel Pierce, in the Illinois General Assembly, and I trust that this experience gave Ted an insight which one from a political family will savor. As president of his own student senate at New England College, I am sure that Ted will soon become a successful and respected gentleman in whatever profession he chooses.

I extend my gratitude for his services and wish him well in future endeavors.

SAFE ENERGY SOURCES— SURPRISING RESULTS

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mrs. BOUQUARD. Mr. Speaker, the Energy Research and Production Subcommittee, which I chair, recently held hearings on the topic of "Societal Risks of Energy Systems." These hearings addressed the general area of risk analysis and how it has been, or might be, applied in assessing the comparative risks involved among various energy generation technologies.

All of the expert witnesses agreed that risk analysis, if properly used, can be a valuable aid to the policymaker. The methodologies developed by professional risk analysts allows one to systematically assess the risk for any given energy technology.

It is, of course, not altogether clear that one can quantify all of the various facets of risk, even though they can be enumerated. For example, how does one quantitatively assess the risks involved in not providing enough

energy to fulfill society's needs? Or, in contradistinction to this facet, the risks of having provided the energy—at the cost of having not funded some other societally beneficial activity—and then not needing it. Risk assessment, clearly, must be used as only one of the many tools which the policymaker has at hand to help understand the impacts of technology, or a lack thereof, on society.

There are, however, some topics for which there is sufficient quantitative information available to perform a comparative risk assessment. In the hearing, Dr. Lester Lave, a distinguished visiting scholar to the prestigious Brookings Institute and former head of the Economics Department at Carnegie-Mellon University, did a very convincing job of showing us, with some concrete examples, where risk analysis has been appropriately utilized. Interestingly enough, he noted that the results are sometimes counter to what may be one's casual impressions.

In particular, Dr. Lave quotes work performed at the Brookhaven National Laboratory (Report No. BNL-51307) in which a number of energy systems were analyzed with regard to illness, accidents, and fatalities-both per unit energy production-which would most probably occur due to the construction and implementation of various energy production technologies, for example, solar photovoltaics, wood burning, coal-steam electric fuel cycle, nuclear fission-including the complete fuel cycle, and others. Dr. Lave reports that the study shows that after a comprehensive examination of the alternatives, that seemingly benign technologies such as solar photovoltaic electricity production and wood burning appear to offer as high or higher risks than coal and nuclear electricity production.

This Brookhaven report derives quantities data from actual present day energy production systems. Obviously, these systems will improve with time and the relative risks will change, for example, less energy will be needed to produce solar photovoltaic cells, even safer nuclear fission powerplants will be built, better scrubbers will be installed on coal-fired powerplants, et cetera. Nevertheless, the results of the study are food for thought for those who would radically change our existing energy supply system.

I am including in the RECORD today Dr. Lave's testimony, and I commend it to the attention of my colleagues and the American public in the continuing debate about energy.

TESTIMONY BEFORE COMMITTEE ON SCIENCE AND TECHNOLOGY, THE RISKS OF ALTERNA-TIVE ENERGY SOURCES BY LESTER B. LAVE, BROOKINGS INSTITUTION, JUNE 18, 1981

INTRODUCTION

In this testimony I will sketch the methods of estimating the risks, particularly to health, of energy systems. Some of the difficulties in analyzing these risks will be discussed along with current methods of solving them. Finally, I will present the results of analyses of the risks of a number of current energy sources including nuclear reactors, coal fired plants, various solar energy technologies, and the use of wood for home heating.

THE COMPLEXITY OF SETTING GOALS

Social goals are rarely simple and actions to achieve them never have a single consequence. We desire electricity that is cheap, safe, and reliable. No one is satisfied to have electricity that is extremely expensive, but is safe and reliable, or indeed, to achieve any two of the three attributes while sacrificing the third. As I illustrated in a recent paper on federal regulation of the automobile, society is not well served by ignoring any of the significant aspects of a problem (Lave, 1981a). In the case of the auto, over ten years Congress successively regulated safety, emissions, and fuel eoncomy, and may yet get around to regulating the other important aspects such as price and styling.

As the auto paper shows, a second lesson is that society is not well served by considering one goal at a time; regulation of fuel economy was necessitated partly by the regulation of safety and emissions. The relevant goals have to be considered simultaneously so as to reconcile the pulls and tugs of conflicting goals. In setting national energy policy, we have been guilty of focus-ing on one attribute at a time and ignoring the effects of our decisions on other attributes. For example, the only attribute of importance in regulating nuclear power has been safety. The consequent ignoring of cost and reliability has reduced, and in many cases eliminated, the competitiveness of nuclear power. Project independence considered only reliability and produced a plan that had vast increases in cost and important compromises in safety.

I have simplified by discussing the attributes of cost, safety, and reliability. For energy, other attributes include the future supply of fuel and international aspects of our decisions. All five of these attributes or dimensions of the problem must be considered together in arriving at a national energy policy. Safety does not dominate the decision, but neither can it be ignored. What follows is an attempt to explore and quantify safety aspects of energy decisions. These aspects are but one of five that must be considered in arriving at sensible energy policy.

A PRIMER ON RISK ANALYSIS

To determine the risks of accidents associated with a project, one must begin by deliniating those parts of the project where there is an accident risk (Lave, 1981b). The second step is to determine the type of injury and probability of injury associated with each risky part. The third step is to

find a number of people exposed to each risk. The final step is to characterize the hazard (magnitude of possible harm), who is at risk, and the expected number of injuries of each type.

To determine the risks of occupational disease or disease in the general population, the steps are similar. The first step is determining the substances to which people are exposed. The second step is to determine the dose-response relationship for each sub-The third step is to determine the population at risk and the dose received by each person. The final step is to characterize the type and amount of disease expected for each group, the amount of disability and

premature death.

It is relatively easy and straightforward to describe the procedures for characterizing accidents and disease; however, applying these procedures is rarely easy or straightforward. For example, accidents are rarely due to a single cause. Instead, a number of factors contribute, generally including some human mistake or lack of attention. What really caused the accident and what is the cheapest (and most reliable) method of preventing it? For example, a large number of people are killed each year in accidents involving freight trains; generally there is a collision between the train and a vehicle at crossing. Since coal represents a large fraction of railroad tonnage, a large number of accidents must be attributed to carrying coal. What is the cheapest and most reliable way of eliminating these accidents? A very expensive way is building grade crossings and putting up fence along the right of way. The latter is unlikely to be effective in preventing people from getting close to the tracks. The best alternative might be to substitute coal slurry pipelines for freight trains.

The difficulties associated with occupational disease are much greater. There are myriad toxic substances in minute quantities in the workplace and in the surrounding environment. Occasionally the concentration and resulting dose are great enough to produce an acute effect. More generally, minute doses contribute to some unknown increase in chronic disease. Often latency periods of several decades are involved, the actual incidence of the resulting disease is known, and rarely can one be certain of the

cause of a particular disease.

Epidemiological studies provide some evidence about the health effects of various occupations and exposures. More generally, there is at best information from animal bioassays, or no information at all.

Estimating the population at risk and the dose they receive is conceptually straightforward, but extremely difficult in practice.

Even assuming the analysis can be performed, the result is a set of disparate health effects, accidents involving consequences that range from trivial to fatal and set of disease effects that range from slight, acute effects to chronic disease resulting in death. To make sense of this array of effects, one must aggregate them somehow. But how many slight injuries are equivalent to a serious injury? How many serious injuries to a fatality? Is a fatal accident better or worse than a fatal cancer?

Some effects, such as accidents and acute disease occur immediately; some occur only after decades. What is the cost to society of a fatality now versus a fatality in thirty

Some people believe it is important to distinguish between accidents or disease to workers and to the general public. Workers generally know the nature of the risks and are paid to assume the risks. The general public is often not aware of the risks and is loathe to have the risks imposed on them.

The point to be emphasized is that the risk assessment is a careful, systematic attempt to estimate the health effects of an technology and to aggregate the risks so that the decision makers can make sense of them. For the situations at issue, it is extremely difficult to estimate the effects with confidence. For example, the public health effects of air pollution from burning coal are subject to intense controversy. While one cannot accept the estimates as gospel, one should not dismiss them as guesses. They should be an important input to energy policy, but one must be careful to recognize the amount of uncertainty associated with each estimate.

A COMPARISON OF CURRENT ENERGY TECHNOLOGIES

Systematic attempts to infer the risks of energy technologies date back less than one decade (Lave and Freeburg, 1973; Sagan, 1973, 1974). The early studies focused on electricity generation technologies and compared coal with nuclear, with some consideration given to oil and natural gas. With the OPEC embargo came the realization that oil would be scarce and so the only near term alternatives are coal and nuclear. The initial evaluations found that both the occupational and public health risks of coal were many times greater than the risks for nuclear reactors. Depending on the precise assumptions, coal was estimated to produce 100 to 10,000 times more adverse health effects than nuclear

These initial analyses did not give adequate attention to various problems in both fuel cycles. For coal, environmental effects were not considered, including the health consequences of acid rain and the climate changes associated with atmospheric accumulation of carbon dioxide. For nuclear, inadequate attention was given to nuclear accidents, sabotage, the risks of nuclear proliferation, and disposal of radioactive waste. Later analyses have made some progress in considering these additional issues, but have tended to estimate the risks of coal and nuclear to be more comparable (Morris et al. 1980; Hamilton, 1980), with results shown in the table.

Dose-response relationships and the potential of future technology have generated intense controversy among the advocates of various technologies. The effect of low level ionizing radiation on health is generally assumed to be a liner, no threshold dose-response relationship, but there is no general agreement whether this relationship is correct of conservative (BEIR, 1971, 1980). The effects of sulfur oxides and suspended particulate matter on health have generated even greater controversy recently, with contradictory epidemiological studies, laboratory experiments that are difficult to interpret, and experts arriving at opposite conclusions about the health effects at current ambient levels (Lave and Seskin, 1977, 1979; National Academy of Sciences, 1978; Holland et al, 1979; Chappie and Lave, 1981). If the health effects of suspended particulate matter and sulfur oxides are dismissed or abatement technology is assumed to improve vastly, coal looks like a more acceptable alternative. I want to state my judgment that the health effects of sulfur oxides and particles are large and that stringent abate-

ment is necessary.

The pitfalls of regulation are illustrated by coal. The 1971 EPA regulations covered sulfur dioxide and particles. The cheapest way of meeting the standard was to build a high stack to disperse the pollution over a wider area. There is a general consensus that acid sulfates, not sulfur dioxide, are the primary culprit in causing adverse health effects. The effect of a tall stack is to increase the amount of sulfur dioxide converted into sulfates generally and acid sulfates in particular. Thus, failure to get the regulations exactly correct helped lead to abatement policies which worsened the situation. EPA now requires stack gas scrubbers for all new coal fired plants. While these devices remove about 95 percent of the sulfur from the stack gas, they convert the remaining 10 percent to sulfates, particularly sulfuric acid mist. There are suggestions that scrubbers may have the effect of worsening health effects, at least locally.

More recent investigations have examined the risks associated with various solar technologies as well as of burning wood for home heating (Morris, 1981; Rowe and Groncki, 1980). Contrary to popular belief that these energy sources are benign, they find that the health risks of photovoltaic technology and of wood burning are higher than those for coal. This is not an area where one's casual impressions can be relied upon.

CONCLUSION

I have sketched the difficulties in setting and implementing social goals and in performing quantitative risk analyses. In reviewing the health effects of various energy technologies, all investigators agree that nuclear appears to offer lower risks, generally significantly lower risks than coal. However, there is still vast uncertainty about various aspects of the fuel cycles and about technological changes in mining, abatement tech-nology, and in waste disposal. Seemingly benign technologies such as photovoltaic and wood burning appear to offer a higher risk than coal, showing that alternatives have to be examined carefully.

DIRECT AND SYSTEMWIDE OCCUPATIONAL HEALTH RISKS OF RENEWABLE ENERGY TECHNOLOGIES 1 AND OF COAL AND NUCLEAR FUEL CYCLES PER 1012 BTU OUTPUT

	Labor	Illness and accidents		Fatalities	
Technology	Labor, 100 M-yr	WDL,	WDL/ 100 M-yr	10 -s cases	Cases/ 100 M-yr
			Direct		
Central station photovoltaics. Central station wind Anaerobic sludge digestion. Wood pyrolysis. Passive solar heating. Active solar hot water. Active solar hot water. Active solar hot water. Residential photovoltaics. Residential wind. Residential wind with battery storage. Coal-steam electric fuel-cycle	0.25 0.71 1.9 1.6 2.5 1.6 8.1 6.4	110 120 59 45 63 170 150 220 150 610 800 790	76 120 100 180 90 93 97 88 94 75 120	0.013 .0097 .014 .0018 .0081 .025 .034 .031 .021 .11 .053	0.0086 0090 024 0073 011 013 021 013 013 0013 0083
Nuclear fuel cycle	0.36	35	97	.0054	.015
200	100		Systemw	ide	Her.
Central station photovoltaics	2.3 1.3 0.66 1.7 4.9 3.7 6.6 3.8 20	270 240 130 94 160 490 370 640 380 1,900	85 100 100 140 95 100 100 97 98 93 110	.038 .028 .029 .0094 .028 .087 .071 .11 .062 .34	.012 .012 .022 .014 .016 .018 .019 .016 .016 .017

DIRECT AND SYSTEMWIDE OCCUPATIONAL HEALTH RISKS
OF RENEWABLE ENERGY TECHNOLOGIES 1 AND OF COAL
AND NUCLEAR FUEL CYCLES PER 10 12 BTU OUTPUT—
Continued

Technology	Labor, 100 M-yr	Illness and accidents		Fatalities	
		WDL,	WDL/ 100 M-yr	10 -s cases	Cases/ 100 M-yr
Residential wind with battery stor-	- 47		00	201	
age	17	1,100	99	.201	.012
	1.9	1,100	89	.032	.012

¹ Rowe, M. D. and P. J. Groncki, 1980. Occupational health and safety impacts of renewable energy sources. Supplementary report to Health and Environmental Effects of the National Energy Plan: A Critical Review of Some Selected Issues, (BNL 51300), Brookhaven National Laboratory. BNL 51307. ⁹¹ no.

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EXTENSIONS OF REMARKS A CONSTITUENT SPEAKS OUT ON CRIME

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. ROSENTHAL. Mr. Speaker, crime is a societal disease that sparks outrage, horror, and indignation in the hearts and minds of all citizens. It is a problem that transcends regional boundaries, age barriers, and economic classes. It afflicts all of us through the real costs it imposes on our pocketbooks. But, more importantly, it constricts our personal freedom.

Today, I want to share with my colleagues a poignant letter that I received from a constituent about crime. This letter is just one of many I receive that relates the personal anguish crime causes in the lives of people who have been victimized by robbery, muggings, or violent assault. These people, in addition to millions of other citizens, are afraid to walk the streets of our cities, shop in our shopping plazas, or ride on public conveyances. This

take resolute action to stem the alarming trend of national crime statistics.

The text of the letter follows:

letter closes with a call for Congress to

Dear Congressman Rosenthal: I'm sick of it! Sick of the muggings, the robberies (we are one of the statistics) the inability to wear hard-earned jewelry or carry a handbag, or go out at night alone, Sick, sick, sick of the liberal judges. Sick of not being able to shop in the Bay Terrace Shopping Center without fear of any or all of the above.

It's got to stop.

We put a horrible, confining gate on our fire escape windows. We drilled holes in our windows near our terrace (That's where our burglar made his 1:30 am entrance while we were sleeping.) We put ourselves behind bars.

Enough

While crime is a problem that does not lend itself to glib responses or easy solutions, Congress can take effective action to protect our citizens from the muggings, robberies, and violent assaults that are addressed in the letter. One critical step in our battle against crime must be the immediate passage of strict gun control legislation. In the average day, 60 Americans die of handgun violence, whether by homicide, suicide, or accident. In the last decade, 217,000 Americans died by handgun violence-nearly four times the number that died in Vietnam. Recently, the assassination attempts on President Reagan and Pope John Paul II have reinforced the need for resolute action.

In my 1981 districtwide questionnaire, I asked constituents which measures they supported to combat crime. Over 80 percent of the respondents said they favored gun control. The Congress currently has two pieces of gun control legislation before it. H.R. 3200, the "Handgun Crime Control Act of 1981," would prohibit the manufacture, sale, and transfer of handguns to private persons. H.R. 40 is an even more stringent measure which would prohibit the possession of handguns. The time is long overdue for Congress to meet its responsibility to the public and enact an effective gun control law.

I am a cosponsor of both gun control bills pending before the House. I believe that these measures can make a significant difference in reversing the alarming trend of national crime statistics. I call on my colleagues to give them urgent consideration when the House reconvenes in September.

DR. KING AND THE POOR PEOPLE'S CAMPAIGN

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. CONYERS. Mr. Speaker, David Levering Lewis' biography of Martin Luther King, Jr., "King: A Biography" (University of Illinois Press, 1978), provides an excellent account of Dr. King's plans for the poor people's campaign in Washington, which was the major project of nonviolent political action that he worked during the last months of his life.

At that time King was besieged by intense and conflicting pressures from all quarters of the civil rights movement that he led. His outspoken position against the Vietnam war earned him the hostility of many of his original supporters. The Johnson administration, whom he worked closely with on civil rights legislation, shut the door on him. Younger, more militant leaders of the movement questioned his ability to lead further charges against racial and economic discrimination. The urban riots in 1967 raised doubts about the workability of King's philosophy and practice of nonviolence. King envisaged the poor people's campaign as the logical extension of the civil rights movement into the areas of social and economic inequality. In the midst of the war and the urban riots, he felt more strongly than ever that nonviolent direct action was the key to social change.

In October 1967 Dr. King submitted to the Kerner Commission, that was investigating the urban riots, a bill of rights for the disadvantaged. In December before the staff of the Southern Christian Leadership Conference he presented the final plans for the poor people's campaign. King never lived to implement the plans. He had accepted in March an invitation of a group of ministers to travel to Memphis, Tenn., to give support to the sanitation workers' strike in that city.

He was killed in Memphis by an assassin's bullet.

Excerpts from Lewis' biography on Dr. King's role in the poor people's campaign follow:

In July, three months after the publica-tion of "Where Do We Go from Here," racial disturbances flared in Newark, New Jersey, and Detroit, Michigan. The loss of life and the property damage in Detroit surpassed everything of its kind in American history. There no longer appeared to be any place for the sincere, "creative" moderation of a Martin Luther King, his nonviolent abstractions and gratuitous preoccupation with a remote war. Louis Lomax states that Martin even began to accept the "undeni-

able fact that violence paid off."
The truth is that Martin became even more opposed to violent social action after the July riots. But he also recognized the general public impression of nonviolent bankruptcy that had been fostered by the riots. Since Chicago, nonviolence had not demonstrated the capacity to play a "transforming role," he admitted later. Indeed, a review of the accomplishments of the SCLC in Chicago, after the Summit Agreement, were not impressive. Fewer than two thousand families had organized into tenants' unions and compelled landlords to recognize them officially and to make firm commitments. An SCLC-sponsored union-to-endslums rent strike, lasting six months, achieved concessions for six hundred tenants in the Lawndale section of the city. Two grocery corporations, Hi-Low and National Tea, agreed to carry products of black corporations and to deposit in black banks the income from their stores located in the These accomplishments, although symbolically impressive, left the surface of the problem barely scratched. Moreover, the labors of the SCLC staff in organizing a political machine in the ghetto aborted miserably. It was only in the wake of the July chaos that the readiness of the national business community to invest in the ghetto made it propitious for Martin's Chicago lieutenant, Reverend Jesse Jackson, to announce that Operation Breadbasket, focusing on jobs, would henceforth be a national undertaking.

The Supreme Court, the mainstay of civil had begun to reflect the satiety of the nation with black demands and civil disobedience. In November, 1966, Justice Byron White, who had consistently voted with the Warren court's majority, cast his vote to uphold the conviction of civil rights demonstrators in a lower court for trespassing in Tallahassee, Florida. It was the first judicial reverse of this nature suffered by the Movement since Montgomery. In June, 1967, the justices decreed that Martin's conviction by a Birmingham court for demonstrating without a permit was valid. He and eight others, including Fred Shuttlesworth, Ralph Abernathy, and Wyatt Tee Walker, were to spend four days in a Birmingham jail in October. A week before surrendering to the authorities, Martin submitted his Bill of Rights for the Disadvantaged to the recently established Kerner Commission, charged by the President with the task of uncovering the causes of urban racial explosions. In prison, he made profitable use of the time to hammer out, with Ralph and Wyatt, his cellmates, the main outlines of an interracial coalition of the poor that would pressure the government into enacting legislation benefiting those below the poverty line. At an SCLC meeting in Atlanta in December, Martin presented his plan

for a poor-peoples march on Washington, to take place in April, 1968. Three thousand poor whites, American Indians, Americans of Mexican descent, and blacks (who would comprise the majority) were to converge on capital and demonstrate nonviolently until Congress acted.

The following weeks were turbulently busy. No proposal could have been more unwelcome than Martin's poor-people's march to the capital. Having legalized the right of blacks to integrated hamburgers and polling booths, having designated more than \$1 billion for their uplift and accepted the desirability of open housing if not the legal apparatus to enforce it, the white community was consterned by the planned inundation of Washington by thousands of proletarians. Professor C. Vann Woodward's heuristic question "What more do they want?" the Harper's article "What Happened to the Civil Rights Movement?") caught the dominant national mood. Speaking of black ambitions, Christianity Today lamented much later that "Their tragic misconception that the only barrier to a Negro heaven on earth—conceived in terms of national plenty—is lack of legislation and appropriation shows where modern welfare and government propaganda have brought us." Martin's position was that only a return to nonviolent demonstrations, on grander than in the past, could prevent worse disasters during the summer of 1968: 'I think we have come to the point where there is no longer a choice between nonviolence and riots. It must be militant, massive nonviolence, or riots." In 1964, he had stated that:

"White Americans must be made to understand the basic motives underlying Negro demonstrations. Many pent-up sentments and latent frustrations are boiling inside the Negro, and he must release them. It is not a threat but a fact of history that if an oppressed people's pent-up emotions are not nonviolently released, they will be violently released. So let the Negro march. Let him make pilgrimages to city hall. Let him go on freedom rides. And above all, make an effort to understand why he must do this. For if his frustrations and despair are allowed to continue piling up, millions of Negroes will seek solace and security in black-nationalist ideologies.

Repeatedly, he had warned the nation (and militants had scathingly reproached him for it) that a rhythm of political and, later, socio-economic concessions had to be maintained in order to avoid black violence and permanent alienation. But the whites not ready to understand, and pleas such as this merely confirmed his accommodationism in the eyes of the militants.

The SCLC leadership was not sure that the second march on Washington would not be counterproductive. Before the final plan was completed in mid-February, Martin summoned a January meeting of ministers in Miami, Florida, to obtain official sanction. The ministers voted to follow their leader, but it was obvious that they would have preferred to have been excused from this commitment. Bayard Rustin's frank statement to them that Martin now lacked the economic resources and federal forbearance characteristic of his past demonstrations and that he, Rustin, would not support the Poor People's Campaign further shook their confidence. For the moment, the Urban League and the NAACP refrained from public comment, but no special powers of divination were required to know that they disapproved. Martin threw himself into the campaign all the more determinedly, as his intimates and the public doubted or opposed it. He spoke of the 'crisis we face in America" with more intensity and foreboding than before. "The stability of civilization, the potential of free government, and the simple honor of men is at stake," he proclaimed. He praised those who dissented from the easy consensus of uninquisitive patriotism and limited social meliorism. His Massey lectures, recorded for delivery over the Canadian Broadcasting Corporation, reflected this redoubled sense of urgency when he declared that "Nonviolent protest must now mature to a new level to correspond to heightened black impa-"higher level is mass civil disobedience." This
Regularly, he appropriate the second of the second o tience and stiffened white resistance.'

Regularly, he announced from the pulpit of Ebenezer and from a forest of rostrums the latest figures on civilian and military casualties, obliteration of villages, and compounding of economic costs of the Vietnam Whitney Young, at the request of Lyndon Johnson, and Senator Brooke, on his own initiative, went to Vietnam and returned, to plead that the conduct of the war be left to the White House and its experts. Patriotism, both suggested, commanded that the government be given the benefit of the doubt. "Our loyalties must transcend our race, our tribe, our class, and our nation," Martin countered, "and this means we must develop a world perspective." It was absurd to expect peace to emerge from a conflict in which American "integrity" was no longer credible. His government had supported the "murderous reign of Diem." poured gallons of napalm over the Vietnamcountryside, cynically distorted the goals and composition of the National Liberation Front, and then spoken of "aggression from the North" as if there were nothing more essential to the war. Although aggrieved by the asocial extremism of "hippie" youth, he interpreted its conduct as the result of the tragic debasement of American life and approved the diagnosis of Paul Goodman's "Growing Up Absurd." The slaughter in Southeast Asia understandably reinforced the alienation of Americans younger than twenty-five. Martin saw that in many respects their extreme conduct illuminates the negative effect of society's evils on sensitive young people.'

For him, as for the youth, Lyndon Johnson was becoming the embodiment of inflexible, outmoded cant and political deviousness. In his final months, he believed that Johnson was devoid of statesmanship. in part because he had been trapped by the "military-industrial complex." But, mainly, it was a failing of character of the kind that had not afflicted John F. Kennedy. Kennedy could admit error, as he did after the Bay of Pigs-"But Lyndon Johnson seems to be unable to make this kind of statesmanlike gesture in connection with Vietnam The President's domestic record was impressive and rested upon a realistic response to the racial crisis and superlative skill in guiding legislation through Congress. The ultimate credit for civil rights legislation, however, belonged a fortiori to the American black man, said Martin. More significant, unimplemented legislation was an embittering hoax. President Johnson had shown little diligence about implementing the very legislation that he had authored. Congress was now determined to play "Russian roulette with riots" rather than fund compre-

hensive poverty programs.

Martin rejected the depth and the durability of the much-discussed racial "backlash" A poll of black Americans in Fortune revealed an encouraging 80 per cent preference for his methods, and a slightly lower percentile of admiration for him personally. The Lou Harris poll indicated that most white Americans were ahead of the White House and Congress in believing that some measure of economic redress was owed the blacks. The march of the poor to Washington. Martin was certain, would very likely be the final positive prophylactic endeavor to avert a racial holocaust. "The flash point of Negro rage is close at hand," Look quoted him as saying. Obviously the White House was not listening, for it refused to accept the findings of its own National Advisory Commission on Civil Disorders, released in February, 1968. The Commission's report directly charged white America with racism and predicted the rapid development of two separate, hostile, and unequal American racial societies, if drastic reforms were not undertaken. Vice-President Humphrey dutifully regretted the Kerner Report's harsh judgments.

Civil rights as a political issue now had limited and diminishing national appeal, but criticism of American entanglement in Southeast Asia suddenly became immensely appealing and viable at the close of 1967. In mid-October, the Conference of Concerned Democrats had met in Chicago under the chairmanship of Allard K. Lownestein, to seek an alternative candidate to Lyndon Johnson. On November 30, Senator Eugene McCarthy announced his candidacy. Although his campaign was distressingly white and affluent-liberal, and although it made not the slightest curtsy in the direction of Martin King, whose months of painful unpopularity had been such an important force in shaping the anti-Vietnam position, McCarthy's New Hampshire Primary victory was an implicit and deeply rewarding vindication. On March 15, Robert Kennedy became an official candidate. junior senator from New York also vigorously opposed the Administration's conduct of the war. Martin's position became much more respectable nationally and within the black community. He declined to endorse either candidate, although he congratulated the California Democratic Council on March 16 for backing McCarthy, adding that "Both men have the ability of grap-pling meaningfully and creatively with the problems in the cities and with racism." The important thing was to prevent the renomination of Lyndon Johnson.

If Martin had been right about Vietnam, it was possible that the people would come to see that he was also right in his appraisal of domestic poverty and racism. The candidacies of Senators Kennedy and McCarthy were certainly an encouragement, but his plans would not have altered if neither of them had entered the presidential contest. Despite the continued opposition of his top advisors-Bayard Rustin, Michael Harrington, and others-at the January planning session in New York he virtually forced the acquiescence of the SCLC in the Poor People's Campaign. On February 12, 1968, his staff finished the master plan for the Poor People's March. The initial cadres would be drawn from ten cities and five rural districts located in the East, Midwest, South, and Appalachia. From Roxbury (Boston's Appalachia. From Roxbury (Boston's ghetto), Chicago's Lawndale community. Mississippi, and West Virginia, three thousand volunteers would travel in caravan to a shanty town erected in the capital. From there they would make daily sorties over a three-month period (from April 20) to the

Senate, the House of Representatives, and the headquarters of cabinet agencies such as Agriculture, Health, Education, and Welfare, and Housing and Urban Development. "We will place the problems of the poor at the seat of government of the wealthiest nation in the history of mankind," Martin wrote, "If that power refuses to acknowledge its debt to the poor, it will have failed to live up to its promise to insure life, 'liberty, and the pursuit of happiness' to its citizens."

The core of their demands was to be a \$12-billion "economic bill of rights," guaranteeing employment to all the able-bodied, viable incomes to those unable to work, an end to housing discrimination, and the vigorous enforcement of integrated education. The demands were intentionally vague, not restricted to specific legislation, in order to guard against the seduction of empty promises and legislative feints. The intensity and size of the campaign would be determined by congressional response. An unfavorable response would result in thousands more converging on Washington, with the original contingent acting as nonviolent marshals. The plan also envisaged simultaneous demonstrations of the poor on the West coast.

The stratagem was bold and imaginative. It provided, at least theoretically, a solution to fundamental problems in nonviolence, if, for the first time since leaving the South. Martin was looking to the Poor People's Campaign and beyond toward a national political base, as the evidence supports, he might have achieved the leverage with white activist groups that had consistently eluded his grasp. "Our challenge," he wrote now, "is to organize the power we already have in our midst." The black poor-domes-tics, sanitation workers, victimized tenants, seasonal laborers-organized into unions across the nation would be thought have a powerful appeal. Until now, the involvement of the white liberal and the white labor unions in civil rights had been voluntary, patronizing, and governed in enthusiasm and duration by pre-emptive sets of cultural, organizational, and politico-economic values. A true community of interests existed at only the most superficial level. If the cries of "burn, baby, burn!" exhilarated black youths and gave a measure of vicarious satisfaction to a majority of their elders, they appalled bien pensants whites. Similarly, Vietnam at first was never a spontaneous and passionate issue among the majority of blacks. Conversely, the issues by which white students justified their anti-establishment insurgency really made sense only to those whose middle-class existences drove them to become déclassés. If jobs and housing did mean the same thing to the unions and the black workers, it was only more necessary that the unions appear at civil rights rallies while ubiquitously refusing to open their ranks to blacks or encouraging their members to open their neighborhoods to

The movement that Martin envisaged must be "powerful enough, dramatic enough, morally appealing enough, so that people of goodwill, the churches, labor, liberals, intellectuals, students, poor people themselves begin to put pressure on congressmen." He had refused to consider running for the presidency on a third-party peace ticket, but the offer proved his value to the political dissidents. He might shortly have a poor-people's front prepared to march with the antiwar legions, which would give him a different caliber of sup-

port—one based no longer on the vagaries of pure humanitarianism but on specific mutual benefit. Such a coalition would be proof against the Gresham's law of Black Power and violent or separatist ideologies. To those who accused him of removing himself from the eye of the civil rights hurricane, Martin could answer that a knowledge of meteorology was much more relevant. He began to speak more of the class struggle, in addition to the racial, as 1968 opened.

This new vision of domestic problems held considerable danger. There were deadly charges and political slogans that Martin's opponents would draw from a radical, working-class political movement. When questioned about the SCLC's nonviolent populism, Andy Young's habit was to appear dumbstruck. "I don't know about that. I am doing what I joined the ministry to do!" and he would cite a relevant parable from the teachings of Jesus. Martin knew that middle-class blacks and many of the simple church people would recoil at the prospect of an occupation of the capital. He was nevertheless prepared to lose their support. He was equally realistic about the response from Congress. "It is a harsh indictment," Martin believed, "but an inescapable conclusion, that Congress is horrified not at the conditions of Negro life but at the product of these conditions-the Negro himself." Martin added, with obvious relish at the turn of phrase, "For two years we have been discussing philosophy. We have been bogged down in the paralysis of analysis." Henceforth, he intended to be action personified.

After preaching one of his most unusual sermons to the Ebenezer congregation on February 4, he and Ralph were in Washington on Monday and Tuesday to attend a memorial service for the fallen of the Vietnam war and a peace rally where he spoke of the contemporary conditions of the black worker, which were worse than the plight of his white counterpart during the Great Depression. After Washington, they South, combining a people-to-people tour and talks with SCLC staffers about the poor-people's undertaking. February 15 was spent in Birmingham, the next day divided between speeches in Selma and Montgomery. Before the final drive began, Martin, Coretta, and Andy flew to Jamaica for a quick rest. A week later, February 23, he was in New York to participate in a Carnegie Hall tribute to W. E. B. DuBois, along with James Baldwin and Ossie Davis. An old ally, James O'Dell, now with "Freedomways," had handled much of the planning for the occasion. Martin's speech was eloquently moving. In his reference to DuBois the man-"He confronted the establishment as a model of militant manhood and integrity. He defied them and though they heaped venom and scorn on him, his powerful voice was never still"-there was a vibration of his own severely tested manhood. O'Dell must have been gratified to hear the speaker declare that "So many would like to ignore the fact that DuBois was a Communist in his last years. . . . Our irrational, obsessive anti-Communism has led us into too many quagmires." The ovation drowned out the words that followed. On March 17, he interrupted a Southern recruitment drive for the campaign to speak in the barony of Detroit's wealthy, Grosse Pointe. He was outrageously heckled for his Vietnam views. The next day, he answered James Lawson's appeal to come to Memphis.

TRIBUTE TO FRED J. KROLL

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday. August 4, 1981

• Mr. FOWLER. Mr. Speaker, I want to express to you my deep sadness over the recent passing of a great leader and a person for whom I have long had the greatest admiration.

Fred J. Kroll, president of the Brotherhood of Railway & Airline Clerks (BRAC), lost a 5-year struggle with leukemia on July 30, 1981. Fred's work and dedication will be sorely missed by his associates and his friends.

Fred was highly effective in his leadership role. It was in large part due to his efforts that the recent compromises on Conrail, AMTRAK, and railroad retirement were reached in the budget reconciliation bill. As a result, vital freight and passenger rail service will be saved and a large number of jobs will be preserved. Equally critical is the compromise package on railroad retirement that will insure timely and adequate retirement benefits to retired railroad employees.

Originally from Philadelphia, Pa., of a family involved in trade union activity, Fred launched his rail career in 1953 as an IBM machine operator on the former Pennsylvania Railroad. There he served in leadership positions in Quaker City Lodge 587. This eventually culminated in his being elected to the presidency of the international in 1976. He was regarded so highly that he was reelected to his position by acclamation in 1979.

Just recently, he spearheaded the April 29 rail labor rally in Washington in which over 20,000 railroad workers participated to protest President Reagan's budget-cutting initiatives. Fred Kroll's forceful leadership and his ability to forge an effective compromise on the issues will not soon be forgotten.

COAL GASIFICATION—AN ENTRE-PRENEURIAL OPPORTUNITY

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mrs. BOUQUARD. Mr. Speaker, building coal gasification plants could very well be one of the most profitable long-term business investments available for today's risk capital. A recent report issued by the Gas Research Institute, a nonprofit organization, states that the cost competitiveness of the gas from a coal gasification plant built now will improve over the life of the plant. The implication to be drawn is that large profits could result in

later years when the production costs are low compared with the prevailing production costs of either extracted energy sources like natural gas and oil. So what is the problem? The report

So what is the problem? The report states that during the 1980's the initial price of this gas will probably be higher than extracted gas prices. The implication to be drawn from this is that little or no profits and possibly losses could be expected for as long as 8 or 9 years of operation.

As an example, the report refers to a hypothetical oil shale plant that could have been built economically in 1972 if the oil sold for \$5 per barrel—now the break-even price is \$40 to \$60 per barrel because of inflation and other factors. Had that facility been built in 1972, it would be more than competitive and overwhelmingly profitable today.

When one considers the estimates of the additional world oil premium that the United States must pay, estimated at \$5 to \$35 a barrel, the national economics are even more compelling.

The dilemma facing the industry is that if short-term considerations dominate, then extracted energy sources are the least cost alternatives. However, if long-term considerations dominate, then manufactured fuels are the least cost alternatives even though in the short term they are not the least cost.

The executive summary of GRI's report follows for you to draw your own conclusions:

COAL GASIFICATION COMPETITIVENESS BY THOMAS J. WOODS

[Charts not printed in the RECORD]

The purpose of this paper is to assess the extent to which coal gasification could be considered a viable commercial source of pipeline quality gas in the light of recent changes in expectations for the prices of extracted gas. Assessing the economic competitiveness of high-Btu gas from coal is not a straightforward process. As illustrated in Figure 1, the relative annual production profiles of extracted fuels (Devonian shale, tight sands, conventional natural gas) are totally different from each other as well as from the production profiles of "manufactured" fuels (synfuels, base load power plants). As a result, any comparison of the production costs for extracted fuels must reflect their declining rates of output in order to put than on the same output basis as manufactured fuels which have constant rates of output.

When the declining output is taken into account, the capital investment for extracted gas, even assuming no increase in real drilling costs, is comparable to that required for a coal gasification facility. If the declining quality of the remaining undiscovered resource base is also taken into account, along with the fact that real drilling costs have grown more than 7 percent a year since 1973, coal gasification would appear much more attractive than extracted gas.

Although coal gasification might be more attractive than extracted natural gas in the

long term, its high front end costs will tend to make it more expensive than most extracted natural gas sources in the short term. However, because about two-thirds of the cost of coal gasification is fixed, its real cost over time will decline. This is illustrated in Figure 2 for the proposed ANR coal gasification facility. With a 6.5 percent assumed average annual inflation rate, the cost of gas in constant dollars from the ANR facility is estimated to fall almost 5 percent a year. After 25 years of operation the estimated cost of gas (constant dollars) would be less than one-third the cost in the first year of the facilities' operation.

On the other hand, because additional natural gas reserves must be discovered and developed to compensate for the declining original production of natural gas, it is unlikely that the real cost of natural gas would remain constant. The large increases in drilling costs over the past few years make it very likely that costs will grow, perhaps quite rapidly. As a result, even though gas from coal may start out more expensive than natural gas, after a few years of operation, the gas produced in the facility should be cheaper than natural gas.

High-Btu gas from coal becomes competitive with natural gas when the average price for both sources are equal over the lifetime of the gasification facility. The higher the expected rate of inflation in the economy or in the real price of natural gas, the higher the initial price of high-Btu gas from coal can be relative to natural gas prices. Figure compares the relative initial costs at which gas from coal would become competitive with natural gas under cases of no real growth and 3 percent average annual growth in extracted gas costs for a coal gasification facility lifetime of 20 years. Figure 3 shows that, at a 6 percent average annual inflation rate, high-Btu gas from coal would be competitive with natural gas if its initial costs were no more than double that of extracted gas when natural gas prices grow 3 percent a year faster than inflation. At a 7 percent average annual growth in natural gas prices, comparable to the real growth rate in drilling costs in the past few years, gas from coal could start out at twice the cost of extracted gas and be competitive with natural gas even if there were no inflation in the economy. Of course, if the gasification facility could operate more than 20 years, then its initial cost relative to natural gas could be even higher.

While the above discussion indicates that, in an inflationary environment escalating natural gas prices improve the competitive ness of coal gasification, the absence of real growth in world oil and natural gas prices may not have as negative an effect on the competitiveness of coal gasification as might first appear. Stable energy prices would probably slow the rate of inflation and thus lower the cost of capital. Because at least half of the increased costs for high. Btu gas from coal from 1976 to 1980 were from increased costs of capital, lowering the cost of capital would improve the competitiveness of gas from coal. For example, were it possible to finance coal gasification at 1976 rates, gas from coal would cost somewhat more than \$5.00 per MMbtu. This would be more than competitive with crude oil prices today which are almost \$6.00 per MMbtu. It would, in fact, be close to the price allowed

¹Thomas J. Woods, Cost Competitiveness of Supplemental Gas Supplies: A Hint of an Explanation, (May 5, 1981).

² Data taken from FERC Opinion No. 69 (Docket No. CP 78-391), p. A-7.

under NGPA for tight formation gas (\$4.89 per Mcf in May 1981).

CONCLUSIONS

The introduction of high-Btu coal gasification facilities into the U.S. gas grid provides an energy source whose real price declines over time. The price that is paid for such a source is the initial high cost of the gas. In the 1980s this initial price will probably be higher than extracted gas prices. However, by the 1990s, if the current escalation rates of drilling costs continue, it is possible that the initial price from a new coal gasification facility could even be lower than the prices of some extracted gas sources. At such a point it would be very likely that the interest in building synthetic gas facilities would grow substantially.

If drilling prices do not grow very rapidly, it will be very likely an indication that extracted production is falling rapidly. Under such circumstances coal gasification would be needed to counteract that decline. As in the case of unconventional natural gas, the role of gasification cannot be adequately assessed outside the overall gas supply picture.

The analysis has also demonstrated the major role financing plays in determining the commercial attractiveness of coal gasification. Because financing is subject to institutional and market factors, proper selection among alternative financing techniques can significantly reduce the costs of gas from coal. Under such circumstances, coupled with its declining real price, coal gasification should not be seen as a contribution to price surges, at least in the long term.

Lastly, the cost competitiveness of coal gasification facilities improves over time, even if a new plant is built each year. If a new coal gasification facility were brought into operation every year for 25 years, the estimated life of the ANR facility, coal gasification would be providing 2.2 Tcf of gas to the U.S. energy system. At the end of this 25 years, however, the average real cost of high-Btu gas from coal gasification facilities might be little more than half the cost of this gas when the first facility opened 25 years before. Under such circumstances, while coal gasification is very expensive in the short term, in the long term it very well may be the only declining real cost source of gas available.

Delaying the development of manufac-tured fuel facilities until the price of natural fuels rise would accomplish little in the way of improving the short-term economics of manufactured fuel facilities. Manufactured fuel prices that would be lower than extracted fuel prices in 10 years are from facilities which are built today, when they are higher-priced than extracted fuels. In 10 years, although the prices of natural fuels will have escalated, so will have the firstyear price of the manufactured fuels. This has been observed, for example, in oil shale when, before 1973, it was claimed that the crude price need only go to \$5.00 per barrel to make an oil shale facility economical. Today the price is about \$35.00 a barrel and the competitive price for oil shale is \$40.00 to \$60.00 per barrel. However, had an oil shale facility been built in 1972, it would be more than competitive and overwhelmingly profitable today.

The selection of manufactured or extracted fuels will be largely determined by the time horizon of the decision-maker. If short-term considerations dominate, then extracted energy sources (e.g., natural gas, crude oil) are the least-cost alternatives, even

though in the long-term they will not be the least-cost paths to follow. On the other hand, selection of the long-term least-cost path would result in selecting fuels which, in the short-term, are not the least-cost. The dilemma facing the energy industry, and ultimately the consumer, is something which will be resolved in the manner in which previous societies chose to abandon slash and burn agriculture and enter stable agricultural patterns or chose to go from pre-industrial to industrial economies. It is a situation in which the classical decision-making modes of one world cannot be directly extended to the other.

THERE IS NO TOBACCO SUBSI-DY-LET US SET THE RECORD STRAIGHT...

HON. CHARLES WHITLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. WHITLEY. Mr. Speaker, one of the most misunderstood facets of tobacco is the Federal price support program. Critics denounce a bureaucracy which—they say—gives taxpayers' money to farmers to grow the leaf while discouraging tobacco smoking.

To set the record straight, one needs answers to these questions:

First, how does the program really work?

Second, how do the books balance, as far as taxpayers are concerned?

Third, do the Government's farm and antismoking programs really conflict?

In fact, there is no tobacco subsidy. There is a Government price support and production control program. It guarantees farmers a minimum price for their tobacco, as other programs do their corn, rice, peanuts, and cotton—13 different commodities altogether.

Permanent Government programs aimed at stabilizing the national economy including agriculture, date back to the 1930's, when the Great Depression was threatening to destroy America's economy. The 1932 tobacco crop sold for 9 cents a pound, and farmers were using leaf as fuel rather than sell at a loss.

WHAT IS A SUBSIDY?

Webster defines "subsidy" as a "grant of money." Yes, the Government loans money to tobacco farmers. But the Government does not grant money to tobacco farmers; the farmers borrow it, using their crops as collateral—some \$5.5 billion since 1933. The repayment rate—Government books show but a \$57 million net loss—is about 99 percent.

The money is not a gift. It is a loan, repaid with interest. In the 47 years since the tobacco price support program began, it has been the most successful farm program the Government has ever had.

HOW PRICE SUPPORT WORKS

All types of tobacco are eligible for price support. The program is voluntary, with growers of each type of tobacco given the option, via referendums every 3 years, to participate. Currently, 20 of the 24 types of tobacco grown in the United States and Puerto Rico fall under price support guidelines.

To be eligible to participate in the program, tobacco growers accept strict acreage and poundage allotments set annually by the U.S. Department of Agriculture (USDA). Total allotments, the national marketing quota, equal the amounts USDA estimates will meet domestic tobacco industry and foreign buyer needs.

The price support program does more than control quantity. It also establishes a minimum price for tobacco sold at auction. This minimum price is especially important to the tens of thousands of farm families who grow tobacco on acreage so small that no other crop there could support a family.

Most tobacco today is sold at a warehouse auction after grading for type and quality. The grade determines the per-pound support price.

If a grower's tobacco fails to bring an auction bid of at least 1 cent per pound above the support price, and if the grower has not exceeded his production quota, he is eligible for a Government loan equal to the support price. The tobacco is taken as loan collateral by a grower owned and operated cooperative, which processes and stores it for future sale.

WHAT IT COSTS

Among the most imperishable of farm crops, tobacco can be stored for several years before being sold in a more favorable market.

Loans are made on a crop-year basis, and it may take a number of years to dispose of loan receipts from a particular crop. However, when the cooperative sells the tobacco, each Government loan is repaid with interest. If sale proceeds do not cover the loan, the unpaid balance is written off as a program cost. If proceeds exceed the cost of the loan, interest and storage charges, the net is distributed to the growers.

The price stabilization and production control legislation was designed to insure that the farmer would earn a reasonable return for his considerable investment, yet provided for an adequate supply of tobacco to meet domestic export needs.

The Commodity Credit Corporation (CCC) administers the price support loans for USDA and does incur certain other expenses. For example, fluctuations in the interest market have occasionally caused gaps between the interest rate determined by CCC at the start of the crop year and the rate

paid by CCC on later loans. Variable rate loans, initiated with the 1981 crop year, are intended to minimize this expense.

Operating on the same principle as that behind the variable rate mortgage, CCC will reevaluate interest rates now twice a year. This means the interest rate the farmers' co-op pays on price support loans could change as often as every 6 months until all of that year's tobacco is sold.

USDA also has administrative costs and market news service, plant research and extension program expenses—totaling about \$22 million in 1980. Until recently, farmers also received inspection and grading services free of charge. That cost USDA about \$8 million in 1980. In the future, the growers will pay for inspection and grading themselves.

The current \$57 million net loss on CCC tobacco loans is the result of but 2 or 3 bad years. This amounts to just one-tenth of 1 percent of all losses for all commodity price support programs (see table). Loan payments—plus interest—have exceeded losses in almost all 47 years.

During the half century that the tobacco program has incurred this relatively modest Government expense, tobacco product purchasers have paid Federal, State, and local treasuries more than \$130 billion in excise taxes.

THERE IS NO TOBACCO SUBSIDY

So there is no tobacco subsidy. Some misinformed critics argue that, even if there is no subsidy, the program makes tobacco products more readily available. But they ignore two basic facts:

First, the program is intended to, and does, keep tobacco leaf prices higher than they would be without it.

Second, the program is intended to, and does, keep domestic tobacco supplies lower than they would be without it.

Ending the program could bring these disastrous results: overplanting by big farmers and by newcomers, a drop in price, a decrease in income for many small farmers who depend upon income from an acre or two of leaf for their existence, and the squeezing of small farmers off the land because banks and other financial institutions will not provide operating loans without guarantee of repayment, which is presently assured by the price support program.

There would be widely decreased tax collections in the 20 States that grow tobacco, widespread disruptions in banking and commercial systems and—to continue the scenario to its logical conclusion—regional recessions.

If Congress were to heed critics, considerably increased acreage could be devoted to tobacco. With restrictive quotas gone, a large tobacco supply would enter the market—at reduced

ENCOURAGES SMOKING?

Does the price support program encourage starting or continuing to smoke? Yes, say critics. No, say Government health officials.

John Pinney, director of the Government's Office on Smoking and Health, declared in 1980:

We've reached the conclusion that the price support program in no way affects any aspect of cigarette smoking. It doesn't have anything to do with whether or not people start. It does not in any way affect whether or not they quit smoking.

And Joseph Califano, then-Secretary of the Department of Health, Education, and Welfare, testified before Congress in 1978:

I do not believe that anyone smokes or doesn't smoke or decides to begin or continue or stops smoking because of the tobacco subsidy. I don't think it is in any way related to that.

He gave the program the wrong name in calling it a subsidy. But he gave it an accurate assessment.

Government price support programs—Direct loss on commodity operations [October 1933—September 1980]

	Million
Dairy	1\$6,025
Corn	3,208
Wheat	2,962
Cotton	2,337
Peanuts	1,141
Sorghum	999
Rice	412
Barley	225
Oats	210
Soybeans	120
Tobacco	257
Rye	33
Naval Stores	10
Honey	1

¹A Government surplus purchasing program begun in 1949.

*\$17 million of this amount is offset by interest payments on the loans on which losses were in-

Source: U.S. Department of Agriculture, Agricultural Stabilization and Conservation Service, Commodity Credit Corporation, "Report of Financial Condition and Operations as of Sept. 30, 1980."

THE PROBLEMS OF THE NUCLEAR POWER INDUSTRY—III

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. HAMILTION. Mr. Speaker, in the April 12 edition of the New York Times Magazine Mr. Anthony Parisi describes the difficult situation of the nuclear power industry in the United States. Entitled "Hard Times for Nuclear Power," Mr. Parisi's piece is quite detailed and comprehensive. It raises questions of clear relevance for those of us who wish to understand the nuclear power industry's condition and prospects. I hope that my colleagues will give the article the close attention it deserves.

Drawing heavily on the information and opinion contained in "Hard Times for Nuclear Power," I addressed a series of questions to Mr. Joseph Hendrie, then chairman of the Nuclear Regulatory Commission. The response was signed by Mr. Nunzio Palladino, present chairman. My letter to Mr. Hendrie, an interim response, and the final response of Chairman Palladino are reprinted here for the benefit and use of my colleagues.

Members who are interested in further correspondence on this issue should see my extensions of remarks on July 8, July 14, July 15, July 16, and July 17 of this year.

The material referred to follows:

Congress of the United States, House of Representatives, Washington, D.C., May 28, 1981.

Hon. Joseph Hendrie, Chairman, Nuclear Regulatory Commission, Washington, D.C.

DEAR MR. CHAIRMAN: I recently read an article entitled "Hard Times For Nuclear Power" in The New York Times Magazine of April 12, 1981. The author of the article, Mr. Anthony Parisi, is not known to me, but if his observations are accurate then he is raising several important points which must be addressed.

After studying the article quite closely and giving it a good deal of thought, it occurred to me that I ought to get your ideas on a number of matters. Your answers to the following questions would be greatly appreciated:

1. Mr. Parisi states that "nuclear power is shrinking in this country... under its own economic weight." He attributes the industry's financial plight to a slackening in demand for electricity in the face of higher prices for fuel. In your opinion, what does the slack demand (high price) referred to by Mr. Parisi mean for the industry in the short run? In the long run?

2. Mr. Parisi claims that existing nuclear facilities save consumers money that they would otherwise have spent to buy coal or oil. He adds, however, that nuclear facilities ordered today would not achieve such savings. Do you agree or disagree? What are your reasons for your view?

3. Because of "slipping economic growth" and "the consumer's decision to shun high-priced energy . . most utilities today have far more generating capacity on hand than they need," according to Mr. Parisi. Is this an accurate assessment of the situation nationwide? What is the situation in the Midwest? In Indiana?

4. According to Mr. Parisi, analysts on Wall Street are beginning to take a dim view of nuclear facilities, calling them "an unattractive financial proposition" and "too expensive to build... to compensate investors adequately." How widespread are such views among analysts and investors? Does your experience lead you to believe that analysts and investors should be skeptical about nuclear power? What does such skepticism mean for the future of the industry?

5. On another question of finance, Mr. Parisi notes that "more than one power company now finds itself in a critical financial squeeze because of nuclear projects that have proved much more expensive than anyone had expected." Is this so? If it is, what are the prospects for these companies?

6. Mr. Parisi acknowledges that federal regulations have hit the industry hard. He then cites a study which concludes that there will be more, not less, regulation in the years ahead. To your way of thinking, how much of the industry's problem is due to unwarranted regulation? Is it your feeling that the conclusion of the above-mentioned study is correct?

7. According to Mr. Parisi, the "number of new safety problems being detected each year isn't falling, it's climbing—steeply." Is it your impression that he is correct? If so, how would you account for the trend? How would it be perceived by the public?

 According to Mr. Parisi, groups of citizens who oppose nuclear power have caused utilities to incur only minimal additional ex-

pense. Do you agree or disagree?

9. In commenting on the relationship between regulation and economic health in the industry, Mr. Parisi suggests that "even the ministrations of a sympathetic White House are unlikely to cure nuclear's malaise." He then makes the striking claim that "nothing short of a wholesale dismissal of the nuclear community's own safety policies would make a fundamental difference in the economics of nuclear power." What do you think of this point of view?

10. Mr. Parisi reports that among utilities there may now be more interest in coal-fired plants than in nuclear facilities. As concerns cost, he says that "virtually all the analyses show an unmistakable trend toward coal." Do you sense a growing interest in coal among utilities? Is coal in fact overtaking, or has it already overtaken, uranium as a

less costly source of electricity?

I understand that I have put a very large number of complex questions to you, but I do want to get a better grasp on the issue of nuclear power and I am certain that you are a person whom I should consult. Please feel free to make whatever additional comments on Mr. Parisi's article you deem to be appropriate. I look forward to hearing from you at the earliest possible date.

With best wishes, I am Sincerely yours,

LEE H. HAMILTON.

U.S. NUCLEAR
REGULATORY COMMISSION,
Washington, D.C., June 22, 1981.
MR. HUGH KENDRICK.

Acting Director, Plans and Analysis Division, Office of Nuclear Energy, Department of Energy, Washington, D.C.

DEAR MR. KENDRICK: The enclosed May 28, 1981 letter from Representative Lee H. Hamilton has requested the NRC to respond to questions concerning nuclear power. Most of the questions raised by Representative Hamilton address economic or broad energy issues which should be answered by the Department of Energy. Accordingly, we propose to respond to questions 6 and 7 relating to the regulation and safety of nuclear power plants, but request that the Department of Energy address the remaining questions.

Sincerely,

T. A. Rehm, (For William J. Dircks, Executive Director for Operations.)

U.S. NUCLEAR
REGULATORY COMMISSION,
Washington, D.C., August 5, 1981.
HON. LEE H. HAMILTON,
U.S. House of Representatives,
Washington, D.C.
DEAR CONGRESMAN HAMILTON: Thank yo

DEAR CONGRESSMAN HAMILTON: Thank you for your letter of May 28, 1981 and for bringing to my attention the concerns you raise regarding Anthony Parisi's article on

"Hard Times for Nuclear Power." Most of the questions you ask address national energy policy issues. We have referred these for reply to Mr. Hugh Kendrick, Acting Director, Plans and Analysis Divison, Office of Nuclear Energy, U.S. Department of Energy.

I shall respond to those questions that directly relate to NRC's area of responsibility in regulating commercial nuclear power.

These questions are as follows:

6. Mr. Parisi acknowledges that Federal regulations have hit the industry hard. He then cites a study which concludes that there will be more, not less, regulation in the years ahead. To your way of thinking, how much of the industry's problem is due to unwarranted regulation? Is it your feeling that the conclusion of the above-mentioned study is correct?

7. According to Mr. Parisi, the "number of new safety problems being detected each year isn't falling, it's climbing—steeply." Is it your impression that he is correct? If so, how would you account for the trend? How would it be perceived by the public?

would it be perceived by the public?
As a result of the TMI-2 accident, both external and internal investigative studies yielded recommendations for improvements totaling over a thousand. The Action Plan developed by NRC to deal with these recommendations resulted in both short and long range actions, many of which have already been resolved and are in the implementation stages; still others await resolution. While the TMI-2 accident did result in an increase in regulatory activity, I do not believe it can be characterized as unwarranted.

What constitutes warranted vs. unwarranted regulation is a matter not only of how regulators assess the risks, costs, and benefits of technological options, but also of how the public perceives these and arrives at personal decisions to accept or oppose nuclear power plants. The best test of whether new regulations are warranted or not would appear to be found in the establishment of risk/cost trade-off criteria, as recommended by the Kemeny Commission. Establishment of such criteria is one important aspect of NRC's current efforts to formulate safety goals.

It should be understood, however, that the major responsibility for dealing with the safety of nuclear power plants lies with the industry, including utilities, equipment vendors, architect-engineers, construction workers and supervisors. The accident at TMI had its jarring effects not only on the NRC, but also on the industry itself. This has led utilities and other parties in the nuclear industry to independently increase attention to safety problems and develop new safety-oriented organizations such as the Nuclear Safety Analysis Center and the Institute of Nuclear Power Operations, the latter being oriented to improving the man/machine interface in nuclear safety.

Industry efforts such as these, as well as the development of safety goals, should bear fruit in the long run in reducing regulatory burdens on the industry while provid-

ing adequate public protection.

Thus, the basis for the conclusions cited by Parisi, that the number of new safety problems will climb steeply in the years ahead, is debatable. Once the large number of safety improvements resulting from TMI have been implemented, we hope to see a decline in the growth of the number of significant new safety problems. However, all of the large plants now on line were designed and built without the benefit of operating experience in units of comparable size.

As operating experience accumulates, the number of "surprises" with backfit implications should decrease. However, there is no way to be confident that we are yet at that point.

I hope that I have been responsive to your questions regarding the Parisi article.

Sincerely,

NUNZIO J. PALLADINO.

LOUISIANA'S COASTAL MARSH

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mrs. BOGGS. Mr. Speaker, a recent survey conducted by the U.S. Fish and Wildlife Service has documented that Louisiana's coastal wetlands are being destroyed or altered at an accelerating rate, currently estimated at more than 40 square miles per year, with a resulting total loss of approximately 950 square miles of the State's coastal wetlands between the mid-1950's and the late 1970's.

This problem should be of national concern because Louisiana's estuarine system and associated coastal wetlands produce and nourish fish and wildlife resources of unusual value to the economies of Louisiana, the Gulf region, and the Nation, and these include fisheries, waterfowl, and furbearer resources.

I would like to share with my colleagues an article which appeared in the May-June 1981 issue of the Louisiana Conservationist on this very serious problem:

CRISIS IN THE COASTAL MARSH

(By David Fruge)

WETLANDS LOSS IN LOUISIANA IS CRITICAL TO WATERFOWL, ALLIGATORS, FURBEARERS, OTHER WILDLIFE, AND COMMERCIAL AND SPORT FISHERIES

Louisiana's vast coastal marshes are disappearing. The wetlands that support coastal Louisiana's rich fish and wildlife resources are literally vanishing. If the present rate of loss continues, major areas of the Louisiana coastal region will be claimed by water within fifty years.

These are the disturbing findings of recent studies conducted for the U.S. Fish and Wildlife Service and the U.S. Bureau of Land Management by Coastal Environments, Inc., a Baton Rouge consulting firm headed by noted geologist Dr. Sherwood Gagliano.

THE PROBLEM

Studies show that the rate of change of Louisiana's coastal wetlands is two to three times greater than previously believed. Prior studies placed coastal land loss at 16½ square miles each year. Marsh losses alone now exceed thirty-nine square miles per year.

Figures further indicate that over 500,000 acres or 800 square miles of southeastern Louisana coastal wetlands have been lost or drastically altered since the mid 1950's. Over 800,000 acres of land have been lost along the coast from Vermilion Bay to the Mississippi state line. Fresh water marsh

has experienced greatest reduction (about 90 percent of the total) with forested wetlands constituting a majority of the remaining wetlands changes. For the entire Louisiana coast, marsh losses alone now exceed 25,000 acres each year.

These figures are staggering.
Louisiana's wetlands provide habitat for more than two-thirds of the Mississippi Flyway's wintering waterfowl plus many other migratory birds such as rails, snipe, and gallinules. The largest fur and alligator harvests in the United States and over 25% of the country's commercial fisheries production come from our wetlands. The marshes and estuaries are nursery grounds for shrimp, oysters, and crabs, and stand as the basis for Louisiana's international reputation as a seafood state.

Important commercial species include shrimp, bluecrab, oysters, menhaden, croaker, speckled trout, sand trout, and redfish. The game fish list is even longer and Louisiana's coastal marshes are truly a paradise

for recreational anglers. No other state in the union enjoys such

lush, productive wetlands.

vast Louisiana coastal marshes stretch from the Sabine River on the west to the Pearl River on the east, and extend more than sixty miles inland from the Gulf of Mexico. According to a survey conducted in 1968 by Dr. Robert Chabreck of Louisiana State University, coastal Louisiana contains about 2.5 million acres of fresh to saline marsh, 1.8 million acres of ponds and lakes, and 2.2 million acres of bays and sounds. There are two distinct regions along the Louisiana coast: the Mississippi Deltaic Plain of central and eastern portion and the Chenier Plain of the western portion. Both of these regions have been developed over the past 5,000 years by a series of deltas built by the Lower Mississippi River.

THE CAUSES

Wetlands loss in coastal Louisiana results from a combination of natural and manmade impacts.

Natural loss occurs when wetlands sink and erode after active delta building ceases. The erosion of barrier islands and widening of tidal passes also lead to increased wetland

Man has increased the rate of wetlands loss through many of his activities. The construction of the massive Mississippi River and tributaries project, involving the con-struction of federally financed mainline Mississippi River levees and upstream diversions and flood control reservoirs, has prevented overbank spring flooding along the lower Mississippi River. Natural overflow is nature's tool in building the delta, the depository of bits and pieces of North America carried from the river's source, its tributaries, on down to its mouth.

As a result of levees (essential to the protection of river cities), most of the marsh building sediments are now being carried into the deeper waters of the Gulf of Mexico. This waste of sediment has, except in Atchafalaya Bay, prevented large scale building of new delta marsh that would help offset the rapid rate of wetland loss. It has also hastened the breakdown of existing

Another major cause of wetland loss is canal dredging and disposal of the dredged material or spoil. A report published in 1973 by Dr. Sherwood Gagliano indicated that dredging associated with oil and gas exploration and production accounted for nearly 25 percent of the total land loss in coastal

Drainage of marshes and swamps for agricultural or urban development is also a

Salt water intrusion, another major cause of wetlands deterioration, has been accelerated by the digging of large federally funded navigation canals. An example is the Mississippi River Gulf Outlet, a channel 36 feet deep by 500 feet wide extending for 78 miles from New Orleans to the Gulf beyond the Chandeleur Islands.

Following the initial digging of this waterway in the late 1950's and early 1960's, water salinity tripled in the St. Bernard Parish wetlands. Large expanses of cypress trees killed by the influx of salt water in the Chalmette-Violet area serve as a memorial to the once thriving cypress swamps

Salt water intrusion is also largely responsible for the loss in 1978 of the 20,000 acres of fresh marsh that were present in St. Bernard Parish in the mid-1950's, and the loss of 215,000 acres of fresh marsh in the Barataria Basin during the same period. Other major navigation channels which have contributed greatly to salt water intrusion include the Barataria Bay Waterway, the Houma Navigation Canal, and the Calcasieu Ship-Channel.

THE LOSS IS MORE THAN LAND

Louisiana's rich coastal fisheries are largely dependent on the coastal marshes. Extensive research, much of it conducted by biologists with the Department of Wildlife and Fisheries and Louisiana State University, has shown that our wetlands provide vital nursery habitat for shrimp, crabs, and fish which spend all or part of their life cycle in Louisiana's estuaries.

In recent years, shrimp and menhaden have accounted for more than 95 percent of the total poundage of commercial fish and shellfish landed in Louisiana. Scientists have presented evidence that both shrimp and menhaden are being harvested at or near full capacity or "maximum sustainable

yield"

For instance, despite a fairly stable commercial shrimp harvest in Louisiana since 1940, the yearly catch of shrimp per licensed trawl has declined by nearly 90 percent since that time. Dr. Eugene Turner of Louisiana State University has recently reported that Louisiana's inshore shrimp catch is directly proportional to acreage of intertidal vegetation (primarily marsh), and that wetlands loss has a direct negative impact on fisheries.

In other words, shrimp production is dependent on the marsh, and the loss of marsh reduces that production. Therefore, the future of Louisiana's rich coastal fisheries appears to be in grave danger with continued rapid loss of its coastal marshes

Wildlife also faces serious habitat-decline as a result of continued marsh loss and salt water intrusion. For the millions of migratory waterfowl that winter in Louisiana, the rapid conversion of fresh water marshes to open water, non-wetlands, or more saline marsh types will be especially severe.

Department of Wildlife and Fisherie bi-

ologists have found that the fresh and low (intermediate) marshes almost twice as many puddle ducks (mallards, teal, pintail, etc.) as do brackish and salt marshes, U.S. Fish and Wildlife Service biologists have estimated that the deficit in the supply of waterfowl hunting will exceed 336,000 recreation days by the year 2000. In other words, the marsh remaining then will not nearly support the number of hunters who will want to hunt at that time. Habitat for other marsh birds such as rails, gallinules coots and wading birds will also be reduced by continued wetland deterioration.

Louisiana's fur production is also threatened by rapid wetlands loss especially in the fresh water marshes. Nutria comprise over two-thirds of Louisiana's fur harvest nutria harvest is highest in fresh marsh, lowest in salt marsh. Alligators also reach their greatest numbers in the fresh and intermediate marshes. Therefore, continued marsh acreage declines are expected to result in reduced populations of fur animals and alligators, especially as land loss and salt water intrusion reduce fresh water marsh acreage.

There is a crisis in our coastal marsh.

SOME POSSIBLE SOLUTIONS

The primary means of reducing the loss of Louisiana's coastal marshes involves diversion of Mississippi and Atchafalaya River water into adjacent wetlands to reduce salt water intrusion and create new marsh. In diverting fresh water to reduce salt water intrusion, gates must be placed in the levees of the Mississippi or Atchafalaya Rivers so that controlled amounts of fresh water can be diverted to adjacent marshes and bays during periods of high river levels.

Although such projects are not designed to build new marsh, biologists believe that the nutrients and limited amounts of sediments carried into the marshes by the diverted water would reduce the present rate of loss. With projects designed to create new marsh, large volumes of Mississippi River water would be diverted into shallow protected waters, probably near the mouth of the Mississippi River. Marsh building sites could be located so that effects on oyster producing areas are minimized.

Several federal water resource studies being carried out under the leadership of the U.S. Army Corps of Engineers offer promise for large-scale fresh water diversion into the marshes. It is quite possible that these studies will conclude with recommendations for construction of fresh water diversion projects. Such projects would help to offset adverse effects on Louisiana's wetlands brought about by the construction of levees along the lower Mississippi River and the excavation of federally funded navigation channels.

The Louisiana legislature has already recognized the need to restore and enhance the wetlands of Louisiana's coastal zone. In 1979, it enacted legislation directing the preparation of a fresh water diversion plan the state. Work is underway on that plan, under the supervision of the coastal management section of the Department of Natural Resources.

Most important of all, the Department of Wildlife and Fisheries, the Department of Natural Resources, and the U.S. Fish and Wildlife Service must and will continue to work hand in hand to develop a restoration program for Louisiana's coastal wetlands.

It is clear that the important fish and wildlife resources of coastal Louisiana are threatened by continued rapid degradation of its marshes and swamps. This problem is widely recognized by natural resource managers, scientists, trappers, hunters, sportsmen, and other members of the public.

Sound measures are available to at least reduce this loss. However, firm action must be taken to implement these measures at the earliest possible date.

Without such action, an important part of this nation's fish and wildlife heritage will be lost forever.

NCPAC: DISHONEST BLIGHT ON AMERICAN ELECTORAL THE PROCESS

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

· Mr. ALEXANDER. Mr. Speaker, an ominous black cloud hangs over America's free political system, threatening to destroy the principles of truth and fairness that insure the continued stability of our Nation.

The threat comes from the vicious and irresponsible activities of a man named John T. Dolan and his organization, the National Conservative Political Action Committee, more com-

monly referred to as NCPAC.

Mr. Dolan is a brash young man with a careless disregard for truth. He uses the cloak of political conservatism as a cover for selfish and dangerous opportunism. He makes no secret of the fact that he is intent upon wrecking the safeguards in the Federal election reform law-no matter what it takes to do so

"They're gonna take me kicking and screaming to jail before I stop my activities," he bragged in an interview last year with the Washington Post.

Mr. Dolan carries on his guerrilla warfare campaign against our electoral system by using the "independent expenditure" loophole in the election law. Basically, this allows so-called independent groups to spend as much money as they like to support or oppose candidates-so long as there is no cooperation or collaboration between these independent groups and the legitimate, authorized campaign organizations.

Using this gimmick, Mr. Dolan and his group prepare "hit lists" of intended victims among elected officials. How long or how well an official has served his constituency seems to make little difference to Mr. Dolan and his

wrecking crew.

Nor do Mr. Dolan and his cohorts seem to be fazed in the least by the utter arrogance of outsiders like themselves marching into a congressional district and presuming to dictate to the citizens of the area whom they should elect.

If Mr. Dolan's goal were truly the advancement of the conservative political philosophy, his actions might be understandable. But it appears that, in preparing his "hit lists," Mr. Dolan is less concerned about the political coloration of an elected official than he is about how much money Mr. Dolan is likely to be able to squeeze out of reactionary millionaires to defeat that particular official.

His current hit list, for example, in-Budget Committee cludes House cludes House Budget Committee Chairman Jim Jones of Oklahoma, Ways and Means Chairman Dan Ros-

TENKOWSKI, of Illinois, and House Majority Leader JIM WRIGHT, of Texas.

By no stretch of the imagination could any of these three be considered the "dangerous liberals" that Mr. Dolan claims to believe are destroying the country.

JIM JONES is regarded by 95 percent of his colleagues as a conservative. His Budget Committee, on its own, approved fully 85 percent of the cutbacks requested by President Reagan.

Or Dan Rostenkowski. A moderate by any measure, Mr. Rostenkowski led his committee to approve a Democratic tax bill with enormous benefit for business as well as for individuals. Is that something a so-called liberal would do?

Or JIM WRIGHT. If Mr. Dolan's activities were truly designed to foster conservatism, he would admit that Mr. WRIGHT was considered easily the most moderate, the most nearly conservative, of the four candidates seeking the office of majority leader when he was elected to that post in 1976.

As to tactics, Mr. Dolan makes it clear that he and his group have absolutely no qualms about dragging the American political process through the mud to achieve their goal of having all elected Members of Congress think, act, and vote their way. Innuendos, half-truths, and outright lies are used.

Mr. Dolan himself accurately prophesied the grave harm that his group could do by stating:

Groups like ours are potentially very dangerous to the political process. We could be a menace, yes-a group like ours could lie through its teeth and the candidate it helps stays clean.

Herein lies the menace. Because NCPAC is not bound by Federal laws and refuses to follow any moral or ethical code whatsoever, Mr. Dolan and his group can say and do whatever they please about an elected official and spend as much money as they can raise to defeat that official.

And make no mistake about it-Mr. Dolan and his gang are expert practitioners of the art of media politics. They are long on know-how, but short on ethics. They are nothing more than political hit men. Their calling card should read: Travel." "Have Smears,

These east coast political pillagers go into a Congressman's district thousands of miles away, where they have no knowledge of how that district is being served, and set up shop. Then they manipulate and distort his voting record to try to make it appear that the official is not truly representing his constituents. If the facts give Mr. Dolan any trouble, he twists and distorts them to try to make his point.

Most Texans know, for example, that Senator LLOYD BENTSEN, of Texas, consistently opposes busing and votes that way. But based upon one 1979 vote against an antibusing amendment to a vital appropriations bill, BENTSEN is listed by NCPAC as probusing.

Senator DENNIS DECONCINI, of Arizona, has been antiabortion on 28 of 29 votes recorded in the Senate, but is listed by NCPAC as proabortion. Mr. Dolan explains these and other distortions of the truth by saying:

If a Senator votes once for busing or abortion, we think it's justified to list him as pro-busing or pro-abortion.

NCPAC's hand has been called several times on its outright lies. When his group stated that Senator JOHN MELCHER, of Montana, voted "yes" to give away the Panama Canal, it was not the truth. In fact, Senator Mel-CHER voted against the treaties. In the campaigns of 1980, NCPAC falsely charged that former Senator Frank Church, of Idaho, voted for a congressional pay raise and that Senator THOMAS EAGLETON, of Missouri, supported \$75 million in aid to Nicaragua. Mr. Dolan blames some of these and many other distortions on "typesetting errors" or states that the false information was corrected by later retractions.

Even now, during a nonelection year, NCPAC is busily seeking to spread its contagion of lies to other parts of the country. One target area is Tarrant County, Tex.-home district of House Majority Leader WRIGHT.

With great fanfare, Mr. Dolan has announced that NCPAC will spend \$450,000, more than a year in advance of the 1982 congressional elections, to smear Jim Wright's good name among

the people in the district.

Mr. Dolan seems not to be concerned in the least by the facts that: First, only 9 months ago, the citizens of Mr. WRIGHT'S district reelected him with an overwhelming 61 percent of the votes over an exceptionally well-fi-nanced Republican opponent; second, in a survey taken by the magazine U.S. News & World Report in 1980, Jim WRIGHT'S colleagues voted him the most respected Member of the House of Representatives, and, third, Mr. WRIGHT has no likely opponent for 1982.

Ordinarily, one would think these three facts alone would be enough to deter smear-for-pay attacks like the one Mr. Dolan is seeking to launch against Mr. WRIGHT.

But any such rational political judgment on the part of Mr. Dolan seems to have been subjugated by his overpowering desire to entwine his NCPAC tenacles around the booming, prosperous Dallas-Fort Worth metroplex, of which Mr. WRIGHT's district is a part.

After all, one could hardly expect a man as opportunistic as Mr. Dolan to be able to resist going down to scare the political daylights out of certain gullible millionaires who, when prop-

erly frightened, enthusiastically throw open their thick pocketbooks to combat what has been billed as the liberal threat of the United States of America-conceived, orchestrated, and produced, of course, by Mr. John T. Dolan.

Not coincidentally, Mr. Dolan appears to be the only one who profits financially from the whole sordid series of sneak attacks.

FOR FUSION ENGI-CENTER NEERING: FUSION ADVISORY PANEL REPORTS

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mrs. BOUQUARD. Mr Speaker, I wish to enclose for the Record today, a recent report from the Energy Research and Production Subcommittee's Advisory Panel on Fusion Energy. This panel, which was originally established in the past 96th Congress, is composed of many of this Nation's most prestigious and knowledgeable leaders both in fusion science and in industry. The panel stood us in good stead during the 96th Congress and I believe serves a continuing useful role in this Congress.

The panel met on June 29, 1981, and received presentations from 10 different organizations on the very timely topic of how to best establish a Center for Fusion Engineering. This Center was specifically called for in Public Law 96-386, the Magnetic Fusion

Energy Engineering Act.

The Reagan administration has sent to Congress a report indicating that they are not intending to establish such a center even though money is available within the fiscal year 1982 budget to do so. While I will have much more to say to the Department of Energy on this issue, I will save it for a later date. The subcommittee's Fusion Advisory Panel assessment of the need for such a fusion center fol-

FUSION ADVISORY PANEL REPORT TO THE SUB-COMMITTEE ON ENERGY RESEARCH AND PRO-DUCTION, HOUSE SCIENCE AND TECHNOLOGY COMMITTEE

JULY 27, 1981.

Mrs. Marilyn L. Bouquard,

Chairman, Subcommittee on Energy Re-search and Production, Committee on Science and Technology, U.S. House of Representatives, Washington, D.C.

DEAR MRS. BOUQUARD: Your Advisory Panel on Fusion Energy held hearings in Room 2325 of the Rayburn Building during the afternoon of June 29, 1981. Witnesses identified on Attachment A presented their views and responded to questions of Panel members who participated in the hearings (see Attachment B).

In general, it was the consensus of wit-

nesses presenting testimony that:
1. Fusion energy is needed as a future electric energy option.

2. The fusion program is ready now to move into the engineering phase of development. The Advisory Panel's views confirm the conclusions of the 1980 Fusion Advisory Panel, the Buchsbaum Report, and the action of the 96th Congress in enacting the Magnetic Fusion Energy Engineering Act of 1980 (Public Law 96-386).

3. The fusion program should be goal-oriented. The goals set forth in Public Law 96-386; i.e., construction of a device for the demonstration of the engineering feasibility by 1990 and of a magnetic fusion demonstration plant by the turn of the 21st Century are reasonable and should be pursued ag-

gressively.

4. A national commitment to the development of magnetic confinement fusion is es sential to the accomplishment of the goals

of Public Law 96-386.

5. The best way to implement the next phase of the national fusion energy program is to establish and fund a center for Fusion Engineering (CFE) with responsibility for getting a Fusion Engineering Device (FED) built, for having supporting R. & D. performed, and for planning and programming a Fusion Demonstration Plant (FDP) around the turn of the century.

6. Management and technical direction by industry, with meaningful involvement by the major laboratories, will give the CFE the highest probability of successfully car-

rying out its mission.

7. The Department of Energy (DOE) promptly should issue a Request for Proposal (RFP) for management and technical direction of the CFE, and select the best competitively on the basis of qualifications and relevant experience.

Discussion among Advisory Panel members attending our evening dinner meeting arrived at the following conclusions, partly by listening to testimony presented during the afternoon and partly on the basis of Panel members' knowledge and interaction:

1. The Advisory Panel reaffirms the validity of the goals, objectives and timeliness of the Magnetic Fusion Energy Engineering

Act of 1980.

2. A way should be found to get the new Administration, hopefully the President himself, to declare a national commitment to the development of fusion energy for ci-

vilian electric power.

3. The CFE and the FED should be "tied together". The CFE should assume immediate responsibility for the FED conceptual The primary missions of the CFE should be to get the FED designed and built, to program and to get accomplished an appropriate technology R. & D. effort to meet the immediate and longer term needs of the FED and FDP. The CFE should not become "another national laboratory". The CFE should expand our technical data base. It should take over the work of the Technical Management Board, which is directed toward a FED.

4. The state-of-the-art is now such that vigorous programs of technology R. & D. and plasma optimization will lead to a successful FED. The scope of the FED must be determined by the technical R. & D. requirements of an overall plan leading to the FDP—rather than by some arbitrary design restriction, such as a \$1 billion dollar ceil-

5. The Panel members agreed that there exists several valid models for the management and technical direction of the CFE. A majority of the Panel favored industrial management with strong involvement of the present fusion community.

The recommendations of the Advisory Panel are:

1. The Secretary of Energy should be requested to prepare a mission statement for the Center for Fusion Engineering (CFE) and a plan for its implementation, consistent with the aims of the Magnetic Fusion Energy Engineering Act of 1980. The mission statement should include construction of a Fusion Engineering Device (FED) and should emphasize the goal of achieving a Fusion Demonstration Plant around the turn of the century.

2. The Subcommittee on Energy Research and Production should hold hearings: (a) inviting the DOE to state its near-term plans for implementing the Magnetic Fusion Engineering Act, and (b) inviting industry, laboratories and universities involved in fusion, and others to comment on these plans.

As an Advisory Panel, we shall be happy to meet again whenever it might be helpful

to you.

I look forward to discussing the matter with you at your convenience.

Best wishes!

Sincerely,

LEONARD F. C. REICHLE. Chairman, Fusion Advisory Panel.

ATTACHMENT A-LIST OF PRESENTORS

Dr. Harold Agnew, president, General Atomic Co., LaJolla, Calif.

Dr. Don Anthony, manager, Fusion Energy Systems, General Electric Co., Schenectady, N.Y.

Dr. Stephen O. Dean, president, Fusion Power Associates, Gaithersburg, Md.

Dr. Donald Kummer, manager, Fusion Energy, McDonnell-Douglas Co., St. Louis,

Mr. Sidney Law, director of research, Northeast Utilities, Hartford, Conn. (representing the Atomic Industrial Forum Committee on Fusion).

Mr. Frederick Maxwell, president, Boeing Engineering & Construction Co., Seattle, Wash.

Mr. Lawrence Mead, senior vice president, engineering, Grumman Aerospace Corp., Bethpage, N.Y.

Mr. Martin Scholl, associate technical director, Energy and Resources Division, MITRE Corp./Metrek Division, McLean, Va.

Mr. R. J. Sherman, chairman of the board, Ebasco Services, Inc., New York, N.Y. Dr. Peter Staudhammer, laboratory manager, nuclear energy, TRW Co., Redondo Beach, Calif.

ATTACHMENT B-MEMBERS OF THE ADVISORY PANEL ON FUSION ENERGY ATTENDING JUNE 29. 1981 MEETING

Mr. Leonard F. C. Reichle (panel chairman), executive vice president, Ebasco Serv-

Mr. Calvin J. Blattner, vice president engineering, McDonnell-Douglas Astronautics

Dr. Brian Cairns, manager, advanced technology, Boeing Aerospace.

Dr. Ronald C. Davidson, director, Plasma

Fusion Center, Massachusetts Institute of Technology.

Dr. Ersel Evans, vice president, Westinghouse Hanford Co.

Dr. T. Kenneth Fowler, associate director for CTR, University of California, Lawrence Livermore Laboratory.

Dr. Harold Furth, director, Princeton Plasma Physics Laboratory, Princeton University.

EXTENSIONS OF REMARKS

Dr. John W. Landis, senior vice president, Stone & Webster Engineering Corp.

Mr. Mike McCormack, energy consultant. Dr. Tihiro Ohkawa, vice president and director, Fusion Division, General Atomic Co. Dr. Murray Rosenthal, associate director

for advanced energy systems, Oak Ridge Na-

tional Laboratory.
Mr. Dwain F. Spencer, director, Advanced
Power Systems Division, Electric Power Research Institute.

OIL ISSUE SHOULD HAVE BEEN SEPARATE VOTE

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mrs. HECKLER. Mr. Speaker, today we found ourselves confronted with voting on the issue of final passage of the tax legislation under a suspension of the rule.

This suspension of the rule was a technique clearly designed to embarrass those Members of Congress, par-ticularly from the Northeast and Midwest who, like myself, approved of the tax bill designed to provide permanent tax relief to the American people but opposed the reduction in the windfall-

profit tax for the oil industry.

Last Tuesday, I appeared before the Rules Committee and urged them to allow the House to vote separately on the oil provision. I voted against their gag rule and I voted against the previous question which cut off further debate on separating the oil question from the tax bill. I took the floor of Congress to urge my colleagues to vote for the tax bill but I spoke out strongly against the reduction in the windfall tax for big oil. I went even further. I spoke to President Reagan in person to express my displeasure over this sellout to the oil industry and I signed a letter with 46 of my colleagues urging the conference committee to remove the measure from the final tax bill.

The Rules Committee could have granted us the opportunity to decide the oil issue as a separate vote and, given that opportunity I would have

immediately voted no.

But despite the efforts of a great many of us from the Northeast and Midwest, there were not sufficient votes to change this preferred treat-

ment of the oil industry.

The suspension of the rules procedure was clearly designed to embarrass those Members of Congress, particularly those from the Northeast and Midwest, who opposed the reduction in the windfall-profit tax for the oil industry.

But the fact remains that the overwhelming vote of 282 to 95 today demonstrates clearly that most of the Members of the House agreed with my resistance to this last minute theatrical ruse, a vain attempt to roadblock the tax bill, the largest tax reduction package in our Nation's history and a measure that had already been approved-overwhelmingly-by both the House and Senate.

HANDGUN BODY COUNT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

Mr. LEHMAN. Mr. Speaker, the handgun body count for the month of June was 569. Since January 1, 3,911 persons have been victims of hand-

One of these victims was a 2-year-old boy in Dade County, Fla. He found a gun in his home and accidentally shot himself. I hope all will heed the words of Dade County Detective Michael Robertson, who following the death of this little boy warned:

Thousands and thousands of guns are being sold and going into Dade County homes with small children every month. For God's sake, we have got to let these people who are buying them know what can happen when you leave a gun in the presence of little kids. It could be you.

The list of handgun victims for the month of June follows:

> HANDGUN BODYCOUNT-JUNE 1981 ALABAMA (4)

Samuel Bass, Jr., Rabb Muhammad. Bruce Oliver, Anthony Sollie.

ALASKA (1)

Bernard Bilbertson.

ARIZONA (3)

Raymond Cobos, LaDonna Marzley, Joseph Sandoval.

ARKANSAS (7)

Alahandro Avilas, Johnny Ford, J. W Kirkpatrick, Jesse Norment, Jr., Irene St. Clair, Christopher Spence, Sally White.

CALIFORNIA (61)

Michael Allen, Fred Alvarez, Roger Banister, Brenda Baird, James Blair, Ralph Boger, William Brandon, Agustus Bryant, Cecilio Calderon, Alfonso Camacho, Pat Castro, Rocky Catanzarite, Dubois Childress, Raymond Clark, Andrew Cole, Kevin Devenish, Stephane Donalds, Ronald Ebel-

toft, Salvador Escandon, Carlos Fandino. Officer M. Faulkner, John Franklin, Michael Gonzales, Judy Green, Talmadge Hardison, Paul Heck, Kwayne Harris, William Michael Henry, Timothy Scott Hyman, Floyd Kingsley, Janet Kingsley, Charles Keaton, Michael Leyba, Florine Livson, Refugio Lucero, Ernestine Mays, Jessie McHone, Lloyd Nordstrom.

Boyd O'Brien, Lorenzo Ochoa, Carole Osborne, Robert Peay, Richard Palmer, Peggy Charles Pennington. Rayburn. Roeder, Jennifer Roeder, Robert Robinson, Erich Schmidt-till, Chester Shelton, Mary Shelton, Keith Smith, Francis Springfield, Dori-Ann Stoutner, Elizabeth Sugrue, Rose Teluso, Harry Tiffany, William Warner, Unidentified male.

COLORADO (19)

James Baltz, Foster Bebout, Hillard Cannon, Debra Corr, James Gertge, Kerry Hillard Ireland, Todd Jackson, Timothy Krenke, Darrell Mock, James Placher, Allan Rennick, Ernest Seidlitz, Casimiro Vellalobos, Terrell Young, Randy Walton, Unidentified female, Unidentified female, Unidentified male, Unidentified male.

CONNECTICUT (4)

Mrs. Hassell, William LoRusso, Michael Macri, Leonard Strawther.

DISTRICT OF COLUMBIA (7)

Doris Haskins, Catherine Schilling, Marie McCoy, Johnnie Thomas, Peggy Washington, Barney Easton, Stanley Weldon.

FLORIDA (39)

Carlos Arias, Randy Brown, Howard Burns, Robert Clemente, Jerry Collins, Luis de la Cruz, Nabro Ennever, Charles Lippman, Ophelia Lippman, Ronniell Franklin, Martin Greenberg, Reynaldo Gonzalez, Anthony Helfandt, Adrian Hernandez, Otis Hosley, Nathan Jones, Jill Kimble, Serge LaFata, Julio Martinez, Charlotte Martz.

Julia Mengana, Margaret Merchant, Robert Merida, Jerry Mosca, F. Rodriquez-Pena, Nilda Sardinas, Jimmy Thompson, Norris Thompson, Ruby Vaughn, Charlie Wells, Jose Florio, Kenneth Williams, Marie Williams, Unidentified male, Unidentified male, Unidentified male, Unidentified male, Unidentified male, Unidentified male.

GEORGIA (9)

Charlie Byrd, Alfred Boatwright, Walter Copeland, Jr., Morris Highsmith, Marjorie Murray, Davil Payton, Joseph Quinlan, Roma Quinlan, Edward Rawlins.

HAWAII (2)

Frederick Herring, Gauta Ioane.

IDAHO (1)

Kim Applegate.

ILLINOIS (73)

Chester Alexander, Olvin Arroyd, Kevin Ayers, Willie Bibbs, Charlie Black, Tracy Britton, Lonnie Burnett, Ronnie Calvin, Jerome Cannon, George Castille, William Chin, David Clair, Linda Coffan, Milton Conley, Hermino Cruz, Eddie Daniels, Nelson Diaz, Eric Dillon, Alfred Downing, Neamiah Duncan.

Barbara Durdin, Jimmy Elrod, Daniel Fine, Pearl Fleming, Robert Flores, Anna Galbraith, Jose Gonzalez, Fred Graver, Michael Healy, Frenderick Hessler, Cleveland Jackson, Willie Jackson, Thomas Kane, Raymond Kawa, Jessie Lee, Darius Lilly, Roberta Lindsey, Linda McCullough, Mildred McCullough, Jogn McCurrie.

Lawrence McGrane, Aisha Memedovski, Richard Montclair, Barney Morgan, John Muhlena, Jr., Rocky Newton, Terry Owens. Muhlena, Jr., Rocky Howell, Thaddeus Papierz, Daniel Phillips, Ann Po-Haras Melik Raheem, Edwardo Ramos, licros, Malik Raheem, Edwardo Ramos, James Riordan, Cruz Robies, Antideo Rodri-quez, Milton Rodriquez, Nicholas Rodri-quez, Mary Schlaf, Ivan Singleton, Junrus

Anthony Smith, Robert Soto, John Stewart, Albert Torres, Larry Turner, Jose Velez, Larry Weddington, Annie William, Curtis Wolfe, Gregory Woods, Vernon Woodgett, Tyrell Young, Unidentified male.

INDIANA (4)

Teresa Bowers, Charles Colquitt, Thomas Hermeling, Clarence Jackson.

Ward Grade, Adele Martin, Scott Smith.

KANSAS (2)

Kenneth Mewhinney, Mark Wesonig.

KENTHCKY (5)

Robert Cochran, Magdalene Cruse, Marlene Matthews, Edward Rogers, Noele Tribell.

LOUISIANA (16)

Donald Albert, Marian Bodreaux, Adam Carter, Franklin Castle, Linda Dyson, Tyrone George, Guy Jarreau, Carolyn Jones, Robert Jones, Reese Lacour, Betty Moran, Terri Murrell, Augusta Reed, Joseph Roberie, Lorelie Wickers, Kenneth Williams.

MARYLAND (21)

James Brittingham, Marvin Brown, Raymond Duncan, Robert Edwards, Robert Glad, Warren Haga, Albina Harris, Edward Harris, David Houze, Woodrow Hunt, George Jenkins, Yun Sin Kim, Travis Lupton, Benjamin Mackall, Arthur McChesney, David O'Neal, Gilbert Powell, Mildred Reece, Martha Robinson, Antonio Sutherland, Unidentified male.

MASSACHUSETTS (4)

Leo Amet, Marlene Brennan, Carlos Madariaga, Marc Somma.

MICHIGAN (46)

Donald Banaszewski, Jackie Bonner, Oscar Bonner, Jr., Henry Byas, Henry Cummings, Wilson Curtis III, Charles Erwin, Sterling Fulton, Richard Gadziemski, Anna Galbraith, Phillip Garrett, Robert Greer, Donna Hawkins, Sylvia Hendrickson, Alfred Hockett, Alvin Johnson, James Johnson, Arthur Jones, Larry Jones, David King, Brian Labadie.

Larry LeFlore, Gordon Lowrey, Jr., Mary Mathis, August Menard, Gaetano Pagano, Fred Parker, Robert Person, Donald Peters, Clemon Phillips, Anthony Pointer, Todd Poole, Harry Pustelnik, Jr., Robert Radyko, Officer E. Sanders, Alphonso Scales, William Scott, Cynthia Stewart, Fernando Toster, Darlene Washington, Norman Webb, Eleanor Werdes, William Wheeler, George Whitehouse, Webb Woods.

MINNESOTA (7)

Daniel Bouley, Eddie Garrett, William Johnson, Leonard King, David McMillan, Leonard Mosby, Peter Murphy.

MISSISSIPPI (2)

Willie Jackson, Fannie Wells.

MISSOURI (21)

Emanuel Askew, Andy Cole, Bruce Crusby, Gordon Edwards, Tyrone Henry, Steven Horne, Clifford Jennings, Otis Jackson, Curtis Johnson, Wesley Jones, John Lott, Edwin Merrill, Gayle Meyer, William Moore, Robert Musgrove, Cheryl Styner, Fletta Sutterfield, Roy Sutterfield, David Thomen, Roger Thompson, Unidentified male.

NERRASKA (5)

Jack Foster, Julius Menser, George Montalvo, Robert Skala, Jr., James Worley.

NEVADA (1)

Unidentified male.

NEW JERSEY (3)

Elaine Delfico, Arthur Love, William McGuirk.

NEW MEXICO (2)

Leonard Green, Rudy Marquez.

NEW YORK (38)

Gracy Anderson, Gerard Arachell, Alahandro Avilas, Ronald Baker, Ray Brown, Ronald Burroughs, Ann Champion, Thomas Cariola, James Conley, Nilba Cruz, George Cruz, Jose Cruz, Curtis Dandridge, David

EXTENSIONS OF REMARKS

Dearburn, Louis Diamond, Cameron Eshiell, Ronald Fischetti, Edwardt Frank, Fred Fucci, Sebastian Fenoccia.

Luis Galvis, Robert Greene, William Griffin, Ben Harrington, Arguinides Hidalgo, Robert Jahn, Dominick Mangino, Joseph Moline, Margaret Moore, William Moroney, Leonard Mosby, Keith Post, Mike Schlachter, Leon Schreiber, Eric Snyder, Claude Spender, Unidentified male, Unidentified male.

NORTH CAROLINA (16)

Larry Biddy, Christine Blaylock, Wilbert Blaylock, Lora Campbell, Nancy Clinton, Danny Dillard, John Goble, Bobby Hill, Anthony Jones, George Leonhardt, Sr., Mary Lipscomb, Walter McCaskill, Joseph Poole, Jerry Rozier, Edgar Waldroup, Andy Watty.

OHIO (23)

Debra Adams, Elfreida Ayle, James Brown, Mose Camp, Gary Floyd, Michael Freeman, Steven Graves, Jr., David Green, Dale Gibson, Joshua Henry, James Kellar, Jon Neeley, Bennie O'Neal, George Owings, Michael Schmidt, Johnny Taylor, Robin Tyler, Edward Warner, Frank Wyche, Maurice Witherspoon, Joseph Wright, Robin Zapata, Unidentified male.

OKLAHOMA (7)

Ifti Ahmed, Nolan Craft, Leonard Henderson, Richard Hutton, Robert Lee, Lori Mann, Dedra Pettus.

OREGON (4)

Mary Allmon, Ryan Allmon, Edgar Jones, Jr., Terry Orcutt.

PENNSYLVANIA (12)

James Angelos, Viola Berry, Dan Boyle, Annette Butti, Bennie Fletcher, Sr., John Gilmore, Policeman J. Holcomb, Sherry Jones, James Leahy, Kathy Rowden, Marne Toogood, Jack Wiegand.

RHODE ISLAND (5)

Thomas Amant, John Harlow, Jr., Max Kleiner, Natalie Kleiner, Alice Smithbauer.

SOUTH CAROLINA (1)

Lewis Rowland.

TENNESSEE (13)

Harold Anderson, Roy Black, Clarence Brewer, Jr., John Carter, Lora Carter, Delina Crouch, Charles Culbreth, Andrew Harrison, Pamela Harrison, Lodie Moore, Windley Pearson, Kendall Stamper, Noela Tribell

TEXAS (44)

Claudine Abram, David Alley, Donna Baker, Liz Bardin, Victor Barragan, Willard Baugh, Kathryn Bristol, Charles Caudill, Jr., Kenneth Chessher, Patricia Chessher, Allen Clark, Samuel Fishman, Goldie Frank, Rona Gibbs, Wylie Grice, Kenneth Hayles, Robert Huffman, Derrick Johnson, Jackelyn Johnson, Greg Kelley.

Melvin Lawson, Danny Lombrana, Carmen Maldonado, Majorie Matocha, William Mercer, Terry Osborn, Sandra Pardon, Belle Perry, Jack Ray, Rudy Rojas, Julio Rivera, Mark Saylor, Betty Seale, Raymond Seale, Severino Serna, Jr., Ernest Stewart, Mack Sweat, Alex Thibo, Phillip Thompson, Ben Washington, Elizabeth Wilkins, Lennie York, Unidentified female, Unidentified male.

UTAH (3)

Nyla Earl, Frank Hancock, Larry Ward.

Theodore Barbour, Jr., Donna Dobbs, Carolyn Gibson, August Grauden, Carolyn Guggemos, John Guggemos, Audrey Howington, Jack Jaffe, George Jordan, Michael McArdle, Leon Williams, Johnnie Thomas.

WASHINGTON (10)

Ted Bottiger, Jr., Silome Domingo, Peter Edwards, James Iddins, Mary Larsen, Frank Lovejoy, Timothy Parker, Paul Pruner, Gene Viernes, Unidentified female.

WISCONSIN (4)

David McMillan, James Rusk, Cecelia Schroader, John Warner.

WEST VIRGINIA (5)

Patrolman Eddie Duncan, John Johnson, Lt. Delbert Roush, Sr., Ronald Smith, Unidentified female.

PREVIOUSLY UNREPORTED HANDGUN DEATHS—

January

CALIFORNIA

Irene Bracci, Thurman Brooms, Charles Cano, Pascual Capato, Robert Dougherty, Carol Fox, Robert Henry, Richard Pierce.

D.C.

Chong Cha, Lee Rutan.

KENTUCKY

Gary Stuzenburger.

MARYLAND

Nathan Walker.

NEW YORK

Isaac Henry.

PENNSYLVANIA

Debra Buzzard.

TEXAS

Frank Sandiford.

WASHINGTON

Charles Bockelman, Steven Callien, Floyd Helm, David Jansen, Ronald Olson, Karl Person, Eugene Taylor, Maxie Valdimars, Tanyia Webb, Donald White, Alexander Whitish.

February

CALIFORNIA

Pamela Durham, Edward Fonseca, Perone Robinson

FLORIDA

Allen Mowery, Jarilyn Peoples.

MARYLAND

James Stoddard.

PENNSYLVANIA

Jeffrey Evans, Jose Osorio.

SOUTH CAROLINA

Helen Wood.

WASHINGTON

Christopher Fosnaugh, Chico Hawkins, Calvin Knoth, Darlene Mansfield, Nicholas Vojkovich.

March

ALADA

Terry Knight.

ALASKA

Wendy Wilson.

CALIFORNIA

Thomas Dupree, Raymond Gautier, Jackie Mills, Frank Namijoshi.

FLORIDA

Jose Batles.

GEORGIA

Theresa Young.

INDIANA

Andrew Jackson, Edward Ward.

Levi Nelson.

EXTENSIONS OF REMARKS

MARYLAND

Marlene Hayes, Marquis Howell.

MISSISSIPPI

Annie Boyd.

MISSOURI

Mary Green.

NEW YORK

Robert Endersbee.

NORTH CAROLINA

James Saltor.

OREGON

Scott Moulton, Denise Siotkowski.

PENNSYLVANIA

George Ellerbee, Jose Lopez, Richard Mayberry, George Torrance.

TEXAS

Raymond Arreondo, John Criswell, Louis Dadara, David Dixon, Steve Daugherty, Raymond Dorman, Harry George, Susan George, Ernest Gray, Arthur Hood, Able Nwarungwau, C. Ortiz, Louis Parlich, Cheryl Polk, Jesse Ramirez, Valentin Reyes, Nassario Saldana, Gary Shafer, Mary Wilson.

WASHINGTON

Bruce Christensen, Sonny Faausu, David Finch, Walter Hansen, Dorothy Norton, Sandy Parker, Rodolfo Razario.

April

CALIFORNIA

David Algood, Richard Becerra, Stacey Benjamin, Robert Cornejo, Paula Geddling, John Griffith, Robert Guthrie, Diana Hayes, Hans Schwarzenbach, Warren Shaw, David Thomas, Willie White.

COLORADO

Janet Bunkers, Bill Davis, Scott Lewis.

FLORIDA

Ruby McCary.

ILLINOIS

Leonard Carson.

INDIANA Kathy Kohm, Earl Underwood.

KANSAS

Richard Ricks.

LOUISIANA

Paul Carter.

MARYLAND

Craig Dickey, W. A. Hartman, Russell Kramer.

NORTH CAROLINA

Gregory Mayer.

оню

Bertha McCall.

PENNSYLVANIA

Clive Clacken.

TENNESSEE

Eugene Mitchell, James Smith.

TEXAS

John Adams, James Brown, Coleman Browning, Jerry Bryant, Charles Clowdus, Horace Ford, Jr., Walter Kelly, Lorenze Land, Cleveland Ned, Eddie Osborn, Jarrell Pool, Catarine Vieyra.

WASHINGTON

Chester Cole, Richard Ellerington, Linda Hunter, Richard Lewis, Bernice Lindemood, Dirk Reigle.

May

ALASKA Herbert Oakley.

ARKANSAS

May-Anna Wagner.

CALIFORNIA

Chukwudi Esjobu, William Williamson. OKLAHOMA

Gary Buffalohead.

PENNSYLVANIA

Willie Moran.

SOUTH DAKOTA

Rev. James O'Conner.

H.R. 4242, ECONOMIC RECOVERY ACT OF 1981

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 MR. EARLY. Mr. Speaker, I have heard it said that the President is a super salesman. I most earnestly wish I was convinced that he was selling a super product. I am afraid he is not.

I have studied the various tax reduction proposals and the comments of many economic experts. I certainly want the Nation's economy to prosper, but I have serious reservations about the assumptions used by the administration in projecting long-term economic success. I fear the assumptions used by the White House are too optimistic, too wide of the mark to actually bring about lower inflation, a smaller deficit, reduce the unemployment rate, and lessen the income tax burden.

After thoroughly examining the administration's bill and the Ways and Means Committee's bill, I reached the conclusion that neither bill would adequately address the economic problems confronting the Nation. Both bills gave the greatest tax relief to those who needed it the least. Both bills developed from an undesirable auctioneering strategy by the White House and the House majority and minority leadership. This type of bidding war inevitably produced tax proposals with serious deficiencies.

The bill finally adopted by Congress. however, is the President's program. No one can dispute this fact. The administration's economic scenario is based on the hope that large tax cuts will increase consumer savings and business investment. But even Wall Street is wary of the administration's proposal. Henry Kaufman of the Salomon Bros. investment firm reportedly favors more spending cuts over any size or type of tax cut this year. The very people Mr. Reagan relies on most under his plan do not return his trust. They are too pragmatic to rely on unproven economic theories.

The administration is taking a great risk with the well-being of every American, especially those taxpayers with few alternatives to cope with inflation and high interest rates—those earning \$35,000 or less a year. Both the committee bill and the Conable-Hance substitute included too many

provisions designed only to attract regional voting blocs. Both versions extended too many additional benefits to those who are already heavily favored by the tax code and neither bill received any significant endorsement from nonpartisan economic authorities. Both bills, in addition, lacked the persuasive appeal of fairness and equal treatment for the greatest number of taxpayers. The administration's plan which was adopted last week by the House would reserve the largest tax cuts for upper-income individuals. Presumably, the upper-income brackets would also receive all of the benefits from the more favorable capital gains treatment, the all-savers certificates, incentive stock options for executives, and estate and gift tax cuts

I have grave doubts that the majority of Americans have any real understanding yet of the unfair impact the administration's tax relief bill will have on them. The White House plan relies on the "trickle down" theory of economics. This theory has not worked before in this Nation and there is every reason to doubt that it will work now. The upper-income brackets will continue to flourish as they invest more of their new found dollars under the Republican substitute, while the greater number of middle-income Americans will shoulder still larger burden of the total Federal income tax burden. History pretty clearly shows that public understanding of and belief in principle of "equal treatment" is crucial to the success of any major legislative pro-

The tax bill as adopted in this report will give 33 percent of its tax relief to taxpayers earning above \$50,000. Yet, such taxpayers constitute only 5.8 percent of all taxpayers. To make matters worse, the administration's bill ignores the impact of inflation and higher social security payroll taxes. Under the administration's tax package, those earning \$15,000 or less will actually pay 13 percent more in taxes by 1984—the year Mr. Reagan predicts a balanced budget or better—while those in the \$50,000 to \$100,000 income range will receive a 9 percent tax reduction.

Mr. Speaker, I am also concerned by the President's implication that anything less than total acceptance of his entire economic scenario will produce economic failure. No President has ever had his way on every item. It is contrary to our Government's system of cheeks and balances. The executive and legislative branches of Government are co-equal branches. The deliberative process of the legislative branch helps draw out the pitfalls of any type of legislation whether supported by the President or sponsored by a Member of Congress.

The administration's tax proposals were scrutinized in the open at public hearings. And, they were found wanting in a number of ways. It is also important to bear in mind that the President has not been consistent in his approach to this tax bill. He originally called for a 10-percent across-theboard cut for 3 years. He later added provisions to satisfy certain groups. Soon the administration's tax package looked like the proverbial "Christmas tree." In all fairness, it has to be recognized that the President took the first steps away from a simply crafted tax reduction bill to a catchall for every regional interest group in the

country.

Mr. Speaker, I would like to hope that the administration's tax package will create a new economic prosperity for all taxpayers. The faulty economic assumptions underlying the President's tax package, along with a trillion dollar buildup in defense spending over the next 5 years, however, contain the ingredients to wreak greater havoc with the Nation's economy than ever thought possible. The misallocation of labor and precious investment capital toward the military sector, in tandem with this ill-conceived tax package, might produce deficits never thought possible just a few years ago. And, there will be little left of the President's "safety net" to aid those Americans hurt by higher interest rates, unemployment, inflation, and continued deficit spending. The administration's entire economic projection including its tax bill, rests on the validity of untested economic theories plus another unspecified \$20 billion worth of social spending cuts. The President's tax bill will increase deficit spending if all other economic assumptions do not work as predicted by administration officials.

Congress had the opportunity to reduce taxes fairly and bring the budget into balance next year when it debated the Udall-Obey substitute bill. I supported that amendment because I believed it to be the best choice among the several tax packages. It would have produced a \$2 billion surplus next year and a \$20 billion surplus in 1983. It would have encouraged business expansion, especially among small businesses; it would have eliminated unnecessary additional bounties to oil companies; it would have offered the greatest degree of tax relief to low- and middle-income taxpayers; it would have been the least complicated and, therefore, the least costly proposal to administer; and, it would have permitted the Nation to adequately remedy any military weaknesses without resorting to deficit financing. Unfortunately, that amendment was defeated and the Conable-Hance substitute was adopted by the House.

I think I have a pretty fair amount of experience in Government finance from my 12 years of service on the Massachusetts House of Representatives ways and means committee and my nearly 7 years of experience on the Appropriation Committee here in the U.S. House of Representatives. Whatever other pressures may be involved, I feel that my greatest obligation is to vote in the best interest of my district and the Nation based on my personal knowledge, experience, and judgment. The President's proposal, and to a large measure the committee's proposal, fall short of the needed tax relief sorely needed by this Nation.

Mr. Speaker, I would much prefer to work with the President in a bipartisan effort to construct a tax package that would really aid the Nation's economy. At every turn, unfortunately, the President insisted on his whole package without any modifications except those of his own fashioning. The legislative and executive branches Government are coequals. The President in his television speech suggested that Members of Congress were either "For em or agin em" and there was no middle ground. We are all for economic stability and recovery based on sound economic assumptions; we are all against deficit spending; and we are all against inflation and unemployment and high interest rates. However, I cannot truly believe that this tax package will produce the economic prosperity promised by the President for all Americans and, therefore, I cannot support it.

H.R. 4242, THE TAX INCENTIVE ACT

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. RODINO. Mr. Speaker, America's working men and women will be the losers when President Reagan signs his so-called Tax Incentive Act. I opposed this bill because, in fact, it offers very little incentive for the majority of Americans to earn more for their families or produce more for their country. It does, however, offer sizable tax breaks for the rich and the special interests-at a cost of \$754 billion over the next 5 years. This high price tag will be paid for by the most needy Americans who must suffer the effects of cuts in social programs.

I am concerned that this tax bill will deepen the divisions which have been growing between America's economic groups. For example, 35.1 percent of the individual tax cuts next year will go to 5.6 percent of our populationthose making over \$50,000. At the same time, 40 percent of the taxpaying public-31 million Americans who make \$15,000 a year or less-will share

8.5 percent of the tax benefits of this

The average American will reap proportionately little of the benefits of this tax cut. The new savings certificates and the reduction in capital gains taxes have small benefit to the elderly couple on a fixed income, or the minority family living just barely above the poverty line, or the family of four struggling to make ends meet on \$15,000 a year. But these average Americans will bear the higher inflation that many economists say will be an inevitable byproduct of this tax bill.

The assumption behind this tax policy-that as more money is concentrated in the hands of the rich, the more benefits will trickle down to the majority of Americans-is misguided.

President Reagan explained his rationale in February when he said:

The taxing power of the government must be used to provide revenues for legitimate government purposes. It must not be used to regulate the economy or bring about social change.

But this tax bill is obviously designed to regulate the economy. It asks the American people to accept on faith the untested theories of supplyside economics. It steers us on a course economic uncertainty with the promise that inflation will decrease and interest rates will drop as a result of more money in the pockets of the well-heeled. This faith is incredible considering that most economists are fearful of the tax cut's effects on prices and interest rates.

As for not using the taxing power of Government to bring about social change, President Reagan seemed to change his mind in April, when, in presenting his budget proposal to Congress, he said:

The tax portion of our package * should be looked at as an integral part of the entire package, not something separate and apart from the budget reductions.

In fact, the tax-cut-budget-cut package will result in the most serious social changes in the last half century. It will be the cuts in subsidized housing, food stamps, health and nutrition programs for the elderly and children. jobs programs, and education assistance that will pay for this tax-cut bill. The inequities of this policy are devastating in human terms.

For example, while this tax-cutbudget-cut package saves \$1.66 billion next year by denying food stamps to about 1 million Americans, it will forfeit \$15.6 billion in tax revenues to those who inherit estates valued up to \$650,000. And while this tax-cutbudget-cut package will force 100,000 American families to wait indefinitely for better housing in order to save \$12 billion in housing subsidies, it will spend \$11.8 billion in tax breaks to the oil industry over the next 5 years.

The President told the American people that these are tough times—that we will all have to make sacrifices in the interests of a brighter economic future. But the President's tax policies and program cuts do not make all Americans sacrifice. They seem to ignore the needy and reward the greedy.

Such policies can only produce resentment and disrespect for Government in the long run, and I will continue to oppose them.

U.S. PUBLIC DIPLOMACY: THE UNTOLD STORY—PART II

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. DERWINSKI. Mr. Speaker, I have inserted into the Record the remarks of our distinguished colleague, Toby Roth. Today, I wish to include the conclusion of his statement before the German-American Interparliamentary Exchange given by the Heritage Foundation of Washington, D.C. Congressman Roth concentrates on the need for efforts to be made to upgrade our public diplomacy abroad. His remarks follow:

In my attempt to sum up our national message, I suggested it was the following: That our commitment to individual liberty, free economic development, and the rule of sets an example for the rest of the world-and especially the developing world. But we must also add to this message our belief that the freedom of other nations to choose our model-or, indeed, to choose any model—is in danger because the Soviet Union's expansionist desire to forcibly export its brand of Marxism throughout the world. Each year we spend over a hundred billion dollars on defense because we believe this. But the half-billion dollars we spend on public diplomacy is not being clearly coordinated with our effort to contain the Soviet threat.

To prove my point, I'd first of all like to consider the CIA's sobering estimate that each year the Soviet Union spends between \$2 to \$3 billion on a well-coordinated propaganda campaign designed to convince the rest of the world that the United States is aggressive, colonialist, and imperialist. Because these Soviet expenditures are at least four times as great as ours, and because of the centrality of our struggle with the Soviet Union in our foreign policy, you would think that the agencies that execute U.S. public diplomacy would openly state that the necessity of countering this massive Soviet propaganda thrust is one of their main goals—if not their top objective.

But they do not. I have examined the 1981 annual report of the Board for International Broadcasting, the basic background materials which ICA prepares to acquaint people with its goals and programs, and the 1980 report of the U.S. Advisory Commission on Public Diplomacy, a seven-member presidentially appointed body which independently oversees ICA's programs.

ently oversees ICA's programs.

None of these important documents mentioned the \$2-\$3-billion-per-year Soviet

propaganda budget. Nor did any of them mention how this Soviet effort is carried out by the Communist Party's information department, by clandestine radios, by subsidies to foreign Communist Parties, by the KGB, and by an international network of Communist front organizations.

Besides this general failure to acknowledge and confront the magnitude of the Soviet propaganda drive, the effectiveness of U.S. public diplomacy has also been diminished because people who carry it out do not enjoy very high status in the foreign policy making establishment. Not since the Kennedy administration have the political appointees who occupy the top positions in our public diplomacy apparatus been included in the major foreign policy planning sessions of the Cabinet and National Security Council. And the career foreign service officers who occupy the other important positions at ICA have generally enjoyed less prestige than their colleagues who have chosen political or economic assignments. These are shortcomings which a Secretary of State deeply committed to upgrading our public diplomacy effort could probably do much to correct.

With such a low priority accorded to public diplomacy in the formulation of U.S. foreign policy, it should come as no surprise that our efforts come off so poorly in any direct comparison with those of the Soviet Union. Each year the Soviets distribute 180 million books and pamphlets around the world. We distribute about 200,000—not even 1 percent of the Soviet commitment. In 1981, the Soviets offered some 4,500 college scholarships to Latin Americans. We offered just a little over 4 percent as many-a pattern which is repeated worldwide. A senior adviser to the President of Yemen said last year: "If you give us scholarships, that is far better than giving us 100 tanks. . . . While the Soviet Union offers hundreds of scholarships to Yemeni students and military officers, getting scholarships to the United States has been like pulling teeth without anesthesia."

The facts and figures concerning those allimportant international radio broadcasts are equally dismaying. The Soviets broadcast over 2,000 hours a week in 82 different languages; our Voice of America broadcasts 891 hours a week in only 39 languages. Not only are many of the radio transmitters used for our international broadcasts rusting and out-of-date, but many of the signals they transmit are frequently so weak they are almost inaudible. And in many cases the signals never arrive at all. It has been estimated that the Soviets spend four times as much money jamming our radio broadcasts to Eastern Europe and the Soviet Union as we do producing them.

These, then, are the data which have led me to conclude that a failure to convey our national purpose and beliefs has made our U.S. public diplomacy programs much less effective than they might be. But what can Americans—and friends from abroad like those of you participating today in the German-American inter-parliamentary exchange—do to see that U.S. public diplomacy improves its performance in the future?

I think that as many of us as possible are simply going to have to keep on repeating and repeating the theme that America does have a specific message to transmit to the rest of the world. We are also going to have to emphasize more strongly how much money and energy our adversaries are devoting to spreading a message directly counter to ours.

The public, the press, and the Congress all eventually have to be educated, but right now we have to apply special pressure on the Reagan administration. Although President Reagan pledged during his election campaign that he would strengthen U.S. public diplomacy programs, the administration is only now starting to decide just how energetically it will translate this commitment into policy. Therefore, if you basically agree with the analysis I have presented to you today, It would be very helpful to me if you would write me a letter telling me so. This would give me some proof to show the appropriate State Department officials that there is a constituency of people who share my views on this matter.

Victor Hugo observed many years ago that, "There is one thing stronger than all the armies in the world and that is an idea whose time has come." Recent events in Poland and Afghanistan have made many people in the Communist and developing worlds more receptive to the notion that the Western idea of freedom, not the Soviet variant of Marxism, is the idea whose time has truly come. I think this presents a great opportunity for U.S. public diplomacy to take advantage of. But first of all we are going to have to admit that we do have a definite story to tell. Then we are going to have to summon the will to tell it as vigorously as possible. If we do this, I think we can increase the chances that the psychological war of ideas will be the only war we will ever have to fight. •

TRIBUTE TO MRS. EVE NORTON

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. CHAPPELL, Mr. Speaker, today I wish to recognize a truly outstanding lady from the Fourth District of Florida. Mrs. Eve Norton of Jacksonville, Fla., has been active in community life for the past 20 years. Her achievements have been numerous. She has raised \$34,000 for the Special Olympics during her term as president of the Florida Federation of Women's Clubs (1976-1978). Eve Norton has received the Award of Merit in Fundraising for outstanding service for the prevention of blindness. During her chairpersonship for this charity in 1980, \$58,000 was raised. She is also currently serving as chairperson of the mayor of Jacksonville's Commission Aging.

In her spare time, Eve Norton has found time to promote the new breast care clinic established at Jacksonville's Baptist Hospital. This clinic is a first in the country.

In spite of all this whirlwind activity, Eve's real love remains the Korn Kob Klan. She organized and leads this fun musical group of young gals ranging in age from 50 to 87. These ladies wear outrageous garb and perform deadpan, tongue-in-cheek and are often known to mutilate the old standards they sing. Most of their performances are free; however, dona-

tions of as much as \$250 for a show have been made when the Korn Kob Klan performs for conventions. The Klan has performed free throughout the State of Florida before audiences in nursing homes, retirement homes, food sites, and other places. The Klan also performs at high schools, hospitals and for family and church groups.

During the 20 years the Klan has been in business, they have earned and given away thousands to charitable causes. Their gifts have been to the young, the elderly, the needy, the police, the opera, as well as scholar-

ships and grants.

Eve Norton is most proud of her Korn Kob Klan entertainment group and the happiness the Klan has been able to bring into the community, not only in the form of turning cash back into the community where needed, but for bringing joy into the lives of so

many people.

It should give us all great comfort to know that the city of Jacksonville has person like Eve Norton, who has dedicated so much of her life to helping others. At a time when so many have looked to the Federal Government for the solution of community problems, Eve Norton has proven that hard work, dedication, and a love for her community will go a long way toward improving the quality of life for many neighbors who are less fortunate than most of us. As we wish a happy 20th anniversary to the Korn Kob Klan, I am sure I speak for a great majority of my colleagues as well as her friends and neighbors in Jacksonville, Fla., in wishing good luck and Godspeed to Eve Norton and her Korn Kob Klan for many years of continued community involvement.

RUDOLF HESS-POLITICAL PRISONER NO. 1-PART III

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. McDONALD. Mr. Speaker, on two previous occasions I have presented some little-known and less-understood facts of the case of Rudolf Hess. because as an American, I cannot understand the continued participation of the U.S. Government in an episode which will go down in history as an atrocity.

That a man 87 years of age should be guarded by American troops assigned the duty of assuring that 40 years of imprisonment becomes 41, that 15 years of solitary confinement becomes 16 years—that fact demeans all of us. And to be told that we "must" continue this practice because the hostile, totalitarian, Soviet regime wants it that way simply makes it more demeaning. No truly great nation is forced by its enemies to collaborate with them in the perpetration of atrocities

Dr. Albert Seidl has been the legal representative of the Hess family since the days of the Nuremberg trials. Dr. Seidl is a member of a distinguished German-Jewish family; he has served as West German Minister of Justice and is a long-standing member of the Bavarian state legislature. As a jurist with experience at the highest levels of government, Dr. Seidl is aware of the anomolous position of the West German Government itself. It is a government of only part of a nation, and in many awkward respects, it remains a creature of the post-World War II

One aspect of this is the fact that the people of West Germany, through taxes imposed by the West German Government, are required to pay for the maintenance of a prison they do not want and do not control. Spandau Prison, in Berlin, a 19th century institution built to house 600 inmates, has, for the past 15 years, contained just one old man, plus an array of staff members and guards. Our own Government is a full and continuing participant in this tragic farce.

We are told that the unilateral release of Hess would violate the fourpower agreement under which Berlin is still governed. Need we be reminded that only a week ago the 20th anniversary of the Berlin wall was observedthe wall being a very gross violation of that same four-power agreement.

Two years ago, Dr. Seidl addressed a message on the Hess case to the Commission United Nations Human Rights. He made the following array of points:

As the defense counsel of the former Reichsminister Rudolf Hess in the trial before the International Military Tribunal (IMT) in Nuremberg I had occasion to speak with my client in the Spandau Allied Prison in Berlin and take notice of his steadily deteriorating state of health. Let me take this opportunity on behalf of my client to invite your attention to the following facts and circumstances and ask you at the same time to submit this case to the U.N. Commission on Human Rights:

It must be re-emphasized time and again that the IMT in Nuremberg cleared Rudolf Hess of the charge of having committed war crimes and crimes against humanity. Of course, it is also of importance in this context that his flight to Great Britain took place as early as May 10, 1941, i.e. prior to the outbreak of the war with the USSR.

Rudolf Hess was sentenced to life imprisonment on the grounds of having participated in the planning for and preparation of a war of aggression. The evidence presented at the IMT did not show any facts justifying the conclusion that Hess exercised any decisive influence on Hitler's political and military decisions. He had not attended any of the conferences the minutes of which were submitted by the prosecution in Nuremberg in evidence of Hitler's aggressive intentions, and the IMT verdict quoted these

in detail. These were the conferences of November 5, 1937, May 23, 1939, August 22, 1939, and November 23, 1939, during which Hitler expressed his ideas in front of the Foreign Affairs Minister, the Minister of War and/or the Chief of the Supreme Command of the Armed Forces, and the Commanders-in-Chief of the Army, Air Force and Navy. In the decision of the Interna-tional Military Tribunal Rudolf Hess had primarily been charged with the following main points:

The signing of the Law Concerning the Introduction of the Universal Compulsory Military Service, dated March 16, 1935;

"The call upon the German people to make sacrifices for military armament ('guns instead of butter');
"The alleged knowledge of Hitler's plans

of aggressions:

The presence in Austria and the co-signature of the Law Concerning the Reunification of Austria with the German Reich on March 13, 1938;

'The signing of the Regulation for the Installation of a Government of the Sudetenland on April 14, 1939;

The support of a proposal of the German government to Poland in a public speech on August 27, 1939;

'The signing of a Regulation Concerning the Incorporation of Danzig into Germany and the Establishment of the Polish 'Generalgouvernement'.'

None of these acts is punishable under the provisions of crimes against the peace.

In fact there was no valid provision which made a head of state, minister, general or other leader personally responsible under criminal law at the outbreak of World War II on September 1, 1939. The community of States bound by International Law as well as the League of Nations have always condemned violence as an act of the State against International Law, but never thought of accusing persons in an official capacity of an aggressor State, let alone of charging such persons before an international criminal court.

Such a provision still does not exist in International Law. All efforts to codify the principles applied by the victorious powers at Nuremberg within the framework of the United Nations failed because of the resist-

ance by the big powers.

The Human Rights Commission of the UN should, in evaluating the competencies adopted by the victorious four powers of World War II also consider the principle of equality and reciprocity of International Law and duly apply this in the negotiations with the custodial powers. The punishment of crimes against peace, of crimes against humanity and of war crimes in 1945 has been turned into a one-sided punishment of the vanguished and a one-sided reservation of amnesty for the relatives and supporters of the victors. This is a violation of the principle of equality and reciprocity of International Law (so-called tu quoque principle); this finally also poses the threat of only a lost war being a crime, and not in every case at that.

According to the Preamble of the General Declaration of Human Rights of December 10, 1948, it is an important commitment of the United Nations to protect human rights by the rule of law and to enforce general support for and implementation of human rights and basic liberties. According to Art. 9 of this Declaration, as quoted above, nobody may be kept in arbitrary confinement. Also in the Preamble to the UN Convention on Human Rights of December 16,

1966, (B. International part on Civil and Political Rights) the United Nations undertake to promote human rights and basic liberties and to uphold the rights recognized in this Pact. This applies in particular, as aforesaid, to the right of personal freedom (Art. 9). This right has been denied to the former Minister of the Reich, Rudolf Hess, since October 1, 1946. Since that date he has been kept imprisoned without legal cause, i.e. has been deprived of his freedom. Presumably there has rarely been a case with such a clearcut legal status as in the case of Rudolf

Just a few days after the announcement of the verdict of the International Military Tribunal, i.e. on October 5, 1946, the London weekly, The Economist, summa-rized the legal conclusions to be drawn therefrom as follows

"During the trial the defence lawyer Seidl produced witnesses, including Baron von Weizsacker, permanent Secretary of State in the German Foreign Office from 1938 to 1943, who testified about a secret treaty attached to the Nonaggression Pact and providing for territorial partition of six European states between Germany and the Soviet Union. The prosecution made no attempt to disprove this evidence; nevertheless, judgment completely ignores it. Such silence unfortunately shows that the Nuremberg Tribunal is only within limits an independent judiciary. In ordinary criminal law it would certainly be a remarkable case if a judge, summing up on a charge of murder, were to avoid mentioning evidence of the part played by an accomplice in the murder the evidence revealed that the judge himself had been that accomplice. That nobody thinks such reticence extraordinary in the case of Nuremberg merely demonstrates how far we still really are from anything that can be called a "reign of in international affairs. Both Britain and France are on record as having concurred in the expulsion of the Soviet Union from the League of Nations for its unprovoked attack on Finland in 1939; this verdict still stands and is not modified by anything which has happened since. In 1939 Moscow openly gloried in military co-operation with Germany for the destruction of Poland, "that ugly offspring of the Versailles treaty," and Ribbentrop in his last pleas quoted a cable of congratulation from Stalin as proof that the Soviet Union had not then regarded the war against Poland as an aggression. The contrast between 1939 and 1946 is indeed fantastic, and it is too much to expect that either historians in the future or Germans in the present will share in the current United Nations convention of not seeing it.

The foregoing shows that the IMT was no "competent court" in accordance with Article 5 of the European Convention for the Protection of Human Rights and Basic Liberties dated November 4, 1950. But above all, it was no "independent, impartial court founded on law" in the terms of Art. 14 of the International Pact on Civil and Political Rights (Human Rights Convention of the United Nations dated December 16, 1966).

All of this also shows that the IMT trial was no trial in strict terms of law and that the verdict of that tribunal too was no verdict within the legal definition.

"It follows from this that the conviction of Rudolf Hess for 'crimes against the peace' is a violation of human rights. Article 11. Section 2 of the Human Rights Declaration of December 10, 1948, Article 7, Section 1 of the International Covenant on Civil and Political Rights of December 6, 1966, are based on the principle that no person may be convicted for an act or omission which took place at a time when that act or omission was not punishable under national or international law."

The burden of response apparently fell upon Mr. Gamal Badr, "Deputy Director for Research and Studies" at the Commission on Human Rights at United Nations headquarters. The interest which Mr. Badr developed in the case of the world's oldest political prisoner, and the care with which he read the materials presented by Dr. Seidl, is revealed in his response. Mr. Badr presumes that Hess was found guilty of the precise offenses of which he was acquitted, and goes on to describe the vast benefits which flow to mankind as a whole, in consequence of the atrocious treatment accorded to the person who was found not guilty!

Let Mr. Badr speak for himself here. His

reply to Dr. Seidl is as follows:

As to the human rights aspect of his case on which you have placed an emphasis in the letters, your kind attention is drawn to General Assembly resolution 2583 (XXIV) in which the Assembly, inter alia, expressed its conviction that punishment of persons responsible for war crimes and crimes against humanity 'constitute an important element in the prevention of such crimes, the protection of human rights and fundamental freedoms, the encouragement of confidence, the furtherance of cooperation among peoples and the promotion of international peace and security."

Having successfully missed the point of Hess' innocence of "war crimes" and "crimes against humanity," Mr. Badr further hides behind another bulwark of hypocrisy, Article 107 of the United Nations Charter. In essence, Article 107, which is usually referred to as the "enemy states clause," says that the winners of World War II shall be free to do as they please to the losers, all the fine principles of the Charter notwithstanding.

Mr. Badr manages here to miss the point that it is "states" which are referred to, and that not even Article 107 deprived every individual member of a defeated state of his or her human rights forever after. The numberless additional legal flaws involved in the Nuremberg Trials are discreetly ig-

nored in Mr. Badr's response: "You are no doubt aware that according to Article 107 of the United Nations Charter, nothing in the latter 'shall invalidate or preclude action, in relation to any State which during the Second World War has been an enemy of any signatory of the present Charter, taken or authorized as a result of that war by the Governments having responsibility for such action'. You may also wish to recall that by resolution 95 'Affirmation of the Principles of International Law recognized by the Charter of the Nuremberg Tribunal' the General Assembly of the United Nations took note of the Agreement for the establishment of an International Military Tribunal for the prosecution and punishment of the major war criminals of the European Axis signed in London on 8 August 1948, and affirmed the principles of international law recognized by the Charter of the Nuremberg Tribunal and the judgment of the Tribunal.'

A rebuttal of the careless and ignorant position expressed by Mr. Badr, as the official spokesman for the United Nations Commission on Human Rights, has been made by Dr. Dieter Blumenwitz, who holds the Chair for International Law, General Government, German and Bavarian Law, and Political Sciences at Wurzburg University. This rebuttal is twenty pages long; suffice it to say that it shreds the validity of Mr. Badr's presumptions.

Dr. Blumenwitz concludes:

(1) The U.N.O. is not prevented either by Article 107 or by any other provisions of international law from taking up the case of Rudolf Hess or from investigating it from the point of view of its human rights aspects.

"(2) In the past, the U.N.O. paid particular attention to *** prisoners of war. In this connection, it deserves to be mentioned that Rudolf Hess-as the European Commission on Human Rights expressly stated-was initially treated as a prisoner of war after his landing in Great Britain on May 10, 1941."

From that day to this, Hess has been a prisoner. He sought to prevent Germany and Britain from destroying another generation of their youth. He was a British prisoner of war when the "war crimes" of which Mr. Badr presumes him guilty were committed, which is why even the "hanging court," as the International Military Tribunal surely was, could not quite find him guilty of them.

The indifference of the "human rights" claque to the genuine plight of the world's oldest and longest-held political prisoner will stand as yet another monument to this Age of Hypocrisy. But the American people should not permit their government to involve them further in this singular atroci-

CHICAGO'S OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. DERWINSKI. Mr. Speaker, Mr. Tedis Zierins, a Chicagoan who fled Communist rule in Latvia, recently sent me several articles reporting on the dramatic observance of Captive Nations Week in the Chicago area. I wish to insert them along with a proclamation issued by Mayor Martin J. Butler of the Chicago suburb of Park Ridge, Ill., and a resolution issued by the Captive Nations Committee of Chicago by its chairman, Ilmars Bergmanis.

[From the Park Ridge Advocate, July 16, 19811

PROCLAMATION

Whereas, twenty-two years ago Captive Nations Week was inaugurated by a Joint Resolution of the Eighty-sixth Congress: and

Whereas, throughout our history Americans have held the deep belief that liberty and independence are among the most basic and inalienable rights of people everywhere; and

Whereas, it is vital to the national security of the United States and other free nations of the world that the desire for liberty be kept alive, especially remembering the citizens of more than thirty countries now under Communist rule; and

Whereas, each year Captive Nations Week has provided a fitting opportunity for the American people to show their concern for

those whose governments do not permit the

same freedoms we enjoy; and Whereas, the present United States Congress has this year designated July 18 as "National POW-MIA Recognition Day" to remember those Americans who may still be held prisoners of war or missing in action:

Now, therefore, I, Martin J. Butler, Mayor of the City of Park Ridge, do hereby proclaim the week of July 12 to 18, 1981, as "CAPTIVE NATIONS WEEK" and urge all citizens to support this annual observance, and special recognition to be given on July 18 to those Americans now classified as POW or MIA.

In witness, Whereof, I have hereunto set my hand and caused the seal of the City of Park Ridge to be affixed this 8th day of

July, 1981.

CAPTIVE NATIONS DAY IN CHICAGO-RESOLUTION

Whereas, in Eastern Europe, Southeast Asia, Cuba, and most recently in Afganistan, men, women and children, once free, are denied the free exercise of their fundamental constitutional and human rights; and

Whereas, nations, once free, are deprived of their right to self-determination; and

Whereas, the expansion of the Soviet colonial empire and its aggressive policies are now the greatest threat to world freedom: Now, therefore, be it

Resolved by the participants of the Cap-

tive Nations Day rally,
That the people of Captive Nations have not lost their dedication to the ideals of freedom or their desire to see their own nations free,

That on this day we should reaffirm our beliefs in the principles of freedom and renew our dedication in the struggle to free the people subjugated by the Soviet empire;

Be it further Resolved, That we call upon the United States government to commit itself to the cause of the Captive Nations and exert pressure on the Soviet government to obtain the release of all national, political and religious prisoners, to end further persecutions and to demand, as provided in the United Nations Declaration, freedom and self-determination for all peoples under constitutional government and a life of liberty and self-fulfillment for all the peoples of the Captive

RED "CANCER" WARNED BY LINDSTROM

In a rousing speech at the Captive Nations Day rally at the Daley Plaza, Saturday, the Rev. Paul Lindstrom urged Americans to become more informed about the "Cancer of Communism," and to support captive people throughout the world.

"As Americans, we need to be activists for freedom," said Lindstrom, the arch-conservative pastor of the Christian Liberty Academy in Prospect Heights. "We must get involved; we must let our political leaders know we expect them to do everything possible to help people of captive nations win

their freedom.

Lindstrom, widely known for his forma-tion of the "Remember the People Commitin 1968, drew enthusiastic applause several times from the crowd of about 400 clustered around the podium in the shadow of the Picasso statue.

The crowd, consisting of representatives of the 30 captive nations identified by the National Captive Nations Committee, carried signs bearing slogans such as, "Freedom for Lithuania," "Withdraw all troops from Laos," and "God Bless America and Guard

our Freedom." During the rally members of the Polish group, Pokolenie, passed out helium-filled balloons emblazoned with the name of the Polish union, Solidarity, and

burned a Soviet flag.

Other speakers, including Chicago Congressmen Frank Annunzio, Henry Hyde and Edward Derwinski, and A. Mazewski, president of both the Polish American Congress and the Polish National Alliance, denounced Soviet Union's violation of human rights throughout the world.

Your credentials to address the Captive Nations Day audience are greater than my own because you have been the ones to who have been subjected to Marxist brutality, Lindstrom told the crowd. "Your credentials include the scars on your backs, the tears you have shed and the sacrifices you have made so that you and others might be free. On this side of hell, there is nothing more terrible than the degradation of communist tyranny.

The committee sponsoring the rally was formed to promote the Captive Nations Week Resolution signed by President Dwight D. Eisenhower on July 17, 1959, when only 22 nations were listed under the

control of the Soviet Union.

UNIT 84 WINS MAE HOLMS AWARD

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Tuesday, August 4, 1981

• Mr. CHAPPELL. Mr. Speaker, today wish to congratulate unit 84, of the Disabled American Veterans Auxiliary of Holly Hill, Fla., for winning the coveted Mae Holms Award at the recent national convention of the DAV and DAVA held in Miami Beach, Fla.

The Mae Holms Award is the highest honor that can be bestowed on an auxiliary unit. The award is for excellence of achievement in all five of the auxiliary's major programs: Americanism, community service, hospital, legislation, and volunteer services in Veterans' Administration medical centers.

From the 1,730 auxiliary units that competed for the Mae Holms Award, only 1 unit of 100 or less and 1 unit of 101 or more are eligible to receive this accolade. The 240 members of unit 84 worked many hours at fundraising and various programs, with special efforts given by Commander Margarette Kwalik, Adjutant Marge Duffy, Chaplain Evelyn Belt, and Chairpersons Betty Ertel, Sally Gavin, Merle Gee, and Catherine Dobbs, who coordinated most of these projects in 1980-81.

We in Florida's Fourth Congressional District take great pleasure in knowing that unit 84 of the Disabled American Veterans Auxiliary has won this coveted award over stiff nationwide competition. On a personal basis, it gives me a deep sense of pride knowing that the members of unit 84 have given so much of themselves in improving the Holly Hill community in which they live. It is ordinary folks like those in unit 84, who have volun-

teered so much of their time and their energy, to make this country the great Nation it is today. Their selfless devo-tion to their neighbors and community is what America is all about and speaks well for all Disabled American Veterans.

THE TWO SIDES OF SUPPLY-SIDE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. McDONALD. Mr. Speaker, Dr. Hans Sennholz, who in my opinion has the best economic mind in America today, has written an excellent article entitled, "The Two Sides of Supply-Side," which appeared in the August 1981 issue of Private Practice. He points out that the supply-side arguments seem to be mere arguments for temporary restraint and delay. While this is a step in the right direction it will not stimulate economic activity on a long-term basis. To provide longterm stability we need to return and engage in genuine discussion of the morality and desirability of economic transfer by political force. This is the only way the Reagan program will succeed and prevail. I commend the article by Dr. Sennholz, who not only addresses the economics involved but also discusses the immorality of the welfare state, to the attention of my colleagues:

THE TWO SIDES OF SUPPLY SIDE (By Hans Sennholz, Ph. D.)

In politics, the days we pass with new hope and happy prospects are more numerous by far than those coming to fruition. With every new election, hope offers an easy and universal cure for all our social economic ailments. Yet, our hopes always prove to be delusions that in the end leave us nothing but hope.

With Ronald Reagan in the White House, many investors and businessmen are clinging to the hope that they will see inflation subside, their taxes lowered, economic expansion resumed and our levels of living permitted to improve again. The U.S. business community, almost without exception, is envisioning a new trend called "supply-side economics" that should restore economic vitality and growth.

THE RIGHT HAND GIVETH * *

The new trend promised to provide a pow erful incentive to boost the rate of economic expansion and create an investment boom. To that effect, the administration is proposing a 25 percent cut in personal income tax rates over the next three years. The maximum tax on investment income is to be reduced from 70 percent to 50 percent and the top capital gains rate from 28 percent to 20

An accelerated depreciation plan would allow businesses to write off buildings in 15 years, utility property in 10 years, machin-ery in five and vehicles in three years. Business taxes will be lowered. But the 22 percent increase in Social Security taxes imposed on individuals by the previous Congress will remain in effect. Moreover, the 25 percent cut in personal income tax rates will barely compensate for the higher brackets in which individuals will find themselves as wages and salaries increase to keep up with inflation. It is hoped, though, that the tax reform will produce a jump in personal savings and investments that will enable financial institutions to finance not only the federal deficits but also investments in housing and business.

STORMY SEAS MAY BE BECALMED

It is clear the Reagan program has garnered some popularity in the U.S. Congress just as it has with the business community. Ironically, the majority of the present Congress passed the very tax legislation that is responsible for the economic stagnation. These same congressmen imposed the punitive rates on investments income and the confiscatory rates on higher incomes. To expect them after many decades of taxing and spending to think of economic production and growth is to believe in political miracles—but miracles may yet happen.

No matter what the outcome of the House-Senate conference committee, the Reagan program deserves our objective analysis of probable effectiveness and poential effects regardless of political considerations. We must raise, and hopefully answer, the question of how it may work.

This writer, always skeptical of political answers and fearful of the harm inflicted by political actions, is rejoicing about the mere fact there is a tax-cut debate. After all, before there can be reason and sanity in political life, there must be reasonable and sane public discussion. In political life, as in all other aspects of human life, thought always precedes action, and changes in public thought and ideas precede changes and policy.

The current debate pits the old ideological forces against new supply-side forces. The old forces, represented by numerous liberal legislators, are repeating the popular arguments for using political force to redistribute income and wealth. They argue for economic equality and equal opportunity through political action. Because government has no income or wealth of its own, they favor the seizing of income from the more productive members of society and its transfer to poorer members. Waxing eloquently about social peace and harmony through forced redistribution, they appeal to the most numerous class of voters and promise them ever more benefits by taxing the only source of economic wealth: economic activity.

WHETTING THE APPETITE

In the heated political debates, the advocates of supply-side economics are tempted to fall back on a set of arguments that is convincing politically but counterproductive ideologically. When pressed for more benefits to the poor and needy, they merely resort to "lack of funds." They talk about huge budgetary deficits and the resulting soaring inflation. They argue in favor of reducing the rate of transfer growth on grounds of fiscal responsibility, but do not attack the rationale of transfer. By merely pleading "lack of funds" they are, in the ensuing silence, yielding to the case for forced redistribution. They have thereby strengthened the expectations of transfer in the future, when economic production speeds up again and new transfer funds become available. In short, most supply-side arguments seem to be mere arguments for temporary restraint and delay that do not ring true with impatient Americans.

Observers of supply-side economics may remember President John F. Kennedy's tax reform program, which actually lowered business taxes and generated a remarkable economic boom. In the long run, however, the business expansion of the early 1960s was dissipated entirely by the enormous transfer expansion during the late 1960s and throughout the 1970s. It greatly sharpened the appetites of the transfer forces.

THE GREAT DISASTER

A few advocates of supply-side economics actually question the moral and economic foundation of the transfer system. They point out, correctly, that during the last two decades federal policies have progressively weakened economic production until it has fallen into stagnation and recession. Throughout the 1970s, unemployment has risen to deplorable levels as most Americans' standards of living have fallen. Most have fallen back to 1970 levels and may soon be back at 1965 or even 1960 levels, according to some estimates.

The economic conditions of most of the beneficiaries, the blacks and Hispanics in teeming city slums, are immeasurably worse today than they were 20 or 30 years ago. The transfer program, massive in scope and magnitude, has been an unmitigated economic disaster even from the point of view of those it was supposed to benefit. Equally important, it has weakened or even destroyed the moral fiber of millions of beneficiaries lingering at the public trough. Rampant crime and public immorality have become constant threats to the lives and property of countless Americans. Such are the fruits of a welfare state that appeals to envy and covetousness and practices economic redistribution by political force.

The voices of moral condemnation are barely audible in the noise of political debate. Therefore, even if the Reagan program does prevail, we must cast doubt on the effectiveness and durability of the reforms. Surely, we must not overlook the possibility that the reform forces leaning heavily now on arguments of fiscal expediency, may in the future return to moral and philosophical arguments that go to the roots of our economic and social dilemma. When they return and engage in genuine discussion of the morality and desirability of economic transfer by political force, we shall welcome them and join them in a new hope for a new beginning.

In the meantime, the tax-cut debate rages on, generating more heat than light. The federal deficit for the present year may exceed the \$60 billion deficit of the last year, casting new doubt on the reform proposals. After all, the deleterious effects of deficit spending are the same under a Republican administration as they are under a Democratic administration. Deficits consume capital, which is the brick and mortar of economic expansion and improvement. They exhaust the capital markets, deprive businesses of their foundations and depress wage rates and levels of living. Indeed, they are counterproductive.

DEFICITS CLOUD THE PICTURE

Will supply-side economics, when fully adopted by the U.S. Congress, stimulate economic activity? I doubt it, as long as staggering federal deficits continue to consume our capital substance. Massive government borrowing causes interest rates to soar; government is insensitive to rising costs, whether they be 10 percent, 15 percent or even 20 percent.

Business though is highly sensitive to costs. In fact, all business activity—in particular, capital investment—is completely determined by costs. It explains why business can easily be crowded out of the loan markets when government appears on the scene seeking to meet its deficit obligations.

WHETHER A LENDER OR INVESTOR BE

A simple calculation may illustrate the point. When the U.S. Treasury pays 15 percent or more on its short-term obligations at the same time business is struggling to earn 5 to 10 percent, liquid capital tends to flow to government. Who would want to make a risky investment in business and perhaps earn 5 to 10 percent, if the U.S. Treasury is offering 15 percent without any risk to the investor? In fact, it would be rational and economical for business to reduce its reserves to a minimum in order to lend more funds to the Treasury. Obviously, no business boom can develop under such conditions. Supply-side policies are bound to fail because the business tax reductions merely facilitate the financing of federal debt. Guided by lofty interest rates, tax rebates flow right back to the Treasury as loan funds

The supply-side economists crowding around Reagan have a ready answer to this objection. The income tax reductions will encourage most Americans to save and invest more so that interest rates will come down substantially. Both government and business will obtain their fair share of new loan funds coming into the market, permitting government to cover its deficits and business to invest in new facilities and equipment.

Surely, we must agree with these optimists provided the American people will actually save and invest more in the future. If mortgage rates were to fall to 12 percent, or even 10 percent, because new savings flow into thrift institutions, the housing industry would spring to life. But if, for any reason whatever, the savings are not forthcoming or government makes ever new demands for deficit financing and interest rates remain at lofty levels, there can be no economic expansion. Government deficits are always depressive no matter who suffers from them.

AT WHAT COST WILL THE BRIT-ISH CONTROL NORTHERN IRE-LAND?

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BIAGGI. Mr. Speaker, as chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs, I wish to bring to the attention of my colleagues a most informative article from a recent edition of New Statesman magazine. The article written by Political Editor Peter Kellner focuses on a most important, but little known aspect of the Northern Ireland issuehow much it costs Great Britain to maintain its direct rule over Ulster.

The answer is startling. According to Kellner, "All told then, Ulster receives subsidies totaling 1.5 billion pounds a year from Britain—or almost half of the province's annual public expendi-

ture of 3.3 billion pounds." Upon closer examination, we discover that included among this 1.5 billion pound expenditures is an estimated 320 million pounds for the Royal Ulster Constabulary—the main police force in Northern Ireland. Great Britain spends six times as much on law and order in Northern Ireland than in any other area of government expenditures.

These expenditures are incredible when one considers the precarious state of the British economy today. One would assume that this massive and constant infusion of money into Northern Ireland over the past 12 years would have brought stability and prosperity to the region. Nothing could be farther from the truth. More than 2,000 people have died from violence since the British introduced their security forces into the North. In the past decade, there has been a 27percent reduction in the number of manufacturing jobs in Northern Ireland. Unemployment in the North has consistently exceeded the national rate for Great Britain. In certain minority neighborhoods, unemployment among Catholics is running as high as 40 percent.

When one looks to the day when peace, justice, and freedom might again reign in Northern Ireland—one realizes that the declaration of intent by the British Government to remove their presence is a vitally important prerequisite. The Kellner article suggests that for economic reasons—in short time that may in fact have to be the British policy. If this happens, I recommend that the United States be in a position to provide economic aid to Northern Ireland.

The Kellner article follows:

THE MOST SUBSIDISED PEOPLE ON EARTH
(By Peter Kellner, Political Editor)

There are many ways in which the British government could spend £1.5 billion. It could restore the housing, school and hospital-building programmes to the levels of the mid-70s, and so generate extra jobs and a better welfare state. Or it could almost double overseas aid, and keep the navy in the style to which it has become accustomed—and so win a standing ovation from the western alliance and the third world. Or it could cut income tax by two pence in the pound, and give us each a little more to spend. Or it can carry on financing its policy in Northern Ireland, risking death to British soldiers, attracting the opprobrium of the rest of the world, and securing no moral, social or financial dividend whatsoever from its investment.

ever from its investment.

To discuss Ulster in terms of money rather than principle may seem irrelevant, even sordid. If it is right to stand by the Protestants, should we not do so whatever the price? Alternatively, if it is right to work for British withdrawal and a united Ireland, should we not regard this as the culmination of an historic mission rather than a temporary respite for the public sector borrowing requirement?

Perhaps. There are, though, three reasons why an examination of the economic facts is

worthwhile. First, it is one way—admittedly very partial—of discovering something of the true relationship between Britain and the province. Second, Ulster is not the sole moral issue British politics: the Provision of decent welfare services is another, and when money is tight the financial cost of servicing one principle is liable to be paid by sacrificing another.

Third, to probe the financial link between Britain and Ulster is to ask some awkward questions about what British policy has done to everyday life in even the more peaceful parts of the province. The answers are frightening.

The main subsidy to the Ulster economy voted by MP's at Westminster is the annual Grant-in-Ald. This totalled £654 million in 1980-81; the provision for 1981-82 is up 20 per cent, to £785 million. This essentially covers the gap between what is collected in Ulster in taxes, rates etc and what is spent there on public services such as roads, housing, schools and hospitals.

But that figure tells only half the story. "Law, order and protective services"— mainly, the cost of the Royal Ulster Constabulary-are financed separately. are expected to cost £326 million this year. To this must be added the extra cost of keeping troops in Ulster, over and above what it would cost to keep them on Salisbury Plain or the banks of the Rhine, According to the latest Public Expenditure White Paper, this was £103 million last year, at autumn 1979 prices—which implies a 1981-82 figure at current prices of around £130 million. So the overall figure for-how shall we put it-exerting Her Majesty's authority in Northern Ireland is about £450 million this year. That works out at almost £6 a week for everyone living in Ulster; the cost of law'n'order in the rest of the UK is less than £1 a week per person.

There is, in addition, a further sum not voted by Parliament at all in advance. Each year "parity payments" are made to the Northern Ireland insurance fund. This is roughly the gap between what companies and workers pay in national insurance contributions, and what (principally) the unemployed and pensioners receive in benefit. With the recession deepening and more than one in five not jobless in Ulster, the parity payments are inevitably on the increase. In 1981-82 they may well approach £200 million.

All told, then, Ulster receives subsidies totalling £1.5 billion a year from Britain—or almost half the province's annual public expenditure total of £3.3 billion (see table.) That is equivalent to a subsidy of £20 per person per week.

Ulster: the true bill [In millions of pounds]

Income 1981-82: Locally-generated taxes, rates, national insurance etc	1,800
Payments from Britain: Grant-in-aid	800 450 200 50
Subtotal	1,500
Total income	3,300
Health, education	1.000
Social Security	900
Industry, agriculture, transport	500
Police, army, prisons	450

Housing	250
Miscellaneous	200

(It is possible to argue that the subvention is even higher: if, for example, Ulster is deemed to receive its share of the "benefit" of Britain's general defence expenditure, then another £300 million should be added. The £1.5 billion calculation assumes, in effect, that Ulster receives national benefits such as NATO membership for free. Lucky Ulster.)

If any other part of the UK received a £1,000-a-head subsidy (and no other region comes remotely near that), you might expect an unparalleled surge in prosperity. And, to some extent, Ulster has benefited: between 1966 and 1978, living standards rose twice as fast in Ulster as in mainland Britain.

But in other ways, the Ulster economy has grown steadily weaker. Unemployment is worse by far than elsewhere in the UK; and within the province there is a sharp difference between Protestant areas where the rate is 10-20 per cent, and Catholic areas, where it is generally 25-35 per cent. An analysis by Bob Rowthorn to be published in a coming issue of the Cambridge Journal of Economics paints a fearsome picture of what has happened since the early 1970's.

A decade ago Ulster had a balanced, if none too prosperous, economic structure. Since then industrial jobs have disappeared at a much faster rate than in mainland Britain, 27 per cent of jobs in manufacturing have gone. At the same time, public money has been poured at an unprecedented rate into jobs in health, education and administration. Public sector employment has risen by half in the past ten years.

One way of looking at the huge and growing subsidy of Ulster is that it has maintained living standards-largely via the creation of public sector jobs-in the face of general economic disintegration. Inward investment from Britain and abroad, which created more than 11,000 new jobs in manufacturing between 1966 and 1971, has largely dried up since then. All told, Rowthorn calculates, the conflict has destroyed or prevented the creation of about 40,000 jobs in industry, construction and private services while Westminster's response to the conflict has been to create 15,000 more public sector jobs. (Both figures are relative, not absolute: they compare the present employment tructure with what it would be if Ulster had developed in line with other depressed regions of the UK.)

The net effect of the conflict, therefore, has been to reduce employment by about 25,000—or about four per cent of the working population. At the same time the conflict has created grotesque distortions, turning Ulster into a workhouse economy where more and more jobs owe their existence to administrative flat and institutionalised charity rather than to rational economic organisation.

In the long run—indeed, in the not-so-long run—the economics of Ulster are likely to become an unacceptable burden on Britain. At the same time, the Dublin government could not begin to meet the cost of supporting Ulster's living standards within a united Ireland. It may dent British pride for Tony Benn to suggest involving the United Nations or for David Owen to discuss the role of the Common Market; but the time is not far removed when an international solution to the problems of Ulster will be the only

EXTENSIONS OF REMARKS

one that either Dublin or London will be able to afford.

AUTOWORKERS UNION, DEAL-ERS AND MANUFACTURERS SUPPORT H.R. 4400

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

 Mr. TRAXLER. Mr. Speaker, on August 4, Mr. Hillis of Indiana and I introduced H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981

Since that time, I have received statements of support for the bill from various foreign and domestic motor vehicle manufacturers, and from dealers and retail automotive manufacturer associations. In addition, as the result of our discussions with the United Auto Workers, the union has informed us of its support for the bill. These groups also call for prompt congres-

sional action on this bill.

This legislation seeks to amend title II of the Clean Air Act in order to provide a more balanced approach to regulating mobile source emissions. Both Mr. Hillis and I want to be certain that the quality of our air is maintained at levels which would not jeopardize the health of Americans. We also want to hold down excessive Government regulation and provide opportunities for reemploying the thousands of autoworkers who have been laid off as a result of the downturn in our domestic auto industry, which has been caused in part by the cost of Government regulation.

We are particularly pleased to have the support of the United Auto Workers, an organization that is committed to providing for a healthy environment and to preserving jobs. The UAW, which was consulted in the development of the provisions of our bill, has advised us of its support for the carbon monoxide, oxides of nitrogen, and hydrocarbon emission levels presented in this legislation, based on the weight of current scientific data which indicates that the levels we are proposing will not adversely affect air qual-

ity.

Likewise, the Motor Vehicle Manufacturers Association, the National Automobile Dealers Association, and the retail auto industry participated in the development of this bill, and support the emission standards that we

are proposing.

Mr. Speaker, we would like to include in the Record at this point a summary of the provisions of H.R. 4400, and copies of letters of support for this bill that I have received. We have also been advised that other letters of support are being sent to us, and we will include them in the Record at a later date.

The supplemental materials follow: SUMMARY OF PRINCIPAL PROVISIONS OF H.R. 4400

Short title—Mobile Source Clean Air Act Amendments of 1981.

Standards.-The bill would-

Establish the automotive carbon monoxide standard at 7 grams per vehicle mile (gpm), rather than the current 3.4 gpm level.

Establish by statute automotive NO_x standard of 2.0 gpm for diesel and gasoline fuel cars, rather than the current 1.0 gpm standard and eliminate waiver provisions now in the law that allow a higher diesel standard.

Require, without changing the current mandate that EPA set standards applicable to emissions from vehicles which cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare, that such standards relate to achievement of the applicable National Ambient Air Quality Standard just as is required for stationary sources.

Require that EPA consider the cost of emission standards and their effect on competition and energy use in setting new

standards.

Provide, in setting more stringent standards, minimum lead times of 48 months for new heavy duty vehicles and engines, and 36 months for all other new motor vehicles and engines.

Eliminate provisions that require that standards be set to achieve the greatest degree of emission reduction achievable through use of technology which EPA believes will be available, even though such technology is not available at a reasonable cost to the manufacturer and the consumer.

Provide that EPA may waive standards, after notice and public hearings, for up to four model years where the manufacturer demonstrates the waiver is necessary for use of an innovative power train technology, innovative emission control device or system, or alternative fuel (other than diesel fuel), or power source, and provide that the waiver will include a standard and apply to not more that 500,000 vehicles or engines of each model of a manufacturer.

Continue existing emission strategy in current EPA high-altitude regulations for model years 1982 and 1983 and provide for a study of the availability of models to high altitude dealers where there is a request therefor from dealers.

Provide greater flexibility for the EPA to

set heavy-duty standards and regulations.

Provide for exclusion of methane in establishing hydrocarbon standards and allow for an allowance, determined by EPA, for vehicles and engines that emit low levels of evaporative hydrocarbon emissions.

Certification and testing.—The bill would provide alternatives to current testing methods which must be approved by the EPA.

Enforcement.—The amendment would provide that if EPA determines that, based on a statistically valid and representative sample of vehicles, any class or category of vehicles or engines, although properly maintained, used, and adjusted, do not on an average conform to the standards, the EPA must notify the manufacturer. The manufacturer then must promptly submit a corrective action plan to be approved by EPA that could include recall or some other acceptable enforcement mechanism.

Study of alternative emissions control program and the efficacy of existing program.—
The bill would require EPA to examine the existing air pollution control program to de-

termine its efficacy and, if appropriate, to develop alternative and practicable approaches to the control of emissions from mobile sources. Any new approaches must not diminish the air quality protection afforded by the Act. The new approach must have several objectives of stimulating economic growth, reducing costs, simplification, improving control of emissions consistent with the needs of safety, energy conservation, and consumer demand, and developing a financially healthy domestic industry. The study must identify and consider any competitive advantages to manufacturers of any new approach.

A report of the study must be submitted to Congress within a year after public com-

ment thereon.

If EPA makes certain findings listed in the bill concerning such matters as feasibility of the new approach, air quality, and competition, EPA can, in its discretion, develop proposed regulations that meet certain criteria. But the regulations cannot be finalized except with the approval of Congress through the normal legislative process.

The study is not intended to prevent EPA from changing the program and its regulations within the bounds of the existing law.

AMERICAN MOTORS, Southfield, Mich.

Hon. ELWOOD HILLIS, Hon. Bob Traxler, House of Representatives, Washington, D.C.

Dear Representatives Hillis and Trax-Ler: I appreciate your introduction of H.R. 4400, the Mobile Source Clean Air Amendments of 1981. While the issues addressed in H.R. 4400 are important to all automotive manufacturers, timely enactment of certain provisions is particularly critical to American Motors.

Our statutory and administrative waivers for NO_x and CO expire with the 1982 models creating uncertainty regarding emission standards for 1983 model vehicles. This issue is of immediate concern as we currently are making decisions regarding our engineering programs for 1983 model year.

American Motors supports H.R. 4400 and we will assist in obtaining favorable action on the bill in a timely matter.

Sincerely,

GERALD C. MEYERS, Chairman, and Chief Executive Officer.

CHECKER MOTORS CORP.,
Kalamazoo, Mich.

Congressman Bob Traxler, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN TRAXLER: Checker Motors Corporation (CMC) of Kalamazoo, Michigan is pleased with the introduction of H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981 and wish to express our support for the bill.

We, as a member of the Motor Vehicle Manufacturers Association (MVMA), are aware of the implication of the bill and feel that the passage of the bill will go a long way in removing some of the extravagant costs and extreme burdens that have been imposed on the motor vehicle industry without undue jeopardy to our air quality.

CMC is a small volume motor vehicle manufacturer of primarily taxicabs and limousines and the regulations such as the Clean Air Act and the National Traffic and Motor Vehicle Safety Act are extremely burdensome and costly to us based on our current annual vehicle production volume of between 3,000 and 4,000 total vehicles

Our total reliance on the large volume engine manufacturers for technology relative to the Mobile Source Clean Air Act will allow us to benefit from the regulatory relief that this bill will provide to the automotive industry.

We hope that Congress will act promptly to approve this bill and wish to extend our

support for it.

Very truly yours,

DAVID R. MARKIN, President.

CHRYSLER CORP., Detroit, Mich.

Hon. BOB TRAXLER, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN TRAXLER: Thank you

for sending me a copy of H.R. 4400.

As I am sure you know, our people in Washington have been closely involved with the outstanding leadership effort you have provided on this bill. Needless to say, you have our commitment to support it, and we will do everything we can to urge action on the bill by the House Energy and Commerce Committee.

We appreciate your efforts in this very important matter and look forward to working with you in the weeks ahead.

Sincerely yours,

LEE A. IACOCCA, Chairman of the Board, Chief Executive Officer.

> FORD MOTOR CO. Dearborn, Mich.

Hon. Bob TRAXLER, House of Representatives,

Washington, D.C.

DEAR MR. TRAXLER: Thank you for your letter and the copy of H.R. 4400. We at Ford certainly agree that this proposed legislation represents a sound and responsible approach to amending Title II of the Act

We believe the provisions of your bill, if adopted, could yield major benefits to the industry and the consumer without jeopardizing attainment of national ambient air quality standards. These modifications will remove needless regulatory burdens and costs and contribute to the competitiveness

of the U.S. auto industry.

It is in this spirit that we wholeheartedly endorse H.R. 4400. We stand ready to assist you in any way you believe appropriate in obtaining favorable action on your bill.

Sincerely.

PHILIP CALDWELL, Chairman of the Board.

FREIGHTLINER CORP., Portland, Oreg.

Hon. BOB TRAXLER, House of Representatives, Washington, D.C. Hon. ELWOOD HILLIS. House of Representatives, Washington, D.C.

DEAR CONGRESSMEN TRAXLER and HILLIS: Thank you for your letter informing me of your introduction of H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981. We have reviewed the bill and find that it indeed encompasses modifications of the Clean Air Act which Freightliner Corporation can heartily support. Passage of H.R. 4400 would make an important contribution to removing of the unnecessary costs and

burden of exhaust emission regulations relating to heavy duty trucks without jeopardy to air quality.

We are hopeful that the Congress will act promptly this session to approve these and other necessary changes (such as appropriate changes to stationary source provisions) to the Clean Air Act. In addition to our strong support of H.R. 4400, we are ready to assist you in obtaining favorable action on the bill by the House Energy and Commerce Committee in September through our work with the Motor Vehicle Manufacturers Association and in talking to our Congressmen from Oregon.

Yours sincerely.

RONALD E. BURBANK, President and Chief Executive Officer.

GENERAL MOTORS CORP. Detroit, Mich.

Hon. ELWOOD HILLIS. Hon. Bob TRAXLER. U.S. House of Representatives, Washington, D.C.

DEAR MESSRS. HILLIS and TRAXLER: Thank you for your letter announcing introduction of H.R. 4400, the "Mobile Source Clean Air Act Amendments of 1981". We welcome this bill which will correct major problem areas of Title II of the Clean Air Act and we strongly urge that Congress act on it during this session. If enacted this fall, for example, rather than early in 1982, consumer cost savings for GM customers alone will be in the area of \$1 billion.

We also welcome the eleven principles announced by the EPA Administrator on August 5. These two actions should help provide the framework within which comprehensive legislation can be developed and passed this year amending both stationary and mobile source provisions of the Act to improve its effectiveness without reducing its benefits.

Your leadership in introducing H.R. 4400 is greatly appreciated. General Motors is ready to offer any further assistance in support of your efforts that may be required.

Sincerely,

ROGER B. SMITH. Chairman.

JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION, INC., Washington, D.C.

Hon, Bob TRAXLER. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN TRAXLER: We have received your letter requesting JAMA's comments regarding H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981.

JAMA considers that the changes proposed in the bill will accomplish the twin goals of relieving unnecessary regulatory burdens that have been placed on the automobile industry, and preserving the gains that have been made over the past several years in protecting air quality. We believe H.R. 4400 addresses the immediate concerns of the automobile industry and hope that action will occur quickly.

JAMA member companies may have specific comments which they will either forward directly to you or transmit through the association. We would appreciate your attention to any individual comments within JAMA's general endorsement.

We are most pleased that you have asked us for our views on this legislation and look forward to working with you in any way

that we can to achieve its successful passage through Congress.

Sincerely yours

AKIHIKO MIYOSHI. General Director.

MACK TRUCKS, INC.

Hon. BOB TRAXLER, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN TRAXLER: Mack Truck is most appreciative of the action taken by Congressman Hillis and yourself in introducing the Mobile Source Clean Air Act Amendments of 1981 (H.R. 4400). This legislation represents a careful and thoughtful modification of the current law. It continues efforts to secure proper environmental conditions while at the same time reducing the cost of any changes to both the manufacturers and users of motor vehicles. There are further refinements to the basic Act which are important to the heavy duty truck in-dustry, however, we support H.R. 4400 and stand ready to be of any assistance you might desire

We at Mack are most grateful for the leadership that you and Congressman Hillis have taken in sponsoring this legislation.

Most sincerely

A. W. PELLETIER. Chairman and Chief Executive Officer.

MOTOR VEHICLE MANUFACTURERS ASSOCIATION OF THE UNITED STATES, INC.

Washington, D.C.

Hon. Bob TRAXLER, House of Representatives, Washington, D.C. Hon. ELWOOD HILLIS, House of Representatives, Washington, D.C.

DEAR CONGRESSMEN TRAXLER and HILLIS: Thank you for your letter, wherein you asked the Motor Vehicle Manufacturers Association (MVMA) to review, and hopefully pledge support for, H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981.

MVMA is pleased by the introduction of H.R. 4400. The bill encompasses modifications of the Clean Air Act supported by MVMA and its member companies. These modifications deal with timing and the level of some standards to reflect the most recent air quality data plus other changes that can be properly characterized as "fine tuning" to this important statute.

We feel that passage of H.R. 4400 would make an important contribution to removing some of the unnecessary costs and burdens of motor vehicle regulations without jeopardy to our air quality.

It is urgent that Congress act promptly this session to approve these and other necessary changes, such as appropriate changes to stationary source provisions, to the Clean Air Act. The announcement on August 5 of the eleven principles the Administration wishes to see contained in legislation should help in accomplishing passage of a comprehensive bill this year.

We stand ready to assist you in obtaining favorable action on the Bill H.R. 4400 by the House Energy and Commerce Committee in September.

If there is any other assistance we can provide, please feel free to let us know.

Very truly yours,

V. J. Adduct,
President
and Chief Executive Officer.

NATIONAL AUTOMOBILE DEALERS ASSOCIATION, McLean, Va.

Hon. Bob Traxler, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN TRAXLER: At the outset, NADA applauds your introduction with Mr. Hillis of H.R. 4400. Expeditious passage of this legislation is imperative if the cost savings necessary to help spur the industry's recovery are to be realized.

NADA has traditionally worked closely with the automobile manufacturers in trying to establish emissions standards that are cost-effective while at the same time provide the desired air quality improvements. We believe the concepts embodied in H.R. 4400 satisfy these goals and we will be actively seeking the passage of your bill.

As you are probably aware, NADA was directly involved in formulating the provisions allowing for a study by EPA of model availability for high altitude dealers, if requested. Inasmuch as little real world experience relative to the effects of the 1982 high altitude standards is available, hopefully this provision will suffice in preventing the model availability and related problems which occurred in 1977. If, however, it becomes apparent during model year 1982 that the problems of the past are resurfacing, we may be compelled to pursue another course of action in regard to this provision.

Again, NADA sincerely appreciates your efforts in helping to pass legislation so critical to our industry's needs. We look forward to working with you in this endeavor and if there is any further information we can provide at this time, please feel free to contact

Sincerely.

H. Thomas Greene, Executive Director of Legislative Affairs.

> Paccar, Inc., Bellevue, Wash.

Hon. Bob Traxler, House of Representatives,

Washington, D.C.
DEAR MR. TRAXLER: On behalf of Paccar
Inc. we thank you for proposing H.R. 4400,
The Mobile Source Clean Air Act Amendments.

We intend to urge passage of this legislation by the House Energy and Commerce Committee and by the Congress and will be contacting our legislators in that regards. Sincerely yours,

ROBERT W. DICKEY, Vice President and General Counsel.

Volkswagen of America, Inc., Warren, Mich.

Hon. Bob Traxler, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN TRAXLER: Thank you for your letter regarding H.R. 4400. We commend you for your leadership in sponsoring this important legislation.

Volkswagen of America (VWoA) is totally committed to supporting this vital measure. We urge you to encourage your colleagues to take action on the bill this year. We must know as soon as possible if the more reasonable and justified standards of 7.0 grams per mile CO and 2.0 grams per mile NOx will be in effect for 1983 model year inasmuch as our certification process for that model year will begin very early in 1982.

Prompt passage of the "Study and Development of Alternative Emissions Control" provisions of H.R. 4400 (new Section 218 of the Clean Air Act) is of utmost importance to VWoA since the language you have proposed will necessitate a second round of Congressional action once EPA completes its one-year study and reports to the Congress. We want to see a revised, more realistic emissions compliance program implemented as soon as possible, not several years from now

from now.

Our Washington office, headed by Mr. Philip A. Hutchinson, Jr., Vice President of Industry-Government Relations, has been directed by me to make every effort in campaigning for urgent action on this bill. Our Vice President for Engineering, Mr. Duane F. Miller, is fully prepared to testify in House Committee and Subcommittee hearings in support of the technical aspects of HR. 4400

H.R. 4400 is the cornerstone of important and much needed revisions to the Clean Air Act. Enactment of the bill will assure more efficient use of the auto industry's scarce resources while continuing our progress toward improved air quality. We hope the Congress will consider the bill without delay.

Sincerely,

JAMES W. McLERNON, Office of the President.

AZIRIAN FAMILY REUNION

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

. Mr. DANIELSON. Mr. Speaker, it was 65 years ago, in 1915-16, that the Armenian people in their ancestral homeland suffered a series of massacres and deportations at the hands of the Ottoman Turkish Empire which nearly annihilated them as a national entity. Those who managed to survive, fled in terror seeking shelter in any country which would provide them with asylum and some degree of stability. Parents were often wrenched apart from their children; brothers and sisters frequently settled in different lands unaware of the fate of their relatives. Many times circumstances made it impossible for those families to reunite.

One of these families, the Azirian family of Sis, Western Armenia, at present occupied by Turkey, is planning a reunion in southern California during the month of August. They have planned a series of events to bring together the descendants of the original family, who were scattered due to the massacres and deportations of 1915-16. This will enable relatives who have never seen each other to become acquainted and those who parted as small children can once again share a portion of each other's lives.

The Azirian family, in its quest for survival, was scattered to every continent in the world. Seven years ago, Hagop and Marilyn Arshagouni of southern California began to research the family history and to compile information to prepare a family tree. After extensive and dedicated hard work, their family tree has developed into a 12-foot document that stretches back 10 generations, to the year 1700, an astonishing accomplishment considering that most Armenian records were destroyed in the genocide of 1915.

Two years ago, encouraged by the enthusiasm that was engendered by the process of preparing the family tree, the Arshagounis and a number of cousins formed the Azirian Family Reunion Committee to organize the reunion, which will be highlighted by a gala banquet in the month of August.

It is with great pride that I bring this historic event to the attention of my colleagues. This outstanding effort on behalf of the Arshagouni and Azirian family members to reunite typifies the will of the Armenian people to survive as a nation.

THE AGING WORLD WAR II VETERAN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BIAGGI. Mr. Speaker, as an original member of the House Select Committee on Aging and chairman of its Subcommittee on Human Services, I have a profound interest in the aging World War II veteran. The average age of the World War II veteran today is 60 years old. The Veterans' Administration, as the agency which serves all veterans, will soon be faced with a substantially large senior citizen population and will have to deal with such pressing matters as how institutions can afford to accommodate such a large group.

There are over 2.000 World War II veterans who are 65 years of age or older and over 10,000 World War II veterans will be 65 years of age. In 10 years, about 7,000 World War II veterans will be 65 years of age or older and in about 20 years, practically all World War II veterans will be 65 years of age or older. Seen by these statistics, the Veterans' Administration will be forced to look at the question of how to physically and financially provide benefits guaranteed to veterans by title 38 of the United States Code. Those benefits crucial to the livelihood of the elderly are pensions for income maintenance of veterans and survivors; hospital, medical, dental, and outpatient care; nursing home

Institutional strains, specifically on hospitals and nursing homes, will be prominent as more and more World War II veterans reach 65 years old. All veterans over age 65 are eligible for free hospital and nursing home care from the Veterans' Administration, regardless of their ability to pay. Certain general admission priorities do exist, but eligibility is based on discharge or release from the active military service under conditions other than dishonorable. The Veterans' Administration current hospital capacity is about 85,000 beds. Statistics show that by the year 2000 there will be a need for 120,000 hospital beds as a result of aging World War II veterans. As for nursing home care, 20 years from now the demand for VA-supported nursing home beds will triple from 20,000 to nearly 60,000.

Not only will there be a physical strain on hospitals and nursing homes due to the lack of space available, but more importantly there will be a tremendous financial strain. The Veteran's Administration contributes much less in its participatory programs for the use of other medical care facilities than it does for its own facilities. A comparison between VA medical care operating costs and other medical care operating costs, as of fiscal year 1979, leads us to the conclusion that VA medical care costs are a great deal more expensive than other medical care costs. The VA hospitals operating costs are \$3,410,449,000; while, the contract hospitals are \$64,812,000 and State home hospitals are \$5.098,000. Therefore, operating costs for VA hospitals are \$3,345,637,000 more expensive than operating costs contract hospitals \$3,405,351,000 more expensive than operating costs for State home hospi-

This same conclusion also holds true for VA nursing homes. The VA nurshomes operating costs are \$185,965,000; while, the community nursing homes are \$98,692,000 and the State nursing homes are \$19,787,000. Therefore, operating costs for VA nursing homes are \$87,273,000 more expensive than operating costs for community nursing homes \$166,178,000 more expensive than operating costs for State nursing homes. Finally, the Veterans' Administration, as of fiscal year 1980, pays only about \$11.10 per day for each veteran in a State-operated nursing home and \$36.97 to community homes. Its own nursing home care cost is \$72.33 per day. It must be understood that this high cost of VA facilities reflects the total cost of care, not just a payment into a participatory program with a community or State facility. This total cost includes VA nursing homes high

care; domiciliary care; and burial bene-salaries and sophisticated medical

One possible solution to how the Veterans' Administration will be able to provide for veterans based on such phenomenal costs is to increase eligibility requirements of veterans. This would have the adverse effect of limiting the number of veterans who would be able to receive benefits. Another possible solution is to merge veterans services with other benefit programs, which would force veterans to give up some of their independence and compromise on some of their benefits. A possible compromise would be the use of community and State facilities instead of VA facilities, since the Veterans' Administration pays less for the use of these other facilities.

The future welfare of veterans has always been of great concern to those in the House and in the Senate, H.R. 1100-which I supported-has been passed by both the House and the Senate as of July 30, 1981. H.R. 1100 expands the eligibility of former prisoners of war for certain benefits and health-care services provided by the Veterans' Administration. This legislation is important in that it assures former POW's of compensation and health-care benefits for certain disabilities which were attributed to their internment. In a study by the Veterans' Administration, it was shown that mental disorders are one of the most common disabilities affecting former prisoners of war. It is often many years after incarceration that these disorders become visible. H.R. 1100 recognizes the need for certain disabilities to be considered service-connected so that help can be administered to those veterans who were prisoners of war. H.R. 1100 will have a direct influence upon aging World War II veterans, who will be able to obtain the proper care for the residual effects of their period of captivity.

The Veterans' Administration in October 1977 provided the Congress with a report on the short- and long-range plans of the Administrator. This report was in response to Public Law 94-581, section 117(a), and directed the Chief Medical Director, through the Administrator of Veterans' Affairs, to submit a report on VA programs and plans for meeting the problems generated by the increasing numbers of aging veterans. It is this report which must be analyzed when making decisions on the future of the future of the World War II veteran. I hope I have brought to the attention of my colleagues an awareness of the crucial questions we must deal with in the very near future.

REMEMBERING JOHN BARRY

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. O'NEILL. Mr. Speaker, I rise to give support to Senate Joint Resolution 87 commemorating the birthday of Commodore John Barry, designating September 13 as "Commodore John Barry Day." In an age where we are seeking out new heroes, Commodore Barry stands out as an example of heroic achievement. The first man commissioned by the United States Navy, he showed great valor in the Revolutionary War, and later in the war with France. George Washington, when issuing Commodore Barry's commission, commented on his "patriotism, valor, fidelity, and abilities. . . .

But to Irish-Americans, John Barry holds a special significance, because he was born in County Wexford, Ireland. Fighting the poverty of his youth in Ireland, he beat the odds to become one of the founding fathers of the American Navy. It is important that we continue to remember Commodore Barry's achievements both as an American and as an Irishman. While Ireland is struggling to find a just solution to its present troubles, the memory of John Barry can serve as an inspiration of what men can do in the most difficult of times. The commodore also reminds all Americans of the positive contribution the Irish have made throughout American history. Finally, John Barry is a symbol of the patriotism and strength on which this country was founded.

SMALL BUSINESS TAX RELIEF-THE MESSAGE IS STARTING TO GET THROUGH

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

Mr. MARRIOTT. Mr. Speaker, I believe it would be appropriate to inform this House, as well as many interested small enterprises in Utah, about the development of the 1981 tax bill and. particularly, its small business provi-

PRESIDENT'S PACKAGE IS HISTORIC

President Reagan has given us historic tax legislation. The size and scope of the individual tax reductions and depreciation reforms in the Economic Recovery Tax Act of 1981 are unprecedented. The business portion of the program gives America a real hope and solid opportunity for revitalizing our heavy industry.

I fully supported both the business and personal aspects of the President's plan.

EXCELLENT PROVISIONS ADDED BY THE CONGRESS

There were also some highly desirable provisions of the final legislation that originated in the Congress. In my opinion, the indexing of personal taxes proposed by Mr. Dole and Mr. Armstrong in the Senate, and Mr. Archer and Mr. Gradison in the House, will be a key part of our tax policy by assuring that the effects of the 25-percent across-the-board tax cuts over the next 3 years are not wiped out by inflation.

The Senators from Wyoming and Virginia, Mr. Wallop and Mr. Byrd, also were instrumental in developing the fine estate tax reforms that were accepted into the final bill. The gradual increase of the Federal estate tax exclusion from \$175,600 to \$600,000, the corresponding reduction of maximum rates from 70 percent to 50 percent, and the free transfer of all property to a surviving spouse under Federal law will be highly valuable in preserving the continuity of family farms,

ranches, and small businesses.

HOUSE SEEKS HELP FOR SMALL BUSINESS
A number of us in the House raised our voices in behalf of giving specific recognition and support to the crucial small business element of our producing economy.

Small business accounts for the vast majority of all net new jobs in the pri-Treasury Secretary sector. Donald Regan puts the figure at 85 percent. The National Small Business Association's estimate is closer to 95 percent. From 1969 to 1976, 9 million new jobs were created, but NSB points out that employment among the Nation's 1,000 largest corporations accounted for only about 45,000 (5 percent) of the net new jobs. Three million of those jobs were in State government; the remainder, or nearly 6 million, were in small businesses, according to the Small Business Administration.

From SBA statistics, we know that small business provides 55 percent of all nonfarm employment—59 percent if farming is included—50 percent of all new technical innovations, 48 percent of domestic output and 43 percent of the gross national product.

In addition, small business owners and their families play an active role in the stability of their towns and cities through the continuity of their businesses and by working in their churches, charities, and other volunteer activities.

UTAH IS A SMALL BUSINESS STATE

I grew up in such a small business community in my own State of Utah and have witnessed these things, as I am sure many of my colleagues have.

It is no accident that Utah is the "Beehive State." Our commerce was

built by hardworking small and family enterprises; there are few large corporations to this day. The industry of these firms reflects the State's pioneer heritage. Our citizenry is proud of this tradition and supports local, State, and regional business.

A recent development in our business community is the increasing interest and activity in government matters through a variety of small business organizations, such as the Salt Lake Area Chamber of Commerce, on a metropolitan level; the Utah Council of Small Business, statewide; the Mountain States Association; a regional group made up of small and independent business organizations in eight Rocky Mountain States stretching from Canada to Mexico; and the National Small Business Association, National Federation of Independent Business, and Small Business Unity Council, which are national in scope.

It has been my pleasure to work closely with all of these organizations in constructing the small business elements of the 1981 tax bill.

Utah is particularly fortunate to have within its borders such resources as Blair Walkington, director of economic development of the Salt Lake Area Chamber and David Tomlinson, who is not only a strong president of the Utah Small Business Council, but also national president of the Small Business Unity Council.

The Utah State Council, with a membership approaching 7,000, must be one of the fastest growing small business groups in the country. It has been very active in supporting the free enterprise thrust of President Reagan's program and advocating specific amendments to assist specified elements of the small business community, such as modest corporate rate reductions to help the less capital-intensive companies, expensing, estate tax reductions, and other capital formation measures.

There is also a natural tie-in of this program with the recommendations of the Small Business Unity Council, which is composed of representatives from every State delegation to the White House Conference on Small Business of January 1980.

Mr. Tomlinson tells me that 25,000 small business owners and operators across the country participated in 57 preliminary regional and State conferences. They balloted to select 2,000 delegates who hammered out the final recommendations at the 4-day meeting in Washington, D.C.

These recommendations extended across the spectrum of small business problems, including taxes, capital formation, regulatory reform, access to justice and international trade. However, 5 out of the top 10 had to do with taxes and capital formation. The No. 1 recommendation by a wide margin was corporate and individual

rate reductions and No. 2 was depreciation reform, including direct first year expensing. No. 4 was estate tax reform. These groups also brought to attention that small firms in Utah, and nationally, are seriously threatened by the combination of long-term inflation, high interest rates, and a bias against small business of current tax laws.

The broad based support and advocacy of these issues by Utah groups has been a definite factor in my own interest in these matters, and my resolve to do something about them if the occasion arose.

The 1981 tax proposal—the largest tax reduction bill in U.S. history—provided such an opportunity.

SMALL BUSINESS COMMITTEE HEARINGS GATHER INFORMATION

In order to assemble the facts and figures necessary for legislative recommendations the Subcommittee on Tax, Access to Equity Capital and Business Opportunities of the House Small Business Committee, of which I am ranking minority member, began to hold a series of hearings on the impact of President's tax proposals on small business.

During this hearing, I was particularly impressed with the testimony of the National Small Business Association; a general membership organization with about 50,000 members nationwide.

The NSB presented a carefully worked-out series of recommendations aimed at balanced assistance to all business, but especially to the various elements of the small business community.

Their 16 suggestions included: corporate rate reductions up to \$200,000, direct expensing of the first \$25,000 of equipment purchases, increase in the investment credit for used machinery to at least \$250,000, increasing the estate tax exclusion of \$600,000, expanding the rehabilitation credit for existing buildings, savings incentives targeted to help construction and other local businesses, restoration of stock options, reform of inventory accounting rules, and broadening of the jobs tax credit.

A feature of the NSB program that I especially liked was fiscal responsibility—it proposed revenue savings that matched its tax reduction proposals. These savings provisions were accepted by the House, the Senate, and the administration, saving the Treasury about \$57 billion over 5 years, and making room for many other tax reductions to be enacted.

The NSB also brought into the process the Small Business Legislative Council—a consortium of some 75 trade associations representing over 4 million small businesses that combine to act on legislative matters. While the bill was being drawn up, the SBLC

presented two informational briefings to House Members and staff on a bipartisan basis. At their breakfast meetings tax experts used charts and statistical materials to explain the impact of various proposals on the small business community. My office found these sessions to be very useful.

Equally impressive has been the contribution of the National Federation of Independent Business, an organization made up of over half a million small and independent business owners. Testifying at these same House Small Business Committee hearings, the NFIB outlined a program of tax relief for the small business sector of our economy.

Their program included five major

priorities and seven proposals which they suggested be adopted as soon as possible after the accomplishment of the five. The priorities were: Reducing payroll taxes, depreciation reform, inventory accounting reform, further graduation of corporate income taxes, and estate tax reform.

The seven additional proposals included raising the ceiling on the accumulated earnings penalty, eliminating the ceiling on the investment tax credit for used property, reform of subchapter S corporation rules, savings incentives, captial gains rollover, reducing the maximum individual tax rate from 70 percent to 50 percent, and clarification of the status of independent contractors.

I have been impressed, by testimony before our subcommittee, that the NSB, the NFIB, and other small business advocacy groups agree, to a large extent, on the steps necessary to provide meaningful tax relief for America's small businesses. Experience has clearly demonstrated that, when these groups work together, a great deal can be accomplished on behalf of this most important sector of our economy.

M'DADE-MARRIOTT BILL INTRODUCED

Armed with the best expertise we could obtain from witnesses, associations, and others, the ranking Republican member of the Small Business Committee, Mr. McDade, of Pennsylvania, and I put together a small business tax bill containing the initiatives that we considered to be most important and most achievable in behalf of small business, commercial, and agricultural firms.

On April 9, 1981, I introduced H.R. 3202 with 16 cosponsors-it now has 37 cosponsors. It was an 11-section proposal with the following provisions: A definition of small business limited to \$20 million in revenues and 500 employees; a further graduation of the corporate tax rates below \$200,000; direct expensing of \$25,000 of equipment purchases annually; an increase in the number of permissible subchapter S shareholders to 25; a \$20,000 credit for investment in small businesses; an increase in the capital gain exclusion from 60 percent to 80 percent; reduction of the capital gain rate for corporations from 28 percent to 20 percent; an estate tax exclusion of \$2 million on business property; a tenfold increase in the interest and dividend exclusion in order to stimulate savings and investment; reform of inventory accounting procedures; increase in the ceiling on the investment tax credit for used machinery from \$100,000 to \$300,000.

URGING OTHERS TO ACCEPT THE BILL

I then appeared as a witness before the Ways and Means Committee to explain the provisions and argue that they should be a vital element of any tax bill.

It was my contention that a bill that focused upon the supply side of our economy must include equitable assistance to the small business community, which constitutes such a significant

part of that supply side.

In addition, on July 24, I and 12 more of my Republican colleagues (McDade, Snowe, Lyle Williams, Dan CRANE, JIM HANSEN, CRAIG, ERDAHL, ROTH, DAUB, CHRIS SMITH, VIN WEBER, and ALBERT LEE SMITH), wrote to the President to point out the advantages of such a package as part of the tax bill and as a benefit to our economy. In addition to a number of the proposals in H.R. 3202, we added a suggestion that we raise the ceiling on the accumulated earnings penalty.

The five suggestions we made in that letter were included, in some form, in the final version of Conable-Hance.

Then, on the eve of the key July 29 vote in the House of Representatives, I circulated a letter to all House Members urging them to vote for the Conable-Hance bill, which by then had been expanded to include these small business concepts and indexing.

MANY IDEAS FROM H.R. 3202 ACCEPTED IN FINAL LEGISLATION

Now that the bill has been signed, I can report that, of the 11 proposals in our April bill, 8 were accepted to some extent in the public law signed by the President on August 13.

These included increased corporate rate graduation to \$50,000; inauguration of direct expensing at a level of \$5,000 in 1982 rising to \$10,000 in 1986; subchapter S shareholder limit raised to 25; reduction of capital gains rates; increase in estate tax exclusionsphased up to \$600,000; savings incentives; inventory reforms.

Although we advocated higher levels for many of these benefits, I believe we are entitled to record these results as an excellent beginning. As the economy turns strongly upward, I believe we should further broaden these small business provisions.

HELPING SMALL BUSINESS WILL BOOST ENTIRE ECONOMY

It is my opinion that the eight provisions we enacted will provide support for the important small enterprise segment of our economy. It should encourage investment and retention of funds in small business to offset some of the tax biases now affecting small business. By addressing these problems it will be possible to harness the true potential of the small business community for creating jobs, innovations, and enterprises that will ultimately provide a significant share of the real foundation for economic growth and opportunity in Utah and throughout the Nation.

LESSON OF THE HOLOCAUST

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. KEMP. Mr. Speaker, April ushered in the first annual Days of Remembrance Commemoration sored by the U.S. Holocaust Memorial Council under the chairmanship of Elie Weisel. Mr. Weisel is also active in trying to secure the release of dissidents from the Soviet Union, but at this April reflection, attended by President Reagan, he addressed his remarks to the importance of keeping alive the lesson learned in the holo-

REMEMBERING THE HOLOCAUST

Mr. President, about sadness later. First some words of gratitude. We thank you, Mr. President, for joining us and for participating in this solemn assembly of remembrance. Your presence here today-so soon after the senseless attack upon your person-is a tribute to your understanding and concern for human values-and is especially meaningful to us. We all know that your being here is not a ceremonial gesture, but an expression of your sense of history and your dream of a future with hope and dignity for the American Nation and for all mankind. So we thank you, Mr. President, an we thank our father in heaven for having spared you.

And now I would like to share with you some lines written by a young Jewish boy named Mottele.

Mottele wrote this poem in Therestenstadt and it reflects more than his own mood-more than his own fate:

From tomorrow on I shall be sad. From tomorrow on.

Not today. What is the use of sadness-tell me? Because these evil winds begin to blow? Why should I grieve for tomorrow-today?

Tomorrow may be good, Tomorrow the Sun may shine for us again; We shall no longer need to be sad.

From tomorrow on I shall be sad-From tomorrow on.

Not today, no! Today I will be glad. And every day, no matter how bitter it may

I will say: From tomorrow on I shall be sad-

Not today. How does one commemorate a million Motteles and Shloimeles and Leahles and Soreles?

How does one commemorate six million victims, all descendants of Abraham and Isaac and Jacob?

What words does one use, what metaphors does one invoke to describe the brutal and unprecedented extinction of a world?

Thousands and thousands of flourishing communities survived the fury of the crusades, the hatred of pogroms, the afflictions of wars, and the misery, the shame, the depair of religious and social oppressions, only to be swept away by the holocaust.

In all their chronicles and testaments, memoirs and prayers, litanies and poems, the victims stressed one single theme over and over again:

Remember, remember and bear witness... and that is their legacy to us, the living. There may be some who will ask: Why remember at all? Why not allow the dead to bury the dead? Is it not in man's nature to push aside memories that hurt and disturb? The more cruel the wound, the greater the effort to cover it; the more horrifying the nightmare, the more powerful the desire to exorcise it. Why then would anyone choose to cling to unbearable recollections of emaciated corpses, of violations of every human law?

Clearly, we have not yet learned to cope with the event—intellectually, socially, philosophically, theologically. Perhaps we never will. The more we know, the less we understand. All we can do is remember. But—how does one remember? How does one remember and communicate an event filled with so much darkness and mystery that it negates language and imagination? Auschwitz transcends history, marks it with a burning seal: Our century, Mr. President, may well be remembered not only for the monuments it erected or for the astonishing technological advances it made, but most of all for Treblinka and Majdanek, Belsen and Ponar, Auschwitz and Buchenwald.

How is one to explain what happened? it could have been stopped—or, at least slowed down—at various stages. It was not. Why not? I am a teacher, Mr. President, and my students—young, fervent, compassionate Americans—often express their puzzlement in my classroom: Why the complacency? Why the tacit acquiescence? Why weren't the Hungarian Jews, for example, warned about their fate? When they arrived in Auschwitz—at midnight—they mistook it for a peaceful village . . Why weren't the railways to Birkenau bombed by either the allies or the Russians?

The calculated viciousness of the executioner, the helplessness of the doomed, the passivity of the bystanders: All these lie beyond our comprehension. The killers' fascination with death, the victims' with hope, the survivors' with memory: A new vocabulary needs to be invented to describe the event.

Can you imagine the silence preceding a selection? The fear of a man who suddenly understands that he is the last of his family, the last of a line?

Imagine—no, no one can imagine that kingdom. Only those who were there know what it meant to be there . . . Theirs was a kingdom that will forever remain forbidden and forbidding. And yet, and yet: We must tell the tale—we must bear witness. Not to do so would mean to render meaningless the years—the lives—that we, those of us who survived, received as a gift, as an offering—to be shared and redeemed.

We are determined to tell the tale. Not to divide people but, on the contrary, to bring them together; not to inflict more suffering

but, on the contrary, to diminish it; not to humiliate anyone but, on the contrary, to teach others to humiliate no one. This is why we bear witness, Mr. President. Not for the sake of the dead: It is too late for the dead. Not even for our own sake: It may be too late for us as well. We speak for the sake of mankind: The universality of the Jewish tragedy lies in its uniqueness. Only the memory of what was done to the Jewish people—and through it to others—can save the world from indifference to the ultimate dangers that threaten its very existence.

That the survivors have not lost their sanity, their faith in God or in man, that they decided to build on ruins and chose generosity instead of anger, hope instead of despair, is a mystery even to us they had every reason to give up on life and its prom-They did not. Still-at times, Mr. President, they are overcome by doubt. And fear. The world has not learned its lesson. Antisemitic groups spring up and some shamelessly deny that the holocaust ever occurred. Fascist groups increase their membership. Intolerance. Bigotry. Fanaticism. Mass executions in some places, mass starvation in others. Religious wars, medieval upheavals. And then of course, the ultimate nightmare: The nuclear menace.

Though Jewish—profoundly Jewish in nature—the holocaust has universal implications: the memory of what was done to one people may shield other peoples.

Naturally, other nations were persecuted and even decimated by the nazis and their allies, and their collaborators—and we honor their memory—but the Jewish people represented a different target: for the first time in history, being became a crime: Jews were destined for annihilation not because of what they said or proclaimed, or did, or possessed, or created, but because of who they were . . .

Is that why we, Jews, are so concerned with memory?

Is that why we are so attached to a land where many survivors have found pride and refuge? Please understand us, Mr. President, we believe that the holocaust must remain above politics. If we plead for Israel's right not only to be secure but also to feel secure, it is because of Israel's nightmares—which are also our nightmares—Israel is today threatened by a holy war—which means: "Total war and annihilation." Words? Yes. Words, but we are a generation traumatized by experience, Mr. President: We take wars seriously. The very idea of another Jewish catastrophe—anywhere—in our lifetime, is quite simply unbearable to us.

Before planning the final solution, Hitler asked: "Who remembers the Armenians?" He was right: No one remembered them as no one remembered the Jews.

In those times, European Jewry felt abandoned. And, indeed, it was abandoned. Other oppressed nations received help; not the Jews. On April 16, 1943, Mordechai Anielevits—the young Commander of the Warsaw ghetto uprising, wrote to a friend: "We are fighting... we shall not surrender... but, as our last days are approaching,

remember that we have been betrayed . . ."
That is what he felt—that is what we all felt. They were betrayed then. To forget them now, would mean to betray them

again. We must not allow this to happen. In the Jewish tradition when a person dies we appoint him or her as our emissary in heaven to intercede in our behalf. Is it possible that they were our messengers?

But then whose messengers are we?

It is with a rare sense of personal honor and pride that I present to you the President of the United States.

PRESIDENT REAGAN IS WRONG ON COURT NOMINEE O'CONNOR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. McDONALD. Mr. Speaker, an exchange of letters between President Reagan and Mrs. Marie Craven of Illinois was made public recently. The President is supposed to have personally composed his reply to Mrs. Marie Craven. It is sad to record that the President did not have his facts straight and that the tone of the letter was not very Presidential. In the interest of setting the record straight I am today inserting both letters in the Congressional Record, together with some comments and the facts as I understand them.

First of all, the person referred to in the second paragraph of the President's letter is Dr. Carolyn Gertser, a widely respected and admired member of the right-to-life movement, who is considered a moderate in her views. So, one can only wonder who characterizes her in the manner described by the President.

Second, the President's letter leaves a great deal unsaid. He discusses only one vote. On this one vote he is in error. The bill in question passed both bodies of the Arizona Legislature, was signed into law by the Governor and survived a challenge in the Arizona Supreme Court.

Third, the record shows that Mrs. O'Connor voted in 1970 for legislation that would legalize abortion on demand 3 years before the Supreme Court decided the issue. In 1973, she supported and cosponsored a family-planning bill that would allow abortions for minors without parental consent. In 1974 she voted against a bill that would memorialize the Congress to constitutionally protect the unborn.

So, as the noted Washington columnist John Lofton has said:

The President's letter has left the air even more polluted and raises more questions than it answers.

The exchange of letters follows:

JULY 7, 1981.

Dear President Reagan, a number of prolife people are planning on picketing you at your departure point tonight to protest your confirmed appointment of Judge O'Connor from Arizona for the office of Supreme Court Justice.

Instead of participating in this protest, I have decided to write this letter.

I have been an active pro-lifer since April of 1973. I have served and am serving on Boards of Directors of local pro-life groups, have served as Chairman of Ill. Citizens Concerned for Life and have contributed too many valuable hours away from family and small children to let what you have

done today go unnoticed.

I have both anger, resentment and frustration pent up in me at this moment because I sincerely feel you have betrayed me and millions of Americans including over 8 million pre-born babies that will continue to be aborted every 30 seconds simply because they are a simple inconvenience to so many of our country's women.

I am a Chicago resident of Irish Catholic heritage and up until my involvement in pro-life a committed democrat. I worked for your election, along with countless others, distributing your campaign literature, making phone calls organizing blitzes, etc. etc. I don't want credit for any of this, I just want you to know that at this precise moment, I know that the power of the office has taken precedence over your party platform and campaign promises. I feel I am a grassroots citizen—and I am sickened by witnessing once again the broken promises of the politician.

When you were shot, I prayed for your swift recovery. I continue to pray for you daily that your judgements will be wise ones. Today I am having difficulty believing that you meant the words of a letter you sent to the National Right to Life Convention on June 18, 1981 . . "I share your hope that someday soon our laws will reaffirm this principle. (that abortion is the taking of human life). We've worked together for a long time now, and like you, I am hopeful that we will soon see a solution to

this difficult problem."

By this appointment, you have betrayed the pro-life position. Judge Sandra O'Connor has supported pro-abortion legislation when she was an Arizona legislator. How then can this appointment bring us closer to our goal of protecting the pro-born children of America?

I only hope that the U.S. Senate rejects your appointment. Maybe this is your ultimate goal—your appointment of a woman to satisfy the pro-choice feminists—followed by rejection of her appointment by the Senate and an alternate candidate appointed to satisfy all factions.

I hope for the sake of our nations most vital resource, our children, I am right. Sincerely,

MRS. MARIE CRAVEN.

THE WHITE HOUSE, Washington, August 3, 1981.

Mrs. Marie Craven,

DEAR MRS. CRAVEN: I'm sorry to be so long in responding to your letter, but I've found in all the channels of government, it often takes a while for letters such as yours to get through the mail department and over to my desk. So forgive me for that. I thank you for writing and appreciate the opportunity to comment with regard to my Supreme Court appointment and my position on abortion.

I believe that most of the talk about my appointment was stirred up principally by one person in Arizona. I have done a great deal of checking on this and have found this person has something of a record of being vindictive. I have not changed my position; I do not think I have broken my pledge. Mrs. O'Connor has assured me of her personal abhorrence for abortion. She has explained, as her attacker did not explain, the so-called vote against preventing university hospitals in Arizona from performing abortions.

What actually happened occurred back when she was a senator in the state government. A bill had been passed by the Senate and sent over to the House calling for some rebuilding of the football stadium at the university. The House added an amendment which would have prevented the university hospitals from performing abortions. But the constitution of Arizona makes it plain that any amendment must deal with the subject in the original bill or it is illegal. For this reason the Senate, including Mrs. O'Connor, turned that down.

Much is being made now of her not coming out with flat declarations regarding what she might do in the future. But let me point out it is impossible for her to do this because such statements could then be used to disqualify her in future cases coming before the Supreme Court. She is simply observing a legal protocol that is imposed on anyone who is in the process of a judicial appointment. I have every confidence in her and now want you to know my own position.

I still believe that an unborn child is a human being and that the only way that unborn child's life can be taken is in the context of our long tradition of self-defense, meaning that, yes, an expectant mother can protect her own life against even her own unborn child, but we cannot have abortion on demand or whim or because we think the child is going to be less than perfect.

I thank you for your prayers in my behalf and for your support. I hope that I have cleared the air on this subject now because I would like to feel that I did have your continued approval.

Thanks again. Sincerely,

RONALD REAGAN.

SUPPORT FOR THE ARTS MUST CONTINUE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. BIAGGI. Mr. Speaker, despite the current national sentiment for reduced Government spending, there remains one area of Federal expenditures that continues to receive strong, bipartisan support from all sectors of our society—the arts.

As an original cosponsor last year of legislation to extend the National Endowments for the Arts and Humanities and the Institute of Museum Service, I remain actively involved in efforts to preserve these vital agencies. Last month, with my strong support, the House passed the 1982 appropriations bill for these agencies which included \$157.5 million for the Arts Endowment, \$144 for the Humanities Endowment and \$14.4 million for the Museum Institute. Clearly, there remains a need for continued funding for these agencies which have provided museums, arts agencies, and institutions the ability to bring culture and enlightened learning to millions of Americans.

For the benefit of my colleagues, I would like to include in the RECORD a copy of an article written by Martin E. Segal, chairman of Lincoln Center for the Performing Arts in my own city of

New York, for a recent edition of Newsweek. His comments on the importance of continued support for creativity and scholarship are compelling. Particularly important are his observations on the impact of reduced taxes upon charitable contributions to the arts. I am confident that Congress will continue to provide support for American art and scholarship, echoing Mr. Segal's view that this support is vital to the well-being of our Nation.

[From Newsweek magazine, August 1981]

Don't Cut the Arts (By Martin E. Segal)

Most Americans favor the stated purposes of the President's domestic program—lower taxes, a balanced Federal budget, reduced inflation, a stronger economy with fuller employment and more savings—all of which will, it is hoped, result in a generally better life for all.

The Administration is entitled to the fullest opportunity to demonstrate that its recommended legislation and appropriations will indeed achieve these goals. However, the proposal for cutting appropriations for the arts and humanities via the National Endowments (NEW and NEH) may not meet the Administration's intentions:

Lower taxes for individuals and estates indirectly hurt the arts and humanities, as well as other nonprofit organizations, and will be a disincentive to individuals to increase contributions. Ticket income from concerts, ballet, opera and other nonprofit arts covers, on the average, 65 percent of the cost. Admission contributions at museums cover close to 40 percent of the cost. To enable ticket prices to remain at reasonable levels, the difference is made up by voluntary contributions from individuals, corporations and foundations; from government appropriations—Federal, state and city—and from endowment income and bequests.

Most of the money contributed to arts and humanities organizations comes from individuals; the cost of a \$1,000 contribution to a person in a 50 percent tax bracket is only \$500 net, and the cost of that same contribution to a person in a 70 percent tax bracket is \$300 net. When tax rates are reduced, there will be little incentive to pass on some of the savings to nonprofit arts and other organizations.

At present, an estate may be taxable if it amounts to more than \$175,000. Charitable contributions are deductible from the taxable estate. If the first \$600,000 of an estate is exempt from taxes, any charitable/arts contribution from estates less than \$600,000—and 99 percent of estates are in this category—would give the individuals no estate-tax advantage.

Business cannot make up what the Federal government cuts. It is true that many businesses do not now contribute anything to the arts and should be encouraged to do so. What isn't generally known is that contributions from business have grown most impressively during the past decade. This is due not only to the recognition of the useful role of the arts in our society, but also because inflation has hit the arts particularly hard and government support has not been nearly enough. Business has often taken the lead from government, matching government grants in the arts and humanities either on a one-to-one basis or, in the case of the successful Challenge Grant program, on a three-to-one basis. But business

support is and should be voluntary. After all, business already pays taxes to help support government activities.

The healthy state of the arts in this country is due largely to a partnership of business, individuals and government. It isn't wise for one partner—government—to declare unilaterally to the others, "You should do more, so as to relieve me—even though I know that will not really help me achieve the other things I want to do."

The proposed cuts will have a meaningless effect on the balancing of the budget. The gross Federal budget in 1981 is \$661 billion. The appropriation for the NEA is \$157.6 million, or 24/1,000 of 1 per cent of the total budget. The appropriation for the NEH is \$154 million, or 23/1,000 of 1 per cent. Thus, the combined budgets for NEA and NEH are 47/1,000 of 1 per cent. So, cuts here are not significant. Say some, if everybody is being cut, so should the arts and humanities. But everybody isn't being cut. The Administration is even proposing increases in appropriations where it believes these necessary or desirable.

Cuts for the arts and humanities will increase unemployment and will adversely affect the economy of many important sections of the nation. Reductions in Federal support will be of grave concern to millions of Americans for whom music, theater, dance and museums are vital ingredients of a better and happier life. The arts and humanities are labor-intensive. Cuts in government support will result in unemployment. Active and interesting cultural activities are prime attractions for tourists to many cities, and tourism is directly related to hotels, restaurants, department stores and other businesses vital to a thriving economy.

Many cities mention cultural activities in their promotional literature to encourage tourists to visit or businesses to come and settle there. Impairing or eliminating cultural activities will have an adverse effect on the entire economy.

If cuts in the appropriations for the National Endowments for the Arts and Humanities can have no real effect on the balancing of the Federal budget; if the proposed tax cuts are disincentives for contributions by individuals; if it's unreasonable to expect business to make up for government cuts; if the arts are economically beneficial, both in and of themselves and in promoting tourism and other industries—returning as they do an estimated \$7 for each dollar spent; if the American people want the arts, as demonstrated by ever-increasing attendance at theaters, museums, concerts, opera and ballet; if business and individuals have in fact been increasing their direct contributions to meet inflationary costs that have not been met by government-if all of these, what should be done? I have two direct and, I believe, constructive recommendations. First, the Federal Government should increase its appropriations for the arts and humanities. Second, when the proposed tax cuts are enacted, amendments to the tax laws should be introduced and passed that would treat charitable contributions in such a way so as not to diminish the present net results for the deductibility of such contributions.

Our Nation will be all the more healthy and vigorous, economically and otherwise, if support for the arts and humanities is increased rather than diminished. VALEDICTORIAN SPEECH OF HUONG THI-THANH LE

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

• Mr. CHAPPELL. Mr. Speaker, today I wish to share with my colleagues the valedictory speech delivered before the graduating class of Forrest High School on June 3, 1981, by a remarkable young lady. Huong Thi-Thanh Le came to this country as a refugee from war-torn Vietnam in 1975. She was born in Saigon, South Vietnam, and attended public and private schools there through the sixth grade. Her father was secretary to the Prime Minister of South Vietnam until becoming a senator in the Vietnamese Legislature. About a week before the fall of Saigon, her father sent Huong and her sister to France to stay with relatives. The remainder of the family escaped Vietnam by boat to the Philippines. They arrived in the United States as refugees in June 1975. Huong and her sister joined the rest of the family in

During a time when refugees have been receiving large amounts of unfavorable publicity due to the recent influx into this country, I feel it is imperative that we recognize those who have outstanding contributions to make to our society. Huong possesses those qualities which have made America the proud melting pot it is today. Her speech exemplifies the greatness of this Nation. Unfortunately, we who are born and raised in this country, often take for granted its most precious gift of freedom. Because there are times when it takes someone who was not born in the United States to show us how fortunate we are, I ask that my colleagues read Huong's speech in hopes it will serve as a reminder of exactly how precious and priceless our freedom really is, and rededicate ourselves to insure that it remains the beacon of hope for oppressed people throughout the world. Huong's valedictorian speech follows:

Almost four hundred years ago the Pilgrims left Holland to escape religious persecution. Forty years later they found their condition unbearable. They hired the Mayflower and emigrated to North America beginning what has become a way of life for the United States.

Later emigrations to this country have come from Ireland, Germany, Poland, and many other countries. Most recently you have received refugees from Cuba and from my country Vietnam. Whenever people have been oppressed, this country has stood ready to help. Americans have died all around the world to defend the freedom of others. I owe my very presence on this stage tonight to you and this wonderful nation. This United States has sacrificed so much to help keep my country free. And when we could no longer prevail against our enemies, you have accepted over one hundred thou-

sand of us to your shores, gave us freedom, gave us a new start, and gave us a new nation. For me, it was here that I found my Lord and Savior. I shall be eternally grateful to you, both for the generosity and for the new future you have given me.

What you have done is no small thing. Had we remained in Vietnam, my family and I would have almost certainly been executed for our position and for our cooperation with the United States during the War. I shall do my very best to be worthy of the love and many kindnesses you have shown to us.

The personal freedom I, and other refugees, have would in no way be possible under communism. Communism throughout the world has a history of bloodshed, terror, oppression, fear, and dictatorship. They have vowed to continue on their chosen path until they dominate the world.

My country was never at peace during any of my childhood there. As a child growing up during a war I longed for peace—peace at any price. Since then, I have learned that you cannot afford to have peace at the expense of freedom. Many of my people thought that way. Now they cannot even eat their meals without fear and it is too late to throw off their oppressors. They, and I, have learned that peace at any price is too high a price. There are some things worth dying for. The freedom you have here is one of those things.

My friends, hold fast to what you have. I have come to appreciate the United States as the greatest nation on earth. She is worthy of your fullest loyalty and greatest sacrifice, treasure her, love her, and defend her.

The price of freedom is never easy. Without vigilance and care, freedom can be easily lost. That must never happen. Patrick Henry put it better than anyone I know, "Is life so dear and peace so sweet as to be purchased at the price of chains and slavery? Forbid it Almighty God. I know not what course others may take, but as for me, give

me liberty, or give me death."

I will always treasure the things you have done to give us freedom, the 300 dollars your government gave us to get started and all the things the First United Methodist Church here in Ocala has done. You helped us find a home, provided food, found us jobs, helped us learn the language, and provided an education for my brother, my sister, and me. While there are many things you worry about in your education system, the training that this country gives is still the best in the world.

Students, we always have the tendency to grow restless under the burden of continued study. We tend to take this country, the resources that we have: the libraries, the books, the teachers, and the schools themselves for granted. We ought not to do that. Our education is the key to our future. It is the foundation on which we will build our lives. We have opportunities now we never could have had before, nor could we have them in any other country in the world. I think that I speak for all of us who are graduating when I express our gratitude to our parents, the teachers, and all of you who have made the school system possible.

Friends, thank you for loving me, and for accepting me. Mom and Dad, thank you for all your sacrifices and all the things you have given so that I can have the bright future that lies before me. Thank you America for standing as a nation of freedom in a world of oppression. Thank you God for giving me the opportunity to live in a free

country which you have so richly blessed. I love you all and may God richly bless you for being the warm, kind, and generous people you are.

CHANGES IN THE SOCIAL SECURITY SYSTEM

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

GEJDENSON. Mr. Speaker, soon after Congress reconvenes for its regular session, we in the House of Representatives will begin considering proposals for changes in the social security system.

It is both right and inevitable that Congress take steps to insure the program's solvency. We know that by the end of this decade revenues will be insufficient to cover the commitment of resources. The changes must be made, however, without sacrificing the integrity of the system or the quality of coverage provided to individuals who have paid into the system in good faith.

Last May, President Reagan presented us with a number of proposals which would constitute a major overhaul of social security. I am opposed to President Reagan's plan for two reasons. First, it would impose immediate, severe reductions in the fixed incomes of the retired and the disabled. Although I recognize social security's financial troubles, I do not feel that such drastic hardships are warranted. Second, the President fails to recommend changes of any signficance which would keep the social security system viable for the long term. Instead, he merely attempts to deal with short-range deficits by curtailing critical benefits.

For example, the two groups which would be hit hardest by his plan are those who are planning early retirement in the next several years and those who have disabilities which preclude gainful employment. Workers aged 61 or younger this year who retire early—beginning in 1982—would receive only 55 percent of their regular benefits, and their dependent children would be denied any benefits whatsoever. Statistics show that very few individuals willingly opt for early retirement. Most workers who retire before the age of 65 do so out of medical necessity. I represent a New England district in which many workers spend their lives in physically demanding jobs. For these people, early retirement is hardly a luxury. In the disability insurance program, the President would so severely restrict the eligibility requirements that many elderly, ill workers—especially older would be forced off the rolls. women-

The President's plan would also mean a significant reduction in benefits for everyone who retires after January 1982. Under current law, retirees receive social security checks averaging 41 percent of their last year's earnings. The administration would phasein a 10-percent reduction in the initial benefit level, with corresponding cuts made in the benefits of survivors and

dependents.

In addition, those persons already receiving benefits would see their costof-living adjustment scheduled for July 1982, delayed for 3 months. While this loss may seem minor, it could impose an undue hardship on the retiree who depends on social security for primary retirement income in

the face of high inflation.

Social security is plagued by two inherent flaws. The first is demographic changes which were anticipated at the time of the system's creation, yet which Congress failed to accommodate over the years. In 1950 there were 14 people who worked and paid payroll taxes to support one person drawing a social security check. By 1970, there were four taxpayers to every recipient. The ratio will be less than three-toone by 1985.

The second is that wages determine how much gets paid into the trust funds, because the system is financed through a payroll tax, yet prices determine the funds paid out, because benefits are indexed to the Consumer Price Index. With prices rising at a much higher rate than wages, the formula becomes increasingly distorted.

President Reagan is correct in attempting to confront the system's financial problem forcefully. I feel, however, that his approach is wrong in that he does nothing to address these inherent, chronic ills which threaten

social security's viability.

A national program of workers' insurance tied to payroll deductions is a basic Government service provided by nearly every industrial society. There is no reason, however, to tie revenues completely to the payroll tax. Programs such as medicare and disability insurance could be transferred to general taxes. Medicare payments, for example, are unrelated to prior contributions, and 70 percent of the costs already are financed by general reve-

During the coming debate Congress must also carefully review the benefits provided by social security and determine which ones truly belong in our Nation's system of workers' insurance. There can be no question that we have to review the size of commitment as we plan for the years ahead.

We cannot follow the administration's lead and simply cut payments. Workers have been contributing to social security for over 45 years, doing so in good faith and with the belief that they could depend on a certain level of benefits. The trust funds reflect investment of earned income, and the Federal Government entered into a contract with insureds.

We also cannot look to those currently in the work force and paying into the trust funds for increased revenues. Half the families in the United States pay more social security taxes than income taxes. Clearly, we cannot move the system toward solvency by further straining this regressive, inflexible, and inflationary source of

What Congress must do is make substantial changes which will prepare the system to meet the needs of recipients in the years ahead. Our goal should be to insure the solvency of the trust funds and to lessen the regressive tax burden. These goals can be realized only if we address the shortcomings of the system and update the program to reflect economic and demographic conditions.

Given the central role which social security holds in our Nation's social policy, the issue must be approached with the greatest possible care. I will do all I can to see that the coming changes are effective yet as fair as pos-

SENATE-Wednesday, September 9, 1981

The Senate met at 12 noon, and was called to order by the Honorable Warren Rudman, a Senator from the State of New Hampshire.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D, D.D., offered the following prayer:

Let us pray.

Gracious Heavenly Father, it is good to be together again. We have missed each other and the separation from friends and peers has generated good memories. We have found ourselves being thankful, even for those who opposed us in the pressure-packed 2 weeks before recess. We realize we need each other and as long as we serve together in the Senate we must be models of the unity the country longs for.

We accept our differences as fundamental to that unit. We are unspeakably grateful for the unique mixture that distinguishes America—for the diversity which binds us together in the rich tapestry of our national life.

We thank Thee for the opportunities we have had during recess for family fun and fellowship, for relaxation and rest, for fruitful contacts with the people we serve. Now as we begin the hard work of implementing past decisions, grant patience, endurance, energy, and wisdom. Help us to grow in our respect and love for one another and for all who compose this large Senate family. In the name of Him who is Brother to all who love God. Amen.

APPOINTMENT OF ACTING PRESI-DENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Thurmond).

The assistant legislative clerk read the following letter:

U.S. SENATE,

PRESIDENT PRO TEMPORE, Washington, D.C., September 9, 1981. To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Warren Rudman, a Senator from the State of New Hampshire, to perform the duties of the Chair.

STROM THURMOND, President pro tempore.

Mr. RUDMAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER, Mr. President, I thank the Chair.

PROCEDURAL AGREEMENT

Mr. BAKER. Mr. President, the request I am about to make has been submitted to the distinguished minority leader and

I will put it at this time.

I ask unanimous consent that the reading of the Journal be dispensed with, that no resolutions come over under the rule, that the call of the calendar be dispensed with, that following the time allocated to the two leaders under the standing order and the special orders entered for today that there be a period for the transaction of routine morning business not to exceed 30 minutes in length with Senators permitted to speak for not more than 5 minutes each and during which H.R. 4331 be deemed to have been read a second time and placed on the calendar and that, thereafter, morning business be deemed concluded. RESTORATION OF MINIMUM BENEFITS UNDER THE SOCIAL SECURITY ACT

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I do not intend to object, I ask that the Chair identify H.R. 4331.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:
A bill (H.R. 4331) to amend the Omnibus
Reconciliation Act of 1981 to restore minimum benefits under the Social Security Act.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

Mr. BAKER. Mr. President, before the Chair rules, could I inquire of the Chair if the request included that thereafter the morning hour be deemed concluded? Was that the request?

The ACTING PRESIDENT pro tempore. That is the understanding of the

Chair.

Is there objection? Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, what is the next order of business?

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader will be recognized.

Mr. BAKER. Under a special order?

The ACTING PRESIDENT pro tempore. Under the time of the two leaders.

Mr. BAKER. I thank the Chair. Is there not a special order for the recognition of the two leaders?

The ACTING PRESIDENT pro tempore. There is an order following that for the Senator from West Virginia (Mr. ROBERT C. BYRD) to be recognized for not to exceed 15 minutes.

Mr. BAKER. Mr. President, if it is agreeable to the minority leader, I ask unanimous consent that the time under the standing order and the special order be combined in both cases so that the full time allocated to the two leaders may be aggregated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE WORKLOAD

Mr. BAKER. Mr. President, I had hoped at the time we returned to this session or to this part of this session that we could report that most of the tough work of the Senate had been accomplished, because, indeed, the first part of this session has been a very difficult one. But, Mr. President, I cannot do that.

I return now to report that we have perhaps 3 months ahead of us—September, October, and at least part of November—and in that time we must deal not only with 13 appropriation bills—we have only passed 1 in the Senate—13 through the Senate, through conference, and on the President's desk, and perhaps a continuing resolution, as well, but in addition to that we have a number of other matters that simply must be dealt with in the time remaining to us before the end of this session and before Congress can adjourn sine die.

MILITARY PAY

In examining the list of things that must yet be done, Mr. President, I find that we must deal, for instance, with the military pay issue. And a little later this afternoon I intend to inquire of Members if they are agreeable to a unanimousconsent request that would schedule the military pay bill for this week. I hoped that we might reach it today, but I understand we cannot, for reasons stated by a number of Members. But later this afternoon I intend to propound a unanimous-consent request that we may proceed to the military pay bill at 10:30 a.m. tomorrow, with the assumption that the Senate might convene at 10 a.m. tomorrow.

I would hope, as well, that we might get a time limitation on that bill and a time limitation, as well, on any amendments to the military pay bill.

DEPARTMENT OF INTERIOR APPROPRIATION BILL

In addition to that, Mr. President, there is one appropriation bill, I understand, that might be dealt with this week, the Interior appropriation bill. Also, the Interior appropriation bill afternoon I intend to discuss with the minority leader the possibility of scheduling the Interior appropriation bill for Friday of this week and perhaps a time limitation on that bill, as well.

In addition. Mr. President, after we conclude the formalities this afternoon, as I understand it, the Department of Justice authorization bill will recur as the pending business. There is an order for a cloture vote on tomorrow. I have discussed this matter with the distinguished Senator from Louisiana and I inquire of the distinguished minority leader at this point if he might be in a position to agree to a time certain for that cloture vote. I suggested to the

[•] This "bullet" symbol identifies statements or inserti ons which are not spoken by the Member on the floor.

Senator from Louisiana the hour of 2 p.m. on tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I am not in a position to accede to a request at this point. We will run some calls on our side and I will report back to the majority leader very soon.

Mr. BAKER. I thank the minority

Mr. President, if 2 o'clock is not convenient, then some other hour, I am sure, would serve equally well, but I think it might accommodate the greatest number of Senators if we could set a time rather than leaving it in abeyance.

Mr. ROBERT C. BYRD. I agree with the distinguished majority leader that it would be advantageous to Senators if we could establish a definite time. Every effort will be made to do that on this side. It is probable that the hour of 2 p.m. will be agreeable, but I will have to get back to the majority leader in the course of the afternoon with the answer.

Mr. BAKER. I thank the minority leader.

FARM BILL

Mr. President, in addition to these matters, the farm bill must be dealt with. I understand there is some possibility that the adversaries in that debate may be close to an agreement. I hope so. There is a meeting to be conducted this afternoon, I understand, between the principals. I hope to have an announcement to make either later today or in the morning on the scheduling of the farm bill. But it would be my hope that the farm bill could be scheduled for debate and disposition in the early part of this coming week.

In addition to the farm bill, Mr. President, there are a number of other matters, including the debt limit extension.

IMPOUNDMENT, RESCISSION, OR DEFERRAL

The press has carried accounts over last evening and this morning of the possibility that an amendment may be be offered to the debt limit extension in order to reauthorize the system of impoundment, rescission, or deferral authority for the President subject to certain limitations.

That plan is certainly not fixed. It is subject to all sorts of variations. But Members should be aware that there is such an idea that it will be reached at this time and at some point I hope to be able to discuss that matter with the minority leader and other Senators who may express an interest in it.

COMMUNICATIONS ACT LEGISLATION

The Communications Act legislation, Mr. President, is a matter which has been reported by the Commerce Committee, and it is also my understanding that certain amendments to that act as reported are being considered by the sponsors, Member sponsors, and particularly by members of the Senate Judiciary Committee, who have an understandable and appropriate interest in the antitrust im-

plications of such legislation. It is a matter which should be dealt with, Mr. President, in my judgment, and I would hope that the communications bill could be handled as early this month as possible and disposed of on some basis.

The foreign assistance bill is also a difficult one, but it is on the calendar and must be dealt with.

BLOCK GRANTS

Mr. President, at the time we debated and acted on the reconciliation measure below the enate, I made a public representation that in my view and judgment the Congress had not acted in a definitive way on the block grant versus definitive grant issue. At some point I would hope that we would have further debate on block grants and the methods and techniques for implementing them as well.

I would say to my colleagues, Mr. President, that I intend to try to find some vehicle which would serve the purpose of providing an opportunity for debate of the block grant issue.

SOCIAL SECURITY REFORM

Mr. President, once the Finance Committee has reported its recommendations on any amendments to the social security system, we will schedule that for debate as well. It is, as I indicated before we adjourned for the statutory August break, a matter which requires our attention. It is urgently important. As soon as we have the benefits of the recommendations of the Senate Finance Committee and others who are involved, I will make an effort, in conjunction with the minority leader, to schedule debate on social security reform, if such is the recommendation of the committees.

Mr. President, there are a number of other matters that I could discuss. This list is by no means a comprehensive list of items that must be dealt with. It is rather to support the statement I made in the early part of these remarks that there is a great deal of work yet to be done and a relatively brief period in which to do it. One of the items that I fear we must deal with is the continuing resolution on appropriations.

CONTINUING RESOLUTION

In the early part of this year I made a puble statement that I intended, to the maximum extent possible, to avoid the necessity of a continuing resolution. Mr. President, I have to confess now that that public pledge is being washed away in the tears of my regrets. I am almost certain that we are not going to be able to finish 13 appropriations bills and have them on the President's desk for his signature by midnight on September 30. If that is the case, then we must resort to the consideration of a continuing resolution.

I hope that our friends in the House of Representatives will take note of the fact that while they may finish all 13 appropriations bills by the end of the month, that leaves no room for the Senate to proceed nor for Congress to permit the President to consider the measures before he affixes his signature on the bills, and that they will initiate the continuing resolution at an appropriate time. I am certainly not in the business of trying to advise the House on its time schedule, but let me venture the hope that the House will take account of the need for the Senate to act in a deliberate way on any continuing resolution that may be necessary and the hope that they will consider such a measure and send it to us sometime by the middle of September or shortly thereafter, if that is possible to do.

Mr. President, in addition to these measures, there is one other category of matters that I should bring to the atten-

tion of the Senate.

Earlier this year I expressed the hope that the so-called emotional issues, that is, abortion, busing, and the like, might not become the sub ect of intense debate and require a great deal of the time of the Senate as we proceeded with other legislation, that in exchange for that I would make every effort on this side, in cooperation with the minority, to schedule a free standing debate or at least an appropriate vehicle for debate on those issues later in the year.

I have to confess, Mr. President, that I was not altogether successful in that strategy, but we have had limited success. We have had less controversy and less debate on so-called emotional issues this year than has been the case in some years. Perhaps some of that is based on the assumption by Members that we would have another opportunity in another timeframe to discuss those issues.

So, Mr. President, I wish to repeat today that at some point before we adjourn the Congress sine die, it is my intention, in coordination with the minority leader, to try to schedule a time when these very sensitive and very important issues can be debated.

It is my expectation that it will be late in the session, perhaps just before we adjourn. But there will be adequate time. I will make every effort to accommodate the wishes of every Senator in terms of the scheduling of these debates, the vehicle that will carry the debates, and the procedures that are necessary to see that everyone has an opportunity to speak his piece.

Mr. President, this has been a fairly long dissertation, but I felt that this was the appropriate moment to give the distinguished minority leader and other Senators some insight into the situation as I see it for the balance of this session of the Senate this year.

Mr. President, before I inquire about the possibility of a time agreement formally on the military pay. I would like first to yield to the distinguished assistant majority leader.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

DEATH OF LOWELL THOMAS, SR.

Mr. STEVENS. Mr. President, on August 30, the world lost a truly great man, and Alaskans lost a great friend, when Lowell Thomas, Sr., died in his sleep at age 89.

He was a personal friend of mine, and I am really sad to report this matter to the Senate.

His contributions as a broadcaster, author and world explorer are legendary. He shared with all of us the insight and knowledge he obtained during a life-long quest of travel and factfinding.

Alaskans, in particular, hold a special place in our hearts for Lowell Thomas, Sr. Beginning in 1914 when he first came to our State to cover the gold rush, Lowell Thomas, Sr., was a frequent visitor to Alaska.

His enthusiasm and interest in Alaska were reflected in his writings and broadcasts, and he helped introduce to Americans the remote territory they knew so little about. His lectures and reports about Alaska were based on reality, not romanticism. He told of the promise of our land and of the people he met in the mining camps, in villages along the Yukon River, and in communities from Nome to Valdez. In his words, "Alaska is as close to heaven as one can get."

He was a strong advocate for Alaska statehood, and he understood our State's potential and our problems. In recognition of his many contributions, the Alaska State Legislature in 1976 made Lowell Thomas, Sr., an honorary Alaskan.

His enthusiasm for our State was shared by his son, Lowell Thomas, Jr., who not only moved to Alaska but became one of our leading citizens, serving as Lieutenant Governor from 1974 to 1978.

People throughout the Nation last week mourned the passing of the truly remarkable man who told us so much about the world around us. We in Alaska said, "so long" to a great friend.

I ask unanimous consent that editorials on the passing of Lowell Thomas, Sr., be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

LOWELL THOMAS: A FRIEND OF ALASKA

Alaskans lost an old and dear friend Saturday.

Lowell Thomas, Sr. died quietly in his sleep—to the sorrow of millions around the world—but no one ever lived more adventurously.

turously.

He was equally at home in the plains of Palestine and the mountains of Tibet, the corporate studios of CBS and the ski slopes of Colorado. He interviewed potentates and presidents, wrote 52 published books, reported from battle in two World Wars, broadcast radio's longest-running newscast, and prowled the globe as a chronicler of life in the 20th Century.

Alaska was a cornerstone to a career that took him to every corner of the earth—as reporter, professor, author, broadcaster, lecturer, traveler, sportsman.

Lowell Thomas, Sr. first came to Alas'a in 1914, stayed to film its untamed wonders, and became a regular visitor over a career lasting nearly seven decades. He helped Alaskans win their fight for statehood. He wrote of a territory and state which needed under-

standing—and not romanticism. He broadcast the story of a land of great potential, and he convinced Alaskans of their special standing in the world community. He shared with all the wealth of the Great Land.

Lowell Thomas, Jr. followed his father's footsteps to Alaska and became one of the state's leading citizens—an author, politician, pilot and adventurer in his own right. He gave America's favorite adventurer further reason to visit America's largest state, and father and son worked together to tell Alaska's story.

Lowell Thomas, Sr. became an honorary Alaska citizen in 1976, courtesy of the state legislature, but in truth he'd been an Alaskan for decades. It is his example we value—his demonstration that life is adventure, opportunity, challenge, struggle, achievement. This man packed a dozen lifetimes into 89 years on earth.

Alaskans who shared his spirit now mourn his passing.

[From the Juneau Empire, Sept. 4, 1981] So Long, Lowell Thomas

Lowell Thomas traveled the world many times over, and Alaska was one of his favorite destinations. He came here frequently, to explore, to meet the people and to see his son, Lowell Thomas Jr., who was Alaska's lieutenant governor four years under Gov. Jay Hammond.

Lowell Thomas was truly an explorer. He combed the far reaches of the earth—from the Arctic to Katmandu—to find what few men before him had seen and to tell the world about it through his documentaries.

Mr. Thomas was also a journalist of the highest order. For 46 years until his retirement in 1976, he brought the world to his radio listeners with his nightly nationwide CES broadcast, each of which he ended with his trademark, "So long until tomorrow."

He not only reported history; he made it. One of his accomplishments was the first television broadcast of a news program on NBC during that medium's infancy.

For many, his fatherly assurance and sharp, cleancut manner was a certainty in an uncertain world.

The passing of Lowell Thomas, 89, won't go unnoticed by any of us who were enightened by his fantastic endeavors. His funeral was Thursday at Christ Church in New York City and was attended by former heads of state, sports celebrities and a spectrum of world figures who further illustrate the breadth of his influence on humanity.

We all will miss him, but we shall not forget him and his great work. Our sympathy and best wishes go to his family and his loved ones.

So long, Lowell Thomas.

Broadcaster Lowell Thomas Sr. Dies (By Patti Epher)

"The most fortunate Americans are in Alaska," Lowell Thomas, Sr. once told a Florida newspaper.

And from the time the world-renowned adventurer and broadcaster first set foot on the Alaska tundra nearly 70 years ago, Thomas held firm his conviction that Alaska is as close to heaven as one can get on earth.

It's a prestigious legacy from a man who had visited nearly every corner of the globe and set his sights on someday traveling to far-distant planets.

Thomas died in his sleep Saturday at the age of 89. His death, which left an entire nation mourning his passing, has a special impact on Alaskans.

He gave Alaska a place in history when

he wrote of his travels here. He gave it status with a far-away Congress when in Territorial days, he told uncaring federal legislators of the region's potential.

And he gave it a son, Lowell Thomas, Jr., when he sent the teen-age boy on a mountaineering expedition with Brad Washburn. The boy, who fell in love with the wilderness of Alaska, remained to become one of the state s foremost political leaders and citizens.

"Throughout his career," wrote one longtime Alaska newspaperman, "one of the foremost problems of Alaska was the need for understanding. Thomas helped meet that need."

The elder Thomas made his first trip to Alaska in 1914, before Anchorage was even a tent city on the banks of Ship Creek. His journey was prompted to talks with men who had been in the original Klondike gold rush and with whom he had worked in the gold fields and mining camps of the West.

gold fields and mining camps of the West.
For many years following his first trip
to Alaska, Thomas continued to return to
the north country. He traveled all over the
state, from Fairbanks to Valdez, from the
mining camps to the villages and up and
down the Yukon River.

He found good company here, spending endless days traveling and talking with such colorful pioneer personalities as Gen. Wilds P. Richardson, for whom the Richardson Fighway was named; Jack McCord, a man whose talents ranged from prospecting and mining to exploring and developing; and Bishop Peter Trimble Rowe, the first Alaska bishop of the Episcopal Church who established missions along the Yukon, Tanana and Koyukuk Rivers.

After Thomas became a lecturer and nationally known radio broadcaster, he recounted his travels with these men in his lectures and programs, bringing Alaska a little closer to the rest of the country.

In 1978, as a gesture of appreciation for the support Thomas had given the state over the years, the Alaska House of Representatives bestowed upon him an honorary citizenship in the State of Alaska even though he had never resided here.

Thomas, who disliked being called a prophet, nonetheless predicted that Alaska would be the site of major development.

"They say the Arctic will become the Mediterranean of the future," he once said. "The con" nents are so close together in the Arctic that it's bound to be the center of things for a lot of people."

As Thomas himself said in his autobiography, published in 1978; "Has anyone ever had to respond to the question how was your trip?" More often than I? Starting with a journey to Alaska in 1914 and down to last week, I have been endlessly prowling the earth's surface, seas and airways, seeking the magic that, for me, lies beyond every horizon."

OLD YARNS, PLANS FOR FUTURE MARKED FINAL VISIT WITH "LT"

(By Bill Tobin)

Just four weeks ago, surrounded by old friends at the Bohemian Grove near San Francisco. Lowell Thomas, Jr., and his world famous father relaxed together and spun yarns of adventure of the past and anticlpated more still to come.

Heading the list of all things yet to do, the younger Thomas said here at his Tanains Drive home Saturday, was the planning for a 90th birthday party for his father—"something really special."

It was to be, this event pegged for April 6, 1982, an expedition to the Vale of Kashmir—the levendary "Happy Valley" in which is located the city of Srinagar, close by the border of Tibet. At an elevation of 5,230 feet,

the Vale of Kashmir is dominated by the towering peaks of the great Himalaya and Karakorum mountain ranges.

There weren't many places in this world that the senior Thomas had not been, in a life that was marked by love of people and love of exotic places. But the high country of Tibet and India was one place that lured him throughout his career as a broadcaster, adventurer, explorer and author.

And it was to Kashmir that Lowell Thomas, Jr., and a long-time family friend, Thomas Watson, Jr., turned when they looked ahead to a 90th birthday party that would indeed

be special.

Tom Watson was down there at the "Tom Watson was down there at the Bohemian Grove and we just wanted something to be very special," Lowell Jr. said as he and his wife, Tay, made plans to leave Saturday afternoon for the long trip to Pawling, N.Y., where Lowell Sr., who died suddenly of a heart attack Friday night, will be buried.

Watson, former U.S. ambassador to Russia and an old friend of both father and son, is the son of the founder of International Business Machines Corp., and is himself a former head of IBM. "He and my dad have always been close friends, and I used to ski a lot with him when I was a kid, way back in the

Added Thomas: "Tom put on a special deal for my dad on his 85th birthday at Vail,

Colo., a real skiing birthday.'

Lowell Jr., former Alaska lieutenant governor and a film maker of considerable accomplishment, now operates a bush flying service out of Talkeetna, among other things serving mountain climbing parties on Mount McKinley. He's an expert skier, as was his father.

"He was still actively skiing on his 85th birthday," Lowell Jr. said, recalling the birthday party four years ago at Vail. Because of that, "Tom Watson wanted to be of help on the 90th."

Watson also had entertained the elder Thomas on his 88th birthday, inviting him to Moscow for a party at the American

Embassy.

His death was a stunning shock to those who had known and enjoyed Lowell Sr., and who always were amazed at his vigor and spirit.

"He was in great shape," his son recalled of their last days together during the visit just a month ago. "But being 89, you could see that he was starting to show a little of his age. But he was going strong right up to the end. He was an achiever right to the

"Just last week he was in Colorado, and was master of ceremonies at an annual Golden Plate Awards dinner held at Colorado Springs," he added.

Most recently he had been doing a series of radio announcements on the aging, focusing on the number of older people who have been active and accomplishing things down through the ages.

"He was a living example of that, right into his 90th year.

"Just thinking about it this morning, I don't know anybody who has achieved more in his lifetime—or had more careers, all successful.

"And I don't know anybody who has had more fun.

"He just loved people. A lot of his writings, you know, were biographies—Lawrence of Arabia, Jimmy Doolittle, Felix von Luckner, the German submarine raider of World War I who was a very benevolent type of fellow who was noted for taking crews on board before he sank their ships.'

Lowell Jr. refers to his father most often

as "LT," and his memories are peppered with the marvelous experiences that occupied the life of his father.

"LT got into radio back in the very beginning-back about 1929, I guess," the son recalled. "For a long time he had the air all to himself. He used to joke that Walter Cronkite was in knee-britches when he was starting in radio—and people like Dan Rather probably hadn't even been born."

Lowell Jr. and Tay Thomas left Saturday for the trip east, and their son, David, was to take a later flight today or Monday.

They will be joined by their daughter Anne, her husband John Donaghy and their one-year-old daughter Taylor. John and Anne teach at Kimball Union Academy in New Hampshire.

Lowell Sr., his son said, had been a member of the Bohemian Club in San Francisco for many years. The famous organization was formed in the 1880s by a group of San Francisco newspapermen and artists, and its membership roster is a blue-ribbon collection of some of the most famous names of American industry, science and the arts.

"Dad got me into it about 15 years ago," the younger Thomas said yesterday, "and I try to get down for the annual encampment the last two weeks of July at Bohemian Grove about every other year. I was there for the last week this year, but LT was there throughout."

It was a gathering of warm friends and a replenishing of remarkable memories—the kind of memories and recollections that flooded the mind and heart of his son Saturday as he prepared to travel for the funeral one of America's best-known and bestloved figures.

"He was a fantastic person," Lowell Jr. said. "I don't think there'll ever be another like him.'

THOMAS' REAL LIFE ADVENTURE LIVENED BROADCASTS

Newscaster Lowell Thomas inspired his broadcasts with background material from his own colorful personal experiences.

He had been a newspaper reporter, college professor, world traveler. During college days he worked as a janitor, salesman and night cook in a short-order restaurant. He served as chief of a semi-official civilian mission that went to Europe, with President Wood-row Wilson's approval to prepare an histori-cal record of World War I. He was a confidant of Lawrence of Arabia and interviewed potentates in far-away places.

Thomas traveled in the Far North and in the tropics. He visited pygmy tribes in Africa and went on tiger hunts with the Prince of Wales (later the Duke of Windsor) in 'ndia. He penetrated the Interior of Alaska. Many of his travels were "on the fringe of explora tion," as he expressed it, "though everything was on my own."

In World War II the commentator toured both the European and Pacific theaters operation and broadcast on-the-spot close to the scene of action. During the closing days of that conflict he flew over Berlin in a P-51 Mustang reconnaissance plane, with another fighter as an escort, at 6,000 feet. Below him much of the Nazi capital was in flames.

Thomas suffered a broken right thigh bone when thrown by a horse in the wild mountains of Tibet in the autumn of 1948. He had to be carried by litter for 20 days before reaching a place from which he could be flown to Calcutta. He said he "wouldn't have come through it" but for the help of his own son, Lowell, Jr.

The accident occurred in a 17,000-foot high Himalaya pass shortly after the Thomases had left the Tibetan capital and "forbidden city" of Lbate.

During Thomas' visit he received messages written on parchment from the Dalai Lama, the then-15-year-old ruler, and from the regent of Tibet for delivery to President Harry S Truman. Thomas said he found Tibet the "anti-Communist country in the world."

But on Oct. 23, 1960, China began invading Tibet. In 1958, with China in full control Tibet, the Dalai Lama flew to India. Thomas became head of a committee in the United States which raised money and supplies for thousands of Tibetans who fled to

Besides his lecturing and radio—he was still broadcasting at 75—Thomas had a part in producing Cineorama, three-dimensional movies. He also authored a biographical.

travel and adventure books.

His books included "With Lawrence in Arabia," an account of the exploits of the almost legendary Englishman in leading the tribesmen against the Turks and "Count Luckner, the Sea Devil," a biography of the

celebrated German raider of World War I. Reports to the Securities and Exchange Commission showed that in 1948 Thomas received the second highest salary paid by the Columbia Broadcasting System to performers on its network. This was reported as \$420,300, before taxes, and was exceeded only by the \$410,514.16 paid Arthur Godfrey.

Lowell Jackson Thomas-he did not use the middle name-was born April 6, 1892, at Woodington, Ohio, next door to the birthplace of Annie Oakley, the famous rifle shot—but was reared in a gold camp at Cripple Creek, Colo.

He worked for newspapers in two mining towns and later for The Rocky Mountain News and The Times in Denver, and The Chicago Journal. He also represented a newspaper syndicate abroad. That syndicate, headed by The New York Globe, served a number of newspapers.

His father, a doctor, had a strong dislike for incorrect speech and insisted on his son practicing correct diction. Lowell Thomas never forgot that early teaching. His style as a news commentator was clear and brisk.

Thomas was educated at the University of Northern Indiana, the University of Denver, Kent College of Law in Chicago and Prince-ton University. He taught oratory at Kent College of Law, and English literature at Princeton.

In his World War I historical work, he was attached at one time or another to all the Allied armies. He arrived in Europe just a week after Gen. John J. Pershing. It was while in Italy that he learned the British were about to launch a campaign under Gen. Edmund Allenby to drive the Turks out of the Holy Land.

Thomas' imagination was fired by thoughts battles at Bethlehem and Jericho, Australian horsemen on the Jordan, a division cockneys from London camped on the Mount of Oilves . . . and, above all, the conquest of Jerusalem." He decided to transfer his activities to Palestine.

It was in Jerusalem that he met Lawrence of Arabia, world famous for his exploits but so shy that he was almost unknown personally. Thomas said of him.

"The young Oxford archeologist who, when the war broke out, had been working at the study and excavation of the ancient cities of the Near East, now had become a mighty sheik of the desert."

Thomas persuaded General Allenby to let him join Lawrence and his army of desert nomads. It was between battles and skirmishes that he obtained the leader's story and made motion pictures.

Until he started newscasting in 1930, Thomas was best known for his book and lectures about Lawrence. After giving his lec-ture first in New York, he went to London and drew overflow crowds. His program included motion pictures and a symphony orchestra.

Upon completing his London engagement, Thomas went on a tour of the provinces and then of the entire British Empire that

lasted for two years. From the Near East he went into Germany at the close of World War I and was an eyewitness there to incidents of the German revolution. He made a report to the Peace Conference about what he had seen.

In 1939 Thomas broadcast the first television news program for the National Broadcasting Company. For a number of years, starting in 1925, his was the voice of Twentieth Century-Fox Movietone.

His favorite sport was skiinghigher the mountains the better he liked it. Thomas made his home at Pauling, N.Y.,

and did most of his broadcast from there. The 15-minute period between 6:45 and 7 p.m., Eastern time, was reserved for him for many years.

In the Spring of 1968 Thomas was honored by the National Association of Broadcasters, who presented him with their Distinguished Service Award. In May of 1938 he was given the Personality of the Year Award by the International Television Society. And later that same year, he and his son, Lowell, Jr., brought out a new book entitled "Famous First Flights That Changed History."

In the spring of 1969, Thomas and his son were in the Arctic together working on a film production that told the story of the discovery of oil in the North Slope and what this meant to Alaska.

Early in the 1970s he was on his way around the world for the second time in six months. This time his journey included the royal wedding of Kathmabdu in Nepal, then shikar in Nepal, where he and his group filmed the rare one-horned rhino. They also captured one to bring back to an American z00.

In an interview on his 80th birthday, Thomas said, "Looking back from 80 years, I'd say it was rather silly to do so many things-except it's been so much fun.

"Maybe the reason I've enjoyed it is it hasn't given me time to think. You're only unhappy when you have time to think. Mine has been a world of adventure, a world of work. It's been a night and day thing-I often envy my friends who can close their office at 5 o'clock."

Asked to what does he owe his success, Thomas replied: "I've been rabbit hunting game all my life. I learned it's just as easy to shoot a lion as a rabbit."

And as for his philosophy: "I've never been out to save the world. The world has gone to hell many times. I couldn't save anyone's soul-not that I have anything against missionaries."

Although at 89 the globetrotter and newscaster hadn't regularly worked on a newspaper since the early 1900's, he still considered himself a newspaperman. "That's the way I started." said Thomas who was still doing his Monday-through-Friday newscast for CBS radio. When Sept. 29, 1975 rolled around, he logged his 44th year on the network.

On May 29, 1975, Lowell Thomas was selected by Sigma Delta Chi to be among ten honored by their first New York Living Journalists Hall of Fame.

Thomas's wife, the former Frances Ryan, whom he married in 1917, died on Feb. 17, 1975 at age 81. They had traveled around the world together, filming scenes from remote regions and presenting documentaries to audiences in many lands.

The Thomases' only child was Lowell, Jr., former state senator and lieutenant governor of Alaska.

On May 14, 1976, Thomas quit his night news show to devote more time to other news show to devote more time to other projects. He said he expected his new television series "Lowell Thomas Remembers" would keep him busy until his 90th birthday. He had turned 84, April 6, 1978.

If that fails he said, "I always have my business interests."

And he had plenty of those: He was

And he had plenty of those: He was founder and principal stockholder in a communications company which controlled six television stations, 7 AM radio stations, a magazine publishing company and a number of newspapers.

Thomas was also at work on his memoirs while a biography of Gen. Jimmy Doolittle was scheduled to be released shortly to add to his 52 other published works.

Thomas' news show was the longest running network newscast, 46 years.

When asked if he were really retiring, he replied: "Not on your life."

In January, 1977, the famed newscaster was married in a small private ceremony in an old whaling port of Hawaii.

Thomas, 84, married Marianna Munn, 49, a former executive director of the American Colony Charity Association in the Middle East. The couple planned to visit Washington, D.C., before leaving for Asia and the Near East to work on a television project.

800 HEAR PEALE PRAISE LOWELL THOMAS (By David Bird)

A funeral service for Lowell Thomas at St. Bartholomew's Episcopal Church yesterday drew 800 people, including former President Gerald R. Ford, Vice President Bush and Sec-retary of State Alexander R. Haig Jr.

"In my book there was never anyone like him." said the Rev. Dr. Norman Vincent Peale, a longtime friend who delivered the eulogy at the church, at 51st Street and Park Avenue

Looking down from the pulpit at the goldflecked coffin draped with the church's embroidered pall, Dr. Peale described the vet-eran newscaster as "one of the most remarkable men of our time, or, indeed, of any time."

Dr. Peale said that Mr. Thomas, who died at his estate in Pawling, N.Y., last Saturday at the age of 89, rose from humble beginnings in a "personification of the Horatio Alger tradition." He said the broadcaster always had a desire to excel and to explore, and always cared for people.

"He loved people from the greatest to the least, and the least were also great." Dr. Peale sald. "He had many friends and no enemies at all, ever."

DESCRIBED AS A "CHARACTER"

Dr. Peale, the chief pastor of the Marble Collegiate Church in Manhattan, was also a Dutchess County neighbor of Mr. Tromas. a Dutchess County neighbor of Mr. 1 office.
He described Mr. Thomas as a "character" in a world that "needs more different and exciting characters." He had a "strong, resoendeared him to the millions who tuned him in."

Dr. Peale said Mr. Thomas was a restless man eager always to do more and feeling that there was not enough time in life to do everything he wanted to do.

"He was the most extensive world traveler of his era," Dr. Peale said. "He wanted to go to the moon as the first reporter and newscaster. Instead he went to heaven. We can visualize Lowell there today enthusiastically exploring heaven. Surely, the Heavenly Fa-ther is enjoying his gifted son home at last."

Borrowing from the sign-off that Mr.
Thomas used on his evening broadcast that
ran for nearly 46 years, Dr. Peale concluded
his eulogy with: "We shall miss you here.
Until we meet you over there it is not goodbye, but in your own words, 'So long until tomorrow.'

NEVER KNOWN "TO HURT ANYONE"

Additional prayers were offered by the Rev. Dr. Ralph C. Lankler, the pastor emeritus of Christ Church, near Mr. Thomas' home, where he worshiped regularly when he not traveling.

"In the 47 years I knew him as pastor and friend, I have never known him to intentionally hurt anyone," Dr. Lankler said. "We're able to say the place is better because he lived there."

The service was conducted by the Rev. Thomas D. Bowers, the rector of St. Bartholomew's, who said later that Mr. Thomas "thought of this as his church when he was in New York." Mr. Bowers said the 45-minute service followed the church's regular tradition with prayers and psalms chosen by family. There were readings by the minister and congregation of the 23d, 121st and 139th Psalms.

Robert Merrill, the baritone, sang "Nearer My God to Thee" and the Lord's Prayer. As he sang, Mr. Merrill followed the score closely, squinting through black rimmed halfry, squinting through black rimmed half-glasses. After the service he said: "I was very emotional. I was happy I could finish the Lord's Prayer. I could see Lowell in front of me."

ASKED BY WIFE TO SING

Mr. Merrill said he had been asked to sing at the funeral by Mr. Thomas' wife, Marianna, who called him on Monday to say that Mr. Thomas had requested it in his will

Among those at the funeral were William S. Paley, chairman of the board and a founder of CBS; Richard S. Salant, vice chairman of NBC and former president of CBS News, and Frank Stanton, retired president of CBS News. Fellow broadcasters who attended included Walter Cronkite, Charles Collingwood, Douglas Edwards and Dallas Townsend.

Also attending were former Mayor John V. Lindsay, Louis J. Lefkowitz, former State Attorney General, and Hamilton Fish who is 93 years old and served as United States Rep-93 years old and served as United States Representative from Dutchess County for 25 years. Mr. Fish said that Mr. Thomas "would be really happy that all his friends are here."

Mr. Thomas will be buried in Pawling today after another service at Christ Church there.

THOMAS SAYS LAST "SO LONG UNTIL TOMORROW"

(By Rick Hampson)

PAWLING, N.Y.-Lowell Thomas, the broadcaster-explorer who bid America "So long until tomorrow" from the four corners of the globe for more than a half a century, died of a heart attack Saturday at his home here. He was 89.

Thomas' secretary, who identified herself only as Electra, said Thomas died "peacefully in his sleep." She said he had been in good health and had returned to New York last week from a trip to Colorado where he had given a speech and attended a corporate board meeting.
"When he came back he resumed his usual

work schedule. He was recording 'The Best Years,' a radio series he was doing," she said.

CBS Chairman William Paley said Thomas was a young man 50 years ago when _ met him. And he was a young man when I last

"He represents the early days of radio,"
Paley said. "He was one of the first nationally known broadcasters on radio. I think he paved the way for many people who followed after him. . . The whole industry owes a debt of gratitude (for) the contributions he made to our particular means of communi-

In April, Thomas celebrated his 89th birthday at the annual banquet of The Explorers Club, of which he was honorary president and key patron. The club named its highest award for exploration, "The Lowell," in his

honor

In 1980-a year when he spent his birthday in Moscow—Thomas was among the first group of Lowell recipients. "I bet I spent \$10,000 of my own money on this award just to see myself receive it," he joked. "Now if that isn't bribery, I don't know what is."

The award recognized a career based on interriews with some of the world's most famous and powerful men in some of the world's most remote and desolate places.

It began when Thomas served as chief of a semi-official civilian mission that went to Europe during World War I, with President Woodrow Wilson's approval, to prepare a history of the war.

During a visit to Jerusalem he met T. E. Lawrence, the Englishman who lead Arab tribesmen against the Turks in World War I, and he persuaded British authorities to let him join Lawrence and his army of nomads.

He donned a Bedouin headdress and campaigned with Lawrence. Between battles he obtained the story of Lawrence, so shy that he was almost unknown personally, and filmed scenes of the revolt. The material became the basis of his book "With Lawrence" in Arabia.'

Later he traded his Bedouin headdress for a pith helmet and covered the British army's successful conclusion of its Palestine campaign. Pictures showed him to be the perfect war correspondent, hunched over a notebook and surrounded by a small mountain of camping and reporting equipment.

Thomas married Frances Ryan in 1917, and they had one child, Lowell Thomas Jr. His first wife died in 1975 and he married

Marianna Munn in 1977. Thomas' funeral was

scheduled Wednesday at St. Bartholomew's Church in New York City. Burial was to be near his Dutchess County home on Wednesday or Thursday.

THOMAS NO STRANGER IN ALASKA (By Martha Eliassen)

In the summer of 1914, a restless young journalist bought a movie camera and journeyed to Alaska to capture the wild, untamed northland on film.

It was the beginning of Lowell Thomas' globe-trotting career and he was to return to Alaska many times after his gold rush

expedition.

When not in the state, Thomas kept a close watch on the northland from wherever his wanderings took him.

He was an outspoken advocate of Alaska statehood and later voiced support for the contested capital move as well.

"Alaska was one of his favorite spots since the early days," said Ray Petersen, a longtime Alaska aviator.

Petersen met Thomas in the late 1950s when Northern Consolidated Airlines brought the first Fairchild F-27 propjets to Alaska.

Jets were new to the state, but much more suited to cold weather operation. Petersen

said. Northern made promotional flights to Mount McKinley, and Thomas not only went along for the ride, but featured it in one of his newscasts.

"He was a great booster of Alaska," Petersen said. "He loved Alaska and the mountain

(McKinley)."

But during that first summer in 1914 in the wilds of Interior Alaska, Thomas was just a young adventurer. On his way south to Valdez, Thomas met Bobby Sheldon in Fairbanks. Thomas, faced with a two-week walk or week-long ride in a bouncing buckwas intrigued when Sheldon said his Model T—one of five cars in the Interior at that time—could shorten the trip.

"When Bobby bragged his Model T could cut the time to Valdez in half, I saw the chance for a good story," Thomas later recalled. "So I offered to be passenger No. 1 on the Sheldon Stage Line to Valdez."

The 371-mile, 31/2-day trip included fording bridgeless streams and other hardships

along the Richardson Trail.

"I never believed I would pay anyone \$150 for the privilege of pushing an automobile miles across Alaska," Thomas said.

Later, Sheldon and a partner organized the Richardson Highway Transportation Company, which operated regularly between Fairbanks and Valdez.

Thomas was a friend of the late Bob Reeve, aviator and owner of Reeve-Aleutian Airways, and was often a guest in the Reeve home

Tillie Reeve recalled a trip her husband made with Thomas to Bush pilot Don Sheldon's mountain house at the 6,000-foot level of Mt. McKinley.

Thomas is featured in the introductory section of a film about the famous aviator. "He'll be in our home as long as that film

lasts," Tillie Reeve said.

"It seems as if he was always here and he will always be here," she said.

The Reeve film was produced by Herb Hilscher, a local public relations consultant and another friend of Thomas'.

'Lowell enjoyed Alaska very much," Hilscher said.

Thomas, a member of the exclusive Explorers Club, is credited with sponsoring the membership of Petersen, Reeve, Hilscher and other Alaskans with experience in exploration or world travel.

Hilscher said the Alaska lifestyle appealed to Thomas' adventuresome spirit. He took

the bad with the good.

During a visit to Juneau in 1974, Thomas escaped from the burning Baranof Hotel in the middle of the night.
"A close call," he said of the fire and his

run down six flights of stairs to escape. "But not the closest by far," added the sur-vivor of World War I airplane crashes in the Himalayan Mountains and in Spanish deserts.

Thomas's son, former Lt. Gov. When Lowell Thomas Jr. and his wife, Tay, moved to Alaska in 1960, the world-famous newscaster had one more reason to make frequent visits north.

"But I've always been especially interested in Alaska," he said during a Christmas 1980

The Thomas family was en route to Pawling, N.Y., Saturday, and unavailable for comment.

[From the News-Miner, Aug. 29, 1981] LOWELL THOMAS SR. DIES AT 89

PAWLING, N.Y .- Lowell Thomas, the broadcaster-explorer who bid America "So long until tomorrow" from the four corners of the globe for more than a half a century, died of a heart attack today at his home here.

Thomas's secretary, who identified herself only as Electra, said Thomas died "peacefully,

in his sleep." She said he had been in good health and had returned to New York last week from a trip to Colorado where he had given a speech and attended a corporate board meeting.

When he came back he resumed his usual work schedule. He was recording "The Best Years," a radio series he was doing," she

In April, Thomas celebrated his 89th birthday at the annual banquet of The Explorers Club, of which he was honorary president and key patron. The club named its highest award for exploration, "The Lowell," in his

In 1980-a year when he spent his birthday in Moscow—Thomas was among the first group of Lowell recipients. "I bet I spent \$10,000 of my own money on this award just to see myself receive it," he joked. "Now if that isn't bribery I don't know what is."

The award recognized a career based on interviews with some of the world's most famous and powerful men in some of the world's most remote and desolate places.

It began when Thomas served as chief of a semi-official civilian mission that went to Europe during World War I, with President Woodrow Wilson's approval, to prepare a history of the war.

During a visit to Jerusalem he met T. E. Lawrence, the Englishman who led Arab tribesmen against the Turks in World War and persuaded British authorities to let him join Lawrence and his army of nomads.

He donned a Bedouin headdress and campaigned with Lawrence. Between battles he obtained the story of Lawrence, so shy that he was almost unknown personally, and filmed scenes of the revolt. The material became the basis of his book "With Lawrence in Arabia."

Later he traded his Bedouin headdress for pith helmet and covered the British army's successful conclusion of its Palestine campaign. Pictures showed him to be the perfect war correspondent, hunched over a notebook and surrounded by a small mountain of camping and reporting equipment.

After the war, Thomas continued to travel, visiting pygmy tribes in Africa and hunting tigers with the Prince of Wales-later the Duke of Windsor-in India. He penetrated the interior of Alaska, and later noted that many of his travels were "on the fringe of exploration."

In 1930 he began what was to become the longest running network newscast, on CBS radio, and nine years later he broadcast the first television news program for NBC. For several years, staring in 1935, his was the voice of Movietone newsreels produced by twentieth Century-Fox.

In World War II. Thomas toured both the European and Pacific theaters and broadcast on-the-spot news reports. Toward the end the war he flew over Berlin in a reconnaissance plane, viewing the Nazi capital in

Thomas visited the Himalayan mountain region of Tibet in the autumn of 1949. He met with the Dalai Lama, then Tibet's 15-year-old ruler, in the "forbidden city" of thasa. He received messages on parchment from him to present to President Harry Truman.

During that trip he suffered a broken thigh and had to be carried by litter for 34 days before reaching a place from which he could be flown to Calcutta.

The commentator said he found Tibet the most "anti-communist country in the world," and on October 25, 1950, China began its invasion. Thomas became head of a committee in the United States that raised money and supplies for thousands of Tibetans who fled

Thomas continued lecturing and broadcasting for CBS and wrote more than 50 biographical, travel and adventure books. On May 14, 1976, he quit his nightly radio news show to devote more time to other projects.

In an interview on his 80th birthday, Thomas said, "Looking back from 80 years, I'd say it was rather silly to do so many things—except it's been so much fun."

Thomas married Frances Ryan in 1917, and they had one child, Lowell Thomas Jr. His first wife died in 1975 and he married Marianna Munn in 1977.

[From the New York Times, Aug. 30, 1981] LOWELL THOMAS, A WORLD TRAVELER AND BROADCASTER FOR 45 YEARS, DEAD AT 89

Lowell Thomas, the radio and television broadcaster, author and world traveler, died of a heart attack yesterday morning in his sleep at his home in Pawling, N.Y. He was 89 years old.

For nearly 46 years, Mr. Thomas's calm and reassuring voice had come over the radio every weekday with the same salute to the nation, "Good evening, everybody." What followed was a nicely articulated,

What followed was a nicely articulated, folksy, often bland digest of the day's news events, ending with, "So long until tomorrow."

In 1976, the nightly program that made Mr. Thomas the longest continually operating newscaster in radio was discontinued, but he went on broadcasting and writing and skiing until his death.

A LIFE FULL OF HYPERBOLE

Mr. Thomas, whose life was full of superlatives and hyperbole, remarked in an autoblographical note some years ago: "The voice of Lowell Thomas probably has been heard by more people than any other voice in hisstory—including those of Franklin D. Roosevelt, Winston Churchill, Hitler and Mussolini. His total radio audience on the air has been estimated at 70 billions! Billions—not millions."

"For 17 years he was the voice of Movietone News," Mr. Thomas continued. "Which means that via the screen, he was heard by another 40 or 50 billions. His voice has also been heard on a few thousand single-reel pictures, shorts as well as feature-length films; and untold millions more made his acquaintance through Cinerama and via television."

Although Mr. Thomas called himself a news commentator, he was not an analyst and he did not deliver either pronouncements or messages. From his first broadcast, on Sept. 29, 1930, he presented the news in the manner of a father telling his large family about the great world beyond.

"I am on the air when people are getting ready for dinner or are just having dinner, or are just finishing dinner," he said in 1970, alluding to his 6:45-to-7 o'clock broadcasts. "I never felt it was my responsibility to destroy the digestive system of the American people."

BROADCAST TO A FORMULA

His approach to the news was typified by his first broadcast, a formula that persevered to his last. His lead item in 1930 read:

"A procession of German Fascists was attacked today by Communists in the town of Unterbermsgruen (Conterbearmsgrooen). A hot fight followed in which 29 Fascists were injured, four critically. . . Adolf Hitler, the German Fascist leader, is snorting fire. There are now two Mussolinis in the world, which seems to promise a rousing time. Adolf is one. He has written a book called the German Fascist bible. In this, the belligerent gentleman states that a cardinal policy of his now-powerful German party is the conquest of Russia. That's a tall assignment, Adolf. You just ask Napoleon."

In an age of television, Mr. Thomas might have been expected to fade, but, surprisingly, his audience did not diminish significantly. He had once tried television, but decided it was not his medium. "They want

to hear the news, not see the person who is reading it," he said. "No one wants to see the same fellow on the screen every day, unless he happens to look like Michelangelo's 'David.'"

Cne of Mr. Thomas's strengths was that he did not pretend to be a journalist. "You know, I'm not a journalist, but an entertainer, just as Bob Hope and Bing Crosby are entertainers." he confided some years ago to Fred W. Friendly, then of CBS, the network that first carried Mr. Thomas.

Apart from reading the news—he edited most of his own broadcasts, rarely bothering with occurrences later than 5 o'clock—Mr. Thomas had notable careers as a world traveler, war propagandist, lecturer and author.

One of his feats during World War I was the "discovery" of Col. T. E. Lawrence—Lawrence of Arabia—and Mr. Thomas made use of the enigmatic Briton. He created the legend of Lawrence as "the Prince of Mecca," a title Mr. Thomas conferred himself.

According to Mr. Thomas, he spotted Lawrence among a group of Arab sheiks in Jerusalem in December 1917. "Nor did it take him long to discover that he had stumbled on a story in some ways more astounding than the 'Last Crusade' and the 'Conquest of Jerusalem,'" Mr. Thomas wrote of himself in 1965, adding:

"Lawrence, unknown to the world, was then at the peak of his unusual career. The young Oxford archeologist, who, when war broke out, had been working at the study and excavation of the ancient cities of the Near East, now had become a shelk of the desert. With his understanding of the ways of the desert peoples of the East, he had become first a British agent and then the flery leader arousing the Bedouin to a general revolt against their old tyrant, the Turk. And now he was leading the tribesmen of the sands against the Turkish army, raids which demoralized communications, destroyed detachments and made the Turk tear his beard with rage."

Films of Lawrence—one showing him barefoot in the sand—were taken by Harry Chase, Mr. Thomas's photographer. With them, Mr. Thomas put together "The Last Crusade," a highly romantic account of Lawrence that packed the Century Theater and Madison Square Garden in New York and the Royal Opera House, Covent Garden and the Albert Hall in London in 1919. Lawrence, according to Flora Armitage, a biographer, went to Albert Hall "and was made hot and embarrassed by the spectacle."

Later, Mr. Thomas wrote "With Lawrence of Arabia," a book version of his theatrical presentation. There seems no doubt, according to Lawrence specialists, that Lawrence, with a sense of the sardonic, had fed Mr. Thomas outlandish stories and had willingly posed for pictures, and that Mr. Thomas had swallowed them whole.

Lawrence later repudiated his amanuensis and complained to Robert Graves, the poet, about the "butter of the Lowell Thomas sort that does not keep very well; and its quotation at tenth hand is painful." Mr. Thomas was loath to concede that he might have been gulled and that he, in turn, had misconstrued history for others.

A DASHING FIGURE

Handsome, tall and slim, Mr. Thomas looked the romantic role in which he so often cast himself. He had thick brown curly hair, blue eyes and a pencil mustache. When dressed in riding breeches, he was especially dashing.

And he was all the more a figure larger than life because of his worldwide network of prominent friends, with whom he was on a first-name basis. These included kings, queens, premiers, generals, Presidents of the United States, illustrious explorers and the Dalai Lama of Tibet.

"If I have to have a reincarnation, I would prefer it to be Lowell Thomas above all others," former President Herbert C. Hoover wrote him in 1959, adding:

"It would be an eternal life of adventure, of courage and of public service."

Although Mr. Thomas was rated a con-

Although Mr. Thomas was rated a conservative, he was on amicable terms with President Franklin D. Roosevelt. For several years he was manager of "The Nine Old Men," a softball team that played an annual game with a political team managed by the President.

As much as Mr. Thomas flourished in his adventures—virtually every journey he took was an adventure—and in the legend that he became, he was a dour and unwilling participant in Ralph Edwards's sentimentalized version of his life on a "This Is Your Life" television program in 1959. "This is a sinister conspiracy," he remarked at the time.

BOYHOOD IN COLORADO

Mr. Thomas' life was on the grand scale, full of improbabilities and fulfilled ambitions. Born April 6, 1892, in Woodington, Ohlo, he was the son of Harry and Harriet Wagner Thomas. Soon after his son was born, Harry Thomas received his medical degree and established a practice in Cripple Creek, Colo., a gold camp on the slope of Pikes Peak.

As a boy Lowell peddled newspapers in the town saloon, went to Sunday school under the tutelage of Texas Guinan and read in his father's library. Dr. Thomas, who had a desire to collect knowledge, impressed on his son the importance of learning. He also demanded that the boy acquire an ability to speak clearly and distinctly.

When Lowell was 15, Dr. Thomas moved the family back to Ohio. The youth excelled in high school elocution and attended what is now Valparaiso University, where he obtained a B.S. degree in two years. He returned to Cripple Creek, working briefly in the mines and then as a newspaper reporter and editor.

THE URGE TO TRAVEL

He went on to the University of Denver for a year, receiving B.A. and M.A. degrees. Moving to Chicago, he attended law school at night and reported for The Journal by day. But the urge to travel was strong, and he persuaded a railroad to send him to San Francisco in 1914 in exchange for glowing reports of rail travel and the potential marvels of the forthcoming international exposition in that city. There he bought a movie camera and headed for the Klondike revion of Alaska, where he took movies of life in that wild country.

Mr. Thomas' life as a showman started when he entered Princeton in 1914 as a student and part-time instructor of public speaking. In his spare time he showed his movies of Alaska and lectured about his experiences there. This proved more exhilarating than scholarship, so the following summer he took another filmic trip to Alaska. His material became so popular with audiences that word of it got to Franklin K. Lane. Secretary of the Interior, who wanted Mr. Thomas to promote a "See America" campaign.

The entry of the United States into World War I gave Mr. Thomas the greatest opportunity of his life. He was commissioned unofficially by the Government to go to Europe and then to "tell the American people what we're up against." Having raised funds for the trip from a group of Chicago meatpackers, he and Mr. Chase, his photographer, visited the Western front and then joined Sir Edmund H. H. Allenby in Egypt. It was while he was in the Middle East that he met Lawrence.

After returning to Europe, Mr. Thomas

and Mr. Chase managed to get into Germany, where they observed and photographed the postwar turmoil, a report of which they gave to the American delegation to the Paris Peace Conference.

Back in the United States, Mr. Thomas found that audiences gobbled up his shows— he never called them lectures—on the fighting in the Middle East and on Lawrence. After repeating his success in Britain, Mr. Thomas set off on a tour of the world with his show, which he played before hundreds of audiences.

SWITCHED TO WRITING

Later, Mr. Thomas returned to India, "the greatest human show on earth," and toured the subcontinent, Burma, Malaya and Afghanistan with Francis Yeats-Brown, later the author of "Lives of a Bengal Lancer." Mr. Thomas fashioned two shows from his travels, which he took to Paris and London and then to the United States. When the tour con-cluded, Mr. Thomas decided that he had had enough of such shows (he had given about 3,000 of them) and that he would rather write about his experiences.

As a result, he bought a 500-acre farm on Quaker Hill in Pawling, N.Y. it was the nucleus of what was to become a 3,000-acre estate, reduced to about 1,000 in later years. His first big literary success was "With

Lawrence of Arabia." It was followed by "Be-yond Khyber Pass," about Afghanistan. These made him a millionaire, a standard of wealth below which he never thereafter fell. Another of his popular books was "The First World Flight," a collection of narratives of the participants in the Army's world flight in 1924. He went on to write "Count Luckner, the Sea Devil," "Raiders of the Deep," "The Hero of Vincennes" and ".ndia: Land of the Black Pagoda." His lifetime total exceeded 50. Between books, he traveled the world.

Much of his writing was done in collaboration with Prosper Buranelli, once a feature writer for the old New York World. Mr. Buranelli remained on to help with Mr. Thomas's radio scripts.

A BROADCASTER BY LUCK

Mr. Thomas's radio career started as a matter of luck in 1930. The Literary Digest was about to drop its sponsorship of Floyd Gibbons as its newscaster. Someone at the Columbia Broadcasting System remembered having heard Mr. Thomas give one of his shows, and mentioned his stentorian, yet sonorous voice

He was called to New York, auditioned by William S. Paley, the network's chief, and then by the sponsors. He was hired on the spot, remaining with CBS until 1932, switchto the National Broadcasting Company until 1947, then returning to Columbia. In 1935 he also became the voice of Movietone

Mr. Thomas made a fortune from his radio work. In 1948, for example, he earned \$420,-300, and he seldom received less than \$375,000 a year. His income from other sources was

Mr. Thomas did not let his broadcasts interfere with travels. He was the first to broadcast from an airplane, a helicopter, a ship. He broadcast from London, Paris, Rome, Cairo, the Philippines, India, Iwo Jima, Chongqing. He once said that it had cost him \$1 million of his own money for such remote hookups. At home he broadcast from a special studio on his Quaker Hill estate.

In 1936, he expanded his holdings thereby by purchasing 3,000 acres from the Fred French estate, then parceled it out among some of his friends, among them former Gov. Thomas E. Dewey, the Rev. Dr. Vincent Norman Peale, Dr. Howard Rusk and Elliott Bell, a former Business Week editor.

Mr. Thomas's effervescent personality seemed to fit with his zest for physical activity. He delighted to be on the go, and to exotic places. He broke a leg on one of these trips, but was unfazed.

His conversations about his trips and other matters were studded with names of the

TIGER HUNT WITH DUKE

"The Duke of Windsor is a charming fel-

iow," he once said, quickly continuing:
"We went on a tiger hunt once in India
and we were the only two parties left in Venice when the Germans and Austrians were outside the city gates. I had General Vanderberg working on a special trip for me. Stu Symington was a help, too. Dick Nixon played my golf course here. Last night I had call at 3 a.m. from Finn Ronne in Antactica Wanted to tell me he's naming a mountain range after me down there."

Thomas's enthusiasm for adventure led him into Cinerama, the three-dimensional film process, in 1952. A laboratory experiment for 54 years, it stunned Mr. Thomas when he first saw it. "I knew exactly what to do with it," he said, "because I had the travel history behind me."

"This Is Cinerama" was his first production, giving him the sobriquet of "the grand-father of Cinerama."

Mr. Thomas received many honorary degrees and other awards. He was, for example, fellow of both the American and the Royal Geographical Societies and honorary president of the Explorers Club.

Shortly after Mr. Thomas's nightly radio news program had been taken off the air by CBS on May 14, 1976, he began a 39-week television series for the Public Broadcasting Service called "Lowell Thomas Remembers. The series, which included profiles of outstanding figures in history, ran for three years.

In 1977, the William Morrow Company published the first volume of Mr. Thomas's two-part autobiography, "Good Evening, Everybody," and brought out the second volume, "So Long Until Tomorrow," the next year. In 1977, too, Mr. Thomas's biography of Lieut. Gen. James H. Doolittle, was published.

Two years ago, Mr. Thomas began a daily syndicated radio series, "The Best Years," about the acomplishments of famous people in their later years. It was sponsored by Mutual of Omaha.

Electra Nicks, Mr. Thomas's personal secretary for 47 years, said yesterday that he had recorded 15 of the five-minute programs only four days ago.

Mr. Thomas was also a founder and member of the board of Capital Cities Communications, which owns several broadcasting stations and newspapers, and a director of Golden Nugget, Inc., a gold mining company in Cripple Creek.

Mr. Thomas's first wife, the former Frances Ryan, died in 1975 after 58 years of marriage. In 1977 he married a widow, Marianna Munn, who was then 49 years old. She survives him.

Shortly after his wedding to Mrs. Munn on the Hawaiian island of Maui, Mr. Thomas flew to Washington to receive the Medal of Freedom Award from President Ford. Then he returned to Hawaii to begin a honeymoon that continued around the world.

Mr. Thomas is also survived by his son. Lowell Thomas, Jr., a former Lieutenant Governor of Alaska and author; two grandchildren and a great-granddaughter.

Funeral arrangements have not been completed, but Miss Nicks said Mr. Thomas had requested that he be buried beside his first wife in the churchyard of the Christ Church on Quaker Hill overlooking Pawling.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I mentioned earlier that at some point in the morning I intended to put a unanimous consent request for the scheduling of the

military pay bill on tomorrow beginning at 10:30. Before I do that, may I yield to the distinguished chairman of the Appropriations Committee?

The ACTING PRESIDENT pro tempore. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I thank the leader for yielding.

BIRTHDAY GREETINGS TO A GREAT AMERICAN

Mr. HATFIELD. Mr. President, about 2 hours ago, I made a call to Kansas to wish a great American a happy 94th birthday. I refer to the former Governor and Presidential candidate Alf Landon.

Mrs. Landon said she was very sorry that the Governor could not speak directly to me because he was out horseback riding. I think it is a marvelous example of a man who has lived and is

living a very vital life. Alf Landon was born on September 9. 887, graduated from the University of Kansas, and then became a banker for a short period of time before he became an independent oil producer. In 1912, he supported the Bull Moose Party of Teddy Roosevelt. Later, he became the leader of the Republican liberals of Kansas and served two 2-year terms as Governor of that State before being nominated for President on the Republican ticket of 1936. I happened to be a junior in high school at the time. That was my first major campaign in which I began and ended my career as a gambler. I lost 12

that campaign. I only mention that today because his daughter, Nancy Landon Kassebaum serves as a colleague in this body in a

milkshakes on Alf Landon's defeat in

very distinguished way.

Mr. President, here is a gentleman who came to be respected, honored, and revered by his opponents as well as by his supporters. President Roosevelt appointed him to an international conference in 1938. He has indeed served his country well and I rise to wish him many, many more years of horseback riding, a great American, Alf M. Landon.

The ACTING PRESIDENT pro tempore. The majority leader is recognized. Mr. BAKER. Mr. President, I yield now

to the distinguished Senator from Washington.

THE U.S. NAVY

Mr. GORTON. Mr. President, on the 4th of August, at the beginning of the recess, the distinguished Secretary of the Navy appeared in Seattle, Wash., at the keel laying of a new class of naval vessel, one which is honoring our State. It will be called the U.S.S. Whidbey Island.

At that time, the Secretary of the Navy. John Lehman, gave a thoughtful, impassioned speech about the condition of the Navy of the United States and its immediate future, which was met with great approval by all who heard it.

I ask unanimous consent that the text of that speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD. as follows:

ADDRESS BY HON, JOHN LEHMAN

General Barrow, Mr. Smith, Distinguished Guests, Ladies and Gentlemen, it is certainly my pleasure to be with you here in the Great Northwest.

Since assuming my duties as Secretary of the Navy—and Secretary of the Marine Corps—few events have been more pleasurable than to preside today at the keel laying of the LSD-41, the lead ship of a new amphibious class. Beginning a new class is always an important milestone in the history of the Navy, but the LSD-41 represents much more.

It is the first amphibious ship to be started since the keel was laid for the LHA-5, almost five years ago.

It is the first amphibious ship to be funded

in ten years.

It is designed to carry the air cushion landing craft, or LCAC, which adds a revolutionary dimension to amphibious warfare. As such, it represents a commitment to new technology.

The keel laying of the LSD-41 also signifies the reversal of one of the most senseless conditions in the Navy today. The fact is that the U.S. Marines—that splendidly-trained, superoly-disciplined team, and the most ready righting force round in the world today—are fully prepared to go wherever necessary in the world . . . yet are unable fully to utilize that splendid readiness because we lack sufficient sealiff to get them there.

Let me state my position unequivocally: the amphibious forces will be at the very forefront of the Navy in the decade ahead. The strategic requirements of the decade cry out for amphibious capability-forces with the flexibility and compat power empodied in the Marine Air Ground Task Forces forces capable of safeguarding our vital interests by deterrence, but if deterrence fails, by performing on the battlefield as Marines have always performed. In this regard, the Department of the Navy, in the first months of the Reagan Administration established, in a dramatic break from Carter policies a firm policy to develop sufficient amphibious lift transport simultaneously the assault echelon of a Marine Amphibious Force and a Marine Amphibious Brigade. Thus we shall have the capability to undertake major amphibious operations to secure our maritime security simultaneously in two separate areas of the world.

Finally, and most importantly, this new class represents a large step in the revitalization of our key national asset, the U.S. Navy, and a quantum improvement in our ability to safeguard U.S. interests overseas, through the ability to project power from sea to shore when needed.

This ship class has been a long, hard time coming. Many of you here today are veterans of the Washington skirmishing necessary to bring this ship into being. Your vision and your persistence have triumphed. I congratulate you on that persistence. And I do not speak of triumph in a narrow, bureaucratic sense. I speak of triumph in a national sense, as our country strives to regain its sense of purpose and confidence and builds to restore the unquestioned maritime superiority so vital to our existence.

Clearly, an immense change has taken place in the United States in the past year. We have come to realize that, as leaders of the free world, we have been possessed of a dangerous uncertainty for some time over the utility of committing military force for national purpose. We had forgotten the lessons of two terrible world wars: That strength, not weakness, halts aggressors; that strength is the only real deterrent, weakness an open invitation. Today it is obvious that America has now recalled these important lessons. We are revitalizing. We

are renewing our traditional American character, and we are again becoming strong and filled with resolve.

The clear mandate of the last presidential election was a call for renewed national strength, prestige and self-confidence. This resurgence of demand for national strengthand a Commander in Chief and Congress dedicated to carrying out the will of the people-will inevitably ask the U.S. Marine Corps to shoulder a major burden in any commitment of military force for national purpose, as has always been the case in the past. A Marine Corps of Americans who represent the best in soldierly virtue. A Corps which has held high the concepts of duty and honor, and the qualities of strength and self-confidence, even in the lean years of the recent past. A Corps which, in the face of social and other pressures, changed what needed to be changed, but staunchly maintained a tradition of disciplined excellence and a world-recognized expertise in amphibious warfare-a form of warfare which may be more important to our Nation's future in the years ahead than it has been anytime in history, with the possible exception of the Pacific Campaign in the Second World War.

It is not enough, however, to build ships and recruit men. We must begin with the formulation of the strategy itself. It is a difficult matter, in that we have long focused largely on the technical aspects of our naval problems. Too often, naval strategy was merely a function of the momentum of force structure and modernization. The strongest arguments for new ships were that old ships were old and due to retire. The misuse of systems analysis and computerized war games within the Defense Department had forced a mechanistic fixation on programs. and a knee jerk response to military force problems. That fixation brought forth a generation of military leaders conditioned to think mechanistically, to manage "pro-grams" but disdain military intuition and judgment. On the national level, strategy often focused on areas of immediate concern, despite an increasing array of geopolitical shifts, which should have been accommodated by adjustments in the planned ure of naval forces. It is not necessary to match Soviet force levels on a man-for-man or ship-for-ship basis. Instead, what was and is needed, is a maritime strategy which concentrates superior power at the point of confrontation, and does so with precisely 'tailored" forces.

An important prerequisite in formulating a maritime strategy, is to pay more attention to those military leaders who possess the foresight to recognize the requirements ahead, and the seasoned judgment to grasp its strategic implications. Such clearly foresaw the requirements of amphibious warfare in the decade preceding the Second World War. Fully a decade before that war, Admiral Chester Nimitz and Gen-eral Holland Smith conceived and practiced the strategy of crossing the Central Pacific. There were Marine and Navy officers who ignored the experts' suggestions in the late 1940's that amphibious warfare was anachronistic. Those men knew there would be an "Inchon" in the 1950s. Others, on sighting the helicopter in the fifties, knew it would add a revolutionary dimension amphibious warfare in the sixties and they were correct. These were great and daring thinkers, not unlike those who today recognize the value of VSTOL, the LCAC, the LAV, and the LSD-41 class,-and have the military judgment to grasp the strategic implications of the 1980s and beyond.

Our task in the decade ahead is clearly to deter Soviet aggression, a formidable goal in the wake of unprecedented Soviet military expansion. Our response cannot be in numbers alone. It must be in the ability to concentrate warfighting capability at point-or points-of confrontation. The large number of Soviet options is such that landbased defenses overseas will never be sufficient for our needs, given even the most optimistic budgetary and procurement environments, and assuming that the necessary basing arrangements were politically achievable. Nor is it prudent to assume that a Soviet military confrontation, if it comes, will occur where we are best able to counter it. If history teaches us anything, the reverse will probably be the case. The Soviets must be made to understand-and be shownwe intend to confront them militarily wherever our interests require. If we succeed in doing that, we may never have to use our capability. it is the deterrent value of strong naval forces which we seek, not confronta-

What I propose strategically is not new. Mahan called armed naval capability seaforce. He postulated that a maritime nation should aim at acquiring a superiority in seaforce that enables it to project its seapower to the most distant quarters of the earth. It is from that imperative that Mahan derived the concept of "Command of the Seas" so relevant today.

The perceived capability to concentrate the Nation's naval resources and to project power ashore stabilizes the global environment, according to Mahan, into a condition favorable to that nation possessing command of the seas. Recently, for the first time ever, Soviet naval expansion has threatened to overtake our sea superiority. Obviously, Admiral Gorshkov has carefully read the lessons of Mahan.

Critical to the Soviets perception, is the naval capability to provide presence. This unique naval mission is particularly relevant to a strategy which seeks to influence and deter. Naval presence does not require regional basing, a political irritant in many parts of the world. Naval presence is also a sine qua non in the perception of our allies and the Third World, and has much to do with the way in which they regard Superpower balance.

The world of the eighties is not only a world becoming more interdependent. It is also a world of increased turbulence. Our strategy must include the protection of sources of raw materials and their conveyance to us and our allies, including the protection of our source of vital fossil products and strategic materials.

The Middle East and Southwest Asia will probably dominate the world's stage in the 1980s, as did Europe in the 1940s, Northeast Asia in the 1950s, and Southeast Asia in the 1960s. If we have learned from history, the correct question today should be how best to protect our vital interests in the region, without placing half a million or more ground troops in the area for an indeterminate period of time.

The kind of ground force presence which we have in Europe and Korea will not work in Southwest Asia—or in the Caribbean or Africa for that matter. The U.S. simply does not have sizeable forces in place nor supplies prepositioned. Neither does it possess the host-nation support agreements, nor the binding alliances that we have in Europe and elsewhere.

These combined problems of access and distance compel the U.S. to rely principally on seapower, supplemented by amphibious assault. Its "over the horizon" presence would not be a political liability, nor provide a raison d'etre for increasing instability. Amphibious forces can move ashore without the degree of permanence—and thus risk—associated with other ground forces.

The comparative attractiveness of sea-

based forces for the kinds of tasks required by the situation in Southwest Asia, and elsewhere, has long been recognized. The distinguished British strategist B. H. Liddell Hart, observed in 1960:

"An amphibious force of modern type, operating from the sea and equipped with helicopters, is free from dependente on airfields, beaches, ports, and landbases with all their logistical and political complications: The use of ... any land-based force is a more irrevocable step, since its commitment is more definite and its withdrawal more difficult. A self-contained and sea-based amphibious force, of which the U.S. Marine Corps is the prototype, is the best kind of fire extinguisher, because of its flexibility, reliability, logistic simplicity and relative economy."

Naval presence in Southwest Asia will clearly transmit the desired message, militarily as well as diplomatically. The multifaceted projection capabilities which a balanced naval force of air, surface, subsurface, and amphibious elements brings to any situation may find application in the entire range from diplomatic signalling and crists containment, to on-scene military action.

containment, to on-scene military action.

In the event of a Soviet attack on our vital interests in Southwest Asia, defeat of Soviet naval forces at sea will be absolutely crucial. Lacking secure sea lines of communication, no other military effort—afloat or ashore—can be sustained. The sea is the Soviets' greatest vulnerability-a place where geography greatly disfavors them. As a consequence, that our superiority must be here strongly maintained, enhanced, and exploited. Naval forces will also make a major contribution to the U.S. Air Force's responsibility for air superiority ashore, which must certainly be attained before there can be a successful employment of ground forces in Southwest Asia. The geostrategic realities are such that naval air and surface forces would probably have to provide both security of the seas and the air, working together as never before. Amphibious forces would then be the likely spearhead to secure a lodgement area, followed by the introduction

of other forces, as necessary.

Geographic reality, the growing threat, and our balanced Navy-Marine Corps capability combine together, then, to mandate a strong and effective maritime strategy as the key U.S. national security requirement of the next decade. The effectiveness of such a strategy is unmatched, in that the capability is exercised only at the point of confrontation, whether, it be in Southwest Asia, the Caribbean, Africa, or elsewhere. The unexceeded flexibility and mobility of naval forces enable them rapidly to provide a powerful instrument of U.S. foreign policy in the most distant quarters of the earth.

Continued equipment modernization will be critical in developing this vital instrument to its maximum utility. Several promising programs, all designed to provide substantially increased tactical mobility for the Marines, are uniquely associated with the LSD-41. A new medium helicopter will eventually replace the over-aged tactical assault transport helicopters. Increased numbers of heavy lift helicopters will satisfy the need for more battlefield and ship-to-shore lift. Four of the new landing craft all cushion vehicles will be carried in the well deck of each LSD-41.

These revolutionary craft will enable rapid ship-to-shore operations from standoff positions, and expose about three quarters of the world's littorals to amphibious operations.

I have referred to the partnership of the Navy and the Marines in meeting the amphibious challenges through the years. That partnership always includes, and must rely heavily upon, the experience and know-how of American industry. It is only through the dedicated efforts of the designers, managers,

and workers at this shipyard and others around the country that our plans for a strategy of unquestioned maritime superiority and a thoroughly revitalized amphibious capability can be turned into reality. As the Secretary of the Navy—and, as the Secretary of the Marine Corps—I feel that I can speak for both services in extending heartfelt thanks for your cooperation and your contributions—in the past, today, and into the future.

We are all in this together—with the Navy and Marine Corps Team—as we move forward through this dangerous decade. We are now moving quickly in the right direction, but we still face a time of testing and high risk, the legacy of our past mistakes. Let the historians say in the decades to come, that we did not fall that test.

I recall that Secretary of the Navy James Forrestal, observing from aboard a ship the raising of the flag from the stormed heights of Iwo Jima, turned to General Holland Smith and said: "The raising of that flag on Suribachi means there will be a Marine Corps for the next 500 years."

I hesitate to refute a very distinguished predecessor but that statement isn't true any longer-if it ever was. The future existence of the U.S. Marine Corps simply will not be dependent on an event that took place 36 years in the past, however inspiring that scene may still be. The Corps must justify its existence and its claim to scarce Defense resources not on what it has done in the past, but what it can do now and in the future to smite our enemies and confound their threats to the peace. No one with any real understanding of the complex and challenging requirements of the decade ahead questions the utility of the Corps. Perhaps more before in American history, our Nation will come to realize in the decade ahead just how vitally important the Corps is. And that says a good deal.

The survival of America could well depend on the capability resident in the Marine Alr/ Ground Task Forces and the Navy Team that takes them to the distant quarters of the earth where America's interests lie. The U.S. Marines know well the sacrifices which may be entailed in the commitment of military force for national purpose. And they stand ready to make those sacrifices. All the Corps asks for is sufficient sea lift to do their job; and our Marine Corps is going to get it.

SYMMS FAMILY WINERY TAKES TOP HONORS

Mr. GORTON. Mr. President, on the 17th of August of this year, the very distinguished junior Senator of the State of Idaho (Mr. Symms) appeared in Seattle to chair a hearing on the Federal aid highway system. I had the honor of participating in that hearing with him. Mrs. Gorton and I entertained the Senator and his wife during the course of the next day on Whidbey Island, Wash. The Senator from Idaho brought with him a small house gift of a bottle of wine which was produced at the Symms family vineyards in Idaho. It was a particularly good bottle of wine as far as I was concerned, though I am not much of an expert in the area.

I was particularly delighted, Mr. President, 1 week later, to see a story in the Seattle Times, the title of which is "Idaho Winery Takes Top Honors At 1981 Festival At Science Center." In fact, it was the Symms family vineyard that was the only winery to take two gold medals in the Northwest wine contest for that year. In thanks to that Senator and in congratulation for that dis-

tinguished honor, I should like to have that news story printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Seattle Times, Aug. 25, 1981] IDAHO WINERY TAKES TOP HONORS AT 1981 FESTIVAL AT SCIENCE CENTER

(By Tom Stockley)

Idaho's single winery struck both gold and silver again last night in Seattle at the 1981 wine festival competition of the Pacific Northwest Enological Society at the Pacific Science Center.

Ste. Chapelle Vineyards of Boise, Idaho, captured two gold medals for its two versions of Chardonnay and a silver medal for its 1980 Johannisberg Riesling. It was the only winery to win two gold metals in the annual competition involving wines from Washington, Oregon and Idaho. It also marked the second year in a row that the winery won two gold awards.

The awards were announced during the festival by Gov. John Spellman. A total of 30 awards were presented out of 76 wines entered in the festival.

Judges were slightly more stingy with gold medals this year, giving only five, one less than at last year's event. Besides the Idaho winery, the other three gold medals went to Associated Vintners for its 1980 Valley White, Knudson Erath Winery for a 1979 Pinot Noir and Preston Wine Cellars for a 1980 White Riesling.

Judges for this year's competition were Harry Waugh of London, British wine writer; Alex Bespaloff, East Coast wine writer and author of numerous books; Joseph Heitz, president of Heitz Wine Cellars in the Napa Valley; Walter Schug, wine maker for Joseph Pheips Vineyards in the Napa Valley, and A. Dinsmoor Webb, chairman of the Department of Viticulture and Enology at the University of California at Davis.

Besides the golds going to Ste. Chapelle, the rest of the awards were divided fairly evenly between Washington and Oregon wineries. Sixteen awards went to Washington wineries and 11 to Oregon wineries.

Medal winners were:

Gold: Associated Vintners 1980 Valley White, Knudsen Erath Winery 1979 Vintage Select Pinot Noir, Preston Wine Cellars 1980 Select Harvest White Riesling, Ste. Chapelle Vineyards 1979 Sagemoor Chardonnay and Ste. Chapelle Vineyards 1979 Symms Family Vineyards Chardonnay.

Silver: Alpine Vineyards 1980 Benton County White Riesling, Amity Vineyards 1980 Dry White Riesling (made with a combination of Oregon and Washington grapes), Associated Vintners 1979 Chardonnay, Bingen Wine Cellars 1980 Mont Elise Gamay Beaujolais, Chateau Ste. Michelle 1977 Cabernet Sauvignon, Chateau Ste. Michelle 1980 Semilion Blanc, E.B. Foote Winery 1979 Chardonnay, Hinzerling Vineyards 1980 White Riesling, Knudsen Erath Winery 1979 Yamhill County (Knudson Vineyard) Pinot Noir, Preston Wine Cellars 1978 Meriot, Ste. Chapelle Vineyards 1980 7daho Johannisberg Ries'ing, Sokol Blosser Winery 1980 Washin-ton White Riesling, Sokol Blosser Winery 1978 Yamhill County Pinot Noir and Worden's Washington Winery 1980 Fume Blanc.

Bronze: Amity Vineyards 1980 Gewurztraminer, Amity Vineyards 1979 (Washington/Orecon) Pinot Noir, Bingen Wine Cellars 1979 Mont Elise Gewurztraminer, Chateau Benoit 1980 Sauvignon Blanc, Elk Cove Vineyards 1978 Cabernet Sauvignon, Neuharth Winery 1979 Johannisberg Riesling, Paul Thomas Wines 1980 White Riesling, Preston Wine Cellars 1980 Frime Blanc, Tualatin Vineyards 1980 Early Muscat, Tualatin Vineyards 1978 Pinot Noir and Wor-

den's Washington Winery 1980 Johannisberg Riesling.

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE MILITARY PAY BILL

Mr. BAKER. Mr. President, I understand that arrangements for the possible consideration of the military pay bill are being considered at this moment. So, rather than put that request now, I ask unanimous consent that I may reserve any time I have remaining and I yield to the-

Mr. EXON. Reserving the right to object, and I am not sure that I shall, Mr. President, I should like to propound a question to the majority leader-not in the form of criticism, but for my information.

I was informed a couple of weeks ago that the military pay bill was scheduled to come up this day, at this hour. I am here, I am prepared to go ahead as the ranking minority member on the subcommittee. What I have learned since I have returned to the Senate is that all kinds of negotiations are going on. Could the majority leader, in the interest of saving some time-I suspect that I am on his side in this matter.

I have listened with keen interest and appreciation to the rather laborious schedule that the majority leader outlined for us. I know the responsibility for moving all of our important decisions along weighs very heavily on the shoul-ders of the able majority leader. Time, though, is of considerable essence, because it seems to me, if I am able to fathom out all of the news reports that I hear, that indeed, the fat may be out of the frying pan into the fire with regard to a whole series of critically important matters facing this Nation domestically and internationally.

I need not remind the majority leader, Mr. President, that Christmas time is drawing very near. It seems to me that we should get moving on the military pay bill. I am prepared to move on it now. May I ask the majority leader, what is the reason for the delay on this particular bill?

Mr. BAKER, Mr. President, I thank the Senator from Nebraska. As always, he has prefaced his remarks with a statement of understanding and I am grateful for that.

The scheduling of the activities of the Senate to accommodate the maximum number of Senators is always a difficult matter. I suppose the best answer to him is that that is the problem now, to accommodate the greatest number. In doing so, I fear I have inconvenienced him and I have inconvenienced the Senator from Iowa and others. Mr. President, in the present parliamentary situation, since the Department of Justice authorization bill will recur automatically, absent unanimous consent, it would be very difficult to schedule other legislation. It would require unanimous consent to schedule some other bill in place of that.

It appears, then, that while it is true that I had hoped and my staff had indicated to the minority staff that we could proceed to the military pay bill today, the best we can do is tomorrow. There are a number of reasons for that-all of them, I am sure, good reasons.

My answer to my friend is that it requires unanimous consent to schedule this matter in this sequence at this time and I believe Thursday is going to be as good as we can do if, indeed, we succeed in getting a request for Thursday.

Mr. EXON. Reserving the right to obiect further, Mr. President, I thank my friend, the majority leader, for his explanation. As I indicated, I am sure I am on his side in trying to get this moved along.

As I understand the situation, then, as it now stands, we are not going to take up the military pay bill today; we may take it up tomorrow, but that is not certain yet. Is there any indication the majority leader could give me now that if we take up the military pay bill tomor-row, we can dispose of the bill and any amendments thereto with the time agreement that I understood from usually reliable sources would allow us to bring up the bill tomorrow, with the time agreement that I understood had been at least tentatively agreed to, and vote finally, dispose of that matter sometime tomorrow afternoon?

What is the present feeling of the majority leader with regard to that schedule and was I properly informed that a general consensus had been reached to have a final vote on this sometime

tomorrow afternoon?

Mr. BAKER. Mr. President. I must inform my friend that the original unanimous consent that I had reduced to writing and submitted to the minority leader and others had a time consideration for the bill and a'l amendments and a final vote for a time certain tomorrow. Since that time, I understand that the request has been changed so that all amendments except one amendment will be disposed of tomorrow, and that that amendment would be disposed of on a time limitation during the day on Friday; that, in the intervening time, the Senate would be free to proceed to other business.

Mr. EXON. Mr. Precident, reserving the right to object further, as I understand it, the intention of the majority leader now is to at least complete all work on the military pay bill no later than this coming Friday. Is that correct?

Mr. BAKER. That is the request that is being considered now through the clearance process on the minority side.

Mr. EXON. Reserving the right to object further-and I do not intend to object-I thank my friend, the majority leader. I say to him that I hope we can dispose of this bill today. If we are not going to do so, and it appears that we are going to wait until Friday, I hope we can get it done then.

I need not tell the majority leader that he and we have a lot of work to do, and I hope my colleagues will join the majority leader and recognize that we cannot accommodate everybody on this floor at the time they are supposed to be here. They are all supposed to be here now. I wish they were here, so that we could proceed

Mr. BAKER. I thank the Senator.

DEATH OF LOWELL THOMAS, SR.

Mr. BAKER. Mr. President, I would like to join millions of Americans across the country in noting with sadness the passing of Lowell Thomas, the dean of broadcast journalism, on August 30, 1981.

I was fortunate enough to be with Lowell Thomas earlier this year, when he presented me with the Daniel Webster Award from the International Platform Association of which he was president. He was in great spirits, and as distinguished and tireless as the day when he made the first television broadcast in 1939.

Throughout his 89 years, his peripatetic lifestyle brought him to Lawrence of Arabia, to Italy as a soldier in World War I, to broadcasting from a plane over Berlin during World War II, and to hundreds of historic and immensely popular radio broadcasus

News is only news for the moment, but the golden days of Lowell Thomas and "so long until tomorrow" will be with us forever and ever.

The ACTING PRESIDENT pro tempore. The majority leader's time under the combined standing order and previous order, has expired.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, how much time do I have?

The ACTING PRESIDENT pro tempore. Twenty-five minutes.

Mr. ROBERT C. BYRD. There are a number of Senators on my side of the aisle who wish time.

How much time does the Senator from Mississippi wish?

Mr. STENNIS. Mr. President, I was hoping to have about 20 minutes, but I do not want to be selfish.

Mr. ROBERT C. BYRD. I have 25 minutes, and Mr. Hollings wants 15. Mr. PROXMIRE needs a few minutes, Mr. FORD needs 1 minute, and Mr. STENNIS wishes time.

Mr. President, I wonder whether the distinguished majority leader would change the arrangement so as to give my colleagues time to speak. I have 25 m'nutes. Mr. Hollings wants 15 minutes, Mr. STENNIS wants 20 minutes, Mr. Prox-MIRE wants 3 minutes, and Mr. FORD wants 1 minute.

Mr. STENNIS. I will take 15 minutes. Mr. ROBERT C. BYRD. I have 25 minutes. I wonder whether I could have 35 minutes, and the majority leader could have some additional time.

Mr. BAKER. Yes.

Mr. President, I ask unanimous consent that the time allocated to the distinguished minority leader be extended from 25 minutes, under the aggregation arrangement previously agreed to, to 45 minutes and that the majority leader have under his control an equal amount of additional time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader is ac-

commodating, as is characteristic of him. I now yield 15 minutes to Mr. STENNIS. inasmuch as he asked first.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi.
Mr. STENNIS. I thank the Senator

from West Virginia.

S. 1598—NATIONAL COMMISSION ON INTEREST RATES ACT

Mr. STENNIS. Mr. President, I do not believe I have ever had the privilege of addressing the Senate on a more important matter affecting so many people. This relates to the unusually high, persistently high, interest rates we have had for more than 15 months.

I point out, at the beginning, that there is nothing unusual or radical about the proposal I will make, which will be within the limits of our Senate committee system, with respect to a commission I will propose which will be composed of persons who are highly experienced

in the field of finance.

Mr. President, before the Senate recessed, during consideration of the tax bill. I addressed the Senate on the extremely serious and harmful effects which high interest rates were having on the economy. At that time, I offered amendment to the tax legislation which would establish a National Commission on Interest Rates for the purpose of bringing responsible and knowledgeable officials in the Government and from the private sector together to conduct an in-depth study of our economy and determine ways by which moderate and stable interest rates could be achieved on a lasting basis.

I withdrew the amendment after a very constructive Senate floor discussion on the issue of high interest rates with several Members of the Senate, including the chairman and ranking minority member of the Finance Committee, Senators Dole and Long; the chairman of the Budget Committee, Senator Dom-ENICI, and the vice chairman of the Joint Economic Committee, Senator JEPSEN. The full discussion is printed in the CONGRESSIONAL RECORD of Thursday, July 23, 1981. I also quoted there the Secretary of the Treasury, Mr. Regan, who had consulted with us and authorized that his name be used, in the interest of disposing of that amendment. In summary, it was agreed that immediately upon return from recess this matter of high interest rates would be given first priority. It was agreed that hearings would commence shortly after the Congress returned from recess

I feel even more strongly that it is extremely urgent that the Government act to bring down high interest rates. During the recess, I sought further facts and counsel on the problem, and I toured my State, listening to the concerns of Mississippians and others, and all this reaffirmed the growing seriousness of economic situation. Clearly, the'r No. 1 concern and problem is high interest rates, and their concern is highly justified. They have witnessed, as I have, the growing numbers of hard-working people who have lost their jobs or have been laid off because of business slowdowns or bankruptc'es. The "would-be" builders and purchasers are denied a chance to get a start on a home or purchase a car that is necessary for travel to work. How long can they wait? How long can businesses survive this economic stagnation that has already set in?

The effect of high interest rates on automobile and home sales have seriously hurt the industries in my State—and all over the Nation—which manufacture components for autos and homes. The forest products and homebuilding industries are at record lows. Agriculture, a major industry in my State, has been hobbled by the high costs of farm loans. These high interest rates have simply put automobile loans, home mortgages, and small working capital loans out of reach for the average wage earner and small businessman. These conditions are rapidly developing in all areas.

These are not the only victims. The interest rates have been at such high levels for so long that no sector of the economy has escaped the ravages of these soaring rates. The Federal, State, and local governments are suffering. The high cost of money and a weak bond market have created enormous fiscal problems. The urgency of the interest-rate problem is exemplified by the much higher projected Federal deficit for fiscal year 1982 which confronts Congress as we return after the recess. Less than 2 months ago, on July 15, the President estimated the deficit for fiscal year 1982 to be \$42.5 billion, and now it is reported that the estimate may be revised upward as much as \$15 to \$20 billion.

And it is reported that one of the main reasons for the new estimate is because it is anticipated that interest rates will remain at high levels throughout the coming year.

Mr. President, these matters add up.
Some way must be found within our financial institutions, within our financial structure, to meet these conditions. I believe that these conditions are serious enough that emergency measures of some kind are warranted.

Certainly we cannot allow these high interest rates to continue any longer without something being done to reduce them. If these rates continue at these high levels, the entire economy will suffer serious and lasting harm. These high rates could defeat the successful operation of the Reagan plan.

I am never more serious than when I view, and I view with alarm, prospects of a happening of that kind.

The current economic stagnation is generating long-term shortages of goods and services which will contribute to future inflation. If we continue to fight inflation with recessions induced by high interest rates, the greatest loss to the economy will be the loss of confidence of the American people in the economic system and in their Government and its ability to cope with these situations.

Something must be done. Moderation and stability in rates must be established. The problem of high interest rates is complex indeed. I do not pretend to know the solution, but I know the situation is urgent and critical. A strong and concerted effort must be initiated to attack the problem. I believe a way can be found to solve this problem.

This is no time to assess blame. The last two decades have been particularly difficult for the economy. The Vietnam war and the two dramatic OPEC energy increases took a heavy toll, but we are not trying to assess blame. The economy has been on an economic roller coaster of inflation, rapid credit expansions, and recessions. In addition, interest rates have been extremely volatile.

The conditions are that the past year and a half is an example: In the spring of 1983 the prime rate soared to 19½ percent. By August it had dropped to 11 percent. Then by December 1980 the prime rate had returned to 21½ percent. Frime rates have hovered around the 20's since then and have been above 20 percent since May of this year. These conditions brought about a loss of confidence and a sense of uncertainty in the economy. The result has been lagging productive investment, declining personal savings, greater Government spending, and a loss of productivity.

a loss of productivity.

The inability of our institutions to adequately preserve economic stability have created a widespread belief that price inflation is here to stay. This belief is manifested in the so-called indexed economy: Indexed labor contracts, indexed Government contracts, and indexed prices have replaced the axiom of American economic strength—that wages should increase as a result of in-

creases in productivity.

The current situation places the socalled inflationary psychology in vivid focus. Even though price inflation and business activity have eased and the President's plan for economic recovery has been signed into law interest rates have remained high. The financial markets obviously believe that inflation will continue. Investors are demanding high interest rates to preserve the purchasing power of their savings. Paradoxically, if high interest rates continue, the investors expectations will be fulfilled due to the shortages of goods and services which are being created by the economic recessions which follow periods of high interest rates.

I am convinced that we need to strengthen the ability of our economic institutions to respond to shocks like those we experienced over the last decade. We need to take a long-term look at our banking and financial institutions and determine if there are some changes which could be made that would achieve lasting, moderate and stable interest rates.

This is no reform movement now or anything of that kind. It is a concern here with a serious inadequacy of our financial system.

In the short term, hearings should commence as soon as possible on temporary emergency actions which would bring down interest rates. I am not an economist but I hope that we can all agree that the situation is serious enough to warrant emergency action. The main objective of these actions would be to bring about a quick return to moderate interest rates without launching a new round of inflation.

For the long term, I would propose that a special blue ribbon commission be

established to study the economic experience of the last decade and make recommendations to the President and Congress for ways that inflationary forces which seemed to have emerged in the past decade and make recommendations to the President and Congress for ways that greater economic stability and greater prosperity can be achieved.

Mr. President, in this regard, I send to the desk a bill which would establish National Commission on Interest Rates. I invite my colleagues to join me in sponsoring this legislation. I deeply believe that such a commission is

urgently needed.

I am a great believer, as I said, in our Senate committee system. I hope that we will move with reasonable dispatch and in great depth in these matters, and I believe that the passage of such a bill will give us a better look than we have

been able to make so far.

I urge that this bill be given quick consideration. It is highly necessary to begin a thorough study of the cause of high interest rates and the steps necessary to reduce and restore stability in interest rates. I am not wedded to the precise form and membership of this commission. I leave these matters to the judgment of the committee and the President but I would urge that the substance and purpose of the commission's work should be held intact. The bill as written proposes the following officials:

First. The Secretary of the Treasury.

or his delegate;

Second. The Chairman of the Council of Economic Advisers, or his delegate; Third. The Comptroller of the Cur-

rency, or his delegate;

Fourth. The Chairman of the Federal Home Loan Bank Board, or his delegate; Fifth. The Administrator of the National Credit Union Administration Board, or his delegate:

Sixth. The Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, or his delegate;

Seventh. The Chairman of the Securities and Exchange Commission, or his

Eighth. The Chairman of the Federal Trade Commission, or his delegate;

Ninth. Two members appointed by the President, one of whom is an official of a State agency that regulates banking or similar financial institutions, and one

of whom is an official of a State agency that regulates savings, thrift, or similar

financial institutions.

To those five members from private life who are not officers or employees of Government would be added by the President of the United States.

I have faith in a commission composed of the officials designated by this bill and other highly competent persons chosen by the President from the field of finance, business, and industry, and related fields. I would request them to use their judgment and the broadest discretion in seeking and outlining a plan that would lower and stabilize interest rates.

It is an absolute necessity for our economy and our entire financial structure that something along this line be done, and there is no time to lose.

The commission should have no other duties except to make recommendations of such a pian. The commission would be authorized to meet in open or closed sessions as it may choose.

I believe that with encouragement and leadership of the President of the United States, Mr. Reagan, who is acting in such good faith in these matters, they will be able to find a way and fear not after the complete efforts to save the Nation because we are struck here with something that is catastrophic.

I remember the days of the Great Depression now called, and I am not predicting another depression now. I am not trying to scare anyone, but while there is time I think the President, with his fine leadership, should direct himself to solve this problem, and through this commission of experts in which Congress would have a hand and a contact, some kind of a way can be found.

The President, Congress, or both, could adopt their recommendations if any they make or any part thereof or reject them all. It is the benefit of their judgment

that we need

Mr. President, I ask unanimous consent that the Senator from Tennessee (Mr. Sasser) be added as a cosponsor of this bill, that the text of the bill be printed in the RECORD, and that the bill be appropriately referred.

The ACTING PRESIDENT pro tem-

pore. Without objection, it is so ordered.

The text of the bill follows:

S. 1598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Commission on Interest Rates

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that-

(1) interest rates charged by lenders have reached levels which threaten the health of

the Nation's economy;
(2) high interest rates have contributed to price inflation, a reduction in the supply of goods and services, economic stagnation, and a higher Federal deficit;

(3) the volatility of interest rates has created business uncertainty, encouraged speculation, and deterred investment in produc-

tive capacity;

(4) existing monetary, credit, banking, and fiscal policies have not stabilized interest rates at beneficial levels; and

(5) the development of policies to restore stability and confidence in the financial markets is necessary to the economic security of the United States.

(b) It is the purpose of this Act to establish a commission to investigate and recommend methods of promoting moderate and stable interest rates.

ESTABLISHMENT

SEC. 3. (a) There is established as an in-dependent instrumentality of the United States a commission to be known as the National Commission on Interest Rates (hereafter in this Act referred to as the "Commission").

The Commission shall be composed

the following members:
(1) The Secretary of the Treasury, or his

(2) The Chairman of the Council of Economic Advisers, or his delegate.

(3) The Comptroller of the Currency, or his delegate.

(4) The Chairman of the Federal Home

Loan Bank Board, or his delegate.
(5) The Administrator of the National Credit Union Administration Board, or his

(6) The Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, or his delegate.

(7) The Chairman of the Securities and Exchange Commission, or his delegate. (8) The Chairman of the Federal Trade

Commission, or his delegate.

- (9) Two members appointed by the President, one of whom is an official of a State agency that regulates banking or similar financial institutions, and one of whom is an official of a State agency that regulates savings, thrift, or similar financial institu-
- (10) Five members appointed by the President from private life who are not officers or employees of the Federal Government or of any State or local government.

 (c) The Commission shall consult with the

Board of Governors of the Federal Reserve System in carrying out its functions.

- (d) Upon the appointment of the members described in paragraphs (9) and (10) of subsection (b), the President shall designate a member of the Commission to be Chairman of the Commission. This designation shall be made by and with the advice and consent of the Senate unless the individual designated already holds an office to which he was appointed by and with the advice and consent of the Senate.
- (e) A vacancy on the Commission shall not affect its powers and shall be filled in the same manner in which the position was originally filled.

DIFFTES

Sec. 4. (a) The Commission shall make a full and complete investigation of and make recommendations with respect to ways to establish moderate and stable interest rates. In conducting this investigation, the Commission shall consider-

(1) the upward ratcheting of interest rates:

(2) the "crowding out" of private borrowing and lending;

(3) the unprecedented volatility of interest rates:

(4) the high cost of long-term borrowing; (5) the impact of international financial

conditions on the domestic economy; (6) the increase in speculative investment:

the expansion of consumer credit; (8) the expansion of housing credit; and

(9) any other problems relating to the establishment of moderate and stable interest rates

- (b) Not later than one year after the date on which the last member of the Commission is appointed pursuant to section 3(b). the Commission shall submit to the Presi dent and to the Congress a final written report concerning its investigation and make such recommendations for administrative action and legislation as the Commission finds appropriate.
- (c) Not later than 6 months after the date of enactment of this Act, the Commission shall submit an interim report to the President and to the Congress, describing the activities of the Commission during the period prior to the submission of such report.

(d) The Commission shall cease to exist sixty days after it submits its final report to Congress under subsection (b).

POWERS

SEC. 5. (a) The Commission or, on the authorization of the Commission, any member thereof, may, for the purpose of carrying out the provisions of this Act, hold such

hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such evidence as the Commission or an authorized member may find

advisable.
(b) (1) Subpenss may be issued only under the signature of the Chairman or any member of the Commission designated by him and shall be served by any person desig-nated by the Chairman or any members. The attendance of witnesses and the production of evidence may be required from any place in the United States at any designated place of hearing in the United States.

(2) Any member of the Commission may administer oaths or affirmations to witnesses

appearing before the Commission.

(3) The provisions of section 1821 of title 28. United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances to witnesses summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(4) Any person who willfully neglects or refuses to qualify as a witness, or to testify, or to produce any evidence in obedience to any subpena duly issued under the authority of this section shall be fined not more than \$500, or imprisoned for not more than 6 months, or both. Upon the certifica-tion by the Chairman of the Commission facts concerning any such willful of the disobedience by any person to the United States attorney for any judicial district in which such person resides or is found, such attorney may proceed by information for prosecution of such person for such

(c) The Commission may acquire from the head of any Federal agency available data, reports, and other information which the Commission considers useful in the discharge of its duties. Each such agency shall cooperate with the Commission and furnish all information requested by the Commission to the extent permitted by law.

ADMINISTRATION

SEC. 6. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission is authorized to-

(1) appoint and fix the compensation of an Executive Director, by and with the advice and consent of the Senate, and such additional staff personnel as may be necessary, without regard to the provisions of United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at such rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title;

procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, at rates not to exceed \$200 a day for in-

dividuals;

(3) procure supplies, services, and prop-

erty, and make contracts; and (4) enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of the General Services Administration.
(b) The Comptroller General is author-

ized to make detailed audits of the books and records of the Commission, and shall report the results of any audit to the Commission and the Congress.

COMPENSATION

SEC. 7. Each member of the Commission not otherwise employed by the United States shall be compensated at the rate of \$200 per

day for each day, including traveltime, that he is engaged in the actual performance of his duties as a member of the Commission. A member of the Commission who is an officer or employee of the United States shall serve without additional compensation. All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

ASSISTANCE

SEC. 8. (a) Upon the request of the Commission, the head of any Federal agency shall furnish the Commission with available data, reports, and other information to the extent permitted by law.

(b) Upon the request of the Commission, the head of any agency, department, or other instrumentality of the United States furnish personnel and services to the Commission, with or without reimbursement.

AUTHORIZATION

SEC. 10. There are authorized to be appropriated without fiscal year limitation such sums, not to exceed \$2,000,000, as may be necessary to carry out the provisions of this Act.

Mr. SASSER. Mr. President, I am pleased to be an original cosponsor of S. 1598, a bill to establish a National Commission on Interest Rates. I commend Senator STENNIS, my distinguished colleague from Mississippi, for bringing this measure before the U.S. Senate for its consideration.

Mr. President, we have an interest rate crisis in this country. The prime rate has been above 20 percent for the past several months, and many economic experts are forecasting a possible increase in the prime rate to a level of 25 percent in the months ahead.

The high level of interest rates that we are experiencing is threatening the progress of our economic recovery.

Business bankruptcies reach higher and higher levels. The gross national product suffered a decline of 2.4 percent during the last quarter, and most economists are predicting another GNP decline for the third quarter of 1981. Mortgage rates have reached a record level of nearly 18 percent and housing starts are close to the lowest level of production in nearly two decades. Indeed, a May 1981, Associated Press/NBC News poll indicates that 90 percent of the American public believe they cannot afford the kind of housing they would

High-interest rates have devastated the stock market which has lost some 150 points during the past several months. and the 20-percent prime rate we now have has curbed virtually all economic activity on the municipal bond market.

Moreover, interest rates have reached record levels in real and not just inflationary terms. There is a far wider spread between the rate of inflation and the level of interest rates than we have ever experienced before, normally, interest rates are pegged at 2 to 3 percentage points above the rate of inflation. Now the spread, when one looks at the Consumer Price Index and the level of prime rates in this country, often exceeds 7 to 10 percentage points.

The truth is, Mr. President, that the American business community has become so disconcerted by the high-interest rate policy of the Federal Reserve Board that there is no longer any long-term stability in interest rates.

The Federal Reserve Board has focused on a policy of trying to control the growth of various monetary aggregates almost on a day-to-day basis, a difficult task in an increasingly sophisticated and open monetary system. And the Federal Reserve Board has abandoned a policy of trying to keep in place relatively stable interest rates that will encourage long-term business investment.

Mr. President, America is paying the price for these high-interest rates policies. More and more business debt is being financed on a short-term basis at exorbitant interest rates. Higher and higher interest rate costs are cutting into the profits of American business. And for the small businessman, the farmer, the homebuilder, the automobile dealer, any many, many others, interest rate costs are slowly but steadily pushing them out of business.

The administration has promised the American people a program of economic recovery based on cuts in Federal spending, reduced Federal taxation, and lower interest rates.

The Congress has just passed legislation bringing about truly historic reductions in Federal spending and taxation. Now the administration and the Congress must turn their attention to the problem of stabilizing and lowering interest rates so that our economic recovery can proceed as planned.

I urge that the U.S. Senate take expeditious action in enacting S. 1598.

Mr. STENNIS. Mr. President, I thank the Chair and I yield the floor.

(Later the following occurred:) Mr. BAKER. Mr. President, I ask unanimous consent that a bill introduced today by the distinguished senior Senator from Mississippi (Mr. STENNIS) dealing with the establishment of a commission to study interest rates be held at the desk, pending referral, until the close of business on Friday, September 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. HOLLINGS. Mr. President, I yield now to the distinguished Senator from Wisconsin 3 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from South Carolina.

Mr. President, I ask unanimous consent that the Senator from Oklahoma (Mr. Boren), the Senator from Alabama (Mr. HEFLIN), the Senator from Maryland (Mr. SARBANES), and the Senator from Colorado (Mr. Hart) be added as cosponsors of S. 1528, the Social Security Trust Fund Reform Act of 1981.

The ACTING PRESIDENT pro tempore. Without objection, is is so ordered.

IRANIAN BAHAIS IN DANGER

Mr. PROXMIRE. Mr. President. on August 6, 1981, the New York Times carried an editorial entitled "For Bahais in 17an, a 1nreat of Extinction." The author of the editorial is Firuz Kazemzadeh, professor of history and chairman of the committee on Middle Eastern studies at Yale, and also a member of the national governing body of the American Bahai organization.

Professor Kazemzadeh warns us that the "Bahais in Iran are in danger of extermination." According to him—

More than 60 people have been lynched by mobs or executed by revolutionary firing squads. Hundreds have been dismissed from jobs; thousands have lost their homes and possessions.

A year ago the entire national governing body of the Bahais of Iran was kidnaped and disappeared.

Professor Kazemzadeh points out that the Shiite clergy, as well as the Government in Iran and their representatives abroad, see members of the Bahai faith as dangerous heretics and a political conspiracy serving the interests of foreign powers. Other accusations against the Bahais include, according to Kazemzadeh, the "promotion of prostitution, cooperation with Zionism, spying for imperialist powers, corruption on Earth and warring against God."

Professor Kazemzadeh further asserts

This assault against the approximately 400,000 Bahais is not confined to individuals nor is it a mere outburst of religious passion. It is a case of well-planned genocide.

The Genocide Treaty, which has been before the Senate for 32 years, declares that whether committed in time of peace or war, genocide is a crime under international law to be prevented and punished. Article II of the treaty defines genocide to be the "intent to destroy, in whole or in part, a national, ethnical, racial or religious group."

According to Professor Kazemzadeh, numerous atrocities have been committed against Bahais. They include two men being burned alive in Shahmizad, mobs attacking Bahais in Ardistan, houses and stores being burned in Zenjan, and families who refuse to recant their faith being driven out of their villages.

Iran is 1 of the 86 countries which has ratified the Genocide Convention. Despite its major role in drafting and rallying support for the treaty in 1943, the United States has shamefully failed to demonstrate its commitment to the prevention and punishment of genocide by ratifying the convention. How are we to judge other countries' violations of human rights when we have failed to ratify the first United Nations inuman rights treaty?

The threat of genocide is present today. The need for a genocide treaty does not fade as years go by. Professor Kazemzadeh's editorial reminds us that various groups and their existence are now being threatened.

I urge my colleagues in the Senate to swiftly ratify the Genocide Convention.

I ask unanimous consent that the New York Times editorial to which I have referred be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the LECLRD, as follows:

FOR BAHAIS IN IRAN, A THREAT OF EXTINCTION (By Firuz Kazemzadeh)

New Haven.—The Bahais in Iran are in danger of extermination. Not a week passes without a sinister incident. Already more than 60 people—storekeepers, artisans, teachers, Government employees, doctors and a distinguished university professor—have been lynched by mobs or executed by revolutionary firing squads. Hundreds have been dismissed from jobs; thousands have lost their homes and possessions.

From every province pour in accounts of atroctites. Two men are burned alive in Shahmirzad; a clinic is dynamited in Kata; a community center is burned to the ground in Tavil; graves are descrated at Hoseynabad; houses and shops are set on fire in Zenjan; mobs attack Bahais in Ardistan; families that refuse to recant their faith are driven out of several villages near Hamadan; a man, his wife, their 7-year-old child and 4-year-old grandchild are beaten nearly to death with iron-tipped staves near Birjand; the Bahais are forbidden to bury their dead in the cemetery at Chahbahar; the Bahai hospital is confiscated in Teheran; seven Bahais are executed in Yezd....

Authorities conduct sham trials of Bahais that invariably result in their conviction. The charges hurled at Bahais by prosecutors, shouted by crowds in the streets, spread by the press, radio and television and glossed from the pulpit by the Shiite clergy are always the same. They include the promotion of prostitution, cooperation with Zionism, spying for imperialist powers, corruption on earth and warring against God.

This assault against the approximately 400,000 Bahais is not confined to individuals nor is it a mere outburst of religious passion. It is a case of well-planned genocide. The scope of the attack became clear a year ago when the entire national governing body of the Bahais of Iran was kidnaped and disappeared without a trace.

Allegations that the Bahais faith is a political conspiracy serving the interests of foreign powers have been made by the Shifte clergy and the Government in Iran and by their representatives abroad. They contend that the Bahais were favored by the Shah's Government and that they ran both the infamous secret police, Sa'ak, and the Government. Stories make it appear that all the ills of a rapidly changing society are directly attributable to the machinations of an accursed group of heretics.

The hatred that a large segment of the Shiite clergy and the more retrograde elements of Iranian society feel for the Bahai faith has nothing to do with politics. It is inspired by a primitive religious fanaticism. A century ago, before the modern notions of religious toleration penetrated Iran, the Islamic religious men did not bother to hide the true reasons for their hostility to the Bahai faith. They say it as a dangerous heresy and its followers as apostates who deserved death. That the Bahais worshipped the same God and held the Koran to be divinely inspired scripture made matters worse. The Bahais also believe in progressive revelation. They repudiated the notion that non-Moslems are unclean. They taught principles that the clerics found either incomprehensible or odious: universal peace and the unity of mankind, the equality of sexes, the harmony of religion and science, universal education. That the Bahais have no clergy, trusting the leadership of their community instead to elective bodies, is an affront to the arrogant religious leaders.

Unlike Jews and Christians who belong to distinct ethnic groups and cultures, the Bahais were Persian- and Azerbaijani-speaking converts from Islam. They were an organic part of the Iranian nation and could not be confined to a physical or spiritual ghetto, they could only be exterminated. And the Shiite clergy have long been trying to achieve this.

As times change, so change rationalizations and slogans. In the 20th century the Bahai faith could no longer be attacked on purely theological grounds. Secularism has influenced the educated who embrace nationalism as a surrogate religion. To turn them against their Bahai fellow citizens it was necessary to show that the Bahais were unpatriotic. Their opponents resorted to lies, including the production of fake historical documents. During the revolution of 1906-1911, reactionary religious men in the Shah's camp charged that the Persian constitutional movement was a Bahai plot to take over the country. Simultaneously those clerics who led that revolution in an uneasy alliance with a handful of liberals accused the Bahais of supporting despotism. Neither side would acknowledge that the Bahais, adhering to the principle of noninvolvement in partisan politics, remained neutral.

During the anti-Communist 1930's, the Bahais were linked with Russia, Czarist and Soviet. When American influence in the Middle East increased after World War II, the Bahais were linked by their opponents to the United States. More recently they have been accused of supporting Zionism. One may expect that soon they will be linked to Iraq or some other hostile power.

In spite of a century of persecution, Iran's Bahais remain loyal to the country that is not only their homeland but also the land where their religion was born. However, their fate should not be hidden from the world by a veil of misrepresentation. Humanity should be aware of the plight of a peaceful, law-abiding community in the clutches of a relentless and unscrupulous foe.

TRIBUTE TO ROY WILKINS

Mr. PROXMIRE. Mr. President, yesterday a great American, Roy Wilkins, died. Mr. Wilkins, I think, has done more to improve race relations in this country and to make progress against racism than any American in the last 50 years. He became Mr. NAACP.

An editorial in the New York Times this morning commented on Mr. Wilkins' great career when it said:

Roy Wilkins made history, and made America a more just and decent place, for whites as well as blacks.

Racism was still blatant and legal when he began his career. It is neither of these now, thanks in large part to his leadership. What a monument to one man.

Mr. President, I ask unanimous consent that the full text of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RACISM WAS THE ENEMY

Roy Wilkins made history, and made America a more just and decent place, for whites as well as blacks.

as well as blacks.

In his 46 years with the National Association for the Advancement of Colored People, he held steadfastly to a belief in the power of reason and the rule of law rather than force. Racism was the enemy, whether by intolerant whites or impatient blacks.

Though he saw the value of peaceful picketing, he preferred the path of litigation and legislation, fearing that victories resulting from confrontation would prove transitory. He assessed his extraordinary achievements with a modest comment: "We did what we could do when we could do it." It was a shrewd formula for success.

Through the years that the N.A.A.C.P. grew from 25,000 members to a national organization of half a million, Roy Wilkins combined unwavering commitment to principle with careful pragmatism. When he joined the organization in the 1930's, night riders commonly terrorized blacks. An aggressive N.A.A.C.P. campaign led to state anti-lynching legislation; it was the first of many legislative victories that would eventually mark the organization as the secretariat and chief lobbyist for the civil rights movement.

It was Roy Wilkins's painstakingly orchestrated legal strategy that ultimately persuaded the Supreme Court in 1954 to outlaw school segregation. And he was a leader in the civil rights coalition that cajoled and pressed and persevered until Congress finally banned discrimination in the great civil rights enactments of the 1960's.

He hardly had time to savor those triumphs, however, before being challenged by disgruntled black activists who disavowed nonviolence and called for black power.

Roy Wilkins understood how cheap—and chic—militant talk could be. Eloquently, he denounced black separatism. Even if black power should be enshrined briefly, he warned, "the human spirit, which knows no color or geography or time, would die a little, leaving for wiser and stronger and more compassionate men the painful beating back to the upper trail."

Racism was blatant and legal when he began his career. It is neither of these now, thanks in large part to his leadership. What a monument to one man.

Mr. PROXMIRE. Mr. President, I yield the floor.

Mr. HOLLINGS. Mr. President, I am glad to yield a minute to the distinguished Senator from Kentucky (Mr. FORD).

HIGH INTEREST RATES

Mr. FORD. Mr. President, during the August recess, I was back in Kentucky and, as in the past, I spent a good deal of my time traveling across the State doing more listening than talking to find out what people had on their minds.

About all anyone wanted to talk about was the high interest rates that are crippling many vital sectors of our economy. I spoke with farmers, car dealers, realtors and a host of small businessmen. They are all searching for an answer. They want to know when high interest rates will be brought down and what we in Washington are going to do to bring them down.

Many of the people with whom I spoke are indeed desperate. They see other businessmen and farmers in their community going out of business everyday and they wonder if they will be next. They literally keep their business going from month to month looking at their balance sheets to figure out if they can stay in business with the high interest rates they must continue to pay.

In fact, people in my home State are so upset they have started a national letter writing campaign called "Save Our Society" to influence Washington to find a way to lower these ruinously high interest rates. The common perception of these people is that excessive interest rates are part of the problem, not the solution, and it is difficult to argue otherwise.

Of course, this is not a new problem; I, and many other of my colleagues, have taken the Senate floor on numerous occasions to urge that the administration take some kind of action to bring interest rates down. Granted, rates were high when this administration was elected last November, and I suppose public discontent with the then high interest rates was a good part of the reason Ronald Reagan was elected President.

When he came to town, Mr. Reagan offered a bold new economic recovery plan and he had his advisers, OMB Di-rector David Stockman and Treasury Secretary Donald Regan, come before congressional committees testifying as to what this economic recovery program would mean to the country. It would mean new jobs, increased productivity, and lower interest rates, they said. And, I remember Mr. Stockman confidently promising that interest rates would come down as soon as the financial markets realized Congress would indeed cut spending and taxes just as the administration requested. It then became clear that Congress would give the President almost everything he wanted-and we

But, the markets did not respond. Interest rates remained at their high level. So then the administration said, well just wait until Congress actually votes approval of our entire economic recovery plan—budget cuts and tax cuts exactly as requested, no changes allowed—then the market will respond and interest rates will come down.

Just before the August recess, Congress passed the largest spending and tax reductions in the history of this Nation, just as President Reagan had requested. Since then, the stock market has fallen 95 points. The prime interest rate has remained unchanged at around 20 percent and the bond market has sunk to its lowest level ever.

Now the administration is singing a different tune. It is now saying that it might take just a little longer than originally thought to turn things around to bring interest rates down. And the President is now admitting what everyone else had been saying all summer—that, yes, the budget deficit might indeed be more—much more—than was originally promised.

The administration is now worriedand rightfully so—that the continuing high interest rates will jeopardize the supply-side economic recovery that has been promised these many months. But, the results of the contradictory economic policy of this administration should have been clear to all of us. On the one hand, the administration is pursuing a stringently tight monetary policy that allows a supply of money to grow at only an exceedingly slow rate. This policy goes directly against the high demand for money the Government is causing by its expansionary fiscal policy of huge tax cuts and larger budget deficits. When combined with the fears of higher deficit spending, there can be no escaping the resulting high interest rates. And, the higher public and private demand for a slowly growing supply of money will continue to keep interest rates at their cur-

rent levels and the small business and farm economy will continue sliding down the drain.

The magnitude of this situation must be confronted immediately. It is crucial that the administration and Congress take steps immediately to bring the high rate of interest down, and there must be strong and positive leadership forthcoming from the administration in this area.

This is not and must not become a partisan issue. It is a national issue with far reaching and long lasting implications for the country's present and future. If the administration is determined to put the economy back on its feet, the entire economy not just the Fortune 500 corporations, it will move to tackle the high interest rate crisis with the same determination and intensity it used in selling the budget cuts and tax programs to the American people.

If not, well then by the time its socalled economic recovery program ever takes hold, there will be little if anything left for most people to recover.

I thank the distinguished Senator from South Carolina.

ADMINISTRATION'S APPROACH TO OUR FISCAL DIFFICULTY IS FLAWED

Mr. HOLLINGS. I thank the distinguished Senator from Kentucky.

Mr. President, I yield myself 15 minutes. The distinguished Senator from Maryland wants to be heard, and I would be glad to yield to him, but I do not want to miss my chance to speak while the majority leader is here on the floor. I would appreciate a chance to have a conversation with him.

A person would have to be blind not to realize that we are in serious economic trouble. Now is not the time for recrimination. Later I am going to include in the Record the article by the former Secretary of Defense, James Schlesinger, who served under several administrations

I could probably make my point in about four words by saying "I told you so." But now let us be constructive and see how we can correct this terribly difficult situation.

Mr. President, ever since the oil embargo in 1973, inflation has been rampant. We had a balanced budget in 1969, and nearly a balanced budget in 1970. But by 1975 we had begun running large deficits, more than \$45 billion, and more recently, we have had even larger ones of \$60 billion and more.

In the Congress one fact must be understood: The U.S. Government loses on these high interest rates; it loses on inflation. That is the hardest point to get through to the Republican majority and the administration, including Mr. Stockman.

Inflation widens the Federal budget deficit. We heard it last January, how Government revenues increase with inflation, with people receiving higher wages, and some persons paying taxes for the first time. It is true that, as a result of inflation, the Federal Treasury took in \$70 billion more than it would have, but inflation also cost the Treasury,

in cost-of-living payments, \$83.1 billion. To keep programs funded at a constant level in real terms, we would need an additional \$13 billion.

Great credit is due the President for his support in helping the Congress cut \$35 billion in 1982 in the reconciliation bill. But these were not the first spending cuts. Last year the Democratically controlled Congress enacted the first reconciliation bill.

That bill cut \$8 billion off the deficit. The main point however is that we in Congress have been fooling ourselves. We have been cutting programs, right along and congratulating ourselves on the cuts. We even promised that we were headed toward a balanced budget. But then we got carried away with cuts and cut revenues by such a large amount that we are not likely to see a balanced budget for some time.

With the huge individual tax cuts, we cannot hope to produce a balanced budget just by cutting domestic spending programs. Defense will have to shoulder some of the burden too, although there is not a great deal of leeway there.

Mr. President, we are almost to the point of trying to get blood out of the turnip, and there is not much there. There is still a need for some additional cuts but we will not reach a balanced budget with spending cuts alone.

That is especially true if we leave the entitlement programs sacrosanct. That is exactly what Mr. Stockman said-we are going to leave entitlements alone, but we are still going to cut \$73 billion in 1983 and 1984. Mr. President, that simply is not enough to balance the budget. In order to eliminate the size deficits we're looking at now, and still preserve funding for defense, interest payments, and the social "safety net" that the President has promised to maintain, you would have to cut about 60 percent of the rest of the budget in 1984.

No one likes to address the inflammatory subject of social security cuts. But if we are going to bring confidence to the market, the financial community, and the people of this Nation, and get interest rates down so that small businesses can begin to grow and prosper again, we are going to have to reduce some of those entitlements, particularly with respect to the cost-of-living payments. One way to do this might be to cut 3 percent of the cost-of-living adjustments each year for the next 3 years. This would only be tem-

The senior citizens can make their contribution to our economic battle and still not have their checks cut. Instead of receiving, let us say an 11.2-percent costof-living increase we reduce that by 3 percent, and they still would receive over an 8-percent increase. If we projected a 10-percent rise, they would get a 7-percent increase. They would still be getting a check and still be getting an increase. Such a proposal would lower spending by billions and allow the budget to head toward balance more quickly with a relatively painless effect.

The administration tries to blame Paul Volcker and the Federal Reserve for our economic woes. The Chairman of the Federal Reserve has only two choices.

The first choice. of course, is to monetize the extra Federal debt, and print

the money to pay for it. The second choice is to keep the money supply steady so that inflation will not be fueled.

If the fiscal policy of the Government continues to run high deficits, Mr. Volcker and the financial crowd have no other option. The Federal Reserve has no choice but to continue its efforts to keep the money supply controlled so as to lower the rate of inflation.

The administration's tax cut has devastated the revenue picture of the Government. The tax cuts cost \$93 billion in 1983, and \$150 billion in 1984. Revenues are reduced by \$199 billion in 1985, and \$268 billion in 1986. That is over 15 to 20 percent of the budget. If you are going to lose revenues to the tune of 15 percent of the budget over the next 5 or 6 years, every year, where is there

hope for a balanced budget?

My third point is that the administration's program is flawed on the impoundment issue. Let us have a fair fight on the floor as to how much is needed on these appropriation bills. We can determine which ones are too high. If the President disagrees, he can show leadership by vetoing the bills. We do not have to give new impoundment powers to him. He already has the responsibility and the power to veto bills he considers excessive. He should not duck that responsibility.

The impoundment proposal assumes, Mr. President, that the Congress is going to appropriate more than is needed. There is nothing to support that assumption. We should not give the President blanket power to impound spending. What we really need to do is impound the tax cut instead.

We cannot affect the 5-percent individual rate cut effective on October 1, 1981. There simply is not the time to accomplish it. However we could enact legislation to "impound" the subsequent individual rate cuts in 1982 and 1983. We should not change the business tax cuts. The stimulus, the incentive, to make America's businesses and industries competitive is only \$10 billion for 1982, \$18 billion in 1983, and \$28 billion in 1984. These proposals are good. I proposed an amendment to the tax bill that would have given tax cuts to business immediately and withhold them from individuals until 1983. Unfortunately, that amendment was defeated. But it would have provided the incentives to business it needs, the assurance to Wall Street it wants, and the balance to the Federal budget we all desire, while bringing interest rates down and cooling the inflation rate.

You are not going to get interest rate relief by giving the President more impoundment power. The most he could cut would be around \$70 billion in 1983 and 1984. A \$70 billion cut will not change the interest rates. You cannot achieve success until you show that you have a credible program to reduce the deficit and get the Government operating in the black.

We must move quickly and positively in this Congress to repair the damage done by the most irresponsible tax reduction I have ever seen. It has literally frightened the financial community in spite of all the TV and letter-writing campaigns and rhetoric about supplyside economics. Our President does not understand that this tax cut is priming the pump. We had it under Franklin Roosevelt. We had it under Lyndon Johnson with his guns and butter approach. Now we have the guns and butter approach again with President Reagan—this time wrapped in the guise of supply-side economics. It is nothing but pure fiscal tommyrot.

Uncontrolled Presidential impoundments will destroy the discipline of the budget process. I was here and the distinguished Senator from Tennessee was here when we reasserted our constitutional prerogatives in fiscal matters against the illegal and unprecedented actions of Richard Nixon and the executive branch. The Impoundment Act severly restricts Presidential impoundments. To live up to our responsibility here in the Congress, my hope is that the proposal to give the President unlimited impoundment authority will be filibustered, if necessary, by colleagues on both sides of the aisle. We must not start down the road of relinquishing our responsibilities.

There is talk of courage and bravery because the President is willing to take the responsibility; there is talk about a proviso that both Houses have a veto over any impoundments, so it would be a shared responsibility. That is the typical Washington solution—a shared proach with no fixed responsibility. It is bad. It breaks our fiscal discipline and destroys the credibility of the budget process. And it will not work.

I thing we ought to have a fair fight. an up-or-down vote, on the appropriation bills and let our President, if he thinks there is too much money appropriated in any bill, veto the blooming thing. I think he can be sustained on some of those vetoes.

We can fashion a package of spending cuts affecting entitlements and defense and the other programs. We should not be talking of impounding spending. Let us use the existing process and have vetoes of those appropriation measures that go too high. It is irresponsible to appropriate too much now and later impound. We must keep budget discipline within the Congress. Instead, let us talk about impounding that tax cut so the country will know it, will not be saddled in 1983 with \$100 billion in lost revenues, in 1984 with \$150 billion lost, in 1985 with \$199 billion lost, and in 1986 with \$268 billion lost. What would you do in those circumstances if you were a businessman?

Mr. President, there appeared in this morning's Washington Post an insightful and timely column by one of this country's most experienced and respected public servants, James R. Schlesinger. I ask that his column be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

REAGAN'S BUDGETARY DUNKIRK

(By James R. Schlesinger)

The last rites have now been pronounced over the great rearmament boomlet of 1981. Its demise had been expected by the diagnosticians for some time. Like Halley's comet, it visited us and then departed quickly, trailing only a long (though quite insubstantial) tail deserving further observation.

For the past six months the defense debate has focused on the wrong issue: could the "immense" funds ostensibly being made available to the Department of Defense be usefully spent in significantly enhancing the security of our international position. With the Soviet Union outspending the United States by some 50 percent on defense generally and by a disturbing 85 percent in the critical area of military investment (pro-curement), with conventional capabilities in Europe porous and relatively weak and theanuclear forces now overshadowed by those of the Soviet Union, with deterrence flimsy (at best) in the region of the Persian Gulf despite the West's enhanced interests and responsibilities, with the naval balance deteriorating in the Far East, and with trouble even in the Caribbean (and an evanescent threat "to go to the source")—not to mention concern about the strategic bal-ance, Minuteman vulnerability and aging -that should have been an issue in principle easy to resolve. Yet, all along the real question should have been—given the administration's fiscal proposals—how to maintain adequate deterrence with growing responsibilities in the Indian Ocean and with resources dramatically less than those invested by the Soviet Union

Seven months have been wasted on an irrelevant debate. We shall now have to make do with a smaller growth in defense resources than that projected by the Carter administration—previously denounced as hopelessly inadequate. So much for "making America strong again," "closing the window of vulnerability" and the vaunted "superiority" so casually endorsed in the Republican platform.

The unavoidable outcome, given its fiscal goals, seems genuinely to have surroused the Reagan administration. Disregarding the normal laws of arithmetic, and bemused by its own distortions of supply-side economics (alternatively known as "voodoo economics," snake oil or the Tooth Fairy), it lulled its pro-defense supporters (and itself) with farfetched projections supposedly demonstrating that the proposed rearmament effort could be achieved in the face of a massive shrinkage of the tax base.

According to the initial mythology, dramatically lower interest rates and cutting the "balance of government" almost in half (everything beyond interest payments, defense and the "social safety net") would permit the achievement of a balanced budgby 1984. But interest rates have rather than fallen, and only so much blood can be squeezed from the "balance of gov-ernment" turnip, so the cuts unavoidably must now come from the fenced "social safety net" or from defense. More significantly, the recent tax legislation-which seems likely to go down in history as the single most irresponsible fiscal action of modern times reduced the tax base to 19 percent of the GNP by 1984 (with expenditures running some 22 percent of the GNP), a revenue reduction of \$150 billion or roughly 17 percent. As an offset, some \$35 billion in non-defense expenditure reductions have now been achieved-less than one-third of those projected for 1984, less than one-fourth of the revenue loss

The budget director, occupationally debarred from an abiding faith in the Tooth Fairy, has now read the grim arithmetic—the equivalent of a Budgetary Dunkirk. The fiscal consequences may be briefly, if sadly, stated. Unless the tax reductions are reversed—which seems unlikely—on the basis of present legislation and projected defense spending, the nation faces growing budget deficits of \$65 billion in 1982, \$90 billion in

1983 and \$120 billion in 1984. Non-defense reductions will be increasingly hard to achieve. Thus, only the total jettisoning of the administration's goal of a balanced budget will permit even a modified defense buildup to survive.

Nor should one believe that with the halfannounced cuts for defense of \$20-\$30 billion we have reached the end of likely defense reductions. The best current estimate for FY 82 outlays is \$715-\$720 billion (\$20 \$25 billion over ceiling). The ceiling for FY 83 in the revised Reagan budget is \$732 billion—a total increase over 1982 of \$12-\$17 billion. Limiting spending to this ostensiceiling, given probable inflation rates, would imply a reduction of real federal expenditures by 6-7 percent. Not very likely. Far more probably 1983 expenditures will run roughly to \$775 billion—a sum \$45 billion over the presumptive ceiling. Substantially to reduce the out-year deficits, given the growing difficulty in achieving non-defense cuts, would probably require that some three out of four dollars in reductions come from defense.

One can always spend less—by doing less. Gone now are the fancies of nine additional tactical air wings, of three additional Army divisions. Gone, too, in all probability, is the 600-ship Navy—unless, like Jefferson, we provide mostly frigates or gunboats. Embarking on major new systems like MX or B1 or new acquisitions like carrier task forces will ultimately lead to an ill-balanced force by leaving insufficient funds for operations, readiness and sustainability.

The planned buildup for NATO will have to be reduced—especially so in light of Indian Ocean requirements. What an ideal moment, given the anti-nuclear tide running in Europe, to increase the degree of dependence on nuclear weapons and diminish conventional capabilities.

The international ramifications are disquieting—to say the least. The already apprehensive Europeans will conclude that, while the United States is prepared to disturb the international scene by threatening to launch an arms race, it is now seen to be unwilling to provide the resources either to run the race or to provide additional military muscle. The Soviets will not be loathe to exploit those European apprehensions. Moreover, the Soviets will conclude that, despite American bluster, they have little to fear in terms of additional forces to narrow the growing disparity in military capabilities. As for the Japanese (and others), this notable example implies that we might as well abandon the effort to persuade them significantly to increase defense spending.

In creating and maintaining forces, wishful thinking is no substitute for an adequate tax base. In this ill-fated venture the cycle from bold words to budget cuts has been the shortest on record—a kind of instantaneous New Look. The historic failure lies in so casually dissipating the carefully forged national consensus supporting higher defense spending—while leaving in the public mind the illusion that a sizable new defense effort has actually been launched.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Maryland.

The PRESIDING OFFICER (Mr. Mar-TINGLY). The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I thank the Senator from South Carolina.

Mr. President, during the August statutory break period, I held a series of field hearings in Maryland on behalf of the Subcommittee on Investment, Jobs and Prices of the Joint Economic Committee to assess the effect of high inter-

est rates on Maryland communities and citizens. The Joint Economic Committee is of course charged with reporting to the Congress on economic developments and economic policy, and these hearings provided an opportunity to hear graphic examples from a wide range of business and local interests describing how high interest rates have affected the economy throughout my State. I submit that the experience there is typical of what is taking place across the country.

In six separate hearings over the course of last week, the Subcommittee on Investment, Jobs and Prices of the Joint Economic Committee heard from more than 80 witnesses about the severe challenge posed by high interest rates—a challenge which those witnesses know best, since they face it daily in their own economic activities.

It is no exaggeration, Mr. President, to say that the problems created by continuing high interest rates are approaching crisis proportions. The situation this year, with the prime rate remaining over 17.5 percent, is unparalleled. In the last 12 months, the prime has been as high as 21.5 percent. Today it remains at 20 percent. The mortgage rate at many financial institutions is over 17 percent. the highest it has ever been. The interest rate on tax-free municipal bonds is now over 11 percent, twice what local governments had to pay only 4 years ago. These rates have created grave obstacles to the operations of many established and productive enterprises, particularly in those sectors of the economy which depend upon a line of credit. The damage thus far is extraordinarily severe; and, if conditions are not soon improved, will be irreparable. Enterprises which have been an important economic asset to their respective communities, an important economic resource, will be lost.

The burden of high interest rates has

The burden of high interest rates has become a major financial problem for small businesses. Auto dealers and other sellers of consumer durables have been particularly hard hit. For the first time in the history of a quarterly survey by the National Federation of Independent Business, small businesses rank interest rates and financing as the single most important problem facing them. The survey, which was released 2 weeks ago, states:

The currently high rates of interest are making a bad situation unbearable for many small firms.

Last year almost 12,000 businesses failed nationwide, the highest figure in more than a decade and almost double the number of failures in 1978 when interest rates were only half their current level.

The situation is particularly critical in the homebuilding industry and real estate industry. Housing starts in July stood at an annual adjusted rate of just over 1 million, down 17 percent from the already-reduced pace of a year ago and only half the 2 million starts needed to meet nationwide demand. Construction-related business is similarly depressed, with unemployment in the construction industry running at 15 percent, more than twice the industrial average. Home

sales have fallen dramatically, down in Maryland as much as one-third, to one-half from the level of 2 years ago. With mortgage rates now above 14 percent, purchase of a median-priced house in the National Capital area, for example, would require an annual income of more than \$50,000—an income realized by only the people at the very top of the income scale.

Financial institutions, particularly savings and loan associations which have done so much to make homeownership a reality, face unprecedented pressures. High interest rates also have very serious implications for the finances of State and local governments.

As a New York Times article two Sundays ago commented:

These are dark days for State and local treasuries. . . Frices of municipal bonds have been sliding all year and fell to a historic low last week. At the same time, the interest rates that governments have to pay on their new bonds have reached historic high.

This is an especially serious blow at a time when State and local jurisdictions must look forward to snarp reductions in financial support from the Federal Government.

The Federal Reserve Bank in Richmond reports that Maryland farmers are now paying the highest interest rate they have ever had to pay for bank loans, with many farmers paying 2 to 3 percentage points above the current prime rate. As a result, farmers across the State, as elsewhere in the Nation, have been postponing or abandoning productive investments which would make them more efficient and effective producers.

Mr. President, in the course of these hearings we heard some very pointed, detailed, and thoughtful testimony. The transcripts of those hearings are being prepared and will, of course, be made available through the normal committee procedures. But examination of the testimony reveals certain recurrent themes, which were developed by the very thoughtful witnesses who appeared before the subcommittee and I want very briefly to summarize some of these observations.

First of all, it is very clear that the high interest rate policy is proving to be counterproductive in a number of significant ways.

The high interest rates, ostensibly designed to check inflation, themselves become an important contributing factor to inflation.

In the very sharp 15-percent rise in the consumer price index last month—and I realize the difficulties of annualizing from 1 month's figure—the single most significant component of that increase were the costs related to the housing sector, which are directly attributable to high interest rates. In addition, indirectly and in many other ways, the high interest rates are passed through as a cost of goods and services which the consumer is required to pay.

Farmers testified repeatedly that their only choice is to pass on the high interest costs confronting them in the cost of their goods. There is nothing else

they can do. Small businessmen, homebuilders, auto dealers and others expressed the same view.

Second, with respect to the effort to bring down the Federal deficit, the high interest rates contribute to raising the deficit in two very significant respects: first of all, they increase the carrying charge on the existing debt, thereby raising expenditures. Further, and very importantly, the recession which has been provoked in certain sectors of the economy by the high interest rates-housing, autos, many of the small business sectors of the economy-results in workers losing their jobs. People are laid off, dropped off the payrolls of ongoing enterprises. These workers then cease to be earners and taxpayers who pay revenues into the Treasury, and instead start drawing unemployment payments out of the Treasury.

So the consequence of the slowdown in economic activity brought about by the high interest rates is a double penalty with respect to the Federal Treasury and the effort to balance the Federal budget. We lose people who were earning and working and who were tax-payers; they become dependent and start drawing unemployment or other support payments and, therefore, draw money out of the Treasury.

A third extremely important point is that the enterprises being affected in the small business sector—the auto dealers, farmers, the homebuilding industry, and realtors—are long-established, effective, efficient economic endeavors. They simply cannot handle the situation with which they are being confronted. In the coming days I plan to submit to my colleagues excerpts of their testimony which develop in detail what certain highly respected firms and individuals

are experiencing.

It is not marginal businesses which are unable to cope with this situation—they fell by the wayside long ago. What is happening now is that long-established economic endeavors, recognized within their area of economic activity as being amongst the best in the business, are unable to work with current interest rates, are laying off employees, and in some instances have already closed down. We are seeing a tremendous weakening of the small business sector of our economy.

Fourth, the high interest rates have created a major disincentive to investment. Business men and women whose enterprises can continue to operate are really asking whether it makes good financial sense to invest in new equipment, in new machinery, in new plant, when, in many instances, they could take the money, if available for investment purposes, put it in the market for money market funds and receive the high returns which now exist because of the high interest rates.

When they face the prospect of borrowing in order to carry forward such economic endeavors, they confront enormously high costs, with the note going up from month to month. They simply decide not to make the investment, even though they will tell you that as a business decision, the best course of action to improve efficiency and productivity,

which is something we very much want to encourage, would be to add the particular piece of equipment or machinery that would make them more effective products.

We are familiar with what has occurred in the housing sector. The high mortgage rates, absolutely unprecedented, have virtually eliminated from the housing market any but those at the very top of the income scale. With the notable exception of luxury and vacation homes, residential construction is almost at a standstill in my State.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAKER. Mr. President, have I time remaining?

The PRESIDING OFFICER. The Senator has 20 minutes remaining.

Mr. BAKER. Mr. President, I yield to the Senator from Maryland such time as he may require.

Mr. SARBANES. I appreciate the consideration of the majority leader.

Furthermore, those who are caught in the situation where they must relocate because of their jobs or because they are in the military face most distressing circumstances. The only people today who can handle that situation are people associated with large firms that offer relocation assistance as a benefit of employment, with the frm taking over the employee's house when a move is required. The consequence of that, interestingly enough, as testimony received in the course of the six Maryland hearings underscored, is to place small business at an even greater disadvantage with the large concerns: small business companies are not able to offer that benefit. As a consequence, they have difficulty in competing for talent.

In the farming sector, it is clear that young people cannot get into farming today. In fact, one witness said the only way a young person can enter farming is either to inherit the farm or marry into it. The purchase of farm equipment is obviously being deferred even though the farmer calculates that the addition of such equipment will make him a more effective and efficient producer, thereby increasing his productivity. Yet, when he confronts the high interest rates that are associated with acquiring the equipment, he is simply not able to go forward.

Mr. President, these are only some of the more serious and striking distortions in business and community patterns which were brought out during the course of these hearings. It is clear that unless interest rates are brought down to a level where productive enterprises can carry on their businesses, our economy is going to lose a whole range of economic enterprises of proven efficiency and productivity. The witnesses we heard from were invariably the leading business people in their fields; these were people who have been productive and effective economic contributors for a sustained period of time.

The message from all of them was that they clearly cannot handle the situation with which they are now confronted. If the adm'nistration, first of all, were to urge the Federal Reserve to move to a more reasonable policy—and, for the

moment, they are not doing that. Since 2 weeks ago, Chairman Volcker announced that the Federal Reserve would continue its current polices and immediately thereafter the Chairman of the Council of Economic Advisers, Murray Weidenbaum, said that the Fed is following the policy which the administration supports—the same assertion that Mr. Volcker made in the course of questions and answers on one of the Sunday talk shows.

Mr. President, it seems to me that the administration, as a start, has to make clear to the Federal Reserve that the Fed policy of unprecedented high interest rates is proving to be counterproductive. The policy is not succeeding in the effort to check inflation. It is, in fact, contributing to the inflation. As I said earlier, the high interest rates themselves have become a factor in the high costs reflected in the Consumer Price Index; and the high interest rates, by provoking a deep recession in certain sectors of the economy, by provoking this economic downturn and bringing economic activity to a halt, are throwing out of work people who could otherwise be produc-

People who could produce goods and services which the economy needs and wants cease to be independent. Instead of earning and paying taxes, they become dependent and start drawing cut of the Treasury. It makes absolutely no sense to shift people from working and producing, supporting themselves and their families, contributing their share to the National, State, and local budgets, and have them jobless and drawing out of the National Treasury.

The jump in interest costs has had an enormous impact on State and local governments, which is reflected in turn in the tax burden carried at the State and local level. It is reflected by the inability of State and local governments to develop the economic infrastructure needed for the development of the private sector if we are going to have economic vitality and job creation.

Mr. President, I join with others in underscoring the enormous importance of addressing this interest rate problem and urging a prompt change in policy.

I thank the majority leader for his consideration in yielding me additional time.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Maryland for his contribution.

I yield now to the distinguished acting minority leader.

Mr. HOLLINGS. I thank the distinguished majority leader.

Mr. President, the idea, to be more specific, is not to reverse the program. We have to be realistic and see where the votes are. Everybody knows my position. I tried to phase a tax cut in. I did not favor the individual income tax cut taking effect until we first got the Federal budget moving toward the black.

I do not think Congress can act prior to this October 1. But I do think we can and should act now to insure that President Reagan's economic predictions come true in 1983 and 1984. I propose that the individual income tax cuts be "im-

pounded" unless and until we get to the President's deficit figures of \$42.5 billion for fiscal year 1982, and \$22.9 billion or less in the ensuing year. In other words, we can have those individual tax cuts if the economic premise upon which they were enacted comes true.

This approach will insure that we do not have huge deficits caused by stimulative individual tax cuts. The business side tax cuts would remain in place.

In addition, I propose that we immediately repeal the ill-considered and hastily enacted provision indexing the income tax, which, if it stays on the books and is allowed to take effect in 1985, will only throw us right back into

Once we get the budget balanced, we can work together to cut down the size of the Government and get the tax cuts we all want. What we are doing now, in reality, is increasing the size of the Government, because these high-interest rates are not only destroying the individual businessman, they are destroying the ability of the Government to control

Mr. President, I ask unanimous consent that documents be printed in the Record showing a draft bill specifying what is intended by the Senator from South Carolina.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

DRAFT BILL

Sec. 1. Section 104 of P.L. 97-34 is hereby repealed.

Sec. 2. Notwithstanding the provisions of section 101 of Public Law 97-34, the provisions of that law which provide for individual tax rate cuts beginning in calendar year 1982 shall not be effective until the President has certified, and notified the Congress, that the deficit for fiscal year 1982 is \$12.5 billion or less, and that the deficit for fiscal year 1983, assuming that the rate cuts for 1982 take effect, is projected to be \$22.9 billion or less, in which case these rate cuts shall be effective on October 1, 1982;

And, in addition, the provisions of section 101 of Public Law 97-34 which provide for individual tax rate cuts beginning in calendar year 1983 shall not be effective until the President has certified, and notified the Congress, that the deficit for fiscal year 1983 is \$22.9 billion or less, and that the deficit for fiscal year 1984, assuming that the rate cuts for 1983 take effect, is projected to be zero or a budget surplus in which case those rate cuts shall be effective on October 1, 1983.

Mr. HOLLINGS. Mr. President, this spring, the President told the country how to get itself out of our economic mess. The President asked Congress to enact massive budget cuts and to pass a large tax cut. He promised that this combination would restore the country's economic vitality and bring us to the promised land of the balanced budget by fiscal year 1984.

Well, we did just what the President asked. We gave him the largest budget cuts in history. We gave him the Reagan-Kemp-Roth tax cut. The President then left town in a blaze of glory, having achieved his economic program and confident that it would succeed. A lot of Senators in this Chamber also left town feeling pleased with themselves, as well, for enacting the administration's program.

But not all of us were taken in by the new economic rhetoric. And now, our fears are proving to be true. Just 1 short month after passing all of the administration's economic program, those promises of an invigorated economy ring hollow. The stock market has dropped out. The prime interest rate remains above 20 percent and the 90 Treasury bills draw nearly 17-percent interest.

But the most discouraging news is that the Federal budget deficit is not shrinking, as the President promised it wouldin fact, it is growing at an alarming rate. Rather than the \$42.5 billion deficit pre-dicted surely by the administration as late as just a few weeks ago, we are now looking squarely in the face of a 1982 deficit of as much as \$65 billion. And it gets worse, not better, as we were promised, in the outyears—as much as \$70 billion in 1983 and \$80 billion or more in 1984. No wonder Wall Street is not convinced. No wonder the market has dropped 100 points since August. The President's economic program is not working-and while some of us have known all along that it would not work. all of us should have known.

The administration is now working on a second budget cut list for the 1982 budget which could total as much as \$20 billion. There is a lot of talk about giving the President the authority to impound 10 percent of all appropriated funds for 1982—just temporary authority, they say.

But we do not have just a 1982 problem, Mr. President. The problem is not tem-

It is a much deeper problem, and one that some additional budget cuts or temporary impoundment authority will not cure.

In order to get the Government into the black and restore confidence in the financial markets we need a four-point program that will:

First, make the budget cuts which were assumed in the first budget resolution; Second, use the Presidential veto to force revisions in appropriation bills:

force revisions in appropriation bills;
Third, "impound" the personal tax
cut: and

Fourth, repeal the tax indexing provision.

Mr. President, it is clear that we must enact the additional budget cuts which were assumed in the budget resolution. These can and should be made. But by themselves, they are insufficient to restore investors' confidence that the budget will be balanced any time soon. To do that we must "impound" the personal tax cut portion of the President's tax cut until the administration's deficit projections for fiscal years 1982 and 1983 are a reality.

This would allow the 10-percent personal tax cut in 1983 if the budget deficit for 1982 was \$42.5 billion, as forecast by the administration. It would also allow the additional 10-percent cut in 1984 if the administration reaches its target deficit of \$23 billion in 1983.

We must also repeal the indexing of the personal tax rates that was enacted last month without any hearings at all. It is too massive a change to have received such little serious consideration. Finally, the proposals to give the President additional impoundment authority should be rejected. Simply put, they will not work

Mr. President, with this program we can get the Government into the black with a credible program. It will restore the confidence of investors and provide

for a true economic recovery.

Mr. BAKER. Mr. President, in just a moment, I intend to yield to the Senator from Pennsylvania. Before I do, let me express my deep appreciation to the Senator from South Carolina for his views and statement of position. There are few Members of this body for whom I have greater respect and admiration than I do for the distinguished former chairman of the Budget Committee, the junior Senator from South Carolina. He makes a unique and special contribution to this body in so many ways.

I must say, however, Mr. President, that even though I find his proposal unique—that is, to impound the tax cut—I disagree. For I still feel that America is overtaxed, it is overburdened by regulation, that we spend too much, that we regulate too much, that it is having a stultifying effect on the economy of this Nation. The only way we shall change it or have a permanent solution is to reduce both the level of taxation and the level of Federal expenditures.

Mr. President, the Senate has done a remarkable thing; the Congress has done a remarkable thing; the administration has done a remarkable thing, even an historic thing, in reducing the rate of growth of the Federal Government. That is all we did. We did not reduce the Federal Government, we reduced the rate of growth of the Federal Government in the past 6 months. We did an extraordinary thing in making fundamental changes in the nature of the tax burden of private business and American citizens.

I find it absolutely appalling, Mr. President, that the reaction in the money markets of this country, among our financial institutions, among investment bankers of this Nation, has been, as the Senator from South Carolina says, to vote with their money, vote with their industries. They are voting the wrong way and they are voting themselves right down a hole.

The program has not even started yet. The tax cuts have not even taken effect yet. The budget is also not in effect yet. And yet it is alleged to be a failure based on the early returns from the financial markets and the banking community.

All I can say, Mr. President, is that if that is the judgment of the banking community, it ought to reexamine the issue, because Congress and the Government cannot pull this load all by itself. There is another oar out there. There is another oar and that belongs to the business and financial community of this Nation.

Mr. President, I hope and expect that we shall see a favorable reaction to the President's program and I believe we will. In the meantime, Mr. President, it is time to give it a fair shake. For the moment, I sincerely hope that we do not decide, 6 months or 6 years from now.

that interest rates are high because the financial community is hooked on high interest rates just like a person can get hooked on something else. I am saying now that those rates have to come down. I am saying that interest rates are a cause of inflation. I am saying they are doing drastic damage to the economy of this Nation, to individual citizens, and to the Government of the United States; and that we need now an input and a contribution from the business community on how to get those rates down, and now to me does not mean months and years in the future.

I am talking about days and weeks from now. We will have to have some cooperation. Congress and the administration cannot carry this whole burden.

Mr. President, I have just been handed a note that is more distressing than anything else we have discussed this morning. I have a note from my wife saying that I ran off with the car keys this morning. [Laughter.]

With my apologies to my wife, I do not have the car keys.

UNANIMOUS-CONSENT AGREEMENT, S. 951, DEPARTMENT OF JUSTICE AUTHORIZATIONS

Mr. BAKER. Mr. President, earlier today, I mentioned that there are two unanimous-consent requests, perhaps three, that I hope we can deal with today with respect to scheduling.

I inquire of the minority leader: Can we proceed now to consider a time certain to vote on the cloture motion on the appropriations bill and the Johnston amendment thereto and schedule the military pay bill?

Mr. ROBERT C. BYRD. I am ready to proceed.

Mr. BAKER. I thank the Senator. First, Mr. President, I ask unanimous consent that the cloture vote scheduled to occur tomorrow on Amendment No. 96 to S. 951 take place at 2 p.m., the provisions of rule XXII to the contrary notwithstanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME AGREEMENT—S. 1181, MILI-TARY PAY BILL

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, September 10, no later than 10:30 a.m., the Senate proceed to the consideration of Calendar No. 190, S. 1181, the military pay bill, under the following time agreement:

Two hours on the bill, equally divided, between Senators Jepsen and Exon.

Thirty minutes, equally divided, on all amendments in the first degree, with the exception of the Matsunaga-Hatfield amendment dealing with comparability pay raise for entry level military personnel, in which there is a 3-hour time agreement, equally divided.

Ten minutes, equally divided, on all second-degree amendments, debatable motions, appeals, or points of order, if so submitted to the Senate.

That the agreement be in the usual form, with the proviso that the Matsu-

naga-Hatfield amendment be considered at 9:30 a.m. on Friday, and that amendment be the only amendment in order on Friday; and following disposition of the Matsunaga amendment, a vote occur immediately, without any other amendments, intervening motions, appeals, or points of order, on final passage of S. 1181. the miltary pay bill.

1181, the miltary pay bill.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I inquire of the majority leader what would be the plan, in view of the fact that his unanimous-consent request provides that on Thursday, no later than 10:30 a.m., the Senate would return to the consideration of the military pay bill—what would be the plan in the event cloture is invoked on the Johnston amendment on tomorrow and in the event that amendment is not disposed of by 10:30 a.m. on Thursday?

Mr. BAKER. Mr. President, I make this parliamentary inquiry: In the event the situation described by the minority leader should transpire—that is to say, cloture is invoked on the Johnston amendment at 2 o'clock tomorrow and debate on that amendment under the provisions of rule XXII has not been concluded by 9:30 a.m. on Friday—what would be the business before the Senate at 9:30 a.m. on Friday, assuming that this unanimous-consent request is agreed to?

The PRESIDING OFFICER. At 9:30, the amendment of the Senator from Hawaii and the Senator from Oregon would recur, pursuant to the unanimous-consent order, if granted.

Mr. BAKER. I am not sure I understand the Chair. Do I correctly understand the Chair to say that if this agreement is granted and assuming that cloture is invoked on the Johnston amendment, and assuming that debate on the Johnston amendment, pursuant to the provisions of rule XXII dealing with post-cloture debate, has not expired, the Matsunaga-Hatfield amendment will be pending? It is my understanding that under rule XXII, the Johnston amendment would still be the pending business, having displaced any other business before the Senate, under the provisions of that rule.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. So, at 9:30 on Friday, notwithstanding this agreement, if it is granted, the Johnston amendment would be the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Under the conditions I have described.

The PRESIDING OFFICER. That is correct.

Mr. BAKER. I thank the Chair.

Mr. ROBERT C. BYRD. So what the Chair is saying—I ask the Chair—is that if cloture is invoked on the Johnston amendment, then the provisions of rule XXII would prevail and would supervene the provisions of the unanimous-consent agreement.

The PRESIDING OFFICER. Unless the agreement specifies to the contrary.

Mr. ROBERT C. BYRD, I thank the Chair.

Mr. BAKER. Mr. President, I inquire of the minority leader: I would be willing to put the agreement in that form. I had assumed that that would not be the preference of the minority, but I would be glad to do it either way.

Mr. ROBERT C. BYRD. I say to the distinguished majority leader that I have to assume that Mr. Johnston, in agreeing to the request, would be agreeing on the condition that if cloture is invoked and if indeed the Johnston amendment is not disposed of by 9:30 a.m. on Friday-I would assume that he agreed on the condition that the Senate would continue to proceed with the Johnston amendment until it is disposed of, notwithstanding the unanimous-consent agreement.

Mr. BAKER. Mr. President, I propound a further parliamentary inquiry: Assuming the set of circumstances that have been discussed—that is to say, assuming that cloture is invoked on the Johnston amendment and that debate has not been concluded at 9:30 on Friday, and that the Senate is still considering the Johnston amendment under the provisions of rule XXII—after the Johnston amendment is disposed of, would the Matsunaga-Hatfield amendment then recur as the pending business, under this agreement?

The PRESIDING OFFICER. The Sen-

ator is correct.

Mr. BAKER. Mr. President, I inquire of the minority leader one other step: Would he object to an addition to this request to provide that no motion be in order to send S. 1181, the military pay bill, back to the calendar?

Mr. ROBERT C. BYRD. I would agree to that additional provision, with the understanding that upon the disposition of the military pay bill, the Justice Department appropriation bill, the unfinished business, would again be the business before the Senate.

Mr. BAKER. Mr. President. I believe that would automatically be the case, but I include it in the request. as an

amendment to the request.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

The text of the agreement follows: Ordered, That on Thursday, September 10, 1981, at no later than 10:30 a.m., the Senate proceed to the consideration of S. 1181 (Order No. 190), a bill to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes, with debate on any amendment in the first degree to be limited to 30 minutes (except on a Matsunaga-Hatfield amendment dealing with a parability pay raise for entry level military personnel, on which there shall be 3 hours), to be equally divided and controlled by the mover of such and the manager of the bill, and with debate on any second degree amendment, debatable motion, appeals, or points of order which are submitted or on which the Chair entertains debate to be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Iowa (Mr. Jepsen) and the Senator from Nebraska (Mr. Exon): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered further, That at 9:30 a.m. on Friday, September 11, 1981 the Senate proceed to the consideration of the Matsunaga-Hatfield amendment, and that that amendment

be the only one in order.
Ordered further, That following the disposition of the Matsunaga-Hatfield amendment, the Senate proceed, without intervening amendment, motion, appeal, or point of order, to vote on final passage of S. 1181. Ordered further, That no call for the regu-

lar order shall bring back the unfinished

business before the Senate.

Ordered further, That following the disposition of S. 1181, the Senate resume consideration of S. 951 (Order No. 118).

Mr. BAKER. I also make this inquiry of the minority leader: Is there some possibility that later in the day, we may be able to arrange, by unanimous consent, for the consideration of the Interior appropriation bill?

Mr. ROBERT C. BYRD. I do not believe so. I will be happy to explain to the distinguished majority leader what the

Mr. BAKER. I thank the distinguished minority leader. Perhaps we can discuss that a little later.

Mr. President, I have no further need for any time I have remaining under the standing and special orders as previously provided for. I am prepared to yield back my time. I shall yield to the Senator from Pennsylvania, but before I do that, I wish to provide for the convening hour on Thursday and Friday.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW AND 9 A.M. FRIDAY, SEPTEMBER 11, 1981

Mr. BAKER. Mr. President, at this time I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. on tomorrow and that when the Senate completes its business on tomorrow that it stand in recess until the hour of 9 a.m. on Friday.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I do so merely to ask a question of the distin-

guished majority leader. Does the majority leader intend to

have a Senate session on Saturday? Mr. BAKER. I do not intend to have a session of the Senate on Saturday this

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I yield to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank the distinguished majority leader.

PROPOSED SALE OF AIRCRAFT TO SAUDI ARABIA

Mr. SPECTER. Mr. President, I speak today to urge the President to abandon the proposed sale of F-15 enhancement and E-3A airborne warning and control system (AWACS) aircraft to Saudi Arabia.

I believe that the best interests of the United States will be served by abandoning that sale on the merits, and by avoiding a confrontation between the President and the Congress on that issue. The U.S. Senate is well-known as a "deliberative body." Similarly, on an individual basis, U.S. Senators are known for their individual deliberation. By letter dated June 24, 1981, 54 Senators wrote to the President urging him not to proceed with the sales proposal because it "is not in the best interest of the United States."

I believe that those U.S. Senators will stand by their stated position as will the 246 Members of the House who have sponsored a resolution of disapproval.

On August 24, 1981, I received official notice from the President of his intention to proceed with the proposed sale. Two days later, on August 26, 1981, I wrote to the President urging him to withdraw the proposal, with copies of that letter to Secretary of State Alexander Haig, assistant to the President for national security affairs Richard V. Allen and assistant to the President for legislative affairs Max L. Friedersdorf. As of today, I have had no reply.

I strongly believe that it is contrary to the interests of the United States to have a protracted confrontation between the President and Congress over this issue which, as I see it, the President will lose. That confrontation will weaken our Nation in its Mideast policy as well as in international relations generally, it will, in addition, be detrimental to unity within the Republican Party and to the im-

portant priorities which the President has established for domestic action. My letter of August 26, 1981, to the President detailed my concerns as follows:

AUGUST 26, 1981.

The PRESIDENT,

The White House, Washington, D.C.

DEAR MR. PRESIDENT: I respectfully urge you not to proceed with the proposed sale of the enhancement package, including the Airborne Warning and Control System (AWACS) aircraft, to the Royal Saudi Air

After considerable study, it is my view that this sale would be contrary to the best in-terests of U.S. foreign policy, and the pro-posed sale would subject your Administra-tion to a significant risk of Congressional

I was among many in the Senate who supported your Economic Recovery Program even though we had significant reservations. supported your program because I felt it was very important to back your leadership notwithstanding significant problems with the budget cuts for my state, Pennsylvania, and my stated preference for tax cuts on a year-to-year time basis to measure their effects on inflation and economic recovery.

On the issue of AWACS and the F-15 enhancement equipment, it is my view that

many of your supporters, enough to make up a majority of the Congress, will not be able to support your position. I joined 53 other Senators in writing to you on June 24, 1981, urging that you not proceed with such a proposed sale to Saudi Arabia in the hope that this issue would not be brought to a vote

While I join many others in the Senate and House in according great weight to your leadership, I strongly disagree with this proposed sale both on the merits and on my concern that a potential loss on this issue by your Administration would have significant, collateral, undesirable consequences. The prospect of a divisive Senate battle over the issue can only damage Congressional/ Executive relations, Republican Party unity, and hopes for a strengthened U.S. presence in a secure and stable Middle East

While I understand the need to contain Soviet expansionism and secure the Saudi oil fields. I fear that the proposed sale will create more long-run problems than may be resolved in the short term by acceding to this request. Rather than enhance Saudi Arabian security, the sale of such sophisticated equipment may well increase Saudi political instability and the risks of Saudi involvement in regional conflicts. It is clear that, once the AWACS planes are given over to Saudi Arabia, the United States would have little control over them, including their use against Israel, thus altering the military balance in that region.

While no one can predict Saudi Arabia's future political stability, sufficient doubts have legitimately been raised about that issue to fear the compromise of one of America's most sophisticated aircraft once it falls into Saudi hands, notwithstanding the most elaborate security precautions.

I am also deeply troubled by the long-range implications on the pledge made to the Congress in 1978 not to sell F-15 enhancement equipment to Saudi Arabia. If such pledges are subject to modification or cancellation on the contention of changing circumstances, how can the Congress ever agree to a proposal, conditioned on such a pledge?

Almost all the objectives outlined to justify the sale of AWACS could be met by leaving the planes in U.S. hands. The true test of the United States as a reliable ally is in our ability to be honest with our friends about their real military needs. not by agreeing to a request of questionable military necessity and uncertain political ramifications. When our Nation's reliability as an ally is tested in international relations. it is my view that we fall far short in subjecting Israel to the risks proposed by these powerful weapons in the context of repeated hostility by Saudi Arabia towards Israel.

I am taking liberty of sending copies of this letter to Secretary of State Haig, Assistant to the President for National Security Affairs Allen and Assistant to the President for Legislative Affairs Freidersdorf so that they will also know the depth of my feeling on this subject.
With best wishes,

Sincerely.

ARLEN SPECTER.

In summary, Mr. President, it is my view that supplying the most advanced arms to all sides in the Arab/Israeli conflict is certainly no answer to the tensions and instabilities in the region. Assisting one friend to the serious detriment of another is no answer to the charges of U.S. inconstancy toward its allies. Violating a prior Executive pledge to the Congress is no answer to congressional/Executive harmony and trust in the conduct of U.S. foreign relations. Endangering the technological superiority of advanced U.S. missiles and aircraft

is no answer to strengthening America's military posture toward the Soviet Union. Acceding to every questionable military request of a friendly nation is no answer to being a true and constant friend of that nation.

I, and a majority of other Senators, had sincerely hoped that these would not be the answers given by this administration to questions surrounding the U.S. role in the Middle East. I had sincerely hoped, and still hold the hope, that a congressional/Executive confrontation on this issue can be avoided.

I thank you very much, Mr. President, and I yield the floor.

Mr. BAKER. Mr. President, I yield now to the distinguished Senator from Colo-

Mr. ARMSTRONG. Mr. President, I appreciate the majority leader yielding.
The PRESIDING OFFICER. The time of the leader has expired.

Mr. BAKER. Mr. President, is there provision for morning business?

The PRESIDING OFFICER. There is provision for 30 minutes of morning business

Mr. BAKER. Mr. President, I yield the

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

FEDERAL EXPENDITURE CONTROL ACT OF 1981

Mr. ARMSTRONG. Mr. President, I was extremely glad to learn from our distinguished majority leader that he and the Republican leader of the House have met with President Reagan and agreed to support legislation to strengthen the President's power to control Federal spending through the rescission process

The American people have given the President a mandate to get Federal spending under control. Obviously, we must do so in order to balance the budget and, thereby, to curb inflation which I believe all Senators and all Americans recognize as the most serious threat to this Nation's economy.

But while the President is determined to balance the budget, he lacks the basic tools needed to get that job done.

Our President presides over the largest budget in the world, an estimated \$660 billion in this fiscal year. Yet he has less management control over that budget than almost any other Chief Executive. The Governors of virtually all of our 50 States have the power to block wasteful, duplicative and unnecessary spending. but Congress has denied this essential management prerogative to our President.

Under present law, if the President discovers that funds appropriated by Congress for a particular purpose are no longer required, or are more than are required to achieve that purpose, he may not prevent the expenditure of the excess funds without obtaining explicit permission from Congress to do so.

The Congressional Budget and Im-

poundment Control Act of 1974 does protect the constitutional prerogative of Congress to have the first and the last word about the expenditure of public funds, but it does so in a needlessly

wasteful and extravagant way.

The trouble with the Impoundment Control Act is that the President's efforts to restrain wasteful spending can be thwarted simply by congressional inaction. If the President determines that funds appropriated for a particular purpose need not or should not be spent, he must inform Congress of his intention to rescind them. But if both Houses of Congress do not pass resolutions approving the rescission within 45 days of the President's announcement, then the funds must be released.

Unfortunately, all kinds of factors other than the merits of a proposed rescission can block action by both Houses of Congress before the 45-day period expires. Since 1974, Congress has approved fewer than 15 percent of the rescissions proposed by Presidents Nixon, Ford, and Carter. In most cases, the rescission request never even reached a vote.

The last fiscal year, fiscal year 1980, provides an all too typical case in point, In that year, a year of near record budget deficits and double-digit inflation. President Carter sent to Congress rescission requests totaling \$1.6 billion. Congress rejected by inaction \$1.1 billion of these rescission requests. Thus, out of a budget of \$579.6 billion, a scant \$500 million, 8 one-hundredths of 1 percent of the total, was saved through the decision of the President that the same results could be achieved with fewer dollars through better management.

Presidents used to have a very potent power to prevent wasteful spending, the power of impoundment. The history of Presidential impoundments shows clearly that this power was used in virtually every instance to achieve sound management objectives. The most common reason for impoundments was because changed circumstances rendered a particular expenditure unnecessary, as when President Jefferson blocked \$50.000 for gunboats on the Mississippi after the Louisiana Purchase had removed the threat the gunboats were supposed to guard against. Another frequent reason was to prevent waste, as when President Van Buren blocked payment of a duplicate pension to a military widow, and President Truman refused to spend money to build Veterans' Administration hospitals until a study had been made to determine the geographical need

But there were instances where the impoundment power was abused. President Lincoln, for instance, impounded funds for water projects in order to punish certain Illinois Congressmen who had opposed his administration on other policy matters.

The use by some Presidents of the impoundment power to punish recalcitrant legislators, or to alter policies enacted by Congress quickly irritated Congress, and raised a serious constitutional question as well. The Constitution makes it clear that Congress has the power to determine how public money should be

spent. But if the President impounded funds appropriated by Congress, Congress either would have to pass the appropriation again—in which case it would be subject to a second impoundment, or a veto—or take the President to court. This was, especially from the congressional point of view, most unsatisfactory.

The impoundment controversy came to a head in 1972 when President Nixon attempted to force Congress to adopt a block grant housing approach by imposing a moratorium on funding of the housing programs authorized by Congress. The President won the battle—an appeals court ruled against Congress lawsuit—but Congress, by enacting the Budget and Impoundment Control Act of 1974, won the war.

Most Americans would agree that some protection has to be found against the sporadic Presidential abuses of the impoundment power. But the congressional cure has proven far worse than the disease. Clearly, some middle ground must be found.

The answer to this dilemma is the Federal Expenditure Reform Control Act of 1981, a proposal (S. 384) which I introduced on February 3. If approved, my bill will allow the President essential flexibility in achieving needed savings without a return to the old abuses.

The Federal Expenditure Control Reform Act would make one simple but significant change in current policy. As before, the President would be required to notify Congress of his intent to rescind appropriated budget authority. Congress would then have 45 days in which to pass a resolution disapproving the rescission.

This basic change, to congressional veto from congressional approval, would alter the climate for Presidential action by requiring a positive, considered action by Congress in order to block proposed rescissions instead of killing needed rescissions by inaction—without even having a vote. The President would be allowed the managerial flexibility required for efficient government, but Congress would retain its constitutional prerogative to control the public pursestrings.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of my bill S. 384.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

8. 384

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1011(3) of the Impoundment Control Act of 1974 is amended to read as follows:

"(3) 'rescission resolution' means a concurrent resolution of the Congress which disapproves, in whole or in part, the rescission of budget authority proposed in a special message transmitted by the President under section 1012, and upon which the Congress completes action before the end of the first period of 45 calendar days of continuous session of the Congress after the date on which the President's message is received by the

(b) Section 1012(b) of such Act is amended to read as follows:

"(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority or any part thereof proposed to be rescinded or that is to be reserved as set forth in such special message shall be made available for obligation if, within the prescribed 45-day period, the Congress adopts a rescission resolution disapproving the rescission or reservation of such amount or part thereof."

(c) (1) Section 1017(c) (5) of such Act is amended by striking out "bills and".
(2) Section 1017 of such Act is amended by striking out "bill or" each place it appears.

by striking out "bill or" each place it appears.
(3) Section 1017(c) of such Act is further amended by striking out "bill" each place it appears and inserting in lieu thereof "resolution".

Mr. ARMSTRONG. Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further morning business?

Mr. BAKER. Mr. President, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the guorum call be rescinded.

The PRESIDING OFFICER (Mr. Nickles). Without objection, it is so ordered.

JOSEPH H. HIRSHHORN AND HIS MONUMENT

Mr. MOYNIHAN. I rise with the sad task to report to the Senate the death of Joseph H. Hirshhorn, one of the great public benefactors of his time. It has been my honor to have been a member of the board of trustees of the Hirshhorn Museum and Sculpture Garden from the establishment of that body under President Johnson. I have also, through that time. served as the chairman of the board. And it is thus both a responsibility in that sense and a privilege to ask that the Senate observe the passing of this singular American, with his singular bequest to the United States-and I can report this to the Senate, although not in greater detail-now greatly enhanced by the terms of his will that is to be probated and made more public in a short period.

Mr. President, when Joseph H. Hirshhorn died on August 31, at age 82, he left behind a museum which is more than a monument to his spirit—it is, as well, a national treasure he has bequeathed to us all.

Born in Latvia, the 12th of 13 children, Joe Hirshhorn settled in Brooklyn in 1915 with his widowed mother. He earned \$15 a week when he got his first Wall Street job—peddling newspapers—and it was not long before he accumulated \$255 in savings, which when invested, returned \$68,000 by the time he was 17. That sum was sufficient to launch his brilliant career in finance, first as a stockbroker, and then as the force behind investment projects which spanned the Americas from Wall Street to the Yukon.

Beyond his remarkable success in finance, he succeeded in assembling one of America's great art collections. He matched the drive and ingenuity he cultivated in the world of business to his profound fondness for that which was truly splendid in the world of art.

Mr. President, as chairman of the board of trustees of the Hirshhorn Museum and Sculpture Garden, I would wish to state our devastating sense of loss at the death of a beloved colleague and incomparable patron. Mr. Hirshhorn was, of course, an elderly man; but his energy, enthusiasm, yes even his eccentricities, were those of youth, middle years, and age combined, synthesized, yeah transcended. At out last board meeting he was as full of ideas and as bounteous with gifts as he was at our first meeting almost a decade ago.

The country and people Joe Hirshhorn served so well were enhanced by his presence and are now diminished by his death. His keen insight, sensitivity, and exuberance will be painfully missed, not only by his colleagues, friends, and family, but also by the millions of people whose lives he touched through his ideas and contributions. He had a vision. And he persisted even when all others opposed him. He lived to see his dream become his reality and it is we who are better for it. His memory is immortalized not only on the Mall, but in the hearts of a public enriched by his having lived.

Mr. President, it is well and good to mark the death of one who lived his life so well but better still to remember that the texture and fabric of that life is woven into the memory of all those who live on. William Faulkner once said that—

The aim of every artist is to arrest motion, which is life, by artificial means and hold it fixed so that a hundred years later, when a stranger looks at it, it moves again since it is life.

Because we all were blessed with Joseph Hirshhorn and because he worked so hard to hold fixed the art which moved through his life and ours, we can regard the legacy he has left this Nation and the memories he has left his friends as his greatest work of art for the generations to come.

Mr. President, I know my colleagues would wish to join in their most heartfeit expression of sympathy of Olga Hirshhorn and I would note that a memorial service for Joe will be held on September 16 at 11 a.m. at the Washington Hebrew Congregation.

I ask unanimous consent that the text of two articles from the Washington Post and New York Times of September 2, 1981 be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, Sept. 2, 1981] JOSEPH HIRSHHORN DIES; FINANCIER, ART PATRON

(By John Russell)

Joseph H. Hirshhorn, man of money, man of adventure, one of the shrewdest prospectors of gold, uranium and oil of his day and founder and benefactor of the museum in Washington that bears his name, died of a heart attack late Monday in Washington. He was 82 years old.

Mr. Hirshhorn collapsed about 11 p.m. as he and his wife were returning home after an evening at the theater. He was taken to George Washington University Hospital, where he was pronounced dead at 11:59 p.m.

Mr. Hirshhorn made a manifold mark on his time. As a broker and an inspired analyst of the market, he was in the highest class. Wall Street office boy at the age of 14, he is said to have made \$168,000 by the time he was 17 on an initial investment of \$250. An occasional setback notwithstanding, he went on to enjoy spectacular success in this do-main. He was also one of the few men who saw the stock market crash coming in 1929 and sold out just in time.

OUTSTANDING AS PROSPECTOR

He was no less outstanding as a prospector in gold, uranium and oil who had the instinct, the energy and the daring to venture successfully into areas where others had spent big money to no purpose. "My Name Is Opportunity and I Am Paging Canada" was the headline of the full-page advertisement that he put in The Toronto Northern Miner in 1933. "Canada, your day has come", he continued. "The world is at your feet, begging you to release your riches cramped in Mother Earth."

Not every Canadian liked that kind of talk, any more than they liked the way in which Mr. Hirshhorn played on his desk full of telephones the way a gypsy violinist plays on his fiddle. As for "the riches cramped in Mother Earth," they took a little time to

emerge.

But within three years of placing his ad, Mr. Hirshhorn triumphed with Preston East Dome Mines Ltd., a company formed early in this century and long given up for lost. Its shares had come to be so poorly regarded that their owners are said to have used them to make change in poker games. Mr. Hirsh-horn spent \$25,000 on a drilling program, struck gold within a few feet of an existing shaft, and lived to sell his remaining shares in 1956 at \$7.55 apiece.

TURNED TO URANIUM

In the late 1940's, Mr. Hirshhorn became interested in uranium. In particular, he studied the Algoma Basin. This was an area in Ontario in which many a false alarm had been sounded as to the existence of the element. It was much used by hunters and vacationers. The area fancied by Mr. Hirshhorn and his geological adviser, Franc R. Joubin, was close to both a major highway and the Canadian Pacific railroad track. When 50 out of 56 trial samples taken in that area turned out to contain uranium, it seemed impossible to keep the secret.

But Mr. Hirshhorn distracted his rivals by taking out mining licenses all over Ontario. When he sent in his own stakers he fixed it so that ever they did not know quite where they were. In all, he staked 1,400 claims over 56,000 acres. Two companies, Pronto Uranium Mines and Algoma Uranium Mines, were formed to exploit the claims, and in 1955 Time magazine reported that Algoma was capable of producing more uraalone nium than all of the more than 600 uranium mines in the United States put together.

For a man who liked to say that "Poverty has a bitter taste," Mr. Hirshhorn was doing splendidly. (He also did very well some years later in the oil boom in western Canada.) By any standards, he had made a great deal of money. Already in the 1930's he had built a house in the French Provincial style on a 470-acre estate in the Poconos. Its Guernsey herds, handball courts and extensive children's dormitories were much talked of. but Mr. Hirshhorn was not fundamentally a property man. He was an art man, and as he got older and was more and more able to afford it, he bought more and more art.

HIS LIFELONG LOVE

He had always loved art. In childhood, and in times of great poverty, illustrated calendars had given him dreams of a happier world. As a very young man he had begun to buy etchings, at least one of which he kept

by him all his life. By the early 1940's-a time at which committed and large-scale collectors of new art were very rare-he was beginning to buy fast and in bulk.

He bought from feeling, not from calcula-tion. Always sensitive to the sufferings of others-except perhaps when they were his rivals in business—he had a particular fond-ness for the work of Louis Eilshemius, the American painter whose long career of failure and sickness was one of the most poignant in the history of this country's art. He took to the Abstract Expressionists, whose style of life seemed to him to speak for an archetypal Bohemia. He was devoted to the British sculptor Henry Moore, who like himself was plain and direct in his ways. He felt close to Larry Rivers, who is the subject at this moment of a one-man show in the Hirshhorn Museum, because of his reckless,

euphoric, insubordinate stance before life. As his collection grew to be of institutional proportions, there was naturally much speculation as to where it would eventually go. Eccentric and lopsided as it might be in some of its aspects, it had strengths that would have made it welcome in almost any big city in the Western world. Mr. Hirshhorn was doubtless aware of this, but he refused

to make any commitment.

The situation was one that he was entitled to enjoy, in that in earlier years he had not always been welcome in the communities he chose to settle in. Now, in his 60's, people of consequence from many countries were beating a path to his door. Britain, Israel, Switzerland-all were believed to be after the collection. So was more than one American city.

Mr. Hirshhorn loved to tell how he made

up his mind that Washington was the right place. "When I went into the White House," he would say, "there was that great big Lyndon Johnson, six feet and some, and there was tiny little Joe Hirshhorn. He came up to me, he put his arm round my shoulder and he said to me 'Joe, how are you?' And I knew we were in business."

That was in 1965. By the terms of the deal that resulted, the United States Government was to build and maintain a new museum on the Mall that would bear the donor's name. Mr. Hirshhorn gave his collectionof the largest private collections of sculpture and paintings in the world—and it was understood that further gifts would follow. He also contributed a million dollars toward the fulfillment of the project.

Gordon Bunshaft of Skidmore, Owings & Merrill was appointed architect. Ground was broken, with President and donor once more side by side. Not everyone was in favor of the undertaking, and Dr. Sherman Lee, director of the Cleveland Museum, went on record as saying that the acceptance of the project "ill accords with the current standards of wisdom and professional knowledge in the arts." Not everyone liked Mr. Bunshaft's building either, though it cannot be said to disgrace a particularly hideous stretch of the Mall.

OPENED IN OCTOBER 1974

The Joseph H. Hirshhorn Museum and Sculpture Garden was opened in October 1974. After the initial flurry of excitement-not all of it good-natured-it settled down as a miscellaneous museum of American and European art. It had not the cool, rational, carefully argued character of museums of modern art elsewhere. No learned committees had argued the toss as to this acquisition or that. What the visitor saw, and what he sees today, is what Joseph Hirsh-horn had bought in hot blood.

This is my money and my taste," he once said, discussing his art purchases. "I've operated that way all my life—in my life and my business. I like to test my own judgment. I don't care if my grandfather or my friends like it."

Necessarily, therefore, it was strong in some directions and weak in others. As Hil-

ton Kramer, art critic of The New York Times observed in 1974, the collection turned out to constitute "a substantial treasury of sculptural achievement" that ran from Daumier, Degas and Rodin in 19th-century France to David Smith and his successors in this country and in our own day. It was also strong in the paintings of Thomas Eakins, in early American modernism, and in one or two living painters for whom Mr. Hirshhorn had a special liking. But there were areas in which a sharper focus and a keener sense of what is and what is not a masterpiece would have helped.

GAVE POWER TO CURATORS

With wise and exceptional modesty, Mr. Hirshhorn decreed from the start that any work from the collection could be sold or exchanged, if the museum's curators judged it to be of inferior quality, provided the money was spent on further purchases. The Hirshhorn Museum is not, therefore, a stagnant entity. It has also been able in its seven years' existence to mount or play host to a number of important temporary exhibitions, thereby contributing to the upturn of cultural activity in the nation's capital.

In human terms the opening of the Hirshhorn Museum in one of the most prestigious of all American locations must be seen as the culmination of an archetypal American life story. Joseph Herman Hirshhorn had come from nowhere and begun from nothing. Born in Mitau, Latvia, on Aug. 11, 1899, he was the 12th of 13 children of a merchant, Lazaar Hirshhorn, and his wife, Amelia. His father died when Joseph was quite young.

When Joseph was 6 years old, his mother brought him to the United States. They set-tled in the Williamsburg section of Brooklyn, where she worked in a purse factory, 12 hours a day and six days a week, for a salary of \$12 a week. In 1908 the tenement building in which they lived was gutted by fire, his mother was taken to the hospital and the family was dispersed to various homes in the neighborhood.

TRIGGER FOR AMBITION

The boy determined to get out of the environment in which such things were com-monplace, and a first glimpse in 1913 of what later became the New York Stock Exchange convinced him that this was a world in which he could do well. Never was a man

more correct in that particular presumption.

Mr. Hirshhorn had an uninhibited enjoyment of his every activity. Though famously small, he had an outsize personality. With his dancer's walk, his command of verbal karate and his unfeigned interest in everyone who crossed his path, he soon came to dominate the company in whatever room he found himself. He was also—and with all possible discretion—both generous and imaginative in his help to artists of every kind.

Since 1964 he had been married to the former Olga Zatorsky, whose character and interests ideally complemented his own. They had recently moved to Washington after having lived for some years in Green-

wich, Conn.
Mr. Hirshhorn's three previous marriages ended in divorce. He had four children, Robin, Gene, Gordon and Naomi by his first wife, Jennie Berman. During his subsequent marriage to Lily Harmon he adopted two daughters, Amy and Joann. His third wife Brenda Hawley Heide. He had many grandchildren.

The funeral service will take place at 2 M. tomorrow at Temple Shalom in

[From the Washington Post, Sept. 1, 1981] JOSEPH HIRSHHORN DIES AT 82; ART COLLECTOR, PHILANTHROPIST

(By Martin Weil)

Joseph Hirshhorn, 82, the immigrant, selfmade uranium tycoon and art collector who donated \$50 million in paintings and sculpture to establish the museum on the Mall named for him, died last night after suffering a heart attack at his Northwest Washington home.

The intensely dynamic 5-foot-4-inch entrepreneur and art patron collapsed about 11 p.m. as he and his wife were returning to their home on Bancroft Place after an evening out. He was taken to George Washington University Hospital where he died at one minute before midnight.

Born in Latvia the 12th of 13 children, Mr. Hirshhorn came to America with his widowed mother when he was 6, settled in an immigrant section of Brooklyn, and surmounted a dismal boyhood and grinding poverty to make a great fortune, rub elbows with the educated and cultured and see a museum named for him dedicated by a president of the United

The immigrant who once "stayed alive on garbage" became one of those whose lives, or at least whose legend, embodied and even outstripped the American promise of unbounded opportunity and unrestricted wealth for a man of energy, intelligence and ambition.

Dropping out of school at the age of 12, Mr. Hirshhorn started out by selling newspapers, moved to Wall Street, made his first million before he was 30 and finally, through shrewd and secret maneuver, acquired vast and fabulously valuable Canadian uranium

Meanwhile, much of his growing fortune was spent on the art collection that helped make the Hirshhorn Museum a dazzling success from the day it opened in 1974. By 1978, collection built on Mr. Hirshhorn's artistic and acquisitive instincts was drawing 1.5 million visitors a year to the gleaming circular building on the Mall, outstripping the Museum of Modern Art in New York to become the fourth most popular art museum in the United States.

Whatever the triumphs and satisfactions the success of the museum may have given Mr. Hirshhorn, they were not earned withfrustration and heartache

His insistence that the building be named after him was not viewed with universal admiration and approbation. Indeed, it produced a flood of protest.

Mr. Hirshhorn's curator, Abram Lerner, recalled telling Mr. Hirshhorn; "Joe, it will go easier for you if you don't insist upon

"And he knew that." Lerner added. "But he said, 'Dammit, this was my life's work and I want my name on it.'"

As it turned out, he got his way, but the controversy was sufficiently bitter that for a time afterward, Mr. Hirshhorn was separated entirely from the museum and its activities. Finally, in December 1977, it was decided by the trustees that the man who had formed the museum's collection should become one of them.

Joseph H. Hirshhorn was born in Mitau, Latvia, on Aug. 11, 1899, and after the death of his merchant father, came with his family to the Williamsburg section of Brooklyn. where his mother worked in and Mr. Hirshhorn was expected from child-hood to fend for himself.

"Poverty has a bitter taste," Mr. Hirshhorn once told an interviewer. "I swore I would never know it again."

Those who searched his childbood for signs of the man he would become noted that at least one element of relief in the harsh landscape of his boyhood was provided by the annual Christmas cift calendars sent out by the Prudential Life Insurance Co.

Above his bed, Mr. Hirshhorn pinned their reproductions of animal paintings by Sir Edwin Landseer and of ladies of high fashion by Adolphe Bouguereau. These were his first introduction to the graphic arts.

Meanwhile, Mr. Hirshhorn's introduction economic reality took him from selling

newspapers to a job as an office boy on the Curb Market, later to become the American Stock Exchange. With \$255 saved from a job charting stocks, he established himself in his teens as a broker, making \$168,000 in his first year.

Two months before the great crash of 1929. having amassed \$4 million, Mr. Hirshhorn suddenly pulled out of the stock market, demonstrating either luck, wisdom or some combination of the two that he appeared never to lack thereafter.

Canada became his next arena of financial maneuver. "My Name is Opportunity and I am Paging Canada," read the grandiloquent advertisement he placed in a Toronto mining newspaper in 1933. Three years later, having obtained substantial holdings in what appeared to be unrewarding mines, he found gold within a few yards of an old shaft.

In the late 1940s, after the dawn of the nuclear age, Mr. Hirshhorn became interested in uranium. His financial support of the unconventional theories of one Canadian geologist led to successful drilling tests and prompted an elaborate stratagem to stake

claims quietly before news could leak out.

According to art critic Aline Saarinen's book, "The Proud Possessors," "Scores of mining licenses were taken out in deceptively scattered points; fishing and hunting licenses were obtained to allay . . . suspicions . . . ; dozens of stakers in pontoon planes were dispatched to unidentifiable parts of the land to follow the siren tick of Geiger counters.

By July of 1953, Mr. Hirshhorn had acquired 1,400 claims covering 56,000 acres; one of his mines was said to be capable of producing more uranium than all of the mines in the United States. Three years later, Mr. Hirshhhorn obtained \$50,000,000, mostly in stock for his Canadian properties, and in 1960 he sold his uranium interests and began reducing his business involvements.

Active and decisive in business, where he was known as a hunter of bargains, he showed similar traits as a collector, stunning dealers with the speed and size of his purchases. Repeatedly he was quoted as playing variations on one basic theme: "Why don't you throw this one in for the same price?'

Early in his career he bought on a dealer's advice and regretted it. Thereafter he relied on his own taste. "It's got to get me here," he would say as he thumped his chest.

To a dealer who advised on the investment value of paintings he retorted: "Don't tell me how to make money. I don't collect art to make money. I do it because I love art.'

Although some suspected that much may have been hidden behind the personality the world was shown, Mr. Hirshhorn seemed all energy, instinct and confidence. Art critics described his "feel" for art as almost infalli-ble. One said "he actually feels a moral obligation to understand what he buys.

His years of art buying culminated on that clear cold January day in 1969 when Mr. Hirshhorn stood next to President Lyndon Johnson at the groundbreaking for his museum and said: "It was an honor to give my art collection to the people of the United States." Five years later, when the museum finally opened, he said "I repeat, it was an honor for me to give my art collection to the people of the United States."

AN ACT OF CYNICISM

Mr. MOYNIHAN. Finally, Mr. President, with no pleasure but with a sense of responsibility, I ask unanimous con-sent that there be included in the Rec-ORD today the lead editorial of the Washington Post, the editorial entitled "An Act of Cynicism." which directs itself to the plan announced by the Secretary of Health and Human Services to insure that no family receiving welfare benefits in the United States have personal possessions in excess of a value of \$1,000.

There being no objection, the egitorial was ordered to be printed in the RECORD. as follows:

AN ACT OF CYNICISM

Two thousand dollars worth of possessions not counting your living quarters, essential household goods and car, if you have one, does not exactly represent a royal patrimony. You could maybe have a couple of real luxury items for that or an accumulation (though not a very large one) of things that could be given up without doing harm your health, safety or sanity. But basically \$2,000 doesn't buy an awful lot of anything these days. Still, to the self-denying, spartanliving members of the U.S. Congress and the Reagan administration it seems a rich and princely sum indeed, far too rich and princely for a welfare family-yecch! a welfare family-to possess. So it is that the government in its wisdom has decided to reduce from \$2,000 to \$1,000 the worth of personal property outside the necessities that a person may have and still qualify for welfare.

A lot of the trimming back on domestic social programs that has occurred over the past several months has been warranted. Some of it has been questionable. particular initiative, however, taking place as it has in the Age of the Senate Steam Room and under the Sign of Harper's Bazaar, is disgusting. We suppose that if you persist in viewing all welfare recipients as variations on the spectacular cheaters and "welfare queens" who are periodically uncovered, it makes sense. But if you believe that welfare recipients are something other than a class of criminals and subhumans who need to be punished, believe that they are in fact much like what we otherwise describe as "people"—people who would like to keep their families together and to enjoy a dignified, productive relationship to society you will see this punitive, degrading act for what it is.

The economics of the effort are a joke. What is the merit of a one-shot gain that comes from disposing of those assets a welfare recipient has in excess of \$1,000 in value, when the present limit is \$2,000? What is the effect to be on those numerous people who go on and off welfare as their job opportunities and fortunes change with the changing economic times? If you want help for a few months, you'd better sell off that second thousand dollars worth of inessential goods. Are we not trying to strengthen the stability and self-confidence of the people who are on welfare, to enlarge and protect the stake they feel they have in the society as a whole-to bring them into the normal middle-class economic order in which most of us live? Do you do this by ensuring that anyacquired beyond \$1,000 have thev worth must be sold off before they get help?

The Congress that was so solicitous of inherited wealth, making sure this summer that the estate tax laws would be revised so to ensure that family acquisitions could passed on from one generation to another, seems not to have any idea at all that a few permanently held, valuable possessions might have a beneficial effect on a welfare family far in excess of any good to be had by making it sell these things. The Congress that went to such lengths to guarantee that the independent oilmen should have the greatest capital gains blessings the government could provide them is worried that a welfare recipient might have, at \$2,000 worth, just too darn many assets. It sounds as though they really just want to make sure that these people never get any sense, how-ever dim, that things for them, materially, can get better. It is bad economics and wretched social policy. Our guess is that they

know it too, that we are dealing here not with mindlessness, but with sheer cynicism.

Mr. MOYNIHAN. The inappropriateness of this clearly punitive and mean measure at a time of Government which has certainly not been reluctant to bestow upon persons high income and great expectations through inheritance benefits of an unprecedented kind, now to conclude that the Nation commence a search of the homes of the poorest and most dependent of our children, with a thought of evaluation made in some mode for dresses, chairs, table cloths, crockery, chairs, window shades, lamp shades, light bulbs, extension cords, blankets, baby bottles, teething rings, diaper pails, clothes pins, Oxydol, Clorox, cough medicine, aspirin-a very close accounting of just how much cotton and wool, how many safety pins, how many Sunday dresses, if any, how many hats, warm clothes for winter, boots—I am trying to think of the paraphernalia of children-I suppose dolls, I suppose stuffed dogs, if any, Mickey Mouse caricatures, black boards and chalk on which drawings might be made and letters learned, notepads, crayons, butcher paper on which drawings are made.

All these would be assessed by the U.S. Government for fear that their total value might reach \$1 over \$1,000 in which event I suppose it is the crayons that would be confiscated, or perhaps the diaper pail or window shades or the lamp shades-heaven forbid that we find a rug on the floor or a picture on the wall much less, as Philip Murray might have said, some means of music in the home—at a time when we have apparently exempted from taxation vast increases in awards of unearned income from property, we engage in the nation-wide search of the homes of the poor and we do this in the name of economy.

Mr. President, over the month of August visiting in my home State, on one occasion I was presented as a gift a wonderful new volume of students of Samuel Jackson who extracted from his original dictionary definitions that are of quite interest and present attractions of elegant citations, references. I happened to be reading through the section under the letter "L" and there was a simple definition when I came to the word "liberal," a word much poisoned, one fears, in the premises of late. No one seems to be dared to be thought that. Progressive is what one should be known

I thought Samuel Jackson's definition of the word "liberal" was eloquent and succinct and not without reference to this measure. "Liberal," said that definition, "not mean."

That is a judgment I think all Members of this body would wish to have made of them, no matter what their particular politics. Certainly, it is not generous to set about a nationwide search of the houses of the dependent poor to see if by any circumstance their possessions are such as would add up to the amount that any number of persons in this city would spend for dinner and an evening in the theater for several persons.

I would hope that the Secretary, our respected Secretary, a well-regarded former Member of this body, would think twice before pursuing this matter. That there can be abuses of any program, yes. But, surely, the reality for the greater part is otherwise.

What are we saying about ourselves, about our trust in one another, if we proceed to this unworthy enterprise?

Mr. President, I thank the Chair for his courtesies.

The PRESIDING OFFICER. Is there further morning business?

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON, Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE VOTE TOMORROW ON AMENDMENT JOHNSTON TO HELMS ANTIBUSING AMENDMENT

Mr. JOHNSTON. Mr. President, tomorrow, at 2 p.m., we are scheduled to vote on a third motion for cloture on the Johnston amendment to the Helms antibusing amendment to the Justice Department bill. Mr. President, I will say a few words about the substance of the amendment, but my remarks today deal with the very practical problem of absentees in the Senate and whether or not those absentees will prevent us from getting a meaningful judgment of the Senate on the question of whether or not we have 60 votes for cloture.

Mr. President, in the past, I have resisted voting more than three times on a cloture motion. I think the Senate ought to make up its mind sooner than that. If a Senator intends to vote for cloture, I think he ought to, if not on the first try, then on the second try; certainly, he ought to by the third try. In that spirit, I have counseled the leadership in the past not to continue with too many successive tries on cloture motions. So, I have great sympathy, Mr. President, with the leadership should they feel hesitant about going beyond a third motion on cloture.

However, Mr. President, in this particular case, we have an unusual, if not unique, situation. We have already demonstrated here, on the floor, that we have more than 60 committed votes, Senators who have already voted for cloture. The question is whether or not, on the second day after a long recess, we have enough in attendance on the floor of the Senate to demonstrate meaningfully the will of the Senate.

As the Senate will recall, in the last vote on cloture, we achieved 59 votes. Two other Senators had already voted for cloture. One was Senator GOLDWATER from Arizona, who has long opposed busing. Senator GOLDWATER was absent at that particular time because of his attendance at the Casey CIA hearings. He was presiding at those hearings and felt

it necessary to be there. Frankly, Senator GOLDWATER stated he did not think his presence here was necessary.

Senator Melcher had an attack of asthma and was on the sofa in his office. unable to move. Senator Melcher had also previously voted for the cloture motion. So, what we had in the last vote, Mr. President, was 61 solid demonstrated votes-59 present and voting and 2 who were absent but who had previously voted with us. That, of course, would have us over the top with room to spare.

Since that last vote, Mr. President, I have talked to my colleagues and have reason to hope that two to four additional Senators will vote with us. That would give us 63 to 65 Members of the Senate who believe that we ought to invoke cloture on this amendment. If that is so, Mr. President, then the will of the Senate ought to be determined by hav-

ing a proper vote

The question is, Is tomorrow the day for such a proper vote? My preliminary indication is that six of the Members who would vote with us will be absent. My indication is that three Democrats will necessarily be absent-Senators CANNON, SASSER, and ZORINSKY. Three Republicans, Senators SIMPSON, SYMMS. and Abdnor, will also necessarily be absent tomorrow.

That would mean that if an additional two to four Senators, over and above the 61 who have already demonstrated for us, were present and voting, we would end up still short on cloture.

Mr. President, I cannot recall ever having voted on cloture on the day after returning from a recess. Perhaps we have. But since it happens to have occurred in the course of this debate, it seems to me appropriate that we should at least have the will of the Senate determined by an additional cloture vote. assuming tomorrow we do not reach cloture tomorrow, at a time when Senators are able to be present and vote.

Mr. President, that is important not only because of the overriding importance of busing around the country and what it is doing to our school systemsand I can and will argue that very briefly again in a moment-but also because on an issue of national importance, Senators deserve and have the responsibility for making their wishes known and reported. Tomorrow, it will be impossible for that to happen.

There are those who would like this issue to go away. The issue will not go away. It will not go away in the minds of the American people, nor indeed will it go away in the minds of Senators who, I believe, one way or the other, want, deserve, and have the responsibility for settling the issue.

If we do not get the appropriate number of votes, if we let tomorrow finish this amendment, I feel safe in predicting that either we will not deal with busing for a very long time, or we will bring it up in the midst of a very busy fall. Then we will have to put together legislation and an amendment—a series of amendments, in effect-from ground zero, and have the debate, not only on the issue of busing but also on the kind of legislation we would use, which, in my judgment, would take 2 to 3 weeks to accomplish.

Mr. President, I do not believe that if we spent 2 months here we could make a better formulation of legislation to deal with this matter than we have on the floor. This is particularly true when we consider that the final bill, in large measure, will be written in a conference committee. Whatever we pass on the floor of the Senate that deals with busing will not be accepted immediately and without change in the House. We must go through long House hearings and then through a rule from the Rules Committee or through a discharge petition, finally to get it up to a vote on the floor of the House, and then to a conference committee.

So I believe the case is overwhelming for letting the Senate work its will on this bill at this time with a cloture vote when enough Members are here, present and voting on the floor, to represent accurately the will of the Senate.

As I have said, it appears that because of the six absentees, six absentees who voted with us previously, it will be very difficult to get that done tomorrow.

Mr. President, very briefly, to bring the Senate up to date, in my own State of Louisiana, the city of Baton Rouge is presently in the throes of a very difficult busing situation.

Since the busing order came down, and this information comes from Mr. Ray Alberson, the superintendent of the school board, the East Baton Rouge Parish schools have suffered a net loss of at least 5,000 students. First and second grade students, according to Mr. Alberson, are being bused across town, one way, for an hour and a half a day—an hour and a half a day—first and second grade students.

It is no wonder that we already have suffered a 5,000 student diminution. In fact, it may be more than that. There were 64,000 students last year. On the first day of registration, there were only 57,000, so the actual diminution is some 7,000 out of 57,000. The school board hopes some will come back who have not yet shown up.

Mr. President, since I last spoke on the floor of the Senate on this issue, an antibusing rally in the small city Natchitoches, La., was attended by hundreds of people, almost one-third of whom were black. So, Mr. President, we are not talking about a return to segregation, about an issue which is supposed only by whites and opposed by blacks. To the contrary, a nationwide poll taken just a couple of months ago shows that, by margin of 49 to 46 percent, blacks oppose busing. But when we look at those who have strong feelings, 38 percent oppose and only 26 percent support.

One of the most incisive statements on this issue was an article in the Washington Post of Friday, September 4, by William Raspberry, who is, of course black. He points out the folly of our present busing policy. I will quote a paragraph or two from this article dealing with the situation in Prince Georges County.

He points out that in Prince Georges, bus routes and pupil assignment plans were drawn up which had the effect of ending official segregation.

The school system at that time was 13 percent black. However, since that time, the school system has become 40 percent black. He says:

One result of all this is that the busing patterns that enhanced integration when they were established now often involve the absurd phe..ome.ion of black children traveling great distances from their neighborhood only to wind up in schools that are overwhelmingly black.

Mr. President, Mr. Raspberry points

There are other questions, but this one is key. For instance, the NAACP has questions regarding possible discrimination in hiring and assigning black teachers. In my opinion, that is a proper issue for the teachers themselves,

He concludes:

The NAACP thinks it is committed to improving education for black children. What it is really committed to is a specific method—busing—for achieving that end. And it would rather fight its quixotic court battes than switch to a different approach.

I would not argue for a return to the days of separate-but-equal, when black children were transported great distances to keep them from sitting next to white children. But neither would I argue for hauling black children needless miles to keep them from sitting next to other black children. Color isn't the problem; education is.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY IS BUSING THE ONLY ROUTE?

(By William Raspberry)

The NAACP, unhappy with the results of nearly a decade of court-ordered busing in Prince George's County, has asked the court to reopen the original case.

The civil rights organization's contention will be that the county has not done all it could to maximize racial integration in the public schools. It obviously has not, though officials no doubt, will contend they have done all the law required them to do in that regard. They drew up bus routes and pupil-assignment plans that, at least at the beginning, had the effect of ending official segregation.

A couple of things have happened since the plan was implemented in 1972. First, a large number of whites have left the public schools while a large number of black families have moved into the county, most of them in areas near the District of Columbia. Second, housing patterns in 1981 are not what they were in 1972. Whites have been moving farther out into the county, in many cases selling their homes to black newcomers.

The school system that was 13 percent black a decade ago is some 40 percent black today. One result of all this is that the busing patterns that enhanced integration when they were established now often involve the absurd phenomenon of black children traveling great distances from their neighborhood only to wind up in schools that are overwhelmingly black.

It may be fair to ask whether the county has done as much as possible to maximize racial integration. Clearly, it hasn't. But the suspicion here is that that is the wrong question. The relevant inquiry is whether

anyone—including the NAACP—has done as much as possible to improve the education of brack children.

There are other questions, but this one is key. For instance, the NAACP has question, regarding possible discrimination in liring and assigning black teachers, in my opinion, that is a proper issue for the teachers themselves, but it has little to do with the question of educating black children, or of busing, for that matter. Indeed, if black teachers are being assigned disproportionately to black schools, that ought to enhance the education of black children—unless it is assumed that black teachers are either less qualified than whites or less concerned about the education of black children.

There is the question of whether schoolclosing decisions have been made in a way calculated to reduce the amount of racial integration, a charge which, if true, might prove to be the most effective lever for reopening the busing case.

There is the question of discrimination against black children, even when they attend integrated schools. The NAACP points out, for instance, that black children make up 67 percent of the "educable mentally retarded" and 61 percent of the children identified as having "specific learning disabilities." Black students, says NAACP general counsel Thomas I. Atkins, "are being disciplined for things that would be disregarded or given less discipline for whites." So why does Atkins work so feverishly to expose more black children to such disparate treatment?

There may even be a question of the equitable distribution of resources—the question that resulted in the busing order in the first place. But if that remains a problem, it strikes me that it can be resolved far more easily than by transferring pupils.

The NAACP's single-minded insistence on racial integration resolves none of these questions, and in some cases—the matter of school discipline, for instance—aggravates them. So why the continuing fervor for busing?

The reason, I suspect, is that the NAACP, seeing clearly the importance of better education for black children, is trying to achieve it with the only tool it has at hand: litigation. Litigation works reasonably well in terms of statistical equity. It doesn't work worth a damn for the education of specific black children.

black children.

The NAACP thinks it is committed to improving education for black children. What it is really committed to is a specific method—busing—for achieving that end. And it would rather fight its quixotic court battles than switch to a different approach.

I would not argue for a return to the days of separate-but-equal, when black children were transported great distances to keep them from sitting next to white children. But neither would I argue for hauling black children needless miles to keep them from sitting next to other black children. Color isn't the problem; education is.

If the NAACP and its supporters had spent as much of their resources, financial and otherwise, improving the education of black children as has been spent trying to get them into predominantly white schools, the problem would have been solved long ago.

Mr. JOHNSTON. Mr. President, I will not at this point repeat the overwhelming arguments in favor of showing that busing as a remedy has failed.

It is a dismal failure. This is reflected not just in public opinion polls, the forum where great public issues are ultimately settled and which is reflected in this Congress, it is shown by educational studies, and it is known to individual citizens who have had a chance to look

at busing. As Mr. Raspberry says about Prince Georges County, when white students leave the school system, what you end up with is the absurdity of black children being transported across the county in order to sit next to other black children and a segregation of the school system.

What is written small in Prince Georges County is written large across this country, from coast to coast, from Los Angeles, where busing was a dismal failure and they have abandoned that remedy by a vote of the people, to Boston, where the same kind of dismal failure is recorded by the experts and by those familiar with the issue.

So, Mr. President, I hope that tomorrow there will be sufficient Senators in the Chamber to give a meaningful judgment on this most important national issue.

If there is not a sufficient number of Senators here because of the necessary absences, I hope and trust that we will have an additional chance to have the will of the Senate recorded and made manifest.

Mr. President, I yield the floor.
The PRESIDING OFFICER. Is there
further morning business?

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. My President, I rise in opposition to the position taken by the distinguished Senator from Louisiana. To reiterate very simply, the issue that will be decided tomorrow has nothing to do with busing at all. It has to do with the Constitution of the United States, more specifically the separation of powers as among the legislative, executive, and judicial branches. It has to do with whether or not the legislative branch of government will dictate politics to the courts or whether the courts will remain independent.

I shall read into the RECORD at this time a letter dated August 24, 1981, on the stationery of the American Bar Association, from the president of that association, David R. Brink, addressed to this Senator.

Dear Senator Weicker: On August 11, the House of Delegates of the American Bar Association overwhelmingly approved a resolution opposing congressional curtailment of the jurisdiction of the Supreme Court or the inferior Federal courts for the purpose of effecting changes in constitutional law. This resolution was brought to the House of Delegates because of the many bills which are pending in Congress to strip the Federal courts of jurisdiction to hear cases on controversial subjects such as busing, school prayer and abortion. A copy of the resolution, and a copy of the report which accompanied it before the House of Delegates are enclosed.

At best the pending legislation is of questionable constitutionality, but in any event it is, in my judgment, expressive of an extermely poor policy with serious, adverse implications for the future. If lawmakers, or

others, believe our Constitution, as interpreted by the branch of government to which its interpretation was entrusted is wrong, the answer lies either in the appellate judicial process itself or in the amendment of the Constitution by the means provided in that Constitution. Anything else represents a change in our basic system of government that might please some persons today and be used tomorrow to destroy things in our system that the same persons hold dear.

Although the Secretary of the Association will formally advise the President, the Attorney General, the Chief Justice, and the relevant committees of the Congress of the action taken by our House of Delegates, because of the grave importance of the subject, the fact that it will again be before the Senate immediately upon the reconvening of the Congress, and my strong support for the action of the House of Delegates, I personally call it to your attention and urge your assistance in defeating any such legislation.

Sincerely.

DAVID R. BRINK.

Mr. President, I hope that this letter and more importantly the action of the American Bar Association which is expressed in the letter will come to the attention of each one of my colleagues prior to the vote tomorrow.

Again, I repeat, regardless of what position any of us hold on the matter of busing, that is not what will be voted up or down with tomorrow's cloture vote. The issue simply is whether or not Senators will be leaning over the shoulders of judges in this country on any issue affecting any segment of our population; such, I hope will not become the case.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not morning business is closed.

DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1982

The PRESIDING OFFICER. The Senate will resume consideration of the unfinished business, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 951) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1982, and for other purposes.

The Senate resumed consideration of the bill.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR THE TRANSACTION OF MORNING BUSINESS

Mr. BAKER. Mr. President, notwithstanding that the Senate now is considering the Department of Justice authorization bill and, more particularly, the Johnston amendment, I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not longer than 5 minutes, in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

OLD DEFENDERS' DAY

Mr. MATHIAS. Mr. President, this week Marylanders will observe Old Defenders' Day, a holiday commemorating the War of 1812 batties of North Point and Fort McHenry, which took place on Maryland soil 167 years ago, on September 12, 1814. On Old Defenders' Day, we honor the men and women who defended Baltimore and the Nation in those two decisive battles; we remember their bravery and their commitment. We also recall the price paid for those victories—the casualties suffered, the lives lost.

When the U.S. Congress declared war on Great Britain on June 18, 1812, it was, in part, to express opposition to the restrictive trade orders imposed by that country. Ironically, just 2 days earlier, Great Britain had repealed those trade orders, but news of the repeal had not yet reached Congress. That war might have been avoided, those lives might have been avoided, those lives might have been avoided, those lives might have been spared had we been able to communicate with the British more quickly.

This incident in history helps us appreciate just how much our international relations benefit from today's high technology communications. We can reach almost any nation in the world in a matter of minutes. Yet, this same advanced level of technology that makes communication so easy also makes the threat of international conflict more serious. In war today, armies traverse battlefields in tanks instead of on foot or on horseback as they did in 1812; they fire missiles rather than cannonballs. And always in reserve are the nuclear weapons that make the specter of modern warfare so terrifying.

The increased dangers of a conflict today remind us of how important it is that we apply our modern technology in ways that promote peaceful interaction among nations. This year the successful flight of the first Space Shuttle suggests that we may develop a space information system which would open the world to the eves of all nations, and a space communications network which would tie the peoples and the nations of the Earth together.

The War of 1812 reminds us of what can happen when nations do not communicate effectively. In 1981 we have the technology we need to prevent such misunderstandings as well as to carry on productive dialog with all other na-

tions with ease. In short, we have the ability to communicate fully. Our success in strengthening global stability and promoting peace depends on our willingness and on the willingness of other nations to do so.

JOHN FRANCIS POHLHAUS

Mr. MATHIAS. Mr. President, this Nation recently lost one of its great unsung heroes when J. Francis Pohlhaus, a distinguished veteran of the American civil rights movement, died on July 29

at the age of 63.

A Baltimore native, Mr. Pohlhaus served as legal counsel for the Washington bureau of the National Association for the Advancement of Colored People from 1954 until his retirement earlier this year. Throughout his career, Mr. Pohlhaus was a steadfast and effective advocate for civil rights for all Americans, and played a key role in the passage of every major piece of civil rights legislation during the critical years of the 1950's and 1960's.

Mr. Pohlhaus retired from the NAACP in March of this year, but he had great difficulty separating himself from the issues to which he had devoted so much energy and compassion over the years. Characteristically, on the day of his death, he attended the House Judiciary Committee markup of a bill to extend the 1965 Voting Rights Act. This was no surprise to those who knew J. Francis Pohlhaus. For, as Joe Rauh has written, Frank Pohlhaus' "devotion to the cause was not for a day or a year or even a decade, but for all time."

At the funeral services held in late July, Clarence Mitchell, former director of the NAACP Washington office and Frank Pohliaus' boss, colleague, and friend, delivered a moving eulogy. More recently, Mr. Mitchell wrote a tribute to Mr. Pohlhaus which appeared in the August 9 edition of the Baltimore Sun. I commend it to the attention of my colleagues and ask unanimous consent that

it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Baltimore Sun, Aug. 9, 1981]

A Man of Conviction

(By CLARENCE MITCHELL)

John Francis Pohlhaus was the kind of man who needs no trumpet to call him to action, and active he was for a long time in promoting the cause of racial justice.

He resigned recently from the Washington Bureau of the NAACP where he had served since 1954, but last week he was still carrying out self-assigned tasks for the organization. Then, after a visit to Mrs. Pohlhaus, who was in the hospital following an operation and after making a check on the status of voting rights legislation before the House Judiciary Committee, he died of a heart attack.

Right to the end he was performing as I had known him to serve during the 30 years of our friendship and association. He was a man of deep convictions and great ability. He operated without fanfare and seldom did

he leave unfinished work.

Mr. Pohlbaus' commitment to civil and human rights is a reason for knowing how absurd it is to assume that only blacks care about ending second-class treatment based on race. He came from a highly respected Baltimore family of German and Irish forebears.

After duty in the armed services and some legal work for labor organizations, he decided in the 1950s that he wanted to work for the national NAACP. At that time the NAACP couldn't even afford to hire a lawyer who was willing to work for low pay.

A suggestion was made that Mr. Polhaus could help by getting a job in what was called the civil rights section of the U.S. Department of Justice's criminal division. This was a kind of ste, child in the department and its functions were severely restricted. Nevertheless, he took a job there and served with a high performance record.

with a high performance record.

After a few years in the department he joined the NAACP staff. From 1934 to the time of his death, he was an important member of the Bureau's civil rights team keeping a close watch on legislation and working to improve racial policies in all functions of the federal

rovernment

One of his assets was the ability to detect potential problems in the sometimes innocent-sounding language offered by opponents to amend civil rights bills or regulations. He spent a great deal of time in specialized law libraries of the executive branch and the U.S. Supreme Court.

The books and records in his own office were always arranged with precision. If he was asked a question that could be given an exact answer from them, he could find it in minutes. At the national conventions of the NAACP he would spend hours helping to polish the language of resolutions that would be the organization's policy guidelines in the year ahead.

Problems of the poor and sick weighed heavily on his mind. In his home the spirit of caring for fellow humans was frequently reflected by his wife, his four daughters and

his son.

During the riots that seared Washington in 1968 there were many arrests of blacks who had the misfortune to be in harm's way when curfews went into effect or the police made a dragnet type of sweep. Mr. Pohlhaus worked many hours to free those who were imprisoned although they were not guilty of any wrongdoing.

As a devout Catholic, he served on the school board of the Washington Archdiocese for a time. As controversy over abortions mounted he was increasingly troubled by attempts of bigots to use this as a vehicle for curbing social reforms in other areas. For him human life was to be protected both before and after birth.

Perhaps the most poignant evidence of his desire to promote interracial justice and good will came from a legacy he left for Howard University. There was no coffin at the mass for him in St. Francis DeSales Church. At his wish the family had given his body to the university's medical school.

MARKING THE BICENTENNIAL OF WASHINGTON COLLEGE IN CHES-TERTOWN, MD.

Mr. MATHIAS. Mr. President, I send to the desk a resolution to mark the bicentennial of Washington College in Chestertown, Md. I ask unanimous consent that it be held at the desk.

The PRESIDING OFFICER (Mr. COHEN). Without objection, it is so

ordered.

The resolution reads as follows:

S. RES. 206

Whereas Washington College is the first chartered college in the State of Maryland and the tenth chartered college in the United States, and

Whereas the Maryland Provincial Assembly did authorize the establishment of the Kent

County Free School by law in 1723, creating the visitors to supervise and operate such school, and

Whereas the Reverend Doctor William Smith, noted educator and clergyman, did become master of the Kent County School in 1780, and

Whereas by his energy and dedication did succeed in advancing the stature of that school thereby causing its student body to increase in numbers to such a degree that he encouraged the visitors of the Kent County School to petition the Maryland General Assembly to grant a collegiate charter to the Kent County School, and

to the Kent County School, and
Whereas General George Washington, Commander in Chief of the American Army, from
his headquarters in Newburgh, New York,
did give his consent to name the new seminary of learning Washington College, and

Whereas the Maryland General Assembly, on May 24, 1782, did enact legislation granting a charter to the visitors of the Kent County School, in the name of Washington College, in honorable and perpetual memory of His Excellency General George Washington, the illustrious and virtuous Commander in Chief of the Armies of the United States, and

Whereas George Washington did contribute the sum of fifty guineas as an earnest of his wishes for the prosperity of the seminary,

Whereas George Washington did visit the college in 1784 at which time he signed his name as a visitor and governor of the college and in 1789 did accept the honorary degree of doctor of laws conferred upon him by the college, and

by the college, and
Whereas the college during its long history
has been proud to bear the name of the

founder of this country, and

Whereas through the years the college has prepared many men and women who later distinguished themselves in government, the ministry, business, law, medicine and education, and

Whereas three Presidents of the United States in addition to George Washington have honored the college with visits to the campus, namely Franklin Delano Roosevelt, Harry S. Truman, and Dwight D. Eisenhower, and

Whereas numerous Governors, Senators, and Representatives of Congress have similarly honored the college, and

Whereas the visitors and governors of Washington College will set aside the academic year 1981-1982 to commemorate their two centuries of service to the State and Nation: Now, therefore, be it

Resolved, That this body pay tribute to Washington College and congratulate the visitors and governors, the president and administration, the faculty and students, the alumni and all friends of the college for their long, devoted, and faithful commitment to excellence in American higher education.

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELECTING TERRENCE E. SAUVAIN AS SECRETARY FOR THE MINOR-ITY OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution which I have cleared with the distinguished majority leader. I ask unanimous consent that it be stated by the clerk and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the resolution by title.

The legislative clerk read as follows: A resolution (S. Res. 205) electing Terrence E. Sauvain as secretary for the minority of the Senate.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the resolution.

The question is on agreeing to the resolution.

The resolution (S. Res. 205) was agreed to, as follows:

Resolved, That Terrence E. Sauvain be and he is hereby elected Secretary for the Minority of the Senate, effective September 1,

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, assuming the position that I exercised for a very long time. I move to lay that motion on

The motion to lay on the table was agreed to.

Mr. BAKER, Mr. President, there are at least two other unanimous-consent requests that are in the clearing process. I believe we have not completed that process, but I expect to be able to make that further request shortly.

In the meantime, Mr. President, I understand the Senators from Virginia have a matter they wish to address in morning business. I am prepared to yield the floor.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk

will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. Presjdent, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without

objection, it is so ordered.

THE 200TH ANNIVERSARY OF THE BRITISH SURRENDER AT YORK-

Mr. HARRY F. BYRD, JR. Mr. President, on October 19, 1981, our Nation will celebrate the 200th anniversary of the surrender of the British Army to the American military forces led by Gen. George Washington. The event took place at Yorktown, Va., in York County, Va. There will be a commemorative ceremony at Yorktown on October 19. The President of the United States will be present for that 200th anniversary of that very important date in American history.

My distinguished colleague from Virginia and myself have a resolution which we desire to submit to the Senate and ask that it be appropriately referred.

The resolution expresses the sense of the Congress that the Congress should be operated on that day, on October 19, if it is in session at all, in a manner that would permit all Senators and all Members of the House of Representatives who wish to attend the ceremony at York-town to have the opportun.ty to do so.

On behalf of myself and my colleague (Mr. WARNER), I submit this concurrent resolution and ask that it be appropriately referred. I ask that the concurrent resolution be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the concurrent resolution will be received and appropriately referred.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 31

Whereas October 19, 1981, is the two hundredth anniversary of the surrender at Yorktown, Virginia, of the British Army to the George military forces led by General Washington;

Whereas such date has been designated by law as a Day of National Observance of the Two Hundredth Anniversary of the Surrender of Lord Cornwallis to General George Washington at Yorktown, Virginia; and

Whereas it is appropriate that the Members of the Congress participate in the cele-bration in Yorktown, Virginia, of such Day of National Observance: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring). That it is the sense of the Congress that both Houses of the Congress should be adjourned on October 19, 1981, for purposes of permitting the Members of the Congress to participate in the celebra-tion in Yorktown, Virginia, of the Day of National Observance of the Two Hundredth Anniversary of the Surrender of Lord Cornwallis to General George Washington at Yorktown, Virginia.

Mr. HARRY F. BYRD, JR. I yield to my distinguished colleague WARNER)

Mr. WARNER. Mr. President, I join with my distinguished colleague from Virginia in making this request to the Senate.

History reflects that in 1881 during the centennial of this historic event as well as the sesquicentennial in 1931, the Congress went into recess and many of the Members of the Congress were present, at which time the President of the United States addressed the world on this auspicious occasion.

My distinguished colleague was careful to use the words to operate the Senate in such a way to enable those Members who desire to attend can do so. It is our hope that something can be worked out in this vein, recognizing, however, the tremendous workload on the Congress in the coming few weeks.

Mr. HARRY F. BYRD, JR. If the Senator will yield, the resolution suggests that the Congress be in recess that day, but I do not think that is essential so long as the leadership of the Senate and the House will arrange the affairs of the Senate and the House in such a way that Members may get to Yorktown and return without missing votes. That is really what the two Senators from Virginia are seeking to do, to make it possible for Members of Congress, those who can and who wish to do so, to attend this historic event in York County, at Yorktown, Va.

Mr. WARNER. Thank you, Mr. President.

I suggest the absence of a quorum. The PRESIDING OFFICER. clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without

objection, it is so ordered.

THE NATIONAL GUARD: AN ANCIENT AND HONORABLE DEFENSE FORCE

Mr. ROBERT C. BYRD. Mr. President, I am pleased today to join with the Senator from Tennessee (Mr. SASSER), the Senator from Florida (Mr. CHILES), Senator from Montana the (Mr. Baucus), the Senator from Connecticut (Mr. Dopp), the Senator from Arkansas (Mr. PRYOR), the Senator from Colorado (Mr. HART), the Senator from Maine (Mr. MITCHELL), and the Senator from Maryland (Mr. SARBANES) in introducing a joint resolution designating October 7, of each year as National Guard

Long before our War of Independence, an American fighting man, unique in character, began to emerge in the form of the citizen-soldiers of today known as the National Guard.

English in origin, the Guard can trace its ancestry to the Trainbands of the day of Alfred the Great, the Anglo-Saxon King of Wessex, England, in the ninth century, which guarded the communi-ties, lands, and boundaries of the kingdom. During our early colonial days, it was beholden to our citizens to band together, to arm themselves, to fight marauders, wild animals, and to assist one another in times of disasters.

As a legal and actual instrument the National Guard was founded on October 7, 1636, when the General Court of the Massachusetts Bay Colony ordered its loosely gathered militia units to be officially incorporated into a regiment.

With the incorporation of these militia elements into the first citizen regiment formed on the North American continent for colonial defense and security, a long and honorable tradition of service was launched.

The tradition of the U.S. military service itself had its origins in the trained bands of militiamen protecting the wilderness perimeters and safeguarding movements along the trails, roadways, and waterways as the seeds of the new nation began to grow. From the militia came the volunteer forces which produced the rough and rugged Continental Army that endured frigid nights, fought and finally won, our independence from England. The legends of Bunker Hill, Valley Forge, Yorktown, are the splendid heritages of the militia from whose valor in those historic conflicts emerged our Nation.

Many years after the Revolution, in 1824, the beloved hero of the great war, the Marquis de Lafayette, of France, was invited to the United States. The former Revolutionary War general, and friend of our First President, was escorted by the 7th Regiment of the New York State Militia. He popularized the term "Guarde Nationale" by applying it to all of the organized militia in America. New York, by statute, adopted the term during the Civil War; and with the founding of the National Guard Association of the United States in 1878, the organized militia of the various States became the National Guard as the country's official Reserve Force, to be equipped by the Federal Government, but to remain under State control. The National Defense Act of 1916 subjected the National Guard to a Federal

In World War I, the National Guard units were absorbed into the regular armed forces, and with the establishment of the U.S. Air Force in 1947, the Air National Guard became a separate institution. Today, the Army National Guard (ARNG) and the Air National Guard (ANG) are the only components of the U.S. force which are authorized by the law with a dual mission—that is, a Federal mission and a State mission. The National Guard is now required to fight when, where, and as well as the

Regulars.

It is safe to say that our Nation would not exist as it is today were it not for the night and day protection of our National Guard units. The Guard has become a force unique unto itself due to its State and Federal character. Ever ready to aid citizens in need of assistance when disaster strikes and ready to serve on the battlefields in time of war, the National Guard has earned the respect and the confidence of the American people.

I vividly recall the spring of 1977, when the southwestern portion of West Virginia was inundated in one of the worst floods of my State's history. On April 3 through April 5 the heaviest rains of the season fell on the mountainous regions of southwestern Virginia, eastern Kentucky, and southern West Virginia. Among the worst flooding occurred along the Tug Fork River separating West Virginia from Kentucky. Many towns and villages in the valley through which the waters of the Tug rampaged were inundated and destroyed. The Tug crested at 54 feet. The severity of the water damage was compounded by heavy winds which gusted over 60 miles per hour. On April 5, the Charleston Daily Mail headlined a story on the flood as "Flooding as the worst in the State's history." In the opinion of eyewitnesses, there has never been devastation in the State to compare with that of the April flooding along the Tug. Basic services were completely eliminated, communications were nonexistent, and the Appalachian Power Co.'s main power station serving the Tug Fork Valley was under water. Natural gas service was disrupted and water supplies contaminated; 8,600 private dwellings were affected, many completely destroyed, and 2,000 families had to be evacuated. President Carter declared a 10-county area of southern West Virginia a major disaster area. Local emergency services were powerless in the face of such widespread devastation. The loss of dollars was in

the millions. The loss of lives from the flood was none. This miracle can be attributed to the timely arrival, to the courage, to the endurance, and to the skill of the volunteer army of men and women who labored around the clock during that awful time, the State's National Guard.

In sequence, it can be noted that announcements of heavy rains were made public on April 2, 1977, flood warnings went out by the morning of April 4, and by night, the West Virginia National Guard had moved into the flooded counties. The Guard immediately established a command post, and set up "Operation Downpour." Amphibious crews rescued people from rooftops, dangerous debris was diverted from damaging paths, potable water supplied, power generated, and the intricate cleanup accomplished as the waters subsided. The West Virginia National Guard was cited for its efficiency and bravery during that operation.

Other disasters throughout the land have earned the Guard national immortality-the Johnstown flood, the Texas City explosion, Hurricanes Camille and Agnes, the Teamsters' truck strike when 9,052 Guardsmen moved interstate traffic, the tornado in Xenia, Ohio, the paralyzing snowstorm in Massachusetts, the refugee crisis in Key West, Fla. The list goes on.

In fiscal year 1980, the Governors of the States found it necessary to call on the Guard to perform State emergency duty on 469 occasions in 47 States and territories. These State emergencies required the services of 30,000 National Guard soldiers and airmen and 203,000 man-days of service. These minimobilizations tested the troops' leadership under circumstances of strain, thus improving the capability of the units under pressure.

Since 1970, the National Guard has been fully committed to its role as an important element of the total force. Since the end of the draft following the war in Vietnam, U.S. national strategy has been based upon reliance on the National Guard as part of the force which would immediately expand the Army and Air Force to war fighting strength. In some operational areas, the National Guard represents from 40 to 50 percent of the total U.S. military strength for a given mission in the early days of a national emergency.

Under a total force policy, the units of the National Guard have been assigned significant roles and missions in our Nation's war plans-so significant that the Army and Air Force cannot reasonably be expected to conduct a conventional war successfully unless the National Guard can perform its wartime mission when and where required.

The production of combat readiness in the National Guard requires the same essential ingredients as does production of combat readiness in the Active Forces. There must be an adequate number of trained soldiers and airmen.

It is important to note that the Army's training base cannot begin to produce trained soldiers until about 7 months after conscription begins. The wartime strength requirement for the Army National Guard must be considthe peacetime strength requirement. With this awesome responsibility assigned to the National Guard, with the efforts of the administration to build up our defenses, and at the same time to balance the budget, it is pertinent to emphasize the importance that the National Guard plays in our national de-

On October 7, the National Guard will be 345 years old. It is only fitting that this date should be set aside for commemoration as National Guard Day. By declaring October 7 to be National Guard Day, the unique nature and important mission of the National Guard would be brought to the attention of the American people.

Through such recognition, and in anticipation of the range of publicity which the event would generate at the grassroots level throughout the land, it will be possible to further demonstrate the vital role of the Army and Air National Guard, to maintain the support which the Guard gets from the community, and to sustain and enhance the range of understanding essential to the recruiting and retention efforts. These are of paramount importance at this juncture in the Nation's history, when the Guard must be manned, equipped, and trained to be ready—in the best tradition of the Minutemen-to take its place alongside the active forces in the event that this Nation's security is challenged, anywhere in the world.

In recognition of the significance of

the National Guard both to our State and to Federal authorities, I am pleased to join my colleague, Mr. Sasser, in proposing that October 7 of each year be proclaimed as National Guard Day.

Mr. President, I send to the desk a joint resolution, ask that it be appropriately referred, and I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 107

Whereas the First Militia Regiment of the Massachusetts Bay Colony was organized three hundred and forty-five years ago as the first step toward citizen self-defense and the beginning of our National Guard, the oldest military organization in the United States; and

Whereas the past three centuries have witnessed the unflagging spirit shown by the citizen-soldier-a willingness to leave home and serve the Nation when need arises; and

Whereas the National Guard and its antecedents have served with distinction in every major military conflict involving the United States, from the earliest of colonial times through the Vietnam conflict;

Whereas the National Guard is equally ready to serve when disaster strikes at home; Whereas the National Guard continues to serve as the major reserve military force for the Regular Army and Air Force;

Whereas the National Guard currently consists of approximately four hundred and eighty thousand volunteer soldiers and airmen organized into approximately four thousand five hundred military units located in the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam and the Virgin Islands; and

Whereas the people of the United States owe a debt of gratitude to the citizen soldiers and airmen of the National Guard for their past and continuing contributions to the security of the United States:

Now, therefore, be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate October 7 of each year (commencing with the year 1981) as "National Guard Day," and to call upon Federal, State, and local government agencies and the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

THE NATIONAL GUARD: ESSENTIAL TO OUR

• Mr. SASSER. Mr. President, I am pleased today to join with the distinguished minority leader, Senator ROBERT C. BYRD. in introducing a joint resolution designating October 7, 1981 as National Guard Day.

I believe there is no more immediate need—as we rebuild our Nation's defense posture—than to insure that we have the military personnel necessary to respond to military needs wherever and whenever the situation warrants.

Strong, reliable, well-equipped reserve components in the armed services are a key to meeting these needs.

A first step toward meeting this priority is to mobilize the awareness of the American people of the contribution made by the military's reserve components, especially the National Guard.

As with other colleagues, I am only too aware that most attention these days is focused on other, more highly visible military questions—questions involving massive short and long-term commitments, contingent on the priorities established by the administration and the Congress.

But let us not forget that the men and women in uniform are the heart and soul of America's defense posture. And in this sense, the National Guard and the reserves are an essential element.

In fact, half the Nation's combat power and two-thirds of its support capabilities are maintained in the Reserve components of our armed services.

A recent Defense Department report reminds us that the Ready Reserve now has a strength of about 1,300 000 personnel, with a personnel strength in the National Guard and Reserve of 809,000. "A fact often overlooked in public discussion," the report points out, "is that these units train regularly and comprise a force that is bigger than the active armies of France and West Germany combined."

What about readiness? In 1961, the United States depended largely on the National Guard as it mobilized to meet the threat posed by the Communist bloc during the crisis that surrounded the construction of the infamous Berlin Wall.

But it did take months to complete the mobilization, because of legislation restrictions on the Presidency and because of other considerations. The Presidency was later given greater flexibility by the Congress to mobilize the Guard and the

Because of international requirements, guardsmen are now aware that instant mobilization—requiring them to report to their duty stations within 24 hours of notification—is necessary. I have no doubt that the National Guard is up to the challenge should it arise.

Clearly, we now depend on the National Guard as much as, if not more than ever, before.

This begs the question. If we depend so much on the Guard, just how are they holding up.

Last June, I visited National Guardsmen from Tennessee for 2 days during their encampment at Camp Shelby, Miss. I was impressed by the morale, by the level of commitment and by the professionalism I saw.

It was indeed impressive when you consider the circumstances confronted by the guardsmen. Here they are, expected to be ready for instant mobilization, expected to be away from their families and spouses for long weekends throughout the year, expected to take weeks off during the summer, and expected—at times—to sacrifice their vacations.

Despite all that is expected of them, despite the importance of the National Guard's role in our defense posture, and despite the sacrifices we ask them to make, we do not really make enlistment in the Guard, nor staying in the Guard, all that attractive.

The same goes for employers of guardsmen. The employer has to juggle work schedules, vacation schedules and other personnel considerations in order to allow the guardsman to do his elected duty.

I have tried to address some of these problems in legislation I introduced earlier this year. A series of bills—S. 713, S. 714, and S. 715—would: Provide a refundable tax credit to employers who pay an employee who is off on training; increase the eligibility of those in the National Guard and in the Reserves for education grants, and; establish early retirement incentives for members of the Guard and the Reserves.

The key to all of these proposals is to attract and keep trained personnel in the Guard and in the Reserves, and to make such service less of a burden on employers. I hope all of these measures will be addressed some time during the 97th Congress.

For today, however, I want to put the emphasis on the first step we have to take in strengthening the National Guard and in doing so, our overall defense posture, and that is to set aside just 1 day of recognition—October 7—so that more Americans will realize just how important to America our National Guard is.

(By request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD:)

 Mr. CHILES. Mr. President, I strongly support and am pleased to be a cosponsor of the resolution being introduced today to designate October 7 as National Guard Day.

S'nce the Guard was first established in 1638, as a cit'zens' m'litia to protect the Massachusetts Bay Colony, the National Guard has remained the backbone

of America's defense in reserve. These citizen-soldiers are the first to be called to active duty by the President in times of national emergency. The men and women of the Guard devote much of their free time—one weekend every month and 2 weeks of active duty each year—to keeping themselves in a constant state of military readiness.

I might point out that the National Guard is unique in that it serves a dual role. The guardsmen are not only subject to activation by the President, but they are also on call by the Governor for emergency duty when disaster strikes the'r State.

The Florida National Guard was established in 1778, and was then known as the Florida Rangers. Florida now has 87 Army National Guard units and 1 Air National Guard group.

I had the opportunity twice last year to see firsthand how efficiently and effectively the guardsmen performed their assignments when called to emergency duty. In Miami during the Liberty City riots, I watched as the guardsmen parolled the streets maintaining order. Again in Miami and on the Forida Keys, I observed how helpful the Guard personnel were during the influx of refugees from Cuba. Everywhere I went, I found the guardsmen to be cooperative and courteous, as they went about their duties. The superb training these individuals receive was evident.

This was not the first time I had come into contact with the work of our National Guard. From time to time in the past I have been present when the Florida Guardsmen have been called out to help when hurricanes hit or disaster strikes.

Some of the special accomplishments of the Florida National Guard over the past 2 years include:

June 1979, 1,100 Guard members were called to duty for 9 days during the Florida trucker's strike.

September 1979, 309 Guard members were called to duty for 4 days to help maintain order after Hurricane David.

April 1980, 24 Guard members were on emergency duty for 11 days when boatloads of Haitian refugees landed in southern Florida.

May 1980, 1,414 Guard members were again called upon to serve for 16 days to assist with the tremendous influx of refugees coming into southern Florida from Mariel Cuba.

In May 1980, 3,979 National Guard personnel were called up for emergency duty for 10 days to maintain order in the Liberty City civil disturbances.

Florida is fortunate to have men and women of such high caliber serving in the National Guard. We should be thankful for the fact that the Guard is always alert and ready to help in times of national emergency, natural disasters, civil disturbances, and to participate in search and rescue missions. I think it is appropriate that Congress pass a resolution setting aside a day to pay honor to the brave members of our National Guard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the names of Senators Chiles, Baucus, Dodd, Pryor, Hart, Mitchell, and Sarbanes

be included as cosponsors of the joint resolution which has been jointly introduced by Mr. SASSER and myself.

The PRESIDING OFFICER. Without objection it is so ordered

Mr. ROBERT C. BYRD. Mr. President. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk

will call the roll.

The bill clerk proceeded to call the

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GOLD COMMISSION

Mr. HELMS. Mr. President, a little over a year ago, the Senate adopted an amendment to the bill authorizing funds for the International Monetary Fund. The amendment established a commission to "study and make recommendations" concerning the role of gold in the domestic and international monetary systems.

I offered that amendment to the IMF bill, Mr. President, because of the deep monetary dilemma facing our Nation then and, to an even greater extent, now, For too long, we have sacrificed prosperity to inflation. We have allowed Government and politicians to corrupt our currency and with it the ability of the economy to grow and our people to prosper.

Why have a Gold Commission? Good question. The answer is simple. Because the monetary role of gold has been given short shrift by recent administrations.

Politicians and economists claimed they need and want only "flexibility" in monetary matters, but that socalled flexibility has only led to more and more inflation. A new gold standard is an option that must be considered.

The House of Representatives also adopted an identical amendment offered by Congressman Ron Paul, and President Carter signed the bill into law on October 7, 1980.

As the Chair will recall, since the elections were imminent, then Secretary of the Treasury, William Miller, did not move to appoint members of the Commission, and since the Republican candidate won the election, it was decided to leave the appointments to the next Secretary.

It can be argued that Secretary Regan did not act as fast as he should have in appointing the Commission members, but the law required him to appoint Federal officials, including two members of the Council of Economic Advisors, and their appointment to the CEA had to be approved by Congress.

A key problem that faces us now, is that Congress intended the Commission to have a year from the date of enactment of Public Law 96-389-October 7. 1980-to do its job. Unfortunately, the Commission did not have its first meeting until July 16 of this year.

I propose that the Commission be given a year, and that it be required to submit its report by June 30, 1982.

A second problem arose with regard to the appointment of members of the Commission. The bill calls for "one majority and one minority member each from first, the Joint Economic Committee of the Congress; second, the Committee on Banking, Housing, and Urban Affairs of the Senate; and third, the Committee on Banking, Finance and Urban Affairs of the House of Representatives."

I think, I am reasonably certain, that everyone expected that this would mean that there would be three Members of the House of Representatives and three Senators: a Senator and a Member of the House from the Joint Economic Committee-one Republican and one Demo-

crat from each committee.

But, early this year, the Speaker appointed four Members of the House: A Republican and a Democrat from the Banking Committee, one Republican and one Democrat from the Joint Economic Committee. The Senate appointed a Republican and a Democrat from the Banking Committee and a Republican from Joint Economic Committee. This leaves the Commission with an imbalance and at the last meeting of the Commission, Congressman Henry Reuss pointed it out. I understand that he said that if the report of the Commission rested on the vote of the extra member appointed from the House, he would feel obliged to object.

It seems to me, Mr. President, that no member of the Commission should feel that a vote one way would allow him to remain on the Commission as a voting member, and a vote another way would result in an objection to his being seated.

For this reason, I believe that the law should be amended to require that four members of the Joint Economic Committee be appointed: Two from the House membership on that committee and two from the Senate membership on the com-

A final point, Mr. President, concerns the procedures under which the Commission operates. The Federal Advisory Committee Act of 1972 establishes procedures for such bodies to operate. Unfortunately, a legal opinion of the Treasury Department legal counsel has been issued which states that since the Commission is intended to make recommendations to Congress and not to the President, the Advisory Committee Act is not applicable to the Commission. This technicality meant that certain members of the public were excluded from the last meeting of the Commission. What goes on here?

The exclusion of the public has been questioned by the Wall Street Journal and other important publications. Some observers have speculated that the Treasury Department does not want an open debate on the subject. Reports I have heard from the first meeting indicate that some rather tenuous arguments were heard for keeping the meeting

Mr. President, I think the public's business ought to be conducted publicly. I think the people have a right to know what is going on, except in the most extreme cases of national security.

Mr. President, in the years 1908-10, the congressionally mandated National Monetary Commission studied and made recommendations concerning the monetary system of the United States.

It provided Congress and the President with a 12 volume study, and its hearings and meetings were the subject of widespread public debate and concern. recommendations were Tts finally adopted in 1913 with the passage of the Federal Reserve Act.

We now have a Gold Commission, that has the congressionally mandated responsibility to review and come up with a report concerning the role of gold in our monetary system. It is not a light charge. The condition of our economy is precarious because of the disorder in our monetary system.

In fact, interest rates are higher than they have ever been in our history.

In fact, there is less confidence in our currency today than at any time with the possible exception of the desiruction of the "Continental Dollar" during the War of Independence and the greenback inflation of the Civil War.

In each instance, stability was restored to the currency by the adoption of a monetary standard utilizing gold.

A cursory treatment of the subject would be a disservice to the Nation. A few closed meetings would have the effect of limiting public discussion, and would obviously be viewed as an effort to do just that.

Mr. President, I have consulted with the distinguished Senator from Utah (Mr. GARN) who so ably chairs the Banking Committee. Senator GARN has promised cooperation so we can move expeditiously on this legislation.

Mr. President, I ask unanimous consent that the text of the bill and the following items be printed in the RECORD at the conclusion of my remarks:

A section of the Federal Advisory Committee Act of 1972 concerning the operations of advisory bodies such as the Gold Commission;

An editorial from the August 31, 1981 Wall Street Journal entitled, "A Seri-

ous Gold Debate";
A copy of the section of Public Law 96-389 establishing the Gold Commis-

A copy of my letter to Donald Regan concerning the operations of the Gold Commission and a copy of his response.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1602

Be it enacted by the Senate and House of Representatives of the United Mates of America in Congress assembled, That sec-tion 10(a) of Public Law 96-389 (31 U.S.C. 822a note) is amended by inserting ", to be known as the 'United States Gold Commission'," after "chair a commission". Sec. 2 Section 10(a)(2) of Public Law 96-

389 (31 U.S.C. 822a note) is amended-

(1) by striking out "(A) the Joint Economic Committee of the Congress, (B)" inserting in lieu thereof the following: "the members of the Joint Economic Committee of the Congress appointed by the President of the Senate. (B) the members of the Joint Economic Committee of the Congress appointed by the Speaker of the House of Representatives, (C)"; and

(2) by striking out "(C)" before "the Committee on Banking, Finance and Urban Affairs" and inserting in lieu thereof "(D)". SEC. 3. Section 10(b) of Public Law 96–389 (31 U.S.C. 822a note) is amended—

(1) by inserting "and the President" after "the Congress"; and

(2) by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof "June 30, 1982".

Public Law 92-463, 92nd Congress, H.R. 4383 OCTOBER 6, 1972

An act to authorize the establishment of a system governing the creation and operation of advisory committees in the execu-tive branch of the Federal Government, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Advisory

Committee Act"

ADVISORY COMMITTEE PROCEDURE

SEC. 10. (a) (1) Each advisory committee meeting shall be open to the public.

(2) Except when the President determines otherwise for reasons of national security, timely notice of each such meeting shall be published in the Federal Register, and the Director shall prescribe regulations to provide for other types of public notice to insure that all interested persons are notified of such meeting prior thereto.

(3) Interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Di-

rector may prescribe.

(b) Subject to section 552 of title 5, United States Code, the records, reports, transcripts, minutes, appendixes, working papers, drafts, studies, agenda, or other documents which were made available to or prepared for or by each advisory committee shall be avail-able for public inspection and copying at a single location in the offices of the advisory committee or the agency to which the advisory committee reports until the advisory committee ceases to exist.

(c) Detailed minutes of each meeting of each advisory committee shall be kept and shall contain a record of the persons pres-ent, a complete and accurate description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the advisory committee. The accuracy of all minutes shall be certified to by the chairman of the advisory committee.

- (d) Subsections (a) (1) and (a) (3) of this section shall not apply to any advisory com-mittee meeting which the President, or the head of the agency to which the advisory committee reports, determines is concerned with matters listed in section 552(b) of title 5, United States Code. Any such determina-tion shall be in writing and shall contain the reasons for such determination. If such a determination is made, the advisory committee shall issue a report at least annually setting forth a summary of its activities and such related matters as would be informative to the public consistent with the policy of section 552(b) of title 5. United States
- (e) There shall be designated an officer or employee of the Federal Government to chair or attend each meeting of each advisory committee. The officer or employee so designated is authorized, whenever he determines it to be in the public interest, to adjourn any such meeting. No advisory committee shall conduct any meeting in the absence of that officer or employee.
- (f) Advisory committees shall not hold any meetings except at the call of, or with the advance approval of, a designated officer or employee of the Federal Government, and in the case of advisory committees (other

than Presidential advisory committees), with an agenda approved by such officer or employee.

[From the Wall Street Journal, Aug. 31, 1981] A SERIOUS GOLD DEBATE?

Given the perplexities of the current economic outlook, these columns have several times expressed the hope that the newly formed Gold Commission will conduct a serious look at the possibility of anchoring money creation to gold or some other direct proxy for the general price level. The domestic and international monetary situation has deteriorated, not improved, since our last link with gold was severed only 10 years ago. And gold advocates suggest it is a cure for high interest rates, and given the paucity of alternatives on that front any plausible suggestion ought to be seriously examined.

This week members of the Gold Commis-

sion will take their first step in deciding whether their study will be serious or pro forma. The Treasury informs us that it is polling commission members by telephone on how to respond to requests from this newspaper that the minutes of its initial July 16 meeting be released under the Freedom of Information Act, and that its coming Sept. 18 meeting be open to the public under the Federal Advisory Committee Act

Hobart Rowen, the top economic writer for the Washington Post, wrote the other day that "senior members of the Reagan administration privately imply they are just going through the motions on this commission." A commission just going through the motions will of course want to do so in secret. But if there is to be a serious debate, the public deserves to be informed. We're sure that Mr. Rowen, and for that matter all news writers everywhere, would agree with us that the meetings ought to be open.

As a practical matter, this commission is not going to come up with any once-and-for-all answer. You are not going to get a consensus report from a commission including, to take two examples, Congressmen Ronald Paul, a stalwart advocate of gold, and Congressman Henry Reuss, an implacable

opponent.

So we hope that the commission members will decide to open their meetings without the necessity of testing the laws. If they should decide not to do so, Congress will have the opportunity to review the decision. The commission will have to ask for an extension of its Oct. 6 reporting deadline, and in granting the extension Congress can also specify open meetings to advance the com-mission's fundamental mandate of informing the public on an arcane but important sub-

PUBLIC LAW 96-389-Oct. 7, 1980 ROLE OF GOLD IN INTERNATIONAL MONETARY SYSTEMS

SEC. 10. (a) The Secretary of the Treasury shall establish and chair a commission consisting of-

(1) three members of the Board of Governors of the Federal Reserve System and two members of the Council of Economic Advisors, all of whom shall be designated by the Secretary of the Treasury;

- (2) one majority and one minority member each from (A) the Joint Economic Commit-tee of the Congress, (B) the Committee on Banking, Housing, and Urban Affairs of the Senate, and (C) the Committee on Banking, Finance and Urban Affairs of the House of Representatives, who shall be designated by the Speaker of the House of Representatives and the President of the Senats, respectively, upon the recommendations of the majority and minority leaders of the respective Houses; and
- (3) four distinguished private citizens with business, finance, or academic backgrounds who shall be designated by the Secretary.

(b) The commission shall conduct a study to assess and make recommendations with regard to the policy of the United States Government concerning the role of gold in domestic and international monetary systems, and shall transmit to the Congress a report containing its findings and recom-mendations not later than one year after the date of enactment of this Act

(c) Sums appropriated pursuant to section 5 of Public Law 95-612 shall be available to the commission to carry out its functions.

U.S. SENATE, Washington, D.C., July 16, 1981.

Hon. DONALD REGAN. Secretary of the Treasury, Washington, D.C.

DEAR DON: I understand that the Gold Commission established pursuant to an amendment I proposed and the Senate adopted on June 6, 1980, has met and is concerned that there is insufficient time for the Commission to do its job.

Let me pledge to you that I will do all I can legislatively to extend the date on which the Commission is to report. I believe that a year from the date the Commission was organized, which I understand was in June of this year, would be appropriate. In drafting the initial amendment to read, "one year from the date of enactment," it was certainly my intention to allow the Commission that much time to develop a thorough report.

I am also concerned that the Commission may not be in conformance with P.L. 92-463. The Federal Advisory Committee Act of 1972, and it would be my intention that the date extension legislation contain a specific directive concerning that act.

In addition, I would certainly appreciate your views as to whether that legislation should contain strictures concerning the submission date for the Commission report.

I hope this expression of my views and intent assists the Commission in its discus-

sion of procedural matters.
With best personal regards.

Sincerely,

JESSE HELMS.

THE SECRETARY OF THE TREASURY, Washington, D.C., August 10, 1981. Hon. JESSE HELMS. U.S. Senate.

Washington, D.C.

DEAR JESSE: Thank you for your letter on the Gold Commission.

I appreciate your support for the view that the Commission will need more time than permitted by the present October 7 due date if it is to do a thorough job. The Commission will discuss this further at its next meeting, scheduled for September 18, and attempt to reach a consensus view on an appropriate extension. I expect that the Commission will rely heavily on the advice of the Congressional members in this matter. I do think it is desirable for the Commission to set a firm deadline for submission of its report to Congress.

As to the present applicability of the Federal Advisory Committee Act to the Gold Commission, I have asked that a Treasury legal memorandum on this question be prepared for consideration by the Commission. In any event, I expect that the Commission will adopt realistic and efficient operating procedures consistent with its important

I believe that after the next Commission meeting, when these procedural matters are discussed, with the benefit of your views, we can better determine the nature and timing of any further legislation that may be required with respect to the Commission.

With best wishes.

Sincerely.

DONALD T. REGAN.

Mr. HELMS. I thank the Chair and I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Gor-TON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without

objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE AD-JOURNMENT

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on August 6, August 11, August 18, August 19, August 28, September 4, and September 8, 1981, received messages from the President of the United States, transmitting sundry nominations and two treaties; which were referred to the appropriate com-

(The nominations received on August 11, August 18, August 19, August 28, September 4, and September 8, 1981, are printed at the end of the Senate proceedings.)

LOAN GUARANTEE FOR THE OIL SHALE CORPORATION-MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT-PM

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate, on August 25, 1981, received the following message from the President of the United States, together with accompanying documents; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

The Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.), as amended, provides that loan guarantees in excess of \$38 million be transmitted to the Congress for its review.

The Department of Energy has negotiated a loan guarantee commitment agreement, identified as Synthetic Fuel Action 1981-1, with The Oil Shale Corporation in the amount of \$1.112 billion for its participation in the Colony Project pursuant to the authority of Section 305 of the Defense Production Act. I am pleased to transmit for review:

1. an Executive Summary of the trans-

Major Terms and Conditions

3. the loan guarantee transaction documents; and

4. the Operating Agreement between The Oil Shale Corporation and Exxon Corporation for the Colony Project.

RONALD REAGAN.

THE WHITE HOUSE, August 25, 1981.

PRELIMINARY REPORT ON IMPACT OF NEW MILITARY CONSTRUC-TION ON COMMUNITIES-MES-SAGE FROM THE PRESIDENT RE-CEIVED DURING THE ADJOURN-MENT-PM 70

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on August 28, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Armed Services:

To the Congress of the United States: Section 803(b) of the Military Construction Authorization Act, 1981 (P.L. 96-418) called for "a thorough study of the adverse impact on communities in areas in which major, new military facilities are constructed with a view to determining the most effective and practicable means of promptly mitigating such impact." On March 23, 1981, I submitted a preliminary report on this study which has been conducted by an interagency task force of the Economic Adjustment Committee. At that time, I indicated that additional portions of the study were underway and would be reflected in a final report which would be forwarded to the Congress as early as practicable. I am herewith submitting the final report of this study.

The final report augments the preliminary report by including further analysis of the ability of communities to absorb growth; analyzing an additional budgeting and organizational alternative; and updating information on existing Federal assistance programs to reflect the Administration's budgetary

revisions.

The report examines various organizational and budgeting mechanisms for providing assistance to communities impacted by the nearby construction of major, new military bases. The report concludes that, with rare exceptions, local and State resources and normal Federal domestic agency assistance should be used to provide public facilities and services supporting military bases. Special Federal assistance should only be warranted in highly unusual circumstances where a sudden population influx and the resulting demand for public services from a major, new military base could overwhelm State-local fiscal capacities and impede achievement of critical national security objectives, As the report states, the need for any special Federal assistance must be evaluated on a case-by-case basis.

In those rare circumstances where special Federal assistance would be warranted, we will want to attain a high degree of responsiveness to State and local concerns together with sufficient accountability and control of Federal funds associated with critical national security projects. In this regard, the Special Impact Assistance alternative appears to be a promising approach. However, the selection of the preferred

organizational and budgetary mechanism will depend upon the particular circumstances in each case. I will look to the Secretary of Defense and the Director of the Office of Management and Budget, in consultation with affected States and communities, to advise me in this regard. I will request additional statutory authority when it is required.

I have been gratified by the excellent cooperation among all levels of Government in the preparation of this study. We intend to continue working closely with affected States and communities to reach satisfactory outcomes on national security projects which affect their interests.

RONALD REAGAN. THE WHITE HOUSE, August 28, 1981.

REPORT ON FEDERAL PAY COMPARABILITY ALTERNATIVE PLAN-MESSAGE FROM THE PRES-IDENT RECEIVED DURING THE ADJOURNMENT-PM 71

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on August 31, 1981, received the following message from the President of the United States, together with accompanying documents; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States: Under the Pay Comparability Act of

1970, an adjustment in Federal white collar pay will be required in October, 1981.

That Act requires that calculations be made annually of the adjustments that would be required in Federal statutory pay systems to achieve comparability with private sector pay for the same levels of work. My pay advisers have made those calculations and indicated that an average 15.1 percent increase would be required to achieve comparability as the concept and process were defined in the Pay Comparability Act of

While I fully support the comparability principle as the best basis for determining Federal pay, I believe that significant changes are required in the way that principle is currently defined and implemented. Therefore, last March we transmitted to the Congress proposed legislation to revise and strengthen the comparability process. At that time, we estimated that the revised process would result in an average increase in Federal pay of 4.8 percent in October, 1981.

The reform proposal has not yet been acted upon in Congress, but in accordance with our economic recovery program, the Congress included in the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) a provision which limits this October's Federal white collar pay adjustment to the same 4.8 percent. Accordingly, I am submitting to the Congress an alternative plan which would implement that limitation on Federal white collar increases.

Current law provides that the annual

increase for the military be the same as the average Federal white collar increase. This year, however, the Congress is expected to provide for a larger military pay increase as a part of the Defense Authorization Act for FY 82. The larger increases proposed under that legislation will supersede the increases that military personnel would otherwise receive under the alternative plan.

RONALD REAGAN.
THE WHITE HOUSE, August 31, 1981.

CONVERSION OF CERTAIN POSI-TIONS TO MERIT PAY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT—PM

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on September 1, 1981, received the following message from the President of the United States, together with accompanying documents; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

Supervisors and management officials in GS-13, 14, and 15 positions throughout the Federal Government will be converted to merit pay this October as required by Chapter 54, Title 5, U.S. Code, unless otherwise excluded by law.

Upon proper applications from the heads of affected agencies and upon the recommendation of the Director of the Office of Personnel Management, I have, pursuant to 5 U.S.C. § 5401(b)(2)(B), excluded 44 agencies and units of agencies from coverage under the Merit Pay System on account of size and efficiency, emergency conditions, and comity with the Legislative and Judicial branches.

Attached is my report describing the agency or unit to be excluded and the reasons therefor.

RONALD REAGAN.
THE WHITE HOUSE, September 1, 1981.

ANNUAL REPORT ON THE STATUS
OF THE NATIONAL WILDERNESS
PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT
RECEIVED DURING THE ADJOURNMENT—PM 73

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on September 4, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:
In accordance with the Wilderness Act of 1964 (Public Law 88-577), I herewith transmit the Seventeenth Annual Report on the status of the National Wilderness Preservation System for the calendar year 1980. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, September 4, 1981.

increase for the military be the same as the average Federal white collar increase. This year, however, the Congress is expected to provide for a larger military pay increase as a part of the Defense

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on September 4, 1981, received the following message from the President of the United States, together with the accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States: In accordance with Section 13 of the Rehabilitation Act of 1973, as amended, I hereby transmit the Annual Report of the Rehabilitation Services Administration for Fiscal Year 1980 as submitted by the Secretary of Education. The period covered by this report precedes my term of office.

RONALD REAGAN. THE WHITE HOUSE, September 4, 1981.

ANNUAL REPORT ON MINE SAFETY AND HEALTH ACTIVITIES—MES-SAGE FROM THE PRESIDENT RE-CEIVED DURING THE ADJOURN-MENT—PM 75

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on September 4, 1981, received a message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States: In accordance with Section 511(a) of the Federal Mine Safety and Health Act of 1977, as amended (30 U.S.C. 958(a)), I transmit herewith the fiscal year 1979 annual report on mine safety and health activities during the previous administration as submitted by the Secretary of Lahor.

RONALD REAGAN. THE WHITE HOUSE, September 4, 1981.

MESSAGES FROM THE HOUSE RE-CEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on August 4, 1981, received a message from the House of Representatives which announced that the House insists upon its amendments to the bill (S, 304) to establish a national tourism policy and an independent Government agency to carry out the national tourism policy; disagreed to by the Senate, agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and has appointed Mr. Dingell, Mr. Florio, and Mr. Broyhill as managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amend-

ments of the House to the bill (S. 694) to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and for research, development, test, and evaluation, to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4242) to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes.

The message also announced that the House has passed the following bills, without amendment:

S. 547. An act to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon; and

S. 875. An act to authorize the generation of electrical power at Palo Verde Irrigation District Diversion Dam, California.

The message further announced that the House has agreed to the following concurrent resolutions, without amendment:

S. Con. Res. 27. A concurrent resolution providing for an adjournment of the Senate from August 3, 1981, to September 9, 1981, and an adjournment of the House from August 4, 1981, to September 9, 1981; and

S. Con. Res. 30. A concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 4242.

The message also announced that pursuant to the provisions of title 22, United States Code, section 276a-1, as amended by Public Law 95-45, the Speaker appointed as members of the delegation to attend the Conference of the Interparliamentary Union to be held in Havana, Cuba, September 15-23, 1981, the following Members on the part of the House: Mr. de La Garza (chairman), Mr. Derwinski (vice chairman), Mr. Biaggi, Mr. Danielson, Mr. Bowen, Mr. Levitas, Mr. Lantos, Mr. Won Pat, Mr. McClory, Mr. Erlenborn, Mr. Butler, and Mr. Erdahl.

The message further announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 4121. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1982, and for other purposes; and

H.J. Res. 263. Joint resolution to designate May 6, 1982, as "National Recognition Day for Nurses." ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 640. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to extend the authority of the Mayor to accept certain interim loans from the United States and to extend the authority of the Secretary of the

S. 1278. An act entitled the "Saccharin Study and Labeling Act Amendment of 1981";

H.R. 1100. An act to amend title 38, United States Code, to improve certain benefit programs of the Veterans' Administration for veterans who are former prisoners of war, and for other purposes;

S.J. Res. 64. Joint resolution designating August 31, 1981, as "National Blinded Vet-

erans Recognition Day"; and
H.J. Res. 141. Joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 4, 1981, through October 10, 1981, as "National Schoolbus Safety Week."

Under the authority of the order of the Senate of August 3, 1981, the enrolled bills and joint resolutions were signed by the President pro tempore (Mr. Thurmond) on August 5, 1981.

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on August 5, 1981, received a message from the House of Representatives announcing that the House has passed the following joint resolution, without amendment:

S.J. Res. 87. Joint resolution to authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day."

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

S. 547. An act to enable the Secretary of the Interior to erect permanent improve-ments on land acquired for the Confederated Tribes of Siletz Indians of Oregon;

S. 694. An act to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation to increase the authorized personnel end strengths for military and civilian personnel of the Department of the Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes; and

S. 875. An act to authorize the generation of electrical power at Palo Verde Irrigation

District Diversion Dam, Calif.

Under the authority of the order of the Senate of August 3, 1981, the enrolled bills were signed by the President protempore (Mr. Thurmond) on August 5, 1981

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on August 7, 1981, received a message from the House of Representatves announcing that the House has passed the following bills, and joint resolution, in which it requests the concurrence of the Senate:

H.R. 772. An act to provide for the retention of the name of Mount McKinley; H.R. 1946. An act to reinstate and validate

U.S. oil and gas leases numbered OCS-P-0218 and OCS-P-0226; and

H.J. Res. 207. Joint resolution to require the Secretary of the Interior to place a plaque at the U.S. Marine Corps War Memorial honoring Joseph Rosenthal, photographer of the scene depicted by the memorial.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Under the authority of the order of the Senate of August 3, 1981, the Secretary of the Senate on August 11, 1981, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills and joint resolution:

H.R. 3982. An act to provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for fiscal year 1982;

H.R. 4242. An act to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other pur-

poses; and S.J. Res. 87. Joint resolution to authorize and request the President to authorize September 13, 1981, as "Commodore John Barry Day".

Under the authority of the order of the Senate of August 3, 1981, the enrolled bills and joint resolution were signed by the Vice President on August 12, 1981.

HOUSE BILLS AND JOINT RESOLU-TIONS REFERRED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of August 3, 1981, the following bills and joint resolutions were read twice by unanimous consent, and referred as indicated:

H.R. 772. An act to provide for the retention of the name of Mount McKinley; to the Committee on Energy and Natural Re-

H.R. 1946. An act to reinstate and validate U.S. oil and gas leases numbered OCS-P-0218 and OCS-P-0226; to the Committee on En-

ergy and Natural Resources.
H.R. 4121. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

H.J. Res. 207. Joint resolution to require the Secretary of the Interior to place a plaque at the U.S. Marine Corps War Me-morial honoring Joseph Rosenthal, photog-rapher of the scene depicted by the memorial; to the Committee on Energy and Natural Resources.

H.J. Res. 263. Joint resolution to designate May 6, 1982, as "National Recognition Day for Nurses"; to the Committee on the Judiciary.

MESSAGE FROM THE HOUSE

At 2:02 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to a resolution (H. Res. 206) relative to the death of the Honorable WILLIAM R. COTTER, a Representative from the State of Connecticut.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on August 5, 1981, he had presented to the President of the United States the following enrolled bills and joint resolu-

S. 547. An act to enable the Secretary of Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon;

S. 640. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to extend the authority of the Mayor to accept certain interim loans from the United States and to extend the authority of the Secretary of

the Treasury to make such loans;

S. 694. An act to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes;

S. 875. An act to authorize the generation of electrical power at Palo Verde Irrigation

District Diversion Dam, Calif.;

S. 1278. An act entitled the "Saccharin Study and Labeling Act Amendment of

1981"; and S.J. Res. 64. Joint resolution designating August 13, 1931, as "National Blinded Veterans Recognition Day."

The Secretary reported that on August 12, 1981, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 87. Joint resolution to authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day.'

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1700. A communication from the Deputy Secretary of Agriculture, transmitting, pursuant to law information concerning the use of funds for alcohol fuels loan guarantee program; to the Committee on Agriculture, Nutrition, and Forestry,

EC-1701. A communication from the Acting Assistant Secretary of the Air Force, transmitting, according to law, information regarding a study with respect to converting certain commissary functions at Little Rock Air Force Base, Arkansas, to performance by a private contractor; to the Committee on Armed Services.

EC-1702. A communication from the Acting Assistant Secretary of the Air Force, transmitting, pursuant to law, information concerning a study with respect to converting certain maintenance functions at Shaw Air Force Base, South Carolina, to a private contractor; to the Committee on Armed Services.

EC-1703. A communication from the Assistant Secretary of the Army, transmitting a draft of proposed legislation to extend to 60 days the period over which subsistence expenses may be paid to Government em-ployees evacuated from Iran during Fiscal 1979; to the Committee on Armed Services

EC-1704. A communication from the Assistant Secretary of State, transmitting, pursuant to law, two reports covering certain properties to be transferred to the Republic of Panama in accordance with the Panama Canal Treaty of 1977; to the Committee on Armed Services.

EC-1705. A communication from the Assistant Secretary of the Army, transmitting a draft of proposed legislation to amend title 32, United States Code, to extend the period of time during which all elements of a National Guard unit must complete a training assembly; to the Committee on Armed Services.

EC-1706. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 709 of title 32, United States Code, to provide annual premium pay to technicians who perform duties related to tactical or strategic missions; to the Committee on Armed Services.

EC-1707. A communication from the Assistant Secretary of the Army, transmitting a draft of proposed legislation to amend section 4308(a)(5) of title 10, United States Code, to eliminate the requirement that an individual must be a member of the National Rifle Association in order to be eligible to purchase arms, ammunition, targets, and other supplies and appliances necessary for target practice sold pursuant to that section; to the Committee on Armed Services.

EC-1708. A communication from the Gen-

EC-1708. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to permit persons from foreign countries to receive instruction at the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy, and for other purposes; to the Committee on Armed Services.

EC-1709. A communication from the Dep-

EC-1709, A communication from the Deputy Chief of Naval Materiel, transmitting, pursuant to law, the Department of the Navy's semiannual report of research and development procurement actions of \$50,000 and over; to the Committee on Armed Services

EC-1710. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 5, United States Code, to provide that certain benefits to which employees of the United States stationed in Alaska, Hawaii, Puerto Rico, or a territory or possession of the United States are entitled may be terminated under certain conditions; to the Committee on Armed Services.

EC-1711. A communication from the Assistant Secretary of the Air Force, transmitting, pursuant to law, a study with respect to converting certain maintenance functions at Vandenberg Air Force Base, Calif., to private contractors; to the Committee on Armed Services.

EC-1712. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, listings of Department of Defense contracts negotiated under Section 2304(a) 11 and 2304(a) 16 of Title 10, United States Code, for the first half of fiscal year 1981; to the Committee on Armed Services.

EC-1713. A communication from the Assistant Secretary of Energy, transmitting, pursuant to law, information concerning the delay in reporting on the need for and feasibility of a Federal program of insurance and reinsurance of geothermal reservoirs; to the Committee on Banking, Housing, and Urban Affairs.

EC-1714. A communication from the Assistant Secretary of Energy, transmitting, pursuant to law, information concerning a delay in reporting to Congress on energy self-sufficiency; to the Committee on Banking, Housing, and Urban Affairs.

EC-1715. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "The Effect of the Airline Deregulation Act on the Level of Air Safety"; to the Committee on Commerce, Science, and Transportation.

EC-1716. A communication from the Assistant Secretary of Treasury, transmitting, pursuant to law, a report for 1980 on fishery allocations, permits, and foreign import barriers; to the Committee on Commerce, Science, and Transportation.

EC-1717. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report concerning the administration of the Marine Mammal Protection Act of 1972; to the Committee on Commerce, Science, and Transportation.

EC-1718. A communication from the Secretary of Energy, transmitting, pursuant to law, a report entitled "The Low-Level Radioactive Waste Policy Act"; to the Committee on Energy and Natural Resources.

EC-1719. A communication from the Assistand Secretary of Energy, transmitting, pursuant to law, information concerning the delay in reporting a comprehensive management plan under the Ocean Thermal Energy Conversion Research Development and Demonstration Act; to the Committee on Energy and Natural Resources.

EC-1720. A communication from the Assistant Secretary of Interior transmitting a draft of proposed legislation to amend the Emergency Fund Act; to the Committee on Energy and Natural Resources.

EC-1721. A communication from the Under Secretary of Interior, transmitting, pursuant to law, the Annual Report of the Fiscal Condition of the Government of Guam for the Fifteen Month Period Ended September 30, 1979; to the Committee on Energy and Natural Resources.

EC-1722. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Social Security Annual Report to the Congress for Fiscal Year 1980; to the Committee on Finance.

EC-1723. A communication from the As-

EC-1723. A communication from the Assistant Secretary of Treasury, transmitting, pursuant to law, a report entitled "Report to the Congress Pursuant to Public Law 95-118 on the Development and Utilization of Capital Saving Technology in the Activities of the Multilateral Development Banks"; to the Committee on Foreign Relations.

EC-1724. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, certain international agreements, other than treaties, entered into by the United States; to the Committee on Foreign Relations.

EC-1725. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, certain international agreements, other than treaties, entered into by the United States; to the Committee on Foreign Relations.

EC-1726. A communication from the Fiscal Assistant Secretary of Treasury, transmitting, pursuant to law, the report on Inventory of Nonburchased Foreign Currencies as of March 31, 1981; to the Committee on Foreign Relations.

EC-1727. A communication from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report for one new Privacy Act system of records for the Federal Grain Inspection Service; to the Committee on Governmental Affairs.

EC-1728. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a proposal to establish a new system of records, subject to the Privacy Act of 1974, which would maintain personal information about NASA's employees relating to Occupational Medicine, Environmental Health and

Safety; to the Committee on Governmental Affairs.

EC-1729. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the Semiannual Report of the Energy Conservation Standards for New Buildings Program; to the Committee on Governmental Affairs.

EC-1730. A communication from the Assistant Attorney General, transmitting, pursuant to law, a report concerning the proposed addition of a new routine use to a system of records maintained by the Bureau of Prisons; to the Committee on Governmental Affairs.

EC-1731. A communication from the Deputy Assistant Secretary of Interior, transmitting, pursuant to law, a report concerning a new system of records to be used by the Bureau of Reclamation titled "Inventory and Control of Land Sales Subject to Acreage Limitation, LBR-31"; to the Committee on Governmental Affairs.

EC-1732. A communication from the Assistant Secretary for Health, transmitting, pursuant to law, copies of a report on an altered system of records titled "Office of the Assistant Secretary for Health Correspondence Control System"; to the Committee on Governmental Affairs.

EC-1733. A communication from the Employee Benefits and Risk Manager of the Fourth District Farm Credit Institutions, transmitting, pursuant to law, an amended retirement plan for the Farm Credit Institutions in the Fourth District; to the Committee on Governmental Affairs.

EC-1734. A communication from the Associate Commissioner of the Immigration and Naturalization Service (Examinations), Department of Justice, transmitting, pursuant to law, copies of visa petitions which have been accorded third and sixth preference classification under section 204(d) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1735. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report stating that the Department of Justice will contest a certain point of law because in the view of the Department the law is unconstitutional; to the Committee on the Judiciary.

EC-1736. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of the order suspending the deportation of a certain alien under section 244(a)(2) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1737. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice transmitting, pursuant to law, copies of orders suspending the deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1738. A communication from the Assistant Attorney General (Office of Legislative Affairs), transmitting a draft of proposed legislation to provide for interim designation of United States attorneys and United States marshals by the Attorney General; to the Committee on the Judiclary.

EC-1739. A communication from the Chief Justice of the United States, transmitting, pursuant to law, a copy of the Report of the Proceedings of the Judicial Conference of the United States, held in Washington, D.C. on March 12 and 13, 1981; to the Committee on the Judiciary.

EC-1740. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "A Plan for Continuous Study—Costs of Environment Related Health Effects"; to the Committee on Labor and Human Resources.

EC-1741. A communication from the Secretary of Health and Human Services, trans-

mitting, pursuant to law, the annual report on the National Health Service Corps for 1980; to the Committee on Labor and Human Resources.

EC-1742. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Cooperative Education Program; to the Committee on

Labor and Human Resources.

EC-1743. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Supplemental Funds Program for Cooperative Education; to the Committee on Labor and Human Re-

A communication from the EC-1744. Executive Director of the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research, transmitting, pursuant to law, a report entitled Defining Death"; to the Committee on Labor and Human Resources

EC-1745. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Veterans' Cost-of Instruction Payments Programs; to the Committee on Labor and Human Resources

EC-1746. A communication from the Secretary of Education, transmitting, pursuant to law, a report on Loan Volume/Default Claims Paid By Lender Type for fiscal year 1980; to the Committee on Labor and Human Resources.

EC-1747. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improving Sanitation and Federal Inspection at Slaughter Plants: How To Get Better Results For The Inspection Dollar"; to the Committee on Agriculture, Nutrition,

and Forestry. EC-1748. A communication from the Acting Administrator of the Rural Electrification Administration, transmitting, pursuant to law, notice of a commitment to guarantee a non-REA loan to Tex-La Electric Cooperative of Texas, Inc., for new generation and transmission facilities; to the Committee on Agriculture, Nutrition, and Forestry. EC-1749. A communication from the Act-

ing Comptroller General of the United States, transmitting, pursuant to law, a report on budget rescissions and deferrals contained in the twelfth special message of the President for fiscal year 1981; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Energy and Natural Resources, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, the Committee on Labor and Human Resources, and the Committee on the

Judiciary. EC-1750. A communication from the Principal Deput Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the transfer of certain funds appropriated to the Department of Defense; to the Committee on Appropriations.

EC-1751. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 34 of title 39. United States Code, to provide for better manage-ment of transportation for certain members of the Armed Forces, and for other purposes; to the Committee on Armed Services

EC-1752. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, a report on property acquisitions of emergency supplies and equipment for the quarter ended June 30, 1981; to the Committee on Armed Services

EC-1753. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, notice of 15 construction projects to

be undertaken by the Air National Guard; to the Committee on Armed Service.

EC-1754. A communication from the Act-Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Countervailing Strategy De-mands Revision of Strategic Force Acquisition Plans"; to the Committee on Armed Services

EC-1755. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on revenues derived from recovered materials for fiscal year 1980; to the Committee on Armed Services.

EC-1756. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to facilitate the transfer of members of the armed forces to and from the temporary disability retired list, and for other purposes; to the Committee on Armed Services.

EC-1757. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Changes Needed In Administering Relief To Industries Hurt By Overseas Competition"; to the Committee on Bank-

ing, Housing, and Urban Affairs. EC-1758. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 719 of the Defense Production Act of 1950, as amended, to authorize the grant of exemptions to the Cost Accounting Standards by the Director of the Office of Management and Budget; to the Committee on Banking, Housing, and Urban

Affairs. EC-1759. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on findings on the problem Remote Claims; to the Committee on Banking, Housing, and Urban Affairs.

EC-1760. A communication from the Deputy Secretary of the Treasury, transmitting, a draft of proposed legislation to authorize the back side of United States paper money of the denomination of \$1 to be printed by a method other than the intaglio process; to the Committee on Banking, Housing, and Urban Affairs.

EC-1761. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Reserve Could Improve The Efficiency of Bank Holding Company Inspections"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1762. A communication from the Secre tary of Transportation, transmitting, pursuant to law, a report on actions taken to encourage private sector development of rail passenger corridors; to the Committee on Commerce, Science, and Transportation.

EC-1763. A communication from Secretary of the Interstate Commerce Commission. transmitting, pursuant to law. notice that the Commission has granted an extension in Grevhound Lines, Inc. v. National Railroad Passenger Corporation; to the Committee on Commerce, Science, and Transportation.

EC-1764. A communication from Secretary of the Interior, transmitting, pursuant to law, a report on the administration of the Marine Mammal Protection Act of 1972 for the period April 1 to December 31, 1980; to the Committee on Commerce, Science, and Transportation.

EC-1765. A communication from the Acting Chairman of the Federal Trade Commission, transmitting, pursuant to law a regula-tion promulgated by the Commission relating to the sale of used motor vehicles; to the Committee on Commerce, Science, and Transportation.

EC-1766. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Better Oversight Needed For Safety And Health Activities At DOE's Nuclear Facilities"; to the Committee on Energy and Natural Resources.

-1767. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "How Interior Should Handle Congressionally Authorized Federal Coal Lease Exchanges"; to the Committee on Energy and Natural Resources.

EC-1768. A communication from Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the number of full-time permanent employees hired and promoted during the first and second quarters of fiscal year 1981; to the Committee on Environment and Public Works.

EC-1769. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a re-port entitled "Changes In Federal Water port entitled "Changes In Federal Water Project Repayment Policies Can Reduce Fed-eral Costs"; to the Committee on Environ-

ment and Public Works.

EC-1770. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report on abnormal occurences at licensed nuclear facilities for the first calendar quarter of 1981; to the Committee on Environment and Public Works.

EC-1771. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice that the Commission will not be able to render a decision in Docket No. 37619, Iron Ore, Randville to Iron Mountain, MI, Escanaba & Lake Superior, within the statutory 5 month period; to the Committee on Finance.

EC-1772. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on State Medicaid program compliance with section 1903(g) of the Social Security Act; to the Committee on Finance.

EC-1773. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a bound copy of the reports of the 1979 Advisory Council Social Security's findings and recommendations: to the Committee on Finance.

EC-1774. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to August 13, 1981; to the Committee on Foreign Relations.

EC-1775. A communication from the Assistant Secretary for Health, Department of Health and Human Services, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1776. A communication from the General Counsel of the Securities and Exchange Commission, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1777. A communication from the Assistant Secretary for Health, Department of Health and Human Services, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1778. A communication from the Deputy Administrator of the General Services Administration, transmitting, pursuant to law, a followup report on the report of the Board of Visitors, United States Military

Academy; to the Committee on Governmental Affairs.

EC-1779. A communication from the Assistant Vice President (Personnel) of the Farm Credit Banks of St. Louis, transmitting, pursuant to law, the Sixth Farm Credit District Retirement Plan for the year ending 1980; to the Committee on Governmental Affairs.

EC-1780. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1781. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, a report on the financial condition of the Judicial Retirement System and the Judicial Survivors Annuities System for calendar year 1980; to the Committee on Governmental Affairs.

EC-1782. A communication from the Assistant Secretary of the Interior for Indian Affairs, transmitting a draft of proposed legislation to provide for the use and distribution of Seminole judgment funds in Dockets 73 and 151, and 73-A, before the Indian Claims Commission, and for other purposes; to the Select Committee on Indian Affairs.

EC-1783. A communication from the Director of the Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend section 376 of title 28, United States Code, in order to reform and improve the existing program for annuities for survivors of Federal justiles and judges; to the Committee on the Judiciary.

EC-1784. A communication from the Acting Secretary of Education, transmitting, pursuant to law, the Guaranteed Student Loan Program Family Contribution Schedule; to the Committee on Labor and Human Resources.

EC-1785. A communication from the Project Manager of GEOMET Technologies, Inc., transmitting, pursuant to law, the final copy of the fourth annual report of the Task Force on Environmental Cancer and Heart and Lung Disease; to the Committee on Labor and Human Resources.

EC-1786. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the operation of the special pay program for medical officers of the Commissioned Corps of the Public Health Service for fiscal year 1980; to the Committee on Labor and Human Resources.

EC-1787. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit Of The Senate Building Beauty Shop For The Fiscal Year Ended February 28, 1981"; to the Committee on

Rules and Administration.

EC-1788. A communication from the Special Assistant to the Secretary of Defense, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for the period October 1980 through March 1981; to the Committee on Small Business.

EC-1789. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated August 1, 1931; bursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Banking, Housing, and Urban Affairs, the Committee on Environment and Public Works, the Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, the Committee on Agriculture, Nutrition, and Forestry, the Committee, Nutrition, and Forestry, the Com-

mittee on Labor and Human Resources, the Committee on Energy and Natural Resources, the Select Committee on Indian Affairs, the Committee on Finance, the Committee on Weterans' Affairs, the Committee on Governmental Affairs, the Committee on Armed Services, the Committee on Small Business, and the Committee on the Judiciary.

EC-1790. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on budget rescissions and deferrals contained in the eleventh special message of the President for fiscal year 1981; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Labor and Human Resources, the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Committee on Environment and Public Works, the Committee on Energy and Natural Resources, and the Committee on Foreign Relations.

EC-1791. A communication from the Deputy Administrator of the General Services Administration, transmitting, pursuant to law, a follow-up report on certain reports submitted by the President's Export Council; to the Committee on Banking, Housing, and Urban Affairs.

EC-1792. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "TVA's Coal Procurement Practices—More Effective Management Needed"; to the Committee on Environment and Public Works.

EC-1793. A communication from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to amend chapter 84, section 1752 of title 18, United States Code, to authorize the Secretary of the Treasury to establish zones of protection for certain persons protected by the United States Secret Service; to the Committee on Finance.

EC-1794. A communication from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to amend certain provisions applicable to compensation for the overtime inspectional service of employees of the U.S. Customs Service and for other purposes; to the Committee on Finance.

EC-1795. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Perspective On Income Security And Social Services And An Agenda For Analysis"; to the Committee on Finance.

EC-1796. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the provision of certain defense articles, services, and training to El Salvador; to the Committee on Foreign Relations.

EC-1797. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Air Force Has Incurred Numerous Overobligations In Its Industrial Fund"; to the Committee on Governmental Affairs.

EC-1798. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Civil Agencies Should Save Millions By Recovering Silver From Photographic Wastes"; to the Committee on Governmental Affairs.

EC-1799. A communication from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to amend chapter 25 of title 18, United States Code, to provide penalties for the forging of endorsements on, or fraudulently negotiating, United States checks or bonds or secu-

rities, and for other purposes; to the Committee on the Judiciary.

EC-1800. A communication from the Chairman of the Administrative Conference of the United States, transmitting a draft of proposed legislation to amend the Administrative Conference Act, 5 U.S.C. 571-576; to the Committee on the Judiciary.

EC-1801. A communication from the Associate Commissioner of the Immigration and Naturalization Service (Examinations), Department of Justice, transmitting, pursuant to law, a report on certain aliens whose visa petitions have been accorded third and sixth preference classification under section 204(d) of the Immigration and Nationality Act: to the Committee on the Judiciary.

EC-1802. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Cooperative Extension Service's Mission and Federal Role Need Congressional Clarification"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1803. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report entitled "Rental Housing: Condition and Outlook"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1804. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, a request for a three-month extension in Docket No. 38566, Rates on Iron Ore, To Escanaba, MI, Chicago and North Western; to the

Committee on Commerce, Science, Transportation.

EC-1805. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, copies of the Board's 1983 budget submission; to the Committee on Commerce, Science, and Transportation.

EC-1806. A communication from the Acting Chairman of the Federal Trade Commission, transmitting, pursuant to law, a report updating the 1979 sales and advertising expenditures contained in a report pursuant to section 8(b) of the Federal Cigarette Labeling and Advertising Act; to the Committee on Commerce, Science, and Transportation.

EC-1807. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on sales of refined petroleum products and sales of retail gasoline for May 1981; to the Committee on Energy and Natural Resources.

EC-1808. A communication from the Secretary of Energy, transmitting, pursuant to law, the public comments received by the Department on the National Electric Reliability Study; to the Committee on Energy and Natural Resources.

EC-1809. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-1810. A communication from the Administrator of the Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, a report on a new system of records for the Administration; to the Committee on Finance.

EC-1811. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to August 28, 1981; to the Committee on Foreign Relations.

EC-1812. A communication from the Administrator of the General Services Administration, transmitting a draft of proposed

legislation to amend section 207(c)(1) of the Federal Property and Administrative Services Act of 1949, as amended, to change the criteria therein so that the provisions of section 207 shall not apply to disposals of surplus real property having an esti-mated fair market value less than \$1,000,to the Committee on Governmental

EC-1813. A communication from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Bureau of Engraving and Printing to use recording clocks to record time and attendance of employees; to the Committee on Gov-

ernmental Affairs.

EC-1814. A communication from the Assistant Secretary of Housing and Urban Development (Administration), transmitting, pursuant to law, a report on the proposed amendment of a Privacy Act system of rec-ords; to the Committee on Governmental Affairs.

EC-1815. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on a proposed new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1816. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to repeal section 5(b) of the Subversive Activities Control Act of 1950, as amended (76 Stat. 91) (50 U.S.C. 784(b)); to the Committee on the Ludiclary.

mittee on the Judiciary.

EC-1817. A communication from the Acting Commissioner of the Immigration and Nat uralization Service, Department of Justice, transmitting, pursuant to law, a report on the suspension of deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; to the Commit-

tee on the Judiciary

EC-1818. A communication from the Chairman of the Task Force on Environmental Cancer and Heart and Lung Disease, transmitting, pursuant to law, the fourth annual the Task Force, dated August 7, report of 1981; to the Committee on Labor and Human Resources.

EC-1819. A communication from the Vice Chairman of the Federal Election Commission, transmitting, pursuant to law, a copy of the fiscal year 1983 appropriation request of the Commission; to the Committee on

Rules and Administration. EC-1820. A communication from the Secretaries of the Army and Agriculture transmitting, pursuant to law, notice of the intention of the Departments to interchange jurisdiction of certain civil works and Forest Service lands; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1821. A communication from the Secretary of Agriculture transmitting, pursuant to law, notice of a further delay in the preparation of a study directed by the Agricultural Act of 1980; to the Committee on Agri-

culture, Nutrition, and Forestry. EC-1822. A communication from the Acting General Counsel of the United States General Accounting Office, transmitting pursuant to law, a report on the status of budget authority proposed, but rejected, for rescission; jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations; Budget; Environment and Public Works; and Labor and Human Resources.

EC-1823. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to provide permanent authority to make grants for cryptologic purposes and for other purposes; to the Committee on Armed Services

EC-1824. A communication from the Assistant Secretary of the Air Force for Research, Development, and Logistics, transmitting pursuant to law, notice of a decision made to convert the commissary shelf-stocking and custodial services function at Dyess Air Force Base, Tex., to performance under contract; to the Committee on Armed Services.

EC-1825. A communication from the Dep uty Assistant Secretary of Defense for Facilities, Environment, and Economic Adjustment transmitting, pursuant to law, notice of 12 construction projects to be undertaken by Air National Guard; to the Committee on Armed Services.

EC-1826. A communication from the Acting Assistant Secretary of Defense (Comptroller), transmitting pursuant to law, 4 cted acquisition reports and summary tables for the quarter ending June 30, 1981; to the Committee on Armed Services.

EC-1827. A communication from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on a transaction involving U.S. exports to the Federative Republic of Brazil; to the Committee on Banking, Housing, and Urban Affairs.

EC-1828. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting pursuant to law, a report on financing to sist Air Canada in the purchase of up to 24 Boeing aircraft; to the Committee on Banking, Housing, and Urban Affairs.

EC-1829. A communication from the Secretary of Housing and Urban Development transmitting, pursuant to law, an interim report on increased thermal requirements for minimum property standards; to the Committee on Banking, Housing, and Urban Affairs.

EC-1830. A communication from the Secretary of Commerce transmitting, pursuant to law, the 1980 annual report of time Administration; to the Committee on Commerce, Science, and Transportation.

EC-1831. A communication from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Conrail Needs to further Improve Inventory Control and Management"; to the Committee on Commerce, Science, and Transportation.

EC-1832. A communication from the Secretary of Commerce transmitting, for the information of the Senate, the annual report the Department entitled "Directory Accredited Laboratories"; to the Committee on Commerce, Science, and Transportation.

-1833. A communication from the Administrator of the Energy Information Administration transmitting, pursuant to the request of the Subcommittee on Antitrust, Monopoly, and Business Rights of the Senate Committee on the Judiciary, a study entitled "Analysis of Economic Effects of Accelerated Deregulation of Natural Gas Prices": to the Committee on Energy and Natural Resources.

EC-1834. A communication from the Under Secretary of the Interior transmitting, pursuant to law, reports on seven refunds of excess oil royalty payments; to the Commiton Energy and Natural Resources

EC-1835. A communication from the Under Secretary of the Interior transmitting, pursuant to law, reports on five refunds of excess oil royalty payments; to the Committee on Energy and Natural Resources.

EC-1836. A communication from the Chairman of the Advisory Council on Historic Preservation, transmitting, pursuant to law, the report of a Panel of the Advisory Council which met at Litch eld Brach, South Carolina; to the Committee on Environment and Public Works.

EC-1837. A communication from the Deputy Administrator of the General Services Administration, transmitting, pursuant to law, a report of a building project survey for Albany, Georgia: to the Committee on Environment and Public Works.

EC-1838. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual Horse Protection Enforcement report; to the Committee on Environment and Puolic Works.

EC-1839. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to August 24, 1981; to the Committee on Foreign Relations.

EC-1840. A communication from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend Public Law 90-553, to authorize the transfer, conveyance, lease, and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes; to the Committee on Foreign Relations

EC-1841. A communication from the Act-Comptroller General of the United States, transmitting, pursuant to law, a list of the reports transmitted to the Congress by the General Accounting Office during the month of July 1981; to the Committee on Governmental Affairs.

EC-1842. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1843. A communication from the Inspector General of the Department of Health and Human Services, transmitting, pursuant to law, a report on the activities of the Office of Inspector General, Department of Health and Human Services for the period April 1 to June 30, 1981; to the Committee on Governmental Affairs.

EC-1844. A communication from the Assistant Secretary for Human Development Services, Department of Health and Human Services, transmitting, pursuant to law, a report on a proposed new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1845. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, port on the adjustment of the status of certain aliens under section 13(c) of the Act of September 11, 1957; to the Committee on the Judiciary.

EC-1846. A communication from the Acting Chairman of the Equal Employment Opportunity Commission, transmitting, pursuant to law, a report on the Commission's activities under the Equal Pay Act of 1963 from July 1, 1979 through September 30. to the Committee on Labor and Human Resources.

EC-1847. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Continuing Education Outreach-Special Projects Program; to the Committee on Labor and Human Resources.

EC-1848. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Bilingual Education: Training Projects Program (A"mendments); to the Committee on Labor and Human Resources.

EC-1849. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the fourth report from the National Center for the Prevention and Control of Rape; to the Committee on Labor and Human Resources.

EC-1850. A communication from the Special Assistant to the Secretary of Defense, transmitting, pursuant to law, a report on Department of Defense procurement from small and other businesses for October 1980 through April 1981; to the Committee on Small Business.

EC-1851. A communication from the Assistant Secretary of the Army (Manpower and Reserve Anairs), transmitting a drait of proposed legislation to authorize the Superintendents of the service academies to place a cacet or, as the case may be, a midshipman on leave without pay; to the Committee on Armed Services.

EC-1852. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of oner to the NATO SEASPARKOW Consortium (N-3) of defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1853. A communication from the Director of the Delense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of oner to the Federal Republic of Germany for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1854. A communication from the Director of the Deiense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of offer to Australia for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed

EC-1855. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Norway for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1856. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions supported by Eximbank during June and July 1981 to Communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC-1857. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction involving U.S. exports to Spain; to the Committee on Banking, Housing, and Urban Affairs.

EC-1858. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Greater Commitment Needed To Solve Continuing Problems at Three Mile Island"; to the Committee on Energy and Natural Resources.

EC-1859. A communication from the Chairman of the Board of the U.S. Synthetic Fuels Corporation, transmitting, pursuant to law, the quarterly report of the Corporation for the period April 1 through June 30, 1981; to the Committee on Energy and Natural Resources.

EC-1860. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

EC-1861. A communication from the Assistant Secretary of the Treasury (Legislative Affairs) and the Acting Deputy Director of the International Development Cooperation Agency, transmitting, pursuant to law, a report on the role of the multilateral development banks in increasing food production and improving nutrition in developing countries; to the Committee on Foreign Relations.

EC-1862. A communication from the In-

spector General of the Department of Health and Human Services, transmitting, pursuant to law, a copy of a report submitted to the Special Counsel, Merit Systems Protection Board; to the Committee on Governmental Affairs.

EC-.833. A communication from the Deputy Administrator of the General Services Administration, transmitting a draft or proposed legislation to amend the Act of May 3, 1945 (450 U.S.C. 293) by adding a provision authorizing the expenditure of moneys through the existing working capital fund operating within the General Services Administration for such additional purposes as internal mail processing, library facilities, and other centralized services; to the Committee on Governmental Affairs.

EC-1864. A communication from the Assistant Secretary for Health, Department of Health and Human Services transmitting, pursuant to law, a report on three new proposed Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-1865. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a proposed new Privacy Act system of records for the Department of the Navy; to the Committee on Governmental Affairs.

EC-1865. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the House Minority Printing Clerk Fiscal Year Ended September 30, 1980"; to the Committee on Governmental Affairs.

EC-1867. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the House Majority Printing Clerk Fiscal Year Ended August 31, 1981"; to the Committee on Governmental Affairs.

EC-1838. A communication from the Deputy Administrator of the General Services Administration, transmitting a draft or proposed legislation to amend section 203 of the Federal Property and Administrative Services Act of 1949, as amended, to require the submission, to the appropriate committees of Congress, of an explanatory statement of the circumstances of each negotiated disposal of real property having a fair market value in excess of \$500.000; to the Committee on Governmental Affairs

EC-1869. A communication from the Secretary to the Council of the District of Columbia, transmitting, pursuant to law, a copy of a resolution adopted by the Council on July 28, 1981; to the Committee on Governmental Affairs.

EC-1870. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a copy of a report that is being submitted to the Special Counsel of the Merit Systems Protection Board; to the Committee on Governmental Affairs.

mittee on Governmental Affairs.
EC-1871. A communication from the Secretary to the Council of the District of Columbia, transmitting, pursuant to law, a copy of a resolution adopted by the Council on July 14, 1981; to the Committee on Governmental Affairs

ernmental Affairs

EC-1872. A communication from the Deputy Assistant Secretary of the Treasury (Indian Affairs), transmitting, pursuant to law, a report on certain legislative proposals to resolve certain Indian claims; to the Select Committee on Indian Affairs.

EC-1873. A communication from the Associate Commissioner of the Immigration and Naturalization Service (Examinations), Department of Justice, transmitting, pursuant to law, a report on certain allens granted temporary admission to the United States under section 212(d) (3) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1874. A communication from the Assistant Attorney General (Legislative Affairs), transmitting a draft of proposed leg-

islation to amend the Omnibus Crime Control and Safe Streets Act of 1968; to the Committee on the Judiciary.

EC-1875. A communication from the President of the United States, transmitting, pursuant to law, the sixth annual report on the implementation of the Privacy Act of 1974, covering calendar year 1980; to the Committee on the Judiciary.

EC-1876. A communication from the Chairman of the Minimum Wage Study Commission, transmitting, pursuant to law, volumes 1 through 7 of the nnal report of the Commission; to the Committee on Labor and Human Resources.

EC-1877. A communication from the Vice-Chairman of the Federal Election Commission, transmitting, pursuant to law, the appropriation request of the Commission for fiscal year 1983; to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-352. A resolution adopted by the Western interstate Region of the National Association of Counties, urging support for a Federal loan program for sugar; to the Committee on Agriculture, Nutrition, and Forestry.

POM-353. A resolution adopted by the Executive Council of Church Women United in the U.S.A., New York, New York, favoring reducing the military budget in order to fund the needs of the people; to the Committee

on Armed Services.

POM-354. A resolution adopted by the Northern Illinois Conference of the United Methodist Church, opposing the peacetime draft; to the Committee on Armed Services.

POM-355. A resolution adopted by the Northern Illinois Conference of the United Methodist Church, favoring resumption of the SALT talks and expansion of such talks toward total nuclear disarmament; to the Committee on Armed Services.

POM-356. A resolution adopted by the Illinois Yearly Meeting of the Religious Society of Friends (Quakers), opposing reinstating the military draft; to the Committee on Armed Services.

POM-357. A petition from a citizen of Mill Valley, California, urging congressional cooperation with the efforts of the Reagan Administration in strengthening the nation's military; to the Committee on Armed Services

POM-358. A petition from a citizen of Los Angeles, California, urging congressional cooperation with the efforts of the Reagan Administration to strengthen the nation's military; to the Committee on Armed Services.

POM-359. A resolution adopted by the Senate of the Commonwealth of Massachusetts: to the Committee on Commerce, Science, and Transportation:

"RESOLUTIONS

"Whereas, a consolidation of Federal Aviation Administration offices throughout the country is now in the planning stages and Burlington has been rightly designated as a proposed site; and

"Whereas, a move to Massachusetts would be cost-efficient and productive and will attract better qualified people to the engineering and aviation policy by being located in the heart of the high-technology center along route 128 around Boston; and

"Whereas, contrary to the New York argument that a move to Massachusetts would be counter-productive, actual statistics prove that the number of skilled personnel available in this Commonwealth greatly exceeds that which may be found in New York; now therefore be it

"Resolved, That the Massachusetts Senate hereby supports the proposed cost-encient consolidation of the Federal Aviation Administration offices and encourages the imple-mentation of its plans to locate itself in the

Commonwealth; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of the each member thereof from the Congress, to Commonwealth, to the Director of the Federal Aviation Administration in Washington, D.C., and to its regional director in Burling-ton."

POM-360. A resolution adopted by the National Association of Counties, relating to State's rights to impose taxes; to the Com-mittee on Energy and Natural Resources.

POM-351. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Energy and Natural Re-

HOUSE CONCURRENT RESOLUTION No. 264

"Whereas, The Natural Gas Policy Act of 1978 calls for the gradual decontrol of natural gas prices through 1985; and

"Whereas, The President of the United States has repeatedly pledged an attempt to decontrol natural gas prices completely and immediately; and

Whereas, Immediate decontrol of natural gas prices will cost the State of Michigan billions of dollars more than gradual de-

control through 1985; and

Whereas, Immediate decontrol will cause commerce and industry to pay considerably more for natural gas for heat and process uses, resulting in decreased revenues and investment in the State. Moreover, it will also result in higher consumer prices for food, clothing, housing, and other necessities of life; now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring). That the members of the Michigan Legislature oppose the immediate decontrol of natural gas prices as proposed by the President of the United

States; and be it further

"Resolved, That copies of this resolution, with a roll call attached, be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan Congressional Delegation."

POM-362. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Environment and Public

"SUBSTITUTE HOUSE JOINT MEMORIAL No. 4

"Whereas, The people of the State of Washington are grateful and deeply appreciative of the immediate emergency relief provided by the United States Congress to the people and communities of the State of Washington suffering from the devastating eruptions of Mt. St. Helens; and

"Whereas, A substantial amount of moneys which were allocated by the state and local governments for essential state and local services were diverted to respond to the erup-

tions of Mt. St. Helens: and

"Whereas, Much of the federal moneys appropriated to various federal agencies for relief to people and communities affected by the Mt. St. Helens eruptions has not been expended and probably will not be expended for the particular use designated in the appropriation: and

"Whereas, Much of the moneys appropriated to the federal emergency management agency for relief to people and governmental entities affected by the Mt. St. Helens eruptions has not been expended due to both an agreement that the federal government only

fund seventy-five percent of eligible governmental costs and many costs incurred by governmental entities are not eligible for reimbursement; and

"Whereas, The eruptions of Mt. St. Helens constituted both a major and unique catas-

trophe; and

Whereas, Although Mt. St. Helens has been temporarily quiet and the plight of the people in the damaged areas is no longer the nation's headline news story, a substantial amount of work and sums of money are required to help the lives of the people and the condition of the communities, return to normal; and

Whereas, Enough time has passed since the volcano's disastrous eruptions for the damages to be determined, the needs of each community assessed, and plans to expeditiously and economically satisfy those needs to be developed, and it is now possible for the federal funds administered by the Federal Emergency Management Agency to be used where the funds would be the most beneficial;

"Now, therefore, your Memorialists respectfully pray that the: (1) Funus appropriated by Congress to respond to the Mt. St. Helens eruptions be reassessed and reallocated to best serve the continuing emergency needs of the people and communities still suffering from the aftermath of the vol-canic eruptions; (2) eligibility criteria be altered to allow federal reimbursement for all reasonable expenses incurred by governmental entities in responding to the Mt. St. Helens cruptions; and (3) the seventy-five/ twenty-five percent reimbursement agreement be reexamined and altered to provide greater aid to affected governmental entities.

Be it resolved, That copies of this Memorial be immediately transmitted to the Honorable Ronald Reagan, President of the United States, the Federal Emergency Management Agency, the President of the United States Senate, the Speaker of the House of Representatives, and each Member of Congress from the State of Washington."

POM-363. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Environment and Public Works:

"SUBSTITUTE SENATE JOINT MEMORIAL NO. 106

"Whereas, Natural based products such as fish oil may have value for use as pesticides;

"Whereas, The use of these natural based products as pesticides may reduce the amount of depletable fossil fuel used to manufacture chemically based pesticides;

"Now, therefore, Your Memorialists respectfully pray that the Environmental Protection Agency review its current pesticide registration requirements for the purpose of relaxing those requirements pertaining to naturally based pesticides, including but not limited to fish oils, as a means of displacing conventional fuels used in chemically based pesticides.

"Be it resolved, That copies of this memorial be immediately transmitted to the Honorable Ronald Reagan, President of the United States, the Administrator of the Environmental Protection Agency, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM-364. A resolution adopted by the Northern Illinois Conference of the United Methodist Church, relating to a world peace tax fund; to the Committee on Finance.

POM-365. A resolution adopted by the Council of the County of Hawaii. State of Hawaii, relating to exempt Hawaii's Prepaid Health Care Act from the pre-emption provision of the Employee Retirement Income Security Act; to the Committee on Finance.

POM-366. A resolution adopted by the Illinois Yearly Meeting of the keligious Society of Friends (Quakers), relating to the funding of social programs; to the Committee on

POM-367. A resolution adopted by the Medical Staff of Palmdale General Hospital, Palmdale, California, relating to PSRO; to the Committee on Finance.

POM-368. A resolution adopted by the Illinois Yearly Meeting of the Religious Society of Friends (Quakers), relating to the nuclear arms race and the resumption of SALT talks; to the Committee on Foreign Relations.

POM-369. A resolution adopted by Executive Council of Church Women United, New York, New York, relating to the United States position on economic development; to the Committee on Foreign Relations.

POM-370. A concurrent resolution adopted by the Legislature of the State of Louisiana; the Committee on Finance:

"House Concurrent Resolution No. 302

"Whereas, the Social Security Trust Account, particularly its old age and retirement trust fund, faces a critical shortage by late 1982, according to the Cabinet officers who as trustees of the system; and

Whereas, these Cabinet officers estimate in their report to the Subcommittee on Social Security of the Senate Committee on Finance that the system will experience in the next five years a short fall of at least ten billion dollars; and

"Whereas, unless the Social Security System is shored up by additional funding or increased taxes, the American working public will soon be unable to receive payment for retirement benefits; and

"Whereas, currently some thirty-five million American citizens receive benefits from the old age and disability funds; and "Whereas, the Treasury Department an-

nounced the order to American banks to turn over once-frozen Iranian assets of over two billion three hundred million dollars to the Federal Reserve Bank in New York City; and

"Whereas, instead of returning these assets to this hostile Mideastern nation, our country should use these assets to assist the floundering old age and retirement fund;

"Whereas, the Congress should consider this alternative for funding in its study and review of the report by the board of trustees of the Social Security system.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring that the Congress of the United States is hereby memorialized to authorize the transfer of Tranian assets from the Federal Reserve Bank to the Social Security Trust Ac-

"Be it further resolved that a copy of this Concurrent Resolution be transmitted forthwith to the President of the Senate, the Speaker of the House, the members of the Louisiana Congressional delegation, President Ronald Reagan, Secretary of Health and Human Services, Richard Schweicher, Secretary of Labor, Ray Donovan, Secretary of the Treasury, Donald Regan, and Secretary of State, Alexander Haig."

POM-371. A resolution adopted by the Community Action Board, Orange County Florida, relating to the extension of the Voting Rights Act; to the Committee on the

Judiciary.
POM-372. A resolution adopted by the Board of Supervisors of the County of Los Angeles, California, relating to the proposed amendment to the Constitution placing limits on federal spending and taxing powers: to the Committee on the Judiciary

POM-373. A resolution adopted by the International Association of Human Rights Agencies, Inc., opposing the passage of H.R. 973, the Anti-Discrimination Act of 1981; to the Committee on the Judiciary.

POM-374. A resolution adopted by the New Jersey State Buildings and Construction Trades Council, relating to the Davis-Bacon Act; to the Committee on the Judiciary. POM-375. A petition from a citizen of Mill

Valley, California, favoring the efforts of the Administration to abolish the Department of Education: to the Committee on Labor and Human Resources.

POM-376. A petition from a citizen of Washington, favoring the efforts of the Administration to abolish the Department of Education; to the Committee on Labor and Human Resources.

POM-377. A resolution adopted by the Department of Illinois of the Polish Legion American Veterans, U.S.A., expressing opinions on certain matters affecting veterans; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES SUB-MITTED DURING THE ADJOURN-MENT

Under the authority of the order of the Senate of August 3, 1981, the following reports of committees were submitted on August 13, 1981:

By Mr. MATHIAS, from the Committee Rules and Administration, favorably without amendment:

S. Res. 20. Resolution providing for television and radio coverage of proceedings of the Senate (Rept. No. 97-178).

By Mr. ROTH, from the Committee on Governmental Affairs, favorably with an amendment in the nature of a substitute:

S. 10. Bill to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels (Rept. No. 97-179).

By Mr. DANFORTH, from the Commiton Governmental Affairs, favorably without amendment:

S. 892. Bill to smend the Federal Grant and Cooperative Agreement Act (Rept. No. 97-180)

By Mr. ROTH, from the Committee on Governmental Affairs, without amendment: S. Res. 203. An original resolution waiv-

section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 10; referred to the Committee on the Budget.

Under the authority of the order of the Senate of August 3, 1981, the following reports of committees were submitted on August 27, 1981:

By Mr. WALLOP, from the Committee on Energy and Natural Resources, favorably with amendments:

S. 187. Bill to authorize the Secretary of the Interior to convey certain lands near Miles City, Mont., and to remove certain reservations from prior conveyances (Rept. No. 97-181).

By Mr. WALLOP, from the Committee on Energy and Natural Resources, favorably without amendment:

S. 634. Bill to authorize the exchange of certain lands in Idaho and Wyoming (Rept. No. 97-182).

S. 763. Bill to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands that were withdrawn or acquired for the purposes of relocating a portion of the city of American Falls out of the area flooded by the American Falis Reservoir (Rept. No. 97-183)

S. 764. Bill to provide for protection of the John Sack Cabin Tarshee National For-est in the State of Idaho (Rept. No. 97-

H.R. 618. Bill to convey certain interests in public lands to the city of Angels, Calif.

(Rept. No. 97-185). H.R. 2218. Bill to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes (Rept. No. 97-186).

Under the authority of the order of the Senate of August 3, 1981, the following report of a committee was submitted on September 3, 1981:

By Mr. WALLOP, from the Select Committee on Ethics, without amendment:

S. Res. 204. An original resolution expelling Senator Harrison A. Williams, Jr., of New Jersey, from the Senate (Rept. No. 97-

JOINT REFERRAL OF S. 1256

Mr. BAKER. Mr. President, I ask unanimous consent that S. 1256, the Retail Dealers Agreement Act, be jointly referred to the Committee on Judiciary and the Committee on Commerce, Science, and Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STENNIS (for himself and Mr. SASSER):

S. 1598. Bill to establish a National Commission on Interest Rates; by unanimous consent, held at the desk until no later than the close of business on September 11, 1981.

By Mr. ROBERT C. BYRD: S. 1599. Bill for the relief of Olivia A. N. Dizon, M.D.; to the Committee on the

Judiciary.

By Mr. MOYNIHAN (for himself, Mr. ROBERT C. BYRD, and Mr. SARBANES):

ROBERT C. BYRD, and Mr. SARBANES): Social Security Act to permit borrowing between Social Security trust funds under specified conditions when necessary to assist in financing the old age and survivors program; to the Committee on Finance.

By Mr. RUDMAN (for Mr. Roth) (for himself and Mr. Levin):

S. 1601. Bill to provide for the direct participation of affected interests in the development of rules by establishing a procedure for the establishment and activities of regulatory negotiation committees; to the Committee on the Judiciary.

By Mr. HELMS: S. 1602. Bill to amend Public Law 96-389; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HEINZ:
S. 1603. Bill to amend the Internal Revenue Code of 1954 to provide a partial interest exclusion for taxable years beginning in 1983 or 1984; to the Committee on Finance.

By Mr. ROBERT C. BYRD (for him-self, Mr. Sasser, Mr. Chiles, Mr. BAUCUS, Mr. DODD, Mr. PRYOR, Mr. HART, Mr. MITCHELL, and Mr. Sar-BANES):

S.J. Res. 107. Joint resolution to designate the 7th day of October, 1981 as "Na-tional Guard Day."; to the Committee on the Judiciary.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STENNIS (for himself and Mr. SASSER):

S. 1598. A bill to establish a National Commission on Interest Rates; by unanimous consent, held at the desk until no later than the close of business September 11, 1981.

The remarks of Mr. STENNIS and Mr. Sasser on this legislation appear earlier in today's RECORD.

By Mr. MOYNIHAN (for himself, Mr. ROBERT C. BYRD, and Mr. SARBANES):

S. 1600. A bill to amend title II of the Social Security Act to permit borrowing between social security trust funds under specified conditions when necessary to assist in financing the old age and survivors program; to the Committee on Finance.

BORROWING BETWEEN SOCIAL SECURITY TRUST FUNDS

Mr. MOYNIHAN. Mr. President, few issues have aroused so much public concern and comment in recent months as the financial status of the social security trust funds, of which there are, of course, three principal funds: The OASI, as it is called, the basic retirement benefit established under President Roosevelt; the disability insurance, DI, established under President Eisenhower; and the health insurance, HI, established under President Johnson.

There has not been a great deal of dispute that there is a short-term problem with respect to the first of these funds and it will in fact run out of money in about 18 months' time if there is not some provision made to prevent that.

A number of steps may have to be taken, of which the first and indispensable is that we permit ourselves the simple measure of borrowing between the several funds, one to the other.

I have announced that I would introduce legislation to this effect and I am doing so today. The bill I introduce would allow borrowing between the one social security fund that has a shortrange financial problem, that is to say the old age and survivors insurance fund. and the two solvent funds, the disability fund, and the hospital fund. The borrowed money would be repaid with interest to insure that it is not devalued by inflation. But it is all social security money. As such, it is perfectly in keeping with the system's purpose that money from one fund be used to meet the expenses of another.

On a related matter, Mr. President, according to the Social Security Administration, the reconciliation bill, as signed by the President early last month, will save the social security trust funds in their aggregate some \$28.2 billion over the next 5 years. Combined with interfund borrowing, this savings does bring the prospect of stabilizing the system's near-term financial difficulties clearly in sight.

Whatever else we do, we must begin by the fund transfer and I would urge that we act quickly in this regard.

Mr. President, the debate, while not always clarifying in these matters, has had one important result so far, I believe, which is that it is clearly distinguished in the public mind and in the view of the press that there is a nearterm matter, which is that of the first few years or perhaps this decade coming. coming at some point in this decade, we have shallows to go through, followed by a very substantial surplus period and then in the next century a new situation that arises from the demography of the large increase in population that took place in the 1950's and 1960's, followed by the dropoff in the birth rate of the 1970's and what may be the 1980's or may not be. That has not happened yet.

In any event, Mr. President, I believe that the opportunity to proceed in an atmosphere of fact and of reasonable respect for the difficulties of projections and reasonable concern for prudent management of these moneys has been established. I think we can do that. I think clearly the first measure will be to provide for interfund borrowing with that interest to be repaid.

Mr. President, I ask unanimous consent that the name of the Senator from West Virginia, the distinguished minority leader, be added as a cosponsor of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. RUDMAN (for Mr. ROTH and Mr. Levin):

S. 1601. A bill to provide for the direct participation of affected interests in the development of rules by establishing a procedure for the establishment and activities of regulatory negotiation committees; to the Committee on the Judiciary.

REGULATORY MEDIATION ACT OF 1981

e Mr. ROTH. Mr. President, the serious problems of our regulatory process demand innovative solutions which go beyond merely adding more procedures and hence delays to the existing system. One of the most promising approaches to regulatory reform does not rely on the courts, the Congress, or the President. Rather, it draws on the great expertise of the American public by bringing together the interests that will be affected by a regulation with representatives of the agency to negotiate the actual terms of the regulation. The legislation I am introducing today will establish an alternative mechanism for the resolution of regulatory issues, a mechanism which gets the parties involved at an early stage to negotiate rather than late in the process to litigate.

While agencies were seen during the New Deal as experts who could be trusted as the guardians of the public interest to reach right answers with a minimum of procedural formality, for the past decade they have been viewed more as umpires assessing competing claims. Agencies have generally been required to develop a strong support for any facts that are necessary for their decisions and required to explain in considerable detail the background of any

rule. Courts have taken a hard look at the agency's action to be sure it is within the confines of the broad discretion granted by Congress and an adequate factual basis developed. Additional safeguards prohibit the agency from communicating with outside people during the rulemaking process or from convening an advisory committee that may be biased or hold excessive sway with the

Many of these restrictions are designed to insure that the agency exercises its own judgment, untempered by corrupting influences of outsiders even though the procedural rights of parties to participate in the process have grown. This participation, however, generally means that the party may submit information for consideration by the agency and may challenge information submitted by others, not share in the ultimate decision. Since Congress no longer provides standards that guide agencies' decisions, which once formed the basis of the political legitimacy of delegated authority. and agencies are no longer viewed as neutral ex erts, the political legitimacy regulations currently issued by Government agencies derives largely through the elaborate procedures that are designed to insure their rationality. Along with this development, rulemaking has an adversarial process.

While these procedures—often called hybrid rulemaking procedures-are usually appropriate, they can also inhibit the ability of an agency to tap the enormous resources of the American people by getting the interested parties together to negotiate a rule that would be acceptable to Congress, the agency, and all affected parties. Negotiating a rule may be far more effective in appropriate situations than the elaborate procedures that have been constructed over the years. If they concur in a regulation, the results of their negotiation should be broadly acceptable so long as the outcome meets the standard embodied in a statute passed by Congress. In that case, the elaborate procedures designed to protect the integrity of the decision of Congress surrogate, the regulatory agency, are not nearly as important. Rather, the political legitimacy of the rule would stem from the agreement of the parties in interest concerning the rule.

We believe it would be appropriate to undertake a pilot project to authorize the use of mediation and negotiation in developing proposed rules, and this bill would provide a pilot program for 2 years to test its success.

These procedures are likely to succeed when there are only a few identifiable interests, each of which has sufficient power to block the unfettered exercise of the others' will. If any party has the power to impose its will, that party will undoubtedly attempt to do so whether in negotiation or in the traditional process. The parties would have an incentive to participate in these proceedings precisely because they would be sharing in the decision. Moreover, it affords the parties the opportunity to make trade-offs concerning various aspects of a regulation. Thus, the parties are in a better position to maximize the relative interests under

this procedure than if an agency merely surveyed the record and wrote a rule that involves an element of randomness for all the parties.

While parties currently participate in the regulatory process by means of a series of one-on-one conversations with the agencies, direct communications among themselves and attempts to negotiate a final rule occur rarely at best. That is not to say, however, that these procedures are radical or unknown. In fact. Congress has on many occasions authorized similarly constituted groups to define rules that have large financial consequences for a particular industry. For example, the Securities Act Amendments of 1975 establishes several boards composed of affected interests to prescribe rules that govern the trading of securities.

In addition, private interests and regulatory agencies regularly negotiate the settlement of lawsuits that were filed to challenge the validity of a regulation. The results of the settlement negotiations frequently define the actual contours of the final regulation. This form of regulatory negotiation lacks the safeguards provided by this act and yet is an everyday occurrence. In addition, there are numerous examples of the use of negotiation and mediation in the settlement of complex environmental disputes, and there are a great number of committees that write technical standards that regulate many aspects of our daily lives.

What is novel is the recognition that the parties in interest may be able to develop a regulation in a far shorter time than has been customary, by bringing to bear first-hand expertise and at far less cost to the American taxpayers if only given the opportunity to do so. We believe we should provide a test to determine whether that is indeed the case, and the Regulatory Mediation Act does just that.

The bill would allow any agency or other interested person to petition the chairman of the Administrative Conference of the United States (chairman) to make a preliminary determination whether the subject matter of the proposed rule is appropriate for using regulatory negotiation procedures. It is important at this stage for someone to conduct discrete inquiries with the agency and with the interested parties (indeed to discover who the interested parties are) to see whether there is enough common ground that an agreement might be reached.

It seems appropriate to have some neutral, third party to do this, as opposed to the agency itself, because the interested parties may be afraid of talking to the agency for fear of retribution if they do not go along or they might begin posturing vis-a-vis the agency as part of an adversarial process. The use of a third party should therefore provide greater candor. The Administrative Conference was selected because of its expertise in administrative procedure, and its neutrality is assured because of the breadth of the Conference's membership, but any other neutral, third party could be used for this purpose.

If the Chairman believes that regulatory negotiation would be feasible, he may recommend to the agency that it be followed. He would also recommend the members, whether or not to employ the services of a mediator, the tentative issues to be discussed, and a schedule for its activities. This information would be based on the informal survey he conducted. The Chairman would be authorized to retain the services of an expert in making that preliminary inquiry and that expert would likely be the mediator because an element of trust would build up as part of that informal process.

It may be, however, that an ongoing organization consisting of representatives of affected interests already exists, and the Chairman could recommend the use of that existing organization as a regulatory negotiation committee. For example, it may be that an agency is interested in an aspect of building safety and the National Fire Protection Association has an existing committee which would fulfill the needs of this statute, in which case it could be so designated.

The Chairman is directed to make reasonable efforts to insure that the committee consists of individuals who are competent in the subject matter of the proposed rule and that it is balanced so that no interest or group of allied interests constitutes more than one-third of a committee's membership. There may be instances, however, where such balance cannot be achieved, and the bill would not impose an artificial requirement that additional people be brought in.

If the Chairman recommends that a regulatory negotiation committee be established, the agency may in its discretion elect to use the procedures established by this act as opposed to the normal rulemaking procedures. The agency may decide not to follow the recommendations of the Chairman and either not issue a rule at all or follow more traditional procedures. It would be ineffective to authorize the Chairman to force the agency to use a particular procedure when in fact it did not want to because the agency would have every incentive to sabotage the results of the committee's work.

On the other hand, if the agency does decide to use these procedures, it would be required to use the committee proposed by the Chairman unless the Chairman and the agency agree otherwise. The reason for this requirement is to take advantage of the findings made by the Chairman as a neutral third party and to make clear to everyone that the agency is not stacking the committee in its own favor. The agency can negotiate any qualms it may have about the committee with the Chairman.

The agency is also directed to appoint a senior official as a representative of the agency on the regulatory negotiation committee. It is contemplated that the agency would participate in the committee as a voting member, just as any other interest. The agency certainly has a perspective and would, of course, be interested in the subject matter of the regulation.

The agency should participate fully in the negotiating group because a number of the other programs in which an agency has agreed to consider the fruits of negotiation by outside groups, even when the agency monitors the proceedings, have failed because the agency was not a substantive, contributing part of the committee itself. The senior official would be able to express the concerns and viewpoints of the agency and have them taken into account by the other parties and interests.

It is not impermissible to have the agency participate in this way because the political integrity of the process comes from the fact that organizations which would otherwise be interested in the regulation are also represented on the committee and the clash of ideas and positions will lead to a politically acceptable result. Moreover, as will be described, sareguards are built into the process.

The agency would publish a notice in the Federal Register describing its intention to use the regulatory negotiation committee and call for comment on the composition of the committee, the interests represented, the issues to be considered, and the schedule. After considering the comments that are received pursuant to the notice, the agency would formally establish the committee and it would begin work.

The mediator is charged with the responsibility of chairing the meetings, aiding the members in conducting discussions and assisting in deliberations of the committee as well as keeping Congress informed of the affairs of the committee. The mediator's responsibility overall is to facilitate communication among the members. The mediator is not to participate in the vote or other forms of agreement.

Under the bill as introduced, a proposed rule of a regulatory negotiation committee must have the support of all members of the committee. No interest therefore need fear being outvoted by its adversaries, and the requirement of unanimity adds pressure for constructive compromise. Whether such unanimity is crucial for the functioning of the process, however, is a question which will be considered by the committee during hearings.

The committee will prepare a report after it completes its work which contains the proposed rule amplified by a brief explanation. It may or may not, depending on the judgment of the committee, explain any issues on which consensus was not reached. The report is to be submitted to the agency, to each substantive congressional committee with jurisdiction over the subject matter, and to the Director of the Office of Management and Budget. Reports are furnished the latter two so they may communicate any substantial concerns they may have with the proposed rule to the agency before it is used as the basis for a notice of proposed rulemaking, although the mediator should have been in touch with each so their concerns should have already been addressed by the committee.

It is then contemplated that the agency will publish the proposed rule in a notice of proposed rulemaking pursuant

to section 553 of the administrative Procedure Act unless the agency has good cause for not doing so. It is, therefore, contemplated that the agency will review the proposal of the regulatory negotiation committee to insure that it conforms with the will of Congress as expressed in the substantive statute and conforms to the policy of the agency. If the agency believes that the proposal falls short of one of these, it may propose a modification of the proposal. However, the agency is directed to publish the regulatory negotiation committee proposal verbatim and the suggestions of the agency to change that proposal are to be separately stated so the public can make appropriate comments.

Following the notice of proposed rule-making, the agency should treat it like any other proposed rule and modify it according to the substantive comments submitted. To the extent the notice of proposed rulemaking reflects a consensus among the respective interest groups, this process should not be time consuming since there should be few surprises. Thus, it is anticipated that the normal rulemaking process may be abbreviated. Publication is to insure that the appropriate interests were in fact represented and to serve as a check on the integrity of the consensus.

Because the political legitimacy of the regulation developed pursuant to a regulatory negotiation committee lies in the agreement among the interested parties, and not on the research of its factual predicate, it is not contemplated that the notice of proposed rulemaking or the statement of basis and purpose would have complex explanations of factual research that has been conducted. Rather, it is hoped that in most instances the parties will be able to narrow the range of research that needs to be conducted before a consensus can be reached and to conduct that research jointly.

To the extent that research Jonus. To the extent that substantial research must be done, the topic is probably not appropriate for regulatory negotiation procedures. That is not to say, however, that anything even as complex as exposure to toxic chemicals cannot be the subject of this procedure, even though the full extent of the chronic hazard posed by the chemicals may not be known; rather, the parties may still be able to agree on the procedures to protect the human environment even without detailed knowledge about the workings of the chemicals.

To the extent this prediction is borne out, the negotiation process should be more expeditious than the traditional rulemaking procedure which is consumed with the delay attendant to research, criticism, and reconciliation of competing contentions over facts and their consequences.

Regulatory negotiation committees would be exempted from the Federal Advisory Committee Act and any restriction on ex parte communications precisely because their function is to facilitate discussions among the interest groups, including the agency. Information and records submitted to the committee are exempt from the Freedom of Information Act. The normal protections are af-

forded by the composition of the committee.

This legislation will terminate after 3 years and the Administrative Conference is authorized to expend \$150,000 annually to fulfill its responsibilities under the bill.

Even where the regulatory negotiation committee is unable to reach an agreement and must disband without offering a recommendation to the agency, the process will still have been of inestimable value to the agency. By narrowing the areas of disagreement and identifying those issues on which each participant feels strongly, the negotiation process will help the agency to develop a regulation which will later meet with popular acceptance. Agencies will also benefit by the expertise of interested parties who will be able to point out flaws in the agencies' analysis and data base thereby improving any regulation which is eventually issued. The regulatory process can only be improved by opening up the initial stage of agency decisionmaking to interested parties for their comments and analysis.

Setting regulations through the use of negotiation and mediation techniques has large promise and embodies the American way of doing things by consensus. We believe it should be tried.

By Mr. HELMS:

S. 1602. A bill to amend Public Law 96-389; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. Helms on this legislation appear elsewhere in today's

By Mr. HEINZ:

S. 1603. A bill to amend the Internal Revenue Code of 1954 to provide a partial interest exclusion for taxable years beginning in 1983 or 1984; to the Committee on Finance.

SMALL SAVERS INCENTIVE ACT

• Mr. HEINZ. Mr. President, the bill I am introducing today, the Small Savers Incentive Act, is important to both small savers and this country's savings institutions. As a result of the tax legislation recently passed there will be a 2-year period from January 1, 1983 through January 1, 1985 during which there will be no incentive for new investments at savings institutions. The all savers certificates program will have ended and no new incentive will exist until the onset of a \$450 (\$900 for joint returns) exemption for interest income beginning in 1985.

The willingness of Americans to save for their own future and to invest in the future of this Nation has always been an engine of economic progress. Since World War II, family savings have provided for the construction of 57 million units of housing, the creation of millions of jobs and billions of dollars of production.

The importance of family savings to the economic health of this country was a fundamental reason for the tax cuts we enacted. Major disincentives to savings were removed, but there is still more work to be done. I am therefore introducing the Small Savers Incentive Act which provides for an exclusion from taxes of \$200 (\$400 for joint returns) of annual interest income for that period between January 1, 1983 and December 31, 1984. It is vital that the gap left by the recent tax legislation be filled and the flow of new savings be uninterrupted. I shall look forward to the support of my respected colleagues.

By Mr. ROBERT C. BYRD (for himself, Mr. Sasser, Mr. Chiles, Mr. Baucus, Mr. Dodd, Mr. PRYOR, Mr. HART, Mr. MITCHELL, and Mr. Sarbanes):

S.J. Res. 107. A joint resolution to designate the 7th day of October 1981 as "National Guard Day"; to the Committee on the Judiciary.

(The remarks of Mr. ROBERT C. BYRD on this legislation appear elsewhere in today's RECORD.)

JOINT REFERRAL OF A BILL

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senator from Pennsylvania (Mr. Heinz) introduces the nuclear insurance bill, it be jointly referred to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 186

At the request of Mr. Dole, the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of S. 186, a bill to provide financial assistance to the States to undertake comprehensive criminal justice construction programs to improve the criminal justice system of the States, to provide that the Secretary of the Treasury is authorized to make interest subsidy payments on criminal justice facility construction bonds, and for other purposes.

S. 391

At the request of Mr. Chafee, the Senator from Pennsylvania (Mr. Heinz), and the Senator from New Hampshire (Mr. Humphrey) were added as cosponsors of S. 391, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, informants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships.

5. 895

At the request of Mr. Mathias, the Senator from Michigan (Mr. Riegle) was added as a cosponsor of S. 895, a bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes.

S. 1080

At the request of Mr. Laxalt, the Senator from Virginia (Mr. Warner) was added as a cosponsor of S. 1080, a bill to amend the Administrative Procedures Act to require Federal agencies to analyze the effects of rules to improve their effectiveness and to decrease their compliance costs; to provide for a periodic review of regulations; and for other purposes.

S. 1131

At the request of Mr. Danforth, the Senator from Colorado (Mr. Armstrong), and the Senator from Oregon (Mr. Packwood) were added as cosponsors of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1171

At the request of Mr. Cochran, the Senator from Indiana (Mr. Lugar) was added as a cosponsor of S. 1171, a bill to repeal the residential conservation service program and the commercial and apartment conservation service program.

S. 1215

At the request of Mr. Kasten, the Senator from Maine (Mr. Cohen), and the Senator from North Dakota (Mr. Burdick) were added as cosponsors of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1448

At the request of Mr. Mathias, the Senator from Pennsylvania (Mr. Heinz), and the Senator from Indiana (Mr. Lugar) were added as cosponsors of S. 1448, a bill to provide for the issuance of a postage stamp to commemorate the 70th anniversary of the founding of the Girl Scouts of the United States of America.

5. 1509

At the request of Mr. Heinz, the Senator from Florida (Mr. Chiles) was added as a cosponsor of S. 1509, a bill to amend title XVIII of the Social Security Act to change the method of medicare reimbursement for competitive medical plans.

S. 1528

At the request of Mr. PROXMIRE, the Senator from Maryland (Mr. SARBANES), the Senator from Alabama (Mr. Heflin), the Senator from Oklahoma (Mr. Boren), and the Senator from Colorado (Mr. Hart) were added as cosponsors of S. 1528, a bill to amend the Social Security Act to provide for improved management of the social security trust funds and increase the return on investments to those funds.

8. 1548

At the request of Mr. Stafford, the Senator from Colorado (Mr. Hart), the Senator from Pennsylvania (Mr. Heinz), and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 1548, a bill to repeal the Federal outdoor advertising control program, and for other purposes.

SENATE JOINT RESOLUTION 97

At the request of Mr. MITCHELL, the Senator from Pennsylvania (Mr. Specter), and the Senator from Maryland (Mr. Sarbanes) were added as cosponsors of Senate Joint Resolution 97, a

joint resolution to designate the second full week in October as "National Legal Secretaries' Court Observance Week."

SENATE RESOLUTION 200

At the request of Mr. Hollings, the Senator from North Carolina (Mr. East), the Senator from Florida (Mrs. Hawkins), the Senator from Iowa (Mr. Jepsen), the Senator from Georgia (Mr. Mattingly), the Senator from West Virginia (Mr. Randolph), the Senator from South Carolina (Mr. Thurmond), and the Senator from Missouri (Mr. Danforth) were added as cosponsors of Senate Resolution 200, a resolution expressing the sense of the Senate with respect to the scheduled meeting of the Interparliamentary Union in Havana, Cuba, in September 1981.

SENATE RESOLUTION 203—ORIGINAL RESOLUTION REPORTED DURING THE ADJOURNMENT WAIVING THE CONGRESSIONAL BUDGET ACT

Under the authority of the order of the Senate of August 3, 1981, Mr. Roth, from the Committee on Governmental Affairs, reported the following original resolution on August 13, 1981; which was referred to the Committee on the Budget:

S. RES. 203

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 10, to create a Commission on More Effective Government. Such waiver is necessary to permit consideration of an additional fiscal year 1982 authorization of appropriations to carry out the purpose of S. 10.

Such waiver is necessary as S. 10 was not reported before May 15, 1981, as required by section 402(a) of the Congressional Budget

Act of 1974.

Because of the need, however, for a broad review of the operation of government, and because of the constructive contribution that th S. 10 Commission can make to improving governmental performance, the Congress should give early and favorable consideration to the passage of S. 10.

SENATE RESOLUTION 204—ORIGINAL RESOLUTION REPORTED DURING THE ADJOURNMENT EXPELLING SENATOR HARRISON A. WILLIAMS, JR., OF NEW JERSEY FROM THE SENATE

Under the authority of the order of the Senate of August 3, 1981, Mr. Wallop, from the Select Committee on Ethics, reported the following original resolution on September 3, 1981; which was placed on the calendar:

S. RES. 204

Resolved, That the conduct of Senator Harrison A. Williams, Junior, of New Jersey in connection with his agreement to use his official position to further a business venture in which he and others had a financial interest was in violation of the laws of the United States and the Standing Rules of the Senate, was ethically repugnant, and tends to bring the Senate into dishonor and disrepute; and that therefore, pursuant to article 1, section 5, clause 2 of the United States Constitution, Senator Harrison A. Williams, Junior, be, and hereby is, expelled from the United States Senate.

SENATE RESOLUTION 207—RESO-LUTION RELATING TO REFORM OF SEXUAL ASSAULT LAWS IN THE DISTRICT OF COLUMBIA

Mr. DENTON (for himself, Mr. Helms, Mr. East, and Mr. Hatch) submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 207

Resolved, That the Senate disapproves of the action of the District of Columbia Council described as follows: The Act entitled "An Act to reform the sexual assault laws of the District of Columbia, and for other purposes," approved July 21, 1981 (D.C. Act 4-69) transmitted to the Congress pursuant to section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act on July 21, 1981.

 Mr. DENTON. Mr. President, I am today submitting a resolution to disapprove the District of Columbia Council's action in repealing certain aspects of the District's laws governing illicit sexual activity. I am joined by Senators Helms, East, and Hatch.

Under the District of Columbia Self-Government Act, I believe that the District of Columbia should have the right to make and abide by its own laws, except in extraordinary circumstances. In passing bill 4-69, the City Council has created one of those extraordinary circumstances.

The District of Columbia should not be in the forefront in further liberalization of laws regarding sexual behavior. As the Nation's Capital, this city should not be the place where social experiments are performed, where centuries of legal tradition are thrown out the window. Rather, this city should be governed by standards which conform with the long-standing national consensus on these matters.

Recently there have been several episodes involving illicit sexual activity which have tended to bring disrepute on the city of Washington, and Capitol Hill in particular. If we do not object to the legalization of such activity, we will be sending a signal to the American people concerning our own standards of conduct—those of the Congress of the United States. That is a signal which the people will note.

Simply put, the city does not need to look or act any worse in representing this Nation—this "One Nation Under God"—to Americans, or to visitors from abroad

D.C. bill 4-69 would remove criminal sanctions against the practice of sodomy. It would not view as a crime a teacher's seduction of a 16-year-old student. It would permit bestiality. In short, the D.C. bill would legalize virtually all consensual sex for those 16 years of age and older.

In addition, it would reduce the maximum penalty for forcible rape from life imprisonment to 20 years. The time actually served would be an insufficient deterrent to this most heinous crime. The word "rape" would be removed, reducing the stigma of the offense and decreasing the chance that a proper sentence would be imposed. The stark na-

ture of the offense is blurred by a legal euphemism that will confuse juries, and the reduced maximum sentence will in some cases have the convicted rapist back on the streets in perhaps 3 to 4 years.

This bill is offensive in many respects, but the changes with regard to rape are especially offensive to women, and the changes with regard to consent to sexual activity at age 16 would pose a danger to youngsters.

Finally, I would point out that Federal law does not prohibit these activities which would be legalized by the bill. Rather, the Federal Government relies on the local legislative authority, plus the Assimilative Crimes Statute, to set down standards governing conduct in public buildings in the country's seat of Government. In this sense, the D.C. Government has become the rulemaking body for the Federal Government which binds it to a set of standards for conduct.

Mr. President, we are not talking about extending the moral arm of the Government into the unknown. We are talking about whether to repeal statutes that have been on the books 80 years. To the best of my knowledge, there have not been allegations that enforcement has been overreaching or overly intrusive. In fact, recent application of the laws suggest to me that both the Congress and the American people will not support decriminalization of illicit sexual activity.

I would therefore urge my colleagues to join me in expediting consideration and adoption of this resolution.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT
MANAGEMENT

Mr. PACKWOOD. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold a hearing at 9:30 a.m. on Friday, September 11, 1981. The subject of the hearing will be the extension of the temporary limit on the public debt.

The debt limit ceiling is currently \$985 billion. On September 3, 1981, the outstanding debt limit was \$980.5 billion.

The Treasury Department will recommend that the public debt ceiling be raised from \$985 billion in fiscal year 1980 to \$999.8 billion in fiscal year 1981 and to \$1,079.8 billion in fiscal year 1982.

The Honorable Roger Mehle, Assistant Secretary of the Treasury for Domestic Finance, will testify on behalf of the administration.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. DANFORTH. Mr. President, the Subcommittee on Federal Expenditures, Research, and Rules of the Committee on Governmental Affairs will hold a hearing on Thursday, September 17, 1981, to consider S. 719, the Consultant Reform and Disclosure Act of 1981. The hearing is scheduled to begin at 9:30 a.m. in room 3302 of the Dirksen Senate Office Building. The hearing was previously scheduled for September 15.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public additions to the agenda of the nominations hearing scheduled before the full committee for Monday, September 14 at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

The committee will also consider the nominations of Guy W. Fiske to be Under Secretary of Energy and Robert C. Horton to be Director of the U.S. Bureau

of Mines.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this

hearing, you may wish to contact Mr. David Doane at 224-7144 or Mr. Gary Ellsworth at 224-7146.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Energy and Mineral Resources. The hearing will be held on Thursday, September 17, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building to consider S. 1575, the Combined Hydrocarbon Leasing Act of 1981.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing, you may wish to contact Mr. Bob Terrell at 224-3086.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, September 10, at 2 p.m., to hold nomination hearings on Robert Monks, Victor Thompson, C. Howard Wilkins, and Victor Schroeder to be Members of the Board of the U.S. Synfuels Corporation.
The PRESIDING OFFICER. Without

objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet on Thursday, September 10, at 2 p.m., to hold a confirmation hearing on the nomination of Robert Hunter to be a member of the NLRB.

The PRESIDING OFFICER. Without

objection, it is so ordered.

SUBCOMMITTEE ON CRIMINAL LAW

Mr. BAKER. Mr. President. I ask unanimous consent that the Subcom-

mittee on Criminal Law of the Committee on the Judiciary be authorized to meet during the session of the Senate on Monday, September 14, to hold a hearing on S. 1434, a bill dealing with the Act of State Doctrine.

The PRESIDING OFFICER. Without

objection, it is so ordered.

ADDITIONAL STATEMENTS

WILLIAM J. CASEY

 Mr. GOLDWATER, Mr. President, I submit, for printing in the RECORD, the following information, provided by Mr. William J. Casey, Director of Central Intelligence. This information supplements the list of clients submitted by Mr. Casey at the time of his confirmation hearing, which appears in the RECORD of January 27, 1981.

The information follows:

LIST OF CLIENTS

(Furnished by Rogers & Wells with respect to which William J. Casey, who was then affiliated with the firm, had billable time or otherwise received credit during the period 1976-1981.)

Alexander & Alexander. The Alternative Education. American Society of Allied Health Profes-

sions.

H. W. Anderson Products. Armor Products, Inc. Associated Press. Charles N. Atwood. Parley Augustsson. BRS Inc. Virginia Bacon. Banque de Paris. Ford Bartlett. Bear, Stearns & Co. Bessemer Trust Company. Sidney B. Bowne & Son. Elwood D. Boynton. Broad Hollow Development. Jeremiah Burns, Inc. Caesar's World. Capital Cities Communications, Inc. Central American Pipeline. City of New York. Sidney Colen. Continental Hotels Corporation. Covert & Associates, Inc. Cox & Company. DWG Corporation. Deak & Co. Inc. Diamond Distributors, Inc. Andrew Duell. Energy Transition Corp. Environmental Research & Technology.

Jack Farber. Fidelity Management & Research Corp. Film Corporation of America.

Anthony G. A. Fisher. Fitch Investors Service, Inc.

Florida Condominium Corp. John Folgia. Connie Francis.

Mr. and Mrs. Abraham Friedberg. Fulbright & Jaworski (D.C.) Gamble-Skogmo.

Gladding Corp. Government of Indonesia. Graphic Controls Corp. Estate of Leonard W. Hall. Housatonic Valley Paper Co. The Institute of Economic Affairs.

Old Lane International. Owens-Illinois Glass Mfg. Co. Oyster Bay Foodtown. PAN AM World Airways.

Parr Meadows Racing Association. Pertamina Peter Piffath.

J. T. Potter. Maxwell M. Powell. Promenade Magazines, Inc. Pullman, Inc. Republic of Korea. Resource Asia.
Reynolds Construction Company. Estate of Joseph E. Ridder. Robert Ross/East-Europe Domestic International Sales Corp. SCA Services, Inc.

Philip J Sagona.
Saudi American Lines.
Scientific Life Systems (Dr. Irving Dardik).
Howard Sears, Jr. Semiconductor Specialists, Inc. Servo Corporation of America. Shaheen Natural Resources.

Abraham Shames. Sharon Steel Company.

Sloan Valve Company. International Crude Oil Refining, Inc Kennecott Copper. Kephart Communications, Inc.

King Kullen Grocery Stores. Mitchell P. Kobelinski. Koren-DoResta. Korvettes.

Nicholas Krapf. Litco Corporation of New York. Lockheed Aircraft.

Long Island Forum for Technology. Long Island Trust Company. Dominique Maillard. Mastercraft Corp. Merrill Lynch Hubbard.

Merrill Lynch International Bank. Merrill Lynch, Pierce, Fenner & Smith. Miles Laboratories, Inc.

Moore, Schley, Cameron & Company. U. V. Muscio. NAB Manufacturing Company.

NVF Corporation. Nassau County. National Telephone Company. Newfoundland Refining.

New York State Employees Retirement Fund.

Norse Petroleum A/S. Lauraine G. Smith. Edward Swanson. Tennessee Partners, Ltd. Ter Bush & Powell, Inc. Trubin, Sillcocks, Edelman. Twentieth Century Fox. Twentieth Century Fox.
Walter Van der Waag.
Joseph F. Virdone.
Wackenhut Corp.
S. G. Warburg & Company, Ltd. David Westerman. Wilmer, Cutler & Pickering. Milton Zipper.

TRIBUTE TO ROY WILKINS

• Mr. DURENBERGER. Mr. President, yesterday, our country lost a great citizen. All people who celebrate human dignity as a basic right of every man, woman, and child are saddened by the death of Roy Wilkins. Mr. Wilkins dedicated his 80 years with us to the cause of human dignity and all of us are immeasurably better off for his work and accomplishments.

Because of Mr. Wilkins' ties to my State, we in Minnesota have a special sadness. Mr. Wilkins moved to St. Paul when he was 3 and lived there until his graduation from the University of Minnesota. In fact, it was at the University of Minnesota where he received his training in journalism, serving as the night editor of the school paper, the "Minnesota Daily."

All people, though, share the loss left by his death. Many of the most important gains we have made in civil rights

are due in no small part to the lifetime efforts of Mr. Wilkins. While other civil rights leaders may have attracted more headlines, especially in recent years, it was Mr. Wilkins who, decades earlier, had created for them the opportunity to find a national forum.

There is a plaque in my office that I think is especially appropriate in describing the life of Roy Wilkins. It reads, "The sign of God is that we will be led

where we did not plan to go."

Mr. Wilkins planned to be a journalist. But, as he quickly learned, one cannot record the events of a society without being outraged by the abuses that society inflicts on some of its members. It was not enough for Mr. Wilkins to write about the injustice he saw every day; he was compelled by a driving spirit to eradicate that injustice.

As the Washington Post said:

Today's young Americans of all races may read with a certain understandable detachment about life in this country 50 years ago, when Roy Wilkins began his distinguished career with the National Association for the Advancement of Colored People.

That is true. But whether they know it or not, today's generation—as well as all people-will miss Roy Wilkins.

TENNESSEE FARMERS SUFFER FROM HIGH INTEREST RATES

• Mr. SASSER. Mr. President, while the high interest rates we are now experiencing hurt virtually every sector of our economy, they are particularly burdensome for American farmers. Farming is one of the most-credit sensitive sectors of our economy. Farmers must borrow for equipment, fertilizer, and seed. If they do not borrow, they cannot produce; it is often that simple.

And while farmers in Tennessee and the rest of this country are the most productive in the world, they are finding that their very livelihoods are threatened by the excessively high interest rates we

are now experiencing.

The 20-percent prime rates and a prosperous farming community do not go hand in hand in Tennessee or elsewhere and it is time that the administration and the Congress devote considerable attention to bringing interest rates down and easing the fiscal crunch on the farmers of Tennessee and their counterparts throughout the country.

Mr. President, I ask that a recent article from the Nashville Banner, dealing with the impact of interest rates on Tennessee farmers, be printed in the RECORD.

The article follows:

As FINANCIAL SQUEEZE TIGHTENS-HIGH IN-TEREST RATES TAKE TOLL ON STATE FARMS

(By Pete Bird)

Tennessee's \$1.8 billion agriculture industry, battered by stiff interest rates and rising prices for everything from fertilizer to farm equipment, is undergoing its worst period since the Depression.

From the soybean fields of West Tennessee to the tobacco-laden hills of the east, inflation has slashed the profit margins of some farms while plunging others into the red. At the same time, the rising cost of boroved capital was

rowed capital has forced some of the state's 92,000 farms to sink deeper in debt in order to survive another year.

Ironically, farmers are unable to pass along

their cost increases as manufacturers or re-tailers might. That's because those who suffer drought and high borrowing costs have to sell their goods on the same markets as those with plenty of rain and money.

According to the U.S. Agriculture Depart-

ment, prices for crops and livestock rose than 40 percent between 1974 and mid-1981. During the same period, farm operating costs

jumped more than 80 percent.

For those who own their own farms and equipment, the crunch has been merely uncomfortable. For young farmers with heavy debt loads, it has become almost unbearable.

Jerry Rose, president of the Cookeville Production Credit Association, the major source of financing for 9,500 farmers in 12 Midstate counties, said the agency has fore-closed on more than 150 farms during the last 12 months.

In the last two years, the Cookeville PCA has charged off about \$4.5 million of its \$130 million in outstanding farm loans—more than in the previous 46 years combined.

"If we don't have an exceptionally year," warned Jere Griggs, who stepped down July 1 as the state commissioner of agricul-"more farmers will be forced out or forced into bankruptcy."

As the financial squeeze has tightened, farmers have become more business-minded than ever. Some are utilizing computers to project cash flow and keep tabs on production costs. Timing the sale of crops has become critical.

"Out of necessity, farmers have become more aware of farm management tools," said Clark Garland, professor of agricultural eco-

nomics at the University of Tennessee.

But even some of the best farmers, including the 300 or so participating in a UT program designed to demonstrate the imortance of sound farm management, facing financial difficulties, Garland added.
In 1979, the average net income of the

300 farms was \$15,977. But in 1980, the earnings plunged 70 percent to \$4,787. The decline reflected a combination of higher expenses, drought and low prices for livestock and crops.

Suffering the sharpest reversal were cash grain farmers, who lost an average of \$4,102 last year after making an average profit of \$13,949 in 1979. Swine farmers and part-time farmers also lost money.

Dairy farmers, in contrast, experienced only a 32 percent decline in net income to \$19,267 in 1980 from \$28,482 a year earlier. Inflation is the major culprit, most ana-

A cotton picker that cost \$20,000 six years ago now costs \$40,000. Fuel costs have more than tripled, dealing a stinging blow to row croppers dependent on tractors for plowing and planting.

"The cost of equipment has become ridiculous," said Wayne Moss, who farms about 500 acres near Cookeville. "We bought a tractor for \$4,500 in 1972. The same one would cost us \$14,000. I remember when we bought diesel fuel at 17 cents a gallon. We paid \$1.16 this year."

Moss said that in a good year, he'll make \$15,000 to \$20,000 on a gross income of \$100,-000 from corn, soybeans, tobacco and hogs. Last year, he barely broke even.

"This is what I've always wanted to do," the 28-year-old farmer said. "But it's getting discouraging."

Average Tennessee farm net income*

1973	 \$12, 157
1974	 7, 667
1975	 7,905
1976	 10,605
1977	 8,580
1978	 16, 878
1979	 15,977
1980	 4, 787

Data from approximately 300 farms participating in the University of Tennessee's resource management program.

For some, it's worse than that. Griggs said there's a prevailing attitude of pessimism these days in an industry where optimism once abounded.

"I ran into a young man in his early 30s the other day," the former agriculture commissioner said. "He had a good operation but a lot of debt. He told me he was ready to quit. He was tired of fighting the pres sure.

He's not the only one throwing in the towel. Between 1975 and 1980, the number of farms in Tennessee dropped to 92,000 from 102,000, according to the Tennessee Crop Reporting Service.

But at the same time, inflation has boosted the value of the remaining farms, a phenomenon that has increased the net worth of farmers while giving them more borrowing power.

In 1975, Tennessee farmland was worth an average of \$467 an acre. By 1980, this value had soared 59 percent to \$743 an acre, state records reflect.

While farmland inflation has helped some farmers secure larger loans, it has done little to solve their cash flow bind. In some cases, farmers aren't willing to liquidate their land to pay expenses. Even when they are willing to sell their capital assets, it's not always easy finding buyers.

"About 80 percent of the time, those farms end up with someone who's not a full-time farmer," Rose said. "They go to 4-H clubs, speculators, guys who want to build a house and a barn."

Rose said some believe the PCA has turned hard-hearted because of its foreclosures and tough loan standards. "We are made to look like bad guys," he sighed. "But we want farmers to know we're still interested in making loans."

Rose said his agency is working closely with farmers to help them plan their finances. "We're trying to help farmers salvage something instead of let it eat them up," he said.

Griggs said the state Agriculture Department offers a wealth of crop data to help farmers make decisions. "If we get timely rains, I think they'll make it another year," he said. "But they'll be just squeezing by."

Robert Hobson, agricultural statistician with the Tennessee Crop Reporting Service and the USDA's Statistical Reporting Service, said 1981 yields are shaping up as fairly good.

In 1979, the last year for which complete statistics are available, the top agricultural products in Tennessee were soybeans, reaping \$432 million in sales; cattle and calves, \$412 million, dairy products, \$245 million, hogs, \$188 million; and tobacco, \$156 million.

Other important products include chickens, with \$55 million in sales; corn, \$52 million; eggs, \$48 million; cotton, \$47 mil-

lion, and wheat, \$30 million.

According to Hobson, here's what's happening this year to the state's top five agricultural products:

Cattle and calves: Inventories as of July 1 were up more than 4 percent from the same time a year ago, reversing a downward production trend of several years.

Ironically, however, prices as of June 15 for all beef cattle were \$47.60 per hundred pounds, off 7.6 percent from \$51.50 a year ago. Prices for feeder calves in June had slipped to \$60 a hundredweight, against \$70.50 a year earlier.

"It's not a happy situation," Hobson said.

Dairy products: Milk production in Tennessee was up slightly during June—204 million pounds, compared with 200 million pounds the same month last year, and 182 million pounds in June 1979.

Prices as of June 15 were \$13.60 per hundredweight, compared with \$12.80 a

year earlier.

But the higher prices won't be all gravy. Dairy feed prices have jumped during the last year—to \$200 a ton for 16 percent protein feed from \$163 a ton in summer, 1980.

Soybeans: No estimates of production will be available until August, but Hobson said an estimated 2.35 million acres had been planted in beans this year, down 8 percent from 1980 levels.

Part of the decline was due to late harvesting of a record winter wheat crop, which was planted on land that supports soybeans during the summer growing season.

Prices as of June 15 were \$7.12 a bushel, up

18 percent from \$6.05 a year earlier.

Hogs: As of June 1, the inventory of hogs in the state was down to 920,000 head, 23 percent below a year ago. But June prices for hogs were up sharply—to \$47.40 per hundred pounds from \$33.80 a year ago.

Tobacco: An estimated 75,200 acres have been planted in tobacco this year, up 16 percent from a year ago, reflecting higher prices farmers received for the burley crop earlier

Although it's difficult to predict price trends in tobacco, the 1980 Tennessee burley crop sold for an average of \$1.66 a pound, compared with \$1.44 a pound for the 1979

SUPERFUND-JOINT AND SEVERAL LIABILITY

· Mr. STAFFORD. Mr. President, during the nearly 3 years which we worked on the "superfund" legislation, I acquired an enduring and deep respect for the perseverance of the chemical industry in general and the Chemical Manufacturers Association in particular. The association approached the legislation as an adversary which never conceded defeat. Having lost its points at subcommittee, CMA pressed them at full committee, on the Senate floor, and on the House floor. Having lost each of those battles, CMA now seeks to alter the law's implementation with the same adversarial zeal and vigor displayed in the legislative process.

The most recent evidence of CMA's staying power is a letter from an asso-ciation representative to Representative JAMES FLORIO, chairman of the House Subcommittee on Commerce, Transportation and Tourism. The letter is clearly an attempt to cause the law to be implemented in a way which is contrary to congressional intent by indirectly creating a legislative history at variance with the intent of the act's authors. The subject of the letter is joint and several liability. Mr. President, I ask unanimous consent that the letter be printed in the RECORD at this point.

The letter follows:

CHEMICAL MANUFACTURERS

ASSOCIATION. August 13, 1981.

Hon. JAMES J. FLORIO, Chairman, Subcommittee on Commerce,

Transportation and Tourism, Washington, D.C.

DEAR CONGRESSMAN FLORIO: The Chemical Manufacturers Association respectfully requests permission to have included in the hearing record of July 29, 1981 on the oversight of the Superfund program the attached document on the issue of joint and several

Thank you for this opportunity to submit comments on this very important issue.

If you have any questions, please call me at 887-1124.

Sincerely.

TIMOTHY F. BURNS, Legislative Representative. COVINGTON & BURLING,

Washington, D.C., August 13, 1981. Re Joint and Several Liability Under Superfund.

MR. EDMUND B. FROST, Esq., Vice President and General Counsel, Chemical Manufacturers Association, Washington, D.C.

DEAR MR. FROST: You have asked for our views as to the position apparently taken by Assistant Attorney General Carol Dinkins and EPA Administrator Anne Gorsuch at an Oversight Hearing before the House Subcommittee on Commerce, Transportation and Tourism on July 29, 1981 that the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Pub. L. No. 96-510 ("Superfund") authorizes the imposition of joint and several liability.

In our view, the apparent position of Assistant Attorney General Dinkins and Administrator Gorsuch is not only unsupported by the language of the statute and its legislative history, but is in direct conflict with the statutory principles and procedures designed to ensure that the responsibility for and costs of abatement are fairly allocated among private parties, and between them and the fund.

There is no doubt in this case that the failure of Congress to provide in Superfund for "joint and several liability" was intentional. The predecessor bills in both the House and Senate contained explicit provision for such a liability scheme. See, § 3071 (a) (1) of H.R. 7020; § 4(a) of S. 1480. Unlike these predecessor bills, Superfund nowhere provides for joint and several liability. The reason for this is clear from the legislative history: a statute with those provisions would not have been enacted.

As the regular second session of the 96th Congress came to a close, Superfund (S. 1480) was stalled in the Senate because of controversy over a number of issues, including joint and several liability. After the 1980 election, Senator Stafford, the ranking minority member of the Senate Committee on Environment and Public Works, offered an extensive compromise to get Superfund passed before the advent of the new Congress and the new administration. He circulated his compromise bill to all 99 of his colleagues together with a summary which said that the compromise "Eliminated joint and several liability." This summary is recorded at 126 Cong. Rec., p. 30972 (Nov. 24, 1980). Since there is no committee report on the compromise bill that passed, this summary should be considered an authoritative source of Congressional intent. Senator Helms' remarks clearly reflect this understanding of the compromise:

As originally introduced on July 11, 1979, 1480 imposed an unprecedented scheme of strict, joint and several liability....

Retention of joint and several liability in 1480 received intense and well-deserved criticism from a number of sources....

The drafters of the Stafford-Randolph substitute have recognized this unfairness, and the lack of wisdom in eliminating any meaningful link between culpable conduct and financial responsibility. Consequently, all references to joint and several liability in the bill have been deleted, 126 Cong. Rec. p. 30972 (Nov. 24, 1980). In place of the earlier scheme, Congress

enacted a statute that identifies a relatively broad group of parties who may in appropriate circumstances be held liable, under § 107, for response costs incurred by the Government or other persons as long as those costs are consistent with the NCP. Nothing in those provisions suggests the scheme that the Government advances.

Furthermore, joint and several liability is inconsistent with the statutory scheme of

Superfund, which is designed to promote a fair allocation of responsibility among private parties and, even more importantly, between those parties and the fund. Superfund's provisions—particularly § 111(a)(2), which provides for payment by the fund to persons who incur response costs consistent with the National Contingency Plan, and § 112(b)(2)(B), which provides for payment by the fund when the responsible party is unknown or unavailable—belie the notion that Superfund may be used to require any particular defendant(s) to bear the total cost of abatement where other parties are also responsible. Moreover, since the fund is available to pay for abatement costs not attributable to available private parties, the hazard posed by the site or release in question can be adequately addressed without resort to a rigid and inequitable joint and several liability scheme.

Certain of Assistant Attorney General Dinkins' remarks at the Oversight Hearing suggest that the Justice Department may not endorse joint and several liability where available parties caused only a portion of the total harm. For example, in response to a question from Rep. Lent as to the Justice Department's position in cases where some of the contributors to the harm are defunct

or insolvent, Ms. Dinkins replied:
"The hard cases, and the cases that I really cannot give you an answer on, are those where you may have perhaps only 20 or 30 percent of the contributors present and

able to pay.

"And I do not know how we will handle those cases." (Transcript, p. 49)

We would hope that these remarks are a more accurate reflection of the Government's position than other statements suggesting that joint and several liability under Superfund is appropriate. The reluctance of the Justice Department to impose liability where it does not belong is not only sound policy from the standpoint of equity; as we have discussed above, a contrary position is in-consistent with the language and structure of Superfund and with Congressional intent.

Sincerely yours,
THEODORE L. GARRETT, RALPH H. SMITH. DAVID F. WILLIAMS.

Mr. STAFFORD. This letter is important for two reasons. First, it is concerned directly with one of the most important issues likely to arise during su-perfund implementation. Second, and more importantly, it illustrates the persistence and doggedness of superfund's opponents. This letter is an attempt to achieve in the administrative process what the law's opponents failed to achieve in the legislative arena. If they fail here, I have no doubt that their next attempts will be made in a judicial form, and this letter is an attempt to create supportive legislative history out of whole cloth.

I believe it would be instructive to examine some particular statements in the Covington & Burling letter. They illustrate the technique employed re-peately in debates over the meaning of certain superfund provisions.

First, it should be understood that this is a letter prepared by an able and respected law firm on behalf of its client, the Chemical Manufacturers Association. The letter is written and must be understood in the context of advocating a particular position.

With the general caveat, I should like to examine a number of statements contained in the letter.

In its fourth paragraph, the letter states that "there is no committee report on the bill that passed." In fact, the enacted bill represented a drastically slimmed down version of the bill re-ported by the Committee on Environment and Public Works, S. 1480. The enacted compromise was drafted by whittling away sentences, phrases, or pages of S. 1480 to arrive at a politically acceptable bill. Much of S. 1480 was left by the wayside, but a great deal of it remained when the process was completed. Thus, although there was no report per se, the committee report on S. 1480 remains very relevant in construing the compromise law. Similarly, the floor statements which are most relevant are those of the bill's drafters, including myself.

The letter suggests in a variety of ways that a conclusion of the Congress that the imposition of joint and several liability is inappropriate. This assertion is based on my decision to eliminate the term "joint and several liability" from the compromise versions. I never stated or even suggested that elimination of the term should be construed or interpreted as a bar to imposition of joint and several liability as it exists at common law. In fact, I took great care to avoid even the appearance of such a suggestion. The legislative history explicitly states just the opposite: that we were relying on the applicability of joint and several liability under the common law rule.

Regarding the compromise, Senator RANDOLPH stated:

The liability regime in this substitute contains some changes in language from that in the bill reported by the Committee on Environment and Public Works. The changes were made in recognition of the difficulty in prescribing in statutory terms liability standards which will be applicable in individual cases. The changes do not reflect a rejection of the standards in the earlier bill.

Senator RANDOLPH continued:

It is intended that issues of liability not resolved by this act, if any, shall be governed by traditional and evolving principles of common law. An example is joint and several liability. Any reference to these terms has been deleted, and the liability of joint tort feasors will be determined under common or previous statutory law.

To foreclose the possibility that opponents of the bill could later argue that we had somehow precluded the imposition of joint and several liability. phrased my statements very carefully. Frankly, in the confusion which surrounded those final days, I may have slipped up once or twice. But in the vast majority of the cases, I took great care to state that we were eliminating "reference" to joint and several liability or we were eliminating the "term" joint and several liability. We did not eliminate or in any way constrain the concept of its application to lawsuits brought under authority of the superfund law. We left development of the concept and its application to the courts and the common law.

This approach reflected the belief of S. 1480's sponsors that joint and several liability is applicable to many of these cases under the principles of common law. At a markup on April 15, 1980, the

committee invited officials of the Justice Department to discuss joint and several liability with us. Mr. James M. Moorman, Assistant Attorney General for the Lands and Natural Resources Division, testified as follows:

In summary, it is our position that the current case law, and when one reasons by analogy, as the courts do, imposes strict liability and joint and several liability on those generators who contribute to a release. I am convinced that as cases arise, courts will hold such generators jointly, severally and strictly liable for releases of hazardous wastes. While the courts have not yet had adequate opportunity to apply these rules to the full range of activities covered by superfund, I fully expect the courts to apply them to hazardous waste disposal problems.

them to hazardous waste disposal problems. Rather than wait the several years required for that day to come, however, Congress could remove all doubt now by reaffirming the common law in the superfund legislation.

In fairness, there were those who disagreed with Mr. Moorman's statement, and they included the lawyers at Covington & Burling. Indeed, their disagreement was one reason that S. 1480 expressly reaffirmed the doctrine's applicability to superfund cases. As Mr. Moorman testified, because of "the mere fact that they have raised the doubts * * the record is going to be left possibly in a confused state."

Mr. Moorman's prediction that opponents of the law would attempt to take advantage of silence is being realized. It was precisely because of his warnings that Senator Randolph and I exercised care in drafting the compromise and its explanations. We exercised similar care in explaining the compromise orally to colleagues. Indeed, this care manifested itself in the statement of Senator Helms which is quoted with favor in the letter. He did not refer to an elimination of the doctrine of joint and several liability or any prohibition on its application to these cases. He spoke of eliminating "all references to joint and several liability" (emphasis added).

Mr. President, I do not attach any moral blame to these attempts to take advantage of the law's apparent silence. In fact, I anticipated that this would happen. I also expect that if the law's opponents fail in the executive branch as they did in the Congress, the next argument will be presented to a judge. As disappointing as it is to me, I am realistic enough to recognize that it is the role of modern Washington lobbyists and lawyers to press their clients' interests to the bitterest end. Those charged with the responsibility for deciding these issues, however, must bear in mind that such arguments are being advanced with a stated goal in mind, not for the sake of an abstract pursuit of justice or accuracy.

PRINCIPLES OF WAR

 Mr. GOLDWATER. Mr. President, Gen. Donn A. Starry, who is Commander in Chief of the U.S. Readiness Command at McDill Air Force Base, Fla., and who

was former commander of the Fifth Corps U.S. Army Europe and most recently commander of the U.S. Army Training and Doctrine Command at Fort Monroe, Va., has written a most interesting and penetrating article on the principles of war. I have not seen in many years such a comprehensive analysis of the subject as it brings all of the experts up to date and brings our understanding of principles out in clear language that should guide our forces well. It is such a good article, I ask to have it printed in the Record and I urge all of my colleagues to read it.

The article follows:

THE PRINCIPLES OF WAR (By Gen. Donn A. Starry)

Modern warfare requires the application of both the science and the art of war. The science of war is in a constant state of change, driven by new technological developments which can radically change the nature of the battlefield. The art of war, on the other hand, involves the critical historical analysis of warfare.

The military professional derives from this analysis the fundamental principles—their combinations and applications—which have produced success on the battlefields of history. The principles of war thus derived are, therefore, a part of the art rather than the science of war. They are neither immutable or causal, nor do they provide a precise mathematical formula for success in battle. Their value lies in their utility as a frame of reference for analysis of strategic and tactical issues.

For the strategist, the principles of war provide a set of military planning interrogatives—a set of questions that should be considered if military strategy is to best serve the national interest. For the tactician, these principles have provided an operational framework for the military actions he has been trained to carry out.

In the soon-to-be-published revision of Field Manual 100-1, The Army, the U.S. Army has another look at its time-honored and battle-tested principles of war. Readers familiar with principles of war embraced by our Army will recall that they have been traditionally more tactically precise and less strategically perceptive than might have been desired. This fact, among others, occasioned a reevaluation of their relevance in today's world in which large quantities of very high-quality weapons systems are likely to come together in battles. The intensity of these battles may be like nothing experienced before, and the lethality and pace of the battles will surely outreach the most imaginative notions.

First, however, a few words of history might be in order as a background against which to array the principles as they are soon to be set forth. In the United States, our fundamental military heritage derives from the Napoleonic wars. More precisely, it has grown from the writings of two men who reported on Napoleon's campaigns. Each drew inferences which were to have fareaching influences on the U.S. military system. The two men were Baron Henri Jomini and Major General Karl von Clausewitz. We will come back to them but, first, a few words about war in Napoleon's time.

The European monarchs of the time had set out to break the back of the French Revolution and thereby stem its spread throughout Europe. As a result, France's incentive to resist, fight and win became so great that it demanded and stimulated new and revolutionary forms of war. France's stake was high—survival. It is not difficult, therefore, to understand why it was consid-

ered necessary to marshal the nation's total manpower and other resources in defense of the republic. Nor is it difficult to understand why, once the enemy was driven from French he should be attacked in his homeland and brought under French control so that he could not attack France again.

Napoleon found victory by lavishly ex-pending manpower. Imposing even greater losses on his enemy, he forced his foe literally into abject surrender. Napoleon's idea of -annihilation-as later embellished by Jomini and Clausewitz, was abetted by new developments in artillery and innova-tions in organization which formed armies into independent divisions, each capable of acting on its own in execution of assigned missions. It was essentially an operational scheme drawn from the conviction that, to win, one need only to organize forces, fire-power and maneuver in concert to overwhelm—that is, to outnumber and overpower the foe at some unexpected place and time and in some unexpected fashion.

It was Jomini's Napoleon that became the foundation of military tactics and strategy as taught in the U.S. Army. This was so largely because Clausewitz was not translated into English until 1873.

In many ways, Jomini was less-well-equipped to interpret Napoleon than was his Prussian contemporary Clausewitz, for Jomini's intellectual roots were deep in the

18th century. He was repelled by Napoleon's indiscriminate bloodshed; he abhorred armies that lived off the land, leaving destruction in their wake. But he seized on the essential Napoleon-the massing of one's forces to bring the greatest possible weight to bear at a point and time where and when the enemy could bring but part of his force to bear. It was Jomini, too, who recorded Napoleon's conviction that the offensive was the military operation necessary to victory.

While his concentration on the decisive place tended to put Jomini more in the 18th-century tradition of a quest for ter-rain rather than destruction of enemy armed forces, that subtlety was often lost on his American readers. This was all the more so once Clausewitz's more powerful interpretation of Napoleon was available in English.

was not until after World War I that the US Army tried to codify the funda-mental essence of war. This was despite Jomini's early teaching that it was necessary for armies to develop and follow certain principles to guide their operations. The first principles of war espoused by the US Army were set forth in War Department Training Regulation 10-5 of 1921. As noted Figure 1, not much has been done to change them in the ensuing years as their modern counterparts, by title alone, suggest. Whether this reflects the ultimate wisdom of their first drafter, intellectual bankruptcy

or some other circumstance would be hard to say.

FIGURE 1 .- Principles of War

1921 Version: Current Version: Objective Objective Offensive Offensive Mass Mass Economy of force Economy of force Movement Maneuver Surprise Surprise Security Security Simplicity Simplicity

Cooperation

Unity of Command Other armies of the world have codified their experience into principles also. All European armies, including the Soviets, are basically children of the Napoleonic experience, interpreted by both Jomini and Clause witz. It will be further recalled that Jomini reported on Napoleon from both sides— French and Russian—a point not at all lost on modern Soviet strategists. And so, foremost among all European nations perhaps, the Soviets are advocates of classic Napoleonic battle-annihilation.

At the moment, the Soviets can afford both the manpower and the weapons. Time may change that as it has done in our own country. Nevertheless, as Figure 2 reflects, there is a strong Napoleonic flavor in the principles laid down by the Soviets to guide their study and application of the art of war.

FIGURE 2,-COMPARISON OF PRINCIPLES OF WAR USED BY VARIOUS NATIONS

United States (Army)	Great Britain and Australia	Soviet Union	France	People's Republic of China
Objective Offensive Mass Economy of force Maneuver Unity of command Security Surprise Simplicity	Offensive action Concentration of force Economy of effort Flexibility Cooperation Security	Combined armsAdequate reserves	Concentration of effort.	Political mobilization. Selection and maintenance of the aim Offensive action. Concentration of force. Initiative or flexibility. Coordination. Security. Surprise.
Simplicity	Maintenance of moraleAdministration	Morale	Liberty of action	Morale, Freedom of action, Mobility,

Since Napoleon or, more correctly, since Jomini and Clausewitz provided their per-spectives on Napoleon's operations, the history of battle has provided some additional insights. These insights are quite relevant

to reconsideration of principles of war today.

First is the truth that, more often than not, the outcome of battle defies the force ratio's extant at battle's onset. The side that is outnumbered at the beginning is not fore-doomed to defeat. In fact, quite the con-trary is the case. The study of why this is so brings one to some revised viewpoints with regard to principles of war.

Second is the growing importance of the synchronization of all elements of national power in pursuit of national goals. Also, there is the equal imperative of public support for the policies—economic, social, political and military—adopted to achieve the national aims. Traditionally inept at syn-chronizing the nonmilitary facets of na-tional policy, democracies all too frequently turn all too quickly to their military forces. They do this without first having laid the requisite groundwork to attain and sustain strong public support for the policy course

Dramatic demonstration of this fact in the last two decades leads to some further revised viewpoints about principles of war So, without being unfaithful to the useful truths of our Napoleonic heritage and with due acknowledgment of our historical experience since Napoleon, let us postulate some modest revisions to our principles of

OBJECTIVE

Every military operation should be ditoward a clearly defined, decisive and attainable objective.

As a derivative of the political aim, the strategic military objective of a nation at war must be to apply whatever degree of force necessary to allow attainment of the political purpose or aim for which the war is being fought. When the political end desired is the total defeat of the adversary, then the strategic military objective will most likely be the defeat of the enemy's armed forces and the destruction of his will to

It is essential, however, that the political purpose be clearly defined and attainable by the considered application of the various elements of the nation's power. Not until the political purpose has been determined and defined by the president and Congress can strategic and tactical objectives be clearly identified and developed. Once developed, the strategic objectives must constantly be subjected to rigorous analysis and review. This is to ensure that they continue to reflect accurately not only the ultimate political end desired, but also any political constraints imposed on the application of military force.

The strategic military objective focuses on the political ends. So, tactical military operations must be directed toward clearly defined, decisive and attainable tactical objectives which ultimately assist in achieving the strategic aims. Similarly, intermediate tactical objectives must quickly and economically contribute, directly or indirectly, to the

purpose of the ultimate objective. Selection of objectives is based on consideration of the overall mission of the command, the commander's assigned mission, the means available and the military characteristics of the operational area. Commanders must clearly understand and they must communicate clearly to their subordinate commanders the intent of the operation upon which the command as a whole is about to

OFFENSIVE

Seize, retain and exploit the initiative. The principle of the objective requires that all efforts be directed toward a clearly defined "common goal." The principle of the offensive suggests that onensive action, or main-tenance of the initiative, is the most effective and decisive way to pursue and attain that "common goal." This is fundamentally true in both the strategic and tactical sense While it may sometimes be necessary to adopt a defensive posture, this should be only a temporary condition until the necessary means are available to resume offensive operations. An offensive spirit must be inerent in the conduct of all defense operations-it must be an active defense, not a passive one.

Offensive action, whatever form it takes, is the means by which the nation or a military force captures and holds the initiative achieves results and maintains freedom of action. It permits the political leader or the military commander to capitalize on the initiative, impose his will on the enemy, and set the terms and select the place of con-

frontation or battle. It also allows him to exploit weaknesses and react to rapidly changing situations and unexpected developments. No matter what the level, strategic or tactical, the side that retains the initiative through offensive action forces the foe to react rather than act.

Concentrate combat power at the decisive place and time.

In the strategic context, this principle suggests that the nation should commit, or be prepared to commit, a predominance of national power to those regions or areas of the world where the threat to vital security interests is greatest. Some nations, including the United States, have global security in-terest in term of politico-military alliance and commitments and resource dependencies. For such nations, the accurate and timely determination of where the threat to vital national interests is greatest is becoming increasingly more difficult.

In today's volatile world, the nature and source of the threat often change in dra-matic fashion. It is, therefore, incumbent upon military strategists to anticipate the likely areas of concern and develop suitable contingency plans. Since every possible contingency or trouble spot cannot be anticipated, much less planned for, it is absolutely essential for Army planners and Army forces to retain flexibility of thought

and action.

In the tactical dimension, the principle of mass suggests that superior combat power must be concentrated at the decisive place and time in order to achieve decisive results. This superiority results from the proper combination of the elements of combat power at a place and time and in a manner of the commander's choosing in order to retain the initiative. The massing of forces, together with the proper application of other principles of war, may enable numerically inferior forces to achieve decisive battle outcomes.

ECONOMY OF FORCE

Allocate minimum essential combat power to secondary efforts.

As a reciprocal of the principle of mass, economy of force in the strategic dimension suggests that, in the absence of unlimited urces, a nation may have to accept some risk in areas where vital national interests are not immediately at stake. This means that, if the nation must focus predominant power toward a clearly defined primary threat, it cannot allow attainment of that objective to be compromised by unnecessary diversions to areas of lower priority. This involves risk, requires astute strategic planning and judgment by political and military leaders, and again places a premium on the need for flexibility of thought and action.

At the tactical level, the principle of economy of force requires that minimum means be employed in areas other than where the main effort is intended to go. It requires, as at the strategic level, the acceptance of prudent risk in selected areas in order to achieve superiority in the area where deci-sion is sought. Economy-of-force missions may require the forces employed to attack, defend, delay or conduct deception opera-

MANEUVER

Place the enemy in a position of dis-advantage through the flexible application of combat power.

In the strategic sense, this principle has three interrelated dimensions—flexibility, mobility and maneuverability. The first of these involves the need for flexibility in thought, plans and operations. Such flexibility enhances the ability to react rapidly unforeseen circumstances. Given the global nature of US interests and the dy-namic character of the international scene, such flexibility is crucial.

The second dimension involves strategic mobility which is especially critical for an insular power such as the United States. In order to react promptly and concentrate and project power on the primary objective, strategic airlift and sealift are essential. The final strategic dimension involves maneuverability within the theater of operations so as to focus maximum strength against the enemy's weakest point and thereby gain the strategic advantage.

In the tactical sense, maneuver is an essential element of combat power. It contributes significantly to sustaining the initiative, exploiting success, preserving freedom of action and reducing vulnerability. The object of maneuver is to concentrate or disperse forces in a manner designed to place the enemy at a disadvantage, thus achieving results that would otherwise be more costly in men and materiel. At all levels, successful application of this principle requires more than fire and movement. Other requirements are flexibility of thought, plans and opera-tions, and the considered application of the principles of mass and economy of force.

UNITY OF COMMAND

For every objective, there should be unity of effort under one responsible commander. This principle ensures that all efforts are focused on a common goal. At the strategic level, this common goal equates to the political purpose of the United States and the broad strategic objectives which flow therefrom. It is the common goal which, at the national level, determines the military forces necessary for its achievement. The coordination of these forces requires unity of

At the national level, the Constitution provides for unity of command by appointing the president as the commander in chief of the Armed Forces. The president is assisted in this role by the national security organization. This includes the secretary of defense and the Joint Chiefs of Staff at the highest level and, at the operational levels, the unified and specified commands and joint task forces.

In the tactical dimension, it is axiomatic that the employment of military forces in a manner that develops their full combat power requires unity of command. Unity of comand means directing and coordinating the action of all forces toward a common goal or objective. Coordination may be achieved by cooperation. It is, however, best achieved by vesting a single tactical commander with the requisite authority to direct and coordinate all forces employed in pursuit of a common goal.

SECURITY

Never permit the enemy to acquire an unexpected advantage.

Security enhances freedom of action by reducing friendly vulnerability to hostile acts, influence or surprise. At the strategic level, security requires that active and passive measures be taken to protect the United States and its Armed Forces against espionage, sabotage, subversion and trategic intelligence collection. However, implementation of such security measures must be balanced against the need to prevent them from sev ering the link between the American public and its Army.

In addition, such measures should not be allowed to interfere with flexibility of thought and action since rigidity, and dogmatism increase vulnerability to enemy surprise. In this regard, thorough knowledge and understanding of enemy strategy, tac-tics and doctrine, as well as detailed stra-tegic staff planning, can improve security and reduce vulnerability to surprise.

At the tactical level, security is essential to the protection and husbanding of combat power. Security results from the measures taken by a command to protect itself from surprise, observation, detection, interference, espionage, sabotage or annoyance. Security may be achieved through the establishment and maintenance of protective measures against hostile acts or influences. It may also be assured by deception operations designed to confuse and dissipate enemy attempts to interfere with the force being secured. Risk is an inherent condition in war. Application of the principle of security does not suggest overcautiousness or the avoidance of calculated risk.

SURPRISE

Strike the enemy at a time or place and

in a manner for which he is unprepared.

To a large degree, the principle of surprise is the reciprocal of the principle of security. Concealing one's own capabilities and intentions creates the opportunity to strike the enemy unaware or unprepared. However, strategic surprise is difficult to achieve. Rapid advances in strategic surveillance technology make it increasingly more difficult to mask or cloak the large-scale marshaling or movement of manpower and equipment. This problem is compounded in an open society such as the United States where freedom of press and information are highly valued.

However, the United States can achieve a degree of psychological surprise due to its strategic deployment capability. The rapid deployment of U.S. combat forces into a crisis area can forestall or upset the plans and preparations of an enemy. This capability can give the United States the advantage in both a physical and psychological sense by denying the enemy the initiative.

Surprise is important in the tactical dimension, for it can decisively affect the outcome of battle. With surprise, success out of proportion to the effort expended may be obtained. Surprise results from going against an enemy at a time or place and in a manner for which he is unprepared. It is not essential that the enemy be taken unaware, but only that he become aware too late to react effectively. Factors contributing to surprise include speed and alacrity, employment of unexpected forces, effective intelligence, deception operations of all kinds, variations of tactics and methods of operation, and operations security.

SIMPLICITY

Prepare clear, uncomplicated plans and clear, concise orders to ensure thorough understanding.

In both the strategic and tactical dimension, guidance, plans and orders should be as simple and direct as the attainment of the objective will allow. The strategic importance of the principle of simplicity goes well beyond its more traditional tactical appli-cation; it is an important element in the development and enhancement of public support.

the American people are to commit their lives and resources to a military operation, they must understand the purpose which is to be achieved. Political and military objectives and operations must, therebe presented in clear, concise, understandable terms. Simple and direct plans and orders cannot compensate for ambiguous and cloudy objectives. In its military application, this principle promotes strategic flexibility by encouraging broad strategic guidance rather than detailed and involved instruction.

the tactical level, simplicity of plans At the tactical level, simplicity of plans and instructions contributes to successful operations. Direct, simple plans and clear, concise orders are essential to reduce the chances for misunderstanding and confusion. Other factors being equal, the simplest plan executed promptly is to be preferred over the complex plan executed later.

While any set of principles of war adopted was nation has application across the entire

by a nation has application across the entire

spectrum of warfare, it must be understood that the principles are interdependent and interrelated. No single principle can be blindly adhered to or observed to the exclusion of the others, and none can assure victory in battle without reinforcement from one or

more of the others.

Indeed, military forces of each nation conduct operations on the basis of operational concepts which are derived from combinations of principles. For example, an operational concept derived from a combination of offense, mass, surprise and maneuver might suggest a large military force, using large numbers of swiftly moving armored forces. The dominant mode of operation of this force is to overwhelm, disrupt and destroy, using surprise and maneuver to assist in the execution.

The most common application of the principles of war is in the form of operational modes on the field of battle. However, the principles can also be useful when integrated into the military estimate and decision process as an aid to judgment and analysis. The principles of objective and unity of command, for example, can assist in mission analysis both at the strategic and tactical level. They are also valuable aids in determining the purpose and direction of effort.

In like manner, the principle of simplicity can serve as a yardstick for the formulation of tasks. The principles of offense, mass, economy of force, maneuver, security and surprise can assist in the analysis of the situation, as well as in the formulation of courses of action. Again, simplicity can serve as the measure against which various courses of ac-

tion can be compared.

It is essential that practitioners of the military art understand the interdependence of principles. The adroit combination of principles into appropriate operational concepts for winning in battle is the essence of the art of war. The clear understanding of the history of battle which argues conclusively that there is more to winning than just outnumbering the other fellow puts Jomini and Clausewitz on Napoleon in correct perspective.

The soldier has the opportunity to make a unique contribution to his Army and the nation. First, however, he must understand the need to synchronize all elements of national power in coherent national policies. And, second, he must understand the absolute need to marshal and sustain public support for those policies from the outset, especially if they involve military operations.

BILLBOARD DEREGULATION ACT OF 1981

• Mr. STAFFORD. Mr. President, on July 30, 1981, I introduced S. 1548, the "Billboard Deregulation Act of 1981." At that time I was honored to have Senator Abdnor, Senator Chafee, Senator Gorton, and Senator Hatfield join me as cosponsors of S. 1548.

I am very pleased to add as additional cosponsors to S. 1548, the distinguished Senator from South Carolina (Mr. Thurmond), the distinguished Senator from Colorado (Mr. Hart), and the distinguished Senator from Pennsylvania (Mr. Heinz).

Mr. President, as I said when I introduced S. 1548, I strongly supported the Highway Beautification Act when it was passed in 1965. I believe billboards should be controlled along our highways both for safety and esthetic reasons. Because of changes made to the original act, however, it is no longer accomplishing its intended purpose and I have come to

the conclusion that States and localities will have to provide the kind of billboard control they deem necessary.

I ask that an article written by Mr. Frank Shafroth, legislative counsel to the National League of Cities, which appeared in the Nation's Cities Weekly, and an article by Mr. William Steif which appeared in an Evansville, Ind., paper be printed in the RECORD.

Mr. President, I believe both these articles clearly explain what is wrong with the Highway Beautification Act and why it should be repealed.

The articles follow:

[From the Nation's Cities Weekly, Aug. 31, 1981]

STAFFORD PROPOSES MAJOR SHIFT IN BILLBOARD REMOVAL PROGRAM

(By Frank Shafroth)

Sen. Robert L. Stafford (R-Vt.) recently introduced a bill to turn the federal highway beautification program over to state and local governments.

Stafford, chairman of the Environmental and Public Works Committee, intends to consider the bill as part of the committee's markup of the federal highway legislation, S. 1024, and he is interested in NLC members' views.

The highway beautification program requires states to control outdoor advertising devices and junkyards adjacent to Interstate and federal-aid primary highways. If a state has no effective program, the secretary of transportation may withhold 10 percent of that state's federal-aid highway apportionment.

Under a qualified state program, billboards may be erected within 660 feet of Interstate or primary highways only if they are in areas zoned commercial or industrial. Nonconforming signs must be removed.

Traditionally, billboards and junkyards have been controlled under state and local police powers. Removal of billboards and junkyards generally occurred over time with relatively little expenditure of local funds.

In 1978, however, the federal law was changed to require billboard controls as a condition for federal highway aid and to compensate billboard owners and property owners for sign removal—even if the sign is removed for reasons totally unrelated up to the Federal Highway Beautification Act. Amortization, removing signs only after the owners have recouped their costs—the traditional means of compensation—is no longer acceptable.

Prior to 1978, some 420,000 billboards were removed at no cost to local, state or federal taxpayers. Under the 1978 changes it has become virtually impossible to remove billboards because of the prohibitive costs. Since 1978 Congress has appropriated negligible amounts. For instance, in fiscal year 1980, only \$8.5 million was appropriated; moreover, Congress ordered the money to be used as bonus for states that discourage new signs, rather than to pay for sign removal.

The Senate committee is expected to consider the issue in late September or early October.

[From the Evansville (Ind.) Press, Aug. 13, 1981]

HIGHWAY BILLBOARDS ARE STILL AN ISSUE
(By William Steif)

After 16 years of turmoil, almost everyone agrees Lady Bird Johnson's Highway Beautification Act—intended to control billboards on federally funded highways—doesn't work. Almost everyone, that is, except the billboard industry.

So Sen. Robert Stafford, R-Vt., an original backer of Mrs. Johnson's program, introduced a bill just before Congress recessed to scrap the 1965 law. This was a follow-up on the recommendation of the Transportation Department's National Advisory Committee on Outdoor Advertising and Motorist Information, which had been holding meetings for more than a year to decide what to do about the law. At its final meeting recently, the committee recommended 13–11 to repeal the law. The 11 dissenters represented the billboard industry. Stafford, chairman of the Senate Environment and Public Works Committee, would turn billboard control back to the states, saving only:

—A pre-1965 provision giving a 0.5 percent "bonus" of federal interstate highway funds to the 22 states that agreed to curb signs on

the interstate.

—State ability to use interstate and primary highway funds for informational signs in rest areas and other places along the roads. Three Republican members of Stafford's

Three Republican members of Stafford's committee joined him in sponsoring his bill, along with the chairman of the Senate Appropriations Committee, Sen Mark Hatfield, R-Ore.

The chief opponent to the law's repeal is Vern Clark, lobbyist for the Outdoor Advertising Association of America which represents big billboard companies.

Even roadside business groups, which used to go along with Clark, are balking, as their testimony made clear in Senate hearings held recently in Rapid City, S.D. Reason: The big companies have raised billboard prices beyond the reach of many small roadside firms.

Stafford, whose home state controls signs nicely, notes he "strongly supported" Mrs. Johnson's goal of reducing billboard clutter on the interstate and primary highways in 1965. But changes in the law made "attainment of the original goals impossible," Stafford says, "The act has become a protection for billboards rather than the cause for their removal. Not only does the act protect billboards that have any commercial value, but it also permits new signs to be erected."

That's a result of 1978 amendments, pushed by Clark's group, requiring payment of compensation to owners for removal of any signs adjacent to interstate on primary roads. The law restricts local and state authorities, who normally control this kind of billboard clutter, from exercising their powers because they have to pay outrageous prices.

Says Stafford: The effect of the 1978 amendments has been to increase the potential cost for removing non-conforming signs to over \$1 billion"—and a big chunk of this would come out of federal taxpayers' pockets, though Stafford notes that neither the Carter or Reagan administrations have requested funding for the billboard-control program for the past three years.

What the 1978 amendments actually did were to create a kind of gridlock the biliboard industry wants. They protect its monopoly. The Federal Highway Administration office that tried to enforce the law has been disbanded. Local and state officials don't have the money federal law demands to pay off sign owners.

The issue has been debated repeatedly in Congress. If you want to get federal government out of the billboard-control business, the people to write are Sen. Robert Stafford, care of the Senate Office Building, Washington, D.C. 20510, and the committee's ranking minority member, Sen. Jennings Randolph, D-W. Va., using the same address.

HIGH INTEREST RATES WILL KILL OUR ECONOMIC RECOVERY

• Mr. SASSER. Mr. President, high interest rates are killers. They kill initiative. They kill business. They stall housing production. They crush the

automobile industry. They kill farmers' financing plans. They kill the hopes of investors in the stock market and force them to invest in high-interest, short-term obligations.

Economic growth and high interest rates do not go hand in hand.

The administration has justified its program of economic recovery on the basis of spending cuts, reduced taxes, and lower interest rates.

If we cut spending and taxes, so we were told by the administration, we would see the gross national product increase by 11 percent in 1981, 13 percent in 1982, and 12 percent in 1983.

During this time, the gross national product would increase from \$2.6 trillion

to \$3.7 trillion.

But let me tell you now that we are not going to see economic recovery unless and until we see lower interest rates in this country.

Currently, economic experts indicate that the Federal Reserve Board's monetary targets will permit a nominal rate of GNP growth of some 10 percent, not the 12 or 13 percent that is forecast by the Reagan administration.

Consequently, we have tax and spending cuts designed to put more money into the private sector to promote economic growth while the Federal Reserve Board follows a policy of holding down the money supply and shutting off economic growth.

Thus, we have a fundamental contradiction in our economic policy. We want economic growth, but we can not make credit available to help promote that long-term growth.

As we continue along on our policy of high interest rates, we run the further risk of higher and higher deficits, which further undermine our ability to bring interest rates down.

For every time interest rates go up, the Federal budget gets hurt in two ways. We have higher outlays for interest rate costs and the slowdown in economic growth rates reduces the revenues flowing into the Federal Treasury.

So, for a 1-percent increase in interest rates by 1986, we would pay an additional \$8 billion in interest rate outlays, and for a 1-percent drop in our rate of GNP growth by 1986, the Federal Treasury would lose some \$44 billion in revenues.

Simply put, high interest rates can push up Government spending and reduce Federal revenues. Deficits will increase, further adding to the pressure on interest rates.

During the August recess, I traveled the length and breadth of Tennessee, and I found hardly one person who likes or understands why we have such high interest rates.

We now have an interest rate policy, Mr. President, which bears little relationship to our underlying economy. Historically, there has been a 2- to 3-point spread between the rate of inflation and the prime rate. This has reflected the real cost of borrowing money.

What do we find now? We see the inflation rate, as measured by the monthly

consumer price index, dropping as low as 1.2 percent in one case, but the prime rate has never dropped below 11 percent since the Federal Reserve Board instituted its new money supply policy in October 1979. Now it is not uncommon to see a 7- to 10-point spread between the Consumer Price Index and the prime rate. The real cost of money has skyrocketed and our economy suffers as a result.

The economic statistics resulting from high interest rates are truly gruesome. Interest rate yields on the bond market

Interest rate yields on the bond market have reached record levels of 17 percent, and I have seen reports that some \$7 billion in corporate bond offerings is being withheld due to high interest rates.

Business bankruptcies are at their highest levels ever. Housing production is at its lowest level in almost two decades. Farm interest expenses made up almost 10 percent of all production expenses in 1980. The farm debt-to-asset ratio of American farmers has risen to 17 percent in 1980. More and more farmers in this country are simply going out of business rather than face the crushing debt burden caused by high interest rates.

Mr. President, I could go on and on with more detailed statistics about the interest rate crisis we are now facing.

But, it is clear to me that we must face the interest rate crisis head on. We must move to a policy of more stable and lower interest rates in order to bring about a policy of steady economic growth.

The administration and the Congress have already faced the challenges of cutting Federal spending and reducing Federal taxes. We have an equal obligation to address our interest rate problems in the same direct manner so that our economic recovery can proceed as soon as possible.

DR. HERMAN A. BRUSON

• Mr. WEICKER. Mr. President, the Second World War gave us heroes worth remembering—generals like George Patton and Douglas MacArthur, and countless enlisted men who came from America's farms and cities to fight for freedom on the beaches of Normandy, the oceans at Midway, and in the mud at the Bulge. Much has been written about the deeds of these brave men. Yet there were other heroes whose names are not familiar in our homes and whose battlefields were never remembered as gloriously in lore. One such hero was Dr. Herman A. Bruson.

Dr. Bruson was a chemical engineer, one of those men whose devoted work in the laboratory provided the allies with technological breakthroughs that helped knock the Axis off its feet, and bring an end to the war sooner and with less loss of life than could have been possible without them. Prior to the battle of Stalingrad in 1942, the cold of the Russian winter had immobilized both Russian and Nazi tanks, as well as their heavy machinery. The U.S. military called on Dr. Bruson then with an urgent request. They wanted him to produce an oil additive that he had experimented

with earlier, an additive that would function as well in 50 below zero conditions as in the prime of summer. Dr. Bruson set to work and soon shipments of the new miracle additive were arriving in time for the Russian Army to unfreeze their tanks and machine guns, and immediately engage the Nazis whose superior tank force was still stuck with gummed-up oil. Later in the war, another invention of Dr. Bruson's—a fast burning powder—was used by Allied commandos to destroy German coalcarrying freighter.

Once peace had settled on the land again. Dr. Bruson turned his genius toward inventions to improve the quality of American life. His distinguished work in the private sector helped in the creation of plexiglass, bacteriocides, presticides. and flame-retardent polyurethane foam. After his retirement as vice president of the Olin Mathieson Corp. in 1966, he continued to give birth to ideas and inventions. working on coating for aircraft wings and a nonsmearing print-

er's ink, among others.

Dr. Bruson received many awards for the efforts of his lifetime. In 1966. he received the American Institute of Chemists' Chemical Pioneer Award. In 1971, the American Chemical Society awarded him its Gold Medal in recognition of his outstanding creativity and of invention for the benefit of man. The New Haven Section of the American Chemical Society presented him the Maurice R. Chamberland Award for improving the quality of life through chemistry in April of this year. A month later, he was honored with the Eli Whitney Award of the Connecticut Patent Law Association for his contributions to science.

Dr. Bruson devoted tireless energy to his inventions—he had more than 400 patents in his name—but he also found time to raise a fine family with his devoted wife. His three daughters and four grandchildren may be justly proud of his many accomplishments.

Mr. President, Dr. Herman A. Bruson, a long time resident of Connecticut, passed away recently at the age of 79 after a long illness. His name was not a household word, but his work found its way into all our lives, and left them changed for the better.

U.S. POPULATION

• Mr. PACKWOOD. Mr. President, I wish to report that, according to the latest U.S. Census Bureau approximations, the total population of the United States on September 1, 1981, was 229,666,351. This represents an increase of 196,133 since August 1, 1981. In 1 short month we have added enough people to fill the entire city of Roanoke, Va., two times.

Currently in the United States, there is approximately 1 birth every 9 seconds and 1 death every 16 seconds. One immigrant enters this country every 60 seconds and 1 emigrant leaves every 15 minutes. This results in an addition of 1 person to our population every 16 seconds.

CENTRAL ARIZONA PROJECT ASSOCIATION

• Mr. GOLDWATER. Mr. President, it seems that every year, as we go through the budget struggles, the Western States take a verbal beating over water reclamation projects. Because of the vast amount of misinformation that gets aired to the general public, the Central Arizona Project Association put together a detailed response to these unfounded criticisms. But, above all, what I would like to stress is that the costbenefit ratio of these various projects compares favorably to any government-financed program. The return on investment in these water projects vastly exceeds whatever moneys we have allocated to building them.

Mr. President, I ask that the entire response of the Central Arizona Project Association be printed in the Record at this point in my remarks.

The response follows:

RESPONSES TO STATEMENTS BY SENATOR MOYNIHAN

Statement: "The insensate expenditure of Federal moneys on water projects in the western part of the Nation continue unabated."

Response: This statement ignores the fact that, in the case of the Central Arizona Project, a large part of the cost of construction will be non-reimbursable to the Federal treasury because the project will deliver a very substantial amount of water for use on Indian Reservation lands in satisfaction of Supreme Court Winters Doctrine reserved rights. That's hardly an "insensate expenditure of Federal moneys." During the 79 year history of the Bureau of Reclamation nearly \$6.4 billion have been invested in completed project facilities. The expenditure for these facilities, far from foolish, have resulted in many positive benefits, including improved water supply for agriculture and cities in arid regions, reduced flood damage losses, new public recreation facilities, and contributions to urban and rural development.

Project facilities have been completed to deliver annually about 30 million acre-feet, or 10 trillion gallons, of irrigation water.

In 1979, water was delivered for irrigation to 10.2 million acres of land. Full service was supplied to 4.2 million acres, supplemental service was provided for 5.4 million acres, and 571,000 acres received temporary irrigation service. A farm population of 650,000 received all or part of their livelihood from the 150,000 farm units which received irrigation service in 1979.

As an example of the value of irrigation, commercial vegetables grown in the 17 Western States in 1978 accounted for about \$2.3 billion or 63 percent of the total U.S. production. Likewise fruits and nuts grown in the 17 Western States totaled \$3.2 billion or 60 percent of commercial production. Considering the mix of public and private irrigation development in these States, it is estimated that Reclamation project lands provided 28 percent of the value of U.S. production of vegetables, fruits, and nuts. This production is marketed throughout the whole country, and would not have been possible without irrigation.

During 1979, U.S. agricultural exports reached a record \$34.7 billion. While a large portion of these exports are corn, wheat, and soybeans and soybean products; cotton, rice, vegetables, and fruits are also important contributors to this export value. It is estimated that production of these products from Reclamation projects contributed an average of \$1 billion or more to the export market in 1978 and 1979. This is a valuable

contribution to rectifying the trade imbalance created by the country's large imports of oil.

While the above facts show that expenditures for water projects have not been foolish, the following show that the expenditures have not continued unabated.

Congress has not acted on omnibus water resources legislation for 5 years. There have been practically no new project starts in that

Spending on construction projects of the Corps of Engineers is nearly half of what it was 15 years ago in real dollars (1965 dollars). In 1967, the Corps appropriated \$965 million for construction; in 1982 this figure will be \$518 million in constant dollars. Spending by the Bureau of Reclamation during roughly the same period of time has decreased by approximately 25 percent. In 1965, the Bureau appropriated \$246 million for construction; in 1981, this figure is down to \$179 million in real dollars (1965 dollars).

There is a Corps backlog of \$30 billion in unbuilt projects and a Bureau backlog of \$13 billion.

Statement: "We are creating an agriculture in this country that is based upon the growth in arid climates of crops that are only appropriate to areas where there is normal rainfall. . . . We are irrigating vast stretches of the country with water that is not going to be replaced, and creating an economy which is going to collapse with respect to that agricultural economy when this water runs out."

Response: We are not creating an agriculeconomy based on irrigation in arid climates. The irrigated acreage in the 17 Western States (arid climate) is only about 11 percent of the U.S. cropland; less than 52 million acres out of a total U.S. cropland acreage of nearly 462 million acres. Furthermore, the crops grown are obviously not only appropriate to areas where there is normal (adequate) rainfall. On the contrary many of the crops grown in parts of the West with irrigation cannot be successfully grown in most parts of the United States. The West is important nationally for the production of many different kinds of fresh vegetables, fruits, and nuts. Commercial vegetables grown in the 17 Western States in 1977 accounted for about 60 percent of the total U.S. production. Fruits and nuts grown in various parts of the West totaled about 63 percent of the U.S. commercial production. California is the major state in this production and ranks first nationally in avocados, apricots, artichokes, asparagus, lima beans, broccoli, Brussels sprouts, cantaloupes, carrots, cauliflower, celery, garlic, honeydew melons, lettuce, onions, and spinach. The Western States are also recognized as major producers of almonds, beans, dates, filberts, figs, grapes, hops, olives, lemons, peaches, plums and prunes, sweet cherries, and wal-nuts. These are not "crops that are only appropriate to areas where there is normal rainfall."

In terms of crop yields per acre and predictability, irrigated agriculture is more efficient than in areas of "normal rainfall." In Arizona, for instance:

AND THE RESERVE	Ariz.	U.S. Avg.
Barley, bu	75	50.6
Winter Wheat, bu	78	36.9
Alfalfa hay, tons	6. 40	3.18
Cotton, 1bs	1081.0	551.0
Sorghum, bu	71.0	62.9

Crop failures due to drought are unknown.

Statement: "The Bureau of Reclamation is moving away from water for scriculture to water for municipal and industrial uses." The water is being used "to provide extraordinary

intensive industrial and municipal water uses in parts of the Nation where you just do not have that water, where it is not appropriate, and where you never would use it in that way."

Response: This statement is critical of using water in the West for municipal and industrial purposes while the preceding statement is critical of using the water for irrigation. The basis for these statements is that the water will run out or is just not available. A part of any investigation is the hydrology study to determine the availability of the water supply. Although there is a limit to the supply which constrains development, the water supply is continually renewed. In the Middle Ages people believed that the water in rivers flowed magically from the center of the earth, but we now know that water is being exchanged between the earth and atmosphere all the time. The rain feeds the rivers. Rivers carry water to the ocean. Evaporation from land and ocean puts water back in the atmosphere and this exchange goes on continually.

Statement: Quoting a 1978 WPRS report: "Municipal water supply supports economic

growth."

Moynihan: "Well, yes, it does. But how economic is growth based on a Federal subsidy, and how permanent is it based on that precarious set of water resources?"

Response: Economic growth is the same regardless of the source of financing that generates the growth. Granted, the benefits realized from the growth are effected by who pays the costs. But nearly every sector of the American economy is subsidized to some extent. Furthermore, the subsidy for municipal water supplies is quite small if any. Certainly the subsidy is no greater than that provided, NBC, ABC, McDonalds, K-Mart, and others who utilize low interest rate Federal Industrial Development Bonds for creating growth in their business.

Most worthwhile Federal programs involve subsidies in that there is not a direct return of public funds with interest by the beneficiaries. These programs range from school lunch programs to mass transportation systems. Yet we are unaware of any major public investment program that has made a greater proportionate contribution to the than the Reclamation water resource program. This is returning hard currency to the Treasury. Revenues flow from providing needed water supplies to our western cities and farms, and from the production of clean hydroelectric energy utilizing renewable water resources in these days of diminishing fossil fuel supplies. These direct returns do not count the associated income tax returns that also flow to the Treasury or the effect that the production of a wide variety of crops has on food prices in this day of inflationary pressures.

Statement: Quoting U.S. Comptroller General's 1981 report: "Repayments for irrigation are presented to the Congress as full repayment. Since no interest is charged, however, these payments actually cover less than 10% of the Federal Government's actual cost."

Response: The law generally requires that irrigation costs be repaid within 50 years without interest. To claim that this represents a subsidy of more than 90 percent since no interest is charged means that an interest rate greater than 20 percent is assumed. Full repayment is made when the requirements of the law have been met. Any number of varying assumptions regarding the interest rate and the repayment period could be made that could reflect something less than full repayment but these are only hypothetical examples.

Statement: Moynihan: "The singularly most profilgate use of public funds in the Federal Government today is the Bureau of Reclamation." And, "There is no National Water Policy."

Response: The Bureau of Reclamation's budget is subject to the same reviews and approvals as those of other Federal Agencies. The Reclamation budget is submitted by the Secretary of the Interior to the Office of Management and Budget for review in behalf of the President. Following establishment of the President's Budget it is transmitted to the Congress. The budget is then subjected to hearings before the House and Senate appropriation committees. Congress reviews and revises the President's Budget request based on then prevailing objectives and criteria of the Congress.

Even before Reclamation projects are included in the budget for construction funds they are subjected to evaluation criteria as strenuous as any in the Federal government. The investigations conducted under Executive policies and procedures as well as public laws includes, among others, economic and financial analyses, engineering, geologic and hydrologic studies, environmental and social assessments, land classifications and surveys. All of the investigations, reviews, and approvals necessary before a project goes into construction requires an average of 26 years. Statement: "We have converted vast arid

Statement: "We have converted vast arid regions of this Nation to a water intensive agriculture for which they are not suited, and have further used nominally agriculture-based water programs to produce industrial uses, again in arid regions where there is not an adequate amount of water."

Response: The Federal Reclamation Program has operated for 79 years to develop the West. Since its establishment in 1902, over 150 water resource development projects or units have been constructed at a national investment of about \$8.5 billion. This investment has resulted in the construction and operation of 236 reservoirs, 141 diversion dams, 7,097 miles of canals, and 50 hydroelectric powerplants.

Each year, the investment by the public in irrigation facilities constructed by Reclamation pays off handsomely in its contribution to the national and international economics of the United States. The net addition to national economic activity by agricultural production on Reclamation projects totaled about \$8.6 billion in 1979. This, in part, is comprised of an estimated \$4.2 billion net increase in production, i.e., the net additional crop production after subtracting the estimated value of production which would have occurred without the projects. Part of the additional crop production resulted in approximately a net \$600 million increase in the value of livestick production as well as a net increase in the value of output of food processors of \$3.8 billion. Over 10 million acres are irrigated in the West on Reclamation projects and without the irrigation, this land would be an underutilized resource.

Over 56 million tons of food, fiber, and forage with a gross value of nearly \$7 billion are produced annually on lands irrigated. This production would meet the annual food requirements of 37 million people based upon an average per capita consumption of 2,500 calories per day.

calories per day.

Municipal and industrial water deliveries total over 625 billion gallons annually and provide about 47 percent of the average daily requirements of nearly 19 million people.

Nearly 22 million people receive water service, including the 19 million that receive municipal and industrial water service plus another 3 million that receive irrigation service on farms and urban and suburban residential lands.

Fifty hydroelectric plants generate over 40 billion kilowatt hours of electric energy annually. Cumulative gross electricity generated by Reclamation hydroelectric plants total about 1 trillion kilowatt hours. This amount of electricity generated over the years has saved the equivalent of about 1.9 billion barrels of oil, or 500 million tons of

coal, or nearly 11.1 trillion cubic feet of natural gas.

natural gas.
Flood damages prevented average nearly \$60 million annually. Cumulative flood control benefits during the 30-year period 1950-1979 totaled nearly \$1.8 billion, more than twice the cumulative flood control expenditures during the same time period.

Nearly 67 million visitor-days of public recreation are provided annually at over 280 recreation areas.

These benefits translate into very significant economic impacts throughout the Nation. It is estimated that nearly \$17.4 billion in increased business activity results annually from all functions of the Bureau of Reclamation. This is estimated to have generated sufficient income and corporate profits to add nearly \$2.3 billion annually to the Federal Treasury in tax revenues and nearly \$1.5 billion annually in tax revenues to State and local governments. The total tax revenues accruing to the Federal Government since 1940 from this economic activity are estimated at about \$28.4 billion. This increased economic activity has provided over 300,000 jobs annually.

Statement: Sen. Proxmire (D) Wisconsin said: "According to Prof. Thomas Power of the University of Montana 73 percent of the lands irrigated by the CAP are used for growing crops which are eligible for Federal setasides and price supports. He estimates that each farm irrigated by the Project (CAP) is getting a \$1.8 million subsidy. Talk about millionaire farmers."

Response: Regarding the subsidy per farm, there are many factors that influence the derivation of such as estimate. These factors include number of acres served, average acres per farm, the nature of construction schedule and resulting interest during construction, irrigators' repayment schedule, the ad valorem tax schedule, and the selected discount rate.

Based on current information and using a 7 percent discount rate, and approximation of the assistance provided to the average farm would be more in the magnitude of \$535,000. This is based on a service area of 510,000 acres as identified in the State of Arizona's initial allocation of agricultural water and an average farm size of 320 acres. This assumes joint ownership of 160 acres each by husband and wife, in accordance with the Reclamation Act.

Specifically in his report, Dr. Power states that the subsidy in terms of present worth (1977) dollars is \$1.7 billion, and after apparently compounding at 7 percent interest for 50 years into the future, would accumulate another \$3.7 billion of interest, making up his \$5.4 billion estimate. As most economists would agree, the appropriate comparison of economic values is to convert all past and future expenditures and revenues to a common point in time in present worth dollars, inasmuch as decisions are made to commit dollars available in the present not in some distant future. The use of the \$5.4 cumulated 50 years into billion estimate, the future, would be similar to a parent telling his offspring after spending \$10,000 for a college education that this subsidy actually amounted to \$300,000 over the offspring's remaining 50 years average lifetime, because the parent had foregone 50 years of cumulative interest.

It is not possible to confirm Dr. Power's derivation of the \$1.7 billion estimate because of the great number of unspecified assumptions and the variety of computational approaches that can be taken. Although the full construction cost of the irrigation investment is returned by local and regional beneficiaries through water charges, ad valorem taxes, and electricity rates, he apparently calculates the subsidy on the basis that no interest would be paid, which he sets at the current longterm rate of 7 percent. He also considers as part of the sub-

sidy the difference between the 3.342 percent interest rate established by Congress for repayment of municipal water and power allocations, at the time of construction appropriated and the 7 percent rate. To this he adds the construction cost and interest at 7 percent to the nonreimbursable allocations to such purposes as flood control, where benefits have traditionally been considered widespread and of national interest. Nevertheless, not counting the interest subsidy, the CAP will repay 75 percent of the Federal many other public investments in natural resources, is a handsome return indeed.

resources, is a handsome return indeed.
Statement: "Depletion (of groundwater) can and should be restricted. This can be done by limiting the amount of groundwater each landowner can lift. Farmers should have title to their water so they can sel: it."

Response: The desirability of controlling the use of groundwater varies with the cir-cumstance. In some areas, such as the Los Angeles area, the depletion of groundwater resources helped build a healthy economy which allowed the State to build expensive water supply systems to impose water from other areas. In Central Arizona, a viable industrial and agricultural economy has developed using a combination of surface and groundwater supplies. The availability of additional surface water from the Colorado River through the Central Arizona Project will allow the State to reduce the use groundwater. A similar situation exists in the high plains area of the midwest where a viable agricultural economy has developed using groundwater from the Ogaliala aquifer. Without importations of surface water from outside the area, much of the irrigated agriculture in that area may go out of production as groundwater supplies are depleted

Due to the high pumping costs involved in utilizing this groundwater, the amount of water wasted is normally quite small. Farmers can simply not afford to pump large amounts of water that are in excess of their needs. As pumping costs continue to increase, many of the less economically feasible uses of the water will undoubtedly be forced out of production leaving the more economically healthy developments in operation and reducing the level of groundwater pumping.

In addition, it must be noted that the control of groundwater pumping is strictly a State prerogative. Many western States are recognizing the need to impose restrictions on groundwater depletions and have implemented, through legislation or administrative action, groundwater use reforms which impose conservation measures, limits on expanded or new uses of groundwater, restrictions on the amount of water pumped, etc. While much of this reform may be considered to be too little, too late, it is certainly a step in the right direction. Allowing farmers to pump as much water as they desire, and sell the water that is excess to their needs would result in more rapid depletion of the groundwater resource and would only make the present situation worse.

make the present situation worse.

Statement: "The General Accounting Office concluded in a 1976 study that more than 50 percent of all the country's irrigation water is wasted."

Response: The "Digest" of the referenced GAO report states that "... less than half of the water delivered to a farm is productively used by the crops." On page 1, it is concluded that "Irrigation is a relatively inefficient water use, since under present practices less than half of the water delivered for irrigation is actually consumed by the crops." We are not attempting to minimize the problem of inefficient irrigation. However, such statements are misleading to the extent they suggest that use of water in irrigation is always inefficient or wasteful, or that the observed inefficiencies result entirely from poor onfarm water management.

The GAO statements apparently are based

on Bureau of Reclamation and Department of Agriculture studies (cited on pp. 6 and 7) which showed that average farm irrigation efficiency is low in the Western States. However, the report does not adequately recognize that a large portion of the delivered irrigation water that is not consumptively or productively used on farms is returned to stream systems where it is available for downstream diversion and reuse in irrigation or for other purposes. Even though water use on individual farms may be inefficient, cumulative use in a river basin may be highly efficient. Thus, measurements of individual and average farm irrigation efficiencies do not accurately characterize the overall situation. In addition, the report does not recognize that irrigation efficiencies for a significant number of farms and projects already approach the practical maximum levels.

Statement: Subsidies are destroying the water table of the West.

Response: In planning water and related land resource development projects, Reclamation considers the groundwater resource in terms of its utility for conjunctive use with surface water supplies and the potential impacts of the proposed project on the groundwater resource.

In general, Reclamation does not plan projects for the development of ground-water. There are exceptions, however, such as the Spokane Valley Project which is in operation and the Salmon Falls Division of the Upper Snake River Project where the plan calls for pumping groundwater for project use. In addition, in areas where groundwater can be utilized in conjunction with surface water to alleviate groundwater problems or shortages in surface supplies, groundwater pumping is considered as a part of the project plan.

Another groundwater problem area is the situation where groundwater overdrafting is severe and creating significant problems in terms of reductions in water supply, increased pumping costs, and subsidence. Where projects are planned to help alleviate those problems, they generally consist of the use of surface water to supplement the groundwater supply and thus reduce groundwater pumping. In those cases it is difficult to assure that reduced levels of pumping will continue since the involved State controls the use of groundwater. In one case, the Central Arizona Project, the Congressional authorization for the project provided for restrictions of groundwater pumping. That legislation in conjunction with pressure by the Administration to have the State institute groundwater reforms has resulted in controls on the use of groundwater that appear to be quite effective if properly administrated.

The O'Neill and North Loup Units of the Pick-Sloan Missouri Basin Program were planned to provide surface water supplies for irrigation purposes in the project areas was being obtained from groundwater and groundwater levels were declining. The projects were planned to alleviate the overdrafting problem. In addition, the historic use and reuse of groundwater in the areas had resulted in substantial increases in the nitrate levels in the groundwater. The introduction of surface water with much lower nitrate levels is expected to reduce the nitrate levels in groundwater.

In addition, Memorandums of Understanding (MOU's) have been developed and signed which are expected to further reduce the nitrate levels in the groundwater. Those MOU's require the project water users to: (1) Attend a course on irrigation scheduling; (2) Use soil moisture measuring equipment to determine the timing and amount of irrigation water to apply; (3) Institute and maintain an irrigation management system; and (4) Refrain from applying nitrogen

fertilizer in the fall and winter except for minimum starter applications.

The above are examples of the type of Reclamation involvement in groundwater activities. In all cases the projects are designed to protect the groundwater of the area, not to develop and exploit non-renewable groundwater resources.

Statement: Quoting Fortune Magazine:
"The Southwest is not running out of
water—it's running out of cheap water. The
Southwest's reaction to its artificial shortage
is to cry out for even more Federal spending
on projects like the Central Arizona Project."

Response: According to the U.S. Geological Survey, the Salt River Valley groundwater basin has approximately 100 million acrefeet in storage to a depth of 700 feet below land surface. Assuming that all of this water was extractable and of suitable quality for domestic use, which it is not, and further assuming a year 2020 population in Phoenix and Tucson of 4 million, the in-ground supplies could support these cities for more than a century

a century.

Despite the apparent vast amounts of water remaining in Arizona's underground aquifers, the total picture is one of overuse and persistent declines in water tables throughout Central Arizona. Along with this overuse have come the consequences of increased pumping costs, wells going dry, land subsidence and earth fissuring. Rapid completion of the Central Arizona Project will not overcome all these problems, but it can reduce the area's use of water in the near term to manageable proportions. In addition, the State of Arizona has implemented groundwater reform legislation which imposes mandatory conservation measures and restrictions on new or expanded groundwater uses in area of severe groundwater overdrafting.

Therefore, it 's not simply a problem of the price of water in the southwest, but there is not enough water to meet projected needs for more than a few decades. In addition, the water that is available to Central Arizona and some other areas is the "geologic water" that Senator Moynihan was concerned about depleting.

Statement: "All over the West, we are using geologic water which is not replacing itself; we are using water for purposes that ought not ever to be used . . ."

Response: This statement amounts to an attack upon private property rights in groundwater, as well as the right of the states to manage their groundwater resources. Reclamation projects almost exclusively deal with development of surface waters not groundwater.

There are areas of the West where "geologic water" (groundwater which was placed in storage over extended periods of history) are being depleted at very high rates. Because of the low rate of recharge, continued withdrawals of water at present rates will ultimately result in the depletion of those resources. This situation, however, is not as widespread as the statement indicates. Two notable examples are the high plains area of Kansas, Oklahoma and Texas where use of groundwater from the Ogollala aquifer has resulted in declining groundwater levels and increasing pumping costs to the extent that some farms are being forced out of production, and the Central Arizona area where ground levels are declining rapidly.

The use of that water is the prerogative of the involved states. The use of part of that resource has added significantly to the economic growth and food and fiber production of the nation. The States recognized that these resources are finite and many are instituting measures to control the use of non-renewable water resources. Arizona, for example, has implemented groundwater reform legislation which imposes mandatory conservation measures and restrictions on new or expanded groundwater uses in areas of severe groundwater overdrafting.

Statement: Quoting from Wall Street Journal: "New projects could be avoided for years if the price of water were allowed to move toward its replacement cost which is 50 times what some farmers are currently paying. This would happen if all users whose water supplies exceeded their needs were allowed to sell to those who don't have enough. Amazingly, the buying and selling of water is restricted in most of the regions and this encourages those with a surplus to use it wantonly."

Response: It is true that increasing the price of water tends to discourage excess use, and it is also true that some western States do not allow the sale of water for use other than that for which the water right was obtained. However, it should be noted that unlimited water price increases in the range suggested would put many, if not most, of the irrigated farming operations in the West in jeopardy. The people of the Nation have a significant investment in much of that development and have come to rely on the food production from those operations very

As discussed in a previous response, excess diversions for irrigation are not necessarily lost from further use. Much of the water diverted that is excess to crop requirements is lost through canal and lateral seepage or irrigation deep-percolation and returns to the stream from which it was diverted and is used by downstream diverters. If the excess diversions were discontinued much of the water "saved" would have to remain in the stream for use by those that were previously utilizing the return flows from the excess diversions. Little new water would be available for sale to new users.

Another factor that must be considered in the sale of "excess" water is that most western States limit diversions to the amount that can be put to beneficial use. If that requirement were strictly enforced, there would be no "excess" water for sale. However, the measure of beneficial use is difficult to determine and most States allow some flexibility in diversion values and there may be some excess diversion. It is this restriction which normally prohibits the sale of "excess" water since by law the diverter is not allowed to divert more than required for the purpose described in the water right.

ANNIVERSARY OF SOVIET INVA-SION OF CZECHOSLOVAKIA

 Mr. LEVIN. Mr. President, on August 21, 1981, the freedom loving people of Czechoslovakia commemorated the 13th anniversary of the Soviet invasion and occupation of their beloved country.

Not only did the Soviet Union violate the sovereignty of Czechoslovakia by an open act of aggression, it violated the principle of self-determination and intervened in the domestic affairs of an independent state.

The continued occupation of Czechoslovakia strips that country of its basic right to determine its own aspirations and destiny. The people of Czechoslovakia always have been strongly pro-American, and Americans of Czech and Slovak descent have made significant contributions to this country for many generations.

In the past, the Senate and the House of Representatives have introduced resolutions in the Congress requesting that the President call on the Soviet Union to withdraw from Czechoslovakia. In a brave act of defiance and courage, over 1,000 Czechs petitioned their Government to adhere to the Helsinki Final Act. Even though the Government responded

with acts of harassment and oppression, more signatories have come forth.

Mr. President, we remember clearly that day in 1968 when Soviet tanks rumbled into that small country and Soviet troops were installed in the cities. We watched as a puppet government took its place in Prague. And we watch with intense interest now to see if the Polish people will be the ones to stop this kind of unprovoked aggression that has gone unchecked too many times since World War II ended.

I think we should make it clear to the people of Czechoslovakia that we too recognize and support their declaration of August 21, 1981, as the "Day of Soviet Shame." The dream that Czechoslovakia will once again be a free and independent nation is a dream that we can help keep alive and share with our friends of that once proud nation.

TRIBUTE TO CHAIRMAN CLAUDE PEPPER ON THE OCCASION OF HIS 81ST BIRTHDAY

• Mr. HEINZ. Mr. President, as chairman of the Senate Special Committee on Aging, I would like to take this opportunity to pay tribute to Representative and former Senator CLAUDE D. PEPPER, the distinguished chairman of the House Select Committee on Aging and a long-standing advocate for the concerns of the elderly, on the occasion of his 81st birthday. It is, indeed, an honor and a pleasure to commend the chairman at this time for his many fine contributions to our Nation's older citizens.

tions to our Nation's older citizens.

As chairman of the House Select Committee on Aging since 1976, and a staunch supporter of the elderly prior to his chairmanship, Senator PEPPER has given freely of himself and his time to work for a better life for our Nation's senior citizens. Among his major legislative accomplishments on behalf of the elderly was the passage of the Age Discrimination in Employment Act which raised the mandatory retirement age from 65 to 70 in the private sector and eliminated it completely for Federal workers. He also led the Congress in establishing 1982 as the World Year on Aging and in promoting a United Nations resolution calling for a World Assembly on Aging to be convened in Vienna, Austria, in July of 1982.

As chairman of the House Subcommittee on Health and Long-Term Care, Senator Pepper's strong leadership brought about numerous studies and hearings on a broad range of aging issues regarding our Nation's health care delivery system, investigations into fraud and abuse in our medical reimbursement system, and legislation designed to improve the quality of care in our country's long-term care institutions.

While his work on behalf of older Americans is a cause for admiration, his life work—his tircless effort as a humanitarian—is a cause for inspiration. Symbolic of his broader contributions is his leadership on behalf of the National Cancer Institute. Clearly the leading research institute of its kind in the world, it would not have prospered

as it has without his leadership and support.

Chairman Pepper not only has dedicated his life to the service of his fellow human beings, but also he has been successful in truly improying the lives of many. His is, indeed, an example to us all of continuing vitality in service to others. I commend him on the occasion of his 81st birthday.

TRIBUTE TO CHAIRMAN CLAUDE PEPPER ON THE OCCASION OF HIS 81ST BIRTHDAY

• Mr. CHILES. Mr. President, as former chairman and now ranking minority member of the Senate Special Committee on Aging, and fellow Floridian, I would like to take this opportunity to congratuate Representative and former Senator Claude D. Pepper, the distinguished chairman of the House Select Committee on Aging and well-known advocate for the needs and concerns of older Americans, on the occasion of his 81st birthday. It is, indeed, an honor to commend the chairman for his activities on behalf of our Nation's 36 million older persons.

Senator Pepper has served as chairman of the House Select Committee on Aging since 1976. During his chairmanship, the Age Discrimination in Employment Act, which raised the mandatory retirement age from 65 to 70 in the private sector and eliminated it completely for Federal workers, was passed. Further, he led the Congress in establishing 1982 as the World Year on Aging and in promoting a United Nations' resolution to convene a World Assembly on Aging in Vienna, Austria, in July of 1982.

Senator Pepper is still going strong after 14 congressional campaigns, four decades of elected service, and numerous difficult legislative battles. He maintains an office schedule that would exhaust a younger person and worries that there are not enough hours in the day.

While Senator Pepper's work on behalf of older Americans deserves commendation, his efforts as a humanitarian also deserve praise. His leadership on behalf of the National Cancer Institute is but one example of his humanitarian efforts.

Chairman Pepper has dedicated his life to public service—service to his fellow human beings. He is a marvelous example to us all of continuing interest and vitality, I commend him for his untiring and unselfish efforts and congratulate him on the occasion of his 81st birthday.

THE DEATH OF ROY WILKINS

• Mr. LEVIN. Mr. President, all of us mourn the death this week of Roy Wilkins. His life symbolized for many the history of the civil rights struggle in this country. Born in a time when the civil rights of blacks and other minorities were neither respected nor recognized, Roy Wilkins led a lifelong struggle to alter the way Americans thought—and behaved—toward their fellow citizens.

As a leader in the civil rights movement, he participated in and helped to shape the events which ultimately changed the shape of our society. We have not yet realized his dream; not yet come to the time when all people are judged for what they are rather than for how they look or what their origin or religious beliefs are. He died, then, when his work was still uncompleted. But his life was complete and fulfilled. It leaves us a legacy which can, if we are wise enough, lead us to the same kind of peace and perspective which characterized his life and his work.

Roy Wilkins was not a revolutionary, not a particularly powerful orator, not a physically imposing person. But in his quiet way he persuaded those without power to seek it and those with power to share it. His death leaves this Nation poorer, but his life has made us richer. I only hope that as we mourn him we also try to learn from him.

ORDER FOR RECESS UNTIL 9:45 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CER-TAIN SENATORS ON TOMORROW

Mr. BAKER. Mr. President, I have discussed this with the minority leader. I ask unanimous consent that the time for the two leaders tomorrow under the standing order be reduced to 4 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I ask unanimous consent that after the recognition of the two leaders under the standing order, there be special orders, in this order, in favor of the following Senators: the distinguished Senator from Arkansas (Mr. Pryor) for not to exceed 15 minutes, the distinguished Senator from Wisconsin (Mr. Proxmire) for not to exceed 5 minutes, and the distinguished minority leader (Mr. Robert C. Byrd) for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, is there an order for the Senate to begin consideration of the military pay bill tomorrow at 10:30 a.m.?

The PRESIDING OFFICER. The order states "no later than 10:30 a.m."
Mr. BAKER. I thank the Chair.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering nominations on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I wish to state for the benefit of Senators and for the benefit of the distinguished minority leader that we are cleared on this side to proceed to the consideration of Calendar No. 438, the nomination of Winifred Ann Pizzano, of Virginia, to be Deputy Director of the ACTION agency. I inquire whether the distinguished minority leader is in a position to proceed to the consideration of that nomination at this

Mr. ROBERT C. BYRD. Mr. President, we on this side of the aisle are in position to proceed.

Mr. BAKER. I thank the minority

leader.

ACTION AGENCY

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate the nomination of Winifred Ann Pizzano.

The PRESIDING OFFICER. The nom-

ination will be stated.

The assistant legislative clerk read the nomination of Winifred Ann Pizzano, of Virginia, to be Deputy Director of the ACTION agency.

The PRESIDING OFFICER. Without objection, the nomination is considered

and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the Senate gave its consent to this nomination.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was

agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without

objection, it is so ordered.

DEPARTMENT OF ENERGY

Mr. BAKER. Mr. President, in connection with Calendar No. 344 on today's Executive Calendar, the nomination of James R. Richards, of Virginia, to be Inspector General of the Department of Energy, vice John Kenneth Mansfield, I have a unanimous-consent request I wish to propound at this time.

I ask unanimous consent that when the Senate proceeds to the nomination of James R. Richards, of Virginia, to be Inspector General of the Department of Energy, it be considered on the following time agreement: 2 hours under the control of the ranking minority member of the Governmental Affairs Committee, Senator Eagleton; 1 hour under the control of the chairman of the committee, Senator McClure; and that agreement be in the usual form, with the proviso that the Senate not proceed to the consideration of the nomination prior to Thursday, September 17, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTIONS SECRECY - TREATY DOCUMENT NO. 97-16, TREATY DOCUMENT NO.

Mr. BAKER. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from two treaties transmitted to the Senate during the ad-

journment of the Senate by the President of the United States on August 6 and September 8:

A Treaty on Mutual Legal Assistance with the Kingdom of the Netherlands (Treaty Document No. 97-16); and The Protocol Amending the Tax Con-

vention with Jamaica (Treaty Document No. 97-17).

I ask that the treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty on Mutual Legal Assistance between the United States of America and the Kingdom of the Netherlands, together with a related exchange of notes, signed at The Hague on June 12, 1981.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the treaty.

The treaty is one of a series of modern mutual assistance treaties being negotiated by the United States. The treaty is self-executing and utilizes existing statutory authority.

The new treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the treaty includes: (1) executing requests relating to criminal matters; (2) taking of testimony or statements of persons; (3) effecting the production, preservation, and authentication of documents, records, or articles of evidence; (4) returning to the requesting Party any objects, articles, or other property or assets belonging to it or obtained by an accused through offenses; (5) serving judicial documents, writs, summonses, records of judicial verdicts, and court judgments or decisions; (6) effecting the appearance of a witness or expert before a court of the requesting Party; (7) locating persons; and (8) providing judicial records, evidence, and information.

I recommend that the Senate give early and favorable consideration to the treaty and give its advice and consent

to ratification.

RONALD REAGAN. THE WHITE HOUSE, August 6, 1981.

To the Senate of the United States: I transmit herewith, for the advice and consent of the Senate to ratification, the Protocol amending the Convention between the Government of the United States of America and the Government of Jamaica for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, together with a related exchange of notes, signed at Kingston on July 17, 1981. I also transmit the report of the Department of State with respect to the Protocol.

The Protocol was negotiated subse-

quent to Prime Minister Seaga's visit to this country in January, 1981. It strengthens the provisions of the Convention in order to limit potential abuse of the treaty in certain situations and to make more effective the means of denying treaty benefits to residents of third countries who establish a corporation in one Contracting State in order to obtain treaty benefits from the other Contracting State. The Protocol also permits United States citizens to deduct expenses incurred while attending business conventions in Jamaica.

I recommend that the Senate give early and favorable consideration to the Protocol and Convention and give its advice and consent to ratification.

RONALD REAGAN. THE WHITE HOUSE, September 8, 1981.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no further business to transact.

I inquire of the minority leader if he has any matter he wishes to be put before the Senate at this time.

Mr. ROBERT C. BYRD. Mr. President, tnank the distinguished majority leader. I have nothing at this time.

Mr. BAKER. I thank the minority leader

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. BAKER. Mr. President, in that case, I now move, in accordance with the order previously entered, that the Senate stand in recess until 9:45 a.m. on tomorrow.

The motion was agreed to and, at 4:40 p.m., the Senate recessed until tomorrow, Thursday, September 10, 1981, at 9:45

NOMINATIONS

Executive nominations received by the Secretary of the Senate August 11, 1981, under authority of the order of the Senate of August 3, 1981:

THE JUDICIARY

Henry R. Wilholt, Jr., of Kentucky, to be U.S. district judge for the eastern district of Kentucky vice Howard David Hermansdorfer, resigned.

Conrad K. Cyr, of Maine, to be U.S. district judge for the district of Maine vice George J. Mitchell, resigned.

John C. Coughenour, of Washington, to be U.S. district judge for the western district of Washington vice Morell E. Sharp, deceased.

DEPARTMENT OF JUSTICE

Glen H. Davidson, of Mississippi, to be U.S. attorney for the northern district of Missis-sippi for the term of 4 years vice Hosea M. Ray, resigned.

George Landon Phillips, of Mississippi, to be U.S. attorney for the southern district of Mississippi for the term of 4 years vice Robert E. Hauberg, retired.

DEPARTMENT OF EDUCATION

Gary L. Jones, of Virginia, to be Deputy Under Secretary for Planning and Budget, Department of Education, vice Carl William Fischer, resigned.

NATIONAL INSTITUTE OF EDUCATION

Edward A. Curran, of Maryland, to be Director of the National Institute of Education, vice P. Michael Timpane.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Jack Vincent Mackmull, 294-22-6931, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Donald Edward Rosenblum, 089-22-1106, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Howard Francis Stone, 447-32-5655, Army of the United States (brigadier general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. James Benjamin Vaught, 449-64-3161, U.S. Army.

IN THE NAVY

The following-named rear admirals of the Reserve of the U.S. Navy for permanent promotion to the grade of rear admiral in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code section 5312. Code, section 5912:

Nelson Otto Heyer. Robert Louis Zralek. William Henry Langenburg. Clarence Arthur E. Johnson, Jr. John William Cronin, Jr. Howard Roop. Thomas Albert Stansbury. Lester Robert Smith. Michael Peter Nemchick. Carlos Paul Baker, Jr. Donald Thomas Corrigan. Whitney Hansen. Ted Levy.

MEDICAL CORPS

Henry Turner Edmondson, Jr. Joseph Hardy Miller.

SUPPLY CORPS

Alexander Jackson III. Gerald Clayton Sullivan.

CIVIL ENGINEER CORPS

Roy "L" Dunlap.

JUDGE ADVOCATE GENERAL'S CORPS Julian Robert Benjamin.

DENTAL CORPS

Charles Frederick Schreier, Jr.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant (junior grade):

John D. Bogle William C. Richards Daniel A. Cutrer Mark A. Tilford David N. Griffith Harold W. Finch, Jr. Larry R. Hammond Keith L. Patterson Edward G. LeBlanc Walter P. Workman William D.

Baumgartner Kenneth G. Forstmeier Richard B. Burt James C. Preisig Linda Johansen Harry E. Haynes III Robert C. Weil Mark J. Yost William L. Zack Susan K. Donner Dale G. Streyle Curtis A. Stock James A. Sartucci Steven W. Carman David F. Gosselin Larry R. White Keith B. Letourneau Hale B. Simonds Mark A. Jackson Michele Fitzpatrick Tracy S. Allen John G. Cline Tim L. Fields Stephen E. Mehling Michael C. Ghizzoni Daniel N. Riehm Thomas L. Rydell William R. Marhoffer Louis R. Montello, Jr. Brandt R. Weaver Steven M. Veit Karen J. Tweed David S. Hill Randy M. Browne IV James D. Maes Michael O. Aholt Craig M. Juckniess Jay J. Brown Michael A. Neussl William H. Reynolds Russell D. Krull Brian F. Binney Patrick W. Barnes George H. Heintz Joseph W. Brubaker

Robert F. McCaffrey Michael D. Hudson Raymond H. Carlson, Gregory A. Mitchell III Austin F. Callwood
Paul J. Reid Douglas R. Patterson
Gregory L. Shelton
Ralph A. Petereit Stanley J. Mary L. Southwood Jack N. Dujmovic Paul M. White Jeffrey R. Freeman William W. Ramos Jeffrey T. Noblet Mark R. Steinhilber Robert J. Wilson IV Kevin J. Cavanaugh Jay D. Melott Michael A. Suire George A. Asseng, Jr. George K. Kerr

John M. Fidaleo

Jeffrey H. Barker

James L. Nelson, Jr. Daniel L. Wright Victor K. Kelley Michael J. Brown Kathy A. Hamblett Michael S. Fijalka John K. Gunther Darren B. Wolter Michael R. Linzey Karl G. Long Baird S. Ritter Jeremiah J. Cronin Christine J. Quedens Jeff R. Brown Leroy A. Jacobs, Jr. Robert M. Hilpert Maryjane E. Wixsom Amancio S. Sanchez Joseph C. Lichamer Bret K. McGough Joseph F. Rodriguez John J. Wrynn, Jr. Robert W. Danahy Christopher D. Mills Christopher P. Otto Jeffrey A.

Derischebourg Clark D. Fowler Matthew D. Edwards Burt A. Rosenberry David J. Regan Christopher K. Lockwood

Ronald J. Lockites Jonathan P. Benvenuto

James A. McEwan Robert B. Edrington Michael P. Nerino Tamera D. Rose Joseph J. Sikora Joanne McCaffrey Jody B. Turner Dean T. Baldus Douglas S. Taylor Jean M. Butler Franklin R. Albero Stephen B. Glynn Robert A. Ball, Jr. Gary M. Smialek Richard W.

Vonkrumreig Robert E. Day, Jr. Robert E. Acker Damon S. Starring Michael E. Raber Bryan S. Kogut Michael R. Wroblewski Michael D. Inman Kenneth W. Wilson Sharon W. Fijalka George J. Rezendes, Jr. Luke Brown Sharon W. Fijalka Luke Brown James M. Sylvester William S. Benton Kenneth J.

Thorkildsen Monyee S. Wright Daniel J. Conty

Oloughlin III Edward J. Wielichzhiewicz David R. Wilkins Richard D. Wright Steven P. How Frederick D. Pendleton

Ian Grunther David W. Stalters James F. Culver David E. Flesher Matthew K. Mumford

Robert J. Jones Kerry D. Christopher Richard M. Naccara Maurice K. Jenkins Douglas J. Flammang

Gerald A. Demetriff Gerald R. Slusser Marshall V. Lott III Thomas A. Jarrard

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in grades indicated under the provisions of section 8284, title 10, United States Code, with a view to designa-tion under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be colonel

Beddingfield, George W., xxx-xx-xxxx To be major

Nepomuceno, Normando R. xxx-xx-xxxx To be captain

Maiorca, John P. xxx-xx-xxxx

To be first lieutenant

Smith-Harrison, Leon, I, xxx-xx-xxxx

DENTAL CORPS

To be captain

Aguilera, Keith B. XXX-XX-XXXX Anderson, John A. XXX-XX-XXXX Bloxom, Robert M., Jr XXX-XX-XXXX

To be first lieutenant

Higgins James R. XXX-XX-XXXX.

The following persons for appointment as Reserve of the Air Force, in grades indicated, under the provisions of section 593, title 10, United States Code, with a view to designa-tion under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be colonel

Panettiere, Frank J. xxx-xx-xxxx To be lieutenant colonel

Carnazzo, William S., Castro, Robert R. XXX-XX-XXXX Duazo, Nenita R. XXX-XX-XXXX Elliott, John S., Jr. XXX-XX-XXXX Friedman, Benjamin T. XXX-XX-XXXX Greisman, Paul A. XXX-XX-XXXX Hooker, John P.

XXX-XX-XXX
Kline, Stanley C.,
XK-XX-XXX
Kelley, Stanley K.,
Lee, Frederick M.,
XXX-XX-XXXX Mays, Denton L., Miller, Harold M., XXX-XX-XXXX XXX-XX-XXX Mimoso, Jose J., xxx-xx-xxxx Nemcic, Steven D., xxx-xx-xxxx Odom, Paul L., xxx-xx-xxxx .

Riddick, Joseph H. xxx-xx-xxxx .

Smith, Carl R. xx-xx-xxxx .

Stathakis, John N. xxx-xx-xxxx .

Tarantino, Isadore S. xxx-xxxxxx

DENTAL CORPS

To be lieutenant colonel

Hagarty, Timothy J. xxx-xx-xxxx

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of Sections 593 and 8315, Title 10, United States Code, with a view to designation under the provisions of Section 8067, Title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Jeszenka, Edwin V., xxx-xx-xxxx

States Code, as amended. Officer is subject to physical examination required by law.

NURSE CORPS

Captain to major

of Section 593 and 8376, Title 10, United States Code.

Lieutenant colonel to colonel

MEDICAL CORPS

Carver, Richard F. xxx-xx-xxxx Laurel, Santiago xxx-xx-xxxx Schaberl, Karl N., xxx-xx-xxxx White, Stewart A. xxx-xx-xxxx

DENTAL CORPS

Abbott, George G., xxx-xx-xxxx

Major to lieutenant colonel

LINE OF THE AIR FORCE

Anderson, James A., xxx-xx-xxxx CHAPLAIN CORPS

Bagge, Carl J., xxx-xx-xxxx Costagliola, Salvatore M., Koch, Glenn A., xxx-xx-xxxx xxx-xx-xxxx

MEDICAL CORPS

Anderson, John R. xxx-xx-xxxx Ankov, Donald H., xxx-xx-xxxx Auguste, Reynold C., xxx-xx-xxxx Bell, George C., XXX-XX-XXXX

Bergman, Ronald J., XXX-XX-XXXX

Borcherding, Harlan J., XXX-XX-XXXX

Caravello, Peter M., XXX-XX-XXXX Dean, Nowlan K. XXX-XX-XXX Dickson, Richard C. XXX-XX-XXX Gebhart, Ronald J. XXX-XX-XXX Grover, Melvin G., XXX-XX-XXX Gumbelevicius, John P. XXX-XX-XXX Harbrecht, David J. XXX-XX-XXX Mays Steven C. Mays, Steven C., xxx-xx-xxxx .

Morris, William H., Jr., xxx-xx-xxxx Smtih, Michael T. XXX-XXXXXX .
Sterner, Paul E. XXX-XXXXXX .
Vieras, Frank, XXX-XXXXX .
Wainner, Kenneth F., Jr., XXX-XXXXX

Williams, Victor T., XXX-XX-XXXX Wisdom, Randall T., XXX-XX-XXXX NURSE CORPS

Taylor, Carol A., xxx-xx-xxxx

The following named Air Force officer for reappointment to the active list of the Regular Air Force in the grade of lieutenant colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of colonel, in accordance with sections 8442 and 8447, title 10, United States Code.

LINE OF THE AIR FORCE

Jacobeik, John D. xxx-xx-xxxx

The following named Air Force officers for reappointment to the active list of the Regular Air Force in the grades indicated, under the provisions of sections 1210 and 1211, title 10, United States Code.

LINE OF THE AIR FORCE To be first lieutenant

Diemand, William E., xxx-xx-xxxx

NURSE CORPS

To be captain

Pease, Deborah S. XXX-XX-XXXX.

The following named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of colonel, in accordance with sections 8442 and 8447, title 10 United States Code and 8447, title 10, United States Code.

LINE OF THE AIR FORCE

Emmons, Melvin B., xxx-xx-xxxx

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10. United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Back, Marvin G., XXX-XX-XXXX
Baker, James E., XXX-XX-XXXX
Capalbo, John H., XXX-XX-XXXX
Chesley, Duane P., XXX-XX-XXXX
Fulton, John P. Herring, James, XXX-XX-XXXX Mullahey, Edward F. XXX-XX-XXXX Romines, James O., XXX-XX-XXXX Sherwood, Wallace C., XXX-XXXXX Stamps, Doyle W., xxx-xx-xxxx Toporek, Edward, xxx-xx-xxxx

CHAPLAIN

To be colonel

Bjork, Donald, XXX-XX-XXXX
Fishburn, Ralph D. XXX-XX-XXXX
Hoffman, Wayne W., XXX-XX-XXXX
Hughes, Donald R., XXX-XX-XXXX
Kearney, Thomas L., XXX-XX-XXXX
Sanders, Paul R., XXX-XX-XXXX

ARMY NURSE CORPS

To be colonel

Baszynski, Alice, xxx-xx-xxxx Tate, Mary E., xxx-xx-xxxx . Waterman, Jule E. xxx-xx-xxxx

DENTAL CORPS

To be colonel

Coyne, Nathaniel, Glickstein, Arnold, xxx-xx-xxxx XXX-XX-XXXX Levy, Harry R., xxx-xx-xxxx . Wyatt, James R., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Blalock, James C., XXX-XX-XXXX
Kashgarian, Mark
Passmore, James A., XXX-XX-XXXX
Rothmeyer, David,
Shipman, Harold L. XXX-XX-XXXX Sizemore, Hiram, xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be colonel

Lage, Joao V., XXX-XX-XXXX

Lewis, Gillie C., XXX-XX-XXX

Stewart, Roland E. XXX-XX-XXX

White, Charles S. XXX-XX-XXXX

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Mooney, Lawrence, xxx-xx-xxxx VETERINARY CORPS

To be colonel Clayton, Jack L., XXX-XX-XXXX Roenick, William, XXX-XX-XXXX

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of Title 10, United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST To be lieutenant colonel

Arata, Thomas C. xxx-xx-xxx Avants, James O. XXX-XX-XXXX Barefoot, Kenneth T. xxx-xx-xxxx Bartsch, Glenn W. xxx-xx-xxxx Bartsch, Glenn W. XXX-XX-XXXX
Bean, Walter E. XXX-XX-XXXX
Benson, Vernon D. XXX-XX-XXXX
Blake, Tommy E.,
Bragg, Robert M.,
Bragg, Thomas B.,
Brewster, Olin F.,
Brice, William T.,
Burcalow, Harry B.,
Callan, Thomas E.,
Campbell, George, xxx-xx-xxxx

Cellini, Frank A., xxx-xx-xxxx Clary, Ira G., xxx-xx-xxx Conerly, James M., xxx-xx-xxxx Cowart, Clarence, xxx-xx-xxxx Dempster, William, xxx-xx-xxxx Dempster, William, XXX-XX-XXXX
Drown, Ronld V., XXX-XX-XXXX
Falkner, Larry C., XXX-XX-XXXX
Fish, Ernest B., XXX-XX-XXXX
Frederickson, H., XXX-XX-XXXX
Freeland, Jon N., Galey, Michael S., XXX-XX-XXXX
Garduno, Delbert. XXX-XX-XXXX
Gae Carol L., XXX-XXXXXX Gee, Carol L., XXX-XX-XXXX
Gieneart, Ronald, XXX-XX-XXXX
Graham, Herman, XXX-XX-XXXX
Groleau, Ronald L., XXX-XX-XXXX
Gummere, Robert P., XXX-XX-XXX XXX-XX-XXXX Hall, Rickey A., XXX-XX-XXXX
Hall, Rickey A., XXX-XX-XXX
Hancock, Guy H., XXX-XX-XXXX
Haro, Alfonzo A., XXX-XX-XXXX
Harris, Mervyn J., XXX-XX-XXXX
Hillebrant, George, XXX-XX-XXXX Hitt, Thomas R., xxx-xx-xxxx Hunter, James S. XXX-XXXXX
Keener, Allan W., XXX-XXXXX
Kendall, Charles, XXX-XXXXX
Kohnen, Richard G. XXX-XXXXX
Kooistra, Frank W. XXX-XX-XXXX Krebs, Joseph G., xxx-xx-xxxx Larsen, James P. xxx-xx-xxxx Leishman, Nolan B., xxx-xx-xxxx Leishman, Nolan B., XXX-XX-XXXX
Loeb, Thomas, XXX-XX-XXXX
Mackenzie, Lawrence, XXX-XX-XXXX
McAllister, William, XXX-XX-XXXX
McCracken, Donald T., XXX-XX-XXXX
McIntire, Franklin XXX-XX-XXXX
McKiernan, Gerald, XXX-XX-XXXX Miker, Joseph J., xxx-xx-xxxx Narimatsu, Galen M. xxx-xx-xxxx Nelson, William A. xxx-xx-xxxx Ohta, Shirley M., xxx-xx-xxxx Pool, Robert C., xxx-xx-xxxx Pope, Max L., XXX-XXXXX
Powell, John W., XXX-XXXXX
Price, Aubrey L., XXX-XXXXX
Rozentals, Andrejs, XXX-XXXXX
Shoemaker, John H., XXX-XX-XXXX XXX-XX-XXXX Shuey, Kenneth R., XXX-XX-XXXX
Smith, Ted H., XXX-XX-XXXX
Stemmer, Donald R., XXX-XX-XXXX
Stephenson, Don R., XXX-XX-XXXX Stetson, Lawrence L. XXX-XX-XXXX Summers, Charles R., XXX-XX-XXXX Summers, Charles R., XXX-XX-XXXX
Taylor, Ronald S., XXX-XX-XXXX
Taylor, William R., XXX-XX-XXXX
Tetreault, Verne
Voas, Dwaine E., XXX-XX-XXXX
Wearden, Glen E., XXX-XX-XXXX
Webb, Wesdie L., XXX-XX-XXXX
White, David M., XXX-XX-XXXX
Winzinger, Robert J., XXX-XX-XXXX
Young, Carl L., XXX-XX-XXXX
Young, Carl L., XXX-XX-XXXX Young, Carl L., xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

Boyle, Patrick J. XXX-XX-XXX Frister, Jerome A. XXX-XX-XX Harrison, William, XXX-XX-XXX McAuley, William, Perkins, Roland C., XXX-XX-XX XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX

ARMY NURSE CORPS

To be lieutenant colonel

Harrington, D., xxx-xx-xxxx Schwartzberg, H., xxx-xx-xx Stryczek, Judith K., xxx-xx XXX-XX-XXXX XXX-XX-XXXX Thornton, Marilyn, XXX-XX-XXXX Wade, Monda S., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Hoopes, Grover R., xxx-xx-xxxx Mowery, Albert S., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Hansen, Kenneth Laano, Archie B., xxx-xx-xxxx .

Phillips, Abraham M., xxx-x-xxxx

Teer, Norman H., xxx-xx-xxxx .

MEDICAL SERVICE CORPS

To be lieutenant colonel

Brust, Richard A. xxx-xx-xxxx Murphy, Mark J. xxx-xx-xxxx

VETERINARY CORPS

To be lieutenant colonel

Davis, Ronald D. xxx-xx-xxxx .

Nelson, Willard B., xxx-xx-xxxx .

The following-named officers for appoint-

ment in the Reserve of the Army of the United States, under the provisions of Title 10, United States Code, sections 591, 593 and

MEDICAL CORPS

To be colonel

Butler, William W. xxx-xx-xxxx Eardley, Robert J. XXX-XX-XXXX Eller, Jimmie L., xxx-xx-xxxx Fagelson, David L., XXX-XX-XXXX Finer, Jerome A. xxx-xx-xxx Goldfarb, Irwin xxx-xx-xxx XXX-XX-XXXX Griggs, Walter C., xxx-xx-xxxx Hatt, William S. xxx-xx-xxxx Inkret, William J. xxx-xx-xxx XXX-XX-XXXX Levin, Jerry C., xxx-xxxxxx .
Lockhart, Jean D., xxx-xx-xxxx .
McDezitt, Thomas xxx-xx-xxxx
Monsour, James W., xxx-xx-xxxx
O'Sullivan, Donal D., xxx-xx-xxxx Palombi, Robert E. xxx-xx-xxxx McRoberts, J. W., xxx-xx-xxxx Schaefer, John W. xxx-xx-xxxx Vanderbosch, James xxx-xx-xxx Vester, John W. xxx-xx-xxx Whang, Robert, xxx-xx-xxx

ARMY PROMOTION LIST

To be lieutenant colonel

Weaver, Thomas C., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Hamilton, Reuel E. xxx-xx-xxx Hanley, Joseph B. xxx-xx-xxxx Lopez-Martinez, A. xxx-xx-xxxx Margolis, Melvin, xxx-xx-xxxx Pontoricro, Jack J. xxx-xx-xxxx Ricks, Claude L. Jr. xxx-xx-xxxx Rowe, Harold, xxx-xx-xxxx .
Todd, Donald D., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Ahrens, Mario E., xxx-xxxxxxx Alexander, Gerald. xxx-xxxxxx Alisago, Andres S., xxx-xx-xxx Becker, David W., Berger, William, xxx-xx-xxx Borromeo, Azael, xxx-xx-xxx Brandt, Eldon D. xxx-xx-xxx Bratkowski Henry xxx-xx-xxxx XXX-XX-XXXX Bratkowski, Henry xxx-xx-xxxx Brown, Leo R., xxx-xx-xxxx . Burdic, Joseph T. Burns, John E. P. Burns, Robert R. XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX Carlson, Allen B., xxx-xx-xxxx Carper, John M. XXX-Cashman, Edward F. XXX-XX-XXX Gage Thomas P., xxx-xx-xxx .
Gleichauf, John G. xxx-xx-xxx
Guenther, Joseph F. xxx-xx-xxxx Guller, Barbara xxx-xx-xxxx Haddox Victor G., xxx-xx-xx

Hope, Peter B., xxx-xx-xxxx .

Hylton, Robert R. xxx-xx-xxxx . Jones, Bryan W., xxx-xx-xxxx Kirschman, Herbert xxx-xxx Knapp, Lois xx-xx-xx LaBaze, Jean J. xxx-xx-xxx Lakatos, George C., xxx-xx-xxx Lasersohn, William XXX-XX-XXXX Leake, James R., xxx-xx-xxxx Lofstrom, Dennis XXX-XX-XXY Lown, John A., xxx-xx-xxx Malave, Hector J., xxx-xx-xx Mardock, John F., xxx-xx-xx XXX-XX-XXXX xxx-xx-xxxx Martin, Paul R. xxx-xx-xxx McKenny, Martin E. xxx-xx Mekker, George C., xxx-xx-xx XXX-XX-XXXX xxx-xx-xxxx Mendlick, Richard XXX-XX-XXXX Montgomery, John XXX-XX-XXXX Morley, George W., xxx-xx-xxxx Mullens, Lester G., XXX-XXXXX .
Olivares, Armando XXX-XX-XXXX .
Nandalal, Yepuri XXX-XX-XXXX .
Parmdee, Norman H. XXX-XX-XXXX Pullen, Charles W., XXX-XX-XX
Rappaport, Stanley XXX-XX-XXXX
Reed, William D., XXX-XX-XXXX
Reitzel, Norman L. XXX-XX-XXXX
Rodenhauser, Paul XXX-XX-XXXX Rodriguez, Marino R., xxx-xx-xxxx Rosser, Robert G. xxx-xx-xxxx YYY-YY-YYYY XXX-XX-XXXX Sellaro, Salvatore, xxx-xx-xxx Shah, Naren N., xxx-xx-xxxx Springate, Charles xxx-xx-xxxx Stones, Carl xxx-xx-xxxx . Tahmoush, Albert J. xxx-xx-xxxx Wolfe, John M., xxx-xx-xxxx Zimmerman, Ronald T. x xxx-xx-xx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Levin, Marvin S., xxx-xx-xxxx

VETERINARY CORPS

To be lieutenant colonel

Morris, Lester D., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10. United States Code, section 3494:

To be colonel

Phippen, William G. xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Bush, William W., xxx-xx-xxxx Cohen, Ira S. XX-XX-XXX Gajic, Zivko Z., XXX-XX-XXX Goodnaugh, Peter XX-XX-XXX Luthin, Richard B. XX-XX-XXXX Rajfer, Sol I. XXX-XX-XXXX Stocker, John T. XXX-XX-XXX

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Section 4385:

ARMY PROMOTION LIST

To be colonel

Abbott, Clifford, XXX-XX-XXXX Altieri, John B. Blade, Gene W., XXX-XX-XXXX xxx-xx-xxxx Macaron, Joseph xxx-xx-xxxx

Maule, Albert R. xxx-xx-xxxx Mayeur, Russell A., xxx-xx-xxxx Majeur, Russen A. XXXXXXXX Miller, Lewis M., XXX-XXXX Myers, Louis L., XXX-XXXX Nathe, David M., XXX-XX-XXXX Perkins, Gordon R. XXX-XX-XXXX Perry, William A. XXX-XXXXX
Rubenstein, Howard XXX-XX-XXXX
Salamone, Luciano C. XXX-XX-XXX
Schneider, Leon G. XXX-XX-XXX XXX-XX-XXX Scraba, Stanley A. xxx-xx-xxx Seldon, Wendell, xxx-xx-xxxx XXX-XX-XXXX Stelzenmuller, Cyril Stuckey, Jimmie D. Tansey, William J. XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX Thompson, Ralph E. xxx-xx-xxx
VanLeeuwen, John E. xxx-xx-xx
Widdoes, Walter H. xxx-xx-xxx
Zavadil, Milton J. xxx-xx-xxxx xxx-xx-xxxx

DENTAL CORP To be colonel

Hill, Harold T., xxx-xx-xxxx

MEDICAL CORPS To be colonel

Clark, Jack C. xxx-xx Jurczak, Denis M. x King, Merrill J. Jr. Klein, Gershon A. XXX-XX-XXXX XXX-XX-XXXX

ARMY PROMOTION LIST

To be lieutenant colonel

Alford, Paul D., XXX-XXXXX Armstrong, Jack R. XXX-XX Barkley, Thomas B. XXX-XX Beane, Melton E., XXX-XX-XX XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX Bell, Harvey L., xxx-xx-xxxx
Boring, Terrill D. xxx-xx-xxxx
Bowman, Harold E. xxx-xx-xxx XXX-XX-XXXX Bray, Kenneth W. Bray, Kenneth W.

Brehm, Philip A.

Burke, Robert W.

Cambell, James W.

Catlett, Thomas T.

Chladek, Richard

Christopherson, G.

Conger, Paul S.

Couture, Roland W.

Cross Brandd W. XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX XXX-XX-XXXX Cross, Ronald W., Digiulio, Daniel, Drew, Garland A., Dunn, James M. XXX-XX-XXXX xxx-xx-xxxx XXX-XX-XXXX Dunn, James M. XXX-XX-XXXX Fiore, James H. XXX-XX-XXXX Gambill, Bradley XXX-XX-XXXX Hein, Ronald L. XXX-XX-XXXX Hersey, Don B., XXX-XX-XXX Hoffman, Roy C., XXX-X-XXX Jacoby, Thomas G. XXX-XX-XXX James, Hal D., XXX-X-XXX Johnson, Edon E., XXX-XX-XXX Johnson, Bobert G. xxx-xx-xxxx Johnson, Eldon E. xxx-xxxxx Johnson, Robert G. xxx-xxxxx Klynoot, Eugene P. xxx-xxxxx Lucas, John R. xxx-xxxxx .

Lucas, John R. xxx-xxxxx .

McDaniel, Lloyd D., xxx-xxxxx .

McKealgg, George L., xxx-xxxxx .

McKenna, Richard J. xxx-xxxxx Mock, David J., xxx-xx-xxxx Moore, William R., XXX-XX-XXXX Reid, Don E., xxx-xx-xxxx Reid, Don E., XXX-XX-XXX
Rhoades, Kenneth D., XXX-XX-Russell, William A., XXX-XX-XXX
Schultz, Roger C. XXX-XX-XXX
Sheperd, Donald C. XXX-XX-XXX
Smithers, Jerry C. XXX-XX-XXX
Stone, Gary R., XXX-XX-XXX
Sullivan, Gene A. XXX-XX-XXX
Undem, Robert J. XXX-XX-XXXX
Ware Feell Jr. XXX-XX-XXXX Ware, Ezell Jr. xxx-xx-xxx Weaver, Walter R., xxx-xx-x Weber, Charles E., xxx-xx-x

Wharton, Loren L. xxx-xx-xxxx Wolcott, Eben S. xxx-xx-xxxx Zysk, Edmund C., xxx-xx-xxxx

ARMY NURSE CORPS

To be lieutenant colonel

Fitzsimmons, C., xxx-xx-xxxx

Hoffman, Sharon L. xxx-xx-xxxx Moen, Mary E., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Morrow, Hollis W., xxx-xx-xxxx Willis, William L., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Arnold, David A., Buckingham, W., xxx-xx-xxxx XXX-XX-XXXX Hill, Charles E., xxx-xx-xxxx Hoberg, Glenn, xxx-xx-xxxx Kelly, Janice, xxx-xx-xxxx Smith, Lionel F. L., xxx-xx-xxxx Sutherland, Burton xxx-xx-xxxx Swiferland,
Sweeny, John P., XXX-XX-XXXX
Welch, Roland L., XXX-XX-XXXX
Zeit, William M., XXX-XX-XXXX

MEDICAL SERVICE CORPS To be lieutenant colonel

Graves, Ralph H., xxx-xx-xxxx Skidmore, Joe T., xxx-xx-xxxx

IN THE NAVY

The following-named lieutenant manders of the U.S. Navy and Naval Reserve for permanent promotion to the grade of commander in the various staff corps, as indicated, pursuant to title 10, United States Code, sections 5782 (staff corps officers, USN), 5783 (staff corps officers, USNR), and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable, subject to qualifications therefor as provided by

MEDICAL CORPS

Aguilar, John R. Aldana, Marcial M., Alexander, James E. Anderson, Robert M. Artman, Lee E. Balestrieri, Francis J. Bharadwaja, Krishan Bishop, William H. Bjornsson, Gottskalk T.

Boyle, Daniel E., Jr. Brazin, Stewart A. Bumgarner, Robert L. Burckhardt,

William A. Burkhart, John A. Carlson, Bruce E. Carter, Manley L., Jr. Cotelingham,

James D. Dacosta, H. G. Davis, Mark S. Deihimpanah,

Mohammad A. Demakas, John J. Draheim, John R. Elie, Roland C. Ellenbeck, Edward W. Espirito, Roger F. Evans, George E. C. Ewing, Willie B.

Firth, Harriet J. A. Flynn, Thomas J. Fticsar, James E. Gill, Becky L. Greeb, Charles A. Hargett, Newell A. Hartung, Robert W. Henderson, Sherry K. Hobbs, Lafloyd H. Hunt, Robert E. Jamison, James C. Jordan, Gerald H. Kelleher, Kenneth S. Kinney, James B. J. Krebs, Gary L. Ledbetter, Elizabeth K. Liu, Renchang Lloyd, Owen W.
Longfield, Robert N.
Lovan, Wendell D.
Lux, William D. Lwin, Tint Marshall, Dallas P. Marshall, Robert L. McKinnon, Bert McLaurin, Eugene B. Meyer, Frederick N. Moreland, Michael E. Moser, Paul H. Norris, David M.

Oakland, John H. Owens, Bernard J., III Praba, Sudha M. Racciato, John J. Rainey, Thomas G. Rattidham, Borworn Remigio, Manuel R. Sachs, Raymond A. Schelkun, Steven R. Schneider, Thomas R. Schwenzfeier, Carl W. Shockley, John R., Jr. Shodhan, Pragna R. Shuler, Lewis D.

Baum Christopher C.

Suseno, Wibowo S. Swearingen, David C. Taylor, John H. Teddi, Raul J. Thomason, Charles B. Tonnesen, Glenn L. Tozer, James M. Urist, Marshall M. Vap, James G. Ware, Lewis I., Jr. White, Steven M. Worsham George F. Worth Leonard V. Yeast John D. Stevenson, Charles E. Zekos Nicholas V. Sunder, Theodore R.

Kirtley Richard W. Lippert Richard A.

Major Samuel J., Jr.

McCarthy Frederick

McKenna James L. McQuinn Dale E.

Moore Richard S., Jr.

Nelson Thomas R. Perry William K., Jr. Ptacek William J.

Rinne Raymond C.

Robertson James C.

Sever Donald E., Jr.

Smith Douglas W.

Snider Stephen E.

Squires Robert R.

Vance Michael G.

Villers James J.

Williams Fred A.

Wise William A.

Swenson Donald W.

Smith Jay S.

Mason Charles R. Mason Richard H.

P., Jr.

Moser Paul D.

Averett Gary L.

Beamer George P. Boardman Henry P., Jr. Brasher Kenton C. Cohen Barry L. Collins Ralph Jr. Crow Douglas R. Curry Merrill D. Demeritt Christopher D. Doubleday Ross J. Engel Raymond P. Fitzerald Kenneth W. Fronabarger Jerry L. Garrett George W. Griggs Thomas G., III Grigson Delbert Q. Grove William E. Haddock Ira F., Jr. Hallenback Gerald T. Hayward Daniel S.

Hislop Charles E. Holtman Bruce D. Kasse David I. Kellum William C.

CHAPLAIN CORPS

Bertrand, Victor E. Boucher, Edward F. Clark, Lee S. Erpelding, Edward E. Friel, John F. Gallagher, Michael F. Garthe, Gordon E. Hornsby, Benny J. Marvin, Charles W. Mennis, James F.

Metcalf, Merle L. Mulqueen, Joseph C. Naylor, Ronald J. Neill, James R., III Ritter, Ronald A. Spilka, Anthony F. Travers, David O. Wallace, Rodney C. Winterfeld, Eugene P.

CIVIL ENGINEER CORPS

Alfredson, Leonard E. Lemon, Harvey B. Ayres, Larry I. Loyacano, Joseph N. Binning, Cogal D., Jr. Marshall, David W. Burke, William F., III Moeller, Robert L. Corrigan, Phillip G. Cullison, Geoffrey D. Frey, Michael L. Giancola, Anthony R. Osborn, Prime F., IV Groncznack, Robert P. Pierson, William P. Hamilton, Charles D. Rice, Richard H., Jr. Hamm, Edward R. Shelton, Michael W. Holland, George W. Tomiak, Walter W. Johnston, Keith A. Jones. Frederick J. King, Jerry W. Koski, William A.

Mohsberg, Sidney A., III Monroe, Gary E. Vernon, Jerry L. Waters, William A. Webb, Richard D. Wynn, Alfred L.

JUDGE ADVOCATE GENERAL'S CORPS

Haiman, Arnold J. Haldeman, Harold, W., Jr. Henriksen, John R. Hoover, William D. Krogmann, Newell D.

Closser, Daniel P., Jr. Labella, Louis M. Fessler, E. A. Lawrence, Thomas A. Gallagher, Stephen B. Legrand, Carlson M. Misiaszek, Peter E. Riedel, Charles T. Tucker, Charles W. Uris, Richard B. West, David I.

DENTAL CORPS

Gallagher, Walter N. Hill, Augustyne V. Janek, Bruce S. Kelley, Michael J.

Stempel, Randall M. Trapp, John E. Vance, Kim H.

MEDICAL SERVICE CORPS

Adler, Gary J. Aitken, John R. Armstrong, Carl A., Jr. Bartlett, Jack W. Blackford, James M. Blaylock, James D. Bruder, Paul T. Campbell, Paul E. Casper, Allan V. Dould, Philip E. Duny, Marshall S. Durfee, Paul J. Eversmann, Donald F. Flondarina, Melchor

Foskey, Leslie T. Friedman, Arnold L. Fromm, Susan A. Fulton, Michael J. Groves, Kenneth L. Harrell, James H. Haws, Virtus P., Jr. Iczkowski, Marcel D. Kafer, Sallee P. Katzenmeyer, John J. Kellogg, William F. Kelly, John P.

NURSE CORPS

Burns, Rebecca K. Burroughs, Ruth C. Cahoon, Charlie M. Cayere, Barbara M. Courtad, James G. Dougal, Patricia A. Eastland, Susan L. Emerson, David K. Fitzsimmons,

James W., III Higgins, Jean M. Holden, Beadie L. Honeywell, Patricia H. Ingram, Charles H. Miller, Daniel E.

Koehn, Galen R., Jr. Laughlin, Leo L., Jr. Legg, Robert P. McCarty, James E., Jr McLaughlin,

Judith S. Mullins, Frank A., Jr. Newquist, Robert L. Norvell, Robert D. Olson, James G. Panas, Bruce R. Parker, Cloyd J. Pelphrey, James H.
Phillips, Harold E. Pulvermacher,

Harold E. Reed, Paul J. Santana, Frederick J. Shannon, Richard H. Shea, Terence K. Sixsmith.

Howard T., Jr. Smith, David G. Thompson, Robert A. Truran, Paul F., Jr. Vogl, Walter F. Windham, George S.

Moran, Michael T.

Murphy, Pamela A. O'Brien, Barbara A. Pippin, Mary R. Powell, Alice A. Rawley, Anne J. Reese, Charles A. Riddle, Richard B. Schlote, Karen K. Schupeltz, Barbara A. Sobkow, Roseanne Southerland, Mary A. Sparks, Teresa C. Thompson, Eleaner J. Lindsay, Sheila A. Turner, Sherrilyn A. Lochotzki, Kenneth J.West, Mary A. Wright, Marcia R.

The following-named lieutenant com-mander of the U.S. Navy for temporary promotion to the grade of commander in the Civil Engineer Corps, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualifications therefor as provided by law:

Kannegleser, Andrew A.

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line and various staff corps, as indicated, pur-suant to title 10, United States Code, sections 5769 (line officer), 5773 (staff corps officers), and 5791, subject to qualifications therefor as provided by law:

LINE

Hopping, Robert D.

MEDICAL CORPS

Mandel. Lee R.

CHAPLAIN CORPS

Hendricks, Clare J.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line officers), 5773 (staff corps officers), and 5791, subject to qualifications therefor as provided by law:

LINE

Keener, Frederick J. Vaughn, Stephen R., Pagani, Michael A. Jr. Liverman, Joseph A.,

SUPPLY CORPS

Graef, Richard P.

NURSE CORPS

Miller, Ann M.

Whitman, Monroe C.

Whittemore, Spade B.

Wilkening, Robin M.

White, Michael J.

Friedrich, Robert C.

Frinak, Charles W. Gabriel, Keith R.

The following-named woman lieutenant commander of the U.S. Navy for permanent promotion to the U.S. Navy for permanent promotion to the grade of commander in the Supply Corps, pursuant to title 10, United States Code, sections 5773 and 5791. subject to qualifications therefor as provided by law:

Firkins, Arlene L.

The following-named women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualifications therefor as provided by law: Chambers, Lenore A. Haver, Sandra K.

Verderosa, Christina Mason, Angelika White, Carol A.

The following-named officer of the line of the U.S. Navy, for appointment in the Supply Corps, as permanent lieutenant (junior grade), pursuant to title 10, United States Code, sections 5582(b) and 5572, subject to qualifications therefor as provided by law: Majkowski, Craig L.

IN THE NAVY

The following-named lieutenants of the U.S. Navy and Naval Reserve for permanent promotion to the grade of lieutenant commander in the various staff corps, as indi-cated, pursuant to title 10, United States cated, pursuant to title 10, United States Code, sections 5782 (staff corps officers, USN), 5783 (staff corps officers, USNR), and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Abbasi, Iffat A. Abel, Michael E. Achilles, Jackson T. Adams, David B. Adams, Henry G. Ahbel, Dorrit E. Albrecht, Richard C. Albritton, Michael A.

Alexander, Charlotte E. Andris, Joseph J. Andrus, Christine M. Armstrong, Donal J. Atkinson, Penelope Babcock, Nolan C. Bagby, Martin D. Baltuch, Leigh Barkhoff, Rise L. Barton, David C. Batten, George B Batten, Eristine W. Baxley, Robert S. Bayer, Jon D. Bean, Howard C., Jr. Bebout, Robert G. Bendt, Robert R. Bennett, Paul W. Beyer, Gregory L. Bishop, John W. Blasco, Thomas A. Boston, Edward G. Boyle, John F., Jr. Bright, John R. Brinsko, John M. Brodine, Stephanie K Brower, Richard A. Browning, Mark D. Buchta, Kathryn S. Burris, Tary E Burwell, Richard K. Cardenss. Jose A., Jr. Carnes, Robert S., III Carter, Ann M. Casamassima.

Anthony C Cassidy, Scott Cayton, Wayne B., Jr. Chalmers, Antonia C. Chandler, Kirk A. Chao, Andrew Chappel, Christopher M.

Chobanian, Sarkis J. Clague, Michael D. Clark, David A. Close, Theodore D. Conover. Wayne B. Cope. Thomas M. Corbett, David W. Cornell, Barry W. Craig, James P. Crane, Jeffrey M. Cuerdo, Pepita C. Cunning, Linda K. Curry, Stephan R Cutillar, Nora L. Daniel, Thomas E. Davis, Gary R. Depaulo, Paul S. Dibella, Constance N Dickey, James W. I. Dickey, Louis S. Dion, Mark W. Dolney, James K. Downey, Edward F., Jr Doyle, Michael P. Duncan, James M. Dupree, William B Eastman, Colette M. Eastman, Thomas Edwards, Susan M. Edwards, Willarda V. Elegado, Benicio D. Esposito, Paul W. Estlund, Gregory J. Eubanks, Douglas L. Fairfax, Michael J. Faith, William T. Fang, Peter J. W. Fern, Peter E. Ferriss, John A., II Ferry, Philip J., III Fischer, Leonard S. Flanagan, Richard A., Jr. Flittie, William H. Flores, Virgilio V Forehand, Ronald L Forester, Jonathan S. Forman, Samuel A. Fort. Richard A. Fowler, Louis B. Fraser, James R

Fredericks, Michael R.

Gamblin, George T. Getz, Stanley B., Jr. Giesecke, Thomas F. Glessner, Steven F. Gonzalez Luis R. Goodin, William H. Goodman, Floyd K. Goodwin, Randolph A Granger, David P. Grav. Roberta Gunderson, Steven A. Hamelberg, Kim S. Hancock, Joseph E. Hansen, Harold W. Hansen, Marshall P. Harkness, Charles L. Harman, Francis E. Harris, Robert C. Harrison, Judy B. Hastrup, William, Jr. Hendrickson, Beverly Henry, Robert A., Jr. Hess, Leonard W. Hickey, Therese M. Hoffman, Stephen L. Holland, Thomas V. Holmes, Elaine C. Houkom, John A. Hubbell, David B. Hudson, Charles H., II Hueston, Allen L. Hull, Jeffrey W. Hynd, Robert F. Iben, Glenn A. Izsak, Eugene Jacobson, Roger E. Jaindl, Jeffrey J. Jeffers, Gregory A. Johanek, Michael F. Johnson, Melvin, Jr. Johnson, Robert R. Johnson, Wayne T. Jones, Edgar T. Keilman, David A. Kenny, John J. Kimmitt, Elizabeth S. King, John W. Kirby, John C. Klos, Joseph R. Kornberg, Markus Koumjian, Michael P. Kreuzer, Robert F. Kuber, Matthew T. Kuczler, Frank J., Jr. Kulb, Thomas B. Lammert, Gary R. Larned, David C. Lathen, Donald F. Lay, David L. Leonard, Frank A., II Lewis, Donald R. Lewis, Richard H. Ligato, Vincent A. Linder, Walter J., Jr. Link, Michael H. Liston, William A. Logston, David G. Logue, Michael J. Lonergan, Walter M.,

Loper, Robert M. Lord, Pentha J. Lowe, Edward H. Luhn, Roderick F. Lukowski, Peter J. Marshall, Alexander w.

Martin, Lawrence K., Masangkay, Generoso Tagle, James A.

Mate, Timothy P. Mateczun, John M. Mayo, Joseph F., Jr. McBride, Michael D. McCormack, Percival

Mehr, Samuel H. Meinhardt, Ernest J. Messmer, John J., III Metz, Stephen A. Miller, Ronald V Montgomery, Jay R. Moore, Homer J., Jr. Moore, Thomas R. Murray, David W. Nader, Daniel A. Nading, John H. Nanda, Nirmala T. Nanfro, John J. Nash, Howard R. Nash, John D. Nelson, Mark L. Ness, Mary A.
Newcomer, John A.
Noack, Nelleen G.
Nolan, Thomas E. Nossa, Carlos E. Noar, Frank L. Odell, Michael Olafson, Raymond P. Olsson, Jay E. O'Neal, Lynn W. Opfer, Walter D. Page, Deborah E. Pakzad Mehdi Paulk, Wilford E. Pease, Rodney D. Pebley, Vergil C. Pflaum, Byron C., II Platzer, Peter B. Porcelli, Margaret A. Pratt, Michael F. Pudhorodsky, Gregory S.

Purvis, Frank B. Rae, Ronald P. Ragan, Joseph N. Rardin, Mary L. Ray, Joel W. Read, Edward J., Jr. Reid, Yolanda S. Rice, Linda J. Richardson, William Rodriguez, Porfirio S. Rogers, William B.

Ronning, Lawrence M., II Rose, Jerry W. Rouse, Clyde, C., Jr. Ruggles, Kevin H. Runyon, William G. Sanders, Jerald G. Sansone, Vincent R. Sarmiento, Joseph J. Saul, William L. Savage, Judith G. Schneider, Inaam J. Scotti, Frank A. Shamblin, David C. Sharp, Donald J. Shea, William M. Shilling, William A. Siemer, Daniel J. Sims, Edward G. Sizemore, Richard T. Smyer, Theodore F. Smyth, Lawrence T., Jr.

Sneddon, Wallace A. Solis, Sam J. Sollock, Ronald L. Soroka, Paul Z. Spritzer, David M. Steger, James W. Stewart, Charles R. Stewart, John P. Symonds, Timothy R. Taggart, Richard E., Jr

Tanksley, Radford D., Jr. Taylor, William H. J.

Taylortyree, Gill M. Tedesco, Joseph M. Thompson, Craig B. Timberlake. Gregory A. Tucker Warren G. Turner, Sibley N.

Vengrow, Michael I. Vernalis, Marina N. Wand, Kevin T. Warren, Tony E. Weatherby, Ellsworth, II

Weaver, John E. Weighall, Steven L. Weinberg, Winkler G. Welsch, Robert J. West, David M. White, Frederick E.

White, John M., Jr.

Anderson, Wayne E. Arinaga, Larry K. Arnest, John W. Banford, Thomas C. Barnett, Michael S. Barrs, Jack C. Baumgartner, Max F. Beck, Kenneth J. Bennett, Gregory J. Bernacki, William

J., Jr. Bernet, William C. Blount, William T. Bond, Albert S., II Brackett, Anderson E. Bradshaw, Richard N. Braniff, Gregory J. Breitling, James

D., Jr. Bridges, Russell T. Bristow, James S. Brown, Alfred A. Burton, John F Callahan, Paul W. Carman, Kevin R.

Carr, Washington S., Jr. Cheu, Arthur S. Chudzinski, John M., Jr. Cole, Gregory E. Cook, James E. Cornely, Edward P. Darrieux, Marcel A. J. Delorenzo, James M. Dismuke, Henry Dunn, John F. Dykes, James M. Easton, Mark E. Eberling, Glann D.

Eberly, David A. Elliott, John E. C. Erno, Michael L Flores, Rufino B. Ford, David A. Fowler, James M. Frailey, Elden L. Frank, Dennis M. Funderburk, Keith Gaa, Patrick J. Garban, James R. Gordon, Walter J. Gormly, Richard B. Gorrie, Roland W. Greiner, Robert A. Gustafson, Charles V Hall, Kennard R. Harnish, Robert A Hartman, Douglas M. Hartman, Larry D. Hartmann, George A.

Henry, Douglas A. Heule, Frank M. Hiza, George W. Hopkins, Ernest J. Huber, Christopher D Hudock, Michael D.

Hughes, David J. Hund, John J. Husty, Peter L.

Williams, Thomas G. Williamswhite, Suzanne Wilson, George C. Wilson, James R. Wood, Dennis A. Wright, Curtis, IV Zaloga, Gary P Zebrowski, Mitchell E. Zelenak, Mary C. Zelenak, Robert R. Zimmerman, Thomas A. CORPS

Alderman, Howard L. Jaggard, Michael F. Anderson, Peter K. Jeffreys, Eugene W. Johnson, Robert S. Jordan, Leonard R., TIT Kalas, Michael R. Kent, Robert F. Kenyon, Timothy A. Kinlaw, James T. Koch, Dennis W. Kokosinski, Mark E. Laclede, Robert P., Jr. Lancaster, Merle L. Lancaster, Donald D., Jr. Law, Robert V. Lechleitner, Matthew L Levy, Richard M. Lilieberg, Carl J., III Lindsey, Claude D., III Lippert, Thomas R. Luzynski, Anthony J., III Maas, Steven W. MacArthur, John J. Madrid, James C. Maiman, Dennis P. Mangan, Barry P Martin, Robert J.

Maynard, John D., III McCann, Barry M. McClurg, James R. McFarland, William C. McGhee, John W., Jr. Merrill, Kenneth J., III

Mitchell, Dennis F. Mitchell, Mark L Mitchelson, Andrew M., Jr.

Monks, Robert W. Mukri, Jon K. Mundt, Calvin E. Munson, Timothy O. Nelson, Stewart A. Noble, Geoffrey T. Noga, Michael W. Patton, Donald J. Pinion, Edward W. Pinta, Roger J. Popp, Ronnald G. Porterfield. George L. Pratt, Christopher T. Ralls, Walter E., Jr. Rannenberg, John E. Relan, Craig S. Righi, Michael L. Robertson, Roderick

Rushing, Melvern R. Russell, George L., Jr. Ryan, John F., Jr. Sanders, Robert E. Schaefer, James H. Schauer, Richard F. Shea, Michael B. Shick, Jack E. Silva, William L. Simmons, Eddie L. Slusher, David R. Sona, David A.

Sorensen, Charles E. Spease, Frederick W. Spicer, Ronald W. Stephens, Darvin R. Stephens, John H. Sternfels, William J. Sullivan, Nicholas M. Thamer, Steven D. Thomas, Weldon E. Thompson, Brian L. Tompkins, Jeffrey W. Worley, Randy A. Townsend, Paul J., III Wright, William A. Vandernoot, Craig M.

Vanhouweling, Gerard Vaughan, Theodore R. Verostek, Ronald F. Wade, Paul B. Wagner, Jeffrey Q. Walton, David W. Watt, Walter M. Westin, Mark D. White, William L. Zimerman, Alfred E.

CHAPLAIN CORPS

Becker, David R. Black, Barry C. Blancett, E. F. Blancett, E. F.
Bumbry, Wayne K.
Cappar, Joseph C., Jr.
Carter, John T.
Carter, Thomas C.
Cook, James L.
Dillon, William P., Jr.
Jones, Michael O. Larriviere, Marshall F Lavoie, Merle L. Lawson, Douglas W. Leverette, Walter N. Lyons, Gary V. Madden, John R. Melvin, Charles D.

Nickols, James P. Oleson, Eugene E. Oshea, Gerard D. Rankin, Donald J. Resnicoff, Arnold E Ridick, George J., III Santry, Robert M. Scheible, Gordon K. Scott, Lloyd E., Jr. Shudnow, Sanford H. Stoner, Gary W. Taylor, John T., III Vintinner, Gerald S. Ware, Nathan M. Wilson, Meretle H. Wilson, Stuart T.

CIVIL ENGINEER CORPS

Applegate, James R. Bernhard, Franklin Bernstein, Sanford M. Buckman, Thomas H. Bushong, John W. Carll, David R. Chamberlain, Guy C., II Chetelat, Gary L. Cleveland, Scott

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David J. Seaton, Steven L. Shaw, Harold M., III Stemplewicz, John T. Vandevort, Dennis E. Vienna, Kevin R. Warner, Paul M. Wiegley, Roger D. Willey, Benjamin L. Wynne, Larry D.

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McGinley, John L.

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Breaud, Thomas P.

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Patton, Elaine L.

Mitchell, John M.

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Perrault, John G., Jr.
Pianka, Michael J.
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Robert M., Jr.
Schultz, Richard A.
Shafer, Thomas A.
Shannon, Patrick A. Shaver, Christine Shotwell, Alan J.

Simpson. Jacqueline R. Singer, Timothy J. Skaggs, Ronald G., Sr. Slater, Gary L. Smith, Edward L. Smith, Ronald D. Smrkovski, Lloyd L. Snyder, George I. Stonebraker, Alan F. Straub, Ronald W. Taylor, Michael A. S. Thayer, Jon E. Thomas, Donald L. Tolan, Steven C.
Tompkins, Lee W.
Turner, Leighton K.
Uffens, Ernest J. Ulcickas, John Unsen, James A. Warcholak, Ronald A. Wassell, Joseph A. Wedding, William R. White, Richard W. Williams, Gary E. Williams, Paul E. Williams, Robert J. Wilson, Victor M. Wright, James A., Jr. Zarkowsky, John D.

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Johnson, Judith M.
Johnson, Mary E. Jones, Robert A. Jordan, Addie L. Joshlin, Charles E. Kaires, Cynthia V. Kalitowski, Nancy M. Kennedy, Celeste Kernozek, Paul A. Kilcline, Georgene B. King, Ronald W. Kossler, Sandra L. Kuehnle, Tonietta L. Lahman, Ellen R. Lambert, Clinton E., Jr. Lane, Kathleen R.

Lassallecolon, Victor Latham, Mary S. Lawler, Margaret S. Leiby, Douglas K. Leister, James W. Lensing, Susan B. Lewis, Carl N. Lisowski, Henry P. Mader, Suzan H. Mann, Albert L. Martin, Janet C. Masser, Andrea J. Mathews, Deborah W. Mattis, Arnold E. McCarthy, Suzanne O.

McConnaughey, Randall A. McGurkin, Margaret R. McLean, Barbara S.

McRedmond, Barbara W. Means, Nancy H. Mehallick, Lissa K. Miller, Joseph W. Monroe, Cashmere F. Moon, Linda D. Moore, William C. Morgan, Janie L.

Mount, Charles B.

Murphy, Ellen L. Murphy, Eilen L. Murphy, Patricia C. Murphy, Patricia G. Noble, William C. Norman, Cheryl L. Norman, James L. Noto, Karen M. O'Brien, Timothy T. Oliver, Jimmy L. Omerod, Betty H. Ost, Leo J., Jr Ostrelich, Doris A. L. Overstreet, Paul A. Palmer, William H.,

Pennie, Carol A. Perron, Michael G. Pietarila, Darrell M. Poole, Laurance K., Jr.

Pronesti, Lorraine A. Rafalko, Karen E. Renkiewicz, Kathleen A.

Rhody, Donna K. Risser, Hayward L. Robards, Maureen B. Roby, Marjorie L. Rock, Marion L. Rogers, Jacqueline Rosecrans, Charles C. Rucker, Essie M. Ryan, Margaret A. Ryerson, Lucille A. Savitsky, Mary S. Saylor, Gail G. R. Schmitz, Barbara J. Schroeder, George H. Seubert, Christie Simpson, Catherine L. Sise, Kathleen R. Spath, Margaret E. Spencer, Donna D. Spita, Elinor J. Spitzer, Loren E. Stacy, Joseph E. Stauffer, Jack A. Strode, Evelyn P. Theriault, Jeannette Tracy, Catherine K. Tucker, Jerrie A. Tuskey, Deborah L. Twarog, Judith M. Tyler, Melodie C. Tynan, Sandra L. Vandenbosch, James

W Vanlandingham, Deborah A. Waggoner, Deborah L. Walsh, Veronica A. Walton, Clyde A. Waskowski, Sandra D. Weber, Samuel N. Wenner, Linda J. White, Joan M. Wierzbowski, Daniel

Wilkinson, George D.,

Williams, Donald L. Witcher, Vianna L. Woodbury, Patricia L. Witcher, Vianna L.

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the varfous staff corps, as indicated, pursuant to title 10, United States Code, section 5773 (staff corps officers), and 5791, subject to qualifications therefor as provided by law:

SUPPLY CORPS

Pratt, Walter J. Brown, Robert A. CIVIL ENGINEER CORPS

Curtin, Timothy P.

The following-named women lieutenants of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the various staff corps, as indicated, pursuant to title 10, United States Code, section 5773 and 5791, subject to qualifications therefor as provided by law:

SUPPLY CORPS

Davidson, Mary E. Sandy, Kathleen A. Frank, Cheryl N.

CIVIL ENGINEER CORPS

Rigoulot, Jeri M.

IN THE NAVY

The following-named temporary officers of the U.S. Navy for permanent promotion to the grade of captain in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5780, 5782, and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by

LINE

law. Aldinger, Robert Waugh Alexander, Edward Harrison Allen, Benjamin Earl, Jr. Allen, Richard Charles Berklite, Ronald Betts Allen, Robert Alfred Amantea, Thomas Richard Ames, Richard Earl Andersen, Craig Neil Anderson, Carl Allan Anderson, David Carl Anderson, Gerald Duane Anderson, Lawrence Gustav Anderson, Thomas

Harry Andress, William Dozier, Jr. Andrilla, Joseph John Ansley, James Henry Arnett, Rexford Raymond, Jr. Art, Raymond John Austin, Paul Bliven

Bacon, Barton Elijah, III Badgett, Robert Samuel

Bailey, Ian McDonald Bailey, Thomas Fitzgerald

Ballard, James Oliver, Bancroft, William Paul Boufford, Francis
Barfield, Henry

Jackson, Jr. Barnett, Roger Wayne Barnhill, Hugh

Kimbley Barnes, David Wallace Barr, Jon Michael Barrett, James Henry Barrett, Robert William

Barry, Kenneth Randolph Bartels, Albert Ludwig

Arnett Bass, William Frederic Battaglini, Arnold

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Benford, Eddie

Bennett, John Faber. Benson, George Martin Benter, Harrry

William, Jr. Berry, Niles Walter Bessey, Roland Bruce Best, James Bruce Beveridge, Jerry

Donald Bianco, John August Bickel, Michael David Birtwistle, Richard,

Bissell, Allen Morris Black, Donald Lovering

Black, Eugene Henry Black, Robert Steven Blackmon, Thomas Lester Blaha, Douglas Dean

Bleakley, Andrew, Jr. Blesch, Jerry Morgan Bloch, Vernon Charles Blockinger, Alvin

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Bransom, Frank Harper Bremner, Bruce Barton

Jackson Broadfield, Donald Russell

Frederick C., Jr. Brookes, Edward Allen Brooks, Charles Edwin Bruno, Marco Joseph Bruntlett, Carl Eugene Bubeck, Charles Rodney Buehler, Roy Robert Bunch, Harold Anderson, Jr. Bunnell, Robert

Brockhausen.

Terrell Burke, David Valentine, Jr. Bush, Thomas Oliver Butler, Phillip Neal Butler, Warner Lewis Byng, Robert Hilliard Cagle, Lonnie Francis Campbell, Arlington

Fichtner Cangianelli, Leo Anthony Carbone, John Anthony Carlson, Roger Eugene Carns, Neil Sherman

Carpenter, John Donald, Jr. Carpenter, Stephen Paul Carter, Floyd Winston, Jr. Cassels, Bertrand

Beasley J. Castano, John Baptist Castle, Robert Wellington, Jr. Cauthen, Halle

Rivers Ceres, Robert Lawrence Chadwick, Stephen Kent Champlain, John

Galloway Chapin, Robert Williams, Jr. Chappell, George Charles

Chase, Malcolm Withington Cheaure, Alfred Lothar Chelton, Edward

Ernest Chenard, John Henry Chesbrough, Geoffrey Lvnn

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Cooper, Robert Lee Corbeille, Reginald Claude

Cotterman, Andrew Gustav Cottom, Robert Vance

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Davis, Edwin Albert
Davis, George
Washington, VI
Davis, Robert

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Dunlop, James Murray Dunn, Gerald Leo Dunn, James Michael Dvornick, Eugene

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Goddard, Jr.

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TII

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Meese, Harry Evan Meinicke, Thomas Phimister, Stephen Pitt, William Matthews Alfred Melnick, Norbert Plaugher, Charles Waring Edward Powell, William Menikheim, Douglas Llewellyn, Jr. Karl Powers, Byron Mensch, George Lippincott, Jr. Herbert Prehn, Robert Lloyd Presnell, Lawrence Mermagen, Peter Julian
Metteer, Donald Gene David
Metzler, Charles Paul, Prose, Nelson Mack
Phoshek, Robert Mealey Meyers, Frederick Quarterman, John Paul Maye, Jr. Raines, William Middents, Paul Willby Middleton, David Albert Dean Ramsay, Robert Miller, Paul David Miller, William Winton, Jr. Ramsey, William Frank Charles Mills, Richard Bruce Randall, Robert Mims, Norman Wells, Hudson Jr. Reese, Evan Price Rehfield, Austin Mitchell, Richard Floyd Warren Monaghan, Charles W. Reny, Robert Winston Monk, William Wade Repsher, Boyd Montgomery, David Francis Robert Retz, William Andrew Moore, David Keith Rhodes, Edwin Olliff Moriarty, John Alden Morris, Charles Ward Morris, John Elsworth Rice, Roy Joe Richardson, James Clarke, Jr. Morrison, Harlan Richmond, Donald Langtry George Moses, Paul Davis Richmond, Frederick Mueller, Joseph Brian Mullen, James Joseph Mullen, Ronald James Ricketts, David Lynn Ridder, Wendell Edward Clayton Murray, John Francis Murray, Roger P. Murray, Tom Reed, II Needham, William Riffle, Earl Robert Ritchhart, Delbert Arthur Robbins, Christopher Ray Brooks Nelson, Gerald Roberts, Charles Keith Archibald Roberts, Ernest Paul Nelson, William Robison, Kenneth Jerome, Jr. Gerald Newman, Roger Lee Newman, William Rochells, Andrew Jerome Rodiguez, William Edward Nordeen, William Edward Joseph Rogers, Elmer Earle, II Rogers, Theodore Norrington, Giles Roderick Fleming, Jr. Roome, Jack Verne Norton, Lafayette Ferguson Ross, Lawrence Oakes, Dudley Glen Thomas Roth, Michael Charles Rothert, William Carl O'Brien, George Donoghue, Jr. Olds, Frederick Arthur Rowe, Arthur Earl, Jr. Oliver, Herndon Rowley, Charles Dana Russell, Jerry Curtis Ruth, Paul Arthur Albert, III Onorati, Roger Peter Onslow. Vincent Leroy Ryan, Charles Edward Ortengren, Ralph William, Jr. Ryan, Larry Eugene Ryan, Thomas David Ryan, Thomas R., III Ott. Keith Montgomery Painter, Floyd Charles Partington, James Rybarczyk, Anthony Mark Saari, Colin Henry Salisbury, Herbert Douglas Wood Patterson, John Wesley Patton, James Howard Sands, Robert John Sawhook, James Leith Schlaff, Richard John Jr. Paulsen, Thomas Dear Paulson, Gaylord Schlegelmilch, Charles Robe O'Neil Schmidt, John Arthur Pearson, John Davis Schneider, Clinton Pellegrini, Charles Dunn Augustus Penn, Buddie Joe Perry J. Stephen Petorius, Frederick Schneider, Edward Joseph Schneider, Edward Ludwig Michael Phillips, Henry Lemle, Schneider, Michael

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Stewart,

Strole.

Kelsey Smith Stokoe, James Henry

Stoops, Ronald Rogers

Douglas Luther

Charles

Stubbs. William, Olan, Jr. Studeman, William Oliver Stump, Jerry Dunkin Sturm, Edward John Sullivan, Dennis Allan Sydow, Kenneth Robert Synstad, Wayne Carl Tadlock, James David Taylor, Alec Patton, Jr. Herbert Wayne Thames, Lewis Herman, Jr. Therrien. Edward Louis Thomas, Ronald Ralph David Stratford Thompson, James Eli, Jr. Thresher, Alfred Addison, II Ralph Lawrence Byron Eugene, Jr. James Clinton Tolle, Robert Joseph Townsend, William Justus Traister, Robert Edwin Treanor, Thomas Stanley, Jr. Triggs, Frederick, III Triplett. Thomas Terrence Trossbach, Christopher Borel, Sylvain Angelo Ronald Charles Truax, Daniel Mack Brewer, Robert Francis Jesus Bonifacio Buckendorf, William Ulmer, James Edwin A. Unruh, Jerry Lee Burnett, John R. Burrows, William Vanderslice, John Lester Mead, Jr. Vanderwolf. Caldwell, Craig Peter John Wilson Vanslyke, James Corbett, Jr. Campbell, Corder Compton Campbell, James Clarence Scott Anthony Carlisle, John Veazey, Sidney Edwin Wesley, Jr. Chandler, James Frank Alexander Lloyd Edward Francis Christensen, Mahlon Frank John Wimberly Craver, William Dillon John Lloyd, Jr. Wallis, Walter James Crucitt, Michael Anthony Davis, William Roger Raymond Michael Edwards, Bruce George Horace Munro, Jr. Edward, James Jonathan, Jr. Theodore Michael Ellwanger, Frederick Ward, Charles Edward R., III Wardle, Norval Leon Ellwood, Leslie Clive Wardlow, Flynn, Edward Louis Bertrand Thomas, Jr. Foote, D. D. Charles David Getz, Lawrence Watkins, Gilbert Richard Smith Watterson,
Rodney Keith
Webber, Michael Jon
s Weber, James Gordon Golden, Richard Allen Gorske, Arnold Lowell Greene, Kristopher Webster, Edward

Wellborn, Raymond Woltersdorf, Leonard Wells, Gary Alexander Womack, Thomas Wendt, George Frederick Wentz, David Radcliffe Werhan, Kenneth Raymond Weyers, Maynard Roland Whelan, John Francis .Tr Whisler, Glenn Edward, Jr. Whitely, John Epes, Jr. Wicklund, Robert Montgomery Wilder, Wallace Gene Wilgenbusch, Ronald Charles Wilkes, Gilbert Vanburen, III Wilkinson, Robert Bailey, Jr. Willenbucher, Marshall R. Williams, Douglas Allan Willimon, Henry Pack, Jr. Wilmot, Frederick Eugene Wilson, James Russell Wilson, Laurence Woodford Wilson, Robert Lawrence MEDICAL CORPS Albert, Latimer T. Amis, Edward Stephen Jr. Babka, John

Woodford, Duval Sterling Worthington, George Rhodes Worthington, James T II Wright, George Frederick Wright, Lindell Wayne Wright, Perry Wavne Wright, Timothy Wayne Wyckoff, Roger David Yeutter, Philip Eugene Youmans, Richard Walter York, Thomas Andrew, Jr. Young, John Rawstron Young, Richard Keith Young, Stephen Grant Young, Vernon Oran Zmorzenski, Frank Peter Zolman, Richard Grodin, Douglas Michael Gross, Kenneth Gary Halder, Robert

Benson

Hall, James

Mansfield

Hardy, John

Arthur

Lynn

Lyman

Lee, Yu Jin

Barnett

Michael

William

Marie

Dennis

Martin

Arendell, Russell Bishop, William Boardman, Albert Bridwell, Donald Carlson, John Otto Clark, Paul Dennan Henderson, III Cyril Cook, Bennie Wayne Hallenbeck, John Cox, Bobby Wayne Daeschner, William Sherman, Jr. Hazlett, Donald Dell, Jack Vining Dempsey, Robert Heaster, James Matthew Holtzman, Garry Dickinson, Robert Houghton, James Orville Houk, William Michael Dropp, Robert Anthony Judson, Preston Endt, Henry Joseph, Kallen, Lowell Hart Erickson, Roger Kemp, David Garrett Klein, William Joseph Ervine, Donald Knight, Douglas Reid McClure Fava, Ernest Edward Fenick, Robert Koenig, Harold Martin Lewis, Stephen Gahm, Jacob Harold Gear, James Robert Gibfried, Charles Lichtman, David Lohner, Thomas Lomax, William Roger Lukens, Robert Gregory, Robert Taylor, Jr. Haas, Willard Morris Harms, Ralph John, Lyman, William Michael Lynch, Thomas Patrick Makens, Neal Richard Jarman, Cecil Albert, Margulies, Robert Allan Kittock, Kenneth Martinson, Alice McArtor, Robert Knapp, Emmett Jay

McLamb, James Norwill McMillan, Donald Malcolm Meinecke, Henry Milton Mlynarczyk, Francis Adam Muller, Steven Anthony Navarro, Godofredo Liboon, Jr. Neal, David Alistair Nelson, Richard Arnold John Ogle, Samuel Garrett Oller, Dale William Paul, Theodore Otis Petit, Paul Edward Plaza, Jesus Aurelio Pratt, Richard Alfred, II Pryor, Norman Dale Roelofs, Bruce A. Saldana Miguel Jose Sanford, Frederic Goodman Sawyer, Ralph Alphonse Akers, John Robert

Wayne

Charles

Eugene

Leroy

Edward

James

III

Charles

William

Philip

Jr.

Jr.

Edward

Koczur, Eugene

Scher, Irwin Scott, Hugh P. Scott, Kenneth Neal Shaw. Gerald Lee Shima, Boston Soichi Spence, Clarence Howard Steele, Samuel McDowell, Jr. Stek, Michael, Jr. Stenberg, Michael Donald Stetson, Douglas Miller Stice, Richard Bell Tashchian, Agop Nowak, Gerald Joseph Taylor, Emmett L., Jr. O'Connell, Kevin Telesh, George Gregory Vanderberry, Robert C., Jr Vasquez, Guillermo Alejandro Weaver, Richard Albert Weiler, Harold Hauser Wickham, Clayton Wayne Williams, Edward Denny Wilson, Richard Lee Wright, Dennis Irwin

Kreimer, Robert Anderson, David Karl Maurice Krieg, William Cecil Lara, Harry Lee Baker, Kenneth Dean Leber, Theodore Timothy, Jr. Leisenring, Richard Porter Ligon, Samuel Joseph, Jr. Lunn, James William Mabie, Marshall Lewis Marshall, Clyde Collette, Royal George Mason McKechnie, John Joseph, Jr. Meier, John Douglas Moore, Robert Marion Morgart, James Alan Morris, William Richard Nissalke, Alan Jon Nopper, Donald Autrey Dolina, John Roger Draper, Walter Scott, Norman Palmatier, Philip Earl Paszly, Alexander Karl, Jr. Rech, Charles Louis Reed, William Henry Reeves, Malcolm Clephane, II Rhodes, William David, Jr. Sareeram, Ray Rupchand Schroeder, James Andrew Selgelid, Larry Curtis Smith, Charles Thomas Steidle, Robert Earl Stewart, James Ronald, Jr. Straw, Edward McCown Sullivan, Edward Hekman, John Gilbert Francis Hern, William Ray House, Steven Howard Swanson, John Lance Talbot, Patrick Joseph Jr. Vonradesky, Charles Willi R.

Weber, Jerome Joseph

Wheeler, Lawrence

David

Whittington, Richard Withrow, Edward Jr.

William, Jr. Guy William, Jr. Wilcox, Harold Edgar, Yeager, Howard Bailey Yeoman, William Ray Wild, Thomas Yim, Calvin Kam Rudolph

CHAPLAIN CORPS

Anderson, Philip David Bohula, Edwin Victor Campbell, Eli Hoke, .Tr Deruiter, Peter John, Dowd, Patrick Arthur Duke, Robert William Frazier, Joseph Robert Gordon, Robert Eugene Hanawalt, Edward Alan Loughman, Kenneth Michael

McHorse, George Ray Moritz, Jerry Don Muchow, Donald Karl Oregan, Hugh Henry Pepera, Alfred Stephen Perdew, James Russell Peters, Jack Richard Purdham, Aldon Elwood Rubino, Salvatore Stott, Albert William Toner, Edward Richard Turner, Wallace Jayne, Edward Eben Barry Krabbe, Donald Louis Weeks, Robert Martin White, David Edward

CIVIL ENGINEER CORPS

Jr. Bell. Warren Miller Bonham, Paul Windsor, Jr. Briselden, Don James Campbell, Donald Berlin Carricato, Michael Jonathan Crumbley, Don Carroll Davis, Harry Paul, Jr. Doebler, James Carl Eber, Richard Duane Emison, Joseph Brantley, Jr. Falk, Norman Dean Fermo, Louis
Anthony, Jr.
Forney, David Leon
Frazier, William Greenwald, James Michael Gunther, John Albert Harmon, William Hayne Kunz, Joseph David Lewis, Herbert Hawthorne, Jr.

Bell, Robert Bernard, Lewis, Quentin Edward David Luzum, Gerald Dean Martinelli, Salvatore Aldo Maskell, Charles Michael Miller, David Bergenthal Olsen, Allen Neil Peechatka, Farley Poole, Arthur Seeger Jr. Quikley, Stephen Jerome Riffey, Alan Kent Rinnert, Henry Joseph Robinson, George Sydnor, Jr. Sandrini, Louis Michael Francis Smith, Alan Edward Gerdel, David Holland Smith, Myron English, Jr. Tucker, Tracy Clark Vasilik, Kennetn John Wells, James Laurence Wilson, Eric Rex, Jr.

JUDGE ADVOCATE GENERAL'S CORPS

Averna, Vincent Salvatore Byrne, Edward Mark Gaeta, Sebastian, Jr. Gladis, John Terence Hunt, Roger Wayne Michael, George Lewis, III Reed, Robert Frederick

Riley, James Edward Roberts, Philip Francis Transeau, Alvin Sherman Vanderlugt, Robert William Warwick, Howard Roger, Jr.

DENTAL CORPS

Alexander, Roger E. Bernhard, George Karb, Jr. Blank, Lawrence William Campbell, Alvin Dean Cholaki, George Christ Davis, Norman Lindell DeLong. Richard Lewis Dunn, William Paul.

Gustafson, Duane Olin Hensley, John Frederick MacLeod, George Nicklin, Charles Ross Pfeifer, David Lewis Scudder, Robert Augustus, Jr. Wilson, William Thomas Yavorsky, John Dennis

MEDICAL SERVICE CORPS

Lucas, John Richard McKelvy, Patsy Lurleen Benedict, William Herbert Chan, Robert Poquis, Robert Sherman Christian, Elgin Ray Mendoza Rav. Paul Titus Craig, Donald Raymond Schroeder, William Henry
Teague, Francis
Andrew, Jr.
Turner, John Darr, Kenneth Lee Drozd, Joseph John, Jr. Erie, James Rodney Ferguson, Donald Randolph Zentmyer, Robert Richard

NURSE CORPS

Beatty, Florence Winifred Becktell, Beatrice Diane Blank, Norma June Bogdanski, Mary Ann Brashear, Hattie Elam Fleury, Phyllis Jean Jackson, Elizabeth Clark Kozare, Carol Ann Leonard, Dorothy

Gertrude

Levandowski,

Thaddeus F.

Mills, Arlene Edna Noble, Frances Ann Purinton, Ruth Elizabeth Scherer, Carolyn Emma Schultz, Cynthia Ann Stammer, M. Ellen Stangelo, Joan Elaine Warren, Shirley Merrill

Kenneth

The following-named temporary officers of the Naval Reserve for permanent promotion to the grade of captain in the line and various staff corps, as indicated pursuant to title 10 United States Code, sections 5783, 5911, and 5912, or section 611(a) of the Defense Officer Personnel Management Act (Pub. I. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

LINE

Bishop, John W. Bresnahan, Maurice Joseph, Jr. Eakin, Mark Valentine Earls, Larry R. McElhenny, James P.,

Monahan, Gerald Edward Raleigh, James Joseph, III Rausa, Rosario Matthew Haley, Ronald Edward Sander, Reginald Rau Heller, Bruce Lewis Truesdell, Lemoyne F. Twilde, Richard W. Wiles, James Lowell

MEDICAL CORPS

Bortz, Bernard J. Cahill, Richard Anderson Carlisle, John Lester Connor, Thomas Martin Fetters, David Vinson Hinz, William Max Karo, David Bruce Labouvie, Eric William

Laing, John W. Lee, Jonathan O. Luiken, George Anthony McDonough, Edward Richard Myster, Stuart Howard Welch, William Calvin Woody, James Nelson Zel. Gerald

SUPPLY CORPS

Osmon, Robert E.

CHAPLAIN CORPS

Bell, William Henry Kieffer, Kenneth F. Koeneman, Alvin Berthold

Libera, Angelo Joseph Moor, James Wallace

Executive nominations received by the Secretary of the Senate, August 18, 1981, under authority of the order of the Senate of August 3, 1981:

DEPARTMENT OF STATE

Dominick L. DiCarlo, of New York, to be Assistant Secretary of State for International Narcotics Matters.

George Southall Vest, of Maryland, a Foreign Service officer of the class of Career Minister, to be the Representative of the United States of America to the European Com-munities, with the rank and status of Am-Extraordinary and Plenipotenbassador

John Gunther Dean, of New York, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States America to Thailand.

John E. Dolibois, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Luxembourg.

Raymond C. Ewing, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

DEPARTMENT OF THE INTERIOR

Robert Cartlon Norton, of Colorado, to be Director of the Bureau of Mines, vice Lindsay D. Norman, Jr.

GENERAL ACCOUNTING OFFICE

Charles A. Bowsher, of Maryland, to be Comptroller General of the United States for a term of 15 years, vice Elmer Boyd Staats, term expired.

IN THE AIR FORCE

Lt. Gen. John G. Albert, U.S. Air Force, (age 58), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Executive nominations received by the Secretary of the Senate August 19, 1981. under authority of the order of the Senate of August 3, 1981:

SUPREME COURT OF THE UNITED STATES

Sandra Day O'Connor, of Arizona, to be an Associate Justice of the Supreme Court of the United States, vice Potter Stewart,

DEPARTMENT OF STATE

Michael H. Newlin, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic and Popular Republic of Algeria.

IN THE ARMY

Lt. Gen. William Rowland Richardson,

Army of the United States
(major general, U.S. Army), to be Senior
Army Member of the Military Staff Committee of the United Nations under the provisions of title 10, United States Code, sec-

Executive nominations received by the Secretary of the Senate August 28, 1981, under authority of the order of the Senate of August 3, 1981:

DEPARTMENT OF STATE

Harry G. Barnes, Jr., of Maryland, a For-eign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

Arthur Adair Hartman, of New Jersey, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

ASIAN DEVELOPMENT BANK

John Augustus Bohn, Jr., of California, to be U.S. Director of the Asian Development Bank, vice Lester E. Edmond, resigned.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Nyle C. Brady, of New York, to be an Assistant Administrator of the Agency for International Development, vice Sander Martin Levin, resigned.

DEPARTMENT OF ENERGY

Guy W. Fiske, of Missouri, to be Under Secretary of Energy, vice John Mark Deutch,

EXPORT-IMPORT BANK OF THE UNITED STATES

Charles Edwin Lord, of the District of Columbia, to be First Vice President of the Export-Import Bank of the United States, vice H. K. Allen, resigned.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Lee M. Thomas, of South Carolina, to be an Associate Director of the Federal Emergency Management Agency, vice William H. Wilcox, resigned.

THE JUDICIARY

H. Franklin Waters, of Arkansas, to be U.S. district judge for the western district of Arkansas vice Paul X. Williams, retiring.

DEPARTMENT OF JUSTICE

John Ernest Lamp of Washington, to be John Ernest Lamp, of Washington, to be U.S. attorney for the eastern district of Washington for the term of 4 years vice James J. Gillespie, resigning.

Emery R. Jordan, of Maine, to be U.S. marshal for the district of Maine for the term of 4 years vice Richard D. Dutremble.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, sections 3036, 3066, 3284, and 3307 to be assigned as the Surgeon General, U.S. Army, a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general, Army of the United States and Major General, U.S. Armu

Maj. Gen. Barnhard Theodore Mittemeyer, xxx-xxxxx Army of the United States, (colonel, U.S. Army, Medical Corps).

IN THE NAVY

The following-named reserve captains of the line and staff corps of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

Leroy Vincent Isaacson Vincent Joseph Anzilotti, Jr. Francis Neale Smith. George Clark Sayer.

MEDICAL CORPS

John Peter Connelly.

SUPPLY CORPS

Delbert Harry Beumer.

IN THE NAVY

The following named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line officers), 5773 (staff corps officers), and 5791, subject to qualifications therefor as provided by law:

LINE

Streck, Steven C.

DENTAL CORPS

Aldrich, David A.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line officers), 5773 (staff corps officers), and 5791, subject to qualifications therefor as provided by law:

LINE

Baird, Malcolm E. Gross, Douglas A. Barns, Thomas D. Bingham, Fred, III Knisley, Harold L., III McDaniel, Brent W Blackington, Mark R. McQuilkin, Philip W. Dryden, Douglas K. Oakes, Dale R Garrison, Clifton F .. Zimmerman, George

SUPPLY CORPS

Mitchell, George K.

Baysic, Ofelia M.

MEDICAL SERVICE CORPS

Henderson, Charles Z.

NURSE CORPS

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line, pursuant to title 10. United States Code, sections and 5791, subject to qualifications therefor as provided by law:

Phillips, James S., Jr. Spencer, Lennie W.

The following-named women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualifications therefor as provided by law:

Costen, Laurel M. Neil, Ronna C. Hildebrand, Cynthia C.

The following-named officers of the line of the U.S. Navy, for appointment in the Suppy Corps, as permanent ensign and temporary lieutenant (junior grade), pursuant to title 10, United States Code, sections 5582 (b) and 5572, subject to qualifications therefor as provided by law:

Miller, Alvin B. Murray, Richard P.

The following-named officer of the line of the U.S. Navy, for appointment in the Supply Corps, as permanent ensign, pursuant to title 10, United States Code, sections 5582(b) and 5572, subject to qualifications therefor as provided by law:

Motter, Jon G.

IN THE NAVY

The following named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Archer, Billy J. Engen, Marvin R. Broadaway, Ronny T., Haase, William H., III Lioy, Daniel T.

Cunningham, Thomas Miller, Bryan Jay Pachankis, Richard W Douglass, Michael W. Sommerfield, Mark R.

The following named Naval Reserve officers to be appointed permanent lieutenant commander and temporary commander in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Faber, Myron M.

Westbrook, John

Chief Warrant Officer, W-2 Mark R. Lederer, U.S. Naval Reserve, to be appointed a permanent chief warrant officer, W-2, in the U.S. Navy, subject to qualification therefor as provided by law.

The following-named temporary chief warrant officers, W-3, to be appointed permanent chief warrant officer, W-2, in the U.S. Navy, subject to qualification therefor as provided by law:

Mackay, Robert G. Walter, Coy J. Whited, Ronald M.

Chief Warrant Officer, W-2 Robert F. Geihl, U.S. Navy, to be appointed a permanent chief warrant officer, W-2, in the U.S. Navy, subject to qualification therefor as provided by law.

Capt. Donald D. Hutchings, Medical Corps, U.S. Navy, to be appointed a permanent cap-tain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named civilian college graduates to be appointed permanent commander

in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Pruet, Charles W. Ryan, William J.

Frederick B. Hendricks, ex-Naval Reserve officer, to be appointed a permanent com-mander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Comdr. Sally K. Cowles, Medical Corps, U.S. Navy, to be appointed a permanent com-mander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification

therefor as provided by law.

Capt. Daniel D. Foote, Medical Corps, U.S. Navy, to be appointed a permanent com-mander and temporary captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Alan M. Stevens, ex-Naval Reserve officer, to be appointed a permanent commander and temporary captain, Special Duty (Merchant Marine, Deck) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Roy R. Lambert, civilian college graduate, to be appointed a permanent commander and temporary captain, Special Duty (Mer-chant Marine, Deck) in the Reserve of the U.S. Navy, subject to qualification therefor

as provided by law.
Lt. Comdr. Lester A. Dutcher, U.S. Naval Reserve, retired, to be appointed permanent commander and temporary captain, Special Duty (Merchant Marine, Deck) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Edward Skorupski, civilian college graduate, to be appointed a permanent commander and temporary captain, Special Duty (Merchant Marine, Engineering) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Lt. Francis L. Walsh, U.S. Naval Reserve, to be appointed a temporary commander, Special Duty (Merchant Marine, Engineering) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Nemesio B. Bucayu, Jr., ex-Naval Reserve officer, to be appointed a temporary commander in the Medical Service Corps in the Reserve of the U.S. Navy, subject to qualifi-cation therefor as provided by law.

The following-named U.S. Navy officers to be appointed temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Gwinn Murray Zein E. Obagi

Executive nominations received by the Secretary of the Senate September 4, 1981, under authority of the order of the Senate of August 3, 1981:

DEPARTMENT OF STATE

M. Virginia Schafer, of Washington, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua New Guinea, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Solomon Islands.

Frank V. Ortiz, Jr., of New Mexico, a For-eign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the

United States of America to Peru.

David B. Funderburk, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Republic of Romania.

Faith Ryan Whittlesey, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Donald Eugene Santarelli, of Virginia, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1983, vice Edward L. Marcus, term expired.

DEPARTMENT OF THE TREASURY

Luis Victor Hurtado, of California, to be Assayer of the Mint of the United States at Denver, vice Michael E. Witt.

DEPARTMENT OF JUSTICE

Cameron M. Batjer, of Nevada, to be a Commissioner of the U.S. Parole Commission for a term of 6 years, vice William E. Amos, term expired.

DEPARTMENT OF AGRICULTURE

Everett George Rank, Jr., of California, to be a Member of the Board of Directors of the Commodity Credit Corporation, vice Howard W. Hjort.

COMMUNITY SERVICES ADMINISTRATION

Lawrence Y. Goldberg, of Rhode Island, to be an Assistant Director of the Community Services Administration, vice Robert Stern Landmann, resigned.

ENVIRONMENTAL PROTECTION AGENCY

John A. Todhunter, of Maryland, to be Assistant Administrator for Toxic Substances of the Environmental Protection Agency, vice Steven D. Jellinek.

DEPARTMENT OF DEFENSE

Robert N. Smith, of Ohio, to be an Assistant Secretary of Defense, vice John Howard Moxley III, resigned.

IN THE ARMY

Gen. John Nelson Brandenburg, U.S. Army, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in

grade of lieutenant general.

Lt. Gen. Charles Calvin Pixley, 541-22-4653, (age 57), Medical Corps, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of lieutenant general under the provisions of title 10, United States Code, section 3962.

IN THE AIR FORCE

The following permanent professor for reappointment to the Active Duty List of the Regular Air Force, in accordance with section 531, title 10, United States Code, in the grade of colonel, Regular Air Force, under the provisions of section 601, title VI, Transition Provisions, Defense Officer Personnel Management Act of 1980.

LINE OF THE AIR FORCE

Badgett, Lee D., xxx-xx-xxxx

IN THE MARINE CORPS

The following-named (chief warrant officers) for temporary appointment to the grade of first lieutenant in the Marine Corps, for limited duty, pursuant to title 10, United States Code, section 5596, subject to the qualifications therefor as provided by law:

Agrue, Anthony E. Amano, Richard Andrews, William A. Austin, Max E. Ayers, William S.

Bath, Robert A. Beall, John R. Beehler, Karl P. Belvill, Ronald L. Benbow, Robert C., Jr. Halford, Gary F. Bennett, Robert O., Jr. Halverson, Lee F. Berendt, Clement J. Berryhill, David C. Blackwell, George K. Brady, John C. Brake, Patrick J. Breese, Thomas L. Brevell, James E. Bynum,, Joseph P., Jr. Hester, Michael P. Caldwell, Clifton D. Canterbury, Michael

Cavanaugh, Robert W. Jr. Cavanaugh, William J. Chandler, Tommy L. Charlton, William H.,

Jr. Cox. William C. Crall, Daniel A. Crouch, George M.
Daniels, Richard C.
Davey, Wayne A.
Davis, Rickey D. Delossantos, Joseph S. Denoyer, Richard L. Dipman, David A. Dockrey, Donald R. Drown, Roger F. Edelbrock, Robert C., Jr.

Edwards, Michael D. Ellenberg, Thomas C. Elggren, Steven O. Foreman, Stephen H. Fraley, Gary D. Fryer, Roland J., Jr. Ayers, William S.
Bailey, Wesley W.
Ballentine, Richard J., Gaerttner, William J.
Gallagher, John J. Garber, John J.
Garber, Jan D.
Green, Melvin D.
Greer, William T.
Grow, George T., Jr. Hammer, Alan A. Hansen, Donald R. Harris, Henry C. Hartman, Howard A. Harvey, Selvin E. Hayes, Michael B. Heffernan, Edward H. Hinds, John V., Jr. Hoogendorn, James R.

> Howard Winfield D., Jr. Hullopeter, Gary L. Johnson, Paul E Johnston, John W. Jones, Claud R. Jones, Lester R Jones, Robert R. Kerr, Garry R. Kincaid, Kathleen J. Kassay, John J., Jr. Knope, James M. Kobe, Leon G. Kozakewich, Michael, Jr.

Houghtaling,

Leonard J.

Kufhta, Paul J., Jr. Landrum, Eugene W. Langford, James D.

Laporte, Alfred P., Jr. Schwab, Stephen E. Larkin, Victor A. Simmons, Arnold E. Lasnier, Kenneth P. Simon, David L. Law, Douglas A. Lawson, Walter S. Lease, Paul F. Lawson, Walter S. Smith, Lonnie D.
Lease, Paul F. Smith, Thomas F.
Ledlow, Edward C., III Smith, William C. Lee, Joung O. Lewis, Donald Littrell, Wilburn E. Manginen, William E. Mansch, John M. Martin, William H. McBeth, Larry W. McEvoy, Paul E. McClendon, Andrew McGrath, Patrick J. Mees, William L. Messall Sandra K Miller, David K., III Nelson, Daniel A. Nicholson, James D. O'Donnell, Daniel E. Patrick, Jimmy C. Peterson, Willie J. Phillips, George J. Plowman, Charles B. Potts, Evelyn M. Pozzolungo, Michael Pyle, Robert S. Ramberg, William E. Reynolds, Thomas A. Riley, Michael T. Rodenski, Robert W. Zimmerman, John R.

Simmons, Arnold E. Simon, David L. Skinner, Frank P. Spelman, Joseph Spencer, Michael E. Steinheimer, Robert Stewart, Ronald A. Still, Thomas R. Martin, William H. Stone, Dale W. Masterson, Richard W.Sullenger, Danny W. Sutton, John D. Swope, Larry L. Thorpe, Dennis M. Tietjen, Berndt H. Torres, Jess Tucker, Michael P. Vaughan, Charles A. Vogler, Mark A. Walker, Jake, Jr. Wallis, Roy V. Walmsley, Alexander Ward, Raymond E. Washburn, Ronald R. Watt, Howard A. Welch, Ray A. Wood, Jack L.
Wright, Ronald D.
Wrighting, Wayne E.
Zarner, Thomas M.

Executive nominations received by the Secretary of the Senate, September 8, 1981, under authority of the order of the Senate of August 3, 1981:

THE JUDICIARY

Lawrence W. Pierce, of New York, to be U.S. circuit judge for the second circuit, vice Murray I. Gurfein, deceased.

CONFIRMATION

Executive nomination confirmed by the Senate September 9, 1981:

ACTION AGENCY

Winifred Ann Pizzano, of Virginia, to be Deputy Director of the ACTION Agency, vice Mary Elizabeth King, resigned.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the

HOUSE OF REPRESENTATIVES—Wednesday, September 9, 1981

The House met at 12 o'clock noon.
The Chaplain, Rev. James David
Ford, D.D., offered the following
prayer:

Hatred stirs up strife, but love covers all offenses.—Proverbs 10: 12.

Give ear to our prayer, O Lord, and heed our supplications, that we may do those things that bring honor to Your name and praise to Your people. Fill our hearts with the desire to seek justice and do mercy, and keep our eyes open to the needy and oppressed. May our minds not be closed by anger or hatred toward others but instead be cleansed and purified by the gifts of love which You have so manifestly given to all. In Your name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE LATE HONORABLE WILLIAM R. COTTER

Mr. MOFFETT. Mr. Speaker, I offer a privileged resolution (H. Res. 206) on the death of the Honorable William R. Cotter.

The Clerk read the resolution, as follows:

H. RES. 206

Resolved, That the House has heard with profound sorrow of the death of the Honorable William R. Cotter, a Representative from the State of Connecticut.

Resolved, That a committee of such Members of the House as the Speaker may designate, together with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved. That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That when the House adjourns today, it adjourn as a further mark of respect to the memory of the deceased.

The SPEAKER. The gentleman from Connecticut (Mr. MOFFETT) is recognized for 1 hour.

Mr. MOFFETT. Mr. Speaker, at this time I have the sad duty to announce to my colleagues the death of WILLIAM Ross COTTER, and I join with the gen-

tleman from Connecticut (Mr. McKinney), if he could join me in the well, to make a few comments and to recognize our colleagues for a similar purpose.

WILLIAM Ross COTTER was born on July 18, 1926, in Hartford. He was a Hartford person clear through and loved that city. He went to Trinity College. He graduated from Trinity. He was a city councilor, a very active member of the Democratic Party in the city of Hartford, an aide to our recent and great Senator, Abraham Ribicoff. He also, as all of us know, was a valued Member of the House and of the congressional delegation.

Mr. Speaker, I just have one final comment: It is simply that BILL COTTER was a low key, very quiet man, very unassuming, and unpretentious. He loved this House very much.

Mr. Speaker, he had a great deal of love and admiration for the Speaker and for this House. He really wanted nothing more in life than to serve his constituents in Hartford and in the greater Hartford area, and it is a tragedy that he was taken from our State and from this body at such a young age.

Mr. Speaker, I now yield to my good friend and colleague, the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Speaker, BILL COTTER and I came to this body together in January of 1971. From that day forward I think BILL had always been one of my closest friends. BILL was, I guess, in the vernacular of the world today seemingly "laid back," seemingly quiet, and yet I never knew of a man who cared more about where this country was going and the obligation that he had to try and help get it there

I remember an anecdote one day that to me expressed BILL COTTER and the way he really was. We were standing, as we so often do, out here on the steps, just looking at the good weather, and this very young choral group, from somewhere in our Nation, singing on the steps, and as usual being ignored by the traffic and by everyone else when BILL looked down at them in the midst of our discussing taxes, which was his committee, and he said to me, he said:

STEW, I wonder if we really know what we are doing to those kids.

That was BILL COTTER.

He cared deeply. I know on my part that this House, this body, will never be the same for me without BILL. BILL put friendship above partisanship. I can remember the times that he used to be asked into my district during a

campaign and that he would simply turn around and say:

I will not go; we do not do that in our State.

I think that the people of the State of Connecticut have had two grievous losses in the last 2 years, a wonderful ex-colleague of ours in Gov. Ella Grasso and now BILL COTTER.

BILL loved the people of the State. He will be missed by the politicians and he will be publicly mourned by the politicians, but in essence the people who are going to miss what BILL COTTER was, are the people of the State of Connecticut, the people about whom he cared above and beyond any other subject.

Mr. Speaker, I know of the gentleman's closeness to Bill and I know that the Speaker feels what we are feeling, and I hope that everyone will realize that we did not lose a politician, we lost a friend and a great man.

Mr. MOFFETT. Mr. Speaker, I thank the gentleman. I hope the gentleman will stay in the well to recognize Members of the minority in a few moments.

At this time, Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Speaker, and this especially applies to my colleagues: How do you say goodby to a friend?

BILL COTTER was exactly that to me. I was first elected to the Connecticut General Assembly in 1962, and from then until now, our relationship has been a close, a meaningful, warm one. During that entire period of time this gracious, thoughtful, decent human being was involved in Connecticut's government. He truly was a product of the grassroots. He bragged about getting involved in Hartford politics with the then Hartford city chairman, John Bailey, who went on to become State and national chairman. He drove all over the State of Connecticut with his close friend John Bailey.

When we think of Connecticut politics, we think of BILL COTTER. We think of his involvement at the city level, as commissioner of insurance for the State of Connecticut, of his relationship with our giants in Connecticut government, John Dempsey and Ella Grasso. We know him also as someone who gave a decade as treasurer of his party, the Democratic Party; and as someone who came to the Halls of Congress quiet, considerate,

[☐] This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

[•] This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

thoughtful, unassuming, but above all, consistently always decent.

His government, his politics, were personal politics, personal government. He reached out and touched people whether it was a doorkeeper or a Congressman or a President of the United States. BILL COTTER could communicate.

Day after day his life was a life of helping people and today as we think of that life, as we think of that involvement, as we think of that dedication to public service, we know full well that our lives are better for his involvement. As one who was very much touched by this thoughtful and decent man, can I say to BILL COTTER, thank you for this commitment, thank you for this meaningful life, thank you from all of us that you have helped so much. Goodby old buddy, we will miss you.

Mr. MOFFETT. I thank the gentleman for his kind comments.

Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. Gejdenson)

Mr. GEJDENSON. Mr. Speaker, I personally feel very honored to have known Bill. As a freshman in Congress, I found Bill Cotter to be an extremely helpful guide and mentor. He was straightforward and sincere, but never was without a sense of humor. He was a man who was always willing to take the time to help show someone else the ropes.

One of my first memories as a Congressman is of BILL COTTER, swearing me into Congress before a group of constituents on Capitol Hill, telling me what a rewarding experience I was going to have. From then on, no matter how busy he was, he was always available for advice and suggestions.

BILL did not care about making the limelight: He only cared about being a good Representative, one who was both concerned and effective. He led a life dedicated to public service and wanted nothing more than to do justice to his office.

A great Congressman, BILL well deserved the respect he acquired over the years from his colleagues. We will all miss his quiet integrity, his thoughtfulness, and his assistance. I deeply regret that I was able to work with BILL for so short a time.

Mr. MOFFETT. Mr. Speaker, I thank my colleague from Connecticut for his remarks.

I now yield to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. Denardis).

Mr. Denardis. Mr. Speaker, over the years Bill Cotter and I had seen our relationship grow into one of mutual interest and respect. We shared a love of the legislative process; born in Connecticut where he served as insurance commissioner as I was seeking political office. Although we were of different political parties, I was always impressed with his courteous sense of fairness and his willingness to listen and to help.

BILL was elected to the U.S. House of Representatives the same year I was elected to the Connecticut State Senate. On many visits to Washington, we met and discussed Connecticut affairs and matters of concern to our mutual constituency. He was always articulate, helpful, and available to listen

Shortly after my own election to Congress in November of 1980, I heard from BILL COTTER. He offered himself and his staff to assist me in any way possible. I wisely took advantage of that offer and, during the period between the election and my inauguration, spoke with him often. I learned much

Before Bill's illness, we met regularly on the floor to discuss issues and politics, legislative procedures, people, and problems. He was always helpful to me, a freshman legislator, and always concerned about me and the people I represent.

Perhaps one of his warmest gestures toward me was his appearance at a private very exciting gathering of my friends and supporters held in the Capitol right after I was sworn in as a Congressman. It was certainly an emotional day for me and my family. The visit by the senior Member of the Connecticut delegation although, as I have said, he was not of my party, left an impression not only on me but on all in attendance. It was a warm and caring gesture by a man whose record proves him to have been a warm and caring man who dedicated his life to the people of Connecticut and most especially to all of those who also cared and served our people.

The First Congressional District of Connecticut wisely returned BILL COTTER to office each time he sought their support. He will be missed by them and by all of us who were helped by him and who knew him for the considerate, thoughtful, wise, and compassionate person he always was.

□ 1215

Mr. MOFFETT. Mr. Speaker, I thank the gentleman for his remarks. Mr. Speaker, at this time I want to recognize, for the purpose of making a statement about Bill Cotter, the distinguished chairman of the Committee on Ways and Means, the gentleman from Illinois (Mr. ROSTENKOWSKI).

Before I do, let me say to the chairman that perhaps we do not express our admiration and affection for each other in this body often enough, but it is safe to say that BILL COTTER thought the world of our chairman.

and he was not afraid to express it and to tell anybody about it. He was a very good and loyal member of the chairman's committee, as I am sure the gentleman knows that.

Mr. ROSTENKOWSKI. Mr. Speaker, I thank the gentleman for yielding. I want to express my gratitude to the gentleman from Connecticut for taking this time to pay tribute to his colleague from Connecticut.

There was probably no one closer in the Congress today to me than BILL COTTER. BILL had the knack of being a quiet legislator. He did not grab for headlines. Instead, he spent his years in Washington representing the people and region where he was raised with quiet sensitivity.

Born and raised in Frog Hollow, a Hartford neighborhood known for its political life, Bill was seasoned in the State house and later rose to become Connecticut's insurance commissioner before coming to Congress a decade ago.

BILL came to the Ways and Means Committee in 1975, with the reform wave that gathered after Watergate. Yet his counsel was moderate. I can remember his voice raised only once—advocating energy assistance to the elderly in his hard-hit region of New England. He chose his legislative issues with care and, like his fight to extend the investment tax credit to inner-city renovation, they most often reflected his concern for the working family living in a difficult time.

His most recent, and perhaps his greatest, legislative success was the expansion of the individual retirement accounts (IRA's) in the Economic Recovery Act just signed by the President.

Long ago, BILL recognized that most Americans reached retirement underinsured. Private pension plans had too often collapsed, or been diluted. Transferability was a constant hazard. Social security was never meant to meet the entire needs of retired working families.

Expanding individual retirement accounts not only offered greater personal command over a retirement pension, but also—as Bill forcefully pointed out—a deep pocket for national savings. His campaign over the last year was as determined as it was ultimately successful.

It is so remarkable that a man in the autumn of his own life would be as concerned with the well-being of those whose lives would reach beyond his own.

BILL was a totally committed Member of this body. He would constantly tell me over the phone how the issue ought to be handled during the committee's deliberation. As sick as BILL COTTER was, he wanted to come to Washington to participate in the tax debate last month. It was only

on my insistence that he did not return to Washington.

Workingmen and workingwomen, giant financial institutions, and small businesses owe BILL a broad measure of quiet gratitude for initiating such a monumental economic provision.

As chairman of the Subcommittee on Select Revenue Measures, he left behind an impressive agenda for tax legislation.

BILL was a man of great commonsense. He had a rare sense of what Americans expected from Government. He understood that a steady course was, in the end, wiser and more productive than sudden flights of legislative experiment.

BILL was also a fine politician. He played the game as I like to play the game—straight on. Members of the Committee on Ways and Means knew that when you got a Cotter commitment, it was in stone and when you got BILL COTTER to help or support you in a program, you had a tremendous ally

I am going to miss BILL. He had the knack of brightening a room when he walked into it.

We ate dinner three times a week for the last 7 years in Washington. Many times at the dinner table when the load was pretty heavy, BILL COTTER in his gentle way would come up with the perfect one liner. He would bring light into a dark conversation.

He was almost an uncle to my children. When my daughters came to visit me here in Washington, it was BILL COTTER who would tease and cajole. He never missed dinner with my family. To my wife Laverne, my daughters Dawn, Kristie, Gayle, and Stacy, BILL COTTER was, and will in their memories remain, a special kind of person.

To Betty, to the Members of the Connecticut delegation and to his constituents, I know you will miss him; but I want you to know that I will miss him even more. His good humor, his steadiness, his friendship—and, finally, his bravery—touched us all.

Mr. MOFFETT. I thank the chair-

I yield to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Speaker, I yield to the ranking member of the Committee on Ways and Means, the gentleman from New York (Mr. Conable), who I know realizes the great loss that committee has had.

Mr. CONABLE. Mr. Speaker, we all feel diminished when one of our friends crosses the bar and puts out to sea, despite the memories he leaves behind.

I did not have great experience with BILL COTTER in a wide range of places over a long period of time, but my association with him in the Committee on Ways and Means led me to believe that I could tell what kind of a person

he would be under all circumstances. He was a man who did not immediately grab you. He was quiet. He seemed deliberative, but I quickly found out in my association with him in the Committee on Ways and Means that it was not because of a lack of understanding or a lack of commitment, but because BILL COTTER wanted to do the right thing and wanted to be sure he arrived at the right decision by a careful process. As such, he was a man who defied those ideological and political cubbyholes that many of us crawl into all too easily. Once he made up his mind, as the chairman has said, you could depend on him: but you would also know that if he made up his mind differently from you, he would remain your friend.

BILL COTTER was the kind of person who helped make this House a human institution and as such he leaves a great many friends behind him. In contributing to the House as a human institution, he has also contributed to his country.

I am sure many of his constituents thought of him not just as a Representative, but as a friend, a warm human being, a decent person and the kind of man who should be serving in government and helping his fellow man.

Mr. MOFFETT. We thank the distinguished ranking minority member of the Committee on Ways and Means for his gracious statement.

At this time it is my great honor to recognize for purposes of a statement on the resolution, one of BILL COTTER'S dearest friends in this body, the distinguished Speaker.

Mr. O'NEILL. Mr. Speaker, with a sorrowful heart I join my colleagues today in tribute to my beloved friend BILL COTTER.

I knew BILL COTTER for many years before he came to Congress. He was very active in the politics of the State of Connecticut and I met him through the late, great John Bailey who was the guiding force of the Democratic Party in the State of Connecticut and a national chairman of our party. John was BILL's mentor and they were close personal friends and allies.

He served with distinction as an aide to former Governor Ribbicoff and as the State insurance commissioner before his election to the House of Representatives in 1970.

BILL had an effervescent personality and could light up the room, as DAN ROSTENKOWSKI has said. I guess the Irish in him made him a ribber and a kidder and he loved a good time and he loved fun.

My politics are liberal and BILL was a moderate. He had been a successful businessman and believed that the Government was going too far in many of its programs; yet he was a man of concern and compassion. BILL COTTER truly loved people.

BILL's first love, after his family and his mother who he adored, was politics. He loved the Democratic Party. He loved his native State of Connecticut and the Hartford area from which he came. He loved the life of being with and helping people. He loved the life of working in the background; studying problems, planning solutions. Not often did BILL take the floor, but he was an extremely knowledgeable fellow, and he knew how to move through the committee system, and through the friendships he developed here in the House and the respect and affection his colleagues had for him.

I last talked to Bill just 2 weeks ago. I would call him at least once a week and when they told me that they had stopped the chemotherapy treatments, I became extremely concerned about Bill. So I called him and he told me he was delighted that they had stopped the treatment. He said, "I'm going to lick this."

In my heart I know that BILL truly believed to the end that he was going to lick that dreaded disease of cancer. He was such a beautiful man—he had such personal strength and determination.

We have all been touched by his career here in Washington—by his gentleness, his persuasiveness, his wonderful personality.

My wife, Millie, and the entire O'Neill family joins me in extending to BILL's family our deepest sympathy and our love in this time of great sadness.

Mr. MOFFETT. I thank the Speaker.

At this time I yield to the gentleman from Massachusetts (Mr. Boland).

Mr. BOLAND. Mr. Speaker, yester-day was a sad day for the State of Connecticut, and the House of Representatives. The people of the First District of Connecticut lost their Congressman and the Members of this House lost a colleague and a friend.

BILL COTTER's death comes as a profound shock and leaves me with a sense of deep personal loss. Our districts are served by the same airport and we frequently traveled to and from Washington together. As my colleagues know, commuting is one of the least enjoyable aspects of serving in Congress; but I came to look forward to the trips on which I knew I would have BILL's company. He enjoyed talking about the country, and his keen insights and easygoing manner made it a pleasure to travel with him. I have many fond remembrances of the time we spent together, I am only sorry that those times will be no more.

Many Members of this House knew of BILL's struggle with cancer over the last few months. He accepted his illness as another challenge in his life, and I know that he never lost his desire to conquer it. He never com-

plained, but went quietly about the business of overcoming his illness with the same type of determination that characterized his work in Congress. I received a letter from him just yesterday in which he thanked me for some encouragement he felt I had given him and mentioned some concerns of his constituents that he wanted to address. I think that what bothered BILL most about his illness was not the physical discomfort it brought him, but the fact that it robbed him of the opportunity to be in Washington working for the people of the city of Hartford whom he loved so much.

Mr. Speaker, BILL COTTER served in this House for 10 years. His approach was low key rather than flamboyant but he was an effective spokesman for, and Representative of, the people of Connecticut. He never had a bad word for anyone. The people that sent him here on five occasions, and the people with whom he served, trusted and respected him. His absence will be felt in the days ahead as we attempt to deal with the economic issues on which he was so well versed and in which he took such an interest.

I want to extend my profound sympathies to Bill's sister, Betty, on her loss. That loss is shared by all the citizens of Connecticut. Bill's death, coming within a relatively short time after the death, from cancer, of former Gov. Ella Grasso, deprives Connecticut of two of her best loved and most effective political leaders. It deprives this Congress of one of its hardest working and most dependable Members. It deprives this Nation of an outstanding public official.

Mr. MOFFETT. Mr. Speaker, we in Connecticut thank the gentleman for his kind statement.

I yield such time as he may consume to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Speaker, I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague for yielding. I appreciate, as we all do, the time that my colleague, the gentleman from Connecticut (Mr. MOFFETT), and others, have taken for us to express our appreciation of the service that BILL COTTER has given to his congressional district and to this country.

Mr. Speaker, I have known BILL COTTER primarily through my membership on the Committee on Banking, Finance and Urban Affairs and most recently on the Ways and Means Committee. I followed BILL to the Ways and Means Committee in 1978, after having served with him for 4 years on the Banking Committee. I knew him to be an extremely reliable and obviously dedicated member of both of these hard-working and demanding committees.

As has already been clearly stated, BILL COTTER was not an overly flamboyant or, indeed a verbally noisy Member of the House of Representatives, but he was always on the job and consistently provided knowledgeable input to the legislative process.

□ 1230

As a consequence, BILL did not always make the evening news and was not as well known publicly, except in his own district, as some of our other Members. But he was there. He was always on the job. He knew well the laws relating to both of those committees and, of course, all of the issues facing his own congressional district.

He genuinely understood our complex tax laws, as our chairman of the Ways and Means Committee has already stated. BILL COTTER was very much a part of the draftsmanship of the recently passed tax bill. And it is interesting to note that many of his proposals were contained in both the Democratic version as well as the Republican version of the tax bill. And I think that fact speaks well for his legislative craftsmanship and his capability as a active participant in the whole process of our Ways and Means Committee.

BILL, of course, contributed mightily to the understanding that our Americans serving overseas need relief from undue taxation being placed upon them, and he made sure that those changes were contained in our recent tax bill.

He was, as has already been stated by our chairman, very active in incentives for retirement, for our entire American populace, and again made sure that those changes were in our tax bill. He is definitely to be credited for his persistence in that area.

Although these are the most well known, there were many other positions that he took in which he crafted the tax bill.

It has been a genuine pleasure to serve with Bill Cotter. His office, incidentally has been just around the corner from mine. Our offices exchanged not only smiles but ideas in many ways. And, of course, on given occasions we answered the phones for each other. There were just so many ways in which I got to know Bill Cotter as an office neighbor so much better than I had known him even during our close committee work.

I think the best way I can summarize the character of BILL COTTER is to say that he served this Congress, this country, with quiet dignity, and with a sense of dedicated service that you very seldom see among public office-holders. I know that we will all genuinely and sincerely miss BILL COTTER and his service to this fine body. We know our Ways and Means Committee will miss him. We know his family will miss him. We know his district will

certainly miss him. We know the country will miss him. America has lost a fine and dedicated public servant.

I thank my colleagues for yielding. Mr. MOFFETT. We thank the gentleman.

Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma (Mr. Jones).

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

Mr. Speaker, it is a great deal of sadness for me to participate in this occasion on the passing of Bill Cotter. I had the privilege of sitting near Bill Cotter. He sat two seats away from me on the Ways and Means Committee. We came on the committee at the same time. From that vantage point, you can size up an individual both as an individual and as a legislator. And in both respects Bill Cotter measured to the very highest degree.

He literally epitomized what former Speaker Sam Rayburn used to described as his favorite legislator, the workhorse. He was a workhorse in every sense of the word. He never lost sight of where he came from. As has already been pointed out, he loved Hartford, the people of Hartford. He did their work here in the Congress and represented them well.

I had an occasion one time to speak at a tax conference sponsored by the university there in Hartford, and met a number of people, Democrats and Republicans alike. Without exception, every one of them had only the kindest thoughts and respect for BILL COTTER. I think that speaks well of him as representing his district.

But he was also a national legislator. He put his Nation first, what was good for his Nation. And in that respect, particularly on the Ways and Means Committee, he added his past experience in business as well as politics to improve the quality of the legislation that affected this Nation.

I recall in 1978, when we in the Democratic Party were somewhat divided over the direction of tax policy, that BILL COTTER was one of those who was of great counsel to me personally in trying to put together the kinds of tax policies that would enable the economy of this country to begin moving again in a direction of real economic growth. So he truly was a national legislator in every respect.

I guess there are many words to describe Bill Cotter that have been used already today. Honesty—clearly his personal and political life was marked by honesty in every way. Decency—whether you were with him on an issue or whether he was opposing you on an issue, you could always count on him being decent and gracious in the political battle that ensued. Thorough—he did do his homework before he made up his mind, and did not shoot from the hip

and make a rash statement that he later had to retract.

I suppose the word that describes him even greater in these last few months was that of courage. Very, very few people had any idea of the agony, of the pain, of the illness that he was going through. He faced that illness with courage, with optimism, and he was always a source of strength to those around him, even in his most painful days in the last few months.

So BILL COTTER will be missed. He is going to be missed by all of us who had the privilege of serving with him. But in having that privilege, we know that he served as a beacon, as a true symbol and example of what public service is all about.

He leaves a very great legacy to this body, to the people of Connecticut and to the United States.

I thank the gentleman for yielding. Mr. MOFFETT. We thank the gentleman from Oklahoma.

Mr. McKINNEY. Mr. Speaker, I yield to the gentleman from Indiana (Mr. Myers).

Mr. MYERS. I thank our colleagues from Connecticut for taking this time and giving us an opportunity to express our deep regrets at the loss of a great friend.

Through the years, with each new elected class, we see a variety of different personalities, different individuals who arrive here to serve their country. We are inclined to judge those individuals and try to project what type of Member they are going to be. I think that is something we all fall victim to.

I remember when BILL arrived here, he was different, different in a very kind and good way. He was not one of those self-assuming, taking the well frequently, speaking on issues that he knew little about. But he was one, as many have said here today, who was concerned about his country and concerned about his responsibility that he was assuming here as he took the role as a Member of Congress from Con-

I never had the opportunity to serve on a committee with BILL, but observing with him here and talking to him on the floor on issues, I found him well founded. As has been said, he was truly a legislator's legislator. He was not a politician, but he was most successful in his own way in Connecticut.

He certainly will be missed by his many friends here. He will be missed by each of us, and I know he will be missed by his constituency in his district of Connecticut, by his State of Connecticut, and he will be missed by the people of our country who have lost a great legislator, and we have lost a great friend.

Mr. MOFFETT. Mr. Speaker, I yield to the gentleman from Georgia (Mr. FOWLER).

Mr. FOWLER. I thank the gentleman for yielding.

I served on the Ways and Means Committee with my friend BILL COTTER. I know no man who wore the mantle of public service without pomp or pretense any more effectively than he did.

He had a quiet disregard for cant and self-promotion. In these days when the best often believe their own press releases and the worst continue to lack conviction, BILL COTTER was steady, smooth as a stone, a great tribute to our representative form of government.

Mr. MOFFETT. I thank the gentleman from Georgia.

Mr. Speaker, I yield to the gentleman from Indiana (Mr. Jacobs).

Mr. JACOBS. I thank the gentleman for yielding.

I think all the members of the Ways and Means Committee would agree that the passing of BILL COTTER has to be reminiscent somewhat of the passing of our dearly departed colleague Bill Steiger. There was something, some quality that was common be-tween them. It has been described here concerning BILL COTTER todaythe quietness, the warmness, and above all the friendliness, the encouragement to disagree agreeably, was very much in both of them. Steiger has been sorely missed, and BILL COTTER will be sorely missed, too.

In the case of BILL COTTER, the man was modest, but the talents were not. When I think of BILL COTTER, I think of the almost perfect balance between the person and the organization man. Nobody I have served with in the years I have been privileged to serve in the House of Representatives better personifies the prayer of Peter Mar-

O God, help us remember that there have been those who have fought their way into oblivion while others have forgotten themselves into immortality.

BILL COTTER usually sat right over in that part of the Chamber. Almost anybody here who knew and loved him can picture right now that quick smile, almost impish smile, at the suggestion of a joke. Even if you got off a bad joke, he was kind enough to grant you a little smile about it because he knew what you were getting at.

Finally, I think of the words of Edwin Markham on the death of Lincoln, considering Bill's tender yearsonly the good die young and all thatwho wrote:

And when he fell in whirlwind he went down, as when a lordly cedar goes down with a great shout upon the hills and leaves a lonesome place against the sky.

There will be a lonesome place in this Chamber forever, or at least so long as any person living now in this Chamber lives in this Chamber.

I express my sympathy to Bill's family, and that includes most notably the chairman of the Ways and Means Committee, Danny Rostenkowski.

I thank the gentleman for yielding. Mr. MOFFETT. I thank the gentle-

Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. Early). Mr. EARLY. I want to thank the

gentleman for yielding.

Let me briefly say that in my 7 years in this body I have met many Members for whom I have great admiration. In my opinion, I have met no legislator at the National or State level whom I held in higher esteem than BILL COTTER. BILL COTTER was a truly effective national legislator. He was a tremendous credit to the people of his First District and the State of Connecticut and an outstanding public servant to the Nation.

He had a very low-keyed style, and was not the public release type of legislator, but no Member of Congress did more for his constituents and for his country than BILL COTTER.

It has been a great honor for me to know BILL COTTER as a friend and colleague. His courageous spirit, his cordial personality, and his wise counsel will be long and deeply missed by all who knew him. The country has lost an exceptionally efficient and dedicated public servant who will be sorely missed in these troubled times.

Mr. MOFFETT. I thank the gentleman from Massachusetts.

Mr. Speaker, I yield to the gentle-

man from Massachusetts (Mr. Shan-NON).

Mr. SHANNON. I thank the gentleman for yielding.

BILL COTTER and I served on the Ways and Means Committee together. When I was a new Member, his help to me was generous, and his advice invaluable. I worked with him on issues that were of particular concern to New England. I always had his guidance and he always had my respect.

Mr. Cotter was a gentleman. When he spoke, his colleagues listened, because they always valued an opinion of his. His death is a loss to me personally, because we were friends. But it is also a loss, a great loss, to the people he represented so well, to his State of Connecticut and to this country.

I thank the gentleman for yielding. Mr. MOFFETT. I thank the gentleman from Massachusetts.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. Russo), a member of the committee.

Mr. RUSSO. I thank the gentleman for yielding.

Today is a sad day. We have lost an excellent Congressman and friend.

As was stated here today, BILL COTTER was a low key individual. You know, there are some individuals who come to Congress who are destined to be the flamboyant, the headline grabbers of the Congress, of the Nation. BILL COTTER was not such an individual-but that does not make BILL COTTER any less effective than those individuals you read about in the headlines. In fact, people like BILL COTTER are what holds this Congress together. Such an individual brings us together. He blends and melds his ideas and opinions from throughout the political spectrum. The Bill Cotters of this Congress are the ones who are able to construct the consensus and shape the necessary compromises. Our political system with its great diversity could not survive without such skillful technicians. He knew how to get a job done and did not demand or need applause or attention-he cared about what he was doing and was simply conscientious.

□ 1245

BILL was effective; BILL was hardworking. He had a great and well-deserved reputation for doing what was in the best interests of this country. He had the innate ability and talent to represent the blue-collar workers of East Hartford and Windsor, and the white-collar workers of West Hartford.

And what greater tribute can you pay—Bill was a man of his word. As the chairman of our committee Mr. Rostenkowski said, once you received a Bill Cotter commitment, it was set in stone. With Bill you knew where he stood and thus he had the trust and confidence of his colleagues.

I considered it a great honor and privilege to have been BILL COTTER'S friend, and as someone who spent some time at the dinner tables with the chairman and BILL, it was certainly good to have someone there who had a great sense of honor.

BILL COTTER will be greatly missed by many people; his family, his friends, his colleagues, and his constituents.

Mr. McKINNEY. Mr. Speaker, I now yield such time as he may consume to the gentleman from Tennessee (Mr. Duncan), the second ranking minority member of the Ways and Means Committee.

Mr. DUNCAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this is a sad day not only for the Members of the Congress, but a sad day for America. BILL COTTER was one of the kindest and finest men that it has been my privilege to know since I have been in the Congress.

BILL was chairman of the Select Revenue Subcommittee and I am the ranking Republican member of that subcommittee, Early in the year, BILL called me and wanted to make sure that I was going to serve on the subcommittee, and we discussed various things we might do cooperatively. BILL was a good adversary when it was necessary, but he was also a man who could read through things and work for the benefit of all the people.

We are going to miss BILL and his friendly atmosphere that he always created whenever he came to the committee.

I offer the family my greatest sympathy

Mr. MOFFETT. We thank our colleague from Tennessee.

Mr. Speaker, I yield to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I rise today to pay tribute to a friend and colleague, Hon. BILL COTTER.

I had the privilege of serving with BILL on the Ways and Means Committee since 1975. I came to know him as a quiet spoken man—and forceful advocate for the people of his district and, indeed, for all the people of our country.

BILL COTTER was a man of dignity and a man of honor. I will miss his leadership and his guidance in the days ahead.

Mr. MOFFETT. I thank the gentleman from California.

Mr. Speaker, I yield to our good friend from Florida, a member of the Ways and Means Committee, Mr. Gib-

Mr. GIBBONS. Mr. Speaker, I thank the gentleman for yielding to me. Of course, serving on the Ways and Means Committee with BILL COTTER was a rich experience. BILL was a hard worker, a quiet person, a very capable person and a persistent person. As my colleague from California, Mr. Stark, has said, he possessed a good sense of humor. He was cooperative; he had a special thing about him that is hard to describe, but BILL COTTER was a great man.

He was always one who was punctual to meetings. He never kept one waiting by being tardy himself. He always had something to contribute, and without trying to monopolize the debate or the conversation.

He voted a good, sound vote, one that showed that he understood the issue and understood the problem and represented his people of Connecticut extremely well.

I pay final tribute to him with a great deal of sorrow. We need more people like Bill Cotter in the United States and in government. I am sure that he will be missed by every Member of our House of Representatives who had the opportunity to know him. He will certainly be missed by his colleagues on the Ways and Means Committee, and we extend our deepest sympathy to those who survive him and to his colleagues and personal friends.

Mr. MOFFETT. I thank the gentleman from Florida.

Mr. Speaker, I yield to another Member of our New England delegation, the gentleman from Massachusetts (Mr. Donnelly).

Mr. DONNELLY. Mr. Speaker, I thank my friend for yielding. Those of

us who were friendly with BILLY COTTER knew for some time the inevitability of this day. That knowledge does not reduce the sense of sadness and loss we all feel.

Bill was a good and decent man who served his State and his Nation well, and I know that he was one of the finest people I ever met. He made a substantial contribution to this institution. He brought a human element to his committee work and to his work here on the floor, and even though I just had a short 3 years to get to know Bill, the personal sense of loss I feel today has been articulated by many people who have preceded me at this microphone.

I join my friends in passing on my condolences to Bill's sister and to the other members of the Cotter family.

Mr. MOFFETT. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from New York (Mr. Biaggi).

Mr. BIAGGI. Mr. Speaker, it is with a sense of profound sadness that I pay tribute to our colleague Bill Cotter who succumbed to cancer yesterday at the age of 55. His death deprives this House of one of its most effective and respected Members—and me of a good and valued friend.

BILL COTTER and I became close friends during the years when we had neighboring offices in the Cannon Building. We would see each other on a daily basis and I recall many pleasant moments of conversation and comradery.

For 11 years, BILL COTTER provided the highest quality of representation for the people of the First Congressional District of Connecticut. BILL was a lifelong native of the First District born, raised, and educated in Hartford, Conn., the major city within the district. Prior to his election to the House in 1970, BILL served with great distinction as insurance commissioner for the State of Connecticut.

While in the House, BILL was an invaluable member of the House Ways and Means Committee. He was one of the panel's most trusted members. He was an ardent and articulate advocate of tax reform and played important roles in numerous pieces of legislation which have emerged from that committee in the past decade. From tax reform to medicare and medicaid reform to the establishment of title XX-BILL COTTER made regular and important contributions to all of these legislative products. Further, as chairman of the Subcommittee on Select Revenue Measures, BILL COTTER was a pioneer in the effort to bring fiscal responsibility to the Federal Government.

BILL COTTER'S career in Congress was replete with accomplishments and he will be remembered by many of us as a shining example of what a Member of Congress should be. I mourn his passing, but take solace in the fact that he will be remembered for years by present and future Members of this great body.

Mr. MOFFETT. I thank the gentle-

man from New York.

Mr. Speaker, I yield to the gentleman from South Carolina (Mr. HOL-LAND), a member of the Ways and Means Committee.

Mr. HOLLAND. Mr. Speaker, I thank the gentleman for yielding and

for taking this time.

It has been my privilege to serve with BILL COTTER on the Ways and Means Committee and as ranking member of the subcommittee which he chaired. I came to know him as a man of compassion and understanding shortly after I was put on the Ways

and Means Committee.

I was just walking over here across these Capitol Grounds and thinking about all the great people who have passed through this institution and all the great names and personalities that we have produced for history and for eternity, and I cannot think of one that I knew, loved and respected any more than this great man from Connecticut. We were indeed fortunate as men and women dedicated to the institutions of this great Nation to have him as our friend and our ally. I know that I join the Connecticut delegation in saying that we will miss him grievously, and we hope that his memory and his activities here will somehow continue to level the things we do, to impart his rationality to us by having been one of us

I thank the gentleman again for

yielding to me.

Mr. MOFFETT. I thank the gentleman from South Carolina, and those of us on the Connecticut delegation thank all of our colleagues, especially the members of the Ways and Means Committee whom we know will miss

BILL a great deal.

I think we will recall many things from this colloquy, one of which were the comments about Bill's sense of humor. I think if Bill had his way, he would not want this colloquy to end on some somber, sad note. In order to do my share so that that will not be the case, I would like to relate one brief anecdote.

BILL's district and mine are neighboring districts, and there is a town that is on the border, and every year in Connecticut in this town called Windsor, Conn., we have something called, the Shad Derby Parade.

As has been said, BILL was a low key member of the delegation who had not sought a great deal of media attention. We were marching in that parade just a couple of years ago, and there was a tremendous round of applause as BILL and I, out in front of the parade, went down the street. I soon became aware that the applause was for BILL

COTTER, and that BILL COTTER had people yelling out, "Hey, BILLY, nice to see you, BILLY."

It was an interesting lesson for me. I remember what he said. He said jokingly, "I guess it is because of my tremendous media coverage."

He had that kind of humor, a kind of self-depreciation, if you will, that

could be very, very pleasant.

Mr. Speaker, I yield to my colleague from Connecticut, and I thank my colleague, Mr. McKinney, for his help in the drafting of the resolution and in

this colloguy.

Mr. McKINNEY. Mr. Speaker, I thank the gentleman for yielding. I thank all of my colleagues in this House. As a classmate of BILLY's, as a good friend, as a member of the Connecticut delegation, he would want us to remember him with a sense of humor. He used to quite often say to me after a Ways and Means Committee meeting, "You know, we have our superstars," and obviously the Ways and Means Committee had a lot of those.

I remember after Dan Rostenkowski and Barber Conable had been on television on one great debate or another, Billy used to say, "Remember me, I am Bill Cotter," when I talked to him on the phone. He missed being here! He was that kind of guy. Do not worry Bill, we always will remember you; there is no question about that.

Mr. MOFFETT. I thank the gentle-

man.

Mr. Speaker, I would like to announce that plans are now being worked on for an Air Force plane to fly out of Andrews Air Force Base, probably at 10 o'clock on Friday, with some arrangements for Members to leave from the Capitol at 9 or 9:30. Other details on the funeral itself will be forthcoming and will be available for any of the Connecticut delegation members.

• Mr. MOAKLEY. Mr. Speaker, all of us are deeply saddened to learn of the death of the gentleman from Connecticut. Bill Cotter was a fine and decent man and a dedicated public servant; his constituents and this House have suffered a great loss.

His brave struggle over recent months has been watched with admiration and sympathy by his many friends. Although his fight against death has ended, we will all remember him for facing death with the dignity and bravery for which he was known in life.

BILL made an outstanding contribution to the House during the decade he served here and was an exceptionally able and useful member of the Committee on Ways and Means. His selection at the beginning of this term as chairman of the subcommittee responsible for tax measures enabled him to bring the full weight of his knowledge and judgment to bear on this important area and it is indeed tragic to see his career cut short when his leadership in this area was so vitally needed.

Mr. Speaker, the House has lost one of its finest Members and I hope his family can take some comfort from knowing the esteem and fondness with which BILL will always be remembered here.

• Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable William R. Cotter, who represented the First District of Connecticut since 1971. The death of my distinguished colleague has left a void in this House, for he served his Connecticut constituents and the American people with devotion and dedication.

BILL COTTER was my friend and I had the privilege of serving with him when he was a member of the House Banking, Finance and Urban Affairs Committee, where he was one of the most capable members of that committee. His distinguished career of public service will long be remembered by all of us who had the good fortune of knowing him and working with him.

Congressman Cotter compiled a splendid record of excellence, and his diligent efforts as a member of the House Ways and Means Committee and as its chairman of the Subcommittee on Select Revenue Measures were both fruitful and beneficial to the citizens of this Nation, and indeed, these successful efforts have made America a stronger and better country.

Few men gave more of themselves to good Government, or had a more compassionate understanding of human problems than did BILL COTTER. He began his career of leadership as a member of Hartford's Court of Common Council, and then served as an aide to Gov. Abraham Ribicoff from 1955 to 1957. In 1957 he became Connecticut's deputy insurance commissioner, and from 1964 to 1970, when he was elected to the 92d Congress, he served as the State's commissioner of insurance.

BILL was a fine legislator and a distinguished leader of becoming personal modesty, and he will be missed here in the House of Representatives.

Mrs. Annunzio and I extend our deepest sympathy to his sister, Betty, and her husband, Mr. Joseph Adinolfi.

• Mr. RODINO. Mr. Speaker, the Nation has lost one of its most conscientious and compassionate statesmen. BILL COTTER'S death yesterday was a terrible blow to me and to all of us who knew this kind and gentle man.

For 10 years he devoted himself to being the best possible Congressman for the people of Connecticut. He was deeply committed to the highest ideals of public service—honesty, integrity, and sensitivity for the needs of all the people. Bill's sincere dedication to his

work earned him the trust and confidence of his colleagues and his constituents

As a Congressman he was unpretentious yet highly effective. His work on the Ways and Means Committee was marked by his concern for the average American instead of the special inter-

As a man he was warm and friendly.

He cared about people.

BILL COTTER was a friend who I respected and admired. I am deeply saddened by his death. My sympathies go

out to his family.

Mr. CONTE. Mr. Speaker, I would like to join with my colleagues in paying respects and expressing my deep sorrow on the passing of my good friend and New England colleague, BILL COTTER. A Member of this body for 11 years, BILL was an effective legislator and conscientious member of Ways and Means Committee, where he chaired the Subcommittee on Select Revenue Measures.

I had the opportunity to work with BILL through the New England Congressional Caucus, where he exhibited his concerns for his constituents, needs in Connecticut, for those in the wealthy suburbs of Hartford, those in the blue-collar communities ringing the city, as well as the inner-city poor of Hartford. He represented his people with an even hand and an open mind. and he will be sorely missed by his colleagues in the House.

I would like to extend my deepest sympathy to his family and his district on the loss of his voice in this Con-

Mr. GILMAN. Mr. Speaker, I rise to join my colleagues in paying tribute to our late colleague, the gentleman from Connecticut, Hon. WILLIAM COTTER.

BILL COTTER, was an able, dedicated, and knowledgeable Member of the House. He provided unparalleled service to his colleagues and conscientious attention to the need for responsible legislation for the Nation as a whole, achieving the kind of fine balance between those two responsibilities that all of us continually seek to shoulder. His outstanding mastery of tax legislation and tax policy has been noted by his colleagues on the Committee on Ways and Means who worked closely with him.

Coming to the House of Representatives in 1970, BILL COTTER's election followed a distinguished career in State government, culminating in his service as the commissioner of insurance where he had to oversee his State's large and important insurance industry. Before State service, BILL served as a member of the Common Council at Hartford, Conn. His service in State and local government helped mold him into the fine legislator that

I join with my colleagues in expressing sincere condolences to the Cotter family. BILL has left a significant imprint on his colleagues in the House. Those of us who held him in high personal regard will miss him very

. Mr. MILLER of Ohio. Mr. Speaker, I am saddened today as I join with my colleagues in this Chamber since we have lost a dedicated public servant, and good friend, BILL COTTER of Connecticut. I was shocked to learn of his death, and I know that I am expressing the sentiments of all who knew him in stating that America has lost the service of an able legislator and an

effective leader.
Bill came to the House in 1971, and served as a member of the important House Ways and Means Committee. As such, he was in a position to carry the concerns of the working American family straight to the one committee in the House with probably the most impact over the day-to-day economic problems facing this Nation's people. He was a quietly effective advocate of policy and legislation that would help Americans secure the lifestyle they wanted and deserved. He never lost touch with the truly needy, and exhibited a keen sense of appreciation for the interests of those people confronting the economic difficulties so apparent in our society.

I was always impressed by his attitude and sense of purpose. He was a legislative workhorse who welcomed a tough task and worked diligently to find a solution benefiting this Nation and its people. He will be missed greatly in this Chamber, just as his example will be missed. It would be a fitting tribute to him that we dedicate ourselves to the continuation of the good work he epitomized in the House.

Mr. STOKES. Mr. Speaker, it is with profound sadness that I learned of the death of BILL COTTER who was one of the most able legislators I have ever known. He was a man whose everyday demeanor not only made him many friends in this body but it was a demeanor that engendered respect.

I personally admired him and enjoyed an excellent friendship with him. I admired him for the stand that he took on liberal issues in this body. He was not afraid to stand up for what was right and in standing up for what was right he was always on the side of minorities, the poor, the disadvantaged, and others who needed help.

In recalling my own personal relationship with him, I remembered the interest he took in the investigation into the assassination of President John F. Kennedy. After I was appointed chairman of the committee which conducted the investigation, I recall the interest he took in our work in several conversations we had relative to the investigation. In those conversations, he expressed a real hope that we would be able to solve many of the rumors, many of the lingering and

troublesome questions surrounding that assassination. He had tremendous love and admiration for President John F. Kennedy.

I suppose the characteristic about BILL COTTER which most sticks out in my mind was his sincerity. Whenever I talked with him about any matter, his sincerity always impressed me.

I did not have the opportunity to personally know the other members of his family. However, I would like to take this opportunity to extend to each of them my sympathies and condolences in memory of this distinguished legislator. They can be proud of the life and accomplishments of BILL COTTER. He will be remembered by all who knew him as an outstanding legislator and a great American.

Mr. GUARINI. Mr. Speaker, today I join my colleagues in the House in mourning the death of Congressman WILLIAM COTTER of Connecticut.

BILL COTTER served with distinction on the Ways and Means Committee for many years. As a member of the upper tier of senior members of the committee, he was someone I learned early on to look to for counsel and guidance. We shared some of the same legislative interests: in tuition tax credit and pension reform bills.

The Ways and Means Committee is a contentious assembly, with vigorous exchanges on every issue before the committee. Such was BILL COTTER'S stature in the committee that, although he had been ill for some months, his ideas continued to be a force in the committee's deliberations on the tax bill. In what is an enviable measure of the man, portions of his comprehensive pension reform legislation were included in the tax bill just signed by the President.

My only regret, and it is one that I share with all of my colleagues on the Ways and Means Committee, is that BILL COTTER did not remain with us We will deeply miss his longer. thoughtful contributions in our legislative work and I join my colleagues on extending deepest sympathies to his family and friends.

• Mr. RANGEL. Mr. Speaker, I rise to pay tribute to our departed colleague WILLIAM Ross Cotter better known as BILL to those of us who knew him and had the honor of working closely with him. BILL and I both came onto the Ways and Means Committee at the beginning of the 94th Congress and it is certainly going to be strange for me to go back into the committee room knowing my good friend will no longer be there to provide his wise counsel on the issues which will come before us.

We went through many a battle together. The Tax Reform Acts of 1975, 1976, and 1978, the Windfall Profit Act, the Estate and Gift Reform Act of 1976, the Mortgage Revenue Bond Act, and so forth. To each of these,

BILL brought his unique insights which almost always centered around a compassion for working class and middle-income Americans. He was certainly proud of the reforms that we instituted prior to the Economic Recovery Tax Act of 1981. I know that what the Congress passed this year was a great disappointment to him. He had spent so much of his time in Congress working to close loopholes for the rich, and the legislation we passed this year which not only undid the work he had dedicated the last 7 years of his life to, but also went further to place a greater proportion of the tax

burden on the middle class. By the time we began work on the Economic Recovery Tax Act of 1981, Bill was already too sick to participate in the direction of the legislation. However, one area of the bill does very much reflect BILL COTTER's thinking and serves as a fitting memorial to this dedicated public servant. Prior to being elected to Congress in 1970, BILL served from 1957 to 1970 in the Connecticut Insurance Department becoming commissioner in 1964. During that time he became extremely sensitive to the financial needs of retired Americans. From the time he came on the Ways and Means Committee, he was an outspoken advocate for tax deductions for individual and employer retirement plans. In the 97th Congress, he introduced legislation to reform the system and expand its availability to more Americans, thus insuring a secure financial picture for retirees. Many, if not the bulk of his suggestions were adopted by the committee and finally became law when the President signed the bill just a few weeks before BILL COTTER died.

We on the Ways and Means Committee who have worked so closely with Bill are certainly going to miss him. The Congress as an institution has lost one of its key Members. I know that I have certainly lost a dear friend and respected colleague.

• Mr. NATCHER. Mr. Speaker, in our time, giants have walked the face of the Earth. My friend, William R. Cotter was one among them. He distinguished himself in the service of his country and to all mankind. He labored with dedication, devotion, and with a passion on the ramparts of individual freedom, honesty, and constitutional government.

He served in the House of Representatives with distinction and honor. He loved the House of Representatives and he believed that our country is the greatest country in the world.

BILL COTTER established a record as a Member of Congress that will long be remembered in the State of Connecticut and throughout this country. His name will be known in all time to come, at home and in the far corners of the Earth for his monumental works in behalf of representative government which is the source and the protectant of all human liberties in all nations where freedom prevails.

Our friend had become an inspiration, a symbol of power, and an outstanding member of his Committee on Ways and Means, one of the major committees in the House of Representatives. His character, his achievements and his faithful service will be an inspiration to generations yet to come.

I have lost a true friend and this country has lost a great statesman. I extend my deepest sympathy to the members of his family.

• Mr. ZABLOCKI. Mr. Speaker, I was deeply saddened to learn of the untimely death of our distinguished and beloved colleague, the Honorable WILLIAM R. COTTER of Connecticut, and I would like to associate myself with the sentiments expressed by numerous Members of this body—about his life, his rare personal qualities, and his outstanding legislative accomplishments.

There is little of substance I can add to the very eloquent tributes to BILL COTTER, which were made earlier by a number of his closest friends—on both sides of the aisle.

His contribution as a senior and highly respected member of the Committee on Ways and Means is well known—particularly his most recent, successful effort to expand the individual retirement accounts in the Economic Recovery Act just signed by the President. As Chairman Rostenkowski has pointed out, Bill Cotter was a voice of reason and moderation on that important committee—always working toward a judicious and meaningful compromise, in the full knowledge that there is no substitute for quiet, patient and persistent negotiation in the legislative process.

As many of our colleagues have noted, BILL COTTER was devoted to the House as an institution and embodied its most honored and exalted traditions. Above all, however, he was a loyal and effective representative of his Hartford constituency which he has served for over a decade with great dedication and distinction.

To those constituents, to his family and many admirers throughout the Nation I extend my deepest and most profound sympathy.

• Mr. FORD of Michigan. Mr. Speaker, a loyal and distinguished Member has left us. In his 11-year House career, many of us came to depend on the wisdom and thoughtfulness of WILLIAM COTTER. As the chairman of the Subcommittee on Select Revenue Measures, he held a great affection for his home city of Hartford and the citizens of Connecticut. He was a loyal Democrat of whom many of us could rely for steady and able direction and a strong sense of what the grassroots was feeling.

His commitment to his country and service in this House were unmatched. It is with a great deal of pride and sorrow that I join my colleagues in mourning our beloved friend, BILL COTTER •

GENERAL LEAVE

Mr. MOFFETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution.

The SPEAKER pro tempore (Mr. NATCHER). Is there objection to the request of the gentleman from Connecti-

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CUT WINDFALL PROFIT TAX, SAVE EDUCATION PROGRAMS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, over the recess period I learned of the administration's plan to make further deep cuts in the education programs of our country. There has been no denial of that from the administration, and publicly since then they have indicated the need for more money in order to eliminate the deficit that is now looming in this present budget.

In view of that, and in trying to constructively answer this problem, I have introduced a resolution, a sense-of-the-House resolution, today that calls for the amending of the windfall profit tax reduction provisions that were contained in the Economic Recovery Act of 1981.

It seems to me, Mr. Speaker, that we in the House can agree to this measure, remove the windfall profit tax windfall that we gave to the oil companies and restore nearly \$11 billion to this budget and save many of these programs, such as education, that have been so severely slashed.

I hope, Mr. Speaker, we will have the opportunity within the next 2 weeks to vote on this resolution.

□ 1300

BIG DEFICITS, HIGHER INTEREST RATES PREDICTED

(Mr. VOLKMER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I, too, spent part of the recess in my district in Missouri, as other Members have done, and I find the largest problem facing the people in my district, except for a local matter of disaster

due to rains and floods, is high interest rates. The people are concerned. They want to know, when are we going to have lower interest rates?

My only answer to them is that not in the foreseeable future will we see lower interest rates because we are going to have a very large budget deficit, in fact, a huge deficit in the coming year. We are going to have to continue excessive Government borrowing in the markets, and, therefore, that will continue to increase the interest rates. We may not yet have seen the highest of the interest rates yet to come.

What does this mean? This means that we will continue to have stagnation in our industry, we will continue to have unemployment, and we will continue to have homebuilders, farmers, small businessmen, car dealers, and others going out of business.

High interest rates? Yes; we are going to continue to have them. High deficits? It now appears that in 1982 we will have the largest budget deficit in the history of this country.

Mr. Speaker, I say to the Members and to the administration that the only way we are ever going to balance the budget is through a constitutional amendment, and I ask that the Members of the House support my constitutional amendment for a balanced budget now.

DONATION OF SURPLUS FEDER-AL PROPERTY FOR PRISON MODERNIZATION AND CON-STRUCTION

(Mr. ZEFERETTI asked and was given permission to address the House for 1 minute and to revise and extend

his remarks.) Mr. ZEFERETTI. Mr. Speaker, today I am introducing a bill that I hope might prove to lessen the burden that States currently face as the crime rate spirals upward. This bill would authorize the donation of surplus Federal property to any State or locality for the construction and modernization of criminal justice facilities.

Recently, the Attorney General's Task Force on Violent Crime endorsed this type of legislation in their final report which was issued on August 17, 1981. The report cites continuously documented public testimony and reports pointing to a higher conviction and prosecution rate for violent crime. This, combined with the public's demand for harsher, longer sentences for the perpetrators of these crimes, has resulted in correctional systems facing unprecedented increases in prison populations.

Presidential Counselor Edwin Meese III, addressing the Criminal Justice Section in New Orleans last month, promised prompt administration action on the task force recommendation, indicating priority would be given

ing.

Mr. Speaker, the crisis of overcrowding in the American prison system has reached alarming proportions. The national correctional population of adult offenders is more than 329,000 and rising. To my knowledge, no single State has experienced a decline in correctional populations in the past 5 years, with the brief exception of California in 1975. Increases range from 4 percent in Vermont to upward of 70 percent in Wyoming.

Despite this skyrocketing rise in the number of prisoners, the facilities available for confining these convicted criminals have not kept pace. Conditions in many State prisons have reached such shocking levels that Federal courts in 12 States have ruled that conditions of confinement in the entire system were such as to constitute violations of rights guaranteed by the eighth amendment. The courts have interceded in 7 more States and 12 States face pending court challenges. All total, as of April 1, 1980, prisons in 32 States were under court order to end overcrowding.

The problem of overcrowding goes beyond corrections. Potentially, it leads to a circumvention of the overall public and criminal justice system's intent to deal with the violent offender in a manner consistent with the gravity of the offense. Probation is meted out instead of incarceration simply because the judges are aware that there is currently no prison space available for the offenders in prison.

Society cannot permit crime to go unpunished for want of prison space, and for the present, prison is the only sanction available for violent crime.

Specifically, this bill would authorize the Administrator of the General Services Administration, upon the recommendation of the Attorney General, to donate the property after the State had submitted its drawings and specifications for criminal justice facilities. This would of course include the extension or improvement of an existing facility.

Similar legislation has been introduced by Senators Grassley, Domen-ICI, MOYNIHAN, COCHRAN, and JACKSON. I hope that many of my colleagues will support this bill in light of this Nation's current prison space emergency. To do nothing, in the face of what we know to be the facts, is a gross abdication of our responsibility.

IMMEDIATE HOUSE VOTE ON AWACS SALE URGED

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, as one who is adamantly opposed to the administration's proposed sale

to the question of prison overcrowd- AWACS aircraft to Saudi Arabia-I am urging that the House schedule a vote on the issue immediately.

> I consider it vital that this body go on record and not wait for the Senate vote which may preclude us from ever being able to vote. I believe the House will reject the sale-and if this happens it could give momentum to opponents in the Senate who may be able to muster enough support to block the sale.

> It would be most appropriate if the House were to act this week while Prime Minister Begin is in Washington and vote to reject the AWACS sale. Many of us share Prime Minister Begin's profound concern about the implications of this sale on Israel's security.

> For more than 30 years and through seven different administrations, the United States has been Israel's staunchest ally. I contend that the sale of AWACS to Saudi Arabia is a serious weakening of that commitment. Saudi Arabia has consistently refused to endorse the Camp David peace accords-and they have in the past been financial supporters of the PLO. Further, this sale is being proposed without any real guarantees that Saudi Arabia will not convert AWACS into offensive weapons against Israel. This sale if approved, will establish a dangerous precedent in U.S.-Middle East policy which may have serious consequences on our own national security which is inexorably tied to a strong and sovereign Israel.

SMALL BUSINESS VICTIMIZED BY HIGH INTEREST RATES

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, I, too, am concerned about the interest rates which climb higher and higher every

As we survey the state of our economy, there can be no doubt that a prime rate of 201/2 percent is crippling our economy. There can be no doubt that venture capital-which is of critical importance to the healthy expansion of business-has all but dried up.

Our buying power is shrinking. Our ability to expand the base of the Nation's industry is shrinking. And, our hope that the future will bring us a true economic recovery is all but gone.

Perhaps the best example of the impact of continued high interest rates on business in America can be found in the plight of small business today.

The facts are very simple: Small business-the backbone of business in America-is going out of business. All across our land, our Nation's small businessmen are simply being forced to close their doors, having fallen victim to soaring interest rates.

High interest rates dry up the money supply and thus the availability of capital for small business. The availability of capital for small firms is perhaps the most important factor in determining whether or not a small company can survive in the 1980's.

Recent polls indicate that small businesses are more gloomy about the future than ever before. According to a poll conducted by an Atlanta-based research firm, more than 60 percent of small businessmen say that they will close down at the end of the year if interest rates do not go down. The bad news is—if you believe our economic experts—interest rates may go even higher in the coming years.

It is obvious that an extended period of higher interest rates will cripple the backbone of American industry, as more and more small firms go under.

It is obvious to me that our Nation simply cannot depend on the wishful thinking of Reaganomics to solve our economic problems. The continued high interest rates are certainly proof of that.

IMPOUNDMENT—RETREAT FROM THE BUDGET ACT

(Mr. PANETTA asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, it is remarkable, to say the least, that 1 month after the congressional budget process has proven itself in responding to the initiatives of the President there are those who are now prepared to raise the white flag and surrender that process and that power to the President and to give him the power to impound. The power to impound is the power to legislate, the power to decide, and that power rightfully belongs to the Congress.

The reality is that the President has the power to rescind and defer, if he wishes to attack the appropriations passed by the House and by the Congress. The reality is that the Congress has been responsive—indeed some would say too responsive—to every element of the administration's economic program. All the major recommendations of the President have largely been accepted in the budget resolution, the reconciliation bill, and the tax cut. Now, somehow, that is not good enough.

I recognize the short-term political safety net of simply handing all of that responsibility over to the President, but it would be wrong. It is wrong politically, because the American public would know that the Congress is retreating from its budget and appropriations responsibilities; it is wrong economically because the Congress must play a role in deciding what

our spending priorities must be; and it is wrong constitutionally because it would be a serious retreat from the terms of the Budget Impoundment Act which are intended to correct the abuses of the President on impoundment and to preserve to the Congress its legitimate responsibility to determine how taxpayer dollars will be spent.

This is our job—to make use of our budget powers and our legislative powers on behalf of the people and not to avoid or surrender those important powers or responsibilities to any other branch of government.

PRESIDENT URGED TO RECONSIDER DECISION ON AWACS SALE

(Mr. SCHUMER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, today the Prime Minister of Israel is visiting our Nation's Capital, and, of course, he has visited our President. This morning at the White House the obligatory words of friendship between the two nations were exchanged. It is a friendship which I believe is very real to the President, to Prime Minister Begin and to both nations.

But those of us who believe the interests of our Nation, both strategic and moral, are best served by a strong Israel, urge you, Mr. President, to reconsider your decision to sell the AWACS to Saudi Arabia. We hope, Mr. President, that today with the visit of Prime Minister Begin to our Nation's Capital you will reconsider your decision to sell AWACS to Saudi Arabia. Such a sale can hurt Israel severely without really aiding Saudi Arabia. Mr. President, I urge you, as a showing of good will, do not thwart the will of this Congress to block the sale of those sophisticated weapons to the Saudis

A POSITIVE VIEW ON CHARITIES

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I want to urge my colleagues not to fall into the trap of deploring the decline of incentives to give to charities implicit in a reduced tax rate. There is more to the American charitable movement than tax avoidance. Very high marginal tax rates do cause people to take refuge in public benefits of their own choosing, but very high marginal rates also give rise to the misconception that philanthropy is for the rich only. The next step is to believe that the charitable deduction is a loophole, and we were headed in that direction before passage of the 1981 Tax Act.

There are many paradoxes in the interrelation of our public institutions, our semipublic institutions and our private incentives. Nobody should feel guilty about reducing the peoples' taxes because it also reduces the incidence of legitimate tax avoidance. This 1981 law includes valuable structural changes which the charitable movement earnestly desired, including an increase in the maximum of charitable contributions for corporations, greater flexibility in the payout requirements for foundations, and a phase-in of above-the-line charitable deductions for those also claiming the standard deduction. This last provision gives charitable tax benefits to lower income people which were available previously only to the 30 percent of the taxpayers who itemized their deductions, and it greatly expanded the numbers of people with tax incentives to give to charity.

Carried to its illogical extreme, the argument that lower tax rates damage charity would also find detriment to the work of the International Rescue Committee in an end to the persecution which causes refugees.

A TRIBUTE TO THE LATE HON-ORABLE FRANK J. BECKER, FORMER MEMBER OF CON-GRESS

(Mr. McGRATH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McGRATH. Mr. Speaker, it is my sad duty to inform my colleagues of the death on September 4 of a former member of this body, Hon. Frank J. Becker. Mr. Becker served with distinction from the 83d through the 88th Congress as a representative of the Third then the Fifth Congressional District of New York.

A long-time resident of Lynbrook, U.S.A., Mr. Becker began his political career in the New York State Legislature in 1945 and was elected to the first of six terms in Congress in 1952. He retired from public life in 1965 in order to devote more time to his family which, at the time of his death, numbered 3 children, 21 grandchildren, and 3 great-grandchildren.

Frank Becker was respected by all who knew him. His reputation for integrity, courage, and forthrightness earned him the well-deserved nickname "The Little Giant." Although my political career was only beginning when his was ending, I got to know Frank Becker very well and to respect all he stood for. I will miss his wisdom and friendship.

I want to extend my sympathy to Frank's wife of 58 years, Claire, his children Robert, Francis, and Elizabeth, and the other members of his family.

Mr. STRATTON. Mr. Speaker, will the gentleman yield to me?

Mr. McGRATH. I yield to the gen-

tleman from New York.

Mr. STRATTON. Mr. Speaker, I want to commend the gentleman from New York (Mr. McGrath) for taking the well to pay tribute to our former colleague, Frank Becker. I had the privilege of serving with Frank Becker on the House Armed Services Committee. He was indeed a fighter and a very feisty guy. He stood up for what he believed in, and as the gentleman from New York (Mr. McGrath) may well imagine, he and I usually saw eye to eye on defense matters and on other matters as well. We were sorry when Frank Becker left the Congress, Mr. Speaker, and I know that he will be missed by the people of New York State.

Mr. McGRATH. Mr. Speaker, I thank the chairman of our delegation for his kind words.

A NATIONAL TRAGEDY

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend

his remarks.)

Mr. MOLINARI. Mr. Speaker, since the beginning of the year, three members of my staff have been assaulted here in Washington, D.C. During the recess, a member of my staff stopped at a red light, and before he knew what was happening, three hoodlums entered his vehicle, beat him severely, and drove his car to an isolated area. There he was beaten again and thrown into his trunk, where he remained for a couple of hours. He finally managed to pry open the trunk and escape, which conceivably could have saved his life.

A couple of months ago, the wife of one of my staff members was riding the Metro with her two children in broad daylight and was held up by

hoods armed with guns.

These are not isolated instances, but typical of criminal activity that occurs daily in the Nation's Capital. Indeed, there is a substantial number of Members of Congress who have been mugged and held up over the last

couple of years.

Violent crime is a national problem, especially in our big cities. But, to have the situation be as severe as it is in the Nation's Capital, is a national disgrace. To think that the Capital of the richest country in the world is ridden with violent crime, and to think that the millions of visitors each year that come to Washington to view the beautiful exhibits must do so at the risk of their lives, is a situation we simply cannot accept.

We can no longer bury our heads in the sand, hoping that this problem will go away. In my judgment, it is getting worse, and we are going to have to declare war on crime in the Capitol FAA DECISION ON ELIMINATION district

Mr. Speaker, I am calling upon Congress to carefully review this serious problem and come up with new ideas. Perhaps the Justice Department should set up a separate and special unit that could come under the jurisdiction of the FBI. The D.C. Police could be integrated into that unit, and we could add additional police if reguired, and at the same time have the sophisticated capability of the FBI to assist in making the Capitol area a safe place to reside and to visit.

I am going to send a copy of this statement to the members of the D.C. Committee in this House as well as in the Senate. I am also going to urge my colleagues to join me in this effort and to work together to come up with a reasonable solution to this problem as quickly as possible.

□ 1315

REAGAN'S ECONOMIC PROGRAM IS THE SALVATION OF THE RE-PUBLIC

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, we are all back from vacation, recess, district work period, or whatever whoever wants to call our recent absence. We should be rested, and ready for the task ahead and that task is tremendous, nothing less than the economic salvation of the Republic.

What this country needs most is for everyone to stop playing politics with the livelihoods and the lives of millions of Americans and set to work to implement the President's economic program.

Some, including myself, might have preferred a program of a slightly different construction. But the major thrust of the economic plan suggested by President Reagan and adopted by this Congress is a good one. The program can work, and it will work if all of us take a positive attitude about its

The first steps in the economic recovery program go into effect on October 1. October 1 is 3 weeks in the future, yet critics are already saying it has not worked. Of course it has not worked: It has not started.

But it is going to work and its success is more important than President Reagan, and more important than the Democratic and Republican Parties. It is really a question of whether or not we are going to preserve the basic freedoms we have always enjoyed in the United States of America.

OF CHICAGO/DES PLAINES RE-GIONAL OFFICE

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks)

Mr. PORTER. Mr. Speaker, I am very pleased to learn that FAA Administrator, J. Lynn Helms, has decided against a plan to move the Des Plaines, Ill., FAA office in my district of Kansas City. In view of the growing need for air safety management, the necessity of rebuilding our air safety control systems, and for upgrading the resources of our existing structure in the Chicago area, I was opposed to the proposed FAA consolidation from Chicago to Kansas City. I was also concerned that the good working relationship between the Suburban O'Hare Commission and the Chicago regional FAA office on the important issue of aircraft noise abatement would be lost in such a move.

The fact that Mr. Helms, after a careful study of the costs and benefits of the proposed move, has concurred with this analysis, serves to underscore the importance of these concerns.

With Chicago as the principal hub of our air transportation system and O'Hare as one of our Nation's busiest airports, we should be improving not taking from the basic air safety management resources available at this location.

I am deeply gratified that Administrator Helms has seen the wisdom of not going forward with the proposed elimination of the Chicago/Des Plaines regional FAA office.

Also, I want to thank personally all those individuals and organizations who assisted in establishing the necessary focus and in developing the facts on this important air safety control matter in Chicago/Des Plaines.

TAX-CUT-NO-STRINGS GRANT TO WEST VIRGINIANS

(Mr. STATON of West Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STATON of West Virginia. Mr. Speaker, one of the benefits of being a Member of this body is that one gets an opportunity to announce grants to constituents on a timely basis. I would like to take this opportunity to thank this body for allowing me to go home to West Virginia and announce that beginning on October 1, we will be able to return to the citizens of my State \$40 million. The next year we will be able to return an additional \$160 million, bringing it to a total of \$240 million. Thereafter, beginning in 1984, there will be a \$400 million per year grant, at the very minimum, because this is the amount of money that will be left in the hands of West Virginia taxpayers because of President Reagan's 25-percent tax reduction.

The best part about this grant is that it has no strings attached. There are no auditors to be concerned with and no regulations to follow. They can use this money to spend as they wish without fear of intervention from the Federal Government.

A State the size of mine will have a much smaller grant than many of our larger States. I firmly believe this is the kind of grant that Congress should offer to its citizens. To be able to continue to do this without absconding with the citizens' money is the real purpose of this body.

TRIBUTE TO ROY WILKINS

(Mr. STOKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STOKES. Mr. Speaker, today, I and a host of Americans across this Nation, mourn the loss of a great leader and a great American. The premiere civil rights leader in this country, former NAACP Executive Director Roy Wilkins, died yesterday at the age of 80.

The grandson of a Mississippi slave, Roy Wilkins grew up in a segregated America, one in which black Americans were abused and where lynchings and racism were rampant. He committed his life to dismantling every last vestige of discrimination, segregation, and injustice to blacks which engulfed this Nation in his own deliberate and methodical style.

Mr. Speaker, Roy Wilkins was the quiet storm against those who attempted to keep the cruel and unjust walls of segregation and inequality intact against blacks. He carried this battle with unswerving vigilance and vigor from the fields of Mississippi to the Halls of Congress and to the White House.

Mr. Speaker, Roy Wilkins was the sentinel and guiding force in the historical civil rights movement in this country. We will remember him eternally for being a man of great vision, profound commitment to his people, and a leading strategist for the important civil rights decisions and legislation of our time.

In his last speech as executive director of the NAACP, Roy Wilkins said:

Let us use every tool at our disposal, every hand on deck, black and white, young and old, for there is still unfinished business to take care of.

Mr. Speaker, Roy Wilkins put the business of equality for black Americans on this Nation's agenda. Because of him, we are closer to finishing that unfinished business.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bills on Thursday, August 4, 1981:

S. 547. An act to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon.

S. 694. An act to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes.

S. 875. An act to authorize the generation of electrical power at Palo Verde irrigation district diversion dam, California.

And the following enrolled bills on Tuesday, August 11, 1981:

H.R. 3982. An act to provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for fiscal year 1982.

H.R. 4242. An act to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes.

S.J. Res. 87. Joint resolution to authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day."

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C., September 9, 1981.

Hon. Thomas P. O'Neill, Jr., The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit sealed envelopes received from The White House as follows:

(1) At 1:48 p.m. on Tuesday, August 25, 1981 and said to contain a message from the President wherein he transmits a report on a loan guarantee agreement as required by the Defense Production Act of 1950, as amended.

(2) At 1:10 p.m. on Friday, August 28, 1981 and said to contain a message from the President wherein he transmits a report as required by Sec. 803(c) of the Military Construction Authorization Act, 1981, on Community Impact Assistance.

(3) At 3:10 p.m. on Monday, August 31, 1981 and said to contain a message from the President wherein he transmits a report on the Federal Pay Comparability Alternative

(4) At 3:35 p.m. on Tuesday, September 1, 1981 and said to contain a message from the President wherein he transmits a report ex-

cluding selected agencies and units of agencies from coverage under the Federal Merit Pay System.

(5) At 1:28 p.m. on Friday, September 4, 1981 and said to contain a message from the President wherein he transmits a report for fiscal year 1979 on mine safety and health activities.

(6) At 1:28 p.m. on Friday, September 4, 1981 and said to contain a message from the President wherein he transmits the 17th annual report on the National Wilderness Preservation System.

(7) At 1:28 p.m. on Friday, September 4, 1981 and said to contain a message from the President wherein he transmits the annual report of the Rehabilitation Services Administration for fiscal year 1980.

With kind regards, I am,

Sincerely

EDMUND L. HENSHAW, Jr., Clerk, House of Representatives.

LOAN GUARANTEE COMMIT-MENT AGREEMENT WITH THE OIL SHALE CORPORATION— MESSAGE FROM THE PRESI-DENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

The Defense Production Act of 1950 (50 U.S.C. App. 2061 *et seq.*), as amended, provides that loan guarantees in excess of \$38 million be transmitted to the Congress for its review.

The Department of Energy has negotiated a loan guarantee commitment agreement, identified as Synthetic Fuel Action 1981-1, with The Oil Shale Corporation in the amount of \$1.112 billion for its participation in the Colony Project pursuant to the authority of Section 305 of the Defense Production Act. I am pleased to transmit for review:

1. an Executive Summary of the transaction;

2. a Major Terms and Condition sheet:

3. the loan guarantee transaction documents; and

4. the Operating Agreement between The Oil Shale Corporation and Exxon Corporation for the Colony Project.

RONALD REAGAN. THE WHITE HOUSE, August 25, 1981.

PRESIDENT REAGAN'S DENIAL OF MEETING WITH VICE PRESIDENT OF NIGERIA

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, this morning a number of us met with the Vice President of Nigeria, Mr. Alex Ekwueme. To my amazement I must report to my colleagues that he was denied a meeting with the President of the United States, this on the heels of our Vice President's journey to Nigeria last year, at which time our Vice President held meetings with top Nigerian leaders, including its President, and was extended all of the courtesies and amenities of a high-level exchange.

For the Vice President of Nigeria, on the other hand, there were no Secret Service accompanying him when he was here in the House, or the other courtesies normally extended to leaders of other nations. There were no police escorts.

The whole thing, to use the phrase, was pretty tacky. The Vice President, privately was very shocked by the administration's behavior. On behalf of a number of Members of Congress who met with the Vice President of Nigeria and other high-ranking officials of the largest country on the African Continent, I want my colleagues to know that an apology is in order from the administration.

I think the administration's failure to respond to the Vice President of Nigeria is contrary to the diplomatic courtesies that we normally extend to our friends and leaders of the great nations that visit us.

PRESIDENT REAGAN'S DENIAL OF MEETING WITH VICE PRESIDENT OF NIGERIA

(Mr. WASHINGTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WASHINGTON. Mr. Speaker, I wish to join my colleague, Representative John Conyers of Michigan, in protesting the apparent treatment by the Reagan administration of a high-ranking representative of a government which has always been close to our own. It is inconceivable to me what reason our President would have to refuse to meet with as high ranking an official as the Vice President of Nigeria.

I just learned of this incident this morning. I am certain that the President, upon further consideration, will do whatever he can to redress any insult, however unintended. I urge him, in particular, to consider the necessity for tightening up the relationship between this country and certain black African countries, particularly in light of the support our Government gave to South Africa at the United Nations. Unless this is done, I fear there may be an irretrievable breach of our relations with Nigeria.

Frankly, we are in no position to harm our historically close relations with Nigeria, particularly in light of the fact that we still run our cars on oil. FINAL REPORT ON STUDY CONDUCTED BY AN INTERAGENCY TASK FORCE OF ECONOMIC ADJUSTMENT COMMITTEE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Armed Services:

To the Congress of the United States: Section 803(b) of the Military Construction Authorization Act, 1981 (P.L. 96-418) called for "a thorough study of the adverse impact on communities in areas in which major, new military facilities are constructed with a view to determining the most effective and practicable means of promptly mitigating such impact." On March 23, 1981, I submitted a preliminary report on this study which has been conducted by an interagency task force of the Economic Adjustment Committee, At that time, I indicated that additional portions of the study were underway and would be reflected in a final report which would be forwarded to the Congress as early as practicable. I am herewith submitting the final report of this study.

The final report augments the preliminary report by including further analysis of the ability of communities to absorb growth; analyzing and additional budgeting and organizational alternative; and updating information on existing Federal assistance programs to reflect the Administration's budgetary revisions.

The report examines various organizational and budgeting mechanisms for providing assistance to communities impacted by the nearby construction of major, new military bases. The report concludes that, with rare exceptions, local and State resources and normal Federal domestic agency assistance should be used to provide public facilities and services supporting military bases. Special Federal assistance should only be warranted in highly unusual circumstances where a sudden population influx and the resulting demand for public services from a major, new military base could overwhelm State-local fiscal capacities and impede achievement of critical national security objectives. As the report states, the need for any special Federal assistance must be evaluated on a case-by-case basis.

In those rare circumstances where special Federal assistance would be warranted, we will want to attain a high degree of responsiveness to State and local concerns together with sufficient accountability and control of Federal funds associated with critical national security projects. In this regard, the Special Impact Assistance

alternative appears to be a promising approach. However, the selection of the preferred organizational and budgetary mechanism will depend upon the particular circumstances in each case. I will look to the Secretary of Defense and the Director of the Office of Management and Budget, in consultation with affected States and communities, to advise me in this regard. I will request additional statutory authority when it is required.

I have been gratified by the excellent cooperation among all levels of Government in the preparation of this study. We intend to continue working closely with affected States and communities to reach satisfactory outcomes on national security projects which affect their interests.

RONALD REAGAN. THE WHITE HOUSE, August 28, 1981.

□ 1330

ADJUSTMENT IN FEDERAL WHITE COLLAR PAY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-83)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

Under the Pay Comparability Act of 1970, an adjustment in Federal white collar pay will be required in October, 1981.

That Act requires that calculations be made annually of the adjustments that would be required in Federal statutory pay systems to achieve comparability with private sector pay for the same levels of work. My pay advisers have made those calculations and indicated that an average 15.1 percent increase would be required to achieve comparability as the concept and process were defined in the Pay Comparability Act of 1970.

While I fully support the comparability principle as the best basis for determining Federal pay, I believe that significant changes are required in the way that principle is currently defined and implemented. Therefore, last March we transmitted to the Congress proposed legislation to revise and strengthen the comparability process. At that time, we estimated that the revised process would result in an average increase in Federal pay of 4.8 percent in October, 1981.

The reform proposal has not yet been acted upon in Congress, but in accordance with our economic recovery program, the Congress included in the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) a provision which limits this October's Federal white collar pay adjustment to the same 4.8 percent. Accordingly, I am submitting to the Congress an alternative plan which would implement that limitation on Federal white collar increases.

Current law provides that annual increase for the military be the same as the average Federal white collar increase. This year, however, the Congress is expected to provide for a larger military pay increase as a part of the Defense Authorization Act for FY 82. The larger increases proposed under that legislation will supersede the increases that military personnel would otherwise receive under the alternative plan.

RONALD REAGAN. THE WHITE HOUSE, August 31, 1981.

AGENCIES EXCLUSION OF 44 UNITS OF **AGENCIES** AND FROM COVERAGE UNDER THE MERIT PAY SYSTEM-MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-84)

The SPEAKER pro tempore laid before the House the following message from the President of the United States: which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States: Supervisors and mangement officials in GS-13, 14, and 15 positions throughout the Federal Government will be converted to merit pay this October as required by Chapter 54, Title 5, U.S. Code, unless otherwise ex-

cluded by law.

Upon proper applications from the heads of affected agencies and upon the recommendation of the Director of the Office of Personnel Management, I have, pursuant to 5 U.S.C. § 5401(b)(2)(B), excluded 44 agencies and units of agencies from coverage under the Merit Pay System on account of size and efficiency, emergency conditions, and comity with the Legislative and Judicial branches.

Attached is my report describing the agency or unit to be excluded and the

reasons therefor.

RONALD REAGAN. THE WHITE HOUSE, September 1, 1981.

FISCAL YEAR 1979 ANNUAL REPORT ON MINE SAFETY HEALTH ACTIVITIES AND MESSAGE FROM THE PRESI-DENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together

out objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with Section 511(a) of the Federal Mine Safety and Health Act of 1977, as amended (30 U.S.C. 958(a)). I transmit herewith the Fiscal Year 1979 annual report on mine safety and health activities during the previous Administration as submitted by the Secretary of Labor.

RONALD REAGAN.

THE WHITE HOUSE, September 4,

SEVENTEENTH ANNUAL REPORT ON STATUS OF THE NATIONAL WILDERNESS PRESERVATION SYSTEM FOR CALENDAR YEAR 1980-MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

In accordance with the Wilderness Act of 1964 (Public Law 88-577), I herewith transmit the Seventeenth Annual Report on the status of the Wilderness National Preservation System for the calendar year 1980. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, September 4. 1981.

ANNUAL REPORT OF THE REHA-BILITATION SERVICES ADMIN-ISTRATION FOR FISCAL YEAR FROM 1980-MESSAGE THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with Section 13 of the Rehabilitation Act of 1973, as amended, I hereby transmit the Annual Report of the Rehabilitation Services Administration for Fiscal Year 1980 as submitted by the Secretary of Education. The period covered by this report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, September 4, 1981.

with the accompanying papers, with- COMMUNICATION FROM CHAIR-MAN OF COMMITTEE ON PUBLIC WORKS AND TRANS-PORTATION

> The SPEAKER pro tempore laid before the House the following communication from the Chairman of the Committee on Public Works and Transportation, which was read and referred to the Committee on Appropriations:

> > COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, Washington, D.C., July 24, 1981.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,

Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following projects on July 23, 1981:

LEASES

Arlington, Virginia: Pomponio Plaza Building.

Dallas, Texas: Department of Housing and Urban Development, Federal Trade Commission.

Chicago, Illinois: Department of Housing and Urban Development.

Chicago, Illinois: DOD—Army Corps of Engineers, Office of Personnel Manage-ment, Small Business Administration, Drug Enforcement Administration.

Philadelphia, Pennsylvania: Treasury Department, Department of Transportation.

The original and one copy of the authorizing resolutions are enclosed.

Sincerely.

JAMES J. HOWARD, Chairman.

GENERAL LEAVE

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4169, and that I may be permitted to include extraneous and tabular material.

The SPEAKER pro tempore. there objection to the request of the gentleman from Iowa?

There was no objection.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JU-DICIARY, AND RELATED AGEN-CIES APPROPRIATIONS, FISCAL YEAR 1982

Mr. SMITH of Iowa. Mr. Speaker, I move that the House resolve itself into the Committee on the Whole House on the State of the Union for the consideration of the bill (H.R. 4169) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1982, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided

and controlled by myself and the gentleman from Illinois (Mr. O'BRIEN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. SMITH). The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4169, with Mr. Brown of California in the chair.

The Clerk read the title of the bill. By unanimous consent, the first

reading of the bill was dispensed with. The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Iowa (Mr. SMITH) will be recognized for 1 hour, and the gentleman from Illinois (Mr. O'BRIEN) will be recognized for 1 hour.

The Chair recognizes the gentleman

from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the total amount of new budget authority in this bill for fiscal year 1982 is \$8,754,633,000. This amount is a net reduction of \$868,246,000 from appropriations enacted for these departments and agencies for fiscal year 1981, and is \$6,469,000 below the total budget estimates submitted to the Congress. The amount recommended in the bill is also \$367,000 below the allocation to the Subcommittee on Commerce, Justice, and State under section 302 of the Budget Act.

The net decrease of \$864,246,000 from appropriations enacted for fiscal year 1981 is due primarily to substantial reductions in funds recommended for the Bureau of the Census, the Economic Development Administration, the Maritime Administration, the Small Business Administration, and the Legal Services Corporation.

total of \$2,806,055,000 is provided in title I of the bill which includes the Department of Commerce and related agencies. This amount is an increase of \$275,798,000 above the budget rebut is a reduction \$1,295,732,000 from appropriations provided for fiscal year 1981. The principal reason that the amount recommended for title I is above the budget request is that the committee restored funding, at least in part, for several important programs for which there were no budget requests or which were targeted for substantial reductions. These programs include the Economic Development Administration which the bill includes \$313,500,000, compared with only \$50,000,000 requested by the administration, and the public telecommunications facilities grants program for which the bill includes \$16,000,000. The President's budget did not include any request for this program. In addition, title I of the bill provides \$37,780,000 above the budget request for several programs of the National Oceanic and Atmospheric Administration, which are of vital interest to many Members, and which were not included in the President's budget or were targeted for substantial reductions. These include the Fisheries Loan Fund, Sea Grant, fisheries grants to States, and anadromous grants.

Title of the bill also restores \$2,500,000 and 97 positions for the Federal Trade Commission in order to maintain a regional office structure for the FTC. The FTC regional offices have a major role in working with small businesses, in identifying local anticompetitive problems, in enforcing antitrust laws, and in protecting consumers from deceptive practice. The level in the bill still will require a sizable reduction in positions from the current authorized strength and will require the FTC to reevaluate the configuration and placement of its regional offices in order to achieve the most cost-effective regional structure.

The bill also contains language relating to the cereals proceedings which prohibits the Federal Trade Commission from preparing or issuing any initial decision in the administrative proceeding (Docket No. 8883) until 60 days after the Commission makes a decision on the recommendation of the Independent Administrative Judge on the pending inquiry ordered by the Commission on February 13, 1981. No action of the parties relative to the decisions on this procedural matter will result in delaying the initial decision beyond such 60 days. The language also provides that this limitation shall not prohibit the completion of such inquiry nor the dismissal of Docket No. 8883. The language does not in anyway attempt to affect the decision of the Commission on the substantive case.

Finally, title I of the bill includes a total of \$612,580,000 for the Small Business Administration. While this total is \$11,500,000 below the budget request, it does provide for the program level of \$260,000,000 in direct loans and \$3,150,000,000 in loan guarantees for the Business Loan and Investment Fund, requested by the President and a program level of \$733,500,000 for the Disaster Loan Fund, an increase of \$293,500,000 above the President's request.

The bill provides a total of \$2,839,821,000 in title II for the Department of Justice and related agencies. Although this amount is \$39,382,000 above appropriations for fiscal year 1981, it is a reduction of \$61,500,000 from the budget requests. The amount recommended for the De-

partment of Justice, \$2,447,114,000, includes funding for several critical programs for which there were either no budget requests or for which significant reductions were proposed. The most significant of these is the Juvenile Justice and Delinquency Prevention Program for which \$70,000,000 is included in the bill.

In addition, the bill includes \$25,000,000 above the budget request for the Immigration and Naturalization Service to maintain 973 positions for the Border Patrol and the areas of inspections, investigations and adjudications. It is apparent that money alone will not solve all of the problems of the INS and that changes are needed in the law. However, pending those changes, the committee felt that this additional funding may be of help in the most critical areas.

The bill also includes \$7,500,000 for the U.S. trustee pilot program under U.S. attorneys and marshals. This program was proposed for elimination in 1982, and the amount recommended will permit this experimental program to continue as originally planned in all 18 pilot districts.

The bill reflects an increase of \$3,255,000 above the budget request for the Drug Enforcement Administration to restore the current program level for the State and local task force program, State and local training, and the compliance and regulation program.

Title II includes \$241,000,000 for the Legal Services Corporation. This amount is \$158,700,000 less than the amount requested by the Corporation for fiscal year 1982, and is \$80,300,000 less than the appropriation provided for the current fiscal year. The law provides that the Corporation makes its requests directly to Congress. No funding was requested for the Legal Services Corporation in the President's budget for fiscal year 1982.

The amount recommended by the committee is consistent with the \$241,000,000 authorized for appropriation to the Legal Services Corporation for fiscal year 1982 in H.R. 3480, as passed the House. It is intended that the funds provided in the accompanying bill be used strictly in accordance with the terms of the authorizing legislation as approved by the House. The House recently spent 3 days developing a bill which passed and the committee sees no reason to believe the majority have changed since that time. In order to achieve that objective, the committee inserted language in the bill which would prohibit any of the funds from being spent for any purpose which is prohibited or limited by any of the provisions of H.R. 3480. The committee deleted provisions which were included in the bill last year concerning lobbying, minimum access, representation of illegal aliens,

and homosexuality since all of these provisions are included in the authorizing legislation as passed the House and under the language in the bill, all limitations in the act as passed by the House will apply.

The bill provides a total of \$2,392,595,000 for title III which includes the Department of State and related agencies. While this amount is \$318,585,000 above appropriations for the current year, it is a reduction of \$195,126,000 from the budget requests for the Department of State and such agencies. The increase over the current appropriations are due primarily to wage and price increases and increased requirements for international organizations and international peace-keeping activities.

The decrease from the budget rereflects deferral quests a \$82,100,000 requested for a new Embassy complex in Riyadh, Saudi Arabia in order to give the Congress the opportunity to consider certain changes in the Tax Code and other laws governing foreign commerce which could remove disadvantages suffered by American firms that may wish to bid on this project. In addition, the amount reflects reductions the budget requests from \$23,700,000 for payment of assessed contributions to the International Labor Organization (ILO), \$4,000,000 for anticipated currency gains in the overseas operations of the Department of State, and \$15,000,000 for establishment of a buying power maintenance fund. The committee felt that only \$5,000,000 was needed to capitalize this fund, given the strong position of the dollar against foreign currencies. The bill also reflects a reduction of \$10,000,000 from the budget request for the Board for International Broadcasting due to anticipated currency gains and a total reduction of \$61.8 million for the International Communications Agency. Most of this reduction is associated with a request for new transmitter facilities. We did not feel that it was necessary to provide the full amount requested for these new facilities at this time since most of the funds would not be obligated during fiscal year 1982. Therefore, we have deferred without prejudice the remainder of the funds requested for these facilities and expect the submission of a budget request for the additional funds that are needed in future

The bill includes a total of \$716,162,000 in title IV for the Judiciary. This amount is a decrease of \$25,641,000 from the total amount requested for the Judiciary for fiscal year 1982. This reduction is associated primarily with additional positions requested but not allowed, as well as space and furniture requirements related to those positions.

Mr. Chairman, I believe that I have discussed the highlights of the bill. Further details on each item are included in the report.

In closing, I would like to thank each member of our subcommittee for their cooperation and hard work in putting this bill and report together. This has been a difficult year and I want to express my personal appreciation to every member of the subcommittee for their dedication and support.

Mr. O'BRIEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Iowa has done his usual good job in describing the contents of the bill. We have had it available to us, of course, since about a month past.

I would like to comment on the way we arrived at this bill. The subcommittee, consisting of the chairman and myself, and Messis. Handler of Ohio, Early, Campbell, with the considerable help of the full committee chairman and ranking member Mr. WHITTEN and Mr. CONTE, worked long and hard, taking into consideration everything that we felt was appropriate and some things that we did not. We have been extremely serious about every representation made before our committee. We have tried to strike a balance between the needs of our constituents, the concerns of the Members of the body and, indeed, the requests of the administration.

Obviously, it is not a perfect bill. No bill is. But, in my judgment, it is a good one. It is one that we can respectfully present to the House. And if I may, I would offer one final comment, and it concerns amendments. I have an amendment that I would like to add to this bill. I think it is in order, and I think it is important. But I intend not to offer it until we get to conference. I make that suggestion to the membership respectfully, in the hope that the gentleman from Iowa (Mr. Smith) and myself and the members can go to conference with the package that we have presented here today. We can assure the membership that every serious amendment will get full and complete attention in the conference, although we cannot, of course, guarantee passage.

Mr. SMITH of Iowa. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana (Mr. Breaux).

Mr. BREAUX. Mr. Chairman, I take this time, first of all, to thank the members of the subcommittee from both sides of the aisle for their patience and consideration. As the chairman of one of the authorizing committees that this subcommittee has to deal with, I find that they have been very cooperative and indulgent in those of us from the authorizing committee and have worked with us in

trying to resolve our differences in many areas.

I would point out a couple of things which I think need to be said at this time. I would say that I appreciate particularly the members of the subcommittee, the chairman, particularly, very carefully examining the fishermen's loan fund that our Fish and Wildlife Subcommittee authorized this past year. Particularly, they granted our request for additional funding for this particular program, and I am thankful for that.

The members of the appropriations subcommittee, however, pointed out to those of us on the authorizing committee that they would like to have been even more accommodating but for the fact that the authorization language in the American Fisheries Promotion Act, which was overwhelmingly adopted by this Congress last year, included an off-budget item which we made subject to the appropriations process. We are going to be relooking at the language. I think that Mr. Stockman, from the Office of Management and Budget, indicated that it is clearly an off-budget item. The money for this program is funded from tariffs levied on imported fish products into the United States. It truly is an item that is not subject to appropriations in the normal sense. It is coming from foreign countries as a privilege of selling fish products in the United States. We are going to be looking at this language to see if perhaps it does need some changes in order to see that this particular program, which is very important, does receive sufficient fund-

The last thing that I will mention. which I think is extremely important, is that I will be offering an amendment during the 5-minute rule which will not affect the bottom-line figure on how much money is being appropriated by the Appropriation Committee for programs under the National Marine and Fisheries Service. What my amendment will do is, very simply, to take from a number of programs that we feel are low-priority items, some \$6,081,400, and reduce that amount from five categories of programs that, while we think they are good programs and would be nice to have, they are programs that in this budgetary crunch we simply cannot afford.

My amendment would take that \$6 million that we take from these five programs and add it to two programs that the authorizing committee thinks are absolutely critical and essential. Those are the Saltonstall-Kennedy program and the Commercial Fisheries Research and Development Act.

□ 1345

Mr. Chairman, I think the whole point of the budget process is to let

the Budget Committee set some ceilings and I say fine, these are what we can spend and say to the Appropriations Committee, "All right, we need these amounts of money." But to say to the authorizing committee, "We want your help and assistance," and where the funds can best be spent, and that is what our subcommittee embarked upon and we came up with a recommendation to the Budget Committee and to the Appropriations Committee that said, "All right, we are willing to take a \$6 million cut, but we would like to say let us take it from these areas that are less important."

I think it is very important that the subcommittee that has the members who have really devoted a lifetime in Congress to studying these programs to really listen to the advice of the subcommittee.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. Breaux) has expired.

Mr. SMITH of Iowa. Mr. Chairman, I yield 2 additional minutes to the gentleman from Louisiana.

Mr. BREAUX. The principal program that is for fish promotion is the Saltonstall-Kennedy program; we need the funds for the program and we are willing to cut somewhere else but the authorizing committee thinks this program is so important we need the money to promote fishery development in the United States.

Also, the commercial fisheries research and development program gives moneys to the States so the States can use those funds within their boundaries and it is a critically essential pro-

What are we cutting? We are cutting a newsletter from the National Marine Fishery Service. It is nice to have a newsletter, but we ought to let the industry pay for the cost of the newsletter. So we reduce the market news report by \$641,000. We reduce the coastal zone and fisheries advice program by \$490,000. That program gives advice to a State fishing agency so they can advise another State agency. That we can do without. That is what

am saving. We have a marine resources monitoring and assessment program. They basically count fish. I am glad they are doing it, but a lot of other people are doing the same thing. What I am saying to the chairman of the subcommittee and the chairman of the full committee and the ranking minority member is that what we are doing by my amendment is not increasing or decreasing the bottom line. We are just making a suggestion of how we feel \$6 million can best be spent in two critical programs and reducing five other programs and come up with the same figure.

We think it is a good suggestion. We think it is reasonable, and I think it has the support of the American fishing industry and we will have Members from various parts of the country speak in favor of the amendment.

I think it makes a great deal of sense and I thank the gentleman.

Mr. O'BRIEN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Nebraska (Mrs. Smith).

Mrs. SMITH of Nebraska. Mr. Chairman, I rise to express my concern about some of the priorities involved in this bill, H.R. 4169, in which eventual closing of 38 part-time weather service stations in 26 States is contemplated. One of these stations, at Valentine, Nebr., is in my district.

I commend my good friend and colleague, the gentleman from Iowa, Chairman Neal Smith, and the members of this subcommittee for their handling of the administration's proposal to close these stations.

The gentleman's subcommittee has given our stations a 6-month reprieve. While this is less than I had hoped for, passage of this bill would give us time to seek reconsideration by the executive branch. So the issue is a live one that is continuing to cause many Members grave concern.

Accurate and timely weather forecasting is of utmost importance in my district. Farmers, ranchers, and pilots all stake their lives and their livelihoods on information from our National Weather Service offices.

These part-time weather service offices are vital to rural areas and since this is true, I think several important factors should be known about them for the record. I feel strongly about the proposed closing, and 27 other Members of Congress who share this concern joined me in writing to the President urging him to reconsider and review his proposal to close these part-time stations.

I do believe we can reorder our priorities and save many of these stations without increasing spending, because it should be our primary goal to insure that life and property are adequately protected before continuing to fund expensive and esoteric programs such as weather modification.

I would like to point out to my colleagues more specifically why our station at Valentine, Nebr., must be continued: Why it is unique, vital to the people in the area, and absolutely necessary for the protection of their lives and property.

At present, Nebraska's Valentine weather station covers an area north of Pierre, S. Dak., east to Lake Andes, south to North Platte, Nebr., west to Gordon, Nebr., and up to Mount Rushmore, S. Dak.—vast area of 5,000 square miles almost exactly the same size as the entire State of Connecticut. The station also makes reports to other regional stations, to farmers, to ranchers, to pilots, and to all others in the area.

I believe the uniqueness of this station is not fully understood even by the weather service professionals who have been trying to close it for years. Indeed, I have become persuaded that instead of being closed, the station should be upgraded to full-time human staffing—as it once was—24 hours a day and that radar should be added to it.

I understand that the Members of the other body are leaning toward first closing those stations with only one full-time Federal employee and allowing those stations with more than one employee to continue. I cannot agree that this is good logic: To cut stations, such as Valentine, by 100 percent before cutting others by some lesser percentage is not only folly but patently unfair.

Furthermore, the Washington bureaucrats would let you believe that a human being is present at such a station only 40 hours a week, leaving the citizens to the tender mercies of automated equipment the other 128 hours of the week. This is false. In Valentine, for example, three contract observers stretch the human staffing to as much as 18 hours daily, including Saturdays, Sundays, and holidays.

Valentine's weather station has operated effectively since 1880. There has been no change in the weather, but the need for reliable, detailed local weather reporting service has increased enormously. To reduce service, when better service including radar is desperately needed, is Government indifference at its worst.

Let me list for the record the other reasons to make the best possible case for at least continuing the Valentine station as is, recognizing that my own committee has agreed to continuing the 38 stations only the first 6 months of fiscal year 1982 without indicating what happens after March 30, 1982.

First. Human staffing versus automation.

Automatic equipment cannot spot tornadoes or other severe storms in time to warn the populace. And Valentine, Nebr., is in the heart of tornado and blizzard country.

Human staffing is needed for tornado spotting and reporting of conditions for aircraft. Valentine is at the very edge of effective radar coverage, and NWS has announced plans to withdraw even that coverage in fiscal year 1983. Coverage from the new station in Scottsbluff, Nebr., will miss Valentine by 25 nautical miles.

Automation cannot report conditions for aircraft. This automation is called AMOS and RAMOS. These are partial reports that tell dew point, temperature, wind, altimeter setting, and rainfall. There must be humans to complete these reports to make them effective by adding data on sky and

ceiling, visibility, and sea level pressure.

Second, Valentine has the most unpredictable and harshest weather in the country, and the people need to be warned in advance.

For example, Nebraska still has oneroom schools and those teachers need to be warned of bad weather so they can send the children home before the roads close.

Ranchers in that area need hours of warning for severe weather so they can bring in their livestock from thousands of square miles.

Valentine area radio stations depend on its forecasts to keep its people in-

Up to 6,000 people vacationing at Merritt Dam, about 25 miles away, depend on Valentine's reports about sudden severe weather.

Third, the regional offices cannot provide adequate weather information without the Valentine station.

Only Valentine's weather station covers an area of 5,000 square miles in north central Nebraska and south cental South Dakota.

The closest regional station is 130 miles away. It cannot possibly provide accurate forecasts.

Pilots flying in the area need more than the hourly reports given by the regional offices since bad weather can develop within the hour. Valentine gives two reports within the hour.

The regional stations in North Platte and Omaha, Nebr., need weather updates from Valentine. On March 17, 1979, Omaha predicted rain for Valentine. Actually, Valentine had 4 inches of snow at that time and more coming down.

Fourth, other agencies depend on the Valentine station for research and data

Nebraska Public Power District uses Valentine as one of seven key weather stations for load analysis and forecasting. Without Valentine data, a large tract of service area will go unrepresented.

The University of Nebraska in Lincoln, Nebr., uses Valentine's reports for climatology since it experiences winds up to 60 miles per hour and wind chill of 50° below zero.

Valentine is part of the National Forestry Weather information service system to forecast range fires that are a threat to cattle production and people in the sandhills of Nebraska.

Valentine is a vital part of a new University of Nebraska computer program for monitoring and assessing crop weather conditions in Nebraska.

Fifth, it could cost more to close the small stations than to continue them.

Valentine is in the heart of tornado and blizzard country, and if even one should go unsighted by a regional station, the resulting loss of life and devastation of property could cost the Government enormously more than the \$1.9 million that would be saved by closing these stations.

Weather professionals acknowledge that many severe blizzards in winter and thunderstorm-tornado activity in the summer actually form in an area just northwest of Valentine—an area at the edge of effective radar detection

Sixth, the Valentine station's employee's hours have already been cut on Saturdays, for overtime, and for relief. This saves \$9,000 annually. This leaves an annual operational cost of only \$22,000.

Seventh, in Kansas City, Mo., the Weather Service underspent its budget in fiscal year 1980 by \$200,000. The bureaucrats used the money to buy some microwave ovens and film projectors. Maybe Kansas City could take the cut next year instead of the part-time stations.

In closing, here is what Richard Hallgren says about our weather field offices, Mr. Hallgren being the present director of the National Weather Service and the man who wants more than any other person to close the 38 part-time stations:

Each individual has a lot to contribute and must be given a chance to do so. This is particularly true of those at operational field offices for this is where our basic mission is carried out. The rest of us are simply supporting these units * * .—Richard Hallgren, Director, National Weather Service, message to all employees, February 1979.

I fully support this bill, but I wish my own committee, my other colleagues here in the House, and the administration, to know that I will take every legitimate and reasonable step to make sure that the Valentine weather station continues and to try to persuade the National Weather Service to add radar to the station and to upgrade it to 24-hour staffing. At this point I include the aforementioned letter:

House of Representatives, Washington, D.C., July 27, 1981.

Hon. Ronald W. Reagan, President, The White House,

Washington, D.C.

Dear Mr. President: In our effort to work with you in addressing the nation's major economic problems, we have postponed until now asking you to reconsider the proposed closing of the 38 part-time Nationl Weather Service Offices as proposed on page 67 of your April 1981 Budget Revisions for fiscal year 1982 entitled: "Additional Details on Budget Savings."

It is our understanding that the Office of Management and Budget has ordered the National Weather Service to reduce its personnel by 213 persons by September 30, 1982, and that the weather service administrator is determined to achieve a substantial part of that reduction by closing down these vitally needed weather stations that are the protectors of thousands of people and millions of dollars of property.

Many of these stations are located in areas of frequent, severe storms, including tornadoes. If just one tornado goes unsighted and unreported, the resulting loss of life and devastation of property could cost the Federal Government enormously more than the paltry \$1.9 million that would be saved by closing these stations.

We find it extraordinarily difficult to explain to our constituents why they must do without the crucial weather forecasting service in the name of economy while we are at the same time voting to increase funding for such esoteric and expensive programs as weather modification.

We have internal evidence showing that the parent agency, the National Oceanic and Atmospheric Administration, has dozens of personnel vacancies and is even now recruiting people to fill them—while it orders the Weather Service to reduce its small payroll.

We have endeavored, futilely, so far, to persuade the National Weather Service Director to change his priorities so that the truly vital nature of the field offices will be adequately appreciated and recognized. We urge that this matter be reconsidered, that the 213 bodies be trimmed from the large weather offices around the country, and that the 38 stations be continued. Surely a 10 percent reduction in Washington or even larger reductions elsewhere would not even begin to approach the 100 percent reduction contemplated with respect to our 38 parttime stations. The ideal situation being, of course, to lift the personnel ceiling by the 85 positions that it takes to man the 38 part-time stations.

The House Appropriations Subcommittee on Commerce, State, Justice and Judiciary has heeded our appeal to the extent that on June 24, 1981, the subcommittee directed that the 38 stations be continued for six months, or until March 31, 1982. While this continuation was good news indeed, any vabe denied replacement personnel by the Weather Service on the ground that reassignment is not justified for such a short term should the Congress ratify the Subcommittee's action. Such stations would face immediate closure. The continuation does give some additional time, nevertheless, to ask OMB to review and reconsider its proposal to terminate a service deemed so valuable by the people it shields and pro-

Because the appropriations bill affecting this matter will reach the floor of the House very soon, we ask prompt action on our request.

Thank you for your consideration.

With best wishes, we are,

Sincerely,
Virginia Smith, Ray Kogovsek, Robert
H. Mollohan, Christopher H. Smith,
Tom Daschel, Paul Simon, Steve Gunderson, Allen E. Ertel, Denny Smith,
Manuel Lujan, Gene Chappie, Skip
Bafalis, Ronald V. Dellums, Fortney
H. Stark, John M. Ashbrook, Joe
Skeen, Gus Yatron, Bob Lagomarsino,
Jim Courter, Bob Stump, Jennings
Randolph, Bill Proxmire, John Glenn,
J. J. Exon, Edward Zorinsky, Barry
Goldwater.

Mr. O'BRIEN. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas (Mr. Bethune).

Mr. BETHUNE. Mr. Chairman, I and members of this committee and the Congress generally have been concerned about the budgetary aspects of loan and loan guarantee programs, the whole area of Federal credit assistance

programs. And without reviewing and belaboring the history of this recent effort, which of course includes the sense of Congress resolution whereby we agreed that we would try to make sense out of credit programs and establish something approximating a credit budget for Congress, without going through all of that which is very familiar to members of the Appropriations Committee and the chairman and distinguished ranking minority member, I would just like to pose a couple of questions to the gentleman from Iowa, if I could get his attention.

I have just laid out the history of the credit budget in the Congress and our stage of development whereby we are now sensitive to the growing Federal credit assistance programs, and that brought me to the point where I was going to engage the gentleman in a colloquy about some of the credit programs in the committee bill.

The reason that I wanted to bring this up is that the gentleman from California (Mr. Mineta) and I have cosponsored a bill which would establish a credit budget for the Congress. The idea being, to try to make sense out of what seems to be a runaway situation.

We have done a good job with Federal spending lately, but the Federal credit assistance programs seem to be out of control and we need to do something about it.

In any case, in looking at the gentleman's bill, I noticed that the gentleman placed a limit on the International Trade Administration's direct loan and loan guarantee programs, but later on, in the bill, when we come to the Merchant Marine Act of 1936, where there is an authorization for Federal ship financing credit in the neighborhood of \$12 million, there is no limit.

I am wondering if the gentleman could reconcile for me the apparent inconsistency here, why the committee would cap one program and not another?

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BETHUNE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. For example, in the trade adjustment assistance program, the authorizing legislation requires us annually to set those limits. In some other authorization legislation, this is not required. So we annually do set the limit where the authorizing legislation says we should.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. Beth-

UNE) has expired.

Mr. O'BRIEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Arkansas (Mr. BETHUNE).

Mr. BETHUNE. Then in the case of disaster loans, there is no annual limit on any of the four small business lending programs and I wonder what is the reasoning there?

Mr. SMITH of Iowa. If the gentleman will yield further, the reason is that we have no way of knowing how many disasters there will be or what the cost will be. We had no way of anticipating Mount St. Helens. So, I do not know how we can estimate in advance. Several administrations have tried various ways. What we have done is provide SBA with the budget authority, and they have to operate within that authority. If they cannot operate within that dollar authority, then they have to come back with a supplemental request.

Mr. BETHUNE. I appreciate the gentleman's thoughts.

Here is the thing: On the Budget Committee we are trying now, as the gentleman knows, to do some score-keeping so that we can keep better track of the Federal credit assistance programs, and one of the ideas we had was that the Appropriations Committees could put caps on some of these programs. In fact, we were even going to require that.

Mr. SMITH of Iowa. If I may say so, let me suggest something better. Nobody in the Federal Government knows what dollar level these loans constitute, good hard loans. To the extent they do, they ought not to be counted against the deficit the same as expenditures of other kinds.

I have asked OMB for 3 years in a row to get me these figures. They say they cannot do it. If a bank makes a loan, they do not consider they have had outlays of so much money and nothing to offset it. In the Federal Government we do. We make good hard loans. Then we say we just spent so much money. We consider such loans the same as money spent for welfare or anything else and we ought to keep that amount separate and not consider it as being just an ordinary outlay of money.

Mr. BETHUNE. I think the gentleman makes a good point.

We want to work with the Appropriations Committee as we try to develop the credit budget, so we know it will work.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. Bethune) has again expired.

Mr. O'BRIEN. Mr. Chairman, I yield 1 additional minute to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Chairman, we have been operating on the assumption that the Appropriations Committee would, where possible, put limits on the credit packages. So, I am trying to determine what we can realistically expect from the gentleman and his committee as the days wear on.

Mr. SMITH of Iowa. If the gentleman will continue to yield, if the authorizing legislation requires us to set an annual limit, then we would try to comply. Mr. BETHUNE. I thank the gentleman very much.

Mr. HUGHES. Mr. Chairman, I rise in strong support of that portion of H.R. 4169 which appropriates funds for the law enforcement activities of the Department of Justice and the Drug Enforcement Administration. The committee bill appropriates some \$230,849,000 for the Drug Enforcement administration. That figure is some \$2,325,000 more than requested by the Administration for three vital programs that had been targeted for cuts last March by the Office of Management and Budget.

H.R. 4169 follows the Department of Justice authorization bill H.R. 3462 adopted by the House on June 9. H.R. 3462 contains the increased authorization for DEA as a result of an amendment, offered by our colleague, HAL SAWYER, and myself, that was adopted in the Judiciary Committee markup.

These three programs, the State and local task force program directed against street-level drug dealers, the compliance and regulatory affairs program that prevents the diversion of dangerous controlled substances from legitimate medical channels of distribution to the street, and the State and local police training program, are all very important.

A little more than 2 weeks ago, the Attorney General's Task Force on Violent Crime released its final report which contained recommendations that bear on this portion of the bill. Recommendation 37 called for a substantial increase in personnel resources for Federal law enforcement to enable it to effectively perform their present responsibilities.

H.R. 4169 will restore some 94 positions out of the 208 positions that had been cut from the State and local task force program.

The appropriation also restores a 10-percent cut in the compliance program that oversees the activities of 600,000 registrant doctors, hospitals, and pharmacies that handle dangerous drugs. This amounts to some \$249,000. According to DEA an estimated 200 million dosage units of these drugs annually are diverted to the streets which results in emergency room treatment for thousands of persons for drug overdose treatment. This program is a key public health protection program in the drug abuse area.

The third area of greater appropriation is for the training of State and local law enforcement officers in the sophisticated techniques of drug law enforcement. Recommendation 44 of the Attorney General's task force called on the Attorney General to seek additional resources for specialized training programs for State and local law enforcement personnel. The original administration request would have cut the 1982 DEA training program in

half from the 1981 level. The committee restored some \$487,000.

commend the Appropriations Committee for making the difficult choice to appropriate more money for law enforcement at this time of discriminate budget cutting. I urge my colleagues to support these needed additions to the Drug Enforcement budget.

Mr. GOLDWATER. Mr. Chairman, I rise in support of H.R. 4169. The Departments of Commerce, Justice, and State, the judiciary, and related agencies appropriation bill, fiscal year

1982.

I am especially pleased by the committee's decision to delay for 6 months the elimination of the fruit frost forecast and advisory program. This vital program is especially needed by fruit and row crop farmers who depend on accurate weather forecasting to protect their crops.

By retaining this program for 6 months, agriculture can survive the coldest months of the growing season and have sufficient warning to enter, after that time, into a cooperative agreement with the National Oceanic and Atmospheric Administration to retain the expensive fruit frost forecast and advisory program equipment.

As a concerned member of the Sciand Technology Committee ence which has authorizing jurisdiction over this program, it is the authorizing committee's intent to insure that the National Oceanic and Atmospheric Administration enter into such a fair and equitable cooperative agreement with our country's farmers after this 6-month grace period. I wish to stress the need for NOAA to make immediate preparations to enter into such an agreement so that there will be an uninterrupted transition in the fruit frost forecast and advisory program.

Our farmers must tame nature herself in their battle against crop disease, escalating production costs, soil loss, and variable weather conditions. To reduce our struggling farmers' chances still further by eliminating their first line of defense against an approaching cold front or a destructive rain is like expecting a sand castle on the beach to withstand the on-

slaught of the ocean.

As long as we in Congress provide some measure of aid to our agriculture community, agriculture can continue to produce enough food not only to feed this country, but most of the rest of the world as well. I might suggest to my colleagues that that is not such a bad tradeoff.

I urge my colleagues to support the fruit frost forecast and advisory pro-

gram by passing H.R. 4169.

• Mr. ALEXANDER. Mr. Chairman, the bill before us today provides funding for a wide array of programs vital to our Nation's interest. The decisions the committee has had to make have been more than usually difficult this year because of the growing need for austerity in Federal spending.

Throughout my service in the Congress, I have urged that we as a nation take a closer and more thorough examination of our national spending policies. I helped lead the efforts that resulted in the passage of the Congressional Budget Control and Impoundment Act in 1974 which has helped us progress toward the capability for comprehensively considering the Federal budget as a whole before we begin processing its separate parts. This act has been a landmark in congressional and executive branch approaches to the Federal budget.

Also throughout my service in the

Congress, I have urged that we as a people be ever vigilant in our efforts to insure that wherever possible Federal spending be directed at strengthening our private sector economy and its ability to generate job opportuni-

ties for our people.

Both these views are central to my belief that no program funded under this bill now before us is more important than those of the Economic Development Administration. EDA's investments are intended to and have successfully helped strengthen our private sector economy and produced private sector jobs. The holders of these jobs not only repay the EDA investment through their taxes, their economic independence from Federal welfare programs helps reduce pressure for Federal spending in this area

I have believed in the value of EDA's programs since the time nearly 15 years ago when I was privileged to help organize one of Arkansas' substate economic planning and develop-

ment districts.

I believe in EDA because it gives grassroot Americans the opportunity to make the decisions that are a vital force in shaping the destinies of their hometowns and regions. No one knows better the dreams, hopes, aspirations, abilities, and determination of local communities than those men and women who live and work in them every day.

I believe in EDA because it is a proven example of how an effective partnership for development can be forged between Americans and their government at local, State, and nation-

al levels.

I believe in EDA because we have documentation of the power its seed money approach has had in leveraging local and State government and private sector investments which create or maintain private sector jobs in local communities and in bringing about a revitalization that history teaches us was not possible before the establishment of EDA.

It is, therefore, with deep regret that I have watched the administration's determined and continuing efforts to dismantle EDA and its eco-

nomically effective and efficient programs. Programs that, through the taxes paid by holders of jobs EDA's investments create or maintain, more than pay for themselves, which is a rare thing in Federal programs.

It has been gratifying this year, in the fight to keep EDA in operation, albeit at a lower level in the recognition of the need for increased control of Federal spending, to see that Congress also believes in EDA. Congress has carefully examined the administration's proposal to abolish EDA in the coming year and rejected it. Even with the clear expression of intent from the Congress, the administration is continuing to pursue its decision to end EDA.

One of the first and hardest blows the administration has directed at EDA has been to remove the agency's close liaison with the local communities by abolishing, or attempting to abolish the State-based economic development representative system. This is being done in direct contravention of congressional intent as expressed in the committee reports on the fiscal year 1981 supplemental appropriations and rescission law, Public Law 97-12. The administration is attempting to change national policy adopted by the Congress despite numerous existing Federal court decisions that the President does not have this power under the Constitution.

This is particularly true when we recognize that the agency that is the target of the administration's efforts had been and is focused on achieving a major goal which the administration has repeatedly put forward. That of strengthening the ability of the private sector to provide jobs to all ablebodied persons.

We know that the \$5 billion EDA invested in America since the programs began, 16 years ago, have generated or maintained 1.4 million jobs in the private sector and leveraged \$9 billion in private sector investment. Equally important, the evidence shows that the total EDA investment is more than repaid annually by the \$6.5 billion in local, State, and Federal taxes paid by holders of those jobs.

Administration opponents of EDA have said that there is no evidence that the jobs would not have been created or saved without EDA. Those of us whose lives are bound up in the fate of the rural communities, small towns and midsized cities of the countryside hold in living memory the frustrating lessons of fruitless efforts to develop. expand, or, indeed, even maintain the economic base of our home regions in the days before EDA. Our younger generations had few options except leaving home for bigger cities when looking for a job.

In States like my own, Arkansas, the emptying-out process began in the

1940's and went on unabated until the late 1960's. Even the 1970 census showed slight reversal of the population trend in Arkansas. Our rural communities, small towns, and midsized cities were still in trouble. Per capita income was far below the national average. Unemployment rates in most countryside regions were higher than the national average. Agricultural jobs were disappearing with farm mechanization. Jobs in business and industry were not developing because local communities did not have the infrastructure facilities needed, nor the economic base necessary to finance them through the private capital markets.

Then EDA's seed money investments began making themselves felt. Our per capita income is still lower than the national average, but we are gaining. Our unemployment problems are still severe, but we have been making progress. EDA investments totaling \$127 million in Arkansas have generated or maintained 67,000 jobs, with an annual payroll of \$500 million and annual tax payments of \$107 million.

I am not contending that there are not changes that could be made to improve EDA program operations. Nor am I saying that we should not give the President's enterprise zone program a trial. But, the proven success of EDA makes its programs well worth retaining even if, in recognition of the need for cutting Federal spending, we have to reduce these investments.

EDA programs are productive. They produce and maintain private sector jobs. They produce private sector investment. They produce tax revenues for the Federal Treasury that more than pay back EDA's investment every 2 years.

We don't know what the enterprise zone program will produce. We do know that in testimony before the Committees on Appropriations in the House and Senate and administration's witnesses have said they now recognize that the proposal as currently designed does not address all the problems that need addressing, particularly in the absence of an EDA. We do know that the administration's witnesses have said they are struggling to fashion compromises in the enterprise zone concept to eliminate its current weaknesses.

And, most certain are the harsh lessons of the past 50 years of our Nation's history which have demonstrated to us the reluctance of the private sector to invest in rural communities, small towns, and mid-sized cities of the countryside in the absence of programs like those administered by EDA.

We need to continue EDA. Even with the enterprise zone concept in place, I believe we would need EDA for rural communities, small towns and mid-sized cities of the countryside—

the places where the majority of our Nation's people live.

 Mr. BROWN of California. Mr. Chairman, I rise in opposition to the The Sensenbrenner amendment. United States is a country which prides itself on securing equal justice under law for all citizens, and which prizes respect for the law above all other civic virtues. If this body denies poor people access to our legal system, by failing to appropriate funds for the Legal Services Corporation, then we have failed to secure equal justice under law.

The poor, as well as other Americans, must respect the legal system and perceive that it is fair. Essential to that perception is that everyone, including the poor, enjoy effective access to it. And the key to access to the legal system is a lawyer; without such access few rights are granted and none are secure. As the Supreme Court has stated: "The right to be heard would be, in many cases, of little avail if it did not comprehend the right to be heard by counsel."

Providing the poor with a lawyer, through the Legal Services Corporation, does nothing more than provide them with the right to be heard; it does not guarantee the right to win. Can we, in good conscience, deny them this simple right to be heard? Deny them access to the legal system? Deny them equal justice under law?

Many of my colleagues contend that while equal justice is certainly a laudable goal, a balanced Federal budget should take precedence. No one can deny that the goal of a balanced budget should be a high priority, but we cannot, and should not, sacrifice everything to it. The comparatively tiny \$241 million budget for the Legal Services Corporation is dwarfed by the \$12 billion in tax deductions for corporations alone in 1978. This represents just as real a cost to taxpayers as do expenditures of money from the Treasury. If we do not continue to fund LSC, we will not only be denying the poor legal counsel, but we will be continuing to subsidize the legal counsel of the rich. This imbalance of justice must not be tolerated.

We cannot ration equal justice. To do so would invite chaos and anarchy. It would undermine the intent of every law and principle enacted by Congress during its nearly 200 years of existence. As Judge Learned Hand stated:

If we are to keep our democracy, there must be one commandment: Thou shalt not ration justice.

In 1974, Congress took a giant step toward eliminating the rationing system of justice. Shall we, in a moment of budget cutting fury, take a giant leap backward? No. We shall not.

One proposed alternative to Federal funding of this vital service is to incorporate the LSC into a block grant, let-

ting each State determine the ultimate outcome of its poor citizens. But this would undermine the very intent of LSC to provide legal services for all Americans, no matter where they reside. The principle of equal justice is too great, too fundamental to be left to the States' discretion. The Pledge of Allegiance ends with justice for all—no matter where one lives within the United States.

The history of State and local government involvement is dismal. Virtually no interest in providing legal services was demonstrated before the Federal funding effort started in 1965, and very little has been forthcoming since that time to supplement the Federal program. Currently, State and local governments contribute only a little more than \$5 million to legal services programs, a sum equivalent to 1.65 percent of the LSC budget. Finally, an approach of this type would surely cause more politicization than we will ever have under the present Federal arrangement.

Instead of placing the financial burden back on the States, we should be proud that the Legal Services Corporation is one of the Federal Government's best examples of effective and efficient administration. Of the 1.5 million legal matters handled by Legal Services attorneys, only 15 percent actually resulted in litigation. In my own district, the Inland Counties Legal Services has brought this figure down to a mere 10 percent. In 1981, it is expected that only 1.8 percent of the LSC budget will be used for central management and administration. Nearly all the rest will go directly to field programs to provide legal services, with the remainder being spent on program support, field monitoring, and the like.

The elimination of the Legal Services Corporation would not serve to reduce waste in Government, to get the Government off the backs of the people, or to return local programs to the States. Nor would the elimination of LSC in any way help balance the budget or reduce inflation.

I urge my colleagues to vote in favor of the Legal Services Corporation, and against this amendment, and to maintain our pledge of justice for all. If equal justice is to be more than an idea, there must be a means to assure it. The LSC is an integral mechanism for achieving this fundamental concept. Without it the poor of this country will have no remedy to achieve the rights entitled to every American citizen—and rights without remedies are no rights at all.

• Mr. AuCOIN. Mr. Chairman, after listening to this debate over the Legal Services Corporation, I would like to share with you three convincing reasons why LSC programs are truly es-

sential to needy people in my district, and elsewhere.

Early last year, 13 indigent nursing home patients, all over 70 years of age, were issued eviction notices from one of the largest nursing homes in the district. One patient, a woman of 100, died shortly after the notices were issued. Legal Aid was asked by numerous family members to provide legal assistance to the patients. Legal Aid did not file a lawsuit. But it entered into negotiations with the nursing home owners, and learned that the home had promised many of these patients that they could remain indefinitely. The situation was resolved, in these negotiations and all of the patients were allowed to remain.

Meanwhile, in another part of my district, a private reforestation contractor, under contract to the U.S. Government, hired 24 low-income tree planters, transported them to remote forest area, housed them in squalid conditions, and when their work was done, abandoned them in the wilderness without transportation, food, or water. With Legal Aid's help, these men received just wages. Another example: Concerned with the widespread problem of domestic violence, a Legal Aid office in my district sponsored a community forum to discuss the problem. Police departments, district attorneys, social work agencies and private attorneys were invited. As a result of this community discussion, the practices and procedures of the law enforcement agencies and courts were changed to better protect victims of domestic violence.

What these examples tell me is that we need Legal Aid; 75 percent of all funding for legal services in my district comes from the Legal Services Corporation. In one rural office alone, last year, approximately 750 persons were accepted as clients, over 500 more received informal advice and assistance, another 500 were able to receive telephone information on housing problems, and another 240 were assisted by another agency under Legal Aid supervision. During this time, less than one-tenth of 1 percent of the office clientele was involved in any form of class action litigation.

In closing, I would like to pass on to my colleagues in the House an urgent telephone call I received today from the Attorney General of the State of Oregon, Dave Frohnmeyer. Frohnmeyer is an active Republican and former counsel in HEW under Robert Finch. He reminded me today of his strong support for legal services. I am also informed that Oregon's Republican Governor Vic Atiyeh, a strong supporter of the Reagan administration, has personally written to President Reagan to express his opinion that continued funding for legal services is essential to the well being of the truly needy in our State.

• Mrs. CHISHOLM. Mr. Chairman, I rise in opposition to the Mottl amendment. Although, as I understand it, the amendment was drafted to address a longstanding housing discrimination case in Parma, Ohio, I am convinced that its language would severely weaken the Justice Department's ability to enforce the Fair Housing Act anywhere in the Nation.

By preventing the use of Federal funds by the Justice Department to seek the use of federally assisted housing to overcome patterns of racially segregated housing, the amendment would give local governments free rein to continue discriminatory zoning and housing practices.

The Parma situation is certainly not unique. Other localities have been found guilty of geographic racial discrimination; and other localities, voluntarily or under duress, have made use of public housing and other Federal housing programs to allow minority families to live in areas that formerly had only white residents.

Frankly, Mr. Chairman, I am puzzled by this amendment, since its sponsors have also been outspoken critics of school busing which courts have ordered as a result of persistent patterns of housing discrimination. Effective enforcement of the Fair Housing Act—which is threatened by this amendment—helps to eliminate the residential segregation that leads to those busing orders; so I believe that busing opponents, as well as strong fair housing supporters, will want to vote against the Mottl amendment.

• Mr. MAZZOLI. Mr. Chairman, I rise in support of H.R. 4169, the State, Justice, Commerce, Judiciary appropriations for fiscal year 1982. The Appropriations Committee has done an excellent job developing spending levels for the programs that fall under the jurisdiction of this bill.

I want to draw particular attention to the appropriation for the Immigration and Naturalization Service, and to commend the chairman of the subcommittee, the gentleman from Iowa (Mr. SMITH) and his colleagues for their decision to increase the appropriation by approximately \$25 million over the request made by the administration.

This increase is the same as that recommended by my Subcommittee on Immigration, Refugees, and International Law, approved by the full Judiciary Committee, and strongly supported by the full House when it passed H.R. 3462, the fiscal year 1982 Department of Justice authorization bill

We must all be extremely vigilant in our efforts against wasteful Government spending, but any attempts at this point in time to reduce funding for the INS would be penny wise and pound foolish. Both in its role of enforcing the provisions of the Immigra-

tion and Nationality Act and providing service to the public, the INS needs more resources.

The \$387 million appropriated for the INS in this bill will provide funding for 973 positions that the administration had proposed to eliminate. This funding will mean 160 additional Border Patrol positions, and vehicles and new equipment to help them in their important task of patrolling our borders. There is also money for 200 inspectors positions, the people who work at our land, sea, and ports of entry to determine who is and who is not legally admissible to the United States.

The additional funding will provide for 403 additional investigators to assist in apprehending illegal aliens who are in the country. There will also be 200 more adjudicators than proposed by the administration, which will mean more efficient processing of requests for benefits that people are entitled to under our immigration laws.

Finally, the bill before us provides \$1 million for continued development of a meaningful arrival/departure system, which, when in place, will allow the INS to know whether nonimmigrants who come to our country have overstayed the conditions of their admission.

In July the President announced his immigration policy formulated after months of study by a Cabinet-level task force. Among his proposals was a commitment for strengthening enforcement measures of immigration laws. One aspect of this enhanced enforcement program included an increase of \$40 million for INS in fiscal year 1982, an amount of \$15 million above the authorized and appropriated levels of our legislation.

I am pleased that my subcommittee, the full Judiciary Committee, Chairman SMITH's subcommittee, and the full Appropriations Committee anticipated the need for stronger enforcement by increasing the recommended authorization and appropriation levels for the INS.

Again, I want to commend the chairman of the subcommittee and the full Appropriations Committee, as well as other members of their committee for supporting this increase for INS.

• Mr. SAWYER. Mr. Chairman, the appropriation bill, H.R. 4169, currently before the House, provides \$241 million for the Legal Services Corporation and incorporates by reference the terms of H.R. 3480, the LSC authorization bill passed by this body by a vote of 245 to 137. Some question has arisen regarding the compatibility of H.R. 4169 appropriations for LSC and the terms of the reconciliation budget. As my distinguished colleague from Wisconsin, ROBERT KASTENMEIER, so eloquently explained in the RECORD on

July 31, 1981, the reconciliation budget and the proposed appropriations for LSC are consistent.

On June 11, 1981, the House Committee on Appropriations filed its budget allocation totals under section 302(b) of the Budget Act (H. Rept. 97-139). The Appropriations Subcommittee on Commerce, Justice, State, Judiciary assumed \$241 million of its totals for fiscal year 1982 would be for LSC. The budget cannot, therefore, be interpreted as zero-funding the Corporation because funds for the program are included in the totals. Ultimately, however, the conferees of the reconciliation plan, H.R. 3982, decided to extend LSC through the normal route of authorization and appropriation. H.R. 4169 is the LSC appropriations bill that will complete this process in the House.

As the Members prepare to vote on the appropriations for Federal legal services, I would like to share with them the following letter, which brought home to me the mission of LSC and our society's continuing need for this program:

> CHRISTOPHER L. CAMPBELL, Lansing, Mich., June 24, 1981.

Representative Harold Sawyer, Cannon House Office Building, Washington, D.C.

Dear Representative Sawyer: I understand that you were very influential in the recent debates and votes on the reauthorization of the Legal Services Corporation. As a staff lawyer at Legal Aid of Central Michigan, I want to express my appreciation for your activities in support of LSC at what were apparently crucial junctures in the House votes on LSC amendments and the final vote.

My vote for the concept of legal assistance to the poor is cast in the form of six years' employment in work which is often tedious, constantly repetitive, hardly prestigious in the eyes of my peers and colleagues, but crucial to a nation of laws. The real reward comes when a client recognizes, perhaps for the first time ever, that he or she not only has a chance to win in court, but has actually won. A recent client was so prepared to lose in a landlord-tenant dispute, that she did not understand that she had won until I explained the result in the corridor. The ruling was not complex or inconclusive, it was simply (to her) completely unexpected and almost incomprehensible. Too many of my clients have learned the unfortunate lesson that the courts offer no relief for them. It is vitally important that we demonstrate that the courts, our official mechanism for the peaceful resolution of disputes, are available to all citizens.

The work of the LSC cannot be performed by the private bar. The private bar cannot afford at present to offer affordable services to the large number of people who are ineligible for our services but unable to afford lawyers for any but the most pressing mat-

I would hope that you will continue to support the Legal Services Corporation in the Congress and elsewhere. To the extent that your votes suggested some concern about the functions and operations of the LSC and its local grantees, I hope that you will seek further information from LSC in Washington, or from the excellent legal aid

program in your district. Once again, thank you for your important support.

Sincerely,

ies. Vermont Legal Aid expects to serve 9,000 Vermonters during fiscal

CHRIS CAMPBELL.

The access to the legal system provided by LSC allows the poor and elderly to resolve their basic legal disputes fairly and peacefully. I firmly believe that the ability to participate in the court system is essential to acquiring equal justice and to maintaining a healthy society. To this end, I encourage the passage of LSC appropriations provided in H.R. 4169, which are consistent with the reconciliation activities of the House.

• Mr. JEFFORDS. Mr. Chairman, I rise in opposition to the amendment to H.R. 4169 offered by the gentleman from Wisconsin. Adoption of this amendment would leave the Legal Services Corporation bereft of funds, and thus unable to continue with its extremely important and worthwhile function. Equal access to justice is one of the principal underpinnings of our democracy, and we must not compromise our commitment to this noble standard.

The legal services program was first conceived during the Johnson administration, and emerged under the umbrella of the semiprivate LSC in 1974, at which time it had strong bipartisan support and the endorsement of then-President Nixon. The LSC is governed by an 11 member board appointed by the Senate.

Last year, 1.5 million cases were handled by the 323 separate legal aid programs around the country. Legal-aid lawyers have spent the great majority of their time handling routine civil cases, such as divorce work, utility cutoffs, housing, welfare, and medicaid complaints. They work on will drafting and breach of warranty and entitlement benefit cases.

In 1980 alone, more than half a million elderly persons who otherwise would have been denied access to justice were provided with legal assistance through the Federal program. They were represented on a broad spectrum of vital issues, including housing, food assistance, social security, medicare, medicaid, age discrimination in employment, nursing-home regulation, taxes, fuel assistance, and retirement benefits. As a member of the Select Committee on Aging, I have seen how difficult it is for our elderly to cope with these serious problems. some of which are most acute in the Northeast and Midwest, where the winters can be harsh.

Vermont Legal Aid, of which I am one of the original incorporators, has been able to provide low-income Vermonters with invaluable assistance over the years. It operates 6 offices and employs 34 lawyers, including those who work on special projects for the elderly and contracts with the State, 12 paralegals, and 19 secretar-

ies. Vermont Legal Aid expects to serve 9,000 Vermonters during fiscal 1981 in appeals on social security disability and SSI matters, defense of foreclosures of federally insured housing loans, special education and employment rights secured by Federal law, and other cases.

If the LSC does not receive appropriations, half a million elderly people will be denied access to justice. In addition, innumerable other people will be denied legal advice and legal action for their problems that arise from everyday living. They will not be able to get a will drafted, a divorce, a fair deal in their housing and utility use, or a prosecution for a breach of warranty. In short, these people will be denied their basic rights as citizens of the United States. No longer can we say that our Nation has justice for all.

I urge a vote for the defeat of this amendment.

Thank you very much, Mr. Chairman.

• Mr. FRENZEL. Mr. Chairman, H.R. 4169, the Commerce, Justice, State, and Judiciary appropriations bill is described in the House Budget Committee early warning report for the week of July 27, as over the total budget target when mandatory items are fully funded.

Although the bill as a whole is currently equal to the 302(b) target in budget authority, and \$18 million below in outlays, when amounts assumed in the budget resolution, but not yet considered, are added, and mandatory items are fully funded, the bill will be over its target by \$129 million in budget authority and \$101 million in outlays.

In addition, while the bill is below the President's requests for discretionary items by \$5 million in budget authority and \$251 million in outlays now, I believe it will be over the President's requests once the mandatory items are fully funded. Because it has been and continues to be my belief that the spending restraints of the budget resolution must be upheld, I do not see how I can support this bill.

After making an initial courageous step toward fiscal sobriety, the Congress has taken two steps backward with several of the recently passed appropriations bills. The Interior and the Energy appropriations were afflicted with the same flaws. They also gave a surface appearance of conformity to budget authority, while containing hidden obligations for supplemental appropriations for funding the mandatory budget entitlements next spring.

I do not assume that the overspending has been intentional. I know that reasonable people differ on their interpretations of budget ceilings. And this Commerce and Justice bill is less out of line with budget authority than

some of the others. Nevertheless, I feel that, because the probability of overspending does exist, this bill should not be passed, and therefore I shall not vote in support of this bill. • Mr. DERWINSKI. Mr. Chairman, I rise in support of H.R. 4169, State-Justice-Commerce-Judiciary appropria-tions for fiscal year 1982. As a member of the Committee on Foreign Affairs, I am especially interested in the appropriations for those agencies that fall within the purview of that committee-the Department of State, the International Communication Agency (ICA) and the Board for International Broadcasting (BIB), the last named which contains the funding for Radio Free Europe and Radio Liberty.

I support this bill because it provides for funding these very necessary activities of the executive branch but I would prefer to be voting for the full amounts as recommended by the Com-

mittee on Foreign Affairs.

ICA is this Government's principal public diplomacy resource. It operates in real dollar terms with less than half the funding the same programs had in the mid-1960's. It is not adequately staffed or funded.

Radio Free Europe and Radio Liberty provide the only unsensored news to the truth-starved peoples behind the Iron Curtain. Their role has been well described by a former director of the RFE Polish Language Service in these terms:

Without the Western radios in recent years, Soviet dissidents would have been deprived of one of their main communication lines with the broad masses of people. The solidarity of Polish workers was made possible by Western radio, acting as a communications link between strikers in various parts of the country. Without Radio Free Europe, the authorities would have been able to isolate and suppress local strikes before the news spread to the rest of the country. Western radios remain the prime source of information about Polish developments for other countries of the Soviet bloc. They also provide the means of comparison with life outside the bloc necessary to generate dissatisfaction and pressure for

This is not a time to change this Government's programs to disseminate the truth to the world. Through ICA's programs, particularly the Voice of America, and RFE, and RL.

I support these appropriations but they are not enough. In fact, to cut the funding for ICA and BIB is penny

wise and pound-foolish.

• Mr. WALGREN. Mr. Chairman, I want to commend the gentleman from Iowa (Mr. SMITH), and his subcommittee for the excellent work they have done on this bill, and especially for their action with respect to the science and technical research programs of the Department of Commerce, for which \$125.5 million would be appropriated.

The main activity in this category is the National Bureau of Standards which conducts a wide-ranging series of research activities aimed at improving technical measurements and standards and, in more general terms, aims at advancing the Nation's technological base.

I would like to single out one or two specific activities within this program which have been of special interest to the authorizing committee, the Committee on Science and Technology and its Subcommittee on Science, Research and Technology, of which I am privileged to serve as chairman.

The automated manufacturing test facility at the National Bureau of Standards was initiated 2 years ago with the strong support of both the Bureau itself and our committee. The chairman of the Appropriations Subcommittee (Mr. SMITH) will recall that we worked with him and his subcommittee last year on the floor of the House to insure the funding for this project, which will make a most valuable contribution to the advancement of productivity and efficiency in many areas of manufacturing in American industry.

The bill would provide an increase for this project in the amount of \$1.5 million. The administration has asked for an increase of \$3 million which would have permitted the project to reach its full operating potential. So while I commend the committee for granting part of the increase for the automated manufacturing test facility, I regret that it was not found possible

to fund the full increase.

Another item in the category of "Science and Technical Research" is the upgrading of the Bureau of Standard's central computer facility. The need for this has long been evident. My committee is well satisfied that the Bureau is doing a careful and indepth job of analyzing its needs in the data processing area and will make good use of the \$8.7 million in the bill for this purpose. I note that a smaller amount is included in the bill for the equally important computer replacement at the National Technical Information Service.

One particular aspect of the bill is. in my view, regrettable. As the gentlemen from Iowa will recall, last year this bill provided a breakdown by line items of the eight or nine main categories covered by the "Science and Technical Research" heading. This breakdown by line item served to clarify substantially the intended funding levels for all the main activities in this category. It also permitted the discussion and subsequent amendment which the Appropriations Committee was able to agree to with respect to the relative priorities of these programs. Unfortunately the control provided by this breakdown is not included in this year's legislation.

These line items followed the line items of the authorization bill, and

while the Department of Commerce has informally requested certain minor adjustments in this line item structure, I believe that they serve both the House and the Department well in making clear the purposes and distribution of these small but significant research and development programs. I believe we should consider the inclusion of this kind of breakdown in the bill in future years.

My subcommittee recently held 3 days of hearings on the Stevenson-Wydler Technology Innovation Act of 1980. It was clear from hearings that the Department of Commerce is not implementing the act fully. In fact no funds at all were requested by the new administration for implementing several key provisions of the act at the Department of Commerce. In particular, the Centers for Industrial Technology, the Center for the Utilization of Federal Technology, and the Office of Industrial Technology all had a budget request of zero. Members of the Committee on Science and Technology believe it is important to fund these programs because of their potential for improving the national economy, and we have been trying to convince the Appropriations Committee to fund these programs. Unfortunately, this would have required an addition of funds to the bill we are debating, and the Appropriations Committee was not able to add on funds. I urge the committee to reconsider the merits of the programs I have mentioned at the earliest legislative opportunity.

I urge the House to support this bill. As always the gentleman from Iowa has done a thorough and workmanlike job in sorting out the many programs covered in the bill and we owe him, his committee, and staff our thanks for a job well done.

 Mr. COUGHLIN. Mr. Chairman, I rise in support of H.R. 4169 which appropriates funds for the Departments of Commerce, Justice, State, the Judiciary, and related agencies for fiscal year 1982.

I want to take this opportunity to commend the distinguished chairman of the State, Justice, Commerce Appropriations Subcommittee, Mr. SMITH of Iowa, and the distinguished ranking minority member, Mr. O'BRIEN, for their excellent work in developing this bill. In particular I want to congratulate them and the subcommittee for restoring funds to the Justice Department's Drug Enforcement Administration which had been cut back in the the budget request. Of the \$3,255,000 that has been restored in this bill to various DEA programs, \$2,519,000 is for the State and local task force programs. These funds will retain 94 existing positions in the program and prevent the dismantling of 7 of the 20 task forces now in operation.

As a member of the House Select Committee on Narcotics Abuse and Control, I was alarmed at the dramatice upsurge in drug traffic, drug abuse, and drug-related crime reported during committee hearings this summer by law enforcement officials from areas of our country most seriously affected by drug problems. Uniformly these officials were quick to praise the DEA State and local task forces for their important role in combating illegal drug activities.

In Philadelphia, which has become a major target for heroin smuggled from Southwest Asia and is now the Nation's Capital for production of illegal methamphetamines (speed) the DEA State and local task force has made possible a broad, coordinated attack on these problems. By operating across local jurisdictional boundaries in the tristate, multicounty area and by sharing manpower, equipment, information, and financial resources, the Philadelphia task force has been effective in conducting coordinated investigations which have led to major drug prosecutions.

Although local law enforcement is an important element in the war against illegal drug trafficking, it is clear that local officials, acting alone, cannot be expected to combat what is essentially a problem of national and international dimensions. I strongly support the restoration of the DEA State and local task force funds included in H.R. 4169 and urge that this

legislation be passed.

Mr. FIELDS. Mr. Chairman, I rise in support of the amendment of the gentleman from Wisconsin (Mr. Sensenberenner), striking the \$241 million appropriated for the Legal Services Corporation.

Since the creation of the Legal Services Corporation as an indepenent agency in 1974, the stories of abuse and transgression have multiplied. While I am all in favor of providing civil legal assistance to the poor, I am adamantly opposed to the social engineering and political activism being espoused by the Legal Services Corporation. The continued existence of a Federal-level legal service program will only exacerbate this abuse and I feel it is now time for Congress to return the administration of such a program to the States.

The judicial idealogues who, subsidized by taxpayers dollars, are using the Legal Services Corporation as a means to greater political status, should be stopped. Under the guise of protecting the poor, these lawyers have capitalized on this opportunity to use this agency as a forum in which to bring about social and political change. The active participation of legal services' grantees in class action suits against State reapportionment plans, school busing cases, and affirmative action, raises serious questions of

legal propriety. By seeking judicial solution of social and political policy, Legal Services Corporation is usurping the very power of this institution.

Mr. Chairman, I venture to say this abuse runs counter to the intent of congressional mandate. In order for the poor and indigent to receive proper legal counsel, we must terminate the Legal Services Corporation and let the States and local government decide on what legal aid programs are needed. I urge the adoption of this amendment as an important step in restoring the original intent of a legal services program.

Thank yor Mr. Chairman.

Mr. SMITH of Iowa. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. O'BRIEN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that the bill be considered as read through line 8, page 5.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. Are there any points of order against this section of the bill?

Are there any amendments to this portion of the bill? If not, the Clerk will read.

The Clerk read as follows:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES (INCLUDING TRANSFER OF FUNDS)

For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration, including maintenance, operation, and hire of aircraft; 399 commissioned officers on the active list; construction of facilities, including initial equipment; alteration, modernization, and relocation of facilities; and acquisition of land for facilities; \$781,413,000, to remain available until expended, of which so much as may become available during the current fiscal year shall be derived from the Pribilof Islands Fund, and, in addition, \$11,700,000 shall be transferred to this appropriation from the fund entitled "Promote and develop fishery products and research pertaining to American fisheries".

AMENDMENT OFFERED BY MR. BREAUX

Mr. BREAUX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Breaux: Page 5, line 21, strike out "\$11,700,000" and insert in lieu thereof "\$6,700,000".

Page 5, line 23, insert the following immediately before the period: "Provided, That of the funds appropriated in this paragraph, \$4,010,400 shall be available, for fisheries grants to States, not more than \$27,564,600 shall be available for the Marine Resources Monitoring Assessment Program, not more than \$5,220,000 shall be available for Fisheries Habitat Investigations and not more

than \$2,276,000 shall be available for Environmental Impact Analysis; Provided further, That none of the funds appropriated in this paragraph shall be used for Coastal Zone Management Fisheries Advice or Market News Reports".

Mr. BREAUX. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BREAUX. Mr. Chairman, I take this time to offer this amendment because I think it is critically important.

The first point that I would make is that my amendment does not increase the total budget and total appropriations, nor does it decrease the total appropriations in this category.

What we are offering here today is a suggestion coming from me as chairman of the Subcommittee on Fish and Wildlife that we feel while we are constrained to follow the budgetary constraints of this very tight fiscal budget, that the money could best be spent in the critical areas that we are suggesting.

What I am saying is that we are recommending an increase in two programs totaling \$6,008,400.

□ 1400

To offset that, and to end up with the same bottom line figure, we are recommending a decrease of the same amount in five other programs that we feel are not critical nor are they essential.

Now, I think the decision that we have to make in 1981 in this fiscal year that we are approaching is not whether a program is nice and we would like to have it, but whether it is a good program and whether we can afford the program. The answer, I think, is that there are some areas where we need to cut.

We have cut \$6 million basically out of five programs.

Let me kind of quickly run through what we are recommending reductions in. We are recommending a reduction in the Market News Report. Do you know what the Market News Report is? It is basically a newsletter. It is basically a newsletter that NMFS sends out. It informs constituents of what is happening in the fishing business. It is nice to have, but I would rather see the money spent somewhere else.

We are recommending elimination of the Coastal Zone Fisheries Advice Service. Do you know what that does? NMFS tells the State fishing agency in a State, a State agency, about fish conditions in their area. That State fishing agency is then supposed to give some advice to the State coastal zone management office, which is supposed to make fishery decisions. Well, they should do that without the Federal Government having to advise some agency in the State, who in turn will then advise another agency within the State. They can do without that. It might be nice to have, but I think the money could be spent better elsewhere.

We are recommending a reduction in the MRMAP program, which is the marine resources monitoring and assessment program, which basically counts fish; but a lot of their fish counting is done within State waters. It is also duplicating efforts that the States are making in these areas. Again, it would be nice to have that program, but the money can simply be better spent in other areas.

Another program that we are recommending a reduction in is the fisheries habitat investigtion. Do you know what that program does? It is basically a monitoring program, an assessment program. It does not produce any more fish. It does not have any enhancement values. It basically monitors and counts fish and presents a status report. Nice to have, and I agree with that, no problem with that; but I think in 1981 it is a program that we can reduce. I think it is one that we have to reduce.

Where do we want to add the money to? We want to add it to some programs that are key, essential programs.

The first program we want to add to is the Saltonstall-Kennedy program. That is one of the basic fish programs in the United States for the fishing industry. Industry comes in and makes proposals on how we can increase commercial fishing in this country and the money is used to fund some of those programs. Even with the additional \$5 million, we would bring the program only up to a level of funding from last year, but it is absolutely essential.

The second area we are asking for an increase is the commercial fisheries research and development program. Even with the increase I am asking for today, we are still talking about it being cut 20-percent less than they had last year; but I say to the members of the Appropriations Committee, our subcommittee lives with this on a day-to-day basis. I am not saying that the Subcommittee on Appropriations does not give it the same intelligent and competent review, but we deal with these constituents every day. As chairman of the subcommittee and with the ranking minority member, the gentleman from New Jersey (Mr. FORSYTHE), we work with these constituent groups on a day-to-day basis. They have indicated to us that they do not like to be cut anywhere, but if they are going to be cut, that they would appreciate having these additional two key programs funded at a level that we are suggesting. They are willing to have these other programs cut to make up the increase that we are suggesting.

So I am saying to the members of the Appropriations Committee that we are not trying to mess up the budget. We are not trying to mess up the appropriations process. We are just trying to offer as a suggestion that we think these moneys can best be spent in another area.

Now, I know most members of the Appropriations Committee will say, "Well, we don't want any amendments. We don't want to mess with it here."

But if we do not mess with it here, I am afraid that it is going to get lost in the shuffle. It will not get the attention that it needs. I think we would be in a much stronger position to accept this amendment and let us go to conference and if we can work it out in conference with the Senate.

Mr. FORSYTHE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this amendment that my colleague and chairman of the sub-committee, the gentleman from Louisiana (Mr. Breaux) has just introduced I think is a very good amendment.

Mr. Chairman, I rise in strong support of the gentleman's amendment. The amendment accomplishes three things: It increases funding for the Saltonstall-Kennedy Act, the primary fisheries development program in the National Marine Fisheries Service, adds money for the Commercial Fisheries Research and Development Act, a principal source of funds for state commercial fisheries research programs, and makes an equal amount of offsetting cuts in other programs.

The Saltonstall-Kennedy Act is a prime example of a program which should be maintained at an adequate funding level. Pursuant to this act, the Secretary of Commerce receives 30 percent of the revenues derived from the taxes on certain imported fishery items. These revenues are used to assist the development of the U.S. fishing industry. H.R. 4169 provides \$15 million for this program. The fiscal year 1981 funding level was \$20 million and I believe that this level of appropriations must be maintained in fiscal year 1982.

It is essential that this program be maintained at the \$20 million level because it is the principal program for the development of the U.S. fishing industry-and let there be no mistake about it, full development of this industry is in the best interest of the United States. Full development of the U.S. fishing industry would, by 1990, increase this Nation's gross national product by \$1 billion, increase our exports by \$1 billion, and add 43,000 new jobs to the economy. Equally important, full development of the industry would reduce the U.S. fisheries trade deficit of \$2.7 billion annually by 50 percent by 1990. This is an extremely important point because the current U.S. fisheries trade deficit is approximately 10 percent of the net U.S. deficit. Improving our fisheries trade deficit would reduce one of the factors which fuels our current inflationary spiral.

The purpose of the Saltonstall-Kennedy program is to provide seed money to assist the industry in developing new markets, in researching and testing new harvesting and processing technologies, and in developing and test marketing new product forms. The question which must be addressed, however, is whether these activities should be performed by the industry without Federal assistance. The answer is that the U.S. fishing industry in general lacks the financial and research capability to undertake the developmental activities which are necessary to insure that our country receives the full benefits of an expanded fishing industry. The average processing plant, for example, employs only 21 people and, according to the General Accounting Office, 42 percent of the processing plants have gross annual sales under \$100,000. In fact. only 17 percent of U.S. fish processing plants have gross annual sales of more than \$1 million. The U.S. fish processing industry is largely composed of small businessmen who have a limited ability to generate research and expansion capital. Similarly, the average fisherman owns a single vessel and lacks the capital necessary to undertake major research and market development programs. A recent report by the General Accounting Office which analyzed the ability of the U.S. fishing industry to generate research and expansion capital concluded that-

Lending institutions often perceive the development of non-traditional fisheries as a high risk endeavor. As a result, financing can be difficult to obtain.* * Nearly all lenders we interviewed thought those intervested in non-traditional fisheries development would have trouble getting funds.

The substantial research and capital investment required to develop our industry will not come from the many businessmen who together comprise the U.S. fishing industry. It is for this reason that these independent entrepreneurs have looked to the Federal Government for matching which provide the seed capital for the full development of the U.S. fishing industry-development which means additional jobs, a reduction in our balance of payments deficit, and an increase in our gross national productand I point out again that these funds are not derived from taxes levied on the U.S. taxpayer, but from duties collected under the customs laws.

The next area in which the gentleman's amendment changes H.R. 4169 is to increase the funding for the Commercial Fisheries Research and Development Act from \$2.9 million to \$4,010,400. This act provides matching grants to the States which are used to conduct research on, and to manage, fisheries. Forty-six percent of these funds are used directly for research related to the implementation of the Federal Fishery Conservation and Management Act. A substantial percentage of the remaining funds are used indirectly for this purpose. If these moneys were eliminated, it would be impossible for the Federal Government to implement the FCMA. In fact, many State fishery programs would be severely crippled. This act provides an average of 37 percent of the total marine fisheries budget of each State and an average of 48 percent of the marine fisheries staffs of the States.

The Commercial Fisheries Research and Development Act has a proud history of accomplishment, and continuation of this program will provide substantial benefits to the Nation. The programs established by this act have provided research laboratories and fish culture facilities that have had lasting benefits in enhancing commercial fisheries. The act has enabled the States and the Federal Government to secure needed information to better manage important traditional commercial fisheries, and it has provided funds to permit increased utilization of underdeveloped resources.

Mr. Chairman, both the Saltonstall-Kennedy program and the Commercial Fisheries Research and Development Act are vital to the management and conservation of our fisheries resources and to the development of our U.S. fishing industry. Substantial economic benefits will flow from adequate conservation of our resources and from the full development of our industry. We are not asking for a subsidy, we are asking for matching funds to provide seed money for our severely undercapitalized fishing industry.

Mr. Chairman, I would like to note for the Members of this House that the amendment offered by the gentleman does not simply propose an increase in funding. Our amendment provides for an equal amount of offsetting reductions in the budget of the National Marine Fisheries Service. These reductions, which affect the marine resources monitoring and assessment program, fisheries habitat investigations, and the Market News Report, were the official recommendations of our subcommittee to the Budget Committee. The decreases reduce funding for programs which duplicate existing State programs and streamline certain other programs. Mr. Chairman, we are not asking to simply increase the appropriations level. Rather, we are asking to reorder the priorities in the bill to more accurately reflect the needs of the fishing industry and the priorities established by the authorizing committee. I give in the United States and in the world this amendment my strongest endorsement and urge its immediate adoption.

Mr. SMITH of Iowa. Mr. Chairman, move to strike the last word.

I am opposed to the amendment.

With regard to the Saltonstall-Kennedy program, the administration asked for \$10 million. We gave them \$15 million because the authorizing committee made an argument in favor of it; so we bent over backward to be at their level. What they are asking to do is make it at about last year's level.

I point out that many, many good programs in this budget are not going to get last year's level of appropriations, no matter how good those pro-

With regard to commercial fisheries R. & D., we put in \$2.9 million. The Breaux amendment would make it \$4 million. The administration wanted zero for that program and they have not changed their request, as far as I

Now, we just bent over backward to comply with all the requests that we possibly could from the authorizing committee; but after all, there is a slight variation here. The authorizing committee, of course, is very friendly to the commercial fishing trade. That is understandable. They are important, but on the other hand, ordinary sportsmen are not in the commercial fishing business and would like to have some information, too. This information they are talking about denying by this amendment not only is available to the commercial fisheries, it is the kind of information we are told that is used by sportscasters and others from time to time and in sports magazines, so that noncommercial fishermen have this information and know where the schools of fish are.

So what the amendment would do is to take every last drop and give it to the commercial fishermen. Here we have this good information but we would not make is available to anybody other than commercial fishermen.

The other thing is that this amendment would cut marine resources monitoring and assessment program by \$5 million. Well, it is said that the States can count fish; but you know something, the fish do not know where the State line is. I do not know how you are going to educate them to know where the State line is.

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Louisiana.

Mr. BREAUX. With regard to the distinguished chairman about the Market News Survey, of which the subcommittee is authorizing \$640,000, that is not information that is helpful to sports fishermen. The Market News Survey tells commercial fishermen the price at which the fish are selling for and where those markets are.

Right now the Government is giving that to the commercial fishing industries free of charge. We are merely suggesting if it is that valuable, the commercial fishing industry is more than willing to pay for it.

Mr. SMITH of Iowa. It also tells where the schools of fish are.

Mr. BREAUX. It does not. It merely quotes prices in commercial transactions, where the markets are, where they are being bought and where they are being sold, strictly information good for commercial fishermen.

Mr. SMITH of Iowa. As you know, in the Florida market there are small fishermen not considered commercial fishermen. They have small catches. They go to wholesale markets and sell their fish. They get information, too.

I think we bent over backward to go along with the authorizing committee. We did 98 percent of what they requested.

I would hope the gentleman would withdraw the amendment.

Mr. O'BRIEN. Mr. Chairman, I rise in reluctant opposition to the amendment, not necessarily on its merits.

I would like first to suggest that it seems to me appropriate that we have some comments from the administrator of the agency with respect to these changes, even though they seem not to be necessarily out of line.

I would like to point out to my friend, the sponsor of this amendment, that he is not alone in the situation confronting him here. I have an amendment of my own, which I am holding back until the conference.

I believe in the integrity of our bill. but I do not necessarily question the integrity of the gentleman's amendment. I would be very willing to be a voice in favor of it in that conference, but I would like to see us get through the House with the bill in its present shape and suggest that the amend-ment be added in the Senate when this bill is taken to the other body.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. BREAUX).

The amendment was rejected.

The CHAIRMAN. The Clerk will

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that the bill be considered as read through page 13.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was not objection.

The CHAIRMAN. Are there any points of order to that portion of the

The Clerk will read.

The Clerk read as follows:

SECURITIES AND EXCHANGE COMMISSION SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed \$60,000, for official reception and representation expenses, \$81,706,000: Provided, That no part of this appropriation shall be available for moving any of the offices of the Securities and Exchange Commission in the District of Columbia from their present locations.

AMENDMENT OFFERED BY MR. FARY

Mr. FARY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Fary: Page 14, line 6, strike out the colon and all that follows through and including line 9 and insert in lieu therof a period.

Mr. FARY. Mr. Chairman, the amendment I offer relates to the long-standing need for consolidation of the Securities and Exchange Commission headquarters into one building in the Washington, D.C., area. At the outset, I would like to point out that my amendment simply deletes a prohibition contained in the bill on the use of appropriated funds during fiscal year 1982 by the Securities and Exchange Commission for moving from their present locations in Washington, D.C.

While technically the language seek to delete in the bill, which is found on page 14, line 6 through 9, reads as follows: "No part of this appropriation shall be available for moving any of the offices of the Securities and Exchange Commission in the District of Columbia from their present locations," could be defined as a limitation on the use of funds in an appropriations bill, I feel the language in fact negates the action of the authorizing committee; namely, the House Committee on Public Works and Transportation, charged with the jurisdiction concerning the housing of Federal agencies, which heretofore has thoroughly examined the housing needs of the SEC and approved the consolidation in Washington, D.C., pursuant to existing law on August 16,

For the benefit of all Members, I would like to point out that the management and procurement of office space for Federal Government activities are governed by the Federal Property and Administrative Services Act of 1949, as amended, and the Public Buildings Act of 1959, as amended. The primary purpose for enactment of those laws was to centralize in a single Government agency responsibility for the housekeeping functions of the executive branch—procurement, management of real property, records management, and other functions. The rationale behind establishing the General Services Administration in 1949 as the central service agency for the Government is still valid.

History has shown economies are realized in vesting one agency with responsibility for housekeeping functions, such as building acquisition and the leasing of office space. For example, recently the General Accounting Office, in response to a request from our committee, completed a report concerning a lease the Federal Communications Commission proposed to enter into utilizing what they perceived to be independent leasing authority granted the Commission by language in an appropriations bill. The GAO concluded that, due to the lack of expertise by the FCC in the field of leasing, the lease the FCC proposed to enter into over a 20-year period would have cost the Government approximately double the cost for space which GSA would normally acquire in the FCC's behalf. Our committee immediately held hearings on the matter, which resulted in the FCC not signing the extremely unfavorable lease in the Government's behalf.

Traditionally, Congress has been concerned about the cost of providing lease space to house Government agencies and, as such, has placed limitations on GSA's leasing authority. The Public Buildings Act of 1959, as amended, requires that a GSA request for space be approved by the congressional Committees on Public Works for any lease in excess of \$500,000 annually prior to the appropriations of funds to secure such space.

With respect to the need for consolidation of the SEC, the acquisition of suitable space for a new headquarters has thus far required over 11 years of effort on the part of the Congress, the SEC, and GSA. After in-depth hearings, the House Committee on Public Works and Transportation approved the acquisition by lease of 320,000 occupiable square feet at an annual rental of up to \$20 per square foot to house a consolidation of operations for the Securities and Exchange Commission in Washington, D.C. The approved prospectus resulted in a solicitation by GSA which has resulted, finally, in the lease award in mid-August for a building called Judiciary Square, located at Fifth and D Streets NW. The cost of the space is extremely favorable to the Government, precisely \$18.40 per square foot, or \$5.7 million annually.

Currently, the SEC activities in the Washington, D.C., area are scattered between four locations. The Commission will pay \$2.7 million in rent for its four office buildings during fiscal year 1981. The language in the bill which I seek to delete would mandate that the Commission remain in these locations supposedly at the same rental rates. However, to support such a dormant housing situation for the SEC will actually cost the American taxpayers an additional \$2.5 million over the \$5.7 million annual cost associated with consolidation.

The savings I speak of have been previously identified in various reports; however, most recently brought to light by a House Appropriations investigative staff report, as well as information submitted to the committee from the General Services Administration.

Specifically, the Appropriations Committee report states:

Along with many Federal agencies, SEC has a justifiable need for space which provides a safe, accessible place to work. The investigating staff believes that a consolidation of SEC headquarters office locations into one suitable location could cut SEC operating costs and increase the agency's productivity.

Further the report states that studies commissioned by SEC indicate that a consolidation of headquarters facilities would result in direct annual savings of \$400,000 and reduce SEC's indirect operating costs of over \$3.5 million annually by cutting turnover and increasing the staff's productivity. According to the studies, splintering SEC's headquarters operations among several locations in Washington, D.C., duplicates facilities and equipment, increases overtime and guard services. lowers employee morale, and increases the turnover of the professional and technical staff.

Further, lease costs for the SEC in their current space will increase from \$2.7 million annually to \$3.8 million annually. As such, fiscal year 1982 direct costs—\$3.8 million—and indirect costs—\$3.9 million—associated with housing and SEC in a status quo situation totals \$7.7 million, while costs for fiscal year 1982 associated with consolidation of SEC headquarters totals \$5.7 million.

To state it quite simply, to require the SEC to remain in a status quo housing situation will cost the taxpayers an additional \$2.4 million annually.

Mr. Chairman, unfortunately when the language was inserted in the appropriations bill concerning the SEC, such facts regarding lease costs were not available for review. Thus, I am pleased to bring these new facts to the attention of the Congress.

I feel it is important to comment on language in the Appropriations Committee report accompanying this bill which questions the need for SEC to be located in the Washington, D.C. area due to the excessive costs for lease space. In this regard, the House Appropriations investigating staff found the delineated area for which space was surveyed to house SEC activities by GSA contained office space which is generally less costly than some areas in Washington, D.C.

Further, the area delineated within the District of Columbia currently under consideration for consolidation of SEC activities was developed in direct response to Executive Order 12072, the Intergovernmental Cooperation Act of 1968, current HUD policies regarding housing and transportation, and with the concurrence of the National Capital Planning Commission and city officials, as well as the Securities and Exchange Commission, which testified to its need for collocation within the District.

To conclude, Mr. Chairman, the consolidation of the SEC in Washington, D.C., has the strong support of the House Committee on Energy and Commerce and the Office of Management and Budget under this and the previadministration. Again, studies have indicated that a consolidation of the SEC headquarters facilities in Washington would result in savings of \$2.4 million annually.

Executive data are available which demonstrates that authorizing, indeed encouraging, the Commission to consolidate its headquarters will be both cost effective and promote the best interest of this sphere of our Government and the public whom it serves. I do not wish to belabor the case to be made for the SEC, as I believe it is overwhelmingly favorable on its face. There is a recognized need for this move, a suitable building has been obtained by GSA on very favorable terms, and the public will benefit greatly.

I urge my colleagues to support this amendment and thus resolve a problem which has been growing for many

□ 1415

I yield back the balance of my time. Mr. SMITH of Iowa. I move to strike the requisite number of words.

I vigorously oppose this amendment. I want to point out that with regard to the SEC, there has been no question or no difference of opinion on the fact that they need a better building or, let us say, a building where they can get all of their operation together. We are all in agreement on that.

When they started seeking space, we asked them how much space they needed and what they were going to pay for it. These are proper appropria-

tions matters.

We found that they had limited, in making their request for a new building, the area in which GSA could look for a space to within a few blocks. This is similar to having a sole-source bid. GSA did not go along with that. They expanded the area in which they looked for space. But we are not even questioning the area now. That is not a good practice at all, because that is what escalates prices.

We have prices for space escalating like you would not believe in the downtown Washington, D.C., area at the present time. We do not think that they ought to be limiting areas in which they can lease space or acquire

a building.

In addition to that, we became even more conscious that there might be something wrong here when it seemed that some of the SEC staff members and perhaps some on the Hill were anxious to have this lease approved before GSA had even secured the lease and not had any opportunity to review it. Well, this is a highly inappropriate way to operate. We want to see this lease. We want to know how much it is going to cost, how many square feet they are going to have per employee, and these kinds of things that are usually appropriations matters.

I do not think there is going to be any problem with this lease. At the time we wrote the bill, and as a matter of fact, until recently, the lease had not even been signed and GSA had not had time to approve it. I understand that they have now signed a lease, but we have not gotten the details on it, and I just say that this is the kind of thing that should not go on. It is no wonder we have scandals in the GSA when people want to approve leases before the appropriate committees have even had an opportunity to look at the lease, and to look to see how many square feet they are going to have per employee.

Now, this is not going to be a 1-year lease. Although the SEC has told us they are not going to be in the space within the next year, and thus the provision would not limit them, the fact is it will be a long-term lease. If we, in advance, approve this lease, we will feel obligated to approve the same amount of money that they ask every year for the next 10 or 15 years.

This is the way to have a scandal. If you want to participate in the kinds of scandals we have had in GSA, just participate in this bypass of the usual process in the House, where we have the Appropriations Committee look at these things before we approve the amount that is required for a lease.

I am opposed to the amendment. The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FARY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FARY. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will

Mr. SMITH of Iowa. Mr. Chairman, ask unanimous consent that the bill be considered as read through line 13, page 17.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. Are there any points of order against the section referred to?

The Clerk will read.

The Clerk read as follows: LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for; and not to exceed \$20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate; \$125,896,000, including rent of private or Government-owned space in the District of Columbia.

AMENDMENT OFFERED BY MR. MOTTL

Mr. MOTTL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Mottl: Page 17, line 22, strike out the period and insert in lieu thereof the following: ": Provided, That none of the funds appropriated by this title may be used to require, request, or recommend, in connection with any cause of action that is or may be brought for a violation of the Fair Housing Act of 1968, that a State or a unit of local government make available, or permit to be made available, housing with respect to which Federal financial assistance is provided under the United States Housing Act of 1937, section 235 or 236 of the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, section 202 of the Housing Act of 1959, or title V of the Housing Act of 1949."

Mr. MOTTL. Mr. Chairman, I am offering this amendment on behalf of myself and my cosponsor of the amendment, the gentleman from Ohio (Mr. ASHBROOK).

Mr. Chairman, this amendment is intended to achieve one simple purpose. It is intended to prevent the Justice Department from forcing subsidized housing on unwilling communities under the pretext of enforcing the Fair Housing Act.

What we have seen in my own city of Parma, Ohio, is a one-two punch against local government by the Justice Department and the Federal judi-

The Justice Department filed suit against Parma in 1973, alleging racial discrimination in local housing practices. A Federal district judge found the city guilty in 1980.

But what has followed since is mind boggling in its implications for local control of zoning and housing. The district judge has sought to appoint a special master to virtually take dictatorial control of housing policy in Parma. And most outrageous of all, the judge has actually ordered Parma to have government-subsidized hous-ing built, to the tune of 133 units per vear.

The so-called remedy for the alleged misdeeds of a few city officials is ridiculous, unreasonable, and arbitrary.

It is one thing to enjoin or punish public officials because of discrimination, and strictly enforce that remedy.

It is totally different to use alleged racial discrimination by officials as a basis for destroying the housing policies supported by local citizens to assure that a community is attractive, high in service, low in density, and stable in property values. These are the normal concerns of any homeowner. These concerns apparently mean nothing to Justice Department lawyers and power-crazed judges.

Parma is a proud, middle-class city full of people who have worked and saved all their lives to be able to live in a nice neighborhood in a safe, decent, and well-maintained city. All they ask of their neighbors is that, whatever their color, they carry their fair burdens of Parma citizenship. Simply forcing subsidized, low-income housing projects into a city runs counter to everything we are taught in America about working and struggling to get abead, and about the role of local people in deciding what kind of community they wish to have.

This amendment would stop this kind of Washington meddling. It would bar the Justice Department from requiring or recommending that a local government be forced to authorize federally subsidized housing in connection with a Fair Housing Act lawsuit.

I believe the mood of the country is strongly opposed to a Federal big brother in Washington and in the Federal courts looking over the shoulders of States and cities as they carry out their traditional functions. This amendment helps to draw the line and take a stand against ever-growing Federal interference in local affairs.

There are Members of this fine body who at one time opposed banning court-ordered busing, but who later changed their minds when busing came to their districts. This could very well be the same type of issue. Parma is the first community in America to fall victim to this intervention of the Justice Department on local housing jurisdiction. If you do not support this amendment, your constituents could be next to fall prey to the Justice Department.

The crucial issue is whether a city through its designated elected mayor and city council and its people will determine the local housing and zoning patterns, or will the social scientists in Washington and the Federal judiciary usurp this function. If you believe in local control of zoning and housing, you will enthusiastically support this amendment.

Mr. ASHBROOK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of this amendment which I offered along with my distinguished colleague from Ohio, Congressman Mottl. If we are to fulfill our obligation to the American people to get the Federal Government off of their backs, it is imperative that we adopt this amendment. A vote in favor of the

Mottl amendment is a vote to allow our municipalities to make their own decisions with regard to subsidized housing.

Congressman Mottl cites perhaps one of the most blatant examples of Justice Department meddling in the housing area. He cites the chaos caused by Federal interference in his own hometown of Parma. I am very familiar with the Parma case as that city lies not far from my own congressional district. The Parma case should be studied by all of my colleagues who are concerned about the erosion of local control of the decisionmaking process. It is a frightening example.

In the Parma case, we are not just talking about bureaucratic overreach. We are talking about an obvious case of bureaucratic/judicial tyranny. In 1973, the U.S. Department of Justice filed a suit against the city of Parma, charging that the city was practicing racial discrimination in its housing policy, citing Parma's refusal to build subsidized housing. In 1980, U.S. District Judge Frank J. Battisti found the city guilty and ordered it to build new, subsidized housing at the rate of 133 units per year.

Those of my colleagues who are familiar with some of the troubles experienced by the Greater Cleveland area will recognize the name of Judge Battisti. He is the same Federal judge who has taken over the Cleveland schools only 2 weeks ago jailing the president and treasurer of the elected school board for refusing to dip into the already bare coffers of the school fund to pay for salaries for his appointed desegregation officials. As in the case of the school system, this tyrannical Federal jurist has appoint, sought to or should I say annoint, a special master empowered by the court to control the creation of public housing in the city of Parma.

President Reagan and a great many other elected Federal officials have pledged to get the Government in Washington off of the backs of the States and municipalities. We have created block grants for that reason. We have eliminated Federal programs and regulations for that reason. The Mottl amendment is consistent with this pledge. By adopting this amendment, we will be prohibiting the Justice Department from using the courts to force an unwilling community to build subsidized housing against its will.

The Parma case is not an isolated example. Each of us has been told of the problems associated with forced subsidized housing in our communities. In fact, I will discuss one such instance of Justice Department interference during consideration of another amendment I intend to offer later in this debate.

Mr. Chairman, I know that detractors of this amendment will intimate

that opposition to forced subsidized housing is racially inspired. We often hear that same, tired argument when we debate the issue forced busing. The argument holds no water. It is not a racial issue. It is an issue of local control. We are not suggesting that the Fair Housing Act be gutted to deprive the poor of affordable housing. We are simply trying to return the decisionmaking authority to the cities where it belongs. Defeat of the Mottl amendment will be a signal to the social engineers in the Justice Department and the liberal activist judges on the Federal bench that they may proceed to continue their takeover of the local decisionmaking process.

I realize that there are many Federal officials who believe in the concept of local control and I know that there are many Federal judges who would not even consider using the dictatorial tactics of our Judge Battisti but I can assure my colleagues that if we defeat this amendment, the Judge Battistis in our Federal courts will take our vote to mean that they can continue to usurp the authority of the elected officials of our communities. And the lawyer/activists in our Government will do the same.

Mr. Chairman, I would guess that our liberal friends in government and in the media will scream bloody murder at this amendment. That, I would expect. But I would like to ask them this: Why is this appropriation bill so controversial? Why do my colleagues find it so necessary to offer amendments? The Collins amendment which would prohibit the Justice Department from shoving forced racial busing down the throats of our communities. The Sensenbrenner amendment which would eliminate funding for the social activists in the Legal Services Corporation. The amendment which I intend to offer later which would prohibit the Justice Department from seeking to overturn local elections.

Obviously, there is a probem here. It all comes down to this question: Do we want the taxpayers and their elected local officials to make the decisions or do we want the Federal Government and the Federal judges to make those decisions? From this Member's perspective, the anwer is simple.

We have experimented with social activism in the Federal Government and it has been a miserable failure. Our Nation has survived for more than 200 years, most of them without the help of Justice Department lawsuits. By allowing unelected Federal officials to trample over local government entities, we are making a serious error. It is time to correct that error.

I urge adoption of the amendment.
Mr. SMITH of Iowa. Mr. Chairman,
I move to strike the last word, and I
am opposed to the amendment.

I do not know a lot about this case. I understand there is this case in Ohio in the district court. I believe it is the district court that has rendered this decision. The case is currently in the appeals process. I do know that ordinarily we do not interfere with the judicial process. On that basis I would be opposed to the gentlemen's amendment regardless of what the specific ruling of the district court was. I ask that the amendment be defeated.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requi-

site number of words.

Mr. Chairman, I would like to add a little light to this amendment and

urge that it be defeated.

It is really a very bad amendment. With all due respect to the gentleman from Ohio (Mr. MOTTL) I think he is trying to resolve a local problem with a very important amendment that goes a long way to do away with the

1968 Fair Housing Act.

Both the gentleman from Ohio (Mr. MOTTL), and my good friend, the gentleman from Ohio (Mr. ASHBROOK), are strong opponents of busing. They do not like busing, and they have constitutional amendments that they have introduced, and so forth. But they forget apparently that busing is result of segregated housing. which causes segregated schools. The best way to get rid of segregated housing and, therefore, segregated schools, is to have integrated neighborhoods. It is something that we all want in America, where Americans of all colors and religions can live comfortably and at peace with each other in integrated neighborhoods.

Now, this amendment, if it is apwill encourage segregated proved. housing. A local housing authority or city can discriminate against minorities with absolute impunity, because the Federal Government, through its enforcing agent, the Attorney General, would be prohibited from enforcing

the law.

There is Federal money to assist low-income people in providing housing. All Americans are entitled to have somewhere decent to live. But the minority poor could be discriminated against in this federally assisted housing and the Attorney General of the United States could do nothing about it by this amendment.

I think it is a very bad amendment, Mr. Chairman, and I urge that it be

defeated.

Mr. MOTTL. Mr. Chairman, will the

gentleman yield?
Mr. EDWARDS of California. I yield to my friend, the gentleman from

Mr. MOTTL. I certainly appreciate the gentleman yielding.

Let me set the record straight.

□ 1430

The issue here this afternoon that we are debating is, who controls local

housing and zoning? Is it the dulyelected officials in the community, in the city or village, or is it the social scientists in Washington or the Federal judiciary?

We have proper remedies for those who violate the Fair Housing Act. We can either fine those people or put them in jail. I deplore discrimination just like my colleague from California, but this remedy of forcing a community to have low-cost subsidized housing when it does not take HUD funds in the first place or it does not choose to have low-cost subsidized housing is repugnant to all local government advocates throughout the United States.

For these reasons I submit that we should support my amendment here this afternoon to reaffirm our belief in local control over housing and zoning.

Mr. O'BRIEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the

amendment.

Mr. Chairman, I can understand how this amendment deals with the problem faced by the two gentlemen, our friends from Ohio. Candidly, I do not really know what else it does. I believe an amendment of this weighty import really ought to have a hearing before the committee. It might well be that we would all support this, but at this stage of the game, as I read it, I think the implications are really unknown to me, and I would hesitate to support it on that basis.

The CHAIRMAN. The question is on the amendment offered by the gentle-

man from Ohio (Mr. MOTTL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote, and pending that. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Evidently a quorum is not

present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The committee will resume its busi-

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio (Mr. ASHBROOK) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were-ayes 188, noes 202, not voting 43, as follows:

[Roll No. 191]

AYES-188

Neal Nelligan Albosta Ginn Gramm Annunzio Nichols Anthony Gregg Oxley Grisham Applegate Hagedorn Hall, Ralph Parris Pashayan Ashbrook Badham Hall, Sam Patman Hammerschmidt Paul Bafalis Bailey (MO) Hansen (ID) Quillen Barnard Hansen (UT) Rahall Ritter Roberts (KS) Hartnett Beard Bennett Hatcher Roberts (SD) Hefner Bliley Hendon Robinson Hightower Roemer Bowen Hiler Breaux Rogers Holland Brinkley Broomfield Roth Holt Hopkins Brown (CO) Brown (OH) Hubbard Rudd Huckaby Broyhill Russo Burgener Butler Hunter Sawver Hutto Schulze Hyde Sensenbrenner Byron Campbell Ireland Carman Chappell Jeffries Shelby Jenkins Shumway Kindness Shuster Siljander Kramer Clausen Lagomarsino Skeen Skelton Clinger Latta Coats Leath LeBoutillier Smith (AL) Smith (NE) Coleman Collins (TX) Smith (OR) Smith (PA) Corcoran Lee Levitas Coughlin Craig Craig Crane, Daniel Daniel, Dan Loeffler Solomon Long (LA) Spence Stangeland Lowery (CA) Lujan Daniel, R. W. Staton Dannemeyer Stenholm Stratton Daub Luken Davis Lungren Derwinski Marriott Stump McCollum Dickinson Tauzin Dingell McDade McDonald Taylor Thomas Dornan Dougherty McEwen Vander Jagt McGrath Volkmer Dowdy Dreier Mica Miller (OH) Walker Wampler Duncan Mitchell (NY) Weber (MN) Dyson Edwards (OK) White Moakley Mollohan Whitehurst Emerson Whitley Whittaker Ertel Montgomery Evans (DE) Moore Moorhead Morrison Evans (GA) Whitten Williams (OH) Fary Fiedler Mott1 Winn Murphy Wolf **Foglietta** Fuqua Murtha Wortley Gaydos Myers Yatron Young (FL) Gingrich Natcher

NOES-202

Brown (CA) Addabbo Akaka Alexander Cheney Chisholm Anderson Clay Aspin Coelho Atkinson Collins (IL) AuCoin Bailey (PA) Conable Conte Barnes Bedell Convers Benjamin Courter Bereuter Bethune Biaggi Crockett D'Amours Bingham Danielson Daschle Blanchard Boggs Boland de la Garza Boner Deckard Bonior Dellums DeNardis Bonker

Brodhead

Donnelly Burton, John Dorgan Downey Dunn Dwyer Dymally Early Edgar Edwards (AL) Edwards (CA) Coyne, James Coyne, William English Erlenborn Evans (IA) Fascell Fazio Fenwick Ferraro Findley Fish Foley Ford (MI) Dixon Forsythe

Martin (IL) Fountain Roe Rosenthal Rostenkowski Martin (NC) Fowler Frank Matsui Frenzel Mattox Roukema Mayroules Roybal Frost. Sabo Scheuer Mazzoli Garcia McClory Geidenson McCloskey Schneider Gibbons Schroeder Gilman McCurdy McHugh Schumer Glickman Gonzalez McKinney Seiberling Michel Shamansky Gore Gradison Mikulski Shannon Miller (CA) Sharp Gray Green Mineta Simon Minish Smith (IA) Guarini Gunderson Hall (OH) Mitchell (MD) Smith (NJ) Snowe Moffett Hamilton Molinari Solarz St Germain Nelson Harkin Hawkins O'Brien Stark Oakar Stokes Heckler Oberstar Studds Hertel Swift Hollenbeck Obey Ottinger Synar Tauke Horton Howard Panetta Patterson Traxler Hoyer Trible Hughes Pease Jacobs Udall Pepper Jones (OK) Vento Perkins Walgren Kastenmeier Petri Washington Kazen Peyser Pickle Watkins Weber (OH) Kemp Kildee Porter Kogovsek Price Pritchard Williams (MT) Lantos Pursell Leach Railsback Lehman Wolpe Wyden Rangel Leland Wylie Yates Livingston Ratchford Long (MD) Regula Reuss Richmond Lowry (WA) Zahlocki Zeferetti Lundine Markey Rinaldo Marks Rodino

NOT VOTING-43

Andrews	Florio	Marlenee
Beilenson	Ford (TN)	Martin (NY)
Benedict	Goldwater	Nowak
Bolling	Goodling	Rhodes
Brooks	Hance	Santini
Burton, Phillip	Heftel	Savage
Carney	Hillis	Stanton
Crane, Philip	Jeffords	Waxman
Dicks	Johnston	Weaver
Eckart	Jones (NC)	Wilson
Erdahl	Jones (TN)	Wright
Evans (IN)	LaFalce	Young (AK)
Fields	Lent	Young (MO)
Fithian	Lott	
Flippo	Madigan	

□ 1445

Messrs. WIRTH, RICHMOND, PER-KINS, ALEXANDER, DERRICK, ZE-FERETTI, and COURTER, and Mrs. ROUKEMA changed their votes from 'aye" to "no."

WOLF, SAWYER. Messrs. LEWIS changed their votes from "no" to "ave."

So the amendment was rejected. The result of the vote was announced as above recorded.

□ 1500

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust, consumer protection and kindred laws, \$45,000,000.

Mr. PORTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to speak for a program that has successfuly ad-

dressed one of the festering social ills besetting our Nation—the interconnected plagues of drug addiction and drug related crime.

Treatment Alternatives to Street Crime-or TASC, Inc.-was originated and funded by the Law Enforcement Assistance Administration (LEAA) in previous years. It is a program that has provided alternatives to prosecution, to pretrial detention, or to posttrial incarceration. Operated through State and local governments, the program identifies and places into treatment the drug and alcohol abusing of-

TASC has had a significant favorable impact on the recidivism rate of those who have participated in the programs. This measure of reduced tendencies to continue criminal behavior is the single most valuable yardstick of a crime program's success with offenders. So here is one program that has performed as it was intended toone that has given the people their money's worth in a critical area of social responsibility.

LEAA Federal funding will be discontinued in the years ahead, but I have no doubt that TASC will be a program that many of the States will

choose to pick up.

In the meantime, I have joined with my colleagues on the Appropriations Committee in voting for a \$4 million appropriation to fund this program through the transition from being federally directed to State guaranteed. The intention of the committee is to continue the program through fiscal year 1982 and provide the States with the time to consider legislation which would fund the program completely from State resources in future years.

Mr. Chairman, the dramatic transition in many areas of policy from National to State responsibility will require some enlightened accommoda-

tions and some flexibility.

The States will prune the unsuccessful and inappropriate programs while good ones like TASC will flourish under State funding. My State of Illinois, expects to take over the funding of this program in fiscal year 1983. I urge my colleagues to join the Appropriations Committee in supporting the funding for TASC in this final year. Let us not allow this very widely beneficial program to become a casualty because it fell through the cracks between fiscal timetables.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentle-

man from Illinois. Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding. want to concur in the remarks of the gentleman from Illinois (Mr. PORTER) in support of this program and attest to its effectiveness. It certainly is a program that we should appropriately fund and it should be continued.

Mr. Chairman, the program known as, TASC, Inc.—treatment alternatives to street crimes-is one of the more successful programs originated by the LEAA.

Under the projected fiscal year 1982 budget, it is possible that funds will be provided to keep this program operating. In addition, it is expected that the State of Illinois will take over the actual funding for this program fiscal year 1983. However, during should this program become a casualty of budget cuts in the meantime, it is unlikely that Illinois would be able to provide the necessary funding to restructure this ongoing program.

As the LEAA is phased out and money already in the pipeline is returned, I hope that high priority consideration to providing funds to TASC. Inc., to insure that this program will not have to close its doors before the time when it begins receiving full funding from the State of Illinois.

Only transitional funds are volved-and not appropriations which would have to be renewed in any suc-

ceeding year.

This valuable program has contributed substantially to reducing drug related crimes by providing an alternative to incarceration for addicted offenders.

As noted on pages 38 and 39 of the committee report the funds to accomplish the continuation of TASC should be available under this bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

IMMIGRATION AND NATURALIZATION SERVICE SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary for the administration and en-forcement of the laws relating to immigration, naturalization, and alien registration. including not to exceed \$50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for policetype use (not to exceed five hundred ten, of which four hundred thirty shall be for replacement only) and hire of passenger motor vehicles; acquisition, lease. mainte-nance and operation of aircraft; and research related to immigration enforcement; \$387,136,000, of which not to exceed \$400,000 shall remain available for such research until expended: Provided, That none of the funds available to the Immigration and Naturalization Service shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of \$20,000, except in such instances when the Commissioner makes a determination that this restriction is impossible to implement

AMENDMENT OFFERED BY MR. FASCELL Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: Page 20, line 24, immediately before the period, insert the following; "Provided further, That none of the funds made available by this paragraph may be expended by the Immigration and Naturalization Service for the processing or detention of any entrant, applicant for political asylum or refugee status, or other alien, at the facility known as Krome North if more than 525 aliens are being detained there or at any detention center for aliens awaiting exclusion, deportation, or resettlement which is in Dade or Monroe County, Florida, and which is not being used as such on the date of enactment of this Act."

Mr. FASCELL. Mr. Chairman, this a simple amendment. It attempts to deal with the problem of overcrowding that we have in one of the detention centers down in south Florida. The actual population which it will withstand properly from a humanitarian, sanitary, and security standpoint is 525 people. Unfortunately we have had to put a lot more people than that in there.

Because of conditions, there have been continuing problems at the camp. But the INS is moving in the right direction. They are trying to get people in other places which are more habitable and secure. This amendment puts a cap on the number of people allowed in that camp so it will be a guideline for INS to keep striving to do what they are trying to do.

□ 1515

I would hope my colleagues would go along with this, and that the Committee would not have to oppose it.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I understand it, these entrants are detained, and it is a real problem.

To start with, they have to be detained long enough to go through a health examination and to find out a number of things about them. It is a very real problem. Nobody denies that. What to do about it, I do not know.

I understand that if they cannot be detained in Florida where they are entering the country illegally, INS would have to immediately put them on an airplane, or some other form of transportation, to transport them to another place before they had an opportunity to detain them.

I understand the INS is working on this. I do not know if this amendment is the answer or not. I still stand by what I originally said. I think this is a good bill the way it is, and I do not want to be in a position of accepting amendments, but I am certainly in sympathy with the problem they have there. I will abide by whatever a voice vote indicates on this.

Mr. O'BRIEN. Mr. Chairman, I move to strike the requisite number of words

I would like to address myself to the gentleman from Florida for a moment. I have two questions. First, is this generally an antiriot provision? Second, what is the significance of the last clause which begins "and which is not being used * * * "?

Would the gentleman explain? Mr. FASCELL. Yes, I would be

happy to

The problem is not just security. The problem is that the place is not fit for human habitation, notwithstanding the fact that efforts have been made to bring it up to standards. I am talking about living conditions, sanitary conditions. This is an old missile site on the edge of the Everglades. And it just never was right to start with. But they were stuck. They had to do something. So they just started pouring people in there. The place is designed, maybe now, for about 525 people, and they have had 1,500, or more people in the camp at one time. So that is one problem.

The other problem is, there are six more missile sites in south Florida and other Federal properties. And if we do not have some language like that last clause, there will be constant pressure to take the overflow and put people in some other Federal site. From a humanitarian standpoint, a sensible standpoint, people ought not to be in tents out in the middle of the Everglades. Some of the staff were just down there over this last weekend and saw the riots; and, of course, I have been there. But I want to tell the Members that, with all of the rain we have had, it is not a pleasant, hospitable, healthy, or safe campsite.

As I say, INS is making a good-faith effort to deal with this problem. This is not intended to get in their way.

Mr. O'BRIEN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FASCELL).

The amendment was agreed to.
The CHAIRMAN. The Clerk will read.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that the bill be considered as read through page 24.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. Are there any points of order on the bill up through page 24?

Are there any amendments to that portion of the bill?

The Clerk will read.

The Clerk read as follows:

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

Appropriations for "Salaries and expenses, general administration", "Salaries and Expenses, United States Attorneys and Marshals", "Salaries and Expenses, Federal Bureau of Investigation", "Salaries and Expenses, Immigration and Naturalization Service", and "Salaries and Expenses, Federal Prison System", shall be available for uniforms and allowances therefor as authorized by law (5 U.S.C. 5901–5902).

A total of not to exceed \$35,000 from funds appropriated to the Department of Justice shall be available for official recep-

tion and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

AMENDMENT OFFERED BY MR. WALKER
Mr. WALKER. Mr. Chairman, I
offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Walker: Page 25, after line 14, insert the following new paragraph:

No funds appropriated under this act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

Mr. WALKER. Mr. Chairman, the issue in this particular amendment is school prayer. It is an issue which this House had addressed on several other occasions and has always treated in a favorable way.

Previously, when we have addressed this issue, we have done so in the education appropriation, saying that the Education Department cannot interfere with a school district that wishes to implement a program of voluntary school prayer. This would extend that same language into the Justice Department.

Let me explain why I think it is appropriate that we do so. The Supreme Court made very clear at the time when they outlawed mandatory school prayer exercises that voluntary school prayer was perfectly appropriate. That option has existed since the early 1960's, when the edict came down from the Supreme Court.

Many schools did not implement voluntary school prayer because they felt that there was a problem in any kind of a program being implemented by the schools.

Now we have recognized, and there have been a number of efforts here in the Congress and across the country, the propriety of encouraging school districts to go to purely voluntary school prayer programs.

By putting language in the education appropriation bill, we in effect said that the Education Department could not interfere with that movement. However, many school districts who were looking at that option said, "Well, it is true that the Education Department cannnot interfere with us, but it still does have the, perhaps, cooling effect of the Justice Department getting involved at some point and suing us over some program that we establish of a purely voluntary nature." And so, therefore, if the language was extended to the Justice Department as well, it would pretty much clear the decks for schools to implement voluntary school prayer programs. That is precisely what the language does that I am offering here today. It is precisely the same language that this House approved on the education appropriation, and it would simply say that the Federal Government could not in any way interfere

with a school district that is implementing a program of voluntary prayer and meditation in the public schools

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentle-

man from Illinois.

Mr. O'BRIEN. Mr. Chairman, am I correct that this amendment would be anticipatory, in a way? It is not because the gentleman is concerned about an existing condition, but the gentleman is sort of cutting them off at the pass, before they get a chance

to do this. Is that correct?

Mr. WALKER. I would say to the gentleman from Illinois that he is precisely correct. I know of no suits that have been put together of this kind. but it is simply sending a signal to local school districts that if they decide to move in the direction of implementing a voluntary prayer program that they would not have interference from the Department of Jus-

Mr. SMITH of Iowa, Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am a little bit intrigued. I do not know of any program that the Justice Department has implemented or will be implemented that would prohibit voluntary prayer in the public schools. I would have to assume that there is a fear that the Reagan administration is going to develop a program and is going to implement it that will prohibit voluntary prayer, otherwise there would be no need for the amendment. And I guess that if there are enough people who are afraid that the Reagan administration is going to do this, maybe people will support this amendment. But that can be the only purpose, that they are afraid that the Reagan administration is going to have a program and implement a program to prohibit voluntary prayer.

If the Members are afraid that is going to happen, vote for the amend-

ment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I appreciate the gentleman's comments. I do not think that it refers to any particular administration or to any particular intent.

As the gentleman from Illinois stated, there is no action that is underway at the present time. But it does serve, as I stated before, as a chilling effect on some school districts that might wish to do this-not because of the administration's intent. This administration has made itself fairly clear that it favors school prayer. But it also has the problem of some U.S. attorneys that might be operating out of the scope of the intent of the ad-ministration. This would assure all of those school districts that they could

in fact go ahead with voluntary school prayer programs without having any kind of a problem.

Mr. SMITH of Iowa. Does the gentleman agree that, as far as he knows. the Justice Department does not now have any such program in mind?

Mr. WALKER. If the gentleman would yield, I would say that that is absolutely the case. I know of no such program, except that what we are doing is, we are seeing a movement toward school districts doing this, but they are afraid that there might be a program implemented if it became wide enough spread. So this is an attempt to anticipate that problem and deal with it in the appropriation

I thank the gentleman for yielding. The CHAIRMAN. The question is on the amendment offered by the gentle-

man from Pennsylvania (Mr. WALKER). The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were-ayes 333, noes 54, not voting 46, as follows:

[Roll No. 192]

AYES-333

Addabbo Coleman Foglietta Foley Akaka Collins (TX) Ford (MI) Albosta Conable Alexander Conte Forsythe Anderson Corcoran Fountain Coughlin Fowler Anthony Courter Coyne, James Frenzel Applegate Frost Archer Coyne, William Fuqua Aspin Craig Garcia Atkinson Crane, Daniel Gaydos AuCoin D'Amours Gephardt Badham Daniel, Dan Gibbons Bafalis Daniel, R. W. Gilman Bailey (MO) Dannemeyer Gingrich Bailey (PA) Daschle Ginn Barnard Daub Glickman Davis de la Garza Reard Gonzalez Gramm Deckard Benjamin Bennett DeNardis Grisham Bereuter Derrick Guarini Bethune Derwinski Gunderson Bevill Hagedorn Biaggi Dixon Hall (OH) Donnelly Hall, Ralph Hall, Sam Bliley Dorgan Dornan Hamilton Boland Dowdy Hammerschmidt Boner Downey Hansen (ID) Bonior Dreier Hansen (UT) Harkin Bonker Duncan Bouquard Dunn Hartnett Dwyer Hatcher Breaux Dyson Eckart Heckler Hefner Broomfield Edwards (AL) Edwards (OK) Hendon Brown (CO) Hertel Brown (OH) Emerson Hightower Broyhill Emery Hiler Burgener Butler English Holland Erlenborn Holt Byron Ertel Hopkins Campbell Evans (DE) Horton Carman Evans (GA) Howard Chappell Evans (IA) Hubbard Fary Ferraro Cheney Hughes Fiedler Findley Clausen Hutto

Fish

Hyde

Coats

Ireland Jacobs Jeffries Jenkins Jones (OK) Kazen Kemp Kilder Kindness Kogovsek Kramer LaFalce Lagomarsino Lantos Latta Leath LeBoutillier Levitas Lewis Livingston Loeffler Long (LA) Lowery (CA) Lujan Luken Lundine Lungren Madigan Markey Marks Marriott Martin (IL) Martin (NC) Mattox Mavroules Mazzoli McClory McCloskey McCollum McCurdy McDade McDonald McEwen McGrath McHugh McKinney Mica Michel Mikulski Miller (OH) Minish Mitchell (NY) Moakley Moffett Molinari Mollohan

Montgomery Moore Moorhead Mottl Murphy Murtha Myers Napier Natcher Neal Nelligan Nelson Nichols Nowak O'Brien Oakar Obey Ottinger Oxley Panetta Parris Pashayan Patman Patterson Paul Pepper Petri Pickle Price Pritchard Pursell Quillen Rahall Railsback Ratchford Regula Richmond Rinaldo Ritter Roberts (KS) Roberts (SD) Robinson Rodino Roe Roemer Rogers Rose Rostenkowski Roth Roukema Rousselot Rudd Sawver Scheuer Schneider

Schroeder Schulze Sensenbrenner Shamansky Sharp Shaw Shelby Shumway Shuster Siljander Skeen Skelton Smith (AL) Smith (IA) Smith (NE) Smith (NJ) Smith (OR) Smith (PA) Snyder Solarz Solomon Spence St Germain Stangeland Staton Stenholm Stratton Synar Tauke Tauzin Taylor Thomas Traxler Vander Jagt Volkmer Walgren Walker Wampler Watkins Weber (MN) Weber (OH) White Whitehurst Whitley Whittaker Whitten Williams (MT) Williams (OH) Winn Wirth Wolf Wolpe Wortley Wyden Wylie Yatron Young (FL) Zablocki Zeferetti

NOES-

Barnes Bingham Brodhead Brown (CA) Burton, John Chisholm Clay Collins (IL) Conyers Crockett Danielson Dellums Dingell Dymally Early Edgar Edwards (CA) Fascell

Fazio Fenwick Frank Gejdenson Gore Gradison Gray Green Hawkins Hoyer Kastenmeier Lehman Long (MD) Lowry (WA) Miller (CA) Mineta Mitchell (MD) Oberstar Vates

Porter Reuss Rosenthal Rovbal Schumer Seiberling Shannon Simon Stark Stokes Studds Swift Udall Vento Washington

NOT VOTING-

Flippo

Andrews Ashbrook Beilenson Benedict Bolling Brooks Burton, Phillip Carney Coelho Crane, Philip Dicks Dougherty Erdahl Evans (IN) Fields Fithian

Florio Ford (TN) Goldwater Goodling Hance Heftel Hillis Hollenbeck Jeffords Johnston Jones (NC) Jones (TN) Lent Marlenee

Martin (NY) Rangel Rhodes Santini Savage Stanton Stump Trible Waxman Weaver Wilson Wright Young (AK) Young (MO)

□ 1530

Messrs. GORE, VENTO, and OBER-STAR changed their votes from "aye" to "no."

Messrs. GARCIA, WOLPE, RAILS-BACK, LELAND, OTTINGER, FORD of Michigan, AUCOIN, WIRTH, FIND-LEY, and RODINO changed their votes from "no" to "aye."

So the amendment was agreed to. The result of the vote was announced as above recorded.

□ 1545

The CHAIRMAN. The Clerk will read.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that the bill be considered as read through line 6, page 26

The CHAIRMAN. Is there objection to the request of the gentleman from

Iowa?

There was no objection.

The CHAIRMAN. Are there any points of order in that section of the bill?

Are there any amendments in that section of the bill?

The Clerk will read.

The Clerk read as follows:

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, \$241,000,000: Provided, That none of the funds appropriated in this paragraph shall be expended for any purpose prohibited or limited by any of the provisions of H.R. 3480, as passed the House of Representatives.

AMENDMENT OFFERED BY MR. SENSENBRENNER

Mr. SENSENBRENNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Sensenbren-Ner: On page 26 strike out line 7 and all that follows through line 14.

Mr. SENSENBRENNER. Mr. Chairman, this amendment deletes funding for the Legal Services Corporation. I will not go through all the arguments pro and con on the activities of the Legal Services Corporation, since that would only serve to rehash the debate that this committee had several weeks ago during the consideration of the Legal Services Corporation reauthorization bill; however, due to a quirk of the calendar and some action by the committees other than the Appropriation Committee, this bill, in effect, will become the authorization and appropriations bill for the Legal Services Corporation for fiscal year 1982.

Earlier in the consideration of the reconciliation legislation, the House twice supported the Gramm-Latta amendment which contains no funding whatsoever for the Legal Services Corporation; however, the conference committee on the reconciliation bill just omitted all the language relating to the Legal Services Corporation and

due to the silence of the reconciliation bill, this means that the language that is contained in the bill that is now before the committee will provide the Legal Services Corporation with the \$241 million contained in the reauthorization legislation and also will include the restrictions that were passed by the House in the reauthorization legislation several weeks ago.

Frankly, that is a derogation of the legislative process. The Legal Services Corporation has been operating without authorization since the end of fiscal year 1980. The failure of the Congress to reauthorize the Legal Services Corporation has left a hole in that Corporation's activities and since the budget deficit appears to be growing and since expenditures appear to growing beyond that which was projected at the time of the initial budget submission by the President to the Congress, it appears to me that the Legal Services Corporation would be a good place to save almost a quarter of a billion dollars.

Let me conclude my remarks by reemphasizing the point that the bill that is before the committee does not go through the usual authorization process of a bill being passed by both Chambers, considered in conference, and then enacted into law. It merely adopts the provisions of the House bill verbatim as far as the operational charter of the Legal Services Corpora-

tion is concerned.

I believe that we ought to make this bill silent as far as the Legal Services Corporation goes, just like the reconciliation bill was.

Mr. SMITH of Iowa. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, I hope we can dispose of this amendment without hours of debate.

Let me tell you very simply what we did and what the issue is. The issue is whether or not there shall be a Legal Services Corporation funded for the coming year. Now, let me state very frankly, I am for a Legal Services Corporation. I thought it was one of the better programs that the Nixon administration proposed. They said, "Let's do away with these government agencies. Let's set up a private corporation and let it deliver the services."

I am a little surprised when we had 3 days of debate in the House on the extension of the authorizing legislation for the Legal Services Corporation, almost all the opposition came from the Republican side of the aisle. I had always heard Republicans love corporations. Well, here is a corporation. It was set up by the Nixon administration saying that if it is a corporation it can do no wrong. There ought to be a corporation and let it administer this program. That is what we have, and in my judgment it has been rather successful, so I am for it.

We spend \$500 million in Federal dollars every year to give criminals

access to justice, but now we cannot spend half that much to give law-abiding, many of them elderly citizens, access to the justice system. Many of these people are elderly people who are merely trying to get what they are entitled to under the social security law or some other law. They get one of these notices that is so legalistic, they do not understand it. They need a Legal Services Corporation attorney to interpret it for them and go to the agency involved.

Now, some Members will say, "Well, my office takes care of that." Let me tell you, there are not five Members of this House that represent elderly citizens seeking social security before the administrative agencies. What they usually do is refer it back to the Social Security Administration or the Legal Services Corporation. The Corporation finds that one of its most active referral systems is congressional offices. They get the job in the end. So this

Corporation is needed.

Well, now, it is said that we did not have any authorization for this for fiscal year 1982. That is true of 50 percent of the bill. The authorizations have not yet been passed; but what is not true of most of the other items in this bill is that this authorization has passed the House after 3 days of debate; so what we in the Appropriations Committee said was instead of substituting our judgment for what the House wants, even though the committee is opposed to some of the provisions that are in this Legal Services authorization bill as it passed the House, we incorporated the entire bill as it passed the House, lock, stock, and barrel, limitations and all. We said we are going to give you the same amount of money that the House decided after 3 days of debate and we are going to say not \$1 can be spent in anyway that would be prohibited under the House bill. Now, that ought to take care of the matter. After 3 days of debate we should not have to have 3 minutes of debate on this bill. So what I am saying to the Members of the House is I hope you will stand by the committee. Let us not have another 3 days of debate on the same subject matter that we have covered already this

Mr. Chairman, I yield to the chairman of the Judiciary Committee.

Mr. RODINO. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the \$241 million appropriation for the Legal Services Corporation contained in H.R. 4169. I oppose any amendments which would eliminate or reduce this funding.

Americans have indicated their widespread support for the Legal Services Corporation. In a New York Times poll, April 30, 1981, taken around the Nation, 83 percent of those polled favored increases in Legal Services Corporation funding or agreed that funding should remain the same. This appropriation bill, H.R. 4169, as did the House-approved authorization bill, represents a 25-percent reduction in funding for Legal Services Corporation. This Nation cannot afford any more reductions or the elimination of legal services to the poor.

It is cost effective to continue the Legal Services Corporation which has among the lowest administrative costs of any corporation or Government agency. Over 93 percent of its appropriation goes directly to local programs. The rest is used for training, monitoring, and support. Block grants to the States are not viable alternatives; they would create costly State bureaucracies and would siphon off money for local programs and clients. The block grant approach as a primary mechanism for legal services has already been rejected by this Congress. Nor can the private bar carry the burden alone.

As Americans committed to a democratic system of government and a system of justice for all, we all share the burden of insuring access to our legal system. As President Nixon noted in 1973 when he supported the creation of the Legal Services Corporation:

Legal assistance for the poor, when properly provided, is one of the most construcways to help them to help themselves (and) justice is served far better and differences are settled more rationally within the system than on the streets.

We are all budget conscious, and this appropriation of \$241 million is consistent with the budget process. The funds in H.R. 4169 fall within the budget allocation totals which were required to be met. This appropriation does not violate the Budget Act.

I have received correspondence from thousands of persons-including many distinguished judges and leaders in my own State of New Jersey, such as Governor Brendan Byrne, Attorney General Zazzali, Public Advocate Stanley Van Ness. Most importantly I have heard from clients who have been serviced by legal services programs.

It is a wise investment to continue adequate funding for the Legal Services Corporation. We taxpayers subsidize billions of dollars annually for the legal expenses of businesses. A \$241 million annual investment for 30 million of our most powerless and vulnerable citizens is a modest investment indeed. We will pay dearly if we fail to do so.

Mr. SMITH of Iowa. I just want to point out that the authorizing bill passed the House by a large bipartisan vote. It was not like the reconciliation bill or some of these other bills. There was a very large bipartisan vote in favor of this bill as it passed the House.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. Yes, I yield.

Mr. ROEMER. Mr. Chairman, I thank the gentleman from Iowa for yielding.

I would like to ask two questions. No. 1, did not the House in the earlier debate cut the budget proposed for this agency by some 25 percent?

Mr. SMITH of Iowa. The gentleman is right, but it is also actually only two-thirds the program level, because after you figure inflation in, they would only have two-thirds the program they had last year.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. Smith) has

expired.

(By unanimous consent, Mr. SMITH of Iowa was allowed to proceed for an additional 5 minutes.)

Mr. SMITH of Iowa. After you figure inflation in, they will only have two-thirds the program they had last year.

Mr. ROEMER. In addition, would the gentleman respond to the charges made by some that to adopt the committee language here would, in effect, be busting the budget somehow? Could the gentleman deal with that

for a minute, please?

Mr. SMITH of Iowa. We have taken care of that, because we are within the allocation that our subcommittee was given under the budget resolution. We have done some shifting of money from other sources. In several places, such as the Fisheries Loan Fund, we added some money. We have also reduced salaries and expenses accounts throughout the Federal Government in certain instances. So this bill is not over the budget allocation target.

Mr. ROEMER. If the gentleman will continue to yield, are you telling the House that by passing this we do not affect the budget in a deficit manner?

Mr. SMITH of Iowa. This bill is under the total budget requests by \$6 million.

Mr. ROEMER. Thank you.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Minnesota.

Mr. OBERSTAR, I thank the gentle-

man for yielding.

I join the gentleman from Iowa (Mr. SMITH), the chairman of the subcommittee, in opposition to this amendment to strike the funding for the

Legal Services Corporation.

This is a bad amendment because it also strikes at the constitutional right to equality of opportunity under the law for all Americans. Liberals and conservatives alike have supported Legal Services because they recognize that the right to counsel in legal proceedings is fundamental to the principal of equality of opportunity.

Opponents of Legal Services would have us believe that the program is supported by only an out-of-touch, liberal establishment.

While I was home in Minnesota, I read an excellent, concise editorial in the Cambridge Star, which offered a strong, commonsense endorsement of the legal services program. Commenting on the Reagan administration proposal to eliminate the Legal Services Corporation, the editorial focused on the "Good Old Days" when-

Seniors were subject to high pressure sales taxes and fly-by-night fix up operations-with no recourse to seek legal

Mr. Chairman, it just is not senior citizens in the five-county area of east central Minnesota who benefit from this program; it's senior citizens and low-income people throughout this country who need Legal Services.

If the House adopts the Sensenbrenner amendment, we will have taken a mean-spirited action fraught with great potential danger to our constitutional rights.

While I recognize that it is not always possible to compare domestic spending programs with defense spending programs, I must ask how many centuries of the Legal Services Corporation could we fund with the total appropriations that Congress will be forced to vote if the MX system is developed and deployed, or with the cost of just one B-1 bomber. I strongly urge the defeat of this amendment.

Mr. SMITH of Iowa. The gentleman is right. If we lived in a dictatorship, we would not need this program, because all you would do is go down to whoever is in authority and he tells you what your rights are and that is the end of the question. But in this country we live under the rule of law, not men, and we have to apply that law to determine what our rights are. That is the kind of a system we have.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Oregon.

Mr. AuCOIN. I appreciate the gentleman yielding and I rise to associate myself with the excellent remarks he has just made, as well as the remarks of my colleague from Minnesota (Mr. OBERSTAR). I think the exchange the two gentleman just had frames the issue precisely and well. That simply is: Do we believe that we are a nation of laws or do we not? If we do believe that we are a nation of laws, then we ought to provide an opportunity for the poor to have the redress of their grievances through the system of justice this country provides for all citizens. If we do not, we are not going to solve those grievances. We are going to say to the poor, to the disadvantaged, that if they want those grievances redressed, they must go to the streets, they must pick up a brick; they cannot have access to the courts.

I do not think that is the kind of signal this body wants to give to the American people, to the poor or to the world. And for that reason, this amendment, pernicious as it is, ought to be defeated.

Mr. Chairman, let me share with my colleagues an example of what is at stake here.

Early last year, 13 indigent nursing home patients—all over 70 years of age—were issued eviction notices from one of the largest nursing homes in my district. This happened even though they and their families had been told that they could remain indefinitely. One patient, a woman of 100, died shortly after the notices were issued.

The legal aid people in my district were asked to come into the case by numerous family members to try to provide obviously needed legal assistance to the patients. Legal aid entered into negotiations with the nursing home owners, the situation was resolved through those negotiations and the patients were allowed to remain.

None of these patients could afford an attorney on "the private market." Legal aid was their only hope. This story is but one of hundreds of thousands each year in which the difference between justice and injustice has been legal aid.

I urge my colleagues to soundly defeat this amendment.

Ms. FIEDLER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentlewoman from California.

Ms. FIEDLER. Mr. Chairman, there was a comment made before in the exchange of the gentleman from Iowa (Mr. Smith) with the gentleman from Louisiana (Mr. Roemer) wherein the gentleman from Iowa responded to a question by the gentleman from Louisiana when he said would it affect the budget and the gentleman from Iowa indicated it would not affect the budget.

Mr. SMITH of Iowa. I said it is within the budget allocation. The bill is within the budget allocation.

Ms. FIEDLER. I disagree. I think it would affect the budget because it would affect it by the amount of the appropriation for the Legal Services Corporation.

Mr. SMITH of Iowa. No, that is not correct. We were allocated under the budget resolution \$8,755,000,000. We are within that limitation. What we did was reduce other programs in order to provide the money for this program. It is a matter of shifting of funds in accordance with our priorities.

Ms. FIEDLER. I understand that. But what I am saying is if it were cut from the budget, if this bill were to pass, then it would reduce the amount of money appropriated by the amount

of the budget for the Legal Services Corporation.

Mr. SMITH of Iowa. It would unless something else were increased by that amount which was asked for by the administration. That is probably what would happen. This is a matter of setting our priorities. We have set our priorities by reducing some other things to make room for this program.

Ms. FIEDLER. I understand that. But I just wanted to clarify the record, because if this bill does pass, and there is no other change in the existing appropriation bill, it will reduce the appropriation by the amount of the Legal Services Corporation.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. RAILSBACK. I thank the gentleman for yielding.

Mr. SMITH of Iowa. I want to thank the gentleman for what he has done to support the Legal Services Corporation. The gentleman has been a very ardent supporter of the program.

Mr. RAILSBACK. I thank the gentleman. I feel very strongly that the Members of the House also ought to be aware that during that 3 days of debate there was something like 12 additional amendments that were adopted to further tighten and restrict the program after the subcommittee and the Judiciary Committee adopted something like 18 amendments.

The gentleman has put his finger right on the issue that confronts us: Do we believe that the poor people in the country are entitled to some kind of equality of justice? That is the point that has been made.

As far as the cost, let me just mention, as somebody who believes in national security, that now they are estimating that one B-1 bomber will cost \$200 million. We are talking about a program that has been reduced from something like \$321 to \$241 million. That is a little bit more than the cost of one B-1 bomber.

Mr. McCLORY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to speak on this issue because in the debate that we had here, the extensive debate we had on the floor regarding the authorization, I offered a motion to recommit at the conclusion of the debate which recommended that legal services should be provided as part of a block grant program. I did get assurance from the administration, from the White House, that an additional \$100 million would be made available if legal services were added as one of the social service block-grant-type programs.

Now, it is my understanding that if legal services are to be provided and are going to be approved by this administration, it is going to be because they are funded in the area of \$100 or

\$150 million. I do not think that the funding which is provided in this appropriation bill is going to receive the approval at the other end of Pennsylvania Avenue.

I likewise support legal services. However, I feel that they could be far better administered, and I think they would be more fairly distributed to those in need if we had it as a part of a block grant program. There is a kind of a hodgepodge now. There is dissatisfaction with the program. Otherwise it would not have taken on, I think, 18 amendments in the Judiciary Committee and 12 more on the floor of the House.

In trying to overcome all of the arguments that are made against the Legal Services Corporation, as it is being administered now, we have substantially revised the law. I have the feeling that if we can somehow resolve the differences that we have, that eventually we can have a legal services program through block grants and funded at a level which the administration would support.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman from Illinois for yielding.

I think the gentleman has hit the nail precisely on the head. Those who are in opposition to this amendment would have you believe that the Legal Services Corporation is the only game in town to provide legal services to the poor. That is not the case. There are many other ways of providing legal services to the poor, including the block grant program, which I personally support, as does the gentleman from Illinois.

So a vote in favor of this amendment is not a vote against denying the use of Federal funds to provide legal services to the poor. What it is a vote for is a vote in favor of alternative ways of providing legal services to the poor, rather than through the embattled Legal Services Corporation, which has become so controversial that it did require 3 days of debate and 30 amendments.

Mr. McCLORY. I thank the gentleman. I just want to add, in response to a statement made by the gentleman from Iowa, that actually this measure has strong bipartisan support. It had overwhelming support from my colleague from Illinois (Mr. Railsback), and from the gentleman from Michigan (Mr. Sawyer), and the gentleman from Virginia (Mr. Butler), and others. So this side of the aisle is not in any way not in support of legal services for the poor and for all those that are in need. But we do feel that it is a measure which requires not only all of the amendments that were

adopted in H.R. 3480 but also funding at a level which will be approved by the administration and which is consistent with the budget cuts and with the limitations that we are imposing on expenditures for all kinds of social services. I think that we should include, in that respect, legal services as well. Perhaps we can encourage local communities and counties and States and bar associations to contribute a greater measure of support in behalf of legal services which also would be very beneficial to the Nation.

Mr. SAWYER. Mr. Chairman, move to strike the requisite number of

Mr. Chairman, I rise in opposition to the amendment.

I would just, Mr. Chairman, suggest that the three Members on this side of the aisle who happen to be in opposition to this amendment are the only three Members on this side of the aisle on the subcommittee that got into and went into this whole picture. So I think that while they may be only those three singled out, I am sure there are many more. We had some 50 or 60 vote that way. The three Members who were on the subcommittee were unanimous on it. Not one of us had any division.

The gentleman from Iowa was very correct. We spend a half a billion dollars a year to make sure that the criminal has access to all the advantages provided to him under our method of justice. We would now say to the noncriminal, a law-abiding citizen who cannot afford lawyers, that he cannot have access to the whole civil side of the legal justice system.

Now, we tell people, "You don't go out on the streets with your grievances, you don't throw bricks through windows, or you don't set neighbors' houses on fire; you go into a court of

□ 1610

You go into a court of law, and if you are right justice will be done. If you cannot afford to hire the lawyers to get you there, we just as well provide you with those necessities such as medicaid when you need it and qualify for it under some pretty tough restrictions. We will give you access to that system. Therefore, stay off the streets, do not light the matches to your neighbor's house, do not take the law into your own hands. The system is there to be used, and we will make it

Just to show the Members the magnitude of this problem, in the State of Michigan alone, my State, they have today 53,000 open files and 27 lawyers working on them at present funding levels. This represents a reduction; not an inflationary reduction, but an additional 25 percent reduction, and 53,000 open files, 15,000 of which involve litigation. Even if we wanted to abolish Legal Services, we cannot do it this way. We cannot just say, bang, overnight the situation is closed, all the litigations default, the whole thing is thrown up into the air into an absolutely unholy mess. There is no way it can be done.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin.

In a democratic society, it is essential that all individuals have access to legal representation. The concept of equal justice under the law is a principal upon which our Nation was founded; and, if it is to have real meaning, we must continue to provide legal representation to all persons so that they can enforce their rights and redress their grievances. Since 1965, the Legal Services Corporation and its predecessors have moved this Nation closer to realizing this principle by making assistance available to those unable to

afford legal help.

On June 18, 1981, the House of Representatives voted 245 to 137 to continue legal services for another 2 years. through 1983. This legislation authorized \$241 million for fiscal year 1982, approximately \$80 million less than the current year. There were also restrictions placed on the activities of Legal Service lawyers, such as prohibiting them from bringing action" lawsuits against local, State, or Federal governments and a tighter ban on cases involving homosexual rights and lobbying by Legal Service attorneys. While I did not favor some of these provisions, I supported the bill as it assured the poor of continued access to the U.S. legal system, though at a somewhat reduced level.

It is of great importance that the House pass this appropriations bill with the Legal Services section intact. Without this program, the poor will have few resources to fall back on. The private legal system will not absorb the cases handled by Legal Services which, by the way, totaled 1.5 million in 1980. Those eligible for Legal Services cannot afford private legal help, nor is it realistic to expect pro bono efforts to fill the void. Further, it is also unrealistic to expect the States to come foward to help. Their contribution to Legal Services has been minimal, and there has been no indication it will increase. The legal community is aware of the need for Legal Services and recognizes the inability of private attorneys to adequately serve the poor. Every president of the American Bar Association since 1965 has endorsed the program.

Contrary to claims made by opponents of Legal Services, the 6,200 attorneys who staff the 1,450 offices of Legal Services Corporation are almost intirely involved in the same type of legal cases which the average person in our society finds himself or herself needing legal help to resolve. Over 30 percent of the cases involve family law cases such as adoption, custody, and divorce. Housing problems account for almost 18 percent of the caseload, income maintenance 17.2 percent and consumer problems-contracts, warranties, credit, and debt collectionnearly 14 percent. Little time has ever been spent on class-action lawsuits, and that can be expected to decrease if the provisions of the House Legal Services authorization bill are enacted into law.

One final point should be made concerning Legal Services and the budget process. There is nothing that prohibits the House from approving appropriations for a program which it has reauthorized. Further, there was nothing in the Reconciliation Act which prohibited appropriating money for Legal Services Corporation. In fact, while the conferees on the reconciliation bill considered reauthorizing Legal Services Corporation, they decided to extend Legal Services Corporation through the normal authorization and appropriations process. As I understand it, the other body has just about reached a consensus on reauthorizing Legal Services and is expected to act within the next several weeks.

I again urge my colleagues to reject this amendment. If Legal Services is not continued, we will return to a double standard of justice, one for those able to afford lawyers and another for the poor.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, I just want to be associated with the gentleman's remarks and join him in opposition to this amendment. The appropriation is a modest effort to continue a worthwhile program, and I am proud of the effort we have made to bring it around to the point where it is a meaningful program consistent with the intentions of Congress if it goes forward with the limitations we have placed on it, and I insist that it is a worthwhile appropriation.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentle-man from South Carolina.

Mr. CAMPBELL. Mr. Chairman, I just wanted to ask one question, a point I think the gentleman made that was very important. He mentioned that we spend some half billion dollars on criminally indigent.

Mr. SAWYER. Yes.

Mr. CAMPBELL. How do we spend that? Where is it expended? I would like the gentleman to explain that.

Mr. SAWYER. That the States do, because 90 percent of all that is in the State courts—anyway, 90 percent of all criminal, the States handle it. The problem we have here is that no State has ever had any agency to administer civil legal aid, and a block grant would just eliminate one very small Federal agency with a 3-percent overhead factor but mandate the immediate establishment of 50 brandnew agencies out in every State, and that is not very good economizing or very good reduction in force by Government, in my opinion.

Mr. KRAMER. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Colorado.

Mr. KRAMER. Mr. Chairman, I thank the gentleman for yielding. I just wanted to express my appreciation to the members of the subcommittee, who I know have labored hard to improve what I would have considered to be before the time the reauthorization bill was an intolerable situation, and one that still needs improvement and is vastly improved from where it has once been.

But, I also would like to give special thanks I think, perhaps, to one other individual I think credit should be directed to, the gentleman from Wisconsin, who I think has crusaded long and hard in an area that is extremely important, one that has been in direneed of reform. I think through his diligent efforts the matters that are being debated here today and were debated during the reauthorization process have been brought to the attention of the Members of the House.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(At the request of Mr. Kramer and by unanimous consent, Mr. Sawyer was allowed to proceed for 2 additional minutes)

Mr. KRAMER. Through his efforts the matters that are being debated here today before the Members of the House and the committee, and which were fully aired and debated during reauthorization process, have really seen the light of day and have had a full public hearing. I know the gentleman from Wisconsin, through my own contacts in our own offices, has labored very hard and long in this area, and so whatever reforms I think that do come out of this debate process and out of this reauthorization and appropriation process, even though not perfect, are due not only to the hard work of the members of the subcommittee, which I appreciate, but also because of the very tireless efforts that have been put forth by the gentleman from Wisconsin. I really think the members of the committee owe the gentleman from Wisconsin real gratitude for bringing these matters to our attention.

Mr. SAWYER. I appreciate the gentleman's comments, and certainly the gentleman from Wisconsin has worked hard and had 3 hours of debate on these issues before occupying the whole House. The only reservation I have is, how many times we have to go through this same argument with the gentleman from Wisconsin.

Ms. FIEDLER. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentlewoman from California.

Ms. FIEDLER. Mr. Chairman, I rise in support of the bill. I have done a good deal of study on it. I believe that the intent of Congress was to provide legal services to the poor. I am not convinced that that is what is the outcome of this enormous expenditure of resources, and that instead we have developed a very suspect and very large political organization.

I think it is important that the resources we bring to the American people come in a very direct way. I would have supported a block grant concept, but since I believe there has been so much abuse by the Legal Services Corporation and lobbying activities and other activities directed toward certain social change, I do not believe I can vote for the existing appropriation.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Ms. Fiedler and by unanimous consent, Mr. Sawyer was allowed to proceed for 1 additional minute)

Ms. FIEDLER. I further would like to bring to the attention of the House that after calculating the number of poor in this country and after accepting the number of attorneys, we could provide these services on a pro bono basis, which is consistent within the profession, if one out of three attorneys took one poor client in this country. So, we are not only not using our funds effectively, but we are providing a good deal of resources for special class action suits and other efforts that are not consistent with the needs of the poor themselves.

Mr. SAWYER. If the gentlewoman will review the amendments that have been put in the act, they have pretty well taken away all of those arguments under the present activities. As to a pro bono basis, for 30 million people below the poverty line, this is absolutely impossible. It would be impossible even to take care of those in the lower middle class on a legally affordable basis, and they have trouble now doing that.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(By unanimous consent, Mr. Sawyer was allowed to proceed for 2 additional minutes.)

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding. I am not a member of the committee. I had not expected to speak, but I was moved by what my colleague had said, the gentleman in the well, Mr. Sawyer, and I would like to associate myself with his remarks.

I was president of our County Legal Aid Society and am still a member of the board of Legal Services. The corrections we have made in the bill have made it a good piece of legislation, in my opinion. If we should back away from adequate protection of our laws and adequate legal advice for our very poor, it would be a disgraceful thing to do. I thank the gentleman for yielding.

Mr. SAWYER. I thank the gentlewoman.

Mr. O'BRIEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as ranking minority member I would like to sort of bring the debate to a close and indicate that I think we should support Legal Services. That was not my previous conviction when I came to Congress, but the committee has done a remarkably good job in cleaning up this Corporation. The request has been reduced by \$158 million. It is \$80 million below the current appropriation. It is true that we are trying to get one lawyer per 10,000, when we are dealing with the poor American citizen.

The notion that this would be taken care of in the block grant program is one that one can argue, but it is just not going to happen. In most of those situations, let us say in social services, there has been a certain amount of allocation in there less the percentage.

□ 1620

But with respect to Legal Services, it has been tucked in without any percentage. I think the poor private citizen deserves it as well as the criminal, and I urge the House to oppose the amendment.

Mr. RICHMOND. Mr. Chairman, I rise in opposition to the Sensenbrenner amendment, which would eliminate all Federal funding for the Legal Services Corporation.

On June 18, the House passed the Legal Services Corporation reauthorization bill, which authorized \$241 million for Legal Services in fiscal year 1982. This legislation contained stringent restrictions to answer the criticisms—justified or not—which had been directed at the Corporation.

The Legal Services Corporation is already one of the most efficient Federal programs in existence. Last year,

approximately 6,000 Legal Services attorneys handled over 1.5 million legal problems, the vast majority of which dealt with family law, housing, and other problems that were crucially important to the clients' lives.

The reduced funding provided for in this year's authorizing legislation will support only the barest minimum of legal access for this Nation's poor. The States have repeatedly shown that they will not provide adequate funding for legal aid, and the pro bono work of private attorneys has never come close to meeting the need.

Continued Federal funding for Legal Services is essential if we are to guarantee the equal protection of the laws to all citizens, as required by the Constitution.

Mr. Chairman, the Sensenbrenner amendment would destroy the principle of equal justice upon which this Nation was founded, and I urge the defeat of this amendment.

Mr. WEISS. Mr. Chairman, I rise in opposition to the amendment offered by Mr. Sensenbrenner to eliminate funding for the Legal Services Corporation.

In March, the President announced his proposal to eliminate Legal Services, a program essential to insuring equal justice in this country. Several months later, Members of the House overwhelmingly rejected this recommendation, and in doing so, reaffirmed our Nation's commitment to justice for all our citizens, rich and poor alike. Now we are being asked to reconsider this far-reaching decision. We are being asked to back down from our pledge to guarantee equal protection under the law for 30 million poor people across this country. I find this request abhorrent, and urge my colleagues to once again vote against this unconscionable proposal.

Since its creation in 1974, the Legal Services Corporation has played a crucial role in fulfilling our country's promise of equal opportunity and justice for all. Last year, Legal Services handled 1.5 million cases for disadvantaged Americans through its 300 locally administered programs. The vast majority of services offered by legal services attorneys involve routine matters concerning family law, health care, administrative benefits, housing problems, and consumer protection. Although routine in nature, many of these cases are matters of survival to legal services clients. These citizens have nowhere else to turn when faced with illegal evictions from their homes, sudden cutoffs of social security and food stamp benefits, physical abuse at home. Last year in New York City alone, Legal Services handled 50,000 civil law cases, providing invaluable assistance to the elderly, physically handicapped, foster children, battered women, and other community

counsel.

The modest sum of \$321 million appropriated for Legal Services in 1981 amount to six times as much financial support for legal aid as all State, local, and private sources combined. This provided only minimum access to legal protection by funding 2 lawyers for every 10,000 low-income people. In contrast, the ratio of attorneys to the rest of the population is 1 to approximately 334 people. Clearly we still have a long way to go to insure equal access under the law. Legal Services has only been able to address a fraction of the need for legal protection that exists among the most powerless in our society. History reveals that private attorneys cannot be counted on to provide this desperately needed access to the legal system.

1982 appropriation provides The only \$241 million for this program, a figure which represents a substantial cut from last year's funding and from the \$400 million requested by the Corporation. In addition to streamlining the budget, the House has approved measures which impose numerous, and I might add, unwarranted restrictions on the kinds of services that legal services attorneys may provide. Thus, we have already severely undermined the ability of legal services programs to carry out its mandate for poor people in America. Today, we are voting only to support minimal funding for the basic and essential services this program provides.

In the spirit of justice, I call upon my colleagues to stand firm in their original commitment to preserving legal services, and to reject this devas-

tating amendment.

• Mr. BIAGGI. Mr. Chairman, as I have on other occasions-I rise to urge support for the Legal Services Corporation and therefore in strong opposition to the Sensenbrenner amendment.

On June 17, 1981, when the House passed H.R. 3480—I spoke at some length in defense of the Legal Services Corporation. My position has not changed—if anything it has intensified by virtue of the many letters and other indications of support I have received from my constituents in sup-

port of the program.

Today, many thousands of poor Americans have been helped by the Legal Services Corporation. I do not consider it appropriate that we terminate this important relationship using the abused excuse of trying to save money. The pursuit of economy with no regard for its impact in human terms is at best very callous public policy. For us to support an elimination of funds for the Legal Services Corporation would be a most regrettable example of that type of policy.

I would not for a minute suggest that the Legal Services Corporation is

members who could not afford private not without its faults. However vigorous congressional oversight and the provisions built into H.R. 3480 go a long way toward rectifying some of the more glaring problems. The issue is clear-do we simply discard more than 7 years of progress in opening the legal system up to the poor and downtrodden or do we work to continue and improve the commitment. I urge the latter course of action and urge my colleagues to join me in rejecting the Sensenbrenner amendment.

Mr. KASTENMEIER. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Wisconsin, Mr. Sensenbrenner. The gentleman's amendment is unwarranted and inconsistent with prior actions by this body. Contrary to arguments made by the gentleman the \$241 million appropriation for the Legal Services Corporation (LSC) is consistent with the budget process and is in fact a very cost effective investment for the American people.

The Legal Services Corporation is and should remain the primary vehicle for providing professional legal services in civil matters for those persons unable to afford them. The structure of the Legal Services Corporation Act has been carefully developed and improved by Congress in 1974, Public Law 93-355; in 1977, Public Law 95-222; and now in 1981 through the authorization bill. H.R. 3480, which passed this body on June 18, 245-137, after 3 days of deliberations. changes made by this body have been incorporated by reference into this appropriation bill. There is no need to reargue those issues today. Over 20 changes were made in H.R. 3480 including restrictions on class actions, lobbying, abortion matters, representation of aliens, and homosexual matters. New procedures were instituted to increase the accountability of the Corporation and its recipients to the General Accounting Office, the Congress, the local officials, and bar associations. Many of the amendments of the gentleman from Wisconsin (Mr. SENSENBRENNER) have been adopted. The real question is, Does he want to execute the program now that most if not all his concerns have been resolved in his favor? I believe most of my colleagues want to continue legal services to the poor.

The \$241 million appropriation for fiscal year 1982 represents a 25-percent reduction in funding. If you count inflation, the reduction would be at least one-third. Any further cuts will have a devastating impact on the Nation's poor who need these services often for the basic necessities of life. Thousands of persons-including clients, judges, business leaders, and others-have written me of the critical need for these services and of the professional actions of legal services lawyers. Respect for the law can only be promoted if all segments of the population are given access to the legal system. Legal services is a wise and modest investment of our limited resources. Pro bono and reduced rate representation by the private bar must continue and expand, but they cannot replace the basic need for a publicly supported legal services program. The local program serves as a catalyst for multiplying volunteer services. Its elimination would diminish these volunteer services as well. The private bar cannot bear this burden alone.

The \$241 million for LSC is the same amount authorized for each of the next 2 fiscal years in H.R. 3480. That amount was assumed by the appropriations subcommittee when it filed its budget allocation totals under 302(b) of the Budget Act on June 11, 1981 (H. Rept. 97-139). The total—which includes funding for the other agencies and departments in H.R. 4169—is \$8.7 billion of budget authority. The Committee on the Budget has noted that this total is well within the budget allocation targets.

The amendment of the gentleman from Wisconsin (Mr. Sensenbrenner), should be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Sensenbrenner).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SENSENBRENNER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 122, noes 272, not voting 39, as follows:

[Roll No. 193] AYES-122 Loeffler Archer Dornan Badham Dreier Edwards (AL) Lowery (CA) Bafalis Edwards (OK) Bailey (MO) Lungren Emerson Fiedler Marriott Martin (NY) Bevill Bliley Brinkley Fountain Gingrich McClory McDonald Brown (CO) McEwen Gramm McGrath Broyhill Gregg Grisham Michel Burgener Miller (OH) Campbell Hall, Sam Montgomery Moorhead Carman Hansen (ID) Carney Chappell Hansen (UT) Hartnett Morrison Hendon Myers Hiler Cheney Coats Collins (TX) Holland Nelligan Nelson Nichols Conable Hutto Hyde Corcoran Ireland Jeffries Coyne, James Patman Paul Craig Kemp Kramer Crane, Daniel Petri Quillen Daniel, Dan Lagomarsino Daniel, R. W. Ritter Roberts (KS) Latta Dannemeyer Leath Roberts (SD) Daub LeBoutillier Robinson Derrick Derwinski Lee Lewis Rogers Dickinson

Roth Rousselot Rudd Schulze Sensenbrenner Shaw Shelby Shumway Shuster Siljander

Addabbo

Alexander

Anderson

Annunzio

Applegate

Atkinson

Bailey (PA)

AuCoin

Barnard

Benjamin

Bernett Bereuter Bethune

Bingham

Boggs

Boland

Boner

Bonior

Bonker

Bowen

Breaux

Butler

Byron

Clav

Chisholm

Clausen

Clinger

Conte

Conyers

Coughlin

Crockett

D'Amours

Danielson

Davis de la Garza

Daschle

Deckard

Dellums

Dingell Dixon

DeNardis

Donnelly

Dougherty

Dorgan

Dowdy

Downey

Duncan

Dunn

Dwyer

Dyson Early

Eckart

Edgar

Emery English

Ertel

Erlenborn

Evans (DE)

Evans (GA) Evans (IA)

Edwards (CA)

Dymally

Courter Coyne, William

Coleman

Collins (IL)

Bouquard

Brodhead

Broomfield

Brown (CA) Brown (OH)

Burton, John

Blanchard

Barnes Bedell

Anthony

Aspin

Akaka

Smith (AL) Smith (NE) Smith (NJ) Smith (OR) Snyder Solomon Spence Staton Stenholm Stump

Fascell

Fenwick

Ferraro

Findley

Foglietta

Forsythe

Fish

Foley

Fowler

Frank

Frost

Fugua

Garcia

Gaydos Gejdenson

Gephardt Gibbons

Glickman

Gonzalez

Gore Gradison

Guarini

Gunderson

Hagedorn

Hall (OH)

Hamilton

Harkin

Hatcher

Hawkins Heckler

Hefner

Hertel

Hightower

Hollenbeck

Hopkins

Horton

Howard

Hoyer Hubbard

Huckaby

Hughes

Hunter

Jacobs

Jeffords

Jenkins

Kildee

Lantos

Leach

Lehman

Leland

Levitas

Livingston

Long (LA)

Long (MD)

Lowry (WA) Lujan

Luken Lundine

Madigan

Martin (IL)

Martin (NC)

Markey

Marks

Matsui

Mattox

Mavroules

McCloskey

Kindness

Kogovsek LaFalce

Jones (OK)

Kastenmeier

Hammerschmidt

Gilman

Ginn

Gray Green

Frenzel

Fazio

NOES-272

Taylor Thomas Vander Jagt Walker Weber (MN) Whittaker Winn Wolf Wortley

McCollum

McCurdy

McDade

McHugh

Mica Mikulski

Mineta

Minish

Moakley Moffett

Molinari

Moore

Mottl

Murphy Murtha

Natcher

Nowak O'Brien

Oberstar

Obey Ottinger

Oxley Panetta

Pashayan

Patterson

Pepper

Perkins

Peyser Pickle

Porter

Price

Pritchard

Railsback

Ratchford

Richmond

Pursell

Rahall

Regula

Rodino

Roemer

Rosenthal

Roukema

Roybal

Russo

Sawyer

Scheuer

Schneider

Schroeder

Seiberling

Shamansky

Schumer

Shannon

Sharp

Simon

Skeen Skelton

Snowe Solarz

Stark

Stokes

Studds

Swift

Synar

Tauke

Tauzin

Stratton

Smith (IA)

Smith (PA)

St Germain

Stangeland

Sabo

Rostenkowski

Roe

Oakar

Neal

Mollohan

Miller (CA)

Mitchell (MD)

Mitchell (NY)

Traxler Udall Vento Volkmer Walgren Wampler Washington Watkins Weber (OH) Weiss White Whitehurst Whitley Whitten Williams (MT) Williams (OH) Wirth Wolpe

Wyden
Wylie
Yates
Yatron
Young (FL)
MT) Young (MO)
OH) Zablocki
Zeferetti

NOT VOTING-39

Andrews Ashbrook Beilenson Benedict Bolling Brooks Burton, Phillip Crane, Phillip Dicks Erdahl Evans (IN)

Fithian

Florio
Ford (MI)
Ford (TN)
Goldwater
Goodling
Hance
Heftel
Hillis
Johnston
Jones (NC)
Jones (TN)
Lent

Flippo

McKinney Rangel Rhodes Santini Savage Stanton Trible Waxman Weaver Wilson Wright

Young (AK)

Marlenee

□ 1630

The Clerk announced the following pairs:

On this vote:

Mr. Hance for, with Mr. Rangel against. Mr. Philip M. Crane for, with Mr. Ford of Tennessee against.

Mr. Johnston for, with Mr. Florio against.
Mr. Fields for, with Mr. McKinney against.

Mr. WAMPLER and Mr. JENKINS changed their votes from "aye" to "no."

Messrs. HOLLAND, BADHAM, and GINGRICH changed their votes from "no" to "aye."

So the amendment was rejected. The result of the vote was announced as above recorded.

□ 1640

AMENDMENT OFFERED BY MR. COLLINS OF TEXAS Mr. COLLINS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Collins of Texas: Page 26, line 14, insert immediately before the period the following ": That none of the funds appropriated in this paragraph shall be expended to provide legal assistance or representation to any individuals in cases or controversies involving the Immigration and Naturalization Service".

Mr. COLLINS of Texas. Mr. Chairman, today we are considering whether or not to fund the Legal Services Corporation. I have supported President Reagan and my colleague from Wisconsin (Mr. Sensenbrenner) in their effort to eliminate funding of this agency.

However, if a majority of my colleagues want to continue to fund the Legal Services Corporation, I believe one limitation must be placed on these federally funded lawyers. They should no longer be able to bring lawsuits on behalf of aliens against the United States. Therefore, I am introducing an amendment which states:

That none of the funds appropriated in this paragraph shall be expended to provide legal assistance or representation to any individuals in cases or controversies involving the Immigration and Naturalization Service.

For 2 years we have passed amendments that prohibited Legal Service lawyers from representing illegal aliens. The legal aid lawyers ignored this language and claimed that they could not tell which of their clients were illegal aliens. In my State, Legal Services lawyers were representing illegal aliens in immigration suits against the United States out of at least four different offices. One legal aid lawyer went to a building where illegal aliens were held pending deportation and solicited clients.

My amendment would put an end to this practice. Many of my colleagues have said that the American poor need the help of Legal Service lawyers. If that is true, then let us make sure that these lawyers are representing Americans not aliens who are involved in lawsuits against the United States.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

I hope we can dispose of this rather rapidly. I want to point out that the authorizing bill for the Legal Services Corporation carries one and one-half pages, specifying in exactly what cases illegal aliens can be represented. Now, if this amendment does anything at all, it just confuses what is already in the authorizing bill. We have incorporated the limitations in the authorizing bill by reference into the appropriations bill. So all the limitations that are in the authorization bill that passed the House apply here.

If this amendment does anything at all, it confuses what is already in the bill. If it does nothing, then it is not needed. So this is a safe "no" vote.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the

gentleman from New Jersey.

Mr. RODINO. Mr. Chairman, I would like to point out that, explanation of the gentleman from Texas of the effect of the amendment refers to illegal aliens, the actual words of his amendment refers to individuals the term "Individuals" would include all American citizens and would thereby limit their right to be represented by the Legal Services Corporation in any matter or controversy involving the Immigration and Naturalization Service.

Mr. SMITH of Iowa. I thank the gentleman. I am sure he is right.

We have this amendment and three other amendments. We ought to be able to dispose of them rather rapidly. I hope that the Members will vote "no" on this amendment.

Mr. COLLINS of Texas. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. The gentleman says that it is very clear in his mind, and in the bill it has been writ-

ten up with great clarity, as I understand it.

Now, how does the gentleman understand that the Legal Services get involved in these illegal alien cases? What right do they have to be in illegal alien cases?

Mr. SMITH of Iowa. The only exceptions are set forth in the authorization bill. The gentleman talks about what has already happened in Texas. The limitations and exceptions in the bill that passed the House are not effective this fiscal year. The only limitation in existence currently is the limitation that is in the appropriations bill. Now we very clearly specified in the authorizing legislation in what instances the Legal Services Corporation could get involved. I cannot do any better than to refer the gentleman to pages 14 and 15 of H.R. 3480 that passed the House.

Mr. COLLINS of Texas. It is the gentleman's feeling—and, of course, the gentleman has made a great study of this—that in the future they will not be involving themselves on the question of whether they are an illegal alien or not when they inject themselves into these cases?

Mr. SMITH of Iowa. They should not be involved in any case that is prohibited under the provisions which are included in line 16 on page 14 through line 2 on page 16 of H.R. 3480. In no case.

Mr. COLLINS of Texas. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will read.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that the bill be considered as read through line 6 on page 29.

The CHAIRMAN. Is there objection to the request of the gentleman from

There was no objection.

Mr. CHAIRMAN. Are there any points of order to the material in that section of the bill?

Are there any amendments? The Clerk will read. The Clerk read as follows:

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, \$73,197,000.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific Acts of Congress, \$470,891,000.

□ 1650

AMENDMENT OFFERED BY MR. M'DONALD Mr. McDONALD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDonald: Page 29, line 16, strike out "\$470,891,000" and insert in lieu thereof "\$400,257,350".

Mr. McDONALD. Mr. Chairman, contained within title III of the legislation now before us is an appropriation of \$470,891,000 for membership obligation in international organizations and conferences.

This figure represents an increase of over 18.5 percent from the fiscal year 1981 level, an increase of nearly \$74 million.

I find it exceptionally difficult to ask the citizens of the United States to make sacrifices while we vote to increase the appropriation for international organizations. It is for this reason that I have introduced this amendment which would reduce the appropriation for the fiscal year 1982 by 15 percent or from \$470,891,000 to \$400.257.350.

Every year the United States spends millions of taxpayers' dollars in the form of membership assessments and voluntary contributions to international organizations. In 1980 alone, the United States paid the United Nations more than \$500 million in voluntary contributions in addition to the \$350 million paid as membership assessment.

In addition, billions of dollars are spent in the form of direct and indirect foreign aid, dollars that frequently find their way into coffers of international organizations since various member nations are dependent upon the United States for the money by which they pay their dues.

The overall effect is that the United States pays far more than its fair share in maintaining these organizations.

Prior to the August recess, we concluded work on the budget and tax reduction bills. With these reductions in the Federal budget, we have given notice to the American people that leaner appropriations will become a fact of life and that with those leaner appropriations our citizens must become less dependent upon the Federal Government and sacrifices must be made.

The bottom line is simply this: Are we prepared to ask our constituents to make these sacrifices and to expect less in the way of domestic programs and assistance while we vote to increase the number of their tax dollars for international organizations?

I think not, and for that reason I urge my colleagues to support this amendment to reduce the funding to international organizations by a mere 15 percent. That is 15 from the planned increase of almost 19 percent.

So, even with this amendment, it will be an increase of almost 4 percent over that of last year.

Mr. ROUSSELOT. Mr. Chairman,

will the gentleman yield?

Mr. McDONALD. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gen-

tleman for yielding.

Now when my colleague says "international organizations," that does not include the Export-Import Bank or any of those operations; is that correct? Does this only relate to the United Nations organizations?

Mr. McDONALD. Seventy-four percent of this is related to the United Nations, but it also includes such fascinating international organizations that about 26 percent goes to international organizations such as the Inter-American Indian Institute or the Inter-American Institute for Agricultural Sciences or the Pan-American Institution of Geography and History, the Pan-American Railway Congress, et cetera.

Mr. ROUSSELOT. What was the

Mr. McDONALD. The Pan-American Railway Congress Association.

Mr. ROUSSELOT. The Pan-American Railroad?

Mr. McDONALD. Congress Associa-

Mr. ROUSSELOT. And we have got

money in here for that?

Mr. McDONALD. Yes, we have money for that and numerous other agencies as found on pages 44 and 45, most of which I think would be totally foreign to the constituents throughout this country.

Mr. ROUSSELOT. I compliment my colleague for this amendment and he is stating to us that his amendment does not totally reduce the appropriations for these organizations as it relates to last year. There is still a 4-percent increase?

Mr. McDONALD. I say to my colleague from California, an almost 4-percent increase over last year.

Mr. ROUSSELOT. The gentleman is merely trying to slow down this horrendous increase—did the gentleman say it was almost 19 percent?

Mr. McDONALD. Almost a 19-percent increase over what we spent last year.

Mr. ROUSSELOT. So the gentleman is just trying to hold down the increase in these agencies?

Mr. McDONALD. That is correct.
Mr. ROUSSELOT. Well, I compliment my colleague. This sounds very reasonable and I cannot really see why anybody would oppose the gentle-

man's amendment.

Mr. McDONALD. I thank the gentleman from California.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

I want to point out that voting for this amendment will not save any money. We owe the money for these contributions to international organizations under treaties and agreements that have already been signed. The only question is, When do we pay the money?

We have a planned program for gradually deferring up to 1 year of our assessments. The second quarter of that one year deferral is in this bill. In the supplemental bill that we passed just 2 or 3 months ago we deferred \$84 million.

In this bill we have deferred \$160 million. This program was proposed to us by this new administration and we felt it was a reasonable program and we think that it is generally a good

proposal.

Next year they plan to defer a similar amount and the next year another amount so that we would then be in a position to pay our assessment for the year in question in the fourth calendar quarter of that year which would be the first quarter of our fiscal year. If we go too fast, we are really upsetting things in the proposal budgets, as for example, in the Inter-American organizations where our contribution is a much greater percentage than it is in some of the other organizations.

If we go too fast on this planned slippage it will cause great trouble. I think the slippage that is reflected in this bill is all the slippage that we can afford to have or these organizations can afford to have, and it would not save any money to have a bigger slippage.

Mr. McDONALD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Georgia.

Mr. McDONALD. I thank the gentleman for yielding.

I would like to ask the gentleman in the well, is it true that the Congress and not the international organization is constitutionally vested with the power to appropriate funds?

And the second question is, would it not be true that if the other member nations of international organizations paid their fair share, with regard particularly to overdue assessments, that we really could perhaps reduce our funding allotments to the United Nations?

For example, I understand the Soviet Union is almost \$200 million in arrears, or possibly even more?

Mr. SMITH of Iowa. Well, the plan is to defer over \$600 million. That is the plan. This is going to be done on a systematic basis. There is \$84 million in the supplemental bill we just passed a couple of months ago. We are going to go another \$160 million in arrears in this bill and additional amounts in 1983 and 1984. We will not be \$200 million in arrears, we will be over \$600 million in arrears. That is our planned

deferral for the payment of our assessments. We are notifying the international organizations in advance to expect this.

Mr. McDONALD. If the gentleman will yield further, in the calendar year 1980 it is my understanding we had a voluntary contribution to the U.N. of over half a billion dollars in addition to the matter of assessments and peacekeeping funds. This was a voluntary contribution of half a billion dollars over and above the assessments and peacekeeping functions,

Mr. SMITH of Iowa. That may have been. I am telling the gentleman what we did in 1981. We dropped \$84 million behind in this bill for 1981. We are dropping another \$160 million for 1982 and I think that is dropping behind our assessments as fast as we can expect to go.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. McDonald).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that the bill be considered as read through line 17 on page 43.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. Are there any points of order with regard to the material in that section?

Are there any amendments to the remainder of the bill?

□ 1700

Mr. SMITH of Iowa. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Brown of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4169) making appropriations for the Departments of Commerce, Justice, and State, the judiciary, and related agencies for the fiscal year ending September 30, 1982, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

Rosenthal

Roth

Sabo

Roybal

Sawyer

Scheuer

Schumer

Schneider

Seiberling

Shamansky

Shannon

Smith (IA)

Smith (NE)

Smith (NJ)

Smith (PA)

St Germain

Simon

Skeen

Snowe

Solarz

Stokes

Studds

Swift

Synar

Udall

Vento

Volkmer

Walgren

Wampler

Watkins

White

Winn

Wolpe

Wortley

Wyden

Yatron

Zablocki

Zeferetti

Lungren

Madigan

Martin (IL)

Martin (NC)

Martin (NY)

McCollum

McDonald

Young (MO)

Wolf

Whitley

Whitten Williams (MT)

Washington

Weber (OH)

Williams (OH)

Tauzin

Traxler

Stratton

Rostenkowski

Mattox

Mazzoli

McClory

McDad

McCurdy

McHugh

Mica Mikulski

Mineta

Minish

Moffett

Mollohan

Morrison

Murtha

Myers Napier

Natcher

Nelligan

Nichols

Nowak

Oakar

Obey

O'Brien

Oberstar

Ottinger

Patterson

Panetta

Perkins

Peyser

Pickle

Porter

Rahall

Regula

Pritchard

Railsback

Ratchford

Reuss Richmond

Rinaldo

Rodino

Roemer

Parris

Mitchell (MD)

Mitchell (NY)

Mavroules

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to. The SPEAKER. The question is on

the engrossment and third reading of

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. Yes, in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MILLER of Ohio moves to recommit the bill, H.R. 4169, to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.
The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were-yeas 245, nays 145, not voting 43, as follows:

[Roll No. 194]

YEAS-245

Brown (OH) Addabbo Dorgan Akaka Butler Dougherty Albosta Byron Dowdy Alexander Campbell Downey Chappell Chisholm Anderson Duncan Annunzio Dunn Anthony Clay Dwyer Aspin Atkinson Clinger Dymally Coelho Coleman Early AuCoin Bailey (PA) Eckart Collins (IL) Edgar Barnes Conte Edwards (AL) Beard Corcoran Edwards (CA) Bedell Coughlin Emery Coyne, William Crockett Benjamin Erlenborn Bennett Fary Rethune D'Amours Fascell Bevill Danielson Fazio Biaggi Davis de la Garza Fenwick Bingham Ferraro Deckard Dellums Boggs Boland Findley Fish Boner DeNardis Foglietta Bonker Derrick Foley Forsythe Bouquard Derwinski Bowen Dickinson Frank Breaux Dingell Dixon Fuqua Brown (CA) Donnelly Garcia

Gaydos Gejdenson Gibbons Gilman Ginn Gonzalez Gore Gradison Gray Green Guarini Hall (OH) Hall, Ralph Hamilton Hammerschmidt Harkin Hartnett Hatcher Hawkins Heckler Hefner Hightower Holland Hopkins Horton Howard Hoyer Huckaby Hughes Hunter Hutto Hyde Jacobs **Jeffords** Kastenmeier Kazen Kildee Kogovsek LaFalce Lantos Leach Lehman Levitas Livingston Long (LA) Long (MD) Lowry (WA) Luken Lundine Markey Marks Marriott Matsui

Applegate

Bailey (MO)

Archer Badham

Barnard

Bereuter

Bliley

Bonior

Blanchard

Brodhead

Broyhill

Burgener

Carman

Chappie

Cheney

Clausen

Conable

Conyers

Courter

Collins (TX)

Covne, James

Crane, Daniel

Daniel, Dan

Daniel, R. W.

Dannemeyer

Edwards (OK)

Daschle

Dornan

Emerson

English

Ertel

Dreier

Dyson

Daub

Coats

Carney

Brown (CO)

Burton, John

Rafalis

Rogers Rose

NAYS-145 Evans (GA) Evans (IA) Fiedler Fields Fountain Fowler Frenzel Gephardt Gingrich Glickman Gramm Gregg Grisham Gunderson Hagedorn Hall, Sam Hansen (ID) Hansen (UT) Hendon Hertel Hiler Holt Hubbard Ireland Jeffries Jenkins Jones (OK) Kemp Kindness Kramer Lagomarsino Latta Leath LeBoutillier Lee Lewis Loeffler Lott Lujan

McEwen McGrath Michel Miller (CA) Miller (OH) Molinari Montgomery Moore Moorhead Mottl Murphy Nelson Oxley Pashayan Patman Paul Petri Quillen Ritter Roberts (KS) Roberts (SD) Robinson Roukema Rousselot Rudd Russo Schroeder Schulze Sensenbrenner Sharp Shelby

Shumway Shuster Siliander Skelton Smith (AL) Smith (OR) Snyder Solomon Spence Andrews Ashbrook

Stangeland Stark Staton Stenholm Stump Tauke Taylor Thomas Vander Jagt Walker Weber (MN) Whitehurst Whittaker Wylie Young (FL)

NOT VOTING-43 Florio Ford (MI) McKinney Pepper Rangel Beilenson Ford (TN) Benedict Goldwater Rhodes Bolling Goodling Santini Brooks Hance Savage Stanton Broomfield Burton, Phillip Heftel Hillis Trible Crane, Philip Hollenbeck Waxman Dicks Johnston Weaver Wilson Erdahl Jones (NC) Evans (DE) Jones (TN) Wright Evans (IN) Leland Young (AK) Fithian Lent Flippo Marlenee

□ 1720

The Clerk announced the following pairs:

Mr. Beilenson with Mr. Young of Alaska. Mr. Leland with Mr. Ashbrook. Mr. Hance with Mr. McKinney.

Mr. Pepper with Mr. Trible. Mr. Brooks with Mr. Philip M. Crane. Mr. Flippo with Mr. Broomfield.

Mr. Dicks with Mr. Evans of Delaware. Mr. Heftel with Mr. Johnston.

Mr. Ford of Tennessee with Mr. Gold-

Mr. Jones of North Carolina with Mr. Erdahl

Mr. Waxman with Mr. Goodling. Mr. Wright with Mr. Stanton of Ohio. Mr. Rangel with Mr. Benedict.

Mr. Phillip Burton with Mr. Evans of Indiana

Mr. Fithian with Mr. Rhodes.

Mr. Ford of Michigan with Mr. Lent. Mr. Florio with Mr. Marlenee.

Mr. Weaver with Mr. Hollenbeck. Mr. Wilson with Mr. Hillis.

Mr. Jones of Tennessee with Mr. Santini.

Mrs. MARTIN of Illinois. Messrs. HERTEL, RUSSO, and BLANCHARD changed their votes from "yea" "nay.

Mr. DUNN changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was nounced as above recorded.

A motion to reconsider was laid on the table.

TO ENABLE SECRETARY OF AG-RICULTURE TO ASSIST, ON EMERGENCY BASIS, IN ERADI-CATION OF PLANT PESTS AND CONTAGIOUS OR INFECTIOUS ANIMAL AND POULTRY

Mr. DE LA GARZA. Mr. Speaker. I ask unanimous consent that the Committee on Agriculture be discharged from the further consideration of the bill (H.R. 4416) to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases, and

ask for its immediate consideration in the House.

The Clerk read the title of the bill.
The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.
The Clerk read the bill, as follows:
H.R. 4416

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture may, in connection with emergencies which threaten any segment of the agricultural production industry of this country, transfer from other appropriations or funds available to the agencies or corporations of the Department of Agriculture such sums as the Secretary may deem necessary, to be available only in such emergencies for the arrest and eradication of plant pests or contagious or infectious diseases of animals or poultry, and for expenses in accordance with section 102 of the Act of September 21, 1944, as amended (7 U.S.C. 147a), and the Act of February 28, 1947, as amended (21 U.S.C. 114b).

SEC. 2. The provisions of this Act shall become effective upon enactment.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Speaker, the outbreak of the Mediterranean fruit fly in California has received nationwide attention—and deservedly so. This pest poses a grave threat not only to the great fruit and vegetable industry of California—but to the production of other States as well. The implications for farmers and consumers are

Federal authorities are working with State officials and others in California to eradicate the Medfly. Needless to say, the effort takes money. But the investment of funds necessary for control and eradication pales in comparison to the costs which would be borne by producers and consumers should the Medfly not be checked.

Presently, through a provision in an appropriate measure, the Secretary of Agriculture has authority to transfer funds otherwise available to the Department for use in the arrest and eradication of infectious or contagious diseases of animals or poultry. He has no parallel authority with respect to the arrest and eradication of plant pests. Under current urgent circumstances posed by the Medfly, it is critical that the Secretary be in a position to immediately give further emergency assistance in combating the outbreak.

This is the purpose of the bill (H.R. 4416) which I introduced for myself and Mr. Brown of California, Mr. Coelho, Mr. Fazio, Mr. Matsui, Mr. Panetta, Mr. Thomas, and Mr. Wampler, which I urge you to adopt today. It would put into permanent law authority to transfer funds otherwise available to the Department for use in emergency situations that threaten agricultural production. As I have

said, the funds may, under current law, be transferred and used for the arrest and eradication of infectious or contagious diseases of animals or poultry. Our bill would retain this authority and would extend it to cover the emergency arrest or eradication of plant pests. It in no way limits or restricts the Secretary's existing transfer authority; it simply extends that authority to transfer funds in emergency outbreaks of plant pests such as the Mediterranean fruit fly or the Khapra beetle.

Provisions substantially identical to those in the bill under consideration are contained in H.R. 3603, the Food and Agriculture Act of 1981, reported by the Committee on Agriculture. It was carefully considered by the committee and was adopted without opposition.

It is the intent of this provision to give the Secretary broad discretionary authority to address outbreaks of this nature. The authority is to extend to combating animal and poultry diseases and plant pests in the broad sense of those terms, and includes combating causative factors such as insect infestations that cause animal diseases.

The bill also provides that the emergency transfer authority extends to cooperation with nations of the Western Hemisphere in addressing animal and poultry diseases and plant pests that threaten any segment of American agriculture.

The bill will insure that the Department has the flexibility to move immediately to address situations that in the judgment of the Secretary are emergency in nature and thereby mitigate their effect on the agricultural industry of this country. It does not provide for increased funding. Rather, it should result in significant savings because it will allow USDA to control outbreaks and eradicate their causes before they become a major catastrophe for American producers and consumers.

Time is of the essence in this matter. The Department of Agriculture has agreed with the State of California to share certain expenses related to the program being undertaken in that State to eradicate the Medfly. However, within the next day or two, all funds of the Department to carry out its responsibilities under the agreement will have been expended. It is crucial that the eradication program be pursued without interruption. The funding by the State for its share of the program costs is also a severe problem. It is, therefore, essential that this bill be adopted at the earliest possible date to continue the program now underway in California.

I am informed that the administration strongly supports the speedy adoption of this legislation. I implore you to adopt it. It will give immediate assistance to eradication of the Medfly infestation. In addition, it will give the Secretary the tools to move with dispatch in the future in helping to stamp out emergency threats to our food supply posed by plant and animal pests.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Virginia (Mr. WAMPLER) as much time as he may require.

Mr. WAMPLER. Mr. Speaker, I rise in support of H.R. 4416. This legislation would give authority to the Secretary of Agriculture to transfer funds if the need arises for use in emergency pest control. The current Mediterranean fruit fly outbreak in California has created the need for this legislation; consequently, it has become necessary for us to expedite this legislation. No one could argue that the Federal Government should not step in and do everything possible to eliminate this plant pest. The economic impact of the Medfly is both national and international. If steps were not taken immediately to start eradication, the economic losses would be astronomical. Consequently, USDA elected to proceed with its efforts and request the Congress to back them in this effort by passage of this legislation, which gives the authority to transfer USDA funds, already available, to this worthwhile project. According to my information, the funds presently available to the USDA for this purpose are almost exhausted and unless this legislation is moved along rapidly, current efforts will cease. I don't believe any Member is willing to see that happen.

I would point out that the language of this legislation was included in H.R. 3603, the farm bill, and was accepted by the House Committee on Agriculture in its passage on May 18. I would also at this point like to mention legislation introduced by Congressman THOMAS of California, H.R. which is presently scheduled for a hearing on October 1, 1981. This legislation would give further authority to USDA in this all-important fight to control plant pests and I would urge my colleagues to review this legislation. It provides authority for the Secretary to take direct intrastate remedial action, under certain circumstness. to control plant pest outbreaks, thus paralleling USDA authority to control animal disease outbreaks. Currently, the law allows the Secretary to act only when plant pests are moving

Mr. Speaker, I reiterate my support for H.R. 4416 and urge its passage.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. de la GARZA. I yield to the gentleman from California (Mr. Panetta).

Mr. PANETTA. Mr. Speaker, as you and my colleagues know, the vast agricultural industry of California as well

as that of many other fresh fruit and vegetable producing States in the Union is seriously threatened by the present infestation of the highly destructive Mediterranean fruit fly. The Chairman of the House Committee on Agriculture, Mr. Kika de la Garza, has been asked by the administration to lead a bipartisan effort with Representative Wampler to enact on an emergency basis vitally important legislation to address this problem.

Since the outbreak of the fruit fly in California last year, the U.S. Department of Agriculture has been working closely with the California Department of Food and Agriculture in a cooperative effort to rid our State of this pest. That cooperative effort as well as other efforts to eradicate the fruit fly is in jeopardy because the Department has exhausted all the funds available to it for these efforts. To avoid termination of Federal assistance at a crucial point in the comprehensive eradication program presently underway, Congress must act by unanimous consent to give the Secretary of Agriculture authority to tap new sources of funds within his Department to use in the fruit fly eradication effort.

Earlier this year, I introduced legislation which would give the Secretary the authority he now seeks. The chairman, Mr. de la Garza, offered this basic provision as an amendment to the farm bill during committee consideration of that measure. The amendment was adopted without a single dissenting voice after careful consider-

ation and debate.

Circumstance compels us to separate this provision from the farm bill and enact it today by unanimous consent. The sad fact is that the battle against the fruit fly has grown faster than anyone expected. We cannot be certain at this point the extent to which this battle will escalate. We can, however, be certain in our resolve to give this administration the weapon it needs not only to fight this battle, but ultimately to win the war against this insect that has invaded our land.

It is equally important that we make quite clear that our intention in enacting this emergency measure is to insure that the Department of Agriculture will meet its obligation to pay half the costs of the entire fruit fly eradication program. This obligation runs not only to reimbursing for past and future costs of aerial spraying of malathion, but also to trapping and monitoring costs, quarantine and detection efforts, and preventive measures taken in agriculture areas bordering the quarantine zone.

The current problem is compounded by the fact that larval finds keep popping up in new areas. For that reason we appear to be chasing the fruit fly all over the place, rather than containing it within the quarantine area. We must encourage preventive measures in agricultural producing areas in and around the quarantine areas. This will help us stop the fruit fly once and for all. The legislation we are going to enact today will give the Secretary the authority to use Department of Agriculture funds for its portion of the entire effort, including preventive spraying.

I urge my colleagues to support this measure and to join together in a unanimous request to the Senate that it be immediately enacted into law.

Mr. WHITTEN. Mr. Speaker, will

the gentleman yield?

Mr. DE LA GARZA. I will be happy to yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, I would like to commend the gentleman for bringing this bill to the floor. This bill provides authority for an emergency funding mechanism to combat emergency animal and plant diseases and infestations. I would point out that we have worked together on this problem after our friends from California made us familiar with the problem they face with the Medfly.

In the agriculture appropriation bill which passed the House on July 27 and which the Senate has not yet passed, provision is made to add emergency authority for "plants." For many years the Department has had emergency authority with respect to animals. The continuing resolution which we will bring up in a few days will also include emergency authority for plants along with the existing authority for animals. So, we have followed through.

It is good that we work together on the problem not only in California, but in the Northeastern United States where they have the gypsy moth. It may not be as apparent at the moment, but the damage is just as great in that part of the country.

So, there are many reasons why the word "plant" can be put in there as well as animals so that these emergencies can be met.

Mr. DE LA GARZA. I thank the distinguished chairman for his continuous cooperation and assistance in all these matters. It is always a great help to us.

Mr. FAZIO. Mr. Speaker, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from California.

Mr. FAZIO. Mr. Speaker, I would like to congratulate and thank the chairman of the Agriculture Committee as well as my chairman, Mr. Whitten, for their very sensitive assistance to California. Both Mr. Wampler and Mr. Smith also deserve our thanks for the bipartisan cooperation we have seen here at the Federal level.

We had, however, run out of borrowing room, and we cannot find any more funds in the account. This bill the gentleman is offering in coopera-

tion with Mr. Panetta is the solution we are seeking. We thank the gentleman very much.

Mr. Speaker, it has been over a year now since the Medfly first made its appearance on the floor of this House, a year marked by victories for it and some setbacks for us. However, with this extraordinary emergency action today I think we will have once again, gone on the offensive against the Medfly, this tiny elusive pest which threatens not only California's fruit and vegetable industry but agriculture in all our warm weather States.

This authority to borrow from the USDA's other accounts, in particular from the Commodity Credit Corporation which has hundreds of millons in budget authority on its books, basically means that the Federal and State governments can plan and implement sufficient campaign against the Medfly. The immediate purposes for the money are for the Federal side to assume a full half of the costs associated with eradication of the fly incurred during fiscal 1981. USDA officials acknowledged last week in California that the Department has not been able to maintain the 50-percent level to which Secretary Block committed it several months ago. In fact, they said, the USDA would not even be able to sustain the reduced level of effort it has been able to make thus far without emergency funds. They said they needed \$1 million to keep going; between \$6 to \$7 million more to assume full share.

Beyond restoring the imbalance, however, the availability of funds will hopefully allow Animal and Plant Health Inspection Service personnel to plan and carry out a vigorous eradication program. It may take some time, because the extent to which the Medfly has spread and the extent of the infestations where it exists are unfortunately great. Halfway measures will not work. APHIS needs the freedom to commit and the funds to implement eradication programs against all existing and any new infestations. APHIS cannot be hindered by lack of funds or the mere fear of lack of funds. We have yet to determine how much it will cost to finally rid ourselves of this pest, but the costs will be far cheaper than the alternative which is failure to control it.

Mr. COELHO. Mr. Speaker, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from California.

Mr. COELHO. Mr. Speaker, I would like to congratulate the chairman of my committee and also the chairman of the Appropriations Committee for their joint effort in regard to this problem. I applaud the chairman basically because it appears that we are making substantial progress, and with the joint cooperation that is now going

on we can slow down the movement of this particular pest which is now moving into the San Joaquin Valley, which is the grape-producing area in California. So, we applaud the gentleman's effort.

• Mr. MITCHEL. Mr. Speaker, I rise in support of H.R. 4416. This legislation would give the Secretary of Agriculture authority to transfer within the Department of Agriculture the necessary funds for use in the emergency pest control program. The bill does not provide increased funding, just a transfer of moneys within the USDA. Such authority could and must be used now to fight the Medfly outbreak in California.

The Medfly has already done millions of dollars worth of damage to California's agricultural industry. The femal Medfly in its 4- to 6-week life can produce 800 offspring, 400 of which will be female, capable of producing another 800 Medflies. The tremendous reproductive capacity of this insect is truly staggering.

The costs of allowing continuation of this cycle are unacceptably high. It is estimated that if eradication fails and the Medfly becomes a permanent fixture in California, crop losses and containment efforts would total \$1.2 billion the first year and at least \$750 million per year after that.

The problem is not just California's. There is concern that the Medfly may infest other fertile agricultural areas of the United States. Fertile fruit flies have already been found in Florida.

The cost to the farmers are enormous and very little of it has been covered by insurance. The cost of produce at the market will also rise and that will adversely affect American consumers everywhere. Finally U.S. agricultural efforts are endangered. As you know, Japan has threatened to embargo all California agricultural products. Last year, Japan imported over \$100 million worth of California agricultural products. I understand that an agreement was recently reached which for the moment has diffused that problem. But, if the Medfly continues to spread, exports will surely be imperiled.

As a Member from the agricultural State, and a district with many farms in it, I know how devastating an out break like this can be-to the farmer the consumer and to the national economy. H.R. 4416 should be passed without delay.

Mr. DE LA GARZA. Mr. Speaker, I yield back the balance of my time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Mem-

bers may have 5 legislative days within time all Members may join with me in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE LATE HONORABLE CATHERINE DORRIS NORRELL

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, it is my sad responsibility to advise our colleagues of the death of Catherine Dorris Norrell, a former Member of the House from our great State of Ar-

Mrs. Norrell died August 30 in Warren, Ark., following a brief illness. She served Arkansas and the Nation as a Member of this body from April 1961 through 1962. Mrs. Norrell was named to the House in a special election called to fill the vacancy created by the death, in February 1961, of her husband, William Frank Norrell, who had been a Member of the House since 1939. She leaves one daughter, Julia J. 'Judy" Norrell of Washington.

I intend to take a special order on Tuesday, September 15, in memorial to Mrs. Norrell and invite those of our colleagues who wish to speak at that time to join with me.

□ 1730

A TRIBUTE TO THE LATE ROY WILKINS

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, Roy Wilkins was a good friend as well as a valued constituent during most of the years I served in Congress. His death yesterday at 80 years of age saddens all of us who worked with him through the years to end racial prejudice by working within the system that needed changing. Throughout his lifetime Roy Wilkins resisted those who would have gone outside of the system in order to bring about change. He lived long enough to know his viewpoints were justified; millions of Americans today have the chance to live richer, more fulfilling lives because of the intensity of Roy Wilkins' concern for our country, and his belief in the inherent decency of the American people.

Roy Wilkins was a good man, Mr. Speaker, and one who grew to be a legend during his lifetime. Because of the many Members who will want to pay tribute to this outstanding personality of our era, I have asked for a special order for next Tuesday at which

paying tribute to this great American.

APPOINTMENT OF CONFEREES ON H.R. 4034, DEPARTMENT OF HOUSING AND URBAN DEVEL-OPMENT, AND SUNDRY INDE-PENDENT AGENCIES, BOARDS, COMMISSIONS, CORPORA-TIONS, AND OFFICES APPRO-PRIATIONS, 1982

Mr. BOLAND, Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4034) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes, with Senate amend-ments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from Massachusetts? The Chair hears none and, without objection, appoints the following conferees: Messrs. Boland, Trax-LER, and STOKES, Mrs. Boggs, and SABO, WHITTEN, Messrs. COUGHLIN, YOUNG of Florida, and CONTE

There was no objection.

GENERAL LEAVE

Mr. KOGOVSEK. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks, and to include therein extraneous material, on the subject of the special order speech today by the gentleman from Wisconsin (Mr. ZABLOCKI).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

SOCIAL SECURITY TRUST FUND REFORM ACT OF 1981 INTRO-DUCED

(Mr. SHAMANSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAMANSKY. Mr. Speaker, today I am introducing (along with Congressmen RoE and Won Pat) the Social Security Trust Fund Reform Act of 1981, designed to improve the investment practices and increase the rate of return on the social security trust funds. This legislation was recently introduced in the Senate by Senator PROXMIRE and my fellow Ohioan, Senator METZENBAUM.

This bill is the direct result of the scandalously low return which was earned by the three social security trust funds in fiscal year 1980. The recent annual report of the social security trust fund board of trustees revealed that the combined earnings were a scandalously low 8.3 percent in fiscal 1980 on the \$47 billion in the trust fund. Others, investing exclusively in Government or Governmentbacked securities, earned as much as 13.5 percent in 1980. An additional \$2 billion would have been generated if the trust funds had earned more realistic yields. So far this year, financial institutions investing exclusively in Government or Government-backed issues have earned more than 15 percent. The bill will do four things.

First, provide that the interest rate of the Treasury's special issues will be calculated on the basis of the interest rates paid on all the securities the trust funds are allowed to purchase if the Treasury continues to invest in special issues of the Treasury.

Second, charge the trustees with the responsibility to secure the maximum possible interest yield commensurate with the safety of the trust funds.

Third, require the trustees to modernize their equipment and seek the active advice of such experts that will allow them to maximize the return on the funds' investments.

Fourth, expand the board of trustees of the trust funds from three to seven adding four public representatives to the existing board.

Recently we have been told that because of the dire condition of the social security trust funds, we would either have to cut back on benefits or raise social security taxes. However, if the social security trust funds had been earning more realistic rates of return on their investments, at least an additional \$2 billion would have been generated into the trust funds.

The recent annual report of the social security trust funds board of directors reported that on June 30, 1980, there was \$46.845 billion in those three funds-\$23.565 billion for old age and survivors insurance (OASI); \$7.68 billion for disability insurance (DI); and \$14.6 billion for hospital insurance (HI).

But the report also showed that the interest rate or rate of return on those funds for the year was shockingly low. The combined earnings were only 8.3 percent.

The OASI fund earned 8.3 percent; the DI fund earned 8.8 percent; and the HI fund earned only 8.2 percent. The average was 8.3 percent. This was no accident. It was done by design.

There are at least three reasons for the low rate of return on the trust

First, the conflicts of interest and responsibility at the highest level of the trust fund management. The actual management of the funds is at the Treasury. The managers and trustees of the funds have put the interest of the Treasury; that is, keeping Government borrowing costs down, before the interests of the trust funds; that is, earning high yields;

Second, poor management techniques and equipment; and

Third, outmoded regulations and laws. This bill would correct the situation.

First, by assuring a higher rate of return, it would bring in several bil-lions of dollars a year into the social security trust funds, helping to insure the continued solvency of the social security system.

Second, the trustees must act as trustees, be divorced from conflicts of interests, and put the interests of the trust funds before the interest of the Treasury or any other group.

By enlarging the board of trustees to include four public members and by charging all seven trustees with the duty to maximize the return to the social security funds, this bill will insure that the Treasury no longer continues to run the funds in its best interest instead of in the best interest of the social security funds.

At the present time there are three trustees. They are the Secretary of the Treasury, the Secretary of Labor. and the Secretary of Health and Human Services.

The four new trustees, to be appointed by the President with the advice and consent of the Senate for 4year terms beginning on January 1, 1982, would be as follows:

One would be a representative from the employers who contribute to the funds.

One would be a representative of the beneficiaries of the trust funds.

One would be a highly skilled investment counselor or manager with experience in investing funds for an insurance company or money market fund.

Third, this bill requires the trustees to use the most technologically advanced management techniques available to maximize the return to the trust funds.

Some have said that this reform of the social security trust funds could have a disruptive effect on the securities markets as a whole if the social security trust fund investments are taken out of the low-yield Treasury special issues. The trust funds' conversion to higher yielding Government and Government-backed securities from the low-rate special issues can and should be accomplished gradually. A gradual shift in the trust funds' investments simply will not have a disruptive effect on the securities mar-

Why should social security recipients and the social security system bear the burden of subsidizing the Treasury debt? It is most unfair to force the social security system to subsidize the Treasury in order that the Treasury Department can reduce the interest paid on the public debt. If the President wants to lower the level of public borrowing and reduce the interest paid on the public debt, then reduce the level of expenditures by the Federal agencies; do not rob the social security trust funds to pay the Treasury.

AIR CONTROLLERS STRIKE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. HARTNETT) is recognized for 5 minutes. • Mr. HARTNETT. Mr. Speaker, during the August congressional recess, there has been considerable discussion and media attention to President Reagan's decision to give the Professional Air Traffic Controllers Organization (PATCO) 48 hours to return to work from their strike or face the consequences of losing their jobs.

I would like to share with my colleagues a letter which I received from Mr. Vernon B. Strickland, chairman of Hawthorne Aviation in my district of Charleston, S.C.:

HAWTHORNE AVIATION, Charleston, S.C., August 11, 1981. Mr. WILLIAM C. WILSON,

Chief, ATC Tower, Federal Aviation Administration, Charleston, S.C.

DEAR BILL: I have been flying off the Charleston Airport since 1942, and feel I have some qualifications to judge the quality of service being offered by our air traffic control facility. As you may recall, I have on occasion remarked that I feel that the Charleston facility has traditionally been

one of the best in the nation. Since the PATCO strike began, I have had

two occasions to fly one of our aircraft out of Charleston. I can truthfully say that I found the service from our Charleston air traffic control facility to be as good, if not better, than I have received in the past.

Following my experience, I checked with our Operations Department here at Hawthorne and found that everyone I talked with had had a similar experience.

It occurs to us at Hawthorne that, amid all the press coverage that is being afforded the strikers, someone should take the time to say "thank you" to the people who are allowing our aviation industry to continue to function at a high level of capacity and safety, in spite of the illegal actions that have attempted to disrupt it.

I hope that you will express our thanks and appreciation to all of the people of the Charleston facility who are still working so diligently to provide the aviation industry and the Charleston community with their usual fine service. We know that this has required considerable extra effort on the part of all of the personnel, and we want them to know that we appreciate it. We are still convinced that Charleston has the best facility in the country.

Sincerely,
VERNON B. STRICKLAND,
Chairn

Chairman.

DEFENSE APPROPRIATION BILL FOR 1982 WILL BE DELAYED THIS YEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO)

is recognized for 10 minutes.

ADDABBO. Mr. Speaker, I regret to inform the House that the Department of Defense appropriation bill for fiscal year 1982 will not be before the House prior to the beginning of the new fiscal year on October , and that the Department of Defense will, therefore, be funded for some period of time under the continuing resolution.

The Defense appropriation bill is the largest apropriation bill which the House considers each year. The workload in preparing the bill for the House is the greatest of any of the annual appropriation bills. We always plan and hope that the bill will be enacted into law by the beginning of the new fiscal year so that the various programs may proceed in an orderly way.

In a year when there is a new administration which has made a number of changes in the budget, it is not surprising that there would be some delays, but the delay we are faced with this year is greater than would be usually expected. All of us who read the newspapers are aware of the fact that the size of the Defense budget is an issue under active debate at the highest levels of the administration at this time. We are aware that major weapons systems decisions such as how to proceed with a new intercontinental ballistic missile and a new intercontinental strategic manned bomber have not yet been made.

Before the August recess, I had requested, as chairman of the Subcommittee of Defense Appropriations, that the Secretary of Defense appear before the committee on the 15th and 16th of this month to present the administration's final position on the Defense budget. The Department had agreed. I have now been informed that the Secretary does not anticipate that firm decisions will have been made by the administration at that time and, at the Secretary's request, that hearing has been postponed until September

24, 1981.

Not only is the fiscal year 1982 Defense budget still under consideration, but the administration is having great difficulty in deciding on the level of Defense spending in fiscal years 1983 and 1984. At a hearing held by the Defense Appropriations Subcommittee on July 21, 1981, I asked Dr. DeLaurer, Under Secretary of Defense for Research and Engineering, when the 5year Defense plan, which is the standard planning document of the Defense Department, would be completed and available. I was told that it would be available by the first of September, but it is not. Along with many of the other members of the committee, I do not feel that we can mark up the fiscal year 1982 Defense appropriation bill until we know what the administration's plans for future years may be. At a time when we are being asked to cut back on many essential people programs, it would be extremely unwise to appropriate money in fiscal year 1982 for defense programs which the administration plans to cancel in fiscal year 1983 or 1984.

I well understand the difficulties they are facing having wrestled with the problem of Defense appropriations for many years. I hope that they are realistic and that they become aware that we do not always improve our military power by throwing more money at the Defense Department. Wise planning and prudent management will always be necessary factors in an adequate defense posture.

I merely want to point out to the Members that the delay in the Defense bill is not caused by the Congress or any of its committees, but by

the administration.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gen-

tleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to commend the gentleman from New York (Mr. ADDABBO) for his fine statement and associate myself with his remarks. I wish to make only one correction, though, and that is that the Health, Education, and Welfare bill is the largest bill in the budget.

Mr. ADDABBO. Mr. Speaker, I yield to the gentleman on that. I thank the gentleman from Massachusetts (Mr. CONTE), and I thank him also for his help on the Appropriations Commit-

COMMEMORATION OF THE AN-NIVERSARY OF THE INVASION OF POLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is

recognized for 5 minutes. •Mr. ANNUNZIO. Mr. Speaker, 42 years ago a tragic event occurred in the history of Poland and the world's free nations. It was during September 1939, that the peaceful State of Poland was invaded by the forces of Nazism from the West and the forces of communism from the East. Poland became a tyrannized and persecuted country, deprived of half its territory

and millions of its people.

Often forced to survive for months, or even years, in forests and mountains, members of the resistance and the Polish populace at large reacted consistently with spirit and conviction. Refusing to betray their national honor and collaborate with the enemy, 6 million Poles preferred self-respect and death to capitulation and cringing life. The nation lost close to one-quarter of her population, and the romantically beautiful city of Warsaw, the Polish capital, was leveled to the ground.

As we again observe this anniversary in the House of Representatives, I am honored to join Americans of Polish descent in Chicago and all over the Nation in their hopes and prayers for the reentry of Poland into the community of free nations. The long-suffering people still look to a strong America for moral support in their continuing struggle to achieve their just aspirations to national liberty.

Mr. Speaker, excerpts from an article on the present situation in Poland entitled, "The Campaign Against Poland Continues," forwarded to me by the Polish American Congress, Aloysius A. Mazewski, president, follow:

[From the New York Times, May 18, 1981]

THE CAMPAIGN AGAINST POLAND CONTINUES

Since the conclusion of the Gidansk Agreement in August 1980, Soviet media have been waging a campaign that misrepresents and vilifies the efforts of the Polish people to achieve democracy, justice, and stability in their country. The trade-union federation "Solidarity," the Social Self-Defense Committee KOR, and those within the Polish Communist Party who wish to create a genuine partnership between the government and the rest of society have all been targets of extravagant allegations, all of them demonstrably false. This campaign, echoed by Czechoslovak and East German media, continues despite the determination of Poles from all walks of life to avoid further confrontations and to solve their problems by peaceful and constructive means Here are but a few of the many allegations. together with the facts:

ALLEGATION

"Solidarity wants to declare war on the people's power." (Radio Moscow, March 26) "Opponents of socialism are influencing Solidarity, conducting political activity against the Polish Constitution, usurping the powers of state, flouting laws and trying to plunge the country into economic and political choas." (Literaturnaia gazeta, Moscow, April 29.)

Both Solidarity and KOR have consistently asked the Polish Government to be responsive to the needs of the people and have offered to cooperate fully with the authorities in implementing reforms that would benefit society as a whole. They have opposed abuses by the police and the security apparatus, but have not questioned the need for these bodies to exist and perform their functions in accordance with Polish

ALLEGATION

"Solidarity leaders are strongly influenced by the counterrevolutionary organization KOR which seeks to topple the socialist system in Poland and wrest the country from the community of socialist countries. (Pravda, April 2)

Lech Walesa, head of Solidarity: "We are not against the Government, the Party, socialism and Poland's military alliances. We will never want to be a political party or an organization attempting to do away with the Party. We don't want this to happen and will not try to bring it about." (Radio Warsaw, March 27.)

ALLEGATION

"KOR is setting Poles against Poles and calling them to the barricades of fratricidal struggle."(Literaturnaia gazeta, April 16)

Jacek Kuron (one of the leaders of KOR) "talks of destroying the state structure of Poland." (Radio Moscow, May 7, also Literaturnaia gazeta, May 6)

FACT

Jacek Kuron, in an interview published in Le Mondo (Paris), January 9: "The decision-making power on important questions such as foreign policy, army, security, must remain in the Communist Government's hands," but "it should be exercised within a strict legal framework . . . All domestic questions . . . should be subject to negotiations between society and the government. It is ridiculous to accuse us of aspiring to a dual-power system."

ALLEGATION

"Local Solidarity chapters are trying to intimidate workers. Lists of persons who are to be removed are being prepared in a number of districts... Subversive elements operating in the Kielce voivodship (province) have set up roadblocks... In Warsaw and other cities, anti-socialist forces attempted to seize post offices. In Warsaw they managed to seize for some time a television transmitter." (TASS dispatch from Warsaw, March 29, repeated several times subsequently.)

FACT

All these statements have been categorically denied by official media—e.g., Radio Warsaw and Polish Television on March 29: "There have been no obstacles, roadblocks, or any other traffic obstruction." "The work of television stations has been going on uninterruptedly." Also, Solidarity denied any instructions "to remove people," adding that such lists "would be absolutely useless". The reports about roadblocks are "absolutely false." (March 29)

ALLEGATION

"On the eve of the events in Bydgoszcz, Jan Rulewski Ione of the Solidarity leaders brutually beaten up on March 191," "while driving a car, knocked down a 33-year old pedestrian, causing his death . . . The traces of 'beating up' were received as a result of this accident." (TASS dispatch from Warsaw, April 2.)

FACT

The press spokesman for the General Procurator's office in Warsaw stated that Rulewski had been exonerated of any criminal responsibility in the death of a pedestrian involved in a car accident on March 15. According to the spokesman, Rulewski sustained no injuries whatsoever during the accident. (Report in *Kurier Polski*, Warsaw, March 24.)

ALLEGATION

"Former Nazis," "White Russian emigre circles," and "neo-fascist groups in Western Europe" are sending "instructions to antisocialist forces in Poland." (Literaturnaia gazeta, Moscow, April 8.)

Among the "activities of revenge-seeking quarters in the Federal Republic of Germany" is "the distribution of German-language leaflets in the Western regions of Poland, in which claims are made to this part of Poland." (Pravda, April 2; also Radio Moscow, April 14, TASS, May 5.)

FACT

In a telegram to Prime Minister Wojciech Jaruzelski and in a statement of April 9, Solidarity reported the results of a thorough investigation which clearly established that "the various leaflets circulating in Poland do not emanate from West Germany, but have been produced locally," some of them "in the presses of the military plant in Warsaw."

LEGISLATION AUTHORIZING U.S. PARTICIPATION IN MULTINA-TIONAL PEACEKEEPING FORCE IN THE SINAI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Zablocki) is recognized for 5 minutes.

• Mr. ZABLOCKI. Mr. Speaker, I am today introducing, by request, legislation proposed by the executive branch authorizing U.S. participation in a multinational peacekeeping force in the Sinai. This force, known as the Multinational Force and Observers (MFO), is an extension of and intended to implement the Egyptian-Israeli

Peace Treaty.

Because of its serious purpose this proposed legislation has several significant implications. It therefore requires intense review and thorough consideration. Hearings intended to accomplish that end have already been held by two subcommittees of the Foreign Affairs Committee; additional hearings and even more scrupulous examination of the question will take place

Together with other members of the committee, I have certain concerns regarding the proposal. At the same time, I remain fully committed to the Camp David Accord, and believe it should be extended to a comprehensive peace in the Mideast.

In the meantime, the Foreign Affairs Committee can be expected to continue its review of the question and ultimately work its will in a manner preserving the best interests of the United States.

United States.

• Mr. BROOMFIELD. I am joining with the chairman of the Committee on Foreign Affairs, Mr. ZABLOCKI, in introducing, by request of the administration, legislation on the Sinai Multinational Force. In so introducing this legislation by request, I note that sevthe committee, eral members of myself included, still have reservations on certain aspects of the issue. There is not doubt that some type of a multinational force is part of the Camp David agreement, and therefore, assists the Israelis and Egyptians in furthering the peace process. I believe, nevertheless, that we cannot take lightly the introduction of American combat troops into any area

It is noteworthy that Fiji has already agreed to supply a battalion of approximately 500 men for the Sinai Multinational Force. In view of the small population of Fiji and the 12 troops they have already lost in Lebanon with UNIFIL, I have the utmost praise and respect for Fiji. I believe

that if other countries would follow Fiji's sterling example in furthering the cause of peace worldwide, our own burden in the Sinai would be more equitably distributed among the family of nations.

The Subcommittees on International Security and Scientific Affairs, and Europe and the Middle East have already begun to examine this issue. It is now appropriate for the full committee to address the concept and detailed implementation of a Sinai Multinational Force. I know that the full committee will conduct its examination of the proposed legislation in a thorough and responsible manner.

ANNOUNCING PASSING OF FORMER CONGRESSMAN JAMES A. HALEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. IRELAND) is recognized for 5 minutes.

• Mr. IRELAND. Mr. Speaker, it is with great sadness that I come before you today to announce the passing of former Congressman James A. Haley, who passed away in his sleep at home in Sarasota, Fla., on August 6. He was 82 years old.

Jim was elected to the Congress on November 4, 1952, and served his constituents for 24 years, until he retired in 1976. His constituents were well aware of his efforts on their behalf and overwhelmingly reelected him every 2 years.

During his tenure in Congress, he was chairman of the House Interior and Insular Affairs Committee, chairman of the House Subcommittee on Indian Affairs and chairman of the House Subcommittee on Hospitals, of the House Veterans' Affairs Committee.

Prior to coming to Washington, Jim was elected for two terms to the Florida House of Representatives where he became known as Mr. Economy and was voted most outstanding member.

Before he served in the Florida Legislature, he served as president and director of Ringling Bros., Barnum & Bailey Combined Shows from 1946 to 1948. He was also instrumental in the establishment of the John & Mable Ringling Museum of Art in Sarasota, Fla., as a Florida State museum.

Jim was a hard-working and conscientious Congressman who served our country and district well. He was a personal friend to me and I feel a deep loss at his passing.

I have asked that on Wednesday, September 23, we will have a special order so that the Members will have an opportunity to eulogize our friend, Jim Halev.

A TRUE WORLD VIEW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CROCKETT) is recognized for 5 minutes.

• Mr. CROCKETT. Mr. Speaker, several weeks ago, I sent to many of my constituents copies of my remarks in the House opposing the Reagan budget cuts, increases in military spending, and the tax cuts. I asked for response to these remarks, and have been very pleased by the overwhelmingly supportive comments I have received.

Among these responses, none is more eloquent, none better states the worldwide issues involved in our national spending priorities than that of Sister Joanette Nitz, of the Sisters of St. Dominic.

I would like to share her letter with my colleagues in the House, and enclose it in the RECORD for their information:

SISTERS OF ST. DOMINIC, Detroil, Mich., August 31, 1981. Representative George Crockett, Jr., 1531 Longworth, Washington, D.C.

Dear Representative Crockett: I have just received your statements made on the House floor relative to war, peace, and budget cuts. I am writing to thank you for your ability to get at the heart of the matter and speak this truth clearly at a time when so many legislators have forgot-

ten the people and their needs.

have written to each and all of our lawmakers my position on El Salvador and also on Angola and South Africa. I am now appalled with the developments in Libya and North Korea, I am convinced that possible 'Soviet" communist aggression is a screen" to divert our attention from budget cuts and efforts to keep military spending as proposed by Reagan et al. I agree with you and others who are well aware that if communists make gains it is the result of our involvement with dictatorial, repressive governments in both Latin America and Africa; governments who oppose freedom, human rights, the equality of the poor and working class people in nations seeking development.

Recently I attended a two-day seminar against apartheid sponsored here in Detroit with excellent input by the UN. This was a serious attempt to alert our community of the part Detroit big business plays in the furthering of oppression and unrest in the African world. (Similar to what has been happening in Latin America). And the impact of that same big business taking jobs to the extremely poverty-stricken nonunionized workers of those countries and leaving U.S. workers unemployed.

I recently discovered a pro-Reagan publication sent to a prominent Detroiter. It was the Namibian Gazette. The boogey-man of communism was found in most every line of

this paper.

I support the proposals of the UN membership which is struggling to bring us to recognize racism here and abroad; recognize the reality of apartheid and our feeding into it through involvement with the government of South Africa. We must stop money and military arms/advisors in El Salvador, Africa, Lybia.

In any vote taken on such matters, I trust you will stand in opposition to those endeavoring to kill liberation of the common

people through our unwarranted cry of "communism" and our provision of military aid to the militant, racist government in nower.

I do not deny Soviet and Cuban involvement. We must, however, recall that we turned Cuba toward the Soviet Union 21 years ago. And now we are doing the same thing in Central America; Nicaragua and El Salvador are Christian based countries seeking to initiate democratic socialism. As in Cuba, we are trying to kill the movement of the people. Our present response to Namibia, SWAPO, etc., is using anti-Cuban, anti-Soviet propaganda as a cover rather than facing the reality of our alignment with South Africa and big business enslaving people there and at home.

We need tax money for human services in our own country and in the developing nations. We do not need more military expenditures.

Sincerely,

Sister JOANETTE NITZ, OP.

LEGISLATION TO IMPROVE MANAGEMENT AND THE RATE OF RETURN ON INVESTMENTS TO SOCIAL SECURITY TRUST FUNDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes. Mr. DASCHLE. Mr. Speaker, there has been a great deal of uproar in recent weeks over suggestions to reform social security. The Reagan administration, in my opinion, has seen fit to unnecessarily alarm the elderly population in our society with dire predictions that the system will go broke unless immediate and drastic changes are made. The fact of the matter is that this Government is not going to let the social security system go broke. This is not to say, however, that changes are not necessary. It is simply stating that we can come up with better solutions to reform the system than cutting benefits or threatening the immediate retirement plans of millions of Americans. One change I feel would be of immediate significance would be to improve the management and return on investment of the three social security trust funds.

By law, the three trust funds—OASI, HI, DI—must be invested only in Government or Government-backed securities. Last year, Government securities on the average earned around 13½ percent, some of them paying as high as 15 percent. Yet, the three social security trust funds only earned on the average 8½ percent. This might lead one to ask why is there such a discrepancy and could not the trust funds be receiving a greater rate of return on their investments.

First of all, it is important to keep in mind that most of the trust fund money is invested in special issue Treasury securities. In 1960, Congress approved legislation which prevented the trust funds from earning on these special obligations more than the aver-

age market yield on all interest-bearing marketable obligations of the United States not due or callable for 4 years or more. Thus, in effect, the trust funds can only receive interest based on long-term securities. In years of low interest, this is sound investment policy, but in years of high interest, as is now the case, the trust funds are accruing interest at an artificially low rate below what other investors are receiving on Government securities.

Thus, I have introduced legislation (H.R. 4382), identical to a bill introduced by Senator William Proxmire, which would make the necessary changes in the social security laws and allow the trust funds to receive a higher rate of return on their investments. The bill would achieve this goal through the following steps.

The board of trustees responsible for investing the trust funds is currently composed of the Secretaries of Labor, Health and Human Services, and Treasury. My legislation would expand the board to include a representative of employers, employees, and beneficiaries. In addition, an investment counselor would also be included on the The investment counselor would be responsible for advising the board of the most prudent and lucrative investment possibilities consistent with the law limiting investments to Government or Government-backed securities. By expanding participation on the board, the views of those affected by social security will be better represented.

Second, this legislation charges the trustees with the responsibility of securing the maximum possible interest yield commensurate with the safety of the funds.

Third, the bill would amend the law Congress passed in 1960 and require that if the trustees continue to invest in special Treasury issues the interest rate paid on the special issues will be based on the interest rates paid on all the securities the trust funds are allowed to purchase, and not just the rate of return on long-term investments, as has been the case.

Finally, this legislation allows the trustees to modernize their equipment and seek the advice of such experts that will allow them to maximize the return on the funds and give them the flexibility necessary to enter and invest in both long- and short-term securities.

Mr. Speaker, I have calculated that if this legislation had been in effect over the last 3 years, and that if the trust funds had been invested optimally, an additional \$5 billion in interest could have been accrued on the trust fund investments. Last year alone, \$2 billion could have been added to the trust fund coffers. I would like to note that this figure is equal to 60 percent

of the \$3.3 billion combined deficit the trust funds suffered in 1980. I would surmise that there might not have even been a need to eliminate the minimum benefit had these savings been achieved over the past few years.

This legislation is not a panacea. But it is an important step and should be a part of any plan devised to straighten out the financial problems currently imperiling the OASI account. The fact of the matter is that we have now embarked on a series of new economic policies which appears likely to maintain high interest rates. I certainly hope that high interest rates will not continue, but we should at least be prepared to take advantage of the situation while it still exists by giving the Social Security Board of Trustees the flexibility and capability to invest a larger portion of the trust funds into Fannie Mae (FNMA), Ginnie Mae (GNMA), or other short-term Government-backed securities which are now paying 16 to 18 percent.

It is purely and simply a case of improved management and investment practices, a policy that is stressed to achieve cost savings throughout our Government and a policy the new administration as well as the Congress has taken to heart. Mr. Speaker, I can think of no other step that is as painless as this to improve the financial condition of the social security system. I reemphasize that my bill does not propose raising FICA taxes, raising the retirement age, or cutting benefits. I am hopeful that the administration will see the merits of this bill and that my colleagues will become cosponsors.

The bill follows:

H.R. 4382

A bill to amend the Social Security Act to provide for improved management of the social security trust funds and increase the return on investments to those funds

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 201(c) of the Social Security Act is amended-

(1) by inserting "(1)" after "(c)";

by redesignating paragraphs through (5) as subparagraphs (A) through (E), respectively;

(3) by striking out "in paragraph (2) above" and inserting in lieu thereof "in sub-

paragraph (B)";

(4) By striking out "the Secretary of Health, Education, and Welfare, all ex offi-cio" and inserting in lieu thereof "the Secrecio" and inserting in lieu thereof tary of Health and Human Services, all ex officio, and four individuals appointed by the President, by and with the advice and consent of the Senate, in accordance with paragraph (2)"; and

(5) by adding at the end thereof the fol-

lowing new paragraph:

"(2)(A) The President shall appoint, by and with the advice and consent of the Senate, four individuals to be members of the Board of Trustees for terms of four years, beginning in 1982. The four individuals shall be-

"(i) one representative of employers; "(ii) one representative of employees; "(iii) one representative of individuals re-

ceiving benefits under this title; and "(iv) one individual who is highly qualified in the field of management of investment funds.

"(B) Vacancies occurring on the Board of Trustees shall be filled in the same manner as original appointments, and any individual so appointed shall serve out the unexpired

term of his predecessor.

(C) Each member of the Board of Trustees who is not a full-time employee of the 'ederal Government shall be entitled to per diem compensation at rates fixed by the President, but not more than the current per diem equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which the member is engaged in the actual performance of duties vested in the Board, and all members of the Board of Trustees shall be allowed, while away from their homes or regular places of business in the performance of service for the Board, travel expenses (including per diem in lieu of subsistence) in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.".

(b) Section 201(d) of such Act is amend-

(1) by striking out the first sentence and inserting in lieu thereof the following: "It shall be the duty of the Board of Trustees to invest such portion of the Trust Funds as is not, in its judgment, required to meet curwithdrawals, and such investments shall be made so as to secure the maximum possible interest yield, commensurate with the safety of the Trust Funds.";

(2) by inserting immediately after "then forming a part of the public debt" the fol-lowing: ", all marketable interest bearing obligations which are not obligations of the United States but which are guaranteed as to both principal and interest by the United States, and all marketable federally sponsored agency interest-bearing obligations that are designated in the laws authorizing their issuance as lawful investments for fi duciary and trust funds under the control and authority of the United States or any officer of the United States".

(3) by striking out "which are not due or

callable until after the expiration of four years from the end of such calendar

month"; and

(4) by adding at the end thereof the following new sentence: "The Managing Trustee shall secure such equipment and enlist the services of such experts as may be necessary for the purpose of allowing the Board to make investments which will secure the maximum possible interest yield.

(c) Section 1817(b) of such Act is amended by striking out "composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio" and inserting in lieu thereof "composed of the same individuals who compose the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (as specified in section 201(c))"

(d) Section 1817(c) of such Act is amend-

(1) by striking out the first sentence and inserting in lieu thereof the following: "It shall be the duty of the Board of Trustees to invest such portion of the Trust Funds as is not, in its judgment, required to meet current withdrawals, and such investments shall be made so as to secure the maximum possible interest yield, commensurate with the safety of the Trust Funds"

(3) by striking out "which are not due or callable until after the expiration of 4 years from the end of such calendar month"; and

(4) by adding at the end thereof the following new sentence: "The Managing Trustee shall secure such equipment and enlist the services of such experts as may be necessary for the purpose of allowing the Board to make investments which will secure the maximum possible interest vield.

(e) Section 1841(b) of such Act is amended by striking out "composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio" and inserting in lieu thereof "composed of the same individuals who compose the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (as specified in section 201(c))"

(f) Section 1841(c) of such Act is amended-

(1) by striking out the first sentence and inserting in lieu thereof the following: "It shall be the duty of the Board of Trustees to invest such portion of the Trust Funds as is not, in its judgment, required to meet current withdrawals, and such investments shall be made so as to secure the maximum possible interest yield, commensurate with the safety of the Trust Funds."

(2) by inserting immediately after "then forming a part of the public debt" the fol-lowing: ", all marketable interest bearing obligations which are not obligations of the United States but which are guaranteed as to both principal and interest by the United States, and all marketable federally sponsored agency interest-bearing obligations that are designated in the laws authorizing their issuance as lawful investments for fiduciary and trust funds under the control and authority of the United States or any officer of the United States"

(3) by striking out "which are not due or callable until after the expiration of 4 years from the end of such calendar month"; and

(4) by adding at the end thereof the following new sentence: "The Managing Trustee shall secure such equipment and enlist the services of such experts as may be necessary for the purpose of allowing the Board to make investments which will secure the maximum possible interest

IMPLEMENTING THE CONVEN-TION ON THE PHYSICAL PRO-TECTION OF NUCLEAR MATE-RIALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 5 minutes.

• Mr. RODINO. Mr. Speaker, the worldwide proliferation of terrorist groups intent in achieving their goals through blackmail, extortion, and violence renders it essential that the United States pursue every possible measure to protect its people against this growing threat. We simply can no longer afford the luxury of believing that terrorist activity is something that happens in foreign lands, but could never happen here. It can happen here, and we must be prepared to deal with it.

The terrorist threat is magnified by the increasing numbers of nuclear weapons and the fact that the number of countries with nuclear capabilities continues to grow. Should a nuclear weapon-or the materials needed to build a nuclear weapon-fall into the hands of an extremist group, the potential for widespread destruction and death would be alarming.

As a step toward dealing with this threat, I am today introducing legislation which would amend title 18 of the United States Code by imposing a maximum penalty of 20 years imprisonment and a \$250,000 fine on anyone who without authorization possesses or uses, or steals, extorts, or threatens to use nuclear materials in a way causing or likely to cause death or serious injury to any person or substantial damage to property. Conspiracies and attempts to perform such acts are likewise punishable under this proposal.

This bill, which has been endorsed not only by this administration, but also by the prior administration, implements a key provision of the Convention on the Physical Protection of Nuclear Materials. The convention, which was a U.S. initiative, requires State parties to impose criminal sanctions upon persons who commit nuclear materials-related crimes of the type addressed in this bill. To date, 26 nations, including the U.S.S.R., France, and Great Britain have signed the convention. Further, by a recent vote of 98-0, the Senate has agreed that the convention should be ratified.

This proposal thus serves a twofold purpose: Deterring and punishing extremely dangerous conduct and insuring that the United States lives up to its international commitments. The bill follows:

H.R. 4442

A bill to amend title 18, United States Code, to implement the Convention on the Physical Protection of Nuclear Material, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Act for the Implementation of the Convention on the Physical Protection of Nuclear Material"

SEC. 2. Title 18, United States Code, is amended by inserting after chapter 69 thereof the following new chapter:

"Chapter 70.-NUCLEAR MATERIALS "Sec

"1445. Prohibited transactions involving nuclear materials.

"§ 1445. Prohibited transactions involving nuclear materials

"(a) Whoever intentionally-

"(1) receives, possesses, uses, transfers, alters, disposes, or disperses any material in fact containing plutonium or uranium in combination or otherwise without lawful authority which act causes or is likely to cause death or serious injury to any person or substantial damage to property;

"(2) commits a theft or robbery of any such material:

(3) embezzles any such material or obtains any such material by fraud:

'(4) attempts to commit any of the foregoing offenses;

'(5) conspires to commit any of the foregoing offenses, if any act to effect the object of the conspiracy is done;

"(6) demands such material by threat or use of force or by any other form of intimidation; or

"(7) threatens-

ernments.

"(A) to use any such material to cause death or serious injury to any person or substantial property damage; or

"(B) to commit an offense described in paragraph (a)(2) of this section in order to compel action or inaction by a natural or legal person, international organization, the United States or a foreign government or any political subdivision within those gov-

shall be fined not more than \$250,000 or imprisoned not more than twenty years, or

"(b) There is federal jurisdiction over an offense described in this section if-

"(1) the offense is committed in any area under the jurisdiction of the United States, including any of the places within the provisions of sections 5 and 7 of this title and section 101(38) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301(38));

'(2) the offense is committed by a nation-

al of the United States:

'(3) the material containing the plutonium or uranium concerned was in use, storage, or transport for peaceful purposes and the alleged offender is present within the United States: or

"(4) the material containing the plutonium or uranium concerned was at the time of the offense in shipment via any mode-

'(A) to the United States: or

"(B) from the United States and had not arrived at a facility of the receiver within the country of ultimate destination.

"(c) For the purpose of this section

'foreign government' and 'international organization' shall have the same meanings as those provided in section 1116(b) of this title;

'(2) 'national of the United States' means (A) a citizen of the United States, or (B) a person who, though not a citizen of the United States, owes permanent allegiance to the United States;

"(3) 'plutonium' means plutonium with an isotopic concentration not in excess of 80 per centum plutonium 238; and

"(4) 'uranium' means-

"(A) uranium not in the form of ore or ore-residue that contains the mixture of iso-

topes as occurring in nature;

"(B) uranium that contains the isotope 235 or 233 or both in such amount that the abundance ratio of the sum of those isotopes to the isotope 238 is greater than the ratio of the isotope 235 to the isotope 238 occurring in nature; or

"(C) uranium 233

"(d) In the course of enforcement of this

"(1) the Attorney General may request assistance from any Federal, State, or local agency, including the Army, Navy and Air Force, any statute, rule, or regulation to the contrary notwithstanding, and

'(2) the Federal Bureau of Investigation shall investigate all alleged or suspected violations of this chapter.".

SEC. 3. Paragraph 1116(b)(5) of title 18. United States Code, is amended by inserting the following before the period at the end thereof "or a public organization created pursuant to treaty or other agreement under international law as an instrument through or by which two or more foreign governments engage in some aspect of their conduct of international affairs'

SEC. 4. The analysis of part I, title 18. United States Code, is amended by inserting after the entry therein for chapter 69 the following new item:

70. Nuclear Materials.".

THE RETIREMENT OF A FINE PUBLIC SERVANT-ROBERT OUYE, MAYOR OF MARINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, it is with both pride and sadness that I bring to the attention of my colleagues the retirement of a fine public servant, the mayor of Marina, Calif., Bob Ouye. Bob has been an indispensable asset during the early years of Marina's existence as a city-it was incorporated only in 1975-and the city, which is in my district, will not find it easy to replace him.

Bob served his Nation for many years before he returned to the service of a more local constituency. He served in the U.S. Army for some 20 years and was wounded in both Korea and Vietnam. In 1972, he was discharged from the Army after his second tour of duty-and second

injury-in Vietnam.

When Bob returned to California for good, he was hired as sheriff's deputy for Monterey County, and he has served in that capacity ever since. In 1975, when Marina was incorporated, Bob was selected as a charter member of its new city council, and in 1978, he was chosen by the council as the city's second mayor. When the citizens of Marina voted for their mayor for the first time, in 1980, Bob was again elected.

Under Bob Ouye's tenure, the city of Marina has made tremendous strides in several important areas, particularly in its efforts to improve public safety and enhance its recreational facilities. Bob has been instrumental in focusing attention on these important goals.

In addition, Bob has set and example of integrity and public service by not accepting a salary for his job as mayor. This has been a sign of his dedication to working for the public, and it is that spirit of selflessness that will be missed most by the people of Marina.

Mr. Speaker, I know all of my colleagues join me in wishing Bob the best of luck in the years ahead. It is my hope that the health problems that have forced him to resign will be eased considerably by his stepping down and that he will continue to devote at least some of his time to the public good, as he has now for so many years.

LEAVE OF ABSENCE

By unanimous consent, leave of ab-

sence was granted to:

Mr. Jones of North Carolina (at the request of Mr. WRIGHT), for September 9, 10, and 11 on account of a necessarv absence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted

(The following Members (at the request of Mr. Wolf) to revise and extend their remarks and include extraneous material:)

Mr. DANNEMEYER, for 30 minutes

today

Mr. HARTNETT, for 5 minutes, today. (The following Members (at the request of Mr. Kogovsek) to revise and extend their remarks and include extraneous material:)

Mr. Addabbo, for 10 minutes, today. Mr. STOKES, for 5 minutes, today,

Mr. Gonzalez, for 30 minutes, today. Mr. Annunzio, for 60 minutes, today.

Mr. Zablocki, for 5 minutes, today.

Mr. IRELAND, for 5 minutes, today.

Mr. CROCKETT, for 5 minutes, today. Mr. DASCHLE, for 5 minutes, today.

Mrs. Collins, of Illinois, for 5 minutes, today.

Mr. Rodino, for 5 minutes, today. Mr. PANETTA, for 5 minutes, today.

Mr. ADDABBO, for 60 minutes, September 15, to lead memorial tributes to the late Roy Wilkins.

Mr. ALEXANDER, for 60 minutes, September 15.

Mr. Dixon, for 60 minutes, September 16.

Mr. IRELAND, for 60 minutes, September 23, to lead memorial tributes to the late Honorable James A. Haley of Florida.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was

Mr. Weiss, immediately prior to the vote on the Sensenbrenner amendment to H.R. 4169 in the Committee of the Whole today.

Mr. Hughes, at the conclusion of general debate on H.R. 4169 in the Committee of the Whole today.

(The following Members (at the request of Mr. Wolf) and to include extraneous matter:)

Mr. VANDER JAGT in two instances. Mr. Broomfield in two instances.

Ms. FIEDLER.

Mr. Young of Florida in 10 instances

Mr. LEBOUTILLIER. Mr. GRADISON.

Mr. DUNCAN.

Mr. WHITEHURST.

Mr. GREEN.

Mr. PHILIP M. CRANE.

Mr. KEMP in five instances.

Mr. NELLIGAN.

Mr. HARTNETT. Mr. McClory in two instances.

Mr. BEARD.

Mr. McKinney

Mr. WEBER of Ohio.

Mr. Lagomarsino in two instances.

Mr. Lungren in three instances.

Mr. HYDE.

Mr. Evans of Iowa.

Mr. CONTE.

Mr. DREIER.

Mr. ROBERTS of South Dakota.

Mr. GILMAN in three instances.

Mr. MOORE.

Mr. BROYHILL.

(The following Members (at the request of Mr. Kogovsek) and to include extraneous matter:)

Mr. VENTO.

Mrs. Collins of Illinois.

Mr. Anderson in 10 instances.

Mr. Aspin in two instances.

Mr. Gonzalez in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mrs. Bouquard in five instances. Mr. Hamilton in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 instances

Mr. Boner of Tennessee in five instances.

Mr. Zablocki in two instances.

Mr. Long of Louisiana.

Mr. STOKES.

Mr. McDonald in 10 instances.

Mr. FARY.

Mrs. Schroeder.

Mr. IRELAND.

Mr. RANGEL.

Mr. STARK in three instances.

Mr. YATRON in two instances.

Mr. Guarini in three instances.

Mr. LUKEN.

Mr. LAFALCE.

Mr. Frank in two instances.

Mr. Jones of Oklahoma.

Mr. RODINO. Mr. HUBBARD.

Mr. BONKER.

Mr. RAHALL.

Mr. BLANCHARD. Mr. OTTINGER.

Mr. DINGELL.

Mr. GINN.

Mr. HAWKINS in three instances.

Mr. MOFFETT.

Mr. GARCIA. Ms. OAKAR.

Mr. BEDELL.

Mr. SOLARZ.

Mr. PATTERSON.

Mr. AuCoin. Mr. SABO.

Mr. WEISS. Mr. SOLARZ.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following title:

S. 547. An act to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon;

S. 694. An act to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test. and evaluation to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize sup-plemental appropriations for such fiscal year for construction at certain military installations, and for other purposes;

S. 875. An act to authorize the generation of electrical power at Palo Verde Irrigation

District Diversion Dam, Calif.; and

S. J. Res. 87. Joint resolution to authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day."

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3982. An act to provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for fiscal

year 1982; and

H.R. 4242. An act to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small business, and incentives for savings, and for other

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on the following days present to the President, for his approval, bills and a joint resolution of the House of the following title:

On August 5, 1981: H.R. 1100. An act to amend title 38, United States Code, to improve certain benefit programs of the Veterans' Administration for veterans who are former prisoners of war, and for other purposes; and

H.J. Res. 141. A joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 4, 1981, through October 10, 1981, as "National Schoolbus Safety Week."

On August 12, 1981:

H.R. 3982. An act to provide for reconciliation pursuant to section 301 of the first con-current resolution on the budget for fiscal year 1982; and

H.R. 4242. An act to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and other pur-

ADJOURNMENT

Mr. WILLIAMS of Montana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p.m.), pursuant to House Resolution 206, the House adjourned until tomorrow, Thursday, September 10, 1981, at 10 a.m. in memory of the late WILLIAM R. COTTER of Connecticut.

REPORTS OF COMMITTEES ON BILLS AND RESOLU-PUBLIC TIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on August 4, 1981, the following report was filed on August 14, 1981]

Mr. DELLUMS: Committee on the District of Columbia. H.R. 1807. A bill to authorize the District of Columbia to issue and sell general obligation bonds for the purpose of paying certain liabilities of the District, and for other purposes; with an amendment (Rept. No. 97-219). Referred to the Committee of the Whole House on the State of the Union.

[Submitted September 9, 1981]

Mr. DE LA GARZA: Committee on Agriculture. Report on allocation of budget totals for fiscal year 1982 (Rept. No. 97-220). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. de la GARZA (for himself, Mr. Brown of California, Mr. Coelho, Mr. Fazio, Mr. Matsui, Mr. Panetta, Mr. Thomas, and Mr. Wampler):

H.R. 4416. A bill to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry

diseases; to the Committee on Agriculture. By Mr. AKAKA: H.R. 4417. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes; to the Committee on Armed Services.

By Mr. ARCHER: H.R. 4418. A bill to amend the Internal Revenue Code of 1954 to repeal the provision which prohibits individual retirement accounts and certain other retirement plans from investing in collectibles; to the Committee on Ways and Means.

By Mr. BRINKLEY: H.R. 4419. A bill to amend title 28 of the United States Code to modify habeas corpus procedures; to the Committee on the Judici-

By Mr. RANGEL (for himself, Mr. Gibbons, and Mr. Moore): H.R. 4420. A bill to amend section 103 of

the Internal Revenue Code of 1954 with respect to the small issue exemption; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 4421. A bill to amend the Federal Aviation Act of 1958 to require airlines which cancel flights to compensate passengers for the increased costs of taking alternative flights; to the Committee on Public Works and Transportation. By Ms. FIEDLER:

H.R. 4422. A bill to enforce the 14th article of amendment to the Constitution with respect to certain law enforcement misconduct by providing a substitute remedy for the existing remedy of exclusion of evidence, and for other purposes; to the Committee on the Judiciary.

H.R. 4423. A bill to amend title 18 of the United States Code to waive sovereign immunity and create a cause of action with respect to gross negligence in granting Federal parole; to the Committee on the Judici-

ary. H.R. 4424. A bill to amend section 2254 of title 28 of the United States Code to limit release of State prisoners by Federal courts pending Federal habeas corpus consideration; to the Committee on the Judiciary

H.R. 4425. A bill to amend section 2254 of title 28 of the United States Code to provide for conclusive rebuttal of certain allegations made by applicants for Federal habeas corpus if the record of State proceedings contradicts such allegations; to the Commit-

tee on the Judiciary. H.R. 4426. A bill to amend section 2254 of title 28 of the United States Code to limit Federal habeas corpus proceedings based on State convictions in certain cases where State courts remedies may not be properly exhausted; to the Committee on the Judici-

H.R. 4427. A bill to amend section 1979 of the Revised Statutes of the United States to limit the use of civil actions under that section to review the conditions of imprisonment of State and local prisoners; to the Committee on the Judiciary

By Mr. GEPHARDT (for himself and

Mr. Bailey of Missouri):

H.R. 4428. A bill relating to the duty-free entry of certain scientific equipment imported for the use of the Ellis Fischel State Cancer Hospital, Columbia, Mo.; to the Committee on the Judiciary.

By Mr. HARTNETT: H.R. 4429. A bill to amend the Labor Management Relations Act, 1947, with respect to suits for damages brought against individual defendants acting not in behalf of their union but in their personal and nonunion capacity for violating a no-strike provision of a collective-bargaining agreement, and for other purposes; to the Committee on

Education and Labor.

H.R. 4430. A bill to amend section 8345 of title 5, United States Code, to provide that unless individuals who are entitled to civil service retirement benefits receive their initial annuity payments promptly, such individuals shall be entitled to receive payments for interest that has accrued on the delayed payments; to the Committee on Post Office and Civil Service.

By Mr. HOYER:

H.R. 4431. A bill to provide for the designation of the E. Michael Roll Post Office; to the Committee on Post Office and Civil

By Mr. McKINNEY:

H.R. 4432. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage the building and rehabilitation of rental housing; to the Committee on Ways and Means

By Mr. MITCHELL of New York:

H.R. 4433. A bill to repeal the provision of the Omnibus Budget Reconciliation Act of 1981 which provides that certain ex-service members will not be eligible for unemployment compensation; to the Committee on Ways and Means.

By Mr. MOFFETT (for himself, Mr. Ford of Michigan, Mr. Downey, Mr. Scheuer, and Mr. Walgren):

4434. A bill to amend the Internal Revenue Code of 1954 to authorize the disclosure of certain employment tax information to the National Institute for Occupational Safety and Health, for specified uses in such Institute's epidemiological research program; to the Committee on Ways and Means

By Mr. MOTTL:

H.R. 4435. A bill to amend title 5, United States Code, to provide for binding arbitration for the resolution of impasses in Federal labor-management collective bargaining: to the Committee on Post Office and Civil Service.

By Mr. MURPHY (for himself, Mr. La-FALCE, Mr. NEAL, Mr. ROE, Mr. FOGLIETTA, Mr. WON PAT, Mr. BEDELL, Mr. PANETTA, and Mrs. BOUQUARD):

H.R. 4436. A bill to amend title 10, United States Code, to raise from 35 to 45 the maximum age at which an individual may receive an original appointment as a commissioned officer in a Regular component of the Armed Forces; to the Committee on Armed Services.

> By Mr. OTTINGER (for himself, Mr. MOORHEAD Mr. CONYERS, Mr. STUDDS. Mr. Rodino, Mr. Markey, Mr. GREGG, Mr. ROSENTHAL, Mr. CHAPPELL, Mrs. COLLINS of Illinois, Mr. Frank, and Mr. Fish):

H.R. 4437. A bill to promote energy conservation by providing for daylight saving time on an expanded basis and for other purposes; to the Committee on Energy and

By Mr. PAUL:

H.R. 4438. A bill to provide for creation of a Review Commission on Enforcement and Prosecution Under the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 4439. A bill to repeal the provision added by the Economic Recovery Tax Act of 1981 which treats investments by individual retirement plans in collectables as distribu-tions; to the Committee on Ways and Means.

By Mr. PEPPER:

H.R. 4440. A bill to amend the Government Corporation Control Act with respect to the status of the Federal Savings and Loan Insurance Corporation; to the Committee on Government Operations.

By Mr. RODINO:

H.R. 4441. A bill to amend title 17 of the United States Code with respect to the fees of the Copyright Office, and for other purposes; to the Committee on the Judiciary.

H.R. 4442. A bill to amend title 18, United States Code, to implement the Convention on the Physical Protection of Nuclear Material, and for other purposes; to the Committee on the Judiciary.

By Mr. SHAMANSKY (for himself, Mr. Roe, and Mr. Won Pat):

H.R. 4443. A bill to amend the Social Security Act to provide for improved management of the social security trust funds and increase the return on investments to those funds: to the Committee on Ways and Means.

By Mr. SHANNON:

H.R. 4444. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of research or experimental expenditures for purposes of the small issue exemption from the industrial development bond rules; to the Committee on Ways and

By Mr. SKEEN:

H.R. 4445. A bill to confer jurisdiction on the U.S. Court of Claims with respect to certain claims of the Navaho Indian Tribe; to the Committee on Interior and Insular Affairs.

By Mr. VANDER JAGT:

H.R. 4446. A bill to change the name of the Grand Traverse Bay Harbor in Elm-wood Township, Leelanau County, Mich., to the "Greilickville Harbor"; to the Committee on Public Works and Transportation.

By Mr. WEISS: H.R. 4447. A bill to amend title XVIII of the Social Security Act to eliminate increases in the medicare part A deductible and coinsurance amounts and the increase in the medicare part B deductible amount effected by the Omnibus Budget Reconciliation Act of 1981; jointly to the Committees on Ways and Means and Energy and Commerce.

By Mr. WHITE:

H.R. 4448. A bill to amend title 10, United States Code, to increase the number of Assistant Secretaries in the Department of Defense, and for other purposes; to the Com-

mittee on Armed Services.

By Mr. WHITEHURST:

H.R. 4449. A bill to amend title II of the Social Security Act to limit benefits in the case of individuals who are not citizens or nationals of the United States or who are residing abroad; to the Committee on Ways and Means.

By Mr. ZEFERETTI: H.R. 4450. A bill to authorize the donation of surplus property to any State for the construction and modernization of criminal justice facilities; to the Committee on Government Operations.

By Mr. ALEXANDER: H.J. Res. 319. Joint resolution directing the President to consult with the Governors of the Federal Reserve System for the purpose of substantially reducing interest rates within the next 90 days; and to report to the Congress the results of those consultations within 30 days; to the Committee on Banking, Finance and Urban Affairs.

By Mr. IRELAND: H.J. Res. 320. Joint resolution expressing the sense of the Congress that following the achievement of a balanced budget, any existing budget surplus should be applied to reducing the national debt; to the Committee on Ways and Means.

By Mr. SMITH of New Jersey: H.J. Res. 321. Joint resolution to designate the week of October 4 through 10, 1981, as "National Respect Life Week"; to the Committee on Post Office and Civil Service.

By Mr. VANDER JAGT:

H.J. Res. 322. Joint resolution to provide that commemorative medals to be struck by the Netherlands-American Amity Trust in honor of the bicentennial anniversary of Netherlands-American diplomatic relations shall be national commemorative medals; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WINN: H.J. Res 323. Joint resolution designating "National High School Activities Week"; to Committee on Post Office and Civil

By Mr. ZABLOCKI (for himself and

Mr. Broomfield) (by request): H.J. Res. 324, joint resolution to authorize the participation of the United States in a multinational force and observers to implement the treaty of peace between Egypt and Israel; to the Committee on Foreign Affairs.

By Mr. COURTER:

H. Con. Res. 174. Concurrent resolution expressing the sense of the Congress with respect to the role and funding of the Central Intelligence Agency and the disclosure of the identities of agents of the Central Intelligence Agency; to the Permanent Select Committee on Intelligence.

By Mr. FISH:

H. Con. Res. 175. Concurrent resolution expressing the sense of the Congress that both Houses of the Congress should be adjourned on October 19, 1981, to permit the Members of the Congress to participate in the Bicentennial celebration of the surrender at Yorktown, Va., of the British Army to the military forces led by Gen. George Washington; to the Committee on Rules.

By Mr. DANIEL B. CRANE:

H. Res. 207. Resolution expressing the sense of the House of Representatives regarding the August 19 incident above the Gulf of Sidra and the attitudes and conduct of the Government of Libya; to the Committee on Foreign Affairs.

By Mr. PHILIP M. CRANE (for himself, Mr. McDonald, and Mr. Marri-

OTT)

H. Res. 208. Resolution disapproving the action of the District of Columbia Council in approving the District of Columbia Sexual Assault Reform Act of 1981; to the Committee on the District of Columbia.

By Mr. MOFFETT: H. Res. 209. Resolution to disapprove synthetic fuel action 1981-1 (relating to a loan guarantee for the Oil Shale Corporation); to Committee on Banking, Finance and Urban Affairs.

By Mr. PEYSER:

H. Res. 210. Resolution expressing the

sense of the House that the windfall profits tax reduction provisions contained in the Economic Recovery Tax Act of 1981 be repealed; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

166. By the SPEAKER: Memorial of the House of Representatives of the State of South Carolina, relative to the Federal tobacco loan and acreage allotment program; to the Committee on Agriculture.

167. Also, memorial of the Legislature of the State of Washington, relative to pesticide registration requirements; to the Com-

mittee on Agriculture.

168. Also, memorial of the House of Representatives of the State of California, relative to food irradiation; to the Committee on Energy and Commerce.

169. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the adoption of a national strategy of peace through strength; to the Committee on Foreign Affairs.

170. Also, memorial of the Legislature of the State of California, relative to Greece; to the Committee on Foreign Affairs.

171. Also, memorial of the Legislature of the Territory of American Samoa, relative to the political status of the territory; to the Committee on Interior and Insular Affairs.

172. Also, memorial of the Legislature of the Territory of Guam, relative to a single islandwide power system on Guam; to the Committee on Interior and Insular Affairs.

173. Also, memorial of the Republic of Palau, relative to its views concerning the formulation, financing, and operation of U.S. Federal programs affecting the Republic of Palau and its political subdivisions; to the Committee on Interior and Insular Af-

174. Also, memorial of the Legislature of the State of Alabama, requesting that Congress call a convention for the specific and exclusive purpose of proposing an amendment which would prohibit lifetime appointments of Federal Supreme Court Justices and all other Federal judges and require that they be elected and reelected every 6 years by the people; to the Committee on the Judiciary.

175. Also, memorial of the Legislature of the State of Idaho, relative to amendments to the Immigration and Nationality Act; to

the Committee on the Judiciary.

176. Also, memorial of the Legislature of the State of Louisiana, relative to the Voting Rights Act of 1965; to the Committee on the Judiciary.

177. Also, memorial of the House of Representatives of the State of California, relative to funding of the clean water program; to the Committee on Public Works and Transportation.

178. Also, memorial of the Legislature of the State of Minnesota, relative to declaring certain Minnesota counties to be disaster areas for the purpose of receiving Federal disaster assistance; to the Committee on Public Works and Transportation.

179. Also, memorial of the Legislature of the State of Louisiana, relative to authorizing the transfer of Iranian assets from the Federal Reserve bank to the social security trust fund; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS of Georgia: H.R. 4451. A bill for the relief of Maj. Ralph Edwards, U.S. Air Force, retired; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 38: Mr. GINGRICH.

H.R. 52: Mr. FRENZEL, Mr. BEARD, Mr. SAN-TINI, Mr. MARTIN of New York, Mr. BAR-NARD, Mr. KILDEE, and Mr. SMITH of New Jersey

H.R. 319: Mr. Beard. H.R. 337: Mr. Philip M. Crane.

H.R. 375: Mr. LENT, Ms. OAKAR, Mr. HOYER, and Mr. WHITTAKER.

H.R. 393: Mr. CHAPPELL.

H.R. 450: Mr. Collins of Texas, Mr. O'BRIEN, Mr. Spence, Mr. Martin of North Carolina, Mr. Broyhill, Mr. Hansen of Utah, Mr. ROBERTS of South Dakota, Mr. HANSEN of Idaho, Mr. Coughlin, and Mr.

H.R. 484: Mr. COURTER.

H.R. 501: Mr. Anthony, Mr. Bethune, Mr. JOHN L. BURTON, Mr. DENARDIS, Mr. HEFTEL, Mr. Hoyer, Mr. O'Brien, Ms. Oakar, Mr. Siljander, Mr. Smith of Iowa, Mr. Staton of West Virginia, Mr. Studds, and Mr. WIRTH.

H.R. 917: Mr. BARNARD and Mr. CARNEY.

H.R. 1127: Mr. COELHO.

H.R. 1139: Mr. Young of Alaska. H.R. 1173: Mr. Young of Alaska.

H.R. 1180: Mrs. Holt, Mr. Emerson, and Mr. SILJANDER.

H.R. 1193: Mr. LANTOS, Mrs. COLLINS of Illinois, Mr. FARY, Mr. WEISS, and Mrs. Chis-

H.R. 1313: Mr. RAILSBACK, Mr. FISH, and Mr. BOWEN.

H.R. 1519: Mr. HUNTER.

H.R. 1819: Mr. DREIER and Mr. DUNN.

H.R. 1822: Mr. LEBOUTILLIER, Mr. DOUGH-ERTY, and Mr. DERWINSKI.
H.R. 1922: Mr. Young of Alaska.
H.R. 2038: Mr. Green.
H.R. 2052: Mr. Pepper and Mr. Neal.

H.R. 2292: Mr. DUNN.

H.R. 2309: Mr. Dorgan of North Dakota H.R. 2310: Mr. Bedell, Mr. Bowen, Mr. Breaux, Mr. Emerson, Mr. Fazio, Mr. Flippo, Mr. Jacobs, Mr. Luken, Mr. McDon-ALD, Mr. MARTIN of North Carolina, Mr. PATMAN, Mr. SMITH of Oregon, Mr. STEN-HOLM, and Mr. HEFNER.

H.R. 2352: Mr. PEPPER.

H.R. 2445: Mr. Brown of Colorado and Mr. KRAMER

H.R. 2488: Mr. Murtha and Mr. Bafalis.

H.R. 2776: Mr. Roe.

H.R. 2832: Mr. JEFFORDS, Mr. SMITH of Pennsylvania, Mr. MITCHELL of Maryland, and Mr. Fazio.

H.R. 2835: Mr. Conyers. H.R. 2932: Mr. Lowry of Washington. H.R. 3079: Mr. Walgren.

H.R. 3262: Mr. NEAL and Mr. MITCHELL of Maryland.

H.R. 3364: Mr. Davis. H.R. 3412: Mr. MINETA. H.R. 3465: Mr. WYDEN.

H.R. 3540: Mr. FISH and Mr. NEAL.

H.R. 3575: Mr. Albosta, Mr. Anthony, Mr. ATKINSON, Mr. BROWN of California, Mr. CHAPPELL, Mr. CLINGER, Mr. COELHO, Mr. DREIER, Mr. FORD of Tennessee, Mr. Howard, Mr. Lewis, Mr. Smith of New Jersey, Mr. Snyder, Mr. Stark, and Mr. WOLPE.

H.R. 3613: Mr. BOWEN.

H.R. 3704: PHILIP M. CRANE, Mr. HORTON, Mr. MINISH, Mr. OBERSTAR, Mr. RAHALL, Mr. STENHOLM, and Mr. Won Pat.

H.R. 3719: Mr. Siljander and Mr. Neal. H.R. 3721: Mr. Shaw, Mr. Mitchell of

Maryland, Mr. Pepper, and Mr. Frank. H.R. 3841: Mr. Clay, Mr. Weiss, EDGAR, and Mr. MITCHELL of Maryland.

H.R. 3901: Mr. ROEMER.

H.R. 3984: Mr. HUCKABY.

H.R. 4000: Mr. MARRIOTT and Mr. BREAUX. H.R. 4010: Mr. Markey, Mr. Foglietta, Mr. Ford of Tennessee, Mr. Fauntroy, Mr. Gibbons, Mr. Weaver, Mr. Stokes, Mr. Lantos, Mr. Atkinson, Mr. Neal, Mr. WIRTH, Mr. DOUGHERTY, and Mr. VENTO.

H.R. 4014: Mr. Albosta.

H.R. 4063: Mr. Napier. H.R. 4070: Mr. Danielson, Mr. Miller of California, Mr. Forsythe, Mr. Edgar, Mr. Beilenson, Mrs. Fenwick, Mr. LaFalce, Mr. FASCELL, Mr. KILDEE, Mr. KASTENMEIER, Mr. MITCHELL of Maryland, Mr. SIMON, Mr. BINGHAM, Mr. GORE, Mr. WIRTH, and Mr. H.R. 4091: Mr. Davis, Mr. Ginn, Mr.

KINDNESS, AND Mr. MATSUI.
H.R. 4147: Mr. LEBOUTILLIER, Mr. AKAKA,
Mr. PEPPER, Mr. SMITH of Pennsylvania, Mr. EMERSON, Mr. LELAND, and Mr. HYDE.

H.R. 4158: Mr. WOLPE.

H.R. 4164: Mr. NELLIGAN, Mr. HANSEN of Idaho, Mr. Wirth, Mr. Edwards of Oklahoma, and Mr. SAVAGE.

H.R. 4220: Mr. DWYER.

H.R. 4230: Mr. TAUZIN, Mr. IRELAND, Mr. SUNIA, Mr. YOUNG OF MISSOURI, Mr. MARRI-OTT, Mr. HUCKABY, Mr. NELSON, Mr. LAGO-MARSINO, Mr. LEHMAN, Mr. HUTTO, Mr. WILSON, Mr. SHAW, Mr. FASCELL, and Mr.

H.R. 4325: Mr. Walgren and Mr. Tauke. H.J. Res. 68: Mr. Lewis.

H.J. Res. 125: Mr. STATON of West Virginia.

H.J. Res. 145: Mr. FITHIAN, Mr. MAV-ROULES, and Mrs. Byron. H.J. Res. 197: Mr. Fowler. H.J. Res. 250: Mr. Gingrich and Mr.

H.J. Res. 260: Mr. Porter, Mr. Molinari, Mr. Dornan of California, Mr. Fountain, Mr. Rose, Mr. Annunzio, and Mr. Kramer.

H.J. Res. 268: Mr. CROCKETT, Ms. FIEDLER, Mr. FORD of Michigan, Mr. McClory, Mr. MARKEY, Mr. NELSON, Mr. SAWYER, Mr.

ROSENTHAL, and Mr. YATES.
H.J. Res. 273: Mr. McCollum, Mr. Patman,
Mr. Corrada, Mr. Bowen, Mr. Coats, Mr. STARK, Mr. ROTH, Mr. HUBBARD, and Mr. BAILEY of Missouri.

H.J. Res. 286; Mr. Lehman,
H. Con. Res. 100; Mr. Fish.
H. Con. Res. 151; Mr. Oberstar, Mr.
Lehman, Mr. Rahall, Mr. Seiberling, Mr.
Neal, Mr. Fazio, Mr. Miller of California, Mr. FORD of Michigan, Mr. Weiss, and Mr. CONYERS.

H. Res. 138: Mr. HOYER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

161. By the SPEAKER: Petition of the boards of the American Supply and Machinery Manufactuers' Association, Cleveland, Ohio, the National Industrial Distributors Association, Philadelphia, Pa., and the Southern Industrial Distributors Association, Atlanta, Ga., relative to productivity; to the Committee on Banking, Finance and Urban Affairs.

162. Also, petition of the 193d General Assembly of the United Presbyterian Church in the U.S.A., Houston, Tex., relative to establishment of a National Academy Peace and Conflict Resolution; to the Committee on Education and Labor.

163. Also, petition of the National Association of Counties, Washington, D.C., relative to a sound national employment and training policy; to the Committee on Education and Labor.

164. Also, petition of Local 5011, Communications Workers of America, AFL-CIO, Lockport, Ill., relative to the air traffic controllers' strike; to the Committee on Educa-

165. Also, petition of the Director, Head Start of Fayette County, Uniontown, Pa., relative to funds for Head Start program; to the Committee on Education and Labor.

166. Also, petition of Rosalind Z. Smith, Virginia Beach, Va., et al., relative to funds for handicapped children; to the Committee on Education and Labor.

167. Also, petition of the National Association of Attorneys General, Washington,

D.C., relative to the Clean Air Act; to the Committee on Energy and Commerce

168. Also, petition of the City Council, Trenton, Mich., relative to cable television; to the Committee on Energy and Commerce.

169. Also, petition of Lyle Noel, Green Bay, Wis., et al., relative to acid rain; to the Committee on Energy and Commerce

170. Also, petition of Aralee Scripter, Logansport, Ind., et al., relative to citizens' band radio regulations; to the Committee on Energy and Commerce.

171. Also, petition of the board of directors, Operation Threshold Community Action Agency, Waterloo, Iowa, relative to decontrol of natural gas prices; to the Com-

mittee on Energy and Commerce.

172. Also, petition of the Consumers Organization for the Hearing Impaired, Inc., Laurel, Md., relative to its support of H.R. 375 and S. 604 to require that telephone receivers be compatible with hearing aid telecoils; to the Committee on Energy and Com-

173. Also, petition of Mirza Gholam Hafiz, Speaker, Bangladesh Parliament, Dacca, relative to friendly relations between the United States and Bangladesh; to the Com-

mittee on Foreign Affairs.

174. Also, petition of the Pennsylvania Building and Construction Trades Council, Harrisburg, Pa., relative to a solution to the dispute in northern Ireland; to the Committee on Foreign Affairs.

175. Also, petition of the Ohio Municipal Clerks Association, Columbus, Ohio, relative to the National Historical Publications and Records Commission; to the Committee on

Government Operations.

176. Also, petition of the Michigan Municipal Clerks Association, Novi, Mich., relative to the holding of national elections on Sundays; to the Committee on House Administration.

177. Also, petition of the National Urban Indian Council, Denver, Colo., relative to resolutions adopted by the organization's fifth annual convention; to the Committee on Interior and Insular Affairs.

178. Also, petition of the National Association of Attorneys General, Washington, D.C., relative to a proposed Model Grand Jury Reform Act; to the Committee on the Judiciary

179. Also, petition of the board of directors, New York State Defenders Association, Inc., Albany, N.Y., relative to the continuation of the Legal Services Corporation; to the Committee on the Judiciary.

180. Also, petition of the Council of the District of Columbia, Washington, D.C., relative to extension of the Voting Rights Act of 1965; to the Committee on the Judiciary.

181. Also, petition of the State Council of North Carolina, Junior Order United American Mechanics, Scotland Neck, N.C., relative to restricted immigration; to the Committee on the Judiciary.

182. Also, petition of the State Council of North Carolina, Junior Order United American Mechanics, Scotland Neck, N.C., relative to illegal aliens; to the Committee on the Judiciary.

183. Also, petition of Rev. J. C. Wallace, Wilmington, N.C., et al., relative to the national debt ceiling; to the Committee on Ways and Means.

184. Also, petition of the National Association of Attorneys General, Washington, D.C., relative to military cooperation with drug enforcement officials; jointly, to the Committees on Armed Services and the Judiciary.

185. Also, petition of the International Association of Official Human Rights Agencies, Washington, D.C., relative to the proposed Anti-Discrimination Act of 1981; jointly, to the Committees on Education and Labor and the Judiciary.

and Labor and the Judiciary.

186. Also, petition of the annual meeting of the National Association of Attorneys General, Jackson Hole, Wyo., relative to bail reform; jointly, to the Committees on the Judiciary and Energy and Commerce.

Judiciary and Energy and Commerce.
187. Also, petition of John L. Ray, Washington, D.C., relative to drug traffic and penalties; jointly, to the Committees on the Judiciary and Energy and Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4209

By Mrs. JONES of North Carolina:

—Page 27, lines 6 and 7, strike out the words
"official reception and representation expenses of the Board".

Page 27, line 10, strike out the words "of

the Administrator"

Page 27, line 20, after the comma following the word "Provided," insert the following: "That of the funds appropriated by this section:

(1) not more than \$272,000 shall be available for apprehimant and a side of the state of the sta

able for operation of guide services;
(2) not more than \$60,000 shall be

(2) not more than \$60,000 shall be available for the maintenance of a residence for the Administrator, including staffing, as authorized by section 5913 of title 5, United States Code;

(3) not more than \$25,000 shall be available for disbursement by the Administrator for employee recreation and community

projects;

(4) not more than \$520,000 shall be available for procurement of expert and consultant services as provided by section 3109 of title 5, United States Code;

(5) not more than \$3,724,000 shall be available for maintenance and alteration of facilities of the Government of the Republic

of Panama, used by the Commission, of which the United States retains use pursuant to the Panama Canal Treaty of 1977 and related agreements; and (6) not more than \$50,000 shall be available for expenses of the supervisory Board established pursuant to section 1102 of Public Law 96-70 (93 Stat. 456), including travel and transportation expenses under section 5703 of title 5, United States Code: Provided further,"

Page 28, line 3, change the colon to a

Page 28, line 3, change the colon to a period and strike out the remainder of line

14 and all of lines 4 through 7.

Page 28, line 20, after the comma following the words "Provided, That" insert the following: "of the sums referred to in this paragraph, not more than the following amounts shall be available for the following purposes:

(1) for transit projects, \$13,764,000;

(2) for general support projects, \$3,252,000;

(3) for utilities projects, \$1,870,000; and (4) for quarters improvement projects:

\$880,000: Provided further:".

Page 28, line 22, change the colon to a period and strike out the remainder of line 22 and all of lines 23 and 24.

Page 29 strike out lines 1 and 2 in their entirety.

By Mr. OBERSTAR:

—Page 14, line 24, strike out the period and insert in lieu therof a colon and the following: "Provided further: That of the funds appropriated under this heading, \$1,000,000 shall be available only for the operation of the National Driver Register.".

By Mr. SNYDER:

-Page 38, after line 15, add the following new Section:

SEC. 322. None of the funds in this Act shall be used to implement any change in the policy or rules governing the operation of aircraft at Washington National Airport (14 CFR 93, Subpart K; 14 CFR 159, Subpart C) as such policy or rules were in effect on July 31, 1981. This limitation shall not apply to any change in 14 CFR 159,60 nor shall it apply to Special Federal Aviation Regulation No. 44, amendments thereto or orders issued thereunder.

-Page 38, after line 15, add the following new section:

SEC. 322. None of the funds in this Act shall be used to implement any change in the policy or rules governing the operation of aircraft at Washington National Airport (14 CFR 93, Subpart K; 14 CFR 159, Subpart C) as such policy or rules were in effect on July 31, 1981. This limitation shall not apply to Special Federal Aviation Regulation No. 44, amendments thereto or orders issued thereunder.

-Page 38, after line 15, add the following new section:

SEC. 322. No funds appropriated by this Act shall be used to pay any salary or other expense for the purposes of putting into effect or enforcing any rule which requires any reduction in the total daily number of flights by (a) air carriers except air taxis, (b) or air taxis, at Washington National Airport below the number operated on July 31, 1981; except that this limitation shall not apply to Special Federal Aviation Regulation No. 44, amendments thereto or orders issued thereunder.

By Mr. STUDDS:

-Page 3, line 9, strike "\$1,402,898,000" and insert in lieu thereof "\$1,450,000,000".

Page 4, line 3, strike "391,000,000" and insert in lieu thereof "\$425,000,000".

Page 4, line 24, strike "\$29,730,000" and insert in lieu thereof "33,000,000".

By Mr. WILSON:

—Add the following section:

SEC. No funds appropriated by this Act shall be used to pay any salary or other expense for the purpose of putting into effect or enforcing any rule or order which requires any reduction in the total daily number of flights by (a) air carriers except air taxis, or (b) air taxis, at Washington National Airport below the number operated on July 31, 1981; except that this limitation shall not apply to Special Federal Aviation Regulation 44, amendments thereto or orders issued thereunder.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed

under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the Congressional Record.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the second calendar quarter 1981:

(Note.—The form used for report is reproduced below. In the interest of economy in the Record, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only,

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filling in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(M	lark of	ne squ	are or	nly)

Note on Item "A".—(a) In General. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm Isuch as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) Separate Reports. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

Note on Item "B" .- Reports by Agents or Employees. An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report-naming both persons as "employers"-is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

Note on Item "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a ciff.)

(Answer items 1, 2, and 3 in the space below, Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

- A. Action, Inc., 713 D Street SE., Washington, D.C. 20003.
- B. American Home Economics Association. 2010 Massachusetts Avenue NW., Washington, D.C.
- A. Action, Inc., 713 D Street SE., Washington. D.C. 20003.
- B. American Indian Higher Education Consortium, 1582 South Parker Road, Suite 210, Denver, Colo. 80231.
- A. Action, Inc., 713 D Street SE., Washington, D.C. 20003.
- B. National Congress of American Indians. 202 E Street SE., Washington, D.C. 20002.
- A. Ad Hoc Committee to Preserve Federally Assisted Short Line Railroads, c/o Wald Harkrader & Ross, 1300 19th Street NW., Washington, D.C. 20036.
- A. William J. Adler, Jr., Americans for Democratic Action, 1411 K Street NW., Suite 850, Washington, D.C. 20005.
- B. Americans for Democratic Action, 1411 K Street NW., Suite 850, Washington, D.C. 20005
- A. Advocates To Save Legal Services, Inc., 1625 K Street NW., 8th Floor, Washington, D.C. 20006.
- A-K Associates, Inc., 1225 Eighth Street, Suite 590, Sacramento, Calif. 95814.
- B. Pathologist Practice Association, 1225 Eighth Street, Suite 590, Sacramento, Calif.
- A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
- Inc., 7346A R Ag-Energy Resources, South Alton Way, Englewood, Calif. 90112.
- A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
 B. Great National Corp., 2320 South Tower, Plaza of the Americas, Dallas, Tex.
- A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
- B. Military Accessories Service Association, Inc., 2 Park Avenue, Suite 1118, New York, N.Y. 10016.
- A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
- B. Missouri Terminal Oil Co., Inc., 3854 South First Street, St. Louis, Mo. 63118.
- A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
- B. Richard Suman, 2444 Times Boulevard, Suite 101, Houston, Tex. 77005.
- A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
- B. Tom Reidy, Inc., 110 Milam, Suite 2170, Houston, Tex. 77002.
- A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite
- 400, Washington, D.C. 20036.

 B. Valero Energy Corp., 530 McCullough Avenue, San Antonio, Tex. 78292.
- Alcalde, Henderson, O'Bannon Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

- B. Dade County Aviation Department, P.O. Box 592075 AMF, Miami, Fla. 33159.
- Alcalde. Henderson, O'Bannon Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
- B. Dade County Seaport Authority, 1015 North America Way, Miami, Fla. 33132.
- A. Claude D. Alexander, 2000 L Street NW., Suite 801, Washington, D.C. 20036.
- B. Ralston Purina Government Affairs. Inc., 2000 L Street NW., Suite 801, Washington. D.C. 20036.
- A. Joseph P. Allen, Intellectual Property Owners, Inc., 1899 L Street NW., Suite 400, Washington, D.C. 20036.
- B. Intellectual Property Owners, Inc., 1899 L Street NW., Suite 400, Washington, D.C. 20036
- Jerome A. Ambro Associates, 2301 South Jefferson Davis Drive, Arlington, Va. 22202
- B. Associated Universities, Inc., Upton, N.Y. 11973.
- Jerome A. Ambro Associates, 2301 South Jefferson Davis Drive, Arlington, Va. 22202.
- B. County of Suffolk, H. Lee Dennison Building, Veterans Memorial Highway, Hauppauge, N.Y. 11787.
- Jerome A. Ambro Associates, 2301 South Jefferson Davis Drive, Arlington, Va. 22202
- B. New York State Department of Transportation, 1220 Washington Avenue, State Campus, Albany, N.Y. 12232.
- A. American Association of Crop Insurers, 209 West Jackson Boulevard, Chicago, Ill. 60606.
- A. American Newspaper Publishers Association, Box 17407, Dulles International Airport, Washington, D.C. 20041.
- American Osteopathic Association, 499 South Capitol Street, SW., Suite 104, Washington, D.C. 20003.
- American Paratransit Institute, P.O. Box 340276, Coral Gables, Fla. 33134.
- A. American Way, 915 15th Street NW., No. 600, Washington, D.C. 20005.
- Americans for Nuclear Energy, P.O. Box 28371, Washington, D.C. 20005.
- A. Morris J. Amitay, P.C., 400 North Capitol Street NW., Suite 168, Washington, D.C.
- B. Luz International, Ltd., 1105 Burlingame Avenue, Burlingame, Calif. 94010.
- A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Mortgage Guaranty Insurance Corp., P.O. Box 488, Milwaukee, Wis. 53201.
- A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. The Securities Group, 500 Park Avenue, New York, N.Y. 10022.
- A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036. B. Lone Star Industries, Inc., 1 Greenwich Plaza, Greenwich, Conn. 06830.
- A. Thomas Ludlow Ashley, P.C., 1730 Pennsylvania Avenue NW., Suite 1050, Washington, D.C. 20006.

- B. American Invsco Corp., 120 South La-Salle Street, Chicago, Ill. 60603
- A. Thomas Ludlow Ashley, P.C., 1730 Pennsylvania Avenue NW., Suite 1050, Washington, D.C. 20006.
- B. General Public Utilities, Inc., 100 Interpace Parkway, Parisppany, N.J. 07054.
- A. George L. Atwood, Suite 500, 700 South Colorado Boulevard, Denver, Colo. 80222.
- B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
- A. Ronald R. Austin, 1201 16th Street NW., Washington, D.C. 20036.
- B. Overseas Education Association; National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
- . Automotive Parts Rebuilders Assocation, 5849 Old Dominion Drive, McLean, Va. 22101
- A. Jed. L. Babbin, 4910 North 27 Street, Arlington, Va. 22207.
- B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
- A. Robert A. Bacha, 1625 Massachusetts Avenue NW., Suite 505, Washington, D.C. 20036.
- B. The Keefe Co. for (U.S. & Overseas Tax Fairness Committee, Inc.), 1625 Massachusetts Avenue NW., Suite 505, Washington. D.C. 20036.
- A. Paul C. Bailey, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
- B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
- A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Rotan Mosle, Inc., 1500 South Tower, Pennzoil Place, Houston, Tex. 77002.
- A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Texasgulf, Inc., High Ridge Park, Stamford, Conn. 06904.
- A. Waldon L. Baker, 1015 15th Street NW., Suite 802, Washington, D.C. 20005.
- B. American Consulting Engineers Council, 1015 15th Street NW., Suite 802, Washington, D.C. 20005.
- A. Ballard, Spahr, Andrews & Ingersoll, 1875 I Street NW., Suite 460, Washington, D.C. 20006.
- B. Alaska Industrial Development Author-1577 C Street, Suite 304, Anchorage, Alaska 99501.
- A. Ballard, Spahr, Andrews & Ingersoll, 1875 I Street NW., Suite 460, Washington, D.C. 20006.
- B. Pennsylvania Association of Industrial Development Authorities, Suite 302, 5 West 10th Street, Erie, Pa. 16501.
- A. Barnes, Richardson & Colburn, 1819 H Street NW., Suite 400, Washington, D.C. 20006.
- B. Industrias Quimicas y Tartaricas, S.A., Barcelona 68, Gerona, Spain.
- A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.

- B. Hedged Portfolio Advisors, 500 Park Avenue, New York, N.Y. 10022.
- A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, New York, N.Y. 10004
- B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
- A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, New York, N.Y. 10004.
- B. Hugo Neu & Sons, Inc., 380 Madison Avenue, New York, N.Y. 10017.
- Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
- B. New York State Mortgage Loan En forcement and Administration Corp., 11 West 42d Street, New York, N.Y. 10036.
- A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, Suite 1400, New
- York, N.Y. 10004.

 B. New York State Urban Development Corp., 1515 Broadway, New York, N.Y. 10036
- A. T. Michael Barry, 2626 Pennsylvania
- Avenue NW., Washington, D.C. 20037.

 B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
- A. Weldon V. Barton, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Suite 202, Washington, D.C. 20036.
- B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.
- A. Thomas F. Bastow, 907 Sixth Street SW., Suite 806, Washington, D.C. 20024.
 B. Continental Airlines, 7300 World Way
- West, Los Angeles, Calif. 90009.
- A. Rose F. Bates, 1899 L Street NW., Suite 1200, Washington, D.C. 20036. B. Wood Enterprises, Inc., P.O. Box 3859,
- Abilene, Tex. 79604.
- A. Bayh, Tabbert & Capehart, 1575 I Street NW., Suite 1025, Washington D.C.
- Mayflower Corp., Indianapolis, Ind.
- A. Reginald E. Beane, Risk & Insurance Management Society, Inc., 205 East 42d Street, New York, N.Y. 10017.
- B. Risk & Insurance Management Society, Inc., 205 East 42d Street, New York, N.Y.
- A. Bell, Boyd & Lloyd, 3 First National Plaza, 70 West Madison Street, Chicago, Ill. 60602.
- B. Boise Cascade Corp., 1 Jefferson Square, Boise, Idaho 83728.
- A. Mary E. Bernhard, Flexible Packaging Association, 1090 Vermont Avenue NW., Suite 500, Washington, D.C. 20005.
- B. Flexible Packaging Association, Vermont Avenue NW., Suite 500, Washington, D.C. 20005.
- A. Moe Biller, American Postal Workers Union, 817 14th Street NW., Washington, D.C. 20005.
- B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C.
- . Susan Bingham, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C.

- B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
- A. Richard W. Bliss, 1899 L Street NW., Suite 1200, Washington, D.C. 20036. B. Conoco, Inc., 1025 Connecticut Avenue
- NW., Suite 1000, Washington, D.C. 20036.
- A. Richard W. Bliss, 1899 L Street NW., Suite 1200, Washington, D.C. 20036. B. Oasis Petroleum Co., 5901 Green Valley
- Circle, Culver City, Calif. 90230.
- A. Richard W. Bliss, 1899 L Street NW., Suite 1200, Washington, D.C. 20036. B. Wood Enterprises, Inc., P.O. Box 3859,
- Abilene, Tex. 79604.
- A. Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
- B. Daytime Broadcasters Association, P.O. Box 564, Mattoon, Ill. 61983.
- A. Blum & Nash, 1015 18th Street NW.,
- Suite 408, Washington, D.C. 20036.

 B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.
- A. Charles R. Blumenfeld; Bogle & Gates, Bank of California Center, Seattle, Wash. 98164
- B. Pacific Seafood Processors Association, 1620 South Jackson Street, Seattle, Wash.
- A. Christie K. Bohner, 1629 K Street NW.,
- Suite 401, Washington, D.C. 20006.

 B. Government Relations Associates, Inc., 1629 K Street NW., Suite 401, Washington,
- A. Charles E. Bosley, Coalition for Legal Services, Inc., 1625 K Street NW., Washing-ton, D.C. 20006.
- B. Coalition for Legal Services, Inc., 1625 K Street NW., Washington, D.C. 20006.
- A. Roy G. Bowman; Bowman, Conner, Touhey & Thornton, Suite 620N, 1800 M Street NW., Washington, D.C. 20036. B. Delta Steamship Lines, Inc., P.O. Box
- 50250, New Orleans, La. 70150.
- A. Bracewell & Patterson, 1850 K Street NW., Suite 400, Washington, D.C. 20006. B. CLC of America, Inc., 2 Allen Center, Suite 2200, Houston, Tex. 77002.
- A. David A. Bradley, Suite 906, 2101 L Street NW., Washington, D.C. 20037. B. National Community Action Founda-tion, Inc., 2101 L Street NW., Suite 906, Washington, D.C. 20037.
- A. Mark Brand, Creamer, Dickson, Bas-ford, Inc., Suite 905, 1625 K Street NW., Washington, D.C. 20006. B. Creamer, Dickson, Basford, Inc., 1633 Broadway, New York, N.Y. 10019.
- A. Breed, Abbott & Morgan, 1875 I Street
- NW., Suite 1000, Washington, D.C. 20006. B. Handy & Harman, 850 Third Avenue, New York, N.Y. 10022.
- A. Richard M. Brennan, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
- A. Bricker & Eckler, 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C. 20515.
- B. American Small & Rural Hospital Asso ciation, Ohio Chapter, 426 West Main Street, Bellevue, Ohio 44811.
- A. Andrea L. Bridgeman, Finley, Kumble, Wagner, Heine, Underberg & Casey, 1120

- Connecticut Avenue NW., Washington, D.C.
- B. Finley, Kumble, Wagner, Heine, Underberg & Casey (for Stewart Environmental Systems, Inc., 485 Madison Avenue, New York, N.Y. 10022) 1120 Connecticut Avenue NW., Washington, D.C. 20036.
- A. Michael R. Bromwich, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Foley, Lardner, Hollabaugh & Jacobs (for Independent Refiners Association of America, 1775 Pennsylvania Avenue NW., Washington, D.C.) 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
- A. Joseph Browder, 1015 18th Street NW., Washington, D.C.
- B. Toledo Mining Co., 10 Broadway Building, Suite 500, Salt Lake City, Utah 84101.
- A. Brown & Roady, 1333 New Hampshire Avenue NW., Suite 1070, Washington, D.C. 20036.
- B. Amax, Inc., Amax Center, Greenwich, Conn. 06830.
- A. Brown & Roady, 1333 New Hampshire Avenue NW., Suite 1070, Washington, D.C. 20036.
- B. District of Columbia Department of Transportation, 415 12th Street NW., Room 508, Washington, D.C.
- A. Brownstein, Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Merrill Lynch, Hubbard, Inc., 1 Liberty Plaza, 165 Broadway, New York, N.Y. 10080.
- A. Brownstein, Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036
- B. Multifamily Finance Action Group, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
- A. John S. Buckley, National Tax Limita-tion Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.
- B. National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.
- A. Michael S. Burch, 201 Massachusetts Avenue, Suite 116, Washington, D.C. 20002. B. National Taxpayers Legal Fund, 201 Massachustts Avenue, Suite 116, Washing-
- ton. D.C. 20002.
- Butler, Binion, Rice, Cooke, Knapp, 1747 Pennsylvania Avenue NW., Suite 900, Washington, D.C. 20006.
- B. Delaware River Port Authority, 1 Franklin Plaza, Philadelphia, Pa. 19102.
- A. C & B Associates, 1750 New York Avenue NW., Washington, D.C. 20006.
- B. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
- A. Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Suite 700, Washington, D.C. 20036.
- B. Ad Hoc Committee of Floor Brokers, c/o Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Suite 700, Washington, D.C. 20036.
- A. Califano, Ross & Heineman, 1575 I Street NW., Washington, D.C. 20006.
- B. C. P. Rehab Corp., 20 East 67th Street, New York, N.Y. 10021.
- A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C. 20037.

- B. Conoco, Inc., 1025 Connecticut Avenue NW., Suite 1000, Washington, D.C. 20036.
- A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C. 20037.
- B. Evans Transportation Co., The East Tower, Suite 900, 2550 Golf Road, Rolling Meadows, Ill. 60008.
- A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C. 20037.
- B. PLM, Inc., 50 California Street, San Francisco, Calif. 94111.
- A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C. 20037.
- B. PORTEC, Inc., 300 Windsor Drive, Oak Brook, Ill. 60521.
- A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C. 20037.
- B. Richmond Leasing, 1700 West Loop South, Suite 1500, Houston, Tex. 77027.
- A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C. 20037.
- B. Trailer Train Co., 101 North Wacker Drive, Chicago, Ill. 60606.
- A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C. 20037.
- B. Union Tank Car Co., 111 West Jackson Boulevard, Chicago, Ill. 60604.
- A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C. 20037.
- B. United States Rail Service, Inc., 633 Battery Street, San Francisco, Calif. 94111.
- A. Campaign for Community-Based Economic Development, 734 15th Street NW., Suite 200, Washington, D.C. 20005.
- A. Charles Argyll Campbell, National Association of Manufacturers, 1776 F Street
- NW., Washington, D.C. 20006. B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
- A. Capital Counselors, Inc., 1700 K Street NW., Washington, D.C. 20006.
- B. Electronic Data Systems, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
- A. John Benjamin Carroll, 918 Onondaga Savings Bank Building, Syracuse, N.Y. 13202.
- B. Dairy Farmer Distributors of America, Inc., Old Seneca Turnpike, Chittenango,
- A. Patricia Carroll, National Cable Television Association, 1724 Massachusetts Avenue NW., Washington, D.C. 20036.
- B. National Cable Television Association, 1724 Massachusetts Avenue NW., Washington, D.C. 20036.
- A. Woodruff Lee Carroll, 918 Onondaga Savings Bank Building, Syracuse, N.Y. 13202.
- B. Dairy Farmer Distributors of America, Inc., Old Seneca Turnpike, Chittenango,
- A. Susan B. Carver, National Coal Associ-ation, 1130 17th Street NW., Washington,
- B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
- Jim Casey, 3470 Mildred Drive, Falls Church, Va. 22042.

- B. Amfac Garden Products, Inc., 840 Malcolm Road, Suite 200, Burlingame, Calif. 94010.
- A. Jim Casey, 3470 Mildred Drive, Falls Church, Va. 22042.
- B. Belle Fourche Irrigation District, Newell, S. Dak, 57760.
- A. Cellulose Manufacturers' Association, 5908 Columbia Pike, Suite 101, Falls Church, Va. 22041.
- A. Charles E. Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Committee for 806.30 and 807, Inc., 1611 Kent Street, Arlington, Va. 22209.
- A. Henry Chamberlain, Priest & Fine, Inc., 1725 K Street NW., Washington, D.C. 20006.
- B. National Technical Schools of Los An-
- Chappell Communications Management, 245 West Elmwood Drive, P.O. Box 431, Dayton, Ohio 45454.
- B. The National Management Association, 2210 Arbor Boulevard, Dayton, Ohio 45439.
- A. William B. Cherkasky, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
- B. International Franchise Association, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
- A. John Chwat, 5301 Inver-Chapel Road, Springfield, Va. 22151.
- B. COMSAT Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
- A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006. B. The Securities Groups, 500 Park
- Avenue, New York, N.Y. 10022.
- A. William A. Clement, Jr., The Dobbs 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
- B. American Business Council, 2626 Pennsylvania Avenue NW., Suite 202, Washington, D.C. 20037.
- A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
- B. Australian Meat & Livestock Corp. World Trade Center, New York, N.Y. 10048
- Clifford & Warnke, 815 Connecticut Avenue NE., Washington, D.C. 20006.
- B. Phillips Petroleum Co., Bartlesville,
- A. Coalition for Legal Services, Inc., 1625 K Street NW., Room 908, Washington, D.C.
- Coan, Couture, Lyons & Moorhead, 1625 I Street NW., Suite 1015, Washington,
- D.C. 20006. B. A-C Valley Corp., Box 402, Emlenton, Pa. 16373.
- A. Coan, Couture, Lyons & Moorhead, 1625 I Street NW., Suite 1015, Washington, D.C. 20006.
- B. Internatio, Inc., 116 John Street, New York, N.Y. 10038.
- A. Coan, Couture, Lyons & Moorhead, 1625 I Street NW., No. 1015, Washington,
- D.C. 20006.

 B. TOSCO, 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
- A. Coan, Couture, Lyons & Moorhead, 1625 I Street NW., No. 1015, Washington, D.C. 20006.

- B Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa.
- A. Joe Cobb, Cobb, Green & Associates, Ltd., 3438 North Southport Avenue, Chicago, Ill. 60657.
- B. Council for a Competitive Economy, Washington, D.C.
- A. Cohen & Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.
- B. United States Leasing International Inc., 633 Battery Street, San Francisco, Calif. 94111.
- A. Robert E. Cole, 900 17th Street NW., Washington, D.C. 20006.
- B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
- A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
- B. American Meat Institute, 1700 North Moore Street, Arlington, Va. 22209.
- A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
- B. Crop Insurance Research Bureau, P.O. Box 68700, Indianapolis, Ind. 46268.
- A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
- B. National Association of Convenience Stores, Skyline Center, Suite 305, 5205 Leesburg Pike, Falls Church, Va. 22041.
- A. Geri Colombaro, National Association of Manufacturers, 1776 F Street, NW., Washington, D.C. 20006.
- B. National Association of Manufacturers 1776 F Street NW., Washington, D.C. 20006.
- A. Community Service Society of New York, Inc., 105 East 22d Street, New York, N.Y. 10010.
- Gerald R. Connor, 6500 Wisconsin Avenue, Chevy Chase, Md. 20015.
- A. Conservatives Against Liberal Legislation, 5707 Seminary Road, No. 308, Falls Church, Va. 22041.
- A. Jay Constantine, David Vienna & Associates, 510 C Street NE., Suite 100, Washington, D.C. 20002.
- B. State of California, Office of the Controller, State Capitol, Sacramento, Calif. 95805.
- A. Cook, Purcell, Hansen & Henderson, Chtd., 1015 18th Street NW., Washington, D.C. 20036.
- B. American Academy of Ophthalmology, 1833 Filmore Street, San Francisco, Calif. 94120
- A. Cook, Purcell, Hansen & Henderson, Chtd., 1015 18th Street NW., Washington, D.C. 20036.
- B. Comprehensive Care Corp., 660 Newport Center Drive, Newport Beach, Calif.
- A. Cook, Purcell, Hansen & Henderson, Chtd., 1015 18th Street NW., Washington,
- D.C. 20036.

 B. Congress of County Medical Societies,
 Doctors Building, Independence and Kennedy, Shawnee, Okla. 74801.
- A. Cook, Purcell, Hansen & Henderson, Chtd., Suite 1100, 1015 18th Street NW., Washington, D.C. 20036.

- B. Piedmont Airlines, Smith Reynolds Airport, Winston-Salem, N.C. 27102.
- A. Cook, Purcell, Hansen & Henderson, Chtd., 11th Floor, 1015 18th Street NW., Washington, D.C. 20036.
- B. Port Authority of Guam, P.O. Box 1445, Agana, Guam 96910.
- A. Cook, Purcell, Hansen & Henderson, Chtd., 11th Floor, 1015 18th Street NW., Washington, D.C. 20036.
- 7500 Airline B. Republic Airlines, Inc., Drive, Minneapolis, Minn. 55450.
- A. Cook, Purcell, Hansen & Henderson, Chtd., 1015 18th Street NW., Suite 1100, Washington, D.C. 20036.
- B. Tanadgusix Corp., St Paul Island, Alaska 99660.
- A. Cook, Purcell, Hansen & Henderson, Chtd., Suite 1100, 1015 18th Street NW., Washington, D.C. 20036.
- B. USAir, Inc., National Airport, Washington, D.C. 20001.
- A. Paul H. Cooksey, 212 North Lee Street, Alexandria, Va. 22314.
- B. Cooksey Corp., (for Marconi Space & Defense Systems), 212 North Lee Street, Alexandria, Va. 22314.
- A. Paul H. Cooksey, 212 North Lee Street, Alexandria, Va. 22314.
- B. Cooksey Corp., (for ICORE Interna-tional), 212 North Lee Street, Alexandria, Va. 22314.
- A. Paul H. Cooksey, 212 North Lee Street, Alexandria, Va. 22314.
- B. Cooksey Corp., (for Messerschmitt-Bolkow-Blohm), 212 North Lee Street, Alexandria, Va. 22314.
- A. Emmanuel M. Cooper, 651 State Street, Bridgeport, Conn. 06604.
- A. James M. Copeland, Chicago Mercantile Exchange, 1101 Connecticut Avenue NW., Suite 801, Washington, D.C. 20036.
- B. Chicago Mercantile Exchange, 444 West Jackson Boulevard, Chicago, Ill. 60606.
- A. Corcoran, Hardesty, Ewart, Whyte & Polito, P.C., 1575 I Street NW., Suite 510, Washington, D.C. 20005.
- B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
- A. Corcoran, Hardesty, Ewart, Whyte Polito, P.C., 1575 I Street NW., Suite 510, Washington, D.C. 20005.
- B. Institute of Makers of Explosives, 1575 I Street NW., Washington, D.C. 20005.
- A. Corcoran, Youngman & Rowe 1511 K Street NW., Suite 1100, Washington, D.C. 20005.
- B. Frank G. Kingsley, 285 Canoe Road, New Canaan, Conn. 06840.
- A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005
- B. Milliken & Co., P.O. Box 1927, Spartanburg, S.C. 29304.
- A. Richard L. Corrigan, 1090 Vermont Avenue NW., Suite 560, Washington, D.C.
- B. CH2M Hill, Inc., 1600 Southwest Western Boulevard, Corvallis, Oreg. 97330.
- Tom Cosgrove, 530 Seventh Street SE., Washington, D.C. 20003.

- B. National Clean Air Coalition, 530 Seventh Street SE., Washington, D.C. 20003.
- A. Council for Rural Housing and Development, 1800 M Street NW., Suite 400S, Washington, D.C. 20036.
- A. Jean Anne Courey, National Association of Arab Americans, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
- B. National Association of Arab Americans, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
- A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006. B. Facet Enterprises, Inc., 7030 South Yale Avenue, Tulsa, Okla. 74177.
- A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
- B. Reichhold Energy Corp., P.O. Box 1482, Tacoma, Wash. 98401.
- A. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.
- B. City of Miami, Miami, Fla.
- A. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.
 - B. Dade County, Miami, Fla.
- A. Mark C. Cramer, 1320 19th Street NW., NO. 200, Washington, D.C. 20036.
- B. Cramer & Cramer (for City of Miami, Miami, Fla.), 1320 19th Street NW., No. 200, Washington, D.C. 20036.
- A. Mark C. Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.
- B. Cramer & Cramer (for Dade County, Miami, Fla.), 1320 19th Street NW., No. 200, Washington, D.C. 20036.
- A. William C. Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.
- B. Cramer & Cramer (for City of Miami, Miami, Fla.), 1320 19th Street NW., No. 200, Washington, D.C. 20036.
- William C. Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.
- B. Cramer & Cramer (for Dade County, Miami, Fla.), 1320 19th Street NW., No. 200, Washington, D.C. 20036.
- A. Joseph S. Crane, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
- B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
- A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. The Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.
- A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Helicopter Association Inte., 1110 Vermont Avenue, NW, Suite 430, Washington, D.C. 20005
- Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Sierra Pacific Power Co., P.O. Box 10100, Reno, Nev. 89502.
- A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Zimpro, Inc schild, Wis. 54474. Inc., Military Road, Roth-
- A. Charles T. Cudlip, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C.

- B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
- A. Richard C. Cunan, California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
- B. California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
- Gary L. Curran, 328 F Street NE., Washington, D.C. 20002.
- B. Conservative Caucus, Inc., 422 Maple Avenue, East Vienna, Va. 22180.
- A. Charles B. Curtis, Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, 1050 Thomas Jefferson Street NW., Washington, D.C.
- B. Thomas Ludlow Ashley, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- A. Edward P. Curtis, Jr., Genesee Public Affairs, Inc., 36 West Main Street, Rochester, N.Y. 14614.
- B. Ministry of the Environment, Province of Ontario, Canada, 135 St. Clair Avenue West, Toronto, Ontario M4V1P5.
- A. Damrell, Damrell & Nelson, P.C., 911 13th Street, P.O. Box 3489, Modesto, Calif.,
- B. The Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.
- A. Cheryl Davis, David Vienna & Associates, 510 C Street NE., Suite 100, Washington, D.C. 20002.
- B. State of California, Office of the Controller, State Capitol, Sacramento, Calif. 95805.
- A. Davis Polk & Wardwell, 1 Chase Manhattan Plaza, New York, N.Y., 1575 I Street NW., Washington, D.C.
- B. International Paper Co., 77 West 45th Street, New York, N.Y.
- A. Edward N. Delaney, 1000 16th Street NW., Washington, D.C. 20036.
- B. Comark, 4000 MacArthur Boulevard, Newport Beach, Calif. 92660.
- A. Samuel L. Devine, Bricker & Eckler, 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C. 20004.
- B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
- Samuel L. Devine, Bricker & Eckler, 1301 Pennsylvania Avenue NW, Suite 1150, Washington, D.C. 20004.
- B. Payco American Corporation, 6230 Busch Boulevard, Columbus, Ohio 43229.
- A. Samuel L. Devine, Bricker & Eckler, 1301 Pennsylvania Avenue NW, Suite 1150, Washington, D.C. 20004.
 - B. Pepsico, Inc., Purchase, N.Y. 10577.
- A. Dewey, Ballantine, Bushby, Palmer & Wood, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Beneficial Corp., 200 South Street, Morristown, N.J. 07960.
- A. Kendall P. Dexter, 9 Country Club Road, Mobile, Ala. 36608.
- B. MacMillan Bloedel Inc., Pine Hill, Ala.
- A. Dickinson, Wright, McKean, Cudlip & Moon, 1901 L Street, NW., 801, Washington, D.C. 20036.

- B. J. Aron & Co., Inc., 160 Water Street, New York, N.Y. 10038.
- A. Dickinson, Wright, McKean, Cudlip & Moon, 1901 L Street, NW., 801, Washington, D.C. 20036.
- B. K Mart Corp., 3100 West Big Beaver Road, Troy, Mich. 48084.
- A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
- B. The Shrimp Harvesters Coalition of the Gulf Coast & South Atlantic States, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.
- A. Debra N. Diener, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
- National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
- A. Dennis C. Dix, Outdoor Power Equipment Institute, 1901 L Street NW., Washington, D.C. 20036.
- B. Outdoor Power Equipment Institute, 1901 L Street NW., Washington, D.C. 20036.
- A. Brian J. Donadio, 499 South Capitol Street SW., Suite 104, Washington, D.C. 20003.
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- A. Earl C. Dudley, Jr., Nussbaum & Owen, 1800 M Street NW., Washington, D.C.
- B. Plaintiffs' Anti-Trust Liaison Society, 1776 K Street NW., Suite 708, Washington, D.C. 20006.
- A. Robert B. Duncan, Schwabe, Williamson, Wyatt, Moore & Roberts, 1000 Potomac Street NW., Washington, D.C. 20007.
- B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
- A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
- B. Dayton-Montgomery County Park Dis-1375 East Silbenthaler Avenue, Dayton, Ohio 45414.
- A. Raymond Durazo, Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.
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- A. B. J. Durham, Central Power & Light Co., P.O. Box 2121, Corpus Christi, Tex. 78403.
- B. Central Power & Light Co., P.O. Box 2121, Corpus Christi, Tex. 78403.
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- A. Christine A. Edwards, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
- B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
- A. Fran Eizenstat, 9107 Brierly Road, Chevy Chase, Md. 20015.
- B. Children's Defense Fund of the Washington Research Project, Inc.
- Jane B. Esterly, 1615 H Street NW., Washington, D.C. 20062.

- B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062
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- and Development Corp.), 1101 Connecticut Avenue NW., Washington, D.C. 20036.
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- A. Fair Opportunities for Competition in the U.S. (FOCUS) 1747 Pennslyvania Avenue NW., No. 701, Washington, D.C. the U.S.
- A. Sylvester L. Farrell, Solar Power Corp., 500 East Poplar Road, Sterling, Va. 22120.
- B. Solar Power Corp., 20 Cabot Road, Woburn, Mass. 01801.
- A. Kevin J. Fay, Air-conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.
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- B. Hudson Bay Mining & Smelting Co., Ltd., P.O. Box 28, Toronto, Ontario M5K 1B8.
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- B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.
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- A. Barbara A. Finamore, Natural Resources Defense Council, Inc., 1725 I Street NW., Suite 600, Washington, D.C. 20006.
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- A. Samuel Fine, Priest & Fine, Inc., 1725 K Street NW., No. 1412, Washington, D.C. 20006.
- B. National Technical Schools of Los Angeles, 4000 South Figueroa Street, Los Angeles, Calif. 90037.
- A. Finley, Kumble, Wagner, Heine, Underberg & Casey, 1120 Connecticut Avenue NW., 10th Floor, Washington, D.C. 20036.
 B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y.
- 10023.
- A. Ruth Flower, 245 Second Street NE., Washington, D.C. 20002. B. Friends Committee on National Legisla-
- tion, 245 Second Street NE., Washington, D.C. 20002.
- John J. Flynn, 1125 17th Street NW., Washington, D.C. 20036.

- B. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
- A. John P. Foley, Jr., 2501 M Street NW., Suite 380, Washington, D.C. 20037.
- B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
- A. Leander J. Foley III, 1434 A Street SE., Washington, D.C. 20003.
- A. Edward H. Forgotson, 1627 K Street NW., 10th Floor, Washington, D.C. 20006.
- B. Texas Oil & Gas Corp. Fidelity Union Tower, Dallas, Tex. 75201.
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- B. Employee Relocation Council, 1627 K Street NW., Suite 600, Washington, D.C.
- A. David E. Franasiak, 237 Chatham Lane, Annapolis, Md. 21407.
- B. U.S. Chamber of Commerce, 1615 H Street NW., Washington, D.C. 20062.
- A. Gary N. Freeman, Suite 1940, Tower Place, 3340 Peachtree Road NE., Atlanta, Ga. 30026.
- B. CTI-Container Transport International, Trans America ICS, Trans Ocean Leasing Corp., c/o Edward A. Wooley, The Chrysler Building, 405 Lexington Avenue, New York, N.Y. 10174.
- A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.
- B. Sea Colony, Inc., c/o Carl Freeman Associates, Inc., Cabin John Center, 11325 Seven Locks Road, Potomac, Md. 20854.
- A. Fulbright & Jaworski, 1150 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.
- B. Underwood Neuhaus, 724 Travis, Houston, Tex. 77002.
- A. Fulbright & Jaworski, 1150 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.
- B. United States Leasing International, nc., 633 Battery Street, San Francisco,
- A. Joe H. Galis, P.O. Box 1100, Slote 1455. Avon Park, Fla. 33825.
- A. Lawrence H. Gall, Transco Co., Inc., P.O. Box 1396, Houston, Tex. 77001.
- B. Transco Co., Inc., P.O. Box 1396, Houston, Tex. 77001.
- A. William L. Gardner, Foley, Hoag & Eliot, 1920 N Street NW., Washington, D.C. 20036
- B. Braswell Shipyards, Inc., P.O. Box 317, Mt. Pleasant, S.C. 29464.
- A. Garvey, Schubert, Adams & Barer, 1000 Potomac Street NW., 5th Floor, Washington, D.C. 20007.
- B. Trailways, 1200 I Street NW., Washington, D.C. 20005.
- A. Gaston Snow & Ely Bartlett, Two Palo Alto Square, No. 550, Palo Alto, Calif. 94304.
- A. Generic Pharmaceutical Industry Association, 600 Third Avenue, 18th Floor, New York, N.Y. 10016.
- A. Joseph G. Gerard, Southern Furniture Manufacturers Association, 918 16th Street NW., No. 402, Washington, D.C. 20006.

- B. Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C.
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- A. William Gilmartin, 1220 19th Street
- NW., Suite 303, Washington. D.C. 20036.
 B. Planned Parenthood Federation of America, Inc., 1220 19th Street NW., No. 303, Washington, D.C. 20036.
- A. Ginsburg, Feldman, Weil & Bress, 1700 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.
- B. Coal Oil Producers Association, 1700 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.
- A. Brenda M. Girton, Sears Roebuck & Co., 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.
- B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
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- A. Thomas H. Gorey, National Association of Truck Stop Operators, 700 North Fairfax Street, Suite 505, Alexandria, Va. 22314.
- B. National Association of Truck Stop Operators, 700 North Fairfax Street, Suite 505, Alexandria, Va. 22314.
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- Edmond Graber, 1957 E Street NW., Washington, D.C. 20006.
- B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
- A. Thomas E. Grace, Montgomery Ward & Co., Inc., No. 530, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Montgomery Ward & Co., Inc., 1 Montgomery Ward Place, Chicago, Ill. 60671.
- A. Phyllis Greenberger, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
- B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
- A. Robert Greenstein, Project on Food Assistance and Poverty, 236 Massachusetts Avenue NE., Washington, D.C. 20002. B. Center for Community Change, 1000
- Wisconsin Avenue NW., Washington, D.C.
- A. Chellis O. Gregory, Jr., 151 North Carolina Avenue SE., Washington, D.C. 20003.

- B. Zuckert, Scoutt & Rasenberger (For: Antaeus Enterprises, Inc.), 888 17th Street NW., Washington, D.C. 20006.
- A. Chellis O. Gregory, Jr., 151 North Carolina Avenue SE., Washington, D.C. 20003.
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- Republic Airlines), 888 17th Street NW., Washington, D.C. 20006.
- A. Olga Grkavac, 1300 North 17th Street, Suite 300, Arlington, Va. 22209.
- B. Association of Data Processing Service Organizations, Inc., 1300 North 17th Street, Suite 300, Arlington, Va. 22209.
- A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Westinghouse Electric Corp., Westinghouse Building Gateway Center, Pittsburgh, Pa. 15222.
- A. Larry Grupp, Box 8032, Moscow, Idaho 83843.
- B. J. R. Simplot Co., Box 27, Boise, Idaho 83707
- A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005
- B. High Plains Grain Products Cooperative. Muleshoe. Tex. 79347.
- A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005
- B. Northwest Texas Grain Products Cooperative, Dumas, Tex. 79029.
- A. Anne K. Hall, 1615 H Street NW., Washington, D.C. 20062. B. Chamber of Commerce of the United
- States, 1615 H Street NW., Washington,
- A. John F. Hall, 1619 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Forest Products Association,
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- B. Motor & Equipment Manufacturers As sociation, 1120 19th Street NW., Suite 333, Washington, D.C. 20036.
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- B. Planned Parenthood Federation of America, Inc., 1220 19th Street NW., Suite 303, Washington, D.C. 20036.
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- A. Sara Hamric, 260 Madison Avenue, New
- York, N.Y. 10016. B. American Paper Institute, Inc., Madison Avenue, New York, N.Y. 10016.
- . Ted Handel, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

 B. American Public Power Association.
- 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
- A. The Hannaford Co., Inc., 1225 19th Street NW., Washington, D.C. 20036. B. Century 21, 18872 MacArthur Boule-vard, Irvine, Calif. 97215.
- A. The Hannaford Co., Inc., 1225 19th Street NW., Washington, D.C. 20036. B. Hubbard Broadcasting Co., 3415 Uni-
- versity Avenue, St. Paul, Minn. 55114.
- A. The Hannaford Co., Inc., 122 Street NW., Washington, D.C. 20036. 1225 19th

- B. Northwest Alaskan Pipeline Co., 1120 20th Street NW., Washington, D.C. 20036.
- A. Harbison Ford Inc., Route 1, Morrisville, Pa. 19067.
- A. Harris, Berg & Creskoff, 2033 M Street NW., Washington, D.C. 20036.
- B. Association of Food Distributors, Inc., 115 Broadway, New York, N.Y. 10006.
- A. Harris, Berg & Creskoff, 2033 M Street NW., Washington, D.C. 20036.
- B. Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers, 2033 M Street NW., Washington, D.C. 20036
- A. Harris, Berg & Creskoff, 2033 M Street NW., Washington, D.C. 20036.
- B. P. L. Thomas & Co., Inc., P.O. Box 449, 75 Claremont Road, Bernardsville, N.J. 07924.
- A. William H. Harsha, 1102 Delf Drive, McLean, Va. 22101.
- B. William H. Harsha & Associates, Inc. (for: Commuter Airline Association of America, 1101 Connecticut Avenue NW., Washington, D.C. 20036.) 499 South Capitol Street SW., Suite 102, Washington, D.C. 20003.
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- B. William H. Harsha & Associates, Inc. (for: Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 102, Washington, D.C. 20024.) 499 South Capitol Street SW., Suite 102, Washington, D.C. 20003.
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- A. John D. Heffner, Smith & Pepper, 1776 K Street NW., Washington, D.C. 20006.
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- A. Richard W. Heim, David Vienna & Associates, 510 C Street NE., Suite 100, Washington, D.C. 20002.
- B. State of California Office of the Controller, State Capitol, Sacramento, Calif.
- A. Lewis M. Helm, 1700 K Street NW., No. 503, Washington, D.C. 20006.
- B. Surrey & Morse, (for the Government of the Republic of Zaire) 1156 15th Street NW., United States 20005.
- A. LeAnn R. Hensche, RJR Industries, Inc., 2550 M Street NW., No. 770, Washington, D.C. 20037.

- B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
- A. Bert Ingalls Hickman, Jr., 1625 Massa-chusetts Avenue NW., No. 505, Washington,
- B. The Keefe Co. (for U.S. & Overseas Tax Fairness Committee Inc.), 1625 Massa-chusetts Avenue NW., No. 505, Washington, D.C. 20036
- A. Hill, Christopher & Phillips, P.C., 1900 M Street NW., Washington, D.C. 20036.
- B. Campaign for Community-Based Eco nomic Development, 1200 New Hampshire Avenue NW., Suite 320, Washington, D.C.
- A. William L. Hoffman, 516 First Street SE., Washington, D.C. 20003.
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- A. Hogan & Hartson, 815 Connecticut Avenue, NW., Washington, D.C. 20006. B. Motorcycle Industry Council, Inc., 1001
- Connecticut Avenue NW., Suite 522, Washington, D.C. 20036.
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- A. Lee B. Holmes, National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.
- B. National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.
- A. Hopkins & Sutter, Room 5200, 1 First National Plaza, Chicago, Ill. 60603.
- B. Chicago Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.
- A. Hopkins & Sutter, 1 First National Plaza, No. 5200, Chicago, Ill. 60603. B. Commonwealth Edison Co., 1 First Na-
- tional Plaza, Chicago, Ill. 60603.
- A. Hopkins & Sutter, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60603.
- A. Hopkins & Sutter, 1 First National Plaza, No. 5200, Chicago, Ill. 60603. B. Inland Steel Co., 30 West Monroe
- Street, Chicago, Ill. 60603.
- A. Hopkins & Sutter, 1 First National Plaza, No. 5200, Chicago, Ill. 60603. B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill.
- A. Hopkins & Sutter, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60603.
- A. Hopkins & Sutter, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. Peoples Energy Corp., 122 South Michigan Avenue, Chicago, Ill. 60603.
- A. Hopkins & Sutter, Room 5200, 1 First National Plaza, Chicago, Ill. 60603. B. Sears, Roebuck & Co., Sears Tower,
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- A. Hopkins & Sutter, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
- A. Virginia E. Hopkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

- B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910)
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- A. Hughes Hubbard & Reed, 1660 L Street
- NW., Washington, D.C. 20036.

 B. Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.
- A. Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036. B. Pfizer, Inc., 1700 Pennsylvania Avenue
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- A. Vester T. Hughes, Jr., 1000 Mercantile Dallas Building, Dallas, Tex. 75201.
- A. Robert R. Humphreys, Hoffheimer, Johnson & Peterson, 1120 20th Street NW., Suite S-520, Washington, D.C. 20036.
- B. Arthritis Foundation, 3400 Peachtree Road NE., Atlanta, Ga. 30326.
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- A. J. James Hur, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
- A. Edward A. Hynes, The Speery & Hutchinson, Co., 425 13th Street NW., Washington, D.C. 20004.
- The Speery & Hutchinson, Co., 330 Madison Avenue, New York, N.Y. 10017.
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- B. U.S. & Overseas Tax Fairness Commit-1101 15th Street NW., Suite 1000, Washington, D.C. 20005
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 B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
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- B. Milliken & Co., P.O. Box 1926, Spartanburg, S.C. 29304.
- A. Johnson Swanson & Barbee, 4700 First International Building, Dallas, Tex. 75270.
- B. Harbison Ford Inc., Route 1, Morrisville, Pa. 19067.
- Anthi K. Jones, 1899 L Street NW., Washington, D.C. 20036.
- B. Travel Industry Association of America, 1899 L Street NW., Washington, D.C. 20036
- A. Jones, Day, Reavis & Pogue, 1735 I Street NW., Washington, D.C. 20006. B. Cities Service Co., Cities Service Build-
- ing, Tulsa, Okla. 74102.
- A. Gerald R. Jones, Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.
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- A. Jones, Jones, Bell, Close & Brown, Ltd., 700 Valley Bank Plaza, 300 South Fourth Street, Las Vegas, Nev. 89101.
- B. The Mead Corp., Court House Plaza NE., Dayton, Ohio 45463.
- A. Linda Wolf Jones, 105 East 22d Street,
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 B. Community Service Society ("CSS") 105 East 22d Street, New York, N.Y. 10010.
- A. Gregory N. Jonsson, U.S. Industrial & Business Council, Third Floor, Realtor's Building, Nashville, Tenn. 37201.
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- A. Byron E. Kabot, International Paper Co., 77 West 45th Street, New York, N.Y. 10036.
- B. International Paper Co., 77 West 45th Street, New York, N.Y. 10036.
- A. Hans Kaehler, Consultants Research Service, P.O. Box 118, Cold Spring Harbor, N.Y. 11724.
- A. Kaye, Scholer, Fierman, Hays & Handler, 1575 I Street NW., Suite 1150, Washington, D.C. 20005.

 B. Elsevier Scientific Publishers, BV,
- Overschiestratt 55-57, 1061 NH, Amsterdam, Slotervaart, The Netherlands.
- A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C.

- B. The Keefe Co. (for United States and Overseas Tax Fairness Committee, Inc.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
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- B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.
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- Avenue SE., Washington, D.C. 20003.
- A. J. H. Kent, 1919 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.
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- A. King & Spalding, 1800 M Street NW., Suite 825, Washington, D.C. 20036.
- B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
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- B. Georgia-Pacific Corp., 1875 I Street NW., Washington, D.C. 20006.
- A. Janie A. Kinney, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
- B. Twin Coasts Newspaper, Inc., The Jour-nal of Commerce, 110 Wall Street, New York, N.Y. 10005.
- A. Kirby & Gillick, 1625 K Street NW., Suite 905, Washington, D.C. 20006.
- B. Communities for an Effective Air Transportation System, 1625 K Street NW., Suite 905, Washington, D.C. 20006.
- A. Kline, Knopf & Wojdak, Inc., 111 State Street, Harrisburg, Pa. 17101.
- B. General Public Utilities Corp., 100 Interpace Parkway, Parsippany, N.J. 07054.
- A. Kline, Knopf & Wojdak, Inc., 111 State Street, Harrisburg, Pa. 17101. B. The Medical College of Pennsylvania,
- 3300 Henry Avenue, Philadelphia, Pa. 19129.
- A. Glenn Knapp, 773 Dartmouth Avenue, San Carlos, Calif. 94070.
- A. Kris James Kolesnik, 5707 Seminary Road, No. 308, Falls Church, Va. 22041.
- B. Conservatives Against Liberal Legislation, 5707 Seminary Road, No. 308, Falls Church, Va. 22041.
- A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.
- B. American Tankships Inc., Ingram Tankships Inc., 4100 One Shell Square, New Orleans, La. 70139.
- A. Edward DeW. Kratovil, American Can Co., 1660 L Street NW., Suite 201, Washington, D.C. 20036.
- B. American Can Co., American Lane, Greenwich, Conn. 06830.
- A. Robert Lamb, 2101 L Street NW., Washington, D.C. 20037.
- B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
- A. Albert E. Lane, Suite 537, 1377 K Street NW., Washington, D.C. 20005.
- B. People Opposed to Energy Lobby (POTEL), Suite 537, 1377 K Street NW., Washington, D.C. 20005.
- A. Lane & Edson, P.C., 1800 M Street NW., Suite 400S, Washington, D.C. 20036.

- B. Council for Rural Housing & Development, 1800 M Street NW., Suite 400S, Washington, D.C. 20036.
- A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Washington, D.C. 20036
- B. Central City Association of Los Angeles, 523 West Sixth Street, Suite 200, Los Angeles, Calif. 90014.
- A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036
- B. Republic Geothermal, Inc., 11823 East Slauson Avenue, Santa Fe Springs, Calif.
- A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.
- B. Tennessee Synfuels Associates.
- A. Barbara Leary, Wagner & Baroody, 1100 17th Street NW., Suite 804, Washington, D.C. 20036.
- B. Wagner & Baroody, 1100 17th Street NW., Suite 804, Washington, D.C. 20036 (Coeur D'Alene Mines, 416 River Street, Wallace, Idaho 83873).
- Kerley LeBoeuf, National Association of Convenience Stores, Skyline Center, Suite 305, 5205 Leesburg Pike, Falls Church, Va. 22041
- B. National Association of Convenience Stores, Skyline Center, Suite 305, 5205 Lees-burg Pike, Falls Church, Va. 22041.
- A. Leighton Conklin Lemov Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
- B. Kaiser Aluminum & Chemical Corp., 00 17th Street NW., Washington, D.C. 900 20036.
- Leighton Conklin Lemov Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
- B. Olin Corp., 120 Long Ridge Road, Stamford, Conn. 06904.
- A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
- B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10177
- A. Carl Levin, Burson-Marsteller, 1800 M Street NW., Washington, D.C. 20036

 B. Western Forest Industries Association.
- 1500 Southwest Taylor, Portland, Oreg.
- A. John F. Leyden, Public Employee Department, AFL-CIO, 815 16th Street NW.,
- Washington, D.C. 20006.

 B. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C.
- A. Lillian Liburdi, 1300 North 17th Street, Suite 1510, Arlington, Va. 22209.
- B. Ganz Mavag, 1967 Budapest VIII, Kon-yves Kalman krt 76 Hungary.
- A. Lillian Liburdi, 1300 North 17th Street, Suite 1510, Arlington, Va. 22209.
- B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C.
- A. Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Huthnance Drilling Co., Suite 500, 601 Jefferson Street, Houston, Tex. 77002
- A. James P. Linse, United Airlines, 1825 K Street NW., Apt. 607, Washington, D.C. 20006.

- B. United Airlines, P.O. Box 66100, Chicago. Ill. 60666.
- A. Thomas L. Linton, Chevron U.S.A. Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
- B. Chevron U.S.A. Inc., a subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.
- A. Lipsen & Hamberger, 1725 DeSales Street NW., No. 800, Washington, D.C. 20036
- B. Datapoint Corp., 1600 Wilson Boulevard, Arlington, Va. 22209.
- A. Lisboa Associates, Inc., 515 Madison Avenue, Suite 1600, New York, N.Y. 10022.
- A. Charles B. Little, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036
- B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
- A. Jim Lloyd, 3240 Whitebirch Drive, West Covina, Calif. 91791.
- B. Hughes Helicopter, Centinella and Teal Street, Culver City, Calif. 90230; Northrup Corp., 1800 Century Park, Century City, Los Angeles, Calif. 90067; Commuter Airline Association of America, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
- A. Lobel, Novins & Lamont, 1523 L Street NW., Washington, D.C. 20005.
- B. Generic Pharmaceutical Industry Association, 600 Third Avenue, New York, N.Y.
- A. Leslie Loble, 1925 K Street NW., Washington, D.C. 20006.
- B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
- A. Thomas R. Long, Westvaco Corp., 299 Park Avenue, New York, N.Y. 10171.
- B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10171.
- A. Matthew A. Low, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.
- B. Norman D. Shutler, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.
- A. Robert C. Lower, Alston, Miller & Gaines, 35 Broad Street, Suite 1200, Atlanta, Ga. 30335.
- B. Board of Trade of the City of Chicago, 141 West Jackson Boulevard, Chicago, Ill. 60604.
- A. Michela S. Mago, Tele-Press Associates, 342 East 79th Street, New York, N.Y. 10021.
- B. Tele-Press Associates, 342 East 79th Street, New York, N.Y. 10021.
- A. W. Terry Maguire, Box 17407, Dulles International Airport, Washington, D.C. 20041.
- B. American Newspaper Publishers Association, Box 17407, Dulles International Airport, Washington, D.C. 20041.
- Manatt, Phelps, Rothenberg. Tunney, 1200 New Hampshire Avenue NW., No. 200, Washington, D.C. 20036.
- B. GATX Corp., 120 South Riverside Plaza, Chicago, Ill. 60606
- Manatt. Phelps. Rothenberg Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.

- B. General Telephone Co. of California, 100 Wilshire Boulevard, P.O. Box 889, Santa Parkway, No. 580, Decatur, Ga. 30035. Monica, Calif. 90406.
- Phelps. Rothenberg, Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.
- B. Luz International Ltd., 1105 Burlingame Avenue, Burlingame, Calif. 94010.
- Manatt. Phelps, Rothenberg, Tunney, 1200 New Hampshire Avenue NW., No. 200, Washington, D.C. 20036.
- B. National Investment Development Corp., 1801 Century Park East, No. 1901, Los Angeles, Calif. 90067.
- Manatt, Phelps, Rothenberg, Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.
- B. Northwest Alaskan Pipeline Co., 1120 20th Street NW., Suite S-700, Washington, D.C. 20036.
- A. Manatt, Phelps, Rothenberg, & Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.
- B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
- A. Manatt, Phelps, Rothenberg, & Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.
- B. James Schneider, Esq., 432 F Street, Suite No. 500, San Diego, Calif. 92101.
- A. Manatt, Phelps, Rothenberg, & Tunney, 1200 New Hampshire Avenue NW., No. 200, Washington, D.C. 20036.
- B. 20th Century Fox Film Corp., P.O. Box 900, Beverly Hills, Calif. 90213.
- A. E. Vernon Markham III.
- B. Stephens Overseas Services, Inc., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- A. Marshall, Bratter, Greene, Allison, & Tucker, 430 Park Avenue, New York, N.Y. 10022
- B. Cadillac Fairview U.S., Inc., c/o CT Corp., 100 West 10th Street, Wilmington,
- A. John M. Martin, Jr., 6909 Fort Hunt Road, Alexandria, Va. 22307.
- B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C. 20005
- A. Colin D. Mathews, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Vinson & Elkins (for American General Corp.), 1101 Connecticut Avenue NW., Washington, D.C. 20036.
- A. Colin D. Mathews, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Vinson & Elkins (for Roy Cullen), 1101 Connecticut Avenue NW., Washington, D.C.
- A. Colin D. Mathews, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Vinson & Elkins (for Mitchell Energy and Development Corp.), 1101 Connecticut Avenue NW., Washington, D.C. 20036.
- Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

 B. Comdisco, Inc., 6400 Shafer Court,
- Rosemont, Ill. 60018.
- A. Cathy McCharen, United Egg Producers, 499 South Capitol Street SW., No. 411, Washington, D.C. 20003.

- B. United Egg Producers, 3951 Snapfinger
- A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036
- B. Gulf Resources & Chemical Corp., 1100 Milam Bldg., Houston, Tex. 77002.
- A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
- B. Gulf & Western Industries, Inc., One Gulf & Western Plaza, New York, N.Y. 10023.
- A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
- B. Tracor, Inc., 6500 Tracor Lane, Austin, Tex. 78721.
- A. Toni McCrary, American Mining Congress, 1920 N Street NW., Washington, D.C.
- B. American Mining Congress, Street NW., Washington, D.C. 20036.
- A. Maria S. McCrea, National Association of Arab Affairs, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
- B. National Association of Arab Americans, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
- A. Richard A. Mehler, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.
- A. Jack Menache, 7900 Callaghan Road, San Antonio, Tex. 78229.
- B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.
- A. Julie Mencher, Consumer Energy Council of America, 2000 L Street NW., Suite 320, Washington, D.C. 20036.
- B. Consumer Energy Council of America, 2000 L Street NW., Suite 320, Washington, D.C. 20036.
- A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Foss Launch & Tug Co.; Foss Alaska Line; FL&T Co., 660 West Ewing Street, Seattle, Wash. 98119.
- A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Western Pioneer, Inc., 4601 Shilshole Avenue NW., Seattle, Wash. 98107.
- A. Miller, Cassidy, Larroca & Lewin, 2555 M Street NW., Washington, D.C. 20037. B. National Public Radio, 2025 M Street
- NW., Washington, D.C.
- A. Miller & Chevalier, Chartered, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Koppers Co., Inc., Koppers Building,
- Pittsburgh, Pa. 15219.
- A. John C. Miller, Suite 201, Blohm Building, Elko, Nev. 89801.
- B. Cominco American, Inc., 818 West Riverside Avenue, Spokane, Wash.
- A. Deborah M. Minnich, General Instrument Corp., 1200 New Hampshire Avenue NW., Suite 320, Washington, D.C. 20036.
- B. General Instrument Corp., 1775 Broadway, New York, N.Y. 10019.
- A. Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, 1015 15th Street NW., Suite 1025,

- Washington, D.C. 20005; One Center Plaza, Boston, Mass. 02108.
- B. National Cable Television Association, 1724 Massachusetts Avenue NW., Washington, D.C. 20036.
- A. Thom B. Miranda, 410 First Street SE., Washington, D.C.
- B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
- A. Moery and Co., 1230 Kensington Road, McLean, Va. 22102.
- B. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005 (For Riviana Foods,
- A. John M. Monley, 1090 Vermont Avenue NW., Suite 600, Washington, D.C. 20005.
- B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.
- A. Thomas H. Moore, 2301 Horseferry Court, Reston, Va. 22091.
- B. National Consumer Law Center, 236 Massachusetts Avenue NE., Washington, D.C. 20002.
- A. Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.
- B. Knoll Fine Chemicals, Inc., 120 East 56th Street, New York, N.Y. 10022.
- A. Morrison & Foerster, 1920 N Street NW., Washington, D.C. 20036.
- B. The City and County of San Francisco, City Hall, San Francisco, Calif. 94102.
- A. Bernard Moss, 2440 Virginia Avenue NW., Washington, D.C. 20037.
- B. Association of Bank Holding Co., 730 15th Street NW., Washington, D.C. 20005.
- A. Robert E. Moss, Suite 620, Federal Bar Building West, 1819 H Street NW., Washington, D.C. 20006.
- B. Dilworth, Paxson, Kalish & Levy, Suite 620, 1819 H Street NW., Washington, D.C. 20006 (for Western Pennsylvania Coal Mining Association, 2600 Fidelity Bldg., Philadelphia, Pa. 19109).
- A. Mountain West Associates, 1229 19th Street NW., Washington, D.C. 20036.
- B. Finlinson and Finlinson, 721 Kearns Building, Salt Lake City, Utah 84101.
- A. Mountain West Associates, 1229 19th Street NW., Washington, D.C. 20036.
- B. Great National Corp., 2320 South Tower L.B. 174, Plaza of the Americas, Dallas, Tex. 75201.
- A. Jeanne Marie Murphy, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 202, Washington. D.C. 20036.
- B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.
- A. Lawrence P. Mutter, 6849 Old Dominion Drive, McLean, Va. 22101.
- B. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.

- A. National Association of Convenience Stores, Skyline Center, Suite 305, 5205 Leesburg Pike, Falls Church, Va. 22041.
- A. National Association of Truck Stop Operators, 700 North Fairfax Street, Suite 505, Alexandria, Va. 22314.
- A. National Consumer Law Center, 236 Massachusetts Avenue NE., Washington, D.C. 20002.
- A. National Public Affairs Corp., 1120 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
- B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20036.
- National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.
- A. Elizabeth Ness, 3024 Wisconsin Avenue NW., Washington, D.C. 20016.
- A. Robert W. Nichols, Consumers Union of U.S., Inc., Suite 1033, Washington, D.C. 20005
- B. Consumers Union of U.S., Inc., 256 Washington Street, Mount Vernon, N.Y. 10550
- A. C. D. Nyberg, 600 20th Street SW., Austin, Minn. 55912.
- B. Geo. A. Hormel & Co., P.O. Box 800. Austin, Minn, 55912.
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006. B. American Association of Advertising
- Agencies, 1899 L Street NW., Washington,
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006. B. Blyth Eastman Paine Webber, 140 Broadway, New York, N.Y. 10005.
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006.
- B. Charles River Breeding Laboratories, Inc., 251 Ballardvale Street, Wilmington, Mass. 01887.
- A. O'Connor & Hannan, Suite 800, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Great National Corp., 2320 South Tower, Plaza of the Americas, Dallas, Tex. 75201.
- A. O'Connor & Hannan, Suite 800, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Paraho Development Corp., 300 Enterprise Building, Grand Junction, Colo. 81501.
- A. O'Connor & Hannan, Suite 800, 1919 Pennsylvania Avenue NW., Washington,
- D.C. 20006. B. Plateau, Inc., 4775 Indian School Road NE., Albuquerque, N. Mex. 87110.
- A. O'Connor & Hannan, Suite 800, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
- Southern Indiana Shale Oil Co., Inc., 45 West Washington Street, Box 748, Shelbyville, Ind. 46176.
- A. O'Connor & Hannan, Suite 800, 1919 Pennsylvania Avenue NW., Washington. D.C. 20006.
- Transport Mutual Services, Inc., Two Broadway, New York, N.Y. 10004.
- A. Barbara E. O'Hara, American Society of Travel Agents, Inc., 1300 19th Street NW., Washington, D.C. 20036.

- B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. Street NW., Washington, D.C. 20006. 10022.
- Harold E. O'Kelley, 7900 Callaghan NW., Washington, D.C. 20037. d, San Antonio, Tex. 78229. B. Callery, Judge Grove, 612 Comeau Road, San Antonio, Tex. 78229.
- B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.
- A. O'Neal & Claassen, Chartered, 600 New Hampshire Avenue NW., Suite 952, Washington, D.C. 20037.
- B. National Air Tankers Association, President, 22000 South Price Road, Chandler, Ariz. 85224.
- A. O'Neill & Haase, P.C., 1333 New Hamp-shire Avenue NW., Suite 1110, Washington, D.C. 20036.
- B. Mahoning Valley Economic Development Corp., 3200 Belmont Avenue, Youngstown, Ohio 44505.
- A. O'Neill & Haase, P.C., 1333 New Hamp shire Avenue NW., Suite 1110, Washington, D.C. 20036.
- B. Massachusetts Hospital Association, One Boston Place, Suite 1820, Boston, Mass.
- A. O'Neill & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
- B. Santarelli and Gimer, 2033 M Street NW., Washington, D.C. 20036.
- A. O'Neill & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
- B. The Western Union Telegraph Co., Suite 1001, 1828 L Street NW., Washington, D.C. 20036.
- A. Organization for the Protection and Advancement of Small Telephone Compa-nies, 1200 New Hampshire Avenue NW., Suite 320, Washington, D.C. 20036.
- A. Elvira Orly, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
- B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
- A. Cliff Ouse, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
- B. National Rural Electric Cooperative Association, 1600 Massachusetts Avenue NW., Washington, D.C. 20036.
- A. Outdoor Power Equipment Inst., 1901 L Street NW., Washington, D.C. 20036.
- A. Lee W. Paden, P.O. Box 201, Tulsa. Okla. 74102.
- B. Public Service Co. of Oklahoma, P.O. Box 201, Tulsa, Okla. 74102.
- A. Geri Palast, 2020 K Street NW., Suite 200, Washington, D.C. 20006.
- B. Service Employees International Union, AFL-CIO, CLC, 2020 K Street NW., Suite 200, Washington, D.C. 20006.
- A. Nancy L. Parke, Lone Star Industries, Inc., 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.
- B. Lone Star Industries, Inc., 1 Greenwich Plaza, Greenwich, Conn. 06830.
- A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va.
- B. Oy Wartsila Ab. Helsinki Shipyard, P.O. Box 132, SF-00151 Helsinki 15 Finland.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

- B. American Retail Federation 1616 H
- A. Patton, Boggs & Blow, 2550 M Street
- Building, West Palm Beach, Fla. 33401.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Cargill, Inc., No. 26, Box 9300, Minneapolis, Minn. 55440.
- A. Patton, Boggs & Blow, 2550 M Street, NW., Washington, D.C. 20037.
 B. Conoco, Inc., 1025 Connecticut Avenue, Washington, D.C. 20036.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. E.G.G. Industries, 45 William Street, Wellesley, Mass.
- . Patton, Boggs & Blow, 2550 M Street, NW., Washington, D.C. 20037.
- B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn, 55440.
- A. Patton, Boggs & Blow, 2550 M Street, NW., Washington, D.C. 20037.

 B. Great Atlantic & Pacific Tea Co., Inc.,
- No. 2 Paragon Drive, Montvale, N.J. 07645.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Lasco Shipping Co., 3200 Northwest Yeon Avenue, Portland, Oreg. 97210.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. Montgomery Ward Co., Inc., 619 West Chicago Avenue, Chicago, Ill. 60671.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. National Association of Manufacturers, 1776 F. Street NW., Washington, D.C. 20006.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Penn Central Corp., 2021 K Street NW., Washington, D.C. 20006.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.
- Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. Sheridan-Kalorama
- Neighborhood Council, 2543 Waterside Drive NW., Washington, D.C. 20008.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Shipbuilders' Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Union Pacific Corp., 345 Park Avenue. New York, N.Y.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. U.S. Lines, 27 Commerce Drive, Cranford, N.J. 07016.
- A. Patton, Boggs & Blow, 2550 M Street
- NW., Washington, D.C. 20037. B. Weyerhaeuser Co., Tacoma, Wash. 98477.
- Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington. D.C. 20036.

- B. Southern California Gas, 1150 Connecticut Avenue NW., Washington, D.C. 20036
- A. William E. Peacock, 8000 W. Florissant, St. Louis, Mo. 63136.
- B. Emerson Electric Co., 8000 W. Florissant, St. Louis, Mo. 63136.
- Penny/Ohlmann/Neiman, Inc., 1605 North Main Street, Dayton, Ohio 45405.
- B. The National Management Association 2210 Arbor Boulevard, Dayton, Ohio 45439.
- A. The Penron Corp., 7025 North Caminode Candelas, Tucson, Ariz, 85710.
- A. P.O.I.N.T., People Organized In Neighborhoods Together, 13030 Corbett, Detroit Mich. 48213.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., No. 200, Washington, D.C.
- B. Alarm Device Manufacturing Co., 165 Eileen Way, Syosset, N.Y. 11791.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., No. 200, Washington, D.C. 20006.
- B. Alarm Industry Telecommunications Committee, of the National Burglar & Fire 1101 Connecticut Alarm Association, Avenue NW., Washington, D.C. 20036.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., No. 200, Washington, D.C. 20006.
- B. Focus, 1747 Pennsylvania Avenue NW., No. 701, Washington, D.C. 20006.
- A. Gary J. Perkinson, Beneficial Management Corp. of Amerca, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.
- B. Beneficial Management Corp. of Amer-1300 Market Street, Wilmington, Del.
- A. Susan Perry, American Bus Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
- B. American Bus Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
- A. William G. Phillips, D.C. Associates, Inc., 402 Third Street SE., Washington, D.C. 20003.
- B. Association of University Programs in Occupational Health & Safety, P.O. Box 20186, Houston, Tex. 77025.
- A. Joan A. Piccolo, Commodity Exchange, Inc., 1875 I Street NW., Suite 730, Washington, D.C. 20006.
- B. Commodity Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.
- A. James Pickman, 1200 New Hampshire Avenue NW., Suite 320, Washington, D.C. 20036.
- B. Campaign for Community-Based Economic Development, 734 15th Street NW., Suite 200, Washington, D.C. 20005.
- A. Pierson Semmes Crolius Finley,
- 31st Street NW., Washington, D.C. 20007. B. Six Flags, Inc., 555 South Flower Street, 31st Floor, Los Angeles, Calif. 90071.
- Piper & Marbury, 1050 17th Street
- NW., Suite 1160, Washington, D.C. 20036.

 B. American Automobile Leasing Association, Inc., 8330 North Teutonia Avenue, Milwaukee, Wis. 53209.
- A. Piper & Marbury, 1050 17th Street NW., Suite 1160, Washington, D.C. 20036.

- port, Washington, D.C. 20001.
- A. Planned Parenthood Federation America, Inc., 1220 19th Street NW., Suite 303, Washington, D.C. 20036.
- A. Wyll W. Pleger, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
- B. Brown & Root, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
- A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
- B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.
- A. Alfred M. Pollard, Security Pacific National Bank, 1901 L Street NW., No. 702, Washington, D.C. 20036.
- B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.
- A. Paula D. Porpilia, 1120 Connecticut Avenue NW., Seventh Floor, Washington, D.C. 20036.
- B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036
- A. Robert W. Porter, 888 17th Street NW., Suite 700, Washington, D.C. 20006.
- B. National Potato Council, Montebello Office Building, 45th and Peoria, Suite 301, Denver, Colo. 80239.
- A. Robert W. Porter, 888 17th Street NW., Suite 700, Washington, D.C. 20006.
- B. Western Growers Association, 888 17th Street NW., Suite 700, Washington, D.C.
- A. Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue NW., Suite 970, Washington, D.C. 20036.
- B. Council of State Housing Agencies, 1133 15th Street NW., Washington, D.C. 20005.
- A. Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue NW., Suite 970, Washington, D.C. 20036.
- B. Intergraph Corp., P.O. Box 5183, Huntsville, Ala. 35805.
- A. Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue NW., Suite 970, Washington, D.C. 20036.
- B. Lincoln Property Co., 1500 East Tropicana, Las Vegas, Nev. 89109.
- A. Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue NW., Suite 970, Washington, D.C. 20036.
- B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
- A. Margaret Power, Suite 906, 2101 L Street NW., Washington, D.C. 20037.
- B. National Community Action Founda-
- A. Daniel B. Priest, Priest & Fine, Inc., 1725 K Street NW., No. 1412, Washington, D.C. 20006.
- B. National Technical Schools of Los An geles, 4000 South Figueroa Street, Los Angeles, Calif. 90037.
- A. Ellen Pritchett, National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.
- B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill.

- B. U.S. Air, Inc., Washington National Air- 60611., 777 14th Street NW., Washington, D.C. 20005
 - A. Stuart Proctor, American Farm Bureau Federation, 425 13th Street, NW., Washington. D.C. 20004.
 - B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
 - A. Proskauer, Rose, Goetz & Mendelsohn, 300 Park Avenue, New York, N.Y. 10022; and 1150 Connecticut Avenue NW., Washington, D.C. 20036.
 - B. The League of New York Theatres & Producers, Inc., 226 West 47th Street, New York, N.Y. 10036.
 - A. F. Eugene Purcell, Lone Star Industrial, Inc., 1919 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.
 - B. Lone Star Industries, Inc., One Greenwich Plaza, Greenwich, Conn. 06830.
 - Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.
 - B. Western Union International, Western Union International Plaza, New York, N.Y. 10004.
 - A. Carol Randles, 1771 N Street NW., Washington, D.C. 20036.
 - B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
 - A. Gayle Randol, 1828 L Street NW., Suite 402, Washington, D.C. 20036.
 - B. Business Roundtable, 200 Park Avenue. New York, N.Y., 1828 L Street NW., Washington, D.C. 20036.
 - A. Linda S. Rearick, National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006.
 - B. National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006.
 - A. Nooley Reinheardt, Nooley Reinheardt & Associates, P.O. Box 23190, Washington, D.C. 20024.
 - B. Rural Builders Council of California, P.O. Box 166, Newport Beach, Calif. 92662.
 - A. Robin Alan Rhodes, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
 - B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
 - Russell W. Richardson, 201 Grayson Court, Sun City Center, Fla. 33570.
 - B. Lear Siegler, Inc., P.O. Box 2158, Santa Monica, Calif. 90406.
 - A. Warren S. Richardson, 325 Pennsylva-nia Avenue SE., Washington, D.C. 20003.
 - B. American Electronics Association, 2600 El Camino Real, Palo Alto, Calif. 94306.
 - A. Don Ricketts, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036
 - B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
 - A. Kerri Ridenour, 1155 15th Street NW., Washington, D.C. 20005.
 - B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
 - A. James E. Ritchie & Associates, 499 South Capitol Street SW., Suite 400, Washington, D.C. 20003.
 - B. National Association of Optometrists & Opticians, Inc., 18903 South Miles Road, Cleveland, Ohio 44128.
 - A. Elizabeth Jane Robbins, 43 D Street SE., Washington, D.C. 20003.

- B. Scholastic Magazines, Inc., 900 Sylvan Avenue, Englewood Cliffs, N.J. 07632.
- A. Ray Roberts & Associates, Inc., 499 South Capitol Street SW., Washington, D.C. 20003.
- B. North Texas Municipal Water District, Lawson Road, Wylie, Tex. 75098.

Jack Rollins, 1201 16th Street NW.,

Washington, D.C. 20036.

- Overseas Education Association and National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
- A. Fred B. Rooney, 1300 19th Street NW., Washington, D.C. 20036.
- B. American Iron & Steel Institute, 1000 16th Street NW., Washington, D.C. 20036.

A. Mark A. Root, 1100 17th Street NW.,

Suite 302, Washington, D.C. 20036.

- B. Samuel E. Stavisky & Associates Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036. (For Broadcast Music Inc., West 57th Street, New York, N.Y.
- A. Sara Rosenbaum, 1520 New Hampshire
- Avenue NW., Washington, D.C. 20036. B. Children's Defense Fund, 1520 New Hampshire Avenue NW., Washington, D.C.
- A. Charlotte Rush, Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
- B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
- A. Herbert E. Russell, P.O. Drawer 888, Magnolia, Ark. 71753.
- A. Lowell E. Sachnoff, 1 IBM Plaza, Chi-
- cago, Ill. 60611. B. Corrugated Container Class, 1 IBM Plaza, Chicago, Ill. 60611.
- A. David J. Sadd, National Association of Arab Americans, Connecticut Avenue NW., Washington D.C. 20009.
- B. National Association of Arab Americans, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
- A. Mark L. Schaffer, Ashcraft & Gerel, 2000 L Street NW., Suite 700, Washington,
- B. AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
- Deborah M. Schechter, American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington, D.C. 20009.

B. American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington D.C. 20009.

- A. Kenneth D. Schloman, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
- B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
- A. Forest S. Schmeling, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
- B American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
- Amy Schmidt, International
- Street NW., Washington, D.C. 20006.

 B. International Longshoremen's Association, AFL-CIO, 17 Battery Place, New York, N.Y. 10004.
- A. Andrew A. Scholtz, New York Coffee & Sugar Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

- B. New York Coffee & Sugar Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.
- A. HBW Schroeder, Consumers Power Co., 1050 17th Street NW., Suite 290, Washington. D.C. 20036.
- B. Consumers Power Co., 212 W. Michigan Avenue, Jackson, Mich. 49201.
- A. Harry K. Schwartz, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036
- B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
- A. Charles M. Seeger III, Suite 200, 2000 L Street NW., Washington, D.C. 20036.
- B. Popham, Haik, Schnobrich, Kaufman & Doty, Ltd. (for: Glenrock Refinery, Inc., P.O. Box 2553, Casper, Wyo. 82602), 4344 IDS Center, Minneapolis, Minn. 55402.
- A. Charles M. Seeger III, Suite 200, 2000 L Street NW., Washington, D.C. 20036.
- B. Popham, Haik, Schnobrich, Kaufman & Doty, Ltd. (for: Chicago Mercantile Exchange, 444 West Jackson Bouelvard, Chicago, Ill. 60606), 4344 IDS Center, Minneapolis. Minn. 55402.
- A. Charles M. Seeger III, Suite 200, 2000 L Street NW., Washington, D.C. 20036.
- B. Popham, Haik, Schnobrich, Kaufman & Doty, Ltd. (for: Newcomb Securities Co., 767 5th Avenue, 34th Floor, New York, N.Y. 10153), 4344 IDS Center, Minneapolis, Minn. 55402.
- A. Seifman & Lechner, P.C., 1000 Potomac Street NW., Washington, D.C. 20007.
- B. Massachusetts Association of Contributory Retirement Systems, Inc., 182 Sunnyside Road, Norwood, Mass. 02062.
- Patricia Senner, 530 7th Street SE., Washington, D.C. 20003.
- B. National Clean Air Coalition, 530 7th Street SE., Washington, D.C. 20003.
- A. David Senter, 100 Maryland Avenue NE., Box 69, Washington, D.C. 20002.
- B. American Agriculture Movement, Inc., 100 Maryland Avenue NE, Box 69, Washington. D.C. 20002.
- A. Seward & Kissel, 1050 17th Street NW., Washington, D.C. 20036.
- A. Seyfarth, Shaw, Fairweather & Geraldson, 1111 19th Street NW., Suite 500, Washington, D.C. 20036.
- B. National Multi Housing Council, 1800 M Street NW., Suite 285, Washington, D.C.
- A. Seyfarth, Shaw, Fairweather & Geraldson, 1111 19th Street NW., Suite 500, Washington, D.C. 20036.
- B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
- A. Clive Seymour, P.O. Box 2511 (1010 Milam, Room 1657-B), Houston, Tex. 77001.
- B. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.
- A. Debbie Shannon, Security Pacific National Bank, 1901 L Street NW., No. 702, Washington, D.C. 20036.
- B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif.
- A. Shearman & Sterling, 153 East 53d Street, New York, N.Y. 10022.

- B. The Business Roundtable, 200 Park Avenue, New York, N.Y. 10166.
- A. Debra K. Shelton, Distilled Spirits Council of the U.S., Inc., 1300 Pennsylvania
- Building, Washington, D.C. 20004.

 B. Distilled Spirits Council of the U.S., Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
- A. Michael S. Sherman, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
- B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
- A. Dale Sherwin, 1735 I Street NW., No. 717, Washington, D.C. 20006.
- B. Alabama Farm Bureau Federation, P.O. Box 11000, Montgomery, Ala. 36116.
- A. Shipley Smoak & Akerman, 1108 National Press Building, Washington, D.C.
 - B. Bluejay Oil Company, Wilmington, Del.
- A. Shipley Smoak & Akerman, 1108 National Press Building, Washington, D.C. 20045
- B. Federated Department Stores, Inc., Cincinnati, Ohio.
- A. Shipley Smoak & Akerman, 1108 National Press Building, Washington, D.C.
 - B. Flanigan's Enterprises, Inc., Miami, Fl.
- A. Shipley Smoak & Akerman, 1108 National Press Building, Washington, D.C. 20045
- B. Fort Sill Gardens, Inc., Lawton, Okla.
- A. Shipley Smoak & Akerman, 1108 National Press Building, Washington, D.C.
- B. National Committee of Discount Securities Brokers, Memphis, Tenn.
- A. Shipley Smoak & Akerman, 1108 National Press Building, Washington, D.C. 20045.
- B. Steadman Mutual Funds, Washington, D.C.
- A. Shipley Smoak & Akerman, 1108 National Press Building, Washington, D.C. 20045
- B. Steadman Security Corp., Wilmington,
- A. Shipley Smoak & Akerman, 1108 National Press Building, Washington, D.C.
- B. U.S.-South West Africa Trade and Cultural Council, Washington, D.C.
- A. Shipley Smoak & Akerman, 1108 National Press Building, Washington, D.C. 20045.
- B. WBNO Radio, Bryan, Ohio; WLKM Radio, Three Rivers, Mich.
- A. Shippers National Freight Claim Council, Inc., 200 Main Street, Huntington, N.Y. 11743.
- A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
- B. Music Corporation of America, 100 Universal City Plaza, Universal City, Calif. 91608.
- . Amanda R. Simmons, 1615 34th Street NW., Washington, D.C. 20007.

 B. National Technical Schools of Los An-
- A. Marcus W. Sisk, Jr., 2501 M Street NW., Suite 380, Washington, D.C. 20037.

- B. Tosco Corp., 10100 Santa Monica Bou- 320 West 57th Street, New York, N.Y. ington Mutual Savings Bank 1101 Second levard, Los Angeles, Calif. 90067.
- A. Skadden, Arps, Slate, Meagher & Flom, 919 Third Avenue, New York, N.Y.
- B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10171 and Mead Corp., Courthouse Plaza Northeast, Dayton, Ohio 45463.
- A. Skadden Arps, Slate, Meagher & Flom, 1775 Pennsylvania Avenue NW., Washington. D.C. 20006.
- B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.
- A. Gregg P. Skall, Blum & Nash, 10 18th Street NW., Washington, D.C. 20036.
- B. Daytime Broadcasters Association, P.O. Box 564, Mattoon, Ill. 61983.
- A. Angela G. Skelton, N.C. Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602. B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
- A. Sidney O. Smith, Alston, Miller & Gaines, 35 Broad Street, Suite 1200, Atlanta, Ga. 30335.
- B. Board of Trade of the City of Chicago, 141 West Jackson Boulevard, Chicago, Ill. 60604.
- A. Joseph S. Smolen, 9412 Old Mount Vernon Road, Alexandria, Va. 22309.
- B. Overseas Education Association; National Education Association, 1201 15th Street NW., Washington, D.C. 20036.
- A. Leigh Snell, David Vienna & Associates, 510 C Street NE., Suite 100, Washington. D.C. 20002.
- B. State of California, Office of the Controller, State Capitol, Sacramento, Calif. 95805.
- A. Larry S. Snowhite, 1015 15th Street NW., Suite 1025, Washington, D.C. 20005.
- B. Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, 1015 15th Street NW., Washington, D.C. 20005, and 1 Center Plaza, Boston, Mass. 02108 (for Lion Lines, Ltd., 1178 Millington Road, Schenectady, N.Y. 12309).
- A. Larry S. Snowhite, 1015 15th Street NW., Suite 1025, Washington, D.C. 20005.
- B. Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, 1015 15th Street NW.; Suite 1025; Washington, D.C. 20005; and 1 Center Plaza, Boston, Mass. 02108 (for Mass. Construction Industry Council Truck Weight Committee c/o R. Barton Rosenfeld Concrete, Box E, Milford, Mass. 01757).
- A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036. B. City of Painesville, Ohio, Milburn
- Building, Painesville, Ohio 44077.
- A. Melvin R. Stahl, Motorcycle Industry Council, Inc., 1001 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Motorcycle Industry Council, Inc., 100 Connecticut Avenue NW., Washington, D.C.
- A. Robert R. Statham, Robert R. Statham Associates, 1000 Vermont Avenue NW., Washington, D.C. 20005.
- B. Committee for Commercial Energy Conservation, Suite 604, 1000 Vermont Avenue NW., Washington, D.C. 20005.
- A. Samuel E. Stavisky, 1100 17th Street
- NW., Suite 302, Washington, D.C. 20036.

 B. Samuel E. Stavisky & Associates, Inc. 1100 17th Street NW., Suite 302, Washington, D.C. 20036 (for Broadcast Music Inc.,

- 10019).
- A. Samuel E. Stavisky & Associates Inc., 1100 17th Street NW., Suite 302, Washington. D.C. 20036.
- B. Broadcast Music Inc., 320 West 57th Street, New York, N.Y. 10019.
- A. Stephens Overseas Service, Inc., Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- A. Stephens Overseas Service, Inc., Connecticut Avenue NW., Suite 500, Washington, D.C. 20036
- B. National Office Machine Dealers Association, 1510 Jarvis Avenue, Elk Grove Village, Ill. 60007.
- A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

 B. Kiawah Island Co., P.O. Box 12910,
- Charleston, S.C. 29412.
- A. Michael E. Steward, 2217 Observatory Place, Washington, D.C. 20007.
- B. Puget Sound Power & Light Co., Puget Power Building, Bellevue, Wash. 98009.
- A. M. Elizabeth Stotler, 30 F Street NW., Washington, D.C. 20001.
- B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
- A. Ros Stovall, 451 South Indiana Street, Mooresville, Ind. 46158.
- B. Protect The Innocent, Inc., 451 South Indiana Street, Mooresville, Ind. 46158.
- A. Frederick P. Stratton, Briggs & Stratton Corp., 8300 North 124th Street, P.O. Box 702, Milwaukee, Wis. 53201.

 B. Outdoor Power Equipment Institute,
- 1901 L Street NW., Washington, D.C. 20036.
- A. W. Melvin Street, National Newspaper Association, 1627 K Street NW., No. 400, Washington, D.C. 20006.
- B. National Newspaper Association, 1627 K Street NW., No. 400, Washington, D.C. 20006
- A. Stroock & Stroock & Lavan, 1150 Seventeenth Street NW., Washington, D.C.
- B. J. Aron & Co., Inc., 160 Water Street, New York, N.Y. 10038.
- A. Sullivan & Beauregard, 1800 M Street NW., Washington, D.C. 20036.
- B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
- A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004 and 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. American International Group, Inc., 70 Pine Street, New York, N.Y. 10270.
- A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004 and 1775 Pennsylva-
- nia Avenue NW., Washington, D.C. 20006. B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C.
- A. Patrick J. Sullivan International Longshoremen's Association, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
- B. International Longshoremen's Association, AFL-CIO, 17 Battery Place, New York, N.Y. 10004.
- A. Sullivan & Worcester, 1025 Connecticut
- Avenue NW., Washington, D.C. 20036.
 B. Dollar Savings Bank, Fourth and Smithfield, Pittsburgh, Pa. 15230 and Wash-

- Avenue, Seattle, Wash. 98111.
- A. Peter B. Summerville, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
- B. National Food Processors Association, 1133 20th Street NW., Washington, D.C.
- A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.

 B. Bench Ad Co., 4943 East Slauson
- Avenue, Maywood, Calif. 90270.
- A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.
- B. Walter E. Heller International Corp., 105 West Adams Street, Chicago, Ill. 60603.
- A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.
- B. Pietro Beretta, S.P.A., 25063 Gardone V.T. Italy.
- A. Thomas M. Susman, Ropes & Gray, 1200 New Hampshire Avenue NW., Suite 360, Washington, D.C. 20036.
- B. The William Carter Co., 963 Highland Avenue, Needham Heights, Mass. 02194.
- A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
- B. Baker International, 500 City Parkway West, Orange, Calif. 92667.
- A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
- B. Carnegie Corporation of New York, 437 Madison Avenue, New York, N.Y. 10022.
- A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
- B. Lifetime Communities, Inc., 2740 Beach Boulevard, Suite 202, Jacksonville, Fla.
- A. Tanaka Walders & Ritger, 1919 Pennsylvania Avenue NW., No. 303, Washington, D.C. 20006.
- B. Bridgestone Tire Co., Ltd., 10-1, Kyobashi 1-chome, Chou-ku, Tokyo 104, Japan.
- A. Dennis J. Taylor, Cummings & Lockwood, 1090 Vermont Avenue NW., Suite 650, Washington, D.C. 20005.
- B. CONOCO, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
- A. Dennis J. Taylor, Cummings & Lockwood, 1090 Vermont Avenue NW., Washington, D.C. 20005.
- B. Multi-State Communications, Inc., 230 Park Avenue, New York, N.Y.
- A. Betty-Grace Terpstra, Southern Furniture Manufacturers Association, 918 16th Street NW., No. 402, Washington, D.C. 20006
- B. Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C.
- Thevenot, Murray & Scheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
- B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006
- A. Thevenot, Murray & Scheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Joseph E. Seagram & Sons, Inc., 375 Park Avenue, New York, N.Y.
- A. Barbara Brendes Thies, Planning Research Corp., 7600 Old Springhouse Road, McLean, Va. 22102.

- B. Planning Research Corp., 7600 Old sippany, N.J. 07054), 1730 Pennsylvania pringhouse Road, McLean, Va. 22102. Avenue NW., Washington, D.C. 20006. Springhouse Road, McLean, Va. 22102.
- A. Edlu J. Thom, 1619 Massach Avenue NW., Washington, D.C. 20036. Thom, 1619 Massachusetts
- B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington. D.C. 20036.
- A. Fred D. Thompson, Thompson & Crawford, 1575 I Street NW., Suite 325, Washington, D.C. 20005.
- B. American Business Coalition, 131 East Redwood, Suite 210, Baltimore, Md. 21202.
- A. Vicki Thompson, 1150 Connecticut Avenue, NW., Suite 517, Washington, D.C.
- B. San Diego Gas & Electric Co., 101 Ash Street, San Diego, Calif. 92101.
- Robert N. Thomson, Moore McCormack Resources, Inc., One Square, Stamford, Conn. 06901. One Landmark
- B. Moore McCormack Resources, Inc., One Landmark Square, Stamford, Conn.
- A. Cynthia L. Thornburg, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007
- B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.
- A. Roger Tilles, 1111 19th Street NW., Suite 1050, Washington, D.C. 20036.
- B. Scholastic Magazines, Inc., 900 Sylvan Avenue, Englewood Cliffs, N.J. 07632.
- A. Ernest B. Tremmel, Inc., 5908 Ross-more Drive, Bethesda, Md. 20014. B. Burns & Roe, Inc., 1850 K Street NW.,
- Suite 220, Washington, D.C. 20006.
- A. Eugene M. Trisko, 9817 Rosensteel Avenue, Silver Spring, Md. 20910.
- B. Stern Bros., Inc., P.O. Box 8, Parkersburg, W. Va. 26101.
- A. Harold R. Tyler, Jr., Patterson, Belknap, Webb & Tyler, 30 Rockefeller Plaza, New York, N.Y. 10112.
- B. International Paper Co., 77 West 45th Street, New York, N.Y.
- A. Ullman Consultants, Inc., 1000 Potomac Street NW., Suite 302, Washington, D.C. 20007.
- B. American Guaranty Financial Corp., 1430 Southwest Broadway, Portland, Oreg. 97201
- A. Ullman Consultants, Inc., 1000 Potomac Street NW., Suite 302, Washington, D.C. 20007.
- B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.
- A. Ullman Consultants, Inc., 1000 Potomac Street NW., Suite 302, Washington, D.C. 20007.
- B. The Public Utility Tax Committee, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
- A. Marian S. Urnikis, American Bankers Association, 1120 connecticut Avenue NW., Washington, D.C. 20036.
- B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C.
- A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007. B. Thomas Ludlow Ashley (for General Public Utilities, 100 Interpace Parkway, Par-

- A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, 1050 Thomas Jefferson Street
- NW., 7th Floor, Washington, D.C. 20007. B. U.S. Ethanol Corp., 405 Lexington Avenue, Suite 5004, New York, N.Y. 10017.
- A. Glenn R. Van Schooneveld, 1747 Pennsylvania Avenue NW., Suite 702, Washington, D.C. 20006.
- B. Armco, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
- Verner, Liipfert, Bernhard and McPherson, 1660 L Street NW., Washington, D.C. 20036.
- B. Trans-Lux Corp., 110 Richards Avenue, Norwalk, Conn. 06854.
- A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036. B. Vinson & Elkins, 1101 Connecticut Avenue NW., Washington, D.C. 20036 (for American General Corp.).
- A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Vinson & Elkins, 1101 Connecticut Avenue NW., Washington, D.C. 20036 (for Ray Cullen).
- A. Larry R. Veselka, 1101 Connecticut
- Avenue NW., Washington, D.C. 20036.
 B. Vinson & Elkins, 1101 Connecticut
 Avenue NW., Washington, D.C. 20036 (for Mitchell Energy and Development Corp.).
- A. Larry R. Veselka, 1101 Connecticut
- Avenue NW., Washington, D.C. 20036.

 B. Vinson & Elkins, 1101 Connecticut
 Avenue NW., Washington, D.C. 20036 (for Pelican Terminal).
- A. David Vienna, David Vienna & Associates, 510 C Street NE., Suite 100, Washington, D.C. 20002.
- B. State of California, Office of the Controller, State Capitol, Sacramento, California 95805.
- A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036
- B. Board of Trade of the City of Chicago, 141 West Jackson Boulevard, Chicago, Ill.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., No. 1111, Washington, D.C. 20036
- B. Bowery Savings Bank, 110 East 42nd Street, New York, N.Y. 10017.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., No. 1111 Washington, D.C.
- The Toledo Trust Co., 245 Summit Drive, Toledo, Ohio 43603.
- A. Christine M. Waisanen, ICI Americas,
- Inc., Wilmington, Del. 19897.

 B. ICI Americas, Inc., Wilmington, Del. 19897.
- A. Wald, Harkreder & Ross, 1300 19th Street NW., Washington, D.C. 20036. B. Ad Hoc Committee to Preserve Federal-
- ly Assisted Short Line Railroads, c/o Wald, Harkrader & Ross, 1300 19th Street NW., Washington, D.C. 20036.
- A. Joe Walicki, 2637 Southwest Water Avenue, Portland, Oreg. 97201.
- B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

- B. Cities Service Co., Cities Service Building, Tulsa, Okla, 74102.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006
- B. Container Corp. of America, 1100 Connecticut Avenue NW., Suite 540, Washington, D.C. 20036
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. FMC Corp., 200 East Randolph Drive, Chicago, Ill. 60601.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. General Public Utilities Corp., 100 Interpace Parkway, Parsippany, N.J. 07054.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Tennessee Synfuels Associates, Koppers Building, Pittsburgh, Pa. 15219.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Tracor, Inc., 6500 Tracor Lane, Austin, Tex. 78721.
- A. Walsh, Cleary, Hamsher & Davis, P.C., 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C. 20004.
- A. Walsh, Cleary, Hamsher & Davis, P.C., 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C. 20004.
- B. Erie County Industrial Development Agency, Crosby Building, 170 Franklin Street, Buffalo, N.Y. 14202.
- A. Christine M. Warnke, American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.
- B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.
- Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. General Electric Co., 3135 Easton Turn-pike, Fairfield, Conn. 06431.
- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.
- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. Vought Corp., P.O. Box 225907, Dallas, Tex. 75265.
- A. Vernon Weaver, 1101 Connecticut Avenue NW., No. 500, Washington, D.C.

- B. Stephens Overseas Services Inc., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- A. Geoffrey Webb, 530 Seventh Street SE., Washington, D.C. 20003.
 B. Friends of the Earth, 530 Seventh

Street SE., Washington, D.C. 20003.

- A. Webster, Chamberlain & Bean, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006
- B. American Paratransit Institute, P.O. Box 340276, Coral Gables, Fla., 33134.
- A. Webster & Sheffield, 1200 New Hampshire Avenue NW., No. 350, Washington, D.C. 20036.

B. Kidder, Peabody & Co., Inc., 10 Hanover Square, New York, N.Y. 10005.

- A. Weil, Gotshal & Manges, 767 Fifth Avenue, New York, N.Y. 10153; 1101 Con-necticut Avenue NW., Washington, D.C. 20036
- B. The Continental Group, One Harbor Plaza, Stamford, Conn. 06902.
- A. Joel A. Weiss, Acurex Solar Corp., 1725 Jefferson Davis Highway, Suite 1307, Arlington, Va. 22202.

B. Acurex Solar Corp., 1725 Jefferson Davis Highway, Suite 1307, Arlington, Va. 22202

A. Susanne Wellford, John Adams Associates Inc., 1825 K Street NW., Suite 210, Washington, D.C. 20006.

B. Manufacurers of Emission Controls Association, 1800 K Street NW., Suite 1104, Washington, D.C. 20006.

A. Anne P. Werner, Direct Mail Marketing Association, 1730 K Street NW., Washington, D.C. 20006.

Direct Mail Marketing Association, 1730 K Street NW., Washington, D.C. 20006.

A. John F. Wetzel, Motorcycle Industry Council, Inc., 1001 Connecticut Avenue Washington, D.C. 20036.

B. Motorcycle Industry Council, Inc., 1001 Connecticut Avenue NW., Washington, D.C.

- A. Wexler & Associates, 1616 H Street NW., Suite 400, Washington, D.C. 20006. B. Tosco Corp., 1817 Broadway, Boulder,
- Colo. 80302.
- A. Brenda White, 140 Park Place, Room
- 807, New York, N.Y. 10007.

 B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.
- A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Commercial Union Leasing Corp., 115

East 57th Street, New York, N.Y. 10022.

A. John C. White, Suite 207, 1333 New Hampshire Avenue NW., Washington, D.C.

- B. The Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046; Chicago Mer-cantile Exchange, 444 West Jackson Street, Chicago, Ill. 60606.
- A. James A. Whitman, National Association of Chain Drug Stores, Inc., P.O. Box 1417-D49, Alexandria, Va. 22313.
- B. National Association of Chain Drug Stores, Inc., P.O. Box 1417-D49, Alexandria,
- A. Harry G. Wiles II, 499 South Capitol Street, Suite 401, Washington, D.C. 20003.
- B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill.
- A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Louisiana Pacific Corp., First National

Bank Building, 1300 Southwest Fifth Avenue, Portland, Oreg. 97201.

- A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
- B. National Congress of American Indians, 202 E Street NE., Washington, D.C. 20002.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Nationwide Insurance Co., One Nationwide Plaza, Columbus, Ohio 43216.
- A. Thomas C. Williams, Stanford, Williams & Briggs, 1825 K Street NW., Suite 703, Washington, D.C. 20006.
- B. National Association of Industrial & Office Parks, 1700 North Moore, Arlington, Va. 22209.
- A. W. G. Williams, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.
- A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006
- B. G-4 Children's Coalition, Room 1100, 1666 K Street NW, Washington, D.C. 20006.
- A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006
- B. Owens-Illinois P.O. Box 1035, Toledo, Ohio 43666.
- A. Windels, Marx, Davies & Ives, 51 West 51st Street, New York, N.Y. 10019.
- B. Waterman Steamship Corp. 120 Wall Street, New York N.Y. 10005.
- A. Winston & Strawn, 2550 M Street NW., Suite 500, Washington, D.C. 20037.

- B. Antaeus Enterprises, Inc., 59 Gary Road, Stamford, Conn. 06903.
- A. Winston & Strawn, 2550 M Street NW.,
- Suite 500, Washington, D.C. 20037. B. GIC Financial Services Corp., 9701 West Higgins Road, Suite 420, Rosemont, III. 60018
- A. Alan M. Wiseman, Suite 900, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. The Mead Corp., Courthouse Plaza Northeast, Dayton, Ohio 45463.
- Witkowski, Weiner, McCaffrey Brodsky, P.C. 1575 I Street NW., Suite 350, Washington, D.C. 20005.
- B. Foremost Insurance Co., 5800 Foremost Drive, SE., Grand Rapids, Mich. 49501.
- A. Perry W. Woofter, Tesoro Petroleum Corporation, 1775 K Street NW., Suite 310, Washington, D.C. 20006.
- B. Tesoro Petroleum Corp., 8700 Tesoro Drive, San Antonio, Tex. 78286.
- A. William R. Worthen, National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.
- B. National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.
- A. Wyman, Bautzer, Rothman, Kuchel & Silbert, Suite 580, The Watergate 600, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
- B. American Boiler Manufacturers Association, Inc., 1500 Wilson Boulevard, Arlington, Va. 22209.
- A. T. Albert Yamada, 900 17th Street NW., Suite 520, Washington, D.C. 20006.
- B. West Mexico Vegetable Distributors Association, P.O. Box 484, Nogales, Ariz. 85621.
- A. Ronald L. Ziegler, National Association of Truck Stop Operators, 700 North Fairfax Street, Suite 505, Alexandria, Va. 22314. B. National Association of Truck Stop Op-
- erators, 700 North Fairfax Street, Suite 505. Alexandria, Va. 22314.
- A. Zuckert, Scoutt & Rasenberger, 888 17th Street NW., Washington, D.C. 20006. B. Antaeus Enterprises, Inc., 59 Gary
- Road, Stamford Conn. 06903.
- A. Zuckert, Scoutt & Rasenberger, 888 17th Street NW., Washington, D.C. 20006.
- B. Republic Airlines, Inc., 7. Drive, Minneapolis, Minn. 55450. 7500 Airline
- A. Leigh Ann Zunke, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
- B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

CONGRESSIONAL RECORD—HOUSE

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the second calendar quarter 1981:

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

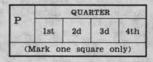
"Preliminary" Report ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT



Note on Item "A".—(a) In General. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm Isuch as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

Note on Item "B" .- Reports by Agents or Employees. An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report-naming both persons as "employers"-is to be filed each quarter.

B. Employer. - State name, address, and nature of business. If there is no employer, write "None."

Note on Item "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House" = \$302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying

Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either

received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. bills.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quanti-ty distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a cift)

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

NOTE ON ITEM "D."-(a) In General. The term "contribution" includes anything of value. When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribu--Section 302(a) of the Lobbying Act.

(b) If This Report Is for an Employer .- (i) In General. Item "D" is designed for the reporting of all receipts from which expendi-

tures are made, or will be made, in accordance with legislative interests.

(ii) Receipts of Business Firms and Individuals.—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation-will have no receipts to report, even though it does have expenditures to report.

(iii) Receipts of Multipurpose Organizations.—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts,

such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of \$500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) If This Report Is for an Agent or Employee.—(i) In General. In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) Employer as Contributor of \$500 or More.—When your contribution from your employer (in the form of salary, fee, etc.) amounts

to \$500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS).	
Fill in every blank. If the answer to any numbered item is "Non	e," write "None" in the space following the number.
Receipts (other than loans) 1. \$Dues and assessments 2. \$Gifts of money or anything of value	Contributors of \$500 or more (from Jan. 1 through this Quarter) 13. Have there been such contributors?
3. \$	Please answer "yes" or "no":
6. \$TOTAL for this Quarter (Add items "1" through "5")	loans) during the "period" from January 1 through the last days of this Quarter total \$500 or more:
7. \$Received during previous Quarters of calendar year 8. \$Total from Jan. 1 through this Quarter (Add "6" and "7")	Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare
Loans Received "The term 'contribution' includes a loan"—Sec. 302(a).	such tabulation in accordance with the following example: example:
9. \$TOTAL now owed to others on account of loans 10. \$Borrowed from others during this Quarter 11. \$Repaid to others during this Quarter	Amount Name and address of Contributor ("Period" from Jan. 1 through
12. \$"Expense money" and Reimbursements received this Quarter	\$1,785.00 The Roe Corporation, 2511 Doe Bldg., Chicago, Ill. \$3,285.00 Total

NOTE ON ITEM "E",-(a) In General, "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure" Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. Expenditures (Including Loans) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)		Loans Made to Others "The term 'expenditure' includes a .		
1. \$Public relations and advertising services		Total now owed to pers		
2. \$Wages, salaries, fees, commissions (other than item "1")		13. \$Lent to others during this 14. \$Repayment received duri		
3. \$Gifts or contributions made during Quarter	15. Recip	ients of Expenditures of \$1	0 0	
4. \$Printed or duplicated matter, including distribution cost	In to on be	he case of expenditures makes half of the person filing:	ad	
5. \$Office overhead (rent, supplies, utilities, etc.)		ximately the size of this ditures under the following		
6. \$Telephone and telegraph	Dates	," "Name and Address of F	Re	
7. \$Travel, food, lodging, and entertainment	such t	abulation in accordance wi	th	
8. \$All other expenditures		Date or Dates—Name and 7-11: Roe Printing Co		
9. \$Total for this Quarter (Add "1" through "8")		Mo.—Printing "Marshbanks I		
10. \$Expended during previous Quarters of calendar year	\$2,400.00	7-15, 8-15, 9-15: Britten Wash service	& in	
11. \$Total from January 1 through this Quarter (Add "9"	-	Servic		
and "10")	\$4,150.00	TOTAL		

loan . . ."-Sec. 302(b). on filing is Quarter ing this Quarter or More

de during this Quarter by, or Attach plain sheets of paper page and tabulate data as to heading: "Amount," "Date or ecipient," "Purpose." Prepare h the following example:

Address of Recipient—Purpose , 3214 Blank Ave., St. Louis, and mailing circulars on the

& Blaten, 3127 Gremlin Bldg., ngton, D.C.—Public relations at \$800.00 per month.

A. Robert J. Aagre, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$1,246. E. (9) \$238.40.

A. Abadie & Hudson, P.O. Box 2787, Baton Rouge, La. 70821.

B. Miller Coal Systems, Inc., 1 American Place, Suite 2038, Baton Rouge, La. 70825. D. (6) \$7,500. E. (9) \$2,603.61.

A. Paul C. Abenante, Suite 850, 2020 K

Street NW., Washington, D.C. 20006. B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006

D. (6) \$531.25. E. (9) \$7.15.

A. Thomas G. Abernethy, 3973 Stuart Place, Jackson, Miss. 39211.

B. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) \$1,000. E. (9) \$436.63.

A. Abourezk, Shack & Mendenhall, P.C., 1129 20th Street NW., Suite 500, Washington, D.C. 20036.

Eazor Express, Inc., Eazor Square, Pittsburgh, Pa. 15201.

Abourezk, Shack & Mendenhall, P.C., 1129 20th Street NW., Suite 500, Washington, D.C. 20036.

B. Five Tribes Confederacy of North Central Oklahoma, c/o Ponca Tribe, Ponca City, Okla. 74601.

A. Abourezk, Shack & Mendenhall, P.C., 1129 20th Street NW., Suite 500, Washington, D.C. 20036.

B. Kiowa-Comanche-Apache Intertribal Land Use Committee, P.O. Box 72, Lawton, Okla. 73501.

A. Abourezk, Shack & Mendenhall, P.C., 1129 20th Street NW., Suite 500, Washington, D.C. 20036.

B. Kootznoowoo, Inc., P.O. Box 116, Angoon, Alaska 99820.

A. Abourezk, Shack & Mendenhall, P.C., 1129 20th Street NW., Suite 500, Washington, D.C. 20036.

B. Seneca-Cayuga Tribe of Oklahoma, P.O. Box 1283, Miami, Okla. 74354.

A. Abourezk, Shack & Mendenhall, P.C., 1129 20th Street NW., Suite 500, Washington, D.C. 20036.

B. Ukpeagvik Inupiat Corp., P.O. Box 427, Barrow, Alaska 99723

A. Albert E. Abrahams, National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611 and 777 14th Street NW., Washington, D.C.

D. (6) \$6,100. E. (9) \$750.40

A. Sherman Abrahamson, Control Data Corp., 3717 Columbia Pike, Arlington, Va. 22204

B. Control Data Corp., 3717 Columbia Pike, Arlington, Va. 22204.

D. (6) \$150.

A. ACLI International, Inc., 717 We chester Avenue, White Plains, N.Y. 10604. 717 West-

A. Bruce Adams, 2030 M Street NW., Washington, D.C. 20036. B. Common Cause, 2030 M Street NW.,

Washington, D.C. 20036.

D. (6) \$8.500.02.

A. Charles F. Adams, American Association of Advertising Agencies, 1899 L Street NW., Washington, D.C. 20036.

B. American Association of Advertising Agencies, 666 Third Avenue, New York, N.Y. 10017.

D. (6) \$2,500. E. (9) \$750.

A. John J. Adams, 1919 Pennsylvania Avenue NW., No. 700, Washington, D.C. 20006.

B. Ethyl Corp., 330 South Fourth Street, Richmond, Va.

A. John J. Adams, 1919 Pennsylvania Avenue NW., Suite 700, Washington, D.C.

B. VEPCO, One James River Plaza, Rich-

mond, Va. D. (6) \$1,632.

A. Kenneth R. Adams, Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite

2450, Washington, D.C. 20024. B. Volkswagen of America, Inc. Parkview Boulevard, Warren, Mich. 48902. D. (6) \$300.

A. Thomas L. Adams, Jr., 1101 15th Street NW., Washington, D.C. 20005. B. Republic Steel Corp. Republic Build-ing, Cleveland, Ohio 44101.

A. Ad Hoc Committee to Preserve Federally Assisted Short Line Railroads. D. (6) \$8,100. E. (9) \$8,100.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036. D. (6) \$15,583.26. E. (9) \$15,583.26.

A. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001. D. (6) \$5,420. E. (9) \$6,459.02.

A. Robert S. Agman, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) \$1,217.45. E. (9) \$14.50.

A. Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) \$21,000. E. (9) \$20,500.

A. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.

A. Air Transports Association, 1709 New York Avenue NW., Washington, D.C. 20006. D. (6) \$28,978.71. E. (9) \$28,978.71.

A. Randolf H. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684. D. (6) \$3,300. E. (9) \$140.92.

A. G. Colburn Aker, 1425 K Street NW., Washington, D.C. 20005. B. Hill & Knowlton,

Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Ag-Energy Resources, Inc., 7346. South Alton Way, Englewood, Calif. 90112. D. (6) \$250.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite

400, Washington, D.C. 20036.

B. Alaska Interstate Co., 2200 Post Oak
Tower, 5051 Westheimer Road, Houston, Tex. 77056.

D. (6) \$5,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. American Petroleum Partners, 350

North St. Paul, Dallas, Tex. 75201.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Bache Group Inc., 100 Gold Street, New York, N.Y. 10038.

D. (6) \$1,250.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. City of Houston, City Hall, Houston,

Tex. 77001.

D. (6) \$1,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. The Coastal Corp., 9 Greenway Plaza,

Houston, Tex. 77046.

D. (6) \$12,750.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

E & J Gallo Winery, P.O. Box 1130, Modesto, Calif. 95353.

D. (6) \$3,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. FSC Corp., 110 East 59th Street, 37th Floor, New York, N.Y. 10022.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Goldston Oil Corp., P.O. Box 22568, Houston, Tex. 77027.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

Great National Corp., 2320 South Tower, Plaza of the Americas, Dallas, Tex. 75201.

D. (6) \$2,250.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Leaseway Transportation Corp., 21111 Chagrin Boulevard, Cleveland, Ohio 44122.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Lone Star Industries, Inc., One Greenwich Plaza, Greenwich, Conn. 06830.

D. (6) \$4,850.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036. B. Louisiana Alcohol Fuel Co., 1102 Sixth

Street, New Orleans, La. 70115.

D. (6) \$1,250.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119. D. (6) \$3,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Metropolitan Transit Authority of Harris County, P.O. Box 61429, Houston,

D. (6) \$6,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036. B. Missouri Terminal Oil Co., Inc., 3854

South First Street, St. Louis, Mo. 63118.

D. (6) \$1,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036. B. National Association of Condominum

and Cooperative Housing, 5415 North Sheri-

dan Road, Chicago, Ill. 60640.

Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. New Energy Corp. of Indiana, 915 15th Street NW., Suite 200, Washington, D.C. 20005.

D. (6) \$750.

Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Northwest Alaskan Pipeline Co., 1801 K Street NW., Washington, D.C. 20006.

Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Northwest Pipeline Co., 314 East Second South, Salt Lake City, Utah 84111.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Tom Reidy, Inc., 110 Milam, Suite 2170,

Houston, Tex. 77002. D. (6) \$2,250.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Ringling Bros. Barnum and Bailey Combined Shows, Inc., 1015 18th Street NW., Washington, D.C. 20036.

D. (6) \$500

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Saber Energy, Inc., 1700 Houston Natural Gas Building, 1200 Travis, Houston, Tex. 77002.

D. (6) \$3,500.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036. B. Shearson, Loeb, Rhodes, 15 Wall Street, Ninth Floor, New York, N.Y. 10005.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

D. (6) \$20,000.

Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036. B. Richard Suman, 2444 Times Boulevard, Suite 101, Houston, Tex. 77005.

D. (6) \$2,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Sun Co., Inc., 1608 Walnut Street, Philadelphia, Pa. 19103.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

Texas Instruments Inc., P.O. Box 225474-MS 241, Dallas, Tex. 75265.

D. (6) \$4,500.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Valero Energy Corp., 530 McCullough Avenue, San Antonio, Tex. 78292.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

Worldwide Church of God, P.O. Box

385, Pasadena, Calif. 91102.

D. (6) \$750.

Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Zale Corporation, 3000 Diamond Park

Drive, Dallas, Tex. 75247.

A. Joan H. Albert, National Association of Casualty & Surety Agents, 600 Pennsylva-nia Avenue SE., No. 202, Washington, D.C.

B. National Association of Casualty Surety Agents, 5454 Wisconsin Avenue, No.

1625, Chevy Chase, Md. 20815. D. (6) \$1,600. E. (9) \$79.55.

A. James J. Albertine, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036. B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601,

Washington, D.C. 20036.

D. (6) \$300.

A. John M. Albertine, 1025 Connecticut Avenue NW., Suite 209, Washington, D.C. 20036.

B. American Business Conference, Inc., 1025 Connecticut Avenue NW., Suite 209,

Washington, D.C. 20036. D. (6) \$1,125. E. (9) \$105.82.

Alcalde, Henderson, O'Bannon Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. American Fishing Tackle Manufacturers Assn., 2625 Clearbrook Drive, Arlington, Heights, Ill. 60005.

D. (6) \$1,500.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

Associated Industries of Florida, 203 South Adams Street, Tallahassee, Fla. 23202.

Alcalde, Henderson, O'Bannon Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. City of Tucson, Tucson, Ariz. D. (6) \$3,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Coalition for Energy Efficient Transportation, 1901 North Fort Myer Drive, Rosslyn, Va. 22209.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

Computer Sciences Corporation, 650 North Sepulveda Boulevard, El Segundo, Calif. 90245.

D. (6) \$3,000.

Alcalde, Henderson. O'Bannon A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. The Continental Group, Inc., One Harbor Plaza, Stamford, Conn. 06902.

Henderson, O'Bannon Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

Newspaper-Broadcaster Committee, P.O. Box 3412, San Francisco, Calif. 94119. D. (6) \$15,000.

Henderson, O'Bannon A. Alcalde, Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Pan American World Airways, Inc., 200 Park Avenue, New York, N.Y. 10017.

D. (6) \$3,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Pratt & Whitney Aircraft Group, 400 Main Street, East Hartford, Conn. 06118.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Tampa Electric Co., P.O. Box 111,

Tampa, Fla. 33601. D. (6) \$1,500.

Alcalde, Henderson, O'Bannon Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.

D. (6) \$3,600.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Jim Walter Corp., P.O. Box 22601,

Tampa, Fla. 33622. D. (6) \$3,000.

Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Wildlife Legislative Fund of America, 50 West Broad Street, Columbus, Ohio

43215. D. (6) \$1,000.

A. Claude D. Alexander, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C.

20036.

D. (6) \$500, E. (9) \$70.05.

A. Claude D. Alexander, 2000 L Street NW., No. 801, Washington, D.C. 20036.

B. Ralston Purina Government Affairs, Inc., 2000 L Street NW., Suite 801, Washington, D.C. 20036.

D. (6) \$400. E. (9) \$165.

A. Donald C. Alexander, Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.

B. Committee for Capital Information Through Dividend Reinvestment, 1800 M Street NW., Suite 800, Washington, D.C.

D. (6) \$378.

A. Willis W. Alexander, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$2,500. E. (9) \$32.89.

Maxton M. Allcox, 400 First NW., Room 801, Washington, D.C. 20001.

B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, De-troit, Mich. 48203.

D. (6) \$11,403.24

A. Joseph P. Allen, Intellectual Property Owners, Inc., 1899 L Street NW., Suite 400, Washington, D.C. 20036.

- B. Intellectual Property Owners, Inc., 1899 L Street NW., Suite 400, Washington, D.C. 20036
 - D. (6) \$10.738.60. E. (9) \$233.
- A. Alliance for Cannabis Therapeutics, P.O. Box 23691, Washington, D.C. 20024. D. (6) \$930.90. E. (9) \$740.
- Alliance of American Insurers, 20 North Wacker Drive, Suite 2140, Chicago, III. 60606. E. (9) \$3,257.05.
- A. Harvey Alter, U.S. Chamber of Commerce, Washington, D.C. 20062.
 B. U.S. Chamber of Commerce, 1615 H
- Street NW., Washington, D.C. 20062. D. (6) \$200.
- A. Richard H. Altman, 444 North Capitol Street NW., No. 412, Washington, D.C.
- B. American Israel Public Affairs Commit-tee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
- D. (6) \$1.125.
- A. Ricardo R. Alvarado, 6108 Fort Hunt
- Road, Alexandria, Va. 22307. B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.
 - D. (6) \$1,600, E. (9) \$866.40.
- A. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
- A. John O. Ambler, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
- B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
 - E. (9) \$13.90.
- A. Jerome A. Ambro Associates, 2301 South Jefferson Davis Drive, Arlington, Va. 22202.
- B. Associated Universities, Inc., Upton, N.Y. 11973.
 - D. (6) \$900. E. (9) \$785.20.
- Jerome A. Ambro Associates, 2301 South Jefferson Davis Drive, Arlington, Va. 22202.
- B. County of Suffolk, H. Lee Dennison Building, Veterans Memorial Highway, Hauppauge, N.Y. 11787.
 - D. (6) \$6,375. E. (9) \$5,495.60.
- A. Jerome A. Ambro Associates, 2301 South Jefferson Davis Drive, Arlington, Va. 22202
- B. New York State Department of Trans-ortation, 1220 Washington Avenue, portation, 1220 Washington Albany, N.Y. 12232. D. (6) \$8,250. E. (9) \$7,194.96.
- A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
 - D. (6) \$8,140.77. E. (9) \$8,140.77.
- A. American Arts Alliance, 424 C Street NE., Washington, D.C. 20002.
 - D. (6) \$9,589.11. E. (9) \$78,231.61.
- American Association of Foundations for Medical Care, 11325 Seven Locks Road, Suite 214, Potomac, Md. 20854. E. (9) \$4.80.
- A. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
 D. (6) \$2,822. E. (9) \$2,822.
- A. American Association of Meat Proces-ors, P.O. Box 269, Elizabethtown, Pa. 17022.

- D. (6) \$74.39. E. (9) \$270.47.
- A. American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
 - D. (6) \$24,255.35. E. (9) \$24,255.35.
- A. American Association of Port Authorities, 1612 K Street NW., Suite 900, Washington, D.C. 20006.
 - E. (9) \$30,321.
- A. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Suite 214, Potomac, Md. 20854.
 - E. (9) \$194.33.
- A. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
- A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036
 - D. (6) \$51,001.68. E. (9) \$51,001.68.
- American Business Conference, Inc. 1025 Connecticut Avenue NW., Suite 209, Washington, D.C. 20036.
 - D. (6) \$600. E. (9) \$1,563.59.
- A. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., No. 201, Washington, D.C. 20006.
- D. (6) \$5,064. E. (9) \$8,072.
- A. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006
 - E. (9) \$3,548.62.
- A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068, and 425 13th Street NW., Washington, D.C. 20004.
 - D. (6) \$75,814. E. (9) \$75,814.
- A. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006. E. (9) \$133,863.31.
- A. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
- D. (6) \$2,500. E. (9) \$2,500.
- A. American Frozen Food Institute, 1700 Old Meadow Road, Suite 100, McLean, Va.
 - D. (6) \$9,231.90. E. (9) \$9,331.90.
- A. American Guaranty Life Insurance Co., 1430 Southwest Broadway, Portland, Oreg. 97201.
 - E. (9) \$6,000.
- A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019. D. (6) \$10,020.13. E. (9) \$6,499.95.
- A. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201. E. (9) \$1,558.90.
- A. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
 - E. (9) \$1,250,00.
- A. American Insurance Association, 85 John Street, New York, N.Y. 10038. D. (6) \$1,813. E. (9) \$1,813.
- A. American Israel Public Affairs Commit-tee, 444 North Capitol Street NW., No. 412,
- Washington, D.C. 20001. D. (6) \$62,320. E. (9) \$79,181.68.
- American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

- E. (9) \$3,930.
- A. American League for Exports & Security Assistance, Suite 4400, 475 L'Enfant Plaza, SW., Washington, D.C. 20024. D. (6) \$36,235.40. E. (9) \$36,235.40.
- A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611. D. (6) \$1,618.50. E. (9) \$5,910.15.
- A. American Maritime Association, 17 Battery Place, New York, N.Y. 10004 and 1612 K Street NW., Washington, D.C. 20006. E. (9) \$37.85.
- A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007 and 1700 North Moore Street, Arlington, Va. D. (6) \$3,500. E. (9) \$3,500.
- American Medical Association, North Dearborn Street, Chicago, Ill. 60610. D. (6) \$1,562.50, E. (9) \$34,863.42.
- American Movers Conference. 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
 - E. (9) \$1 245.06
- A. American Newspaper Publishers Association, Box 17407, Dulles International Airport, Washington, D.C. 20041. D. (6) \$2,147. E. (9) \$2,147.
- A. American Nuclear Energy Council, 410 First Street SE., Washington, D.C. D. (6) \$244.216.97. E. (9) \$59,636.02.
- A. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108. D. (6) \$9,297.13. E. (9) \$9,297.13.
- A. American Optometric Association, c/o Albert A. Bucar, 395 Orchard Street, Antioch, Ill. 60002.
 - D. (6) \$541.04. E. (9) \$541.04.
- A. American Orthotic and Prosthetic Association, 717 Pendleton Street, Alexandria, Va. 22314.
- American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
- American Paratransit Institute, P.O. Box 340276, Coral Gables, Fla. 33134. E. (9) \$400.
- A. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
 - D. (6) \$29.919.59. E. (9) \$16.280.55.
- A. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$198,860. E. (9) \$204,384.
- A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
 - D. (6) \$4,660.08. E. (9) \$4,660.08.
- A. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
 - E. (9) \$10,423.73.
- A. American Postal Workers Union, 817 14th Street, Washington, D.C. 20005. D. (6) \$3,479,081.72 E. (9) \$147,562.06.
- A. American Public Transit Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$21,671. E. (9) \$21,671.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036. D. (6) \$3,807.24. E. (9) \$3,807.24.

A. American Soybean Association, 1575 I Street NW., No. 360, Washington, D.C. 20005

D (6) \$4 125 E (9) \$1.654.51

American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington,

D.C. 20036.
B. National Customs Brokers & Forwarders Association of America, Inc., One World Trade Center, Suite 1109, New York, N.Y. 10048.

D. (6) \$550. E. (9) \$333.95.

A. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036. D. (6) \$40,817.13. E. (9) \$40,817.13.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036. D. (6) \$10,290.06. E. (9) \$75,285.16.

A. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington. D.C. 20005. E. (9) \$242.50.

A. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1000, Ar-

lington, Va. 22209. D. (6) \$10,555. E. (9) \$2,681.11.

A. Americans for Nuclear Energy, P.O. Box 28371, Washington, D.C. 20005. E. (9) \$5,194.38.

A. Morris J. Amitay, P.C., 400 North Capitol Street NW., Suite 168, Washington, D.C.

B. Air Florida, P.O. Box 592337, Miami, Fla. 33159.

D. (6) \$4,500.

A. Morris J. Amitay, P.C., 400 North Capitol Street NW., Suite 168, Washington, D.C. 20001.

B. ENI Cos., 1417 116th Avenue NE., Belleview, Wash. 98009. D. (6) \$7,500.

A. Morris J. Amitay, P.C., 400 North Capitol Street NW., Suite 168, Washington, D.C. 20001.

B. Hickory Association, 560 South Broad-

way, Hicksville, N.Y. 11801. D. (6) \$1.500.

A. Morris J. Amitay, P.C., 400 N. Capitol Street NW., Suite 168, Washington, D.C.

B. Northrop Corp., 1701 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) \$7,500.

A. John G. Ams, National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005. B. National Association of Realtors, 777

14th Street NW., Washington, D.C. 20005.

D. (6) \$1,750. E. (9) \$127.03.

A. Edward Andersen, National Grange, 1616 H Street NW., Washington, D.C. 20006. B. National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) \$750.

A. Anthony L. Anderson, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.

B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087. D. (6) \$4,934. E. (9) \$101.25.

J. L. Anderson, Time Inc., 888 16th

R. J. E. Anderson, Time Inc., 565 16th Street NW., Washington, D.C. 20006. B. Time Inc., Time and Life Building, Rockefeller Center, New York, N.Y. 10020. D. (6) \$2,000. E. (9) \$33.75.

A. Jane K. Anderson, 1111 19th Street

NW., Suite 310, Washington, D.C. 20036. B. Kennecott Corp., 10 Stamford Forum, Stamford, Conn. 06904. D. (6) \$500. E. (9) \$25.55.

A. Anderson & Pendleton, 1000 16th Street NW., Suite 701, Washington, D.C. 20036.

B. Military Mission of Chile, 1736 Massa-chusetts Avenue NW., Washington, D.C.

D. (6) \$3,750. E. (9) \$70.43.

A. Robert L. Anderson, Deere & Co., John Deere Road, Moline, Ill. 61265.

B. Deere & Co., John Deere Road, Moline, III. 61265.

A. Sally M. Anderson, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Scott G. Anderson, Burlington Northern Inc., 413 New Jersey Avenue SE., Washington, D.C. 20003.

B. Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minn. 55101. D. (6) \$1,900. E. (9) \$1,199.05.

A. Steven C. Anderson, 1700 Old Meadow Road, Suite 100, McLean, Va. 22102.

B. American Frozen Food Institute, 1700 Old Meadow Road, Suite 100, McLean, Va. 22102

D. (6) \$5,000

A. Wayne C. Anderson, 1629 K Street

NW., Washington, D.C. 20006. B. Nabisco, Inc., East Hanover, N.J. 07936. D. (6) \$5,000. E. (9) \$1,699.52.

A. William C. Anderson, 1101 16th Street

NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) \$27.50.

A. Robert T. Angarola, Hyman & Phelps, P.C., 1101 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. American Citizens Abroad, 157 Route du Grand Lancy, 1213 Onex, Geneva, Switzerland.

D. (6) \$3,425. E. (9) \$237.96.

A. Robert C. Angel, 1000 Connecticut

Avenue NW., Washington, D.C. 20036. B. Japan Ecomonic Institute of America, 1000 Connecticut Avenue NW., Washington, D.C. 20036. D. (6) \$300.

A. Jay Angoff, 215 Pennsylvania Avenue

SE., Washington, D.C. 20003. B. Congress Watch, 215 Pennsylvania B. Congress

Avenue SE., Washington, D.C. 20003. D. (6) \$3,249.99.

A. J. Donald Annett, Texaco, Inc., 1050 17th Street NW., No. 500, Washington, D.C. 20036.

B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

A. Robert E. Ansheles, Suite 711, 1025 Connecticut Avenue NW., Washington, D.C.

B. CITC Industries, Inc., 1 Park Avenue, New York, N.Y. 10016. D. (6) \$175. E. (9) \$75.50.

A. Tobias Anthony, 1800 K Street NW., No. 720, Washington, D.C. 20006.

B. Research-Cottrell, P.O. Box 1500, Somerville, N.J.

D. (6) \$3,000. E. (9) \$203.69.

A. Apartment & Office Building Association, 1511 K Street NW., Suite 319 Washington, D.C. 20005

A. John D. Aquilino, Jr., 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) \$837.50.

A. John Archer, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Roy A. Archibald, National Education Association, 1705 Murchison Drive, Burlingame, Calif. 94010.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$953.

W. Stanley Armstrong, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 North Street NW., Washington, D.C. 20036.

D. (6) \$65.93. E. (9) \$9.00.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. American Family Corp., 1902 Wynnton

Road, Columbus, Ga. 31906. D. (6) \$480.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Iron & Steel Institute, 1000 16th Street NW., Washington, D.C. 20036. D. (6) \$1,250.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$11,250.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Corporate Property Investors, 230 Park Avenue, New York, N.Y. 10017. D. (6) \$500.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Mortgage Guaranty Insurance Corp., P.O. Box 488, Milwaukee, Wis. 53201. D. (6) \$350.

Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. National Realty Committee, 2033 M Street NW., Washington, D.C. 20036. D. (6) \$1,600.

Arnold, 1100 Connecticut A. Carl F. Arnold, 1100 Conne. Avenue NW., Washington, D.C. 20036. B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001. D. (6) \$470.

A. Carl F. Arnold, 1100 Conne Avenue NW., Washington, D.C. 20036. Arnold, 1100 Connecticut B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.

D. (6) \$470.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Securities Group, 500 Park Avenue, New York, N.Y. 10022.

D. (6) \$600.

A. Carl F. Arnold, 1100 Conne Avenue NW., Washington, D.C. 20036. Arnold, 1100 Connecticut

B. Securities Industry Association, Broad Street, New York, N.Y. 10005. D. (6) \$437.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Security First Group, Inc., 1800 Avenue of the Stars, Los Angeles, Calif. 90067. D. (6) \$417.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Federation of Apparel Manufacturers, 450 Seventh Avenue, New York, N.Y. 10001. D. (6) \$550. E. (9) \$1.48.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.

D. (6) \$35. E. (9) \$5.07.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. National Coordinating Committee for Multiemployer Plans, 816 16th Street NW., Suite 603, Washington, D.C. 20006.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Table Grape Growers Association, Boulevard Transversal KM 4.5, Hermosillo, Sonora, Mexico.

A. Milton F. Ashford, 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW Inc., 2355 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) \$1,000.

A. Thomas Ludlow Ashley, P.C., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

American INVSCO Corp., 120 South LaSalle Street, Chicago, Ill. 60603.

D. (6) \$15,000.

A. Thomas Ludlow Ashley, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. General Public Utilities Corp., 100 Interpace Parkway, Parsippany, N.J. 07054.

D. (6) \$60,000.

Joseph Ashooh, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Asphalt Roofing Manufacturers Association, 1800 Massachusetts Avenue, NW, Washington, D.C. 20036.

A. Associated Builders and Contractors, Inc., 444 North Capitol Str 409, Washington, D.C. 20001. 444 North Capitol Street NW., Suite

D. (6) \$42,820. E. (9) \$586.36.

A. Associated Credit Bureaus, Inc., 16211 Park Ten Place, P.O. Box 218300, Houston, Tex. 77218.

E. (9) \$386.40.

A. Associated Employers, Inc., 6009 Rittiman Plaza, San Antonio, Tex. 78218.

A. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.

D. (6) \$600. E. (9) \$600.

A. Association for the Advancement of Invention & Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202. D (6) \$2,075. E. (9) \$5,330.45.

A. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

E. (9) \$6,250.

A. Association of American Foreign Service Women, P.O. Box 8068, Washington, D.C. 20024.

D. (6) \$1,443.14.

A. Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.

D. (6) \$7.786.94. E. (9) \$7.786.94.

A. Association of American Railroads. American Railroads Building, 1920 L Street NW., room 720, Washington, D.C. 20036. D. (6) \$35,388.74. E. (9) \$35,388.74.

A. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

E. (9) \$42.50.

A. Association of Data Processing, Services Organization, Inc., 1300 North 17th Street, Suite 300, Arlington, Va. 22209.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

E. (9) \$218.

A. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

D. (6) \$3,612.50. E. (9) \$3,612.50.

A. George J. Aste, United Airlines, 1825 K Street NW., Suite 607, Washington, D.C. 20006

B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.

D. (6) \$500.

A. Carl E. Atkinson, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant

Street, Pittsburgh, Pa. 15230. D. (6) \$160. E. (9) \$16.

A. Atlantic Richfield Co., 515 Sc. Flower Street, Los Angeles, Calif. 90071. 515 South E. (9) \$3,695.70.

A. Lloyd G. Ator, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$1,500. E. (9) \$292.66.

A. James A. Austin, 1701 North Fort Myer

Drive, Arlington, Va. 22209.

B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) \$2,500.

A. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.

D. (6) \$3,650. E. (9) \$3,643.36.

A. John S. Autry, Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.

B. Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036. D. (6) \$6,000. E. (9) \$1,800.

A. Aviation Consumer Action Project, Box 19029, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

E. (9) \$10.

A. William H. Axtman, 1500 Wilson Boulevard, Suite 700, Arlington, Va. 22209.

B. American Boiler Manufacturers Association, 1500 Wilson Boulevard, Suite 700, Arlington, Va. 22209.

D. (6) \$238. E. (9) \$281.35.

A. W. C. Ayers, c/o Virginia Petroleum Council, 1809 Staples Mill Road, Richmond Va. 23230.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$300. E. (9) \$156.55.

A. Joseph W. Ayers, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$3,875. E. (9) \$148.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20036

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

D. (6) \$400. E. (9) \$126.43.

A. Patti Jo Baber, 1737 H Street NW., Washington, D.C. 20006.

B. Diamond Shamrock Corp., 717 North Harwood Street, Dallas, Tex.

D. (6) \$1.500. E. (9) \$86.98.

A. Dale R. Babione, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.

D. (6) \$280.

A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for American Family Life Assurance Co.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C.

A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Continental Materials), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Alvin Nederlander Associates, Inc.) 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for U.S. Overseas Tax Fairness Committee, Inc.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

- A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
- B. The Keefe Co. (for Westinghouse), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) \$2,500. E. (9) \$420.55.

- A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
- B. The Keefe Co. (for Young Drug Products Corp.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
- A. Bache Halsey Stuart Shields Inc., 100 Gold Street, New York, N.Y. 10038. E. (9) \$53,816.
- Baer Marks & Upham, 299 Park Avenue, New York, N.Y. 10171.

B. Commodity Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

- A. Carl E. Bagge, National Coal Associ-
- ation, Washington, D.C. 20036.

 B. National Coal Association, Coal Building, Washington, D.C. 20036.

D. (6) \$2,750. E. (9) \$583,65.

- A. Joan N. Baggett, 815 15th Street NW., Washington, D.C. 20005.
- B. International Union of Bricklayers and Allied Craftsmen, 815 15th Street NW., Washington, D.C. 20005.

D. (6) \$5,042. E. (9) \$479.58.

- A. George F. Bailey, Jr., P.O. Box 21, Montgomery, Ala. 36101.
- B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
- A. Paul C. Bailey, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
- B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) \$1,500. E. (9) \$93.10.

- A. William W. Bailey, 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.
- B. Merck & Co., Inc., Box 2000, Rahway, N.J. 07065.
 - D. (6) \$1,000. E. (9) \$211.10.
- A. John M. Baines, 4707 Connecticut Avenue NW., No. 408, Washington, D.C. 20008.
- B. Johnson Oil Co., Inc., LaBarge, Wyo., and Silver Eagle Refining Co., Inc., La-Barge, Wyo. D. (6) \$5,000. E. (9) \$2,400.

- A. Judith L. Baird, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071. D. (6) \$250.
- A. John Baize, 1575 I Street NW., No. 360, Washington, D.C. 20005.
- B. American Soybean Association, 1575 I Street NW., No. 360, Washington, D.C.

D. (6) \$1,000. E. (9) \$309.21.

- A. Edward R. Bajer, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
- B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005. D. (6) \$450.
- A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

- B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.
- A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006

B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77002.

- A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Rotan Mosle Inc., 1500 South Tower,
- Pennzoil Place, Houston, Tex. 77002. E. (9) \$2,592.49.
- A. Baker & Daniels, Suite 600, 1920 N Street NW., Washington, D.C. 20036.

B. Rock Island Refining Corp., P.O. Box 68007, Indianapolis, Ind. 46268.

- A. Dennis J. Baker, Norton Co., One New Bond Street, Worcester, Mass. 01616.
- B. Norton Co., One New Bond Street, Worcester, Mass. 01606.

D. (6) \$8,250.

- A. Emil F. Baker, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
- A. James Jay Baker, 1600 Rhode Island Avenue NW., Washington, D.C. 20036. B. National Rifle Association of America,
- 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) \$550. E. (9) \$24.42.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. G. D. Searle & Co., P.O. Box 1045, Skokie, Ill. 60076.

- A. Donald F. Bale, 7436 Chummley Court, Falls Church, Va. 20043.
- D. (6) \$9,999.99. E. (9) \$850.96.
- A. Jacqueline Balk-Tusa, 1625 I Street NW., Suite 809, Washington, D.C. 20006.
- B. Boise Cascade Corp., 1625 I Street NW., Suite 809, Washington, D.C. 20006. D. (6) \$13,075.
- A. Ballard, Spahr, Andrews & Ingersoll, 1875 I Street NW., Suite 460, Washington, D.C. 20006.
- B. The Franklin Institute, Philadelphia, Pa. 19103.
- A. Michael Baly III, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
- B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209. D. (6) \$3,400. E. (9) \$602.29.

- A. Christine M. Bangert, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
- B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y., 10022.

E. (9) \$150.

- A. Samuel J. Baptista, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
- B. American Bankers Association, Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$1,000.

- A. William K. Barclift, 923 15th Street
- NW., Washington, D.C. 20005. B. Transportation Institute, 923 Street NW., Washington, D.C. 20005. 923 15th D. (6) \$4,500. E. (9) \$157.14.
- A. Carol M. Barger, Consumers Union of U.S., Inc., 500 West 13th, Austin, Tex. 78701.

- B. Consumers Union of U.S., Inc., 256 Washington Street, Mount Vernon, N.Y. 10550.
- A. Robert O. Barker, National Association of Manufacturers, 801 Northland Towers West, Southfield, Mich. 48075.
- B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$1,500. E. (9) \$73.25.
- A. Thomas H. Barksdale, Jr., 2101 L Street NW., Suite 600, Washington, D.C. 20036.
- B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20036. D. (6) \$5,200. E. (9) \$353.24.
- A. Barley and Malt Institute, 733 North Van Buren Street, Suite 610, Milwaukee,
- D. (6) \$24,117.12. E. (9) \$5,630.59
- A. Donna R. Barnako, National Council of Health Centers, 2600 Virginia Avenue NW., Suite 915, Washington D.C. 20037.
- B. National Council of Health Centers, 2600 Virginia Avenue NW., Suite 915, Washington, D.C. 20037.

D. (6) \$910. E. \$161.20.

Wis. 53202.

- A. John H. Barnard, Jr., 803 Ironbark Place, Orinda, Calif. 94563.
- B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.
- A. Roger H. Barnard, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

- A. Barnes, Richardson & Colburn, 1819 H Street NW., Washington, D.C. 20006.
- B. Distilled Spirits Committee For International Trade, 1819 H Street NW., Washington, D.C. 20006.
- A. Barnes, Richardson & Colburn, 1819 H Street NW., Suite 400, Washington, D.C.
- B. Industrias Quimicas y Tartaricas, S.A., Barcelona 68, Gerona, Spain.

E. (9) \$138.08.

- A. Barnes, Richardson & Colburn, 1819 H Street NW., Suite 400, Washington, D.C.
- B. Tartaric Chemicals Corp., 515 Madison Avenue, New York, N.Y. 10022. E. (9) \$48.87.
- A. Barnes, Richardson & Colburn, 1819 H Street NW., Washington, D.C. 20006.
- B. John W. Thatcher, c/o Banana Supply Co., Inc., 3030 Second Avenue NE., Miami, Fla. 33137.

D. (6) \$5,250.

- A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
- B. American School Food Service Association, 4101 East Illif Avenue, Denver, Colo.
 - D. (6) \$28,223.73. E. (9) \$265.21.
- A. Barnett, Alagia & Carey, 1627 K Street
- NW., Washington, D.C. 20006.
 B. Dairymen, Inc., 10140 Linn Station Road, Louisville, Ky. 40223.
- A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
- B. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla. 32814.

D. (6) \$9,433.50.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.

B. Florida Tomato Exchange, 4401 East

Colonial Drive, Orlando, Fla. 32814.

D. (6) \$3,287.70.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.

B. Hedged Portfolio Advisors, 500 Park Avenue, New York, N.Y. 10022.

D. (6) \$21,005.

A. Larry P. Barnett, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$1,900.

A. Pamela H. Barnett, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. Religious Coalition for Abortion Rights, Inc., 100 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) \$4,500.

A. Barnett Yingling & Shay, P.C., 1090 Vermont Avenue NW., Suite 810, Washington, D.C. 20005.

B. Citibank, N.A., 399 Park Avenue, New York, N.Y. 10043.

D. (6) \$1,020. E. (9) \$4.

A. Barnett Yingling & Shay, P.C., 1090 Vermont Avenue NW., Suite 810, Washington, D.C. 20005

B. Crocker National Bank, One Montgomery Street, San Francisco, Calif. 94104.

D. (6) \$420. E. (9) \$6.

A. Neil D. Baron, Booth & Baron, 122 East 42d Street, New York, N.Y. 10168.

B. Standard & Poor's Corp., 25 Broadway, New York, N.Y.

A. Richard L. Barr, Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.

B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y.

B. Coffee, Sugar & Cocoa Exchange, Inc., and New York Coffee & Sugar Clearing Association, Four World Trade Center, New York, N.Y. 10048.

E. (9) \$142.45.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, New York, N.Y. 10004. B. Hugo Neu & Sons, Inc., 380 Madison Avenue, New York, N.Y. 10017.

A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, No. 1400, New York, N.Y. 10004.

B. New York Cocoa Clearing Association, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.

B. New York State Mortgage Loan Enforcement and Administration Corp., 11 West 42d Street, New York, N.Y. 10036.

E. (9) \$229.14.

A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, No. 1400, New York, N.Y. 10004.

B. New York State Urban Development Corp., 1515 Broadway, New York, N.Y. 10036

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.

Prudential Lines, Inc., One World Trade Center, 37th Floor, New York, N.Y. 10048.

D. (6) \$7,184.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

D. (6) \$5,000.

A. Barrier Islands Coalition, Suite 4500, 122 E. 42d Street, New York, N.Y. 10168.

Thea Rossi Barron, 106 Little Falls

Street, Falls Church, Va. 22046. B. Right to Life Crusade Inc., Box 2703, Tulsa, Okla. 74101. D. (6) \$1,500. E. (9) \$20.89.

A. David S. Barrows, 1201 SW. 12th, Suite

200, Portland, Oreg. 97205.

B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470. D. (6) \$1,200.

A. Linda Leigh Bartlett, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Richard A. Barton, 1730 K Street NW., Suite 905, Washington, D.C. 20006.

B. Direct Mail Marketing Association, 1730 K Street NW., Suite 905, Washington, D.C. 20006.

D. (6) \$710. E. (9) \$861.67.

A. Weldon V. Barton, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 202, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.

D. (6) \$10,000. E. (9) \$83.35.

A. Lawrence R. Baskerville, National Cable Television Association, Inc., 1724 Mas-sachusetts Avenue NW., Washington, D.C.

B. National Cable Television Association, 1724 Massachusetts Avenue NW.,

Washington, D.C. 20036. D. (6) \$276.44.

James P. Bass, 1101 17th Street NW., Washington, D.C. 20036.

B. American Airlines, 1101 17th Street NW., Washington, D.C. 20036. D. (6) \$295.

A. Thomas F. Bastow, 907 Sixth Street SW., No. 806, Washington, D.C. 20024. B. Continental Airlines, 7300 World Way

West, Los Angeles, Calif. 90009. D. (6) \$15,950. E. (9) \$4,900.47

A. Robert E. Bates, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017. D. (6) \$1,125.

A. Davis M. Batson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005. D. (6) \$1,800.

A. Laurie C. Battle, 1709 New York Avenue NW., Suite 801, Washington, D.C.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. D. (6) \$3,250.

A. Lynne D. Battle, College Placement Council, Inc., 1101 Connecticut Avenue NW., Suite 705, Washington, D.C. 20036.

B. College Placement Council, Inc., Highland Avenue, Uplands Business Park, Bethelehem, Pa. 18017.

A. John F. Battles, Massachusetts Petroleum Council, 11 Beacon Street, Boston, Mass. 02108.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. E. (9) \$291.20.

A. Batzell, Nunn & Bode, 1015 15th Street NW., No. 1100, Washington, D.C., 20005.

B. Emergency Small Independent Refiners Task Force, 1015 15th Street NW., No. 1100, Washington, D.C. 20005.

D. (6) \$500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., No. 1100, Washington, D.C. 20005.

B. Independent Terminal Operators Asso ciation, 1015 15th Street NW., No. 1100, Washington, D.C. 20005.

D. (6) \$500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., No. 1100, Washington, D.C. 20005. B. Mt. Airy Refining Co., International Energy Building, 265 North Belt East, No. 150, Houston, Tex. 77060. D. (6) \$500.

A. Richard H. Bauer, Union Pacific Corp., Suite 600 South, 1120 20th Street NW., Washington, D.C. 20036.

B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10154.

D. (6) \$500. (9) \$476.79.

A. Robert J. Baughman, 717 Pendleton Street, Alexandria, Va. 22314.

B. American Orthotic & Prosthetic Association, 717 Pendleton Street, Alexandria, Va. 22314.

A. Tina Marts Beach, General Electric Co., 777 14th Street NW., Washington, D.C. B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. D. (6) \$84.

A. Bruce A. Beam, American Electric Power Service Corp., 1801 K Street NW., Suite 1041, Washington, D.C. 20006.

B. American Electric Power Service Corp., 180 East Broad Street, Columbus, Ohio 43215.

D. (6) \$183.12. E. (9) \$571.79.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

D. (6) \$2,866.67.

A. Christine T. Beatty, St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 612, Washington, D.C. 20036.

B. St. Joe Minerals Corp., 250 Park Avenue, New York 10017.

D. (6) \$6,000. E. (9) \$122.86.

Hubert Beatty, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Laura L. Beaty, 806 North Jefferson Street, Arlington, Va. 22205.

B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

D. (6) \$30. (9) \$15

A. Robert J. Becker, Joint Council of Allergy & Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056; 229 North Hammes Avenue, Joliet, III. 60435.

B. Joint Council of Allergy & Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056.

A. William W. Beddow, 1101 15th Street NW., Washington, D.C. 20005. B. National Constructors Association, 1101

15th Street NW., Washington, D.C. 20005.

A. Jon Charles Bednerik, 499 South Capitol Street SW., Suite 417, Washington, D.C. 20003.

B. International Association of Drilling Contractors, 499 South Capitol Street SW., Suite 417, Washington, D.C. 20003.

D. (6) \$500.

A. Edwin L. Behrens, The Procter & Gamble Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

The Procter & Gamble Co., 301 East Sixth Street, Cincinnati, Ohio. 45201.

D. (6) \$60.

A. Max J. Beilke, National Association for Uniformed Services, 5535 Hempstead Way, P.O. Box 1406, Springfield, Va. 22151.

B. National Association for Unformed Services, 5535 Hempstead Way, P.O. Box 1406, Springfield, Va. 22151. D. (6) \$2,243.03. E. (9) \$2,652.55.

A. James Beizer, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$560.40.

A. Alexander B. Bell, 9618 Cottrell Ter-

race, Silver Spring, Md. 20903.

B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States & Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) \$3,750. E. (9) \$163.70.

A. Bell, Boyd & Lloyd, Three First National Plaza, 70 West Madison Street, Chicago, Ill. 60602.

B. Boise Cascade Corp., One Jefferson Square, Boise, Idaho 83728.

E. (9) \$203.94.

A. Winston Everett Bell, P.O. Box 5463, Las Vegas, Nev. 89102.

Thomas Bendorf, 3615 Overcreek Road, Columbia, S.C. 29206.

B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

D. (6) \$5,000. E. (9) \$950.

A. C. Robert Benedict, American Osteopathic Hospital Association, 643 Pennsylva-nia Avenue SE, Washington, D.C. 20003.

B. American Osteopathic Hospital Assocition, 930 Busse Highway, Park Ridge, Ill. 60068.

D. (6) \$376.60. E. (9) \$169.21.

A. Beneficial Management Corp. of America, 1300 Market Street, Wilmington Del.

A. Bruce Benefield, TRW Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

D. (6) \$1,000.

A. Kenneth U. Benjamin, Jr., American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, North Dearborn Street, Chicago, Ill. 60610. D. (6) \$2,887.50. E. (9) \$166.71.

A. W. M. Benkert, American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

B. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

D. (6) \$1,250.

A. Douglas P. Bennett, 3238 Prospect Street NW., Washington, D.C. 20007.

B. Jacques Borel Enterprises, Inc., 555 Madison Avenue, New York, N.Y. 10022. D. (6) \$4,000. E. (9) \$5.

A. Douglas P. Bennett, 3238 Prospect Street NW., Washington, D.C. 20007.

B. National Restaurant Association, 311

First Street NW., Washington, D.C. 20001.

A. James M. Bennett, Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53201.

B. Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53201. D. (6) \$200. E. (9) \$235.

A. Kathleen M. Bennett, Crown Zeller-bach Corp., 1660 L Street NW., Suite 215, Washington, D.C. 20036.

B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. William C. Bennett, Jr., Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., Flower Street, Los Angeles, Calif. 90071.

D. (6) \$600.

A. Walter L. Benning, 14901 Ritchie Road, Centreville, Va. 22020.

B. Manufactured Housing Institute, 1745

Jefferson Davis Highway, Suite 511, Arlington. Va. 22202.

A. John C. Bennison, American Society of Travel Agents, Inc., 1300 19th Street NW.,

Washington, D.C. 20036.

B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y.

D. (6) \$5,000.

A. Frederick S. Benson III, American Paper Institute, Inc., 1619 Massachusetts Avenue, NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Nancy C. Benson, American Cyanamid Co., 1575 I Street NW., No. 220, Washington. D.C. 20005.

07470.

D. (6) \$193. E. (9) \$52.15.

A. James E. Benton, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John B. Benton, 1010 Lamar, Suite 1800, Houston, Tex. 77002. B. Howell Corp., 1010 Lamar, Suite 1800,

Houston, Tex. 77002.

A. John Berard, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. David A. Beren, 910 17th Street, NW.,

Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Founda-tion, 910 17th Street NW., Washington, D.C.

A. Rebecca J. Berg, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.

B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.

D. (6) \$400. E. (9) \$302.53.

A. Paul C. Bergson, RJR Industries, Inc., 2550 M Street NW., Washington, D.C. 20037.

B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27101.

D. (6) \$162.08. E. (9) \$5.

A. Jane W. Bergwin, Consumers Power Co., 1050 17th Street NW., Suite 290, Washington, D.C. 20036.

B. Consumers Power Co., 212 W. Michigan Avenue, Jackson, Mich. 49201.

D. (6) \$200.

A. Peggy Berk, Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.

B. Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.

D. (6) \$50.

A. Jason S. Berman, Warner Communications, Inc., 1776 K Street NW., Suite 701, Washington, D.C. 20006.

B. Warner Communications Inc., Rockefeller Plaza, New York, N.Y. 10019.

D. (6) \$7,500. E. (9) \$2,013.22.

A. William R. Berman, Environment & Energy Department, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. George K. Bernstein, 1730 K Street NW., Washington, D.C. 20006.

B. American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$2,152.50.

A. Max N. Berry, 3213 O Street NW., Washington, D.C.

B. Committee to Assure the Availability of Casein, 3213 O Street NW., Washington, D.C. 20007.

Berry & Sandstrom, 3213 O Street NW., Washington, D.C. 20007.

B. Centre National Interprofessionnel De L'Economic Laitiere, 8, Rue Danielle Casanova, 75002 Paris, France.

on, D.C. 20005.

A. Berry & Sandstrom, 3213 O Street
B. American Cyanamid Co., Wayne, N.J. NW., Washington, D.C. 20007.

B. Cheese Importers Association, 460 Park Avenue, New York, N.Y. 10022.

Berry & Sandstrom, 3213 O Street NW., Washington, D.C. 20007.

B. East-West Trade Council, 3213 O Street NW., Washington, D.C. 20007.

Berry & Sandstrom, 3213 O Street NW., Washington, D.C. 20007.

B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217. D. (6) \$10,725. E. (9) \$357.98.

A. Berry & Sandstrom, 3213 O Street NW., Washington, D.C. 20007.

- B. Meat Products Group, American Importers Association, 11 West 42d Street, New York, N.Y. 10036.
- Berry & Sandstrom, 3213 O Street

NW., Washington, D.C. 20007. B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324. E. (9) \$28.51.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024. B. American League for Exports and Secu-

rity Assistance, Inc. (ALESA), Suite 4400, L'Enfant Plaza SW., Washington, D.C. 20024

D. (6) \$10,000.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. Archer-Daniels-Midland Co., Decatur, TII. 62525

D. (6) \$1,500.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. International Association of Bio-Energy Producers, Inc., 126 High Street, Boston, Mass. 02110.

A. Robert A. Betz, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.

B. American Hospital Association, 840
North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) \$2,462.61. E. (9) \$210.32.

A. Robert L. Bevan, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. D. (6) \$1,500. E. (9) \$156.86.

- A. Beveridge & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C.
- Beveridge & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$291.25 E. (9) \$12.

- A. Beveridge & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. New England Electric System, 20 Turn-pike Road, Westborough, Mass. 01581. D. (6) \$1,041.25. E. (9) \$21.

- Beveridge & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Union Mines, 1212 Avenue of the Americas, New York, N.Y. 10036.

A. James N. Bierman, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Independent Refiners Association of America, 1775 Pennsylvania Avenue NW., Washington, D.C.).

A. Walter J. Bierwagen, Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Thomas E. Biery, Mid-Continent Oil & Gas Association, 1919 Pennsylvania Avenue NW., Suite 503, Washington, D.C. 20006.

- B. Mid-Continent Oil & Gas Association. 1111 Thompson Building, Tulsa, Okla. 74103.
 - D. (6) \$1,380. E. (9) \$256.08.
- A. Moe Biller, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
- B. American Postal Workers Union, AFL CIO, 817 14th Street NW., Washington, D.C. 20005
 - D. (6) \$7,966.62.
- A. Sarah Massengale Billock, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C.
- B. American Hospital Association, North Lake Shore Drive, Chicago, Ill. 60611. D. (6) \$104.49. E. (9) \$13.58.
- A. Susan Bingham, National Federation of Independent Business, 490 L'Enfant Plaza SW., Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C.

D. (6) \$2,250. E. (9) \$40.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

B. Alaska Power Authority, 333 West Fourth Avenue, Anchorage, Alaska 99501.

- A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
- B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.
- A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

B. City of Haines, Box 576, Haines, Alaska 99827

- A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
- B. Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.
- A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
- B. Mapco, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.
- A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

B. Municipality of Anchorage, 623 West Sixth Avenue, Anchorage, Alaska 99502.

- A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
- B. Sealaska Corp., One Sealaska Plaza, Juneau, Alaska 99801.
- A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
- B. Teamsters Local 959, 1200 Airport Heights Road, Anchorage, Alaska 99504.
- A. Birch, Horton, Bittner, & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
- B. Teamsters 959 Employee Pension Plan, 1200 Airport Heights Road, Anchorage, Alaska 99504.
- A. Birch, Horton, Bittner and Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

- B. Westinghouse Electric Corp. 1801 K Street NW., Washington, D.C. 20006.
- A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
- B. Wien Air Alaska, 4100 International Airport Road, Anchorage, Alaska 99502.
- A. William J. Birkhofer, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
- B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
 - D. (6) \$875.
- A. C. Thomason Bishop III, National Association of Manufacturers, 704 Lisburn Road, P.O. Box 355, Camp Hill, Pa. 17011.
- B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$212.50.
- A. Phil M. Bitter, Chevron U.S.A. Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
- B. Chevron U.S.A. Inc., a subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.
 - D. (6) \$567.
- A. Neal R. Bjornson, 30 F Street NW., Washington, D.C. 20001.
- B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001. D. (6) \$2,700. E. (9) \$40.16.
- A. Black, Manafort & Stone, 435 North Lee Street, Alexandria, Va. 22314.
- B. Air Transportation, 1709 New York Avenue NW., Washington, D.C. 20009. D. (6) \$6,250. E. (9) \$6,253.71.
- A. Black, Manafort & Stone, 435 North Lee Street, Alexandria, Va. 22314. B. Tosco Corp., 10100 Santa Monica Bou-
- levard, Los Angeles, Calif. 90067. D. (6) \$21,000. E. (9) \$21,336.46.
- A. Bev D. Blackwood, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036
- B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
- A. Donna C. Blair, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Atlantic Richfield Co., Flower Street, Los Angeles, Calif. 90071.

E. (9) \$40.70.

- A. Richard W. Blake, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
- B. American Sugarbeet Growers Association, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
 - D. (6) \$450.
- A. Helen K. Blank, Children's Defense Fund, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Children's Defense Fund, 1520 New Hampshire Avenue NW., Washington, D.C. 20036
 - D. (6) \$892.50. E. (9) \$10.50.
- A. Paul M. Blanton, P.O. Box 970, Fort Worth, Tex. 76101.
- B. Texas Electric Service Co., P.O. Box 970, Fort Worth, Tex. 76101. D. (6) \$112.64. E. (9) \$34.85.
- A. Blatchford, Epstein & Brady, 1000 Po-
- tomac Street NW., Washington, D.C. 20007. B. Constructora Nacional de Carros de Ferrocarril, S.A., San Lorenzo No. 925, 5 Piso, Mexico, D.F., Mexico.

D. (6) \$3,410. E. (9) \$45.81.

A. Blatchford, Epstein & Brady, 1000 Po-

tomac Street NW., Washington, D.C. 20007. B. National Association of Private Enterprise (Asociacion Nacional de la Empresa Privada-ANEP), Alameda Roosevelt 2827, San Salvador, El Salvador. D. (6) \$12,000. E. (9) \$277.70.

A. Blatchford, Epstein & Brady, 1000 Potomac Street NW., Washington, D.C. 20007. B. North American Car Corp., 33 Monroe

Street, 24th Floor, Chicago, Ill. 60603. D. (6) \$6,250. E. (9) \$22.30.

A. Blatchford, Epstein & Brady, 1000 Potomac Street NW., No. 103, Washington, D.C. 20007.

B. Western Radiological Group, Armacost Management, Inc., 2044 Armacost Avenue NW., Los Angeles, Calif. 90025.

E. (9) \$307.72.

- A. Kenneth T. Blaylock, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
- B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) \$20,849,50. E. (9) \$2,547,90.

A. Jerald Blizin (for Hill & Knowlton, Inc.), 1425 K Street NW., No. 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. L. Thomas Block, Irving Trust Co., 1 Wall Street, New York, N.Y. 10015 B. Irving Trust Co., 1 Wall Street, New

York, N.Y. 10015.

D. (6) \$1,000.99. E. (9) \$846.

A. Peter L. Blocklin (for American Bankers Association), 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036

D. (6) \$300.

A. Jessma Blockwick, National Organization for Women, 425 13th Street NW., Suite 1048, Washington, D.C. 20004.

B. National Organization for Women, 425 13th Street NW., Suite 1048, Washington, D.C. 20004.

D. (6) \$375.

A. H. E. Blomgren, National Manufactured Housing Federation, 1700 Pennsylvania Avenue NW., Suite 745, Washington, D.C. 20006.

B. National Manufactured Housing Federation, 1700 Pennsylvania Avenue NW., Suite 745, Washington, D.C. 20006.

D. (6) \$12,501.81.

A. Douglas M. Bloomfield, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001. D. (6) \$12,250.02.

A. Mark Bloomfield, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006. D. (6) \$2,156.

A. Jack A. Blum, 1015 18th Street NW., Washington, D.C. 20036.

B. Independent Gasoline Marketers Council, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) \$20,000. E. (9) \$605.

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.

B. General Electric Co., 3125 Turnpike, Fairfield, Conn. 06431.

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

D. (6) \$3,675. E. (9) \$155.

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Charles R. Blumenfeld, Bogle & Gates, the Bank of California Center, Seattle, Wash. 98164.

B. Pacific Seafood Processors Association, 1620 South Jackson Street, Seattle, Wash. 98144.

D. (6) \$6,000. E. (9) \$1,850.

A. Wayne Boan, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$1,300.

A. Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.

B. Boat Owners Association of the United States (BOAT/U.S.), 880 South Pickett Street, Alexandria, Va. 22304.

D. (6) \$16,000. E. (9) \$9,935.72.

A. David A. Bockorny, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.

D. (6) \$2,500. E. (9) \$515.07.

A. Helen Bogolubov, 1015 15th Street NW., No. 802, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.

D. (6) \$375.

A. Robert Z. Bohan, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) \$24.04. E. (9) \$19.

A. Patricia M. Boinski, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) \$16. E. (9) \$4.

A. Robert J. Bolger, National Association of Chain Drug Stores, Inc., P.O. Box 1417-D49, Alexandria, Va. 22313.

B. National Association of Chain Drug Stores, Inc., P.O. Box 1417-D49, Alexandria, Va. 22313.

D. (6) \$1,650.

A. Bernadette Bolton, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.

D. (6) \$300.

A. M. Warren Bolton, 2500 DeKalb Pike, Norristown, Pa. 19404.

B. Privident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404

A. A. Dewey Bond, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.

D. (6) \$500.

A. Edward N. Bond, the Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) \$1,000. E. (9) \$279.17.

A. L. H. Bonin, Jr., Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., Pittsburgh, Pa. 15230.

D. (6) \$2,400. E. (9) \$39.10.

A. Jay Bonitt, 300 Maryland Avenue NE., Washington, D.C. 20002.

B. The Bendix Corp., 300 Mar Avenue NW., Washington, D.C. 20002. 300 Maryland D. (6) \$675, E. (9) \$120.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036

B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) \$500.

A. Bonneville Associates, Inc., 200 East South Temple No. 300, Salt Lake City, Utah 84111

B. Western Regional Council, P.O. Box 8144, Salt Lake City, Utah 84108. D. (6) \$2,940. E. (9) \$6,417.

A. Susan A. Boolukos, 1700 Old Meadow Road, Suite 100, McLean, Va. 22102. B. American Frozen Food Institute, 1700

Old Meadow Road, McLean, Va. 22102.

A. Edward T. Borda, 1625 I Street NW., Washington, D.C. 20006.

B. Association of General Merchandise Chains, 1625 I Street NW., Washington, D.C. 20006

D. (6) \$4,000.

A. Ann L. Bornstein, National Farmers Organization, 475 L'Enfant Plaza SW., No. 2250, Washington, D.C. 20024.

B. National Farmers Organization, Corning, Iowa 50843.

D. (6) \$2,333. E. (9) \$281.20.

A. Laurence D. Bory, 1015 15th Street NW., No. 802, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.

D. (6) \$750.00.

A. Charles E. Bosley, Coalition for Legal Services, Inc., 1625 K Street NW., Washing-ton, D.C. 20006.

B. Coalition for Legal Services, Inc., 1625 K Street NW., Washington, D.C. 20006. D. (6) \$9,999.99. E. (9) \$110.78.

A. G. Stewart Boswell, American Apparel Manufacturers Association, Inc., 1611 North

Kent Street, No. 800, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.
D. (6) \$3,567. E. (9) \$104.16.

A. Botein, Hays, Sklar & Herzberg, 200 Park Avenue, New York, N.Y. 10166. B. Henry Schein, Inc., 5 Harbor Park Drive, Port Washington, N.Y. 11050.

D. (6) \$400. E. (9) \$549.74.

Charles G. Botsford, The Botsford Co., 1730 M Street NW., No. 515, Washington, D.C. 20036.

D. (6) \$1.500. E. (9) \$110.75.

A. A. D. Bourland, General Motors Corp., 1660 L Street NW., Suite 800, Washington,

General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) \$3,000. E. (9) \$2,449.82.

A. Frank J. Bowden, Jr., Associated Petroleum Industries of Pennsylvania, P.O. Box 925, Harrisburg, Pa. 17108.

B. American Petroleum Institute, 2101 L Street, NW., Washington, D.C. 20037.

D. (6) \$802.50.

A. David W. Bowers, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) \$1,000.

A. Robert R. Bowers, West Virginia Petro-leum Council, Suite 714 Atlas Building, Charleston, W. Va. 25301. B. American Petroleum Institute, 2101 L

Street NW, Washington, D.C. 20037.

A. Joan Costain Bowyer, Phelps Dodge Corp., 1015 15th Street NW., Washington, D.C. 20005.

B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.

D (6) \$150

A. Elisa Boyd, Boma International, 1221 Massachusetts Avenue NW., Washington,

B. Boma International, 1221 Massachusetts Avenue NW., Washington, D.C. 20005. D. (6) \$3,200.

A. John G. Boyd, 1801 K Street NW., Washington, D.C. 20006.

B. International Business Machines, Old Orchard Road, Armonk, N.Y. 10504.

D. (6) \$325. E. (9) \$158.18.

A. Robert K. Boyd, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209. D. (6) \$3,200. E. (9) \$737.99.

A. Van R. Boyette, American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.

B. American Petroleum Refiners Association—Trade Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.

D. (6) \$75.

A. J. Patrick Boyle, 727 North Washington Street, Alexandria, Va. 22314.

B. United Fresh Fruit and Vegetable Association, 727 North Washington Street, Alexandria, Va. 22314.

D. (6) \$950. E. (9) \$305.64.

A. Stephen S. Boynton, 1901 North Fort Myer Drive, Suite 1204, Arlington, Va.

B. The American Fur Industry, 101 West 30th Street, New York, N.Y. 10001.

D. (6) \$1,500. E. (9) \$80.

A. Stephen S. Boynton, 1901 North Fort Myer Drive, Suite 1204, Arlington, Va. 22209.

B. Wildlife Legislative Fund of America, 0 West Broad Street, Columbus, Ohio. 43215.

D. (6) \$1,500. E. (9) \$80.

A. Bracewell & Patterson, 1850 K Street NW., Suite 400, Washington, D.C. 20006. B. American Petroleum Refiners Associ-

ation, 1200 18th Street NW., 607 Ring Building, Washington, D.C. 20036.

D. (6) \$210. E. (9) \$83.79.

A. Bracewell & Patterson, 1850 K Street NW., Suite 400, Washington, D.C. 20006. B. CLC of America, Inc., 2 Allen Center,

Suite 2200, Houston Tex. 77002.

A. Bracewell & Patterson, 1850 K Street

NW., Suite 400, Washington, D.C. 20006. B. Southdown/Pelto Oil Co., 2 Greenspoint Plaza, Suite 400, 16825 Northchase, Houston, Tex. 77060.

A. Bracewell & Patterson, 1850 K Street NW., Suite 400, Washington, D.C. 20006. B. Valero Energy Corp., 530 McCullough Avenue, San Antonio, Tex. 78292. D. (6) \$1,750. E. (9) \$698.25.

Dennis R. Braddock, 4660 Kenmore Avenue, Suite 1018, Alexandria, Va. 22304.

B. Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64119. D. (6) \$6,750. E. (9) \$435.26.

A. Frank W. Bradley, 1700 K Street NW., Washington, D.C. 20006.

B. Chevron U.S.A. Inc., a subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006. D. (6) \$2,400.

A. Mitchell H. Bradlev, American Society of Mechanical Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. American Society of Mechanical Engineers, 345 East 47th Street, New York, N.Y.

A. Wayne W. Bradley, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

American Medical Association, North Dearborn Street, Chicago, Ill. 60610. D. (6) \$500. E. (9) \$279.66.

Dennis M. Bradshaw, 1957 E Street

NW., Washington, D.C. 20006. B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

Charles N. Brady, Highway Department, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Theresa M. Brady, Joint Maritime Congress, 444 North Capitol Street NW., Suite

801, Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street NW., No. 801, Washington, D.C. 20001.

D. (6) \$615.20.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America,

P.O. Box 12285, Memphis, Tenn. 38112. D. (6) \$3,300. E. (9) \$452.74.

A. Raymond F. Bragg, Jr., American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C.

B. American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.

D. (6) \$100.

A. Stuart J. Brahs, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006

D. (6) \$562.17. E. (9) \$310.05.

A. Robert M. Brandon, 1300 Connecticut Avenue NW., Room 401, Washington, D.C. 20036.

B. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 401, Washington, D.C. 20036.

D. (6) \$1,850. E. (9) \$97.

A. T. Edward Braswell, Jr., 888 17th Street, Suite 600, Brawner Building, Washington, D.C. 20006.

B. Newport News Shipbuilding Co., 4101 Washington Avenue, Newport News, Va. 23607.

D. (6) \$3,750.

A. Roy Braunstein, American Postal Workers Union AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.

B. American Postal Workers Union AFL-CIO, 817 14th Street NW., Washington, D.C.

20005

D. (6) \$11,820.03. E. (9) \$2,873.

A. Edward T. Breathitt, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

D. (6) \$1,000.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000N, Washington, D.C. 20036.

B. RCA Global Communications, Inc., 60 Broad Street, Room 700, New York, N.Y. 10004

D. (6) \$546. E. (9) \$25.63.

A. George W. Breece, National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Cable Television Association, 1724 Massachusetts Avenue NW., Washington, D.C. 20036. D. (6) \$475.

A. Breed, Abbott & Morgan, 1875 I Street NW., Suite 1000, Washington, D.C. 20006.

B. David H. McConnell, 375 Park Avenue, New York, N.Y. 10152. E. (9) \$33.

A. Breed, Abbott & Morgan, 1875 I Street NW., Suite 1000, Washington, D.C. 20006. B. Panhandle Eastern Pipe Line Co., 3000

Bissonnet Avenue, P.O. Box 1642, Houston, Tex. 77001.

E. (9) \$5.

A. Bregman, Abell & Kay, 1900 L Street

NW., Suite 610, Washington, D.C. 20036. B. The Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$800.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

American Car Rental Association (ACRA), 1750 Pennsylvania Avenue NW., Suite 1303, Washington, D.C. 20006.

D. (6) \$1,250

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Committee for Effective Tax Incentives, 1634 I Street NW., 8th Floor, Washington, D.C. 20006.

D. (6) \$5,000.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036. B. Hilton International, Inc., 301 Park

Avenue, New York, N.Y. 10022.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Trans World Airlines, 1000 16th Street NW., Suite 704, Washington, D.C. 20036. D. (6) \$2,000.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Trans World Corp., 605 Third Avenue, New York, N.Y. 10158.

D. (6) \$1,000.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036. B. Trucking Renting & Leasing Associ-ation (TRALA), 1750 Pennsylvania Avenue NW., Suite 1303, Washington, D.C. 20006. D. (6) \$1,250.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036. B. The Washington Psychiatric Society, 1700 18th Street NW., Washington, D.C. 20009.

Brenda I. Bregman, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. Religious Coalition for Abortion Rights, Inc., 100 Maryland Avenue NE., Washington, D.C. 20002. D. (6) \$2,880.39.

A. Michael J. Brennan, 1750 New York Avenue NW., Washington, D.C. 20006.

B. International Association of Bridge,

Structural & Ornamental Iron Workers, AFL-CIO, 1750 New York Avenue NW., Washington, D.C. 20006. D. (6) \$8,580. E. (9) \$395.35.

A. Edward J. Brenner, Suite 605, 1735 Jef-ferson Davis Highway, Arlington, Va. 22202. B. Association for the Advancement of In-

vention & Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.

A. Miles H. Bresee, Jr., 170 Altura Way,

Greenbrae, Calif. 94904.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. John B. Brewer, American Movers Conference, 1117 North 19th, Street P.O. Box 9204, Arlington Va. 22209.

American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington. Va. 22209.

A. Albert E. Brewster, Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

A. Carolyn Brickey, 215 Pennsylvania

Avenue SE., Washington, D.C. 20003.

B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$2,750.01.

A. Andrea L. Bridgeman, Finley, Kumble, Wagner, Heine, Underberg & Casey, 1120 Connecticut Avenue NW., Washington, D.C.

B. Finley, Kumble, Wagner, Heine, Underberg & Casey, 1120 Connecticut Avenue NW., Washington, D.C. 20036 (for Stewart Environmental Systems, Inc., 485 Madison Avenue, New York, N.Y. 10022).

D. (6) \$300. E. (9) \$11.

A. Bill Brier, 1850 K Street NW., Suite 550, Washington, D.C. 20006.

B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.

D. (6) \$500. E. (9) \$47.05.

A. Belva B. Brissett, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036. D. (6) \$1,500. E. (9) \$299.

A. Elizabeth Y. Britton, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.

B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.

D. (6) \$279. E. (9) \$77.41.

Ellen Broadman, Consumers Union, 1511 K Street NW., Suite 1033, Washington, D.C. 20005.

B. Consumers Union, 256 Washington Street, Mt. Vernon, N.Y. 10550.

D. (6) \$90.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island

Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai
B'rith, 823 UN Plaza, New York, N.Y. 10017.
D. (6) \$1,725.

A. Michael D. Bromberg, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.

B. Federation of American Hospitals, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.

D. (6) \$4,500.

A. Michael R. Bromwich, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Foley, Lardner, Hollabaugh & Jacobs,

1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Independent Refiners Association of America, 1775 Pennsylvania Avenue NW., Washington, D.C.).

A. Dale E. Brooks, Chevron U.S.A. Inc., 1700 K Street, Suite 1204, Washington, D.C.

B. Chevron U.S.A. Inc., a subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006. D. (6) \$150.

A. E. R. Brooks, P.O. Box 841, Abilene,

Tex. 79604.

B. West Texas Utilities Co., P.O. Box 841, Abilene, Tex. 79604.

D. (6) \$800. E. (9) \$2,092.

A. Phillip W. Brooks, Volunteer State Oil Committee, 18th Floor, Third National Bank Building, Nashville, Tenn. 37219 B. American Petroleum Institute, 2101 L

Street NW., Washington, D.C. 20037.

A. David W. Broome, 1800 M Street NW.,

No. 870-S, Washington, D.C. 20036.

B. Burlington Industries, Inc., 1800 M Street NW., No. 870-S, Washington, D.C. 20036.

D. (6) \$2,500. E. (9) \$420.

A. Carol L. Bros, National Women's Politi-

cal Caucus, 1411 K Street NW., No. 1110, Washington, D.C. 20005.

B. National Women's Political Caucus, 1411 K Street NW., No. 1110, Washington, D.C. 20005. D.C. 20005.

D. (6) \$4,500. E. (9) \$815.88.

A. Donald G. Brotzman, 1901 Pennsylva-nia Avenue NW., Washington, D.C. 20006. B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washing-ton, D.C. 20006.

D. (6) \$10,000.

A. Joseph Browder, 1015 18th Street NW., Washington, D.C. 20036.

B. Toledo Mining Co., 10 Broadway Building, Suite 500, Salt Lake City, Utah 84101. D. (6) \$4,000.

A. Ben Jarratt Brown, 1101 15th Street

NW., Washington, D.C. 20005.

B. United States & Overseas Tax Fairness Committee, 1101 15th Street NW., Washington, D.C. 20005.

D. (6) \$2,187.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C.

D. (6) \$462 E. (9) \$9.25.

A. Charles T. Brown, Cities Service Co., Box 100, Miami, Ariz. 85539.

B. Cities Service Co., Box 100, Miami, Ariz. 85539.

E. (9) \$39.

A. David S. J. Brown, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) \$450. E. (9) \$593.21.

A. Ellen S. Brown, Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

B. Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

A. J. D. Brown, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C.20037.

D. (6) \$500.

A. Jesse B. Brown, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

B. Potomac Electric Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068. D. (6) \$24.60.

A. Karen H. Brown, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1 Street NW., Washington, D.C. 20006. 1750 K D. (6) \$450.

A. Mary Elizabeth Brown, National Education Association, 3203 Locksley Lane, Tallahassee, Fla. 32312.

B. National Education Association—Government Relations, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) \$1,930. E. (9) \$20.

A. Shirle Brown, P.O. Box 663, GPO, New York, N.Y. 11016. B. SLB Enterprises.

A. Theoran Brown, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$4,937.52 E. (9) \$76.83.

A. Brown, Todd & Heyburn, 1600 Citizens Plaza, Louisville, Ky. 40202.

B. Brown & Williamson Tobacco Corp.

1600 West Hill Street, Louisville, Ky. 40232. E. (9) \$14.30.

A. Vincent D. Brown, Nebraska Petroleum Council, P.O. Box 95063, Lincoln, Nebr. 68509

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$1,000. E. (9) \$969.58.

A. William E. Brown, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006

B. Ford Motor Co.

D. (6) \$296.40. E. (9) \$127.06.

A. William R. Brown, 499 South Capitol Street SW., Suite 412, Washington, D.C. 20003

B. Council of State Chambers of Commerce, 499 South Capitol Street SW., Suite 412, Washington, D.C. 20003.

D. (6) \$160.

Thomas H. Brownell, P.O. Box 3999.

M/S: 8F-77, Seattle, Wash. 98124. B. The Boeing Co., P.O. Box 3707, Seattle,

Wash, 98124.

D. (6) \$145. E. (9) \$272.62.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Canadian Financial Corp., 2030 Northwestern Financial Center, 7900 Xerxes Avenue South, Minneapolis, Minn. 55431.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Home Owners Warranty Corp., National Housing Center, 15th & M Streets NW., Washington, D.C. 20005.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C.

B. International Foodservice Manufacturers Association, 875 North Michigan Avenue, Chicago, Ill. 60611.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Franchise Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Merrill Lynch, Hubbard Inc., 1 Liberty Plaza, 165 Broadway, New York, N.Y. 10080.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Mortgage Guaranty Insurance Corp., MGIC Plaza, Milwaukee, Wis. 53201.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Multifamily Finance Action Council, 1025 Connecticut Avenue NW., Suite 711, Washington, D.C. 20036.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036

B. National Housing Rehabilitation Association, 1300 19th Street NW., Suite 310, Washington, D.C. 20036.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036

B. New York City Housing Development Corp., 75 Maiden Lane, Eighth Floor, New York, N.Y. 10038

D. (6) \$8,334.50. E. (9) \$360.13.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036

B. New York State Mortgage Loan Enforcement & Administration Corp., 11 West 42d Street, New York, N.Y. 10036.

D. (6) \$5,536.50. E. (9) \$381.21.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. New York State Urban Development Corp., 1515 Broadway, New York, N.Y.

A. Richard L. Brubacher, Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$50. E. (9) \$60.

A. John R. Bruch, P.O. Box 5000, Cleveland, Ohio. 44101.

B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio. 44101 D. (6) \$3,100. E. (9) \$138.

A. James W. Bruner, Jr., League to Save Lake Tahoe, P.O. Box 10110, South Lake Tahoe, Calif. 95731.

B. League to Save Lake Tahoe, 2197 Lake Tahoe Blvd. P.O. Box 10110, South Lake Tahoe, Calif. 95731.

D. (6) \$9,000.

A. Kathryne M. Bruner, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.

B. General Atomic Co., San Diego, Calif.

D. (6) \$750. E. (9) \$30.

A. Robert O. Brunner, National Retired Teachers Association—American ation of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association—American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) \$334.62. E. (9) \$39.65.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., No. 750, Washington, D.C. 20006.

B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., No. 750, Washington, D.C. 20006.

B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. Harvey F. Brush, 2006 Washington Street, San Francisco, Calif. 94109.

B. Bechtel Power Corp., 50 Beale Street,

P.O. Box 3965, San Francisco, Calif. 94119.

A. Garry Bryant, Migrant Legal Action Program, 806 15th Street NW., Washington, D.C. 20005.

B. Migrant Legal Action Program, 806 15th Street NW., Washington, D.C. 20005. D. (6) \$3,120.17. E. (9) \$542.46.

A. Ronald B. Buckhalt, National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005. B. National Utility Contractors Association, 815 15th Street NW., Washington,

D.C. 20005.

D. (6) \$1,600. E. (9) \$6,902.19.

A. John S. Buckley, National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.

B. National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.

D. (6) \$1,350. E. (9) \$134.

A. Robert D. Buehler, The BF Goodrich Co. 1800 K Street NW., Suite 929, Washington, D.C. 20006.

The BF Goodrich Co., Akron, Ohio

D. (6) \$400.

A. Douglas W. Bulcao, American Textile Manufacturers Institute, Inc., 1101 Con-necticut Avenue NW., No. 300, Washington, D.C. 20036.

B. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.

D. (6) \$750. E. (9) \$44.76.

A. David A. Bunn, 1211 Connecticut Avenue NW., No. 406, Washington, D.C. 20036.

B. The Hearst Corp. 959 Eighth Avenue, New York, N.Y. 10019.

D. (6) \$900.

A. David A. Bunn, 1211 Connecticut Avenue NW., No. 406, Washington, D.C.

B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022. D. (6) \$4,000.

A. David A. Bunn, Parcel Shippers Associ-

ation, 1211 Connecticut Avenue NW., No. 406, Washington, D.C. 20036. B. Parcel Shippers Association, 1211 Connecticut Avenue NW., No. 406, Washington,

D.C. 20036. D. (6) \$1,000.

A. Lawrence E. Burch, Potato Chip/Snack Food Association, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.

B. Potato Chip/Snack Food Association, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.

A. Norman D. Burch, College of American Pathologists, 1333 New Hampshire Avenue NW., Suite 520, Washington, D.C. 20036.

B. College of American Pathologists, 7400

North Skokie Boulevard, Skokie, Ill. 60077. D. (6) \$5,220. E. (9) \$78.

A. Patricia Burch, 9311 Persimmon Tree Road, Potomac, Md. 20854.

B. National Federation of Parents for Drug Free Youth, 9805 Dameron Street, Silver Spring, Md. 20906.

A. Paul F. Burdett, Merrell Dow Pharmaceuticals Inc., 10 Emerson Court, Severna Park, Md. 21146.

B. Merrell Dow Pharmaceuticals Inc., Cincinnati, Ohio 45215.

E. (9) \$20.

A. William J. Burhop, 1709 New York Avenue NW., Washington, D.C. 20006. B. Air Transport Association of America,

1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$2,000.

A. Burke & Burke, 529 Fifth Avenue, New York, N.Y. 10017.

B. Laura H. Beer et al., c/o P.O. Box 139, Corning, N.Y. 14830.

D. (6) \$7,000. E. (9) \$608.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.

B. The Montana Power Co., Butte, Mont. 59701.

E. (9) \$605.05.

A. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Washington, D.C.

D. (6) \$4,286.92. E. (9) \$1,000.47.

A. Bill D. Burlison, Marfair Building, Suite 102, 499 South Capitol Street SW., Washington, D.C. 20003.

B. Emerson Electric Co., St. Louis, Mo.

D. (6) \$3,125. E. (9) \$46.93.

Bill D. Burlison, Marfair Building, Suite 102, 499 South Capitol Street SW., Washington, D.C. 20003.

B. Planning Research Corp., Washington, D.C.

D. (6) \$2,500. E. (9) \$46.93.

A. David G. Burney, U.S. Tuna Founda-tion, Suite 208, 2040 Harbor Island Drive, San Diego, Calif. 92101. B. U.S. Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif.

92101.

D. (6) \$6,000. E. (9) \$3,000.

A. Charles S. Burns, Phelps Dodge Corp., 1015 15th Street NW., Washington, D.C. 20005

B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.

D. (6) \$1,200.

A. Gerrie Bjornson Burns, the B. F. Good-rich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.

B. The B. F. Goodrich Co., Akron, Ohio 44318

D. (6) \$100.

A. Timothy F. Burns, Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.

B. Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.

D. (6) \$300.

A. Burson-Marsteller, 1800 M Street NW., Suite 750-S, Washington, D.C. 20036.

B. Western Forest Industries Association for the National Committee To Preserve the Family Business, 1500 Southwest Taylor, Portland, Oreg. 97205.

D. (6) \$7,680. E. (9) \$585.76.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036. D. (6) \$6,000.

A. Gary Bushell, Branscomb & Miller, 1700 Bank & Trust Tower, B&T 129, Corpus Christi, Tex. 78477.

B. Corpus Christi Oil & Gas, 1400 The 600 Building, Corpus Christi, Tex. 78473. D. (6) \$16,305. E. (9) \$3,648.14.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.

D. (6) \$365.15. E. (9) \$682.43.

A. Business Products Council Association, P.O. Box 53964, Fayetteville, N.C. 28305.

A. James J. Butera, National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10166.

D. (6) \$3,343.75.

A. Butler, Binion, Rice, Cook & Knapp, 1747 Pennsylvania Avenue NW., Suite 900, Washington, D.C. 20006.

B. Delaware River Port Authority, One Franklin Plaza, Philadelphia, Pa. 19102. D. (6) \$2,200. E. (9) \$15.

A. Butler, Binion, Rice, Cook & Knapp, 1747 Pennsylvania Avenue NW., Suite 900, Washington, D.C. 20006.

B. City of Philadelphia, 1600 Municipal Services Building, Philadelphia, Pa. 19107.

D. (6) \$18,000. E. (9) \$614.01.

A. Butler, Binion, Rice, Cook & Knapp, 1747 Pennsylvania Avenue NW., Suite 900, Washington, D.C. 20006.

B. People Express Airlines, Inc., Room 205, North Terminal, Newark International Airport, N.J. 07114.

D. (6) \$17,500. E. (9) \$650.

A. John W. Butler, Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

B. Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

A. Lex J. Byers, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006. D. (6) \$300.

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Independent Refiners Association of America, 1775 Pennsylvania Avenue NW., Washington, D.C.).

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washing-ton, D.C. 20006. (for Insurance Association of Connecticut).

A. John F. Byset, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$150.

A. C & B Associates, 1750 New York Avenue NW., Washington, D.C. 20006.

B. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006. D. (6) \$312.50.

A. Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Asphalt Roofing Manufacturers Association, 1800 Massachusetts Avenue, NW., Washington, D.C. 20036.

A. Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Suite 700, Washington, D.C. 20036.

B. Mocatta Metals Corp., 4 World Trade Center, Suite 5200, New York, N.Y., 10048.

D. (6) \$280.

A. Morrison Cain, 1625 I Street NW., Washington, D.C. 20006.

B. Association of General Merchandise Chains, 1625 I Street NW., Washington, D.C. 20006.

D. (6) \$6,250.

A. Alan Caldwell, Del Monte Corp., 1825 K Street NW., Washington, D.C. 20006. B. Del Monte Corp., 1 Market Plaza, San Francisco, Calif. 94119.

D. (6) \$1,000. E. (9) \$50.

A. Califano, Ross & Heineman, 1575 I Street NW., Washington, D.C. 20005. B. C. P. Rehabilitation Corp., 20 East 67th

Street, New York, N.Y. 10021.

D. (6) \$3,366.25. E. (9) \$53.25.

A. Califano, Ross & Heineman, 1575 I Street NW., Washington, D.C. 20005.

B. Connecticut General Life Insurance Co., Hartford, Connecticut 06152.

A. California Synfuels Corp., 1000 Connecticut Avenue NW., Washington, D.C.

A. Peter E. Callanan, Honeywell Inc., 1100 Connecticut Avenue NW., Washington, D.C.

B. Honeywell Inc., Honeywell Plaza, Minneapolis, Minn. 55408.

D. (6) \$200. E. (9) \$280.

A. Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.

E. (9) \$3,468.

A. Gordon L. Calvert, Box 34-531, Washington, D.C. 20034.

B. Commercial Law League of America, 222 West Adams Street, Chicago, Ill. 60606. D. (6) \$3,000. E. (9) \$409.37.

A. Victoria R. Calvert, 1019 19th Street NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Suite 604, Washington, D.C. 20036.

D. (6) \$800.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.

B. Ferro Corp., Cataphote Division, P.O. Box 2369, Jackson, Miss. 39205. General Steel Industries, Inc., Flex-O-Lite Division, P.O. Box 4366, St. Louis, Mo. 63123.

D. (6) \$5.750.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C.

B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.

D. (6) \$4,000.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003

B. Prismo Universal Corp. et al. D. (6) \$6,560.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.

B. Safetran Systems Corp., P.O. Box 1037, Louisville, Ky. 40201.

D. (6) \$5,700.

A. Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037.

B. Evans Transportation Co., The East Tower Suite 900, 2550 Golf Road, Rolling Meadows, Ill. 60008.

D. (6) \$5.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.

B. Louisiana Gasification Associates, One Gateway Center, Pittsburgh, Pa. 15222.

D. (6) \$337.50.

A. Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037.

B. Pennzoil Co., 1155 15th Street NW.,

Suite 602, Washington, D.C. 20005

A. Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037. B. PLM Inc., 50 California Street, San Francisco, Calif. 94111,

D. (6) \$5.

A. Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037.

B. PORTEC, Inc., 300 Windsor Drive, Oak

Brook, Ill. 60521. D. (6) \$5.

A. Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037.

B. Pullman Standard, 200 South Michigan

Avenue, Chicago, Ill. 60604.

D. (6) \$5.

Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037.

B. Richmond Leasing, 1700 West Loop South, Suite 1500, Houston, Tex. 77027.

D. (6) \$5.

A. Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037.

B. St. Joe Mineral Corp., 1730 Rhode Island Avenue, NW., Suite 612, Washington, D.C. 20036.

D. (6) \$1,300.

A. Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037. B. Trailer Train Co., 101 North Wacker

Drive, Chicago, Ill. 60606. D. (6) \$5.

A. Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037.

B. Union Tank Car Co., 111 West Jackson

Boulevard, Chicago, Ill. 60604.

D. (6) \$5.

A. Camp, Carmouche, Palmer, Barsh & Hunter, P.C., 2550 M Street NW., Suite 275, Washington, D.C. 20037.

B. United States Rail Service, Inc., 633 Battery Street, San Francisco, Calif. 94111.

D. (6) \$5.

A. Campaign for Community-Based Economic Development, 715 15th Street, Suite 200, Washington, D.C. 20005.
D. (6) \$31,750. E. (9) \$22,600.55.

A. C. Russell Campbell, Jr., General Telephone & Electronics Corp., Suite 900, 1120 Connecticut Avenue NW., Washington, D.C.

B. General Telephone & Electronic Corp., One Stamford Forum, Stamford, Conn.

06904 D. (6) \$1,500.

A. Carl C. Campbell, National Cotton Council of America, 1030 15th Street NW.,

Suite 700, Washington, D.C. 20005. B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) \$507.69.

A. Jerry L. Campbell, 831 Chestnut Street,

Chattanooga, Tenn. 37402.

B. Tennessee Valley Public Power Association, 831 Chestnut Street, Chattanooga, Tenn. 34702.

A. Kevin B. Campbell, 101 Constitution Avenue NW., Washington, D.C. 20001.

B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.

D. (6) \$4,875. E. (9) \$2,471.44.

A. Thomas D. Campbell, Standard Oil Co., 1000 16th Street NW., Suite 500, Washington, D.C. 20036.

B. Standard Oil Co., 200 East Randolph Drive, Chicago, Ill. 60680.

D. (6) \$1,500. E. (9) \$2,085.28.

A. Alyce D. Canaday, Pacific Power & Light Co., 918 16th Street NW., Suite 404, Washington, D.C. 20006.

B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.

D. (6) \$740. E. (9) \$875.99.

A. Robert P. Canavan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$1,592.40. E. (9) \$309.48.

A. Sharon M. Canavan, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C.

2005. D. (6) \$3,780.

A. The Candlelighters, 123 "C" Street SE., Washington, D.C. 20003.

D. (6) \$220. E. (9) \$166.

A. Paul W. Cane, 5 Corte Street, Greenbrae, Calif. 94904.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. W. Dean Cannon, Jr., 9800 S. Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045

B. California Savings and Loan League, 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.

D. (6) \$3,000. (9) \$5,057.34.

A. Marvin H. Caplan, Industrial Union Department, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, 815 16th

Street NW., Washington, D.C. 20006. D. (6) \$5,874. E. (9) \$230.75.

D. (6) \$6,319. E. (9) \$454.88.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.

B. Aetna Life & Casualty, 151 Farmington Avenue, Hartford, Conn. 06115.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036. B. American Family Life Assurance Co. of

Georgia, P.O. Box 1459, Columbus, Ga.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.

B. Council of European and Japanese Na-

tional Shipowners' Association, 30/32 St. Mary Axe, London, EC3A 8ET England.

Arnold P. Caputo, 1970 Hopewood Drive, Falls Church, Va. 22043.

B. National Concrete Masonry Association, 2302 Horse Pen Road, Herndon, Va. 22070.

D. (6) \$110. E. (9) \$347.15.

D. (6) \$8,400. E. (9) \$637.95.

A. Isaac R. Caraco, 4532 Park Monaco, Calabasas Park, Calif. 91302.
B. Bechtel Power Corp., P.O. Box 60860,

Terminal Annex, Los Angeles, Calif. 90060.

A. Richard Carchia, 250 Park Avenue,

New York, N.Y. 10017.

B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017. D. (6) \$500.

A. Norval E. Carey, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006

B. General Atomic Co., San Diego, Calif.

D. (6) \$9,121. E. (9) \$455.05.

A. Charles R. Carlisle, 250 Park Avenue, New York, N.Y. 10017.

B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

D. (6) \$750. E. (9) \$526.80.

A. Daniel P. Carmichael, Eli Lilly & Co., 1901 L Street NW., Washington, D.C.

B. Eli Lilly & Co., 307 East McCarty Street, Indianapolis, Ind. 46285.

D. (6) \$3,000. E. (9) \$53.

A. Jack Carpenter, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

D. (6) \$26.37. E. (9) \$5.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) \$1,884.80. E. (9) \$164.75.

Patricia B. Carroll, National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$312.50.

A. John R. Carson, 20 Chevy Chase Circle NW., Washington, D.C. 20015.

B. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.

D. (6) \$8,000.

A. Hans L. Carstensen III, Weyerhaeuser Co., 1625 I Street NW., No. 902, Washington, D.C. 20006.

B. Weyerhaeuser Co., Tacoma, Wash. 98477.

D. (6) \$520. E. (9) \$89.

A. David C. Carter, Beet Sugar Trade Association, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.

B. U.S. Beet Sugar Association, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005

A. Harlon B. Carter, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) \$1,875.

A. John R. Carter, Jr., 2030 M Street NW., No. 800, Washington, D.C. 20036.

B. TRW, Inc., 2030 M Street NW., No. 800, Washington, D.C. 20036.

D. (6) \$1,000.

A. Joseph L. Carter, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036. D. (6) \$704.42. E. (9) \$135.07.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$500.

A. Jim Casey, 3470 Mildred Drive, Falls Church, Va. 22042.

B. Amfac Garden Products, Inc., 840 Malcolm Road, Burlingame, Calif. 94010.

D. (6) \$600. E. (9) \$90.

A. Jim Casey, 3470 Mildred Drive, Falls Church, Va. 22042.

B. Belle Fourche Irrigation District, Newell, S. Dak. 57760.

D. (6) \$2,000. E. (9) \$290.

A. Jim Casey, 3470 Mildred Drive, Falls Church, Va. 22042.

B. Committee on Power for the Southwest, Inc., 400 South Broadway, Edmond,

D. (6) \$2,000. E. (9) \$290.

A. Jim Casey, 3470 Mildred Drive, Falls Church, Va. 22042.

B. Garrison Diversion Conservancy District, P.O. Box 140, Carrington, N. Dak. D. (6) \$1,800. E. (9) \$280.

A. Jim Casey, 3470 Mildred Drive, Falls Church, Va. 22042.

B. Salt River Valley Water Users Association, P.O. Box 1980, Phoenix, Ariz.

D. (6) \$2,500. E. (9) \$370.

A. John S. Casey, P.O. Box 266, Heflin, Ala. 36264.

Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. Kathleen Casey, GTE Telenet Inc., 8229 Boone Boulevard, Vienna, Va. 22180. B. GTE Telenet Inc., One Stamford

Forum, Stamford, Conn. 06904. D. (6) \$4,850.

A. James B. Cash, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036. B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$2,000.

A. Allen R. Caskie, American Council of ife Insurance, Inc., 1850 K Street NW., Life Insurance, Inc., Washington, D.C. 20006.

B. American Council of Life Insurance. Inc., 1850 K Street NW., Washington, D.C. 20006

D. (6) \$365. E. (9) \$100.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.

B. International Union, United mobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214. D. (6) \$8,719.39. E. (9) \$171.40

A. Daniel J. Cassidy, 1001 Connecticut Avenue NW., Suite 1120, Washington, D.C. 20035.

B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$101.65. E. (9) \$15.

A. John J. Castellani, TRW Inc., Suite 800, 2030 M Street NW., Washington, D.C.

B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) \$1,000.

A. Joseph E. Cavanagh, International Brotherhood of Electrical Workers, AFL-CIO-CLC, 1125 15th Street NW., Washington, D.C. 20005.

B. International Brotherhood of Electrical Workers, AFL-CIO-CLC, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) \$2,675.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307. B. Grumman Corp., 1600 Wilson Boule-

vard, Arlington, Va.

D. (6) \$300.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.

B. Martin Marietta Corp., Rockville, Md. D (6) \$250

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.

B. R.C.A., 1901 North Moore Street, Ar-

lington, Va.

D. (6) \$200.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.

B. United Technologies, 1125 15th Street NW., Washington, D.C. D. (6) \$150.

A. Dorothy Cecelski, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause 2030 M Street NW., Washington, D.C. 20036 D. (6) \$7,000.02.

A. Central States Resource Center, P.O. Box 477, Urbana, Ill. 61801.

D. (6) \$4,935. E. (9) \$4,190.03.

A. CF Industries, Inc., Salem Lake Drive, Long Grove, Ill. 60047. E. (9) \$1,000.

A. Chain Saw Manufacturers Association, 4340 East-West Highway, Suite 1008, Bethesda, Md. 20014.

D. (6) \$390. E. (9) \$390.

A. Henry Chajet, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$164.82. E. (9) \$60.

A. Elizabeth Prewitt Chalmers, American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C.

D. (6) \$750.

A. Charles E. Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Committee for 806.30 and 807, Inc., 1611 Kent Street, Arlington, Va. 22209.

D. (6) \$750.

A. John A. Chambers, 1050 17th Street NW., Suite 680, Washington, D.C. 20036.

B. Satra Corp., 21 East 63d Street, New York, N.Y. 10021. D. (6) \$3,200. E. (9) \$300.

A. Ed Chandler, 7901 Westpark Drive, McLean, Va. 22102.

B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.

D. (6) \$5,445. E. (9) \$500.

A. J. W. Chandler, Borg-Warner Corp., 1575 I Street NW., Suite 1075, Washington, D.C. 20005.

B. Borg-Warner Corp., South Richland Avenue, York, Pa. 17405.

E. (9) \$19.40.

A. William C. Chapman, GMC, 1660 L Street NW., Suite 805, Washington, D.C. 20036.

B. General Motors Corp., 3044 Grand Boulevard, Detroit, Mich. 48202. D. (6) \$3,000. E. (9) \$4,464.25.

A. Richard M. Charlton, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

E. (9) \$79.90.

A. David F. Chavkin, National Health Law Program, 1424 16th Street NW., Suite 304, Washington, D.C. 20036.

B. National Health Law Program, 2639 South LaCienega Boulevard, Los Angeles, Calif. 90034.

D. (6) \$3,332.25. E. (9) \$1,887.33.

A. Leslie Cheek III, Crum & Forster Corp., 1120 Connecticut Avenue NW., Suite 1142, Washington, D.C. 20036.

B. Crum & Forster Corp., Madison Avenue at Canfield Road, Morristown, N.J. 07960.

D. (6) \$16,250. E. (9) \$1,014,40.

A. Jane Cheever, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Jane Cheever, First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

Chemical Manufacturers Association. 2501 M Street NW., Washington, D.C. 20037. D. (6) \$5,000. E. (9) \$3,000.

A. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036. E. (9) \$427.72.

A. Chemtex Fibers, Inc., 850 Third Avenue, New York, N.Y. 10022.

A. Phillip R. Chisholm, National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006.

B. National Oil Jobbers Council, Inc., 1707 H Street NW., Washington, D.C. 20006. D. (6) \$6,125. E. (9) 142.52.

A. William T. Christian, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) \$250.

A. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501. E. (9) \$14,090,83.

A. Donald T. Chunn, Route 2, Box 89, Columbia, Tenn. 38401.

B. Title Associates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.

A. John Chwat, 5301 Inver-Chapel Road. Springfield, Va. 22151.

B. COMSAT Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

D. (6) \$3.167. E. (9) \$10.80.

A. Cigar Association of America, Inc., 1120 19th Street NW., Suite 410, Washington, D.C. 20036.

E. (9) \$507.

A. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 401, Washington, D.C. 20036.

D. (6) \$1,947. E. (9) \$1,947.

A. Citizens Committee for the Right to Keep and Bear Arms, 1601-114th SE., Suite No. 151, Bellevue, Wash. 98004.

A. Citizens for Government Fairness, P.O. Box 1336, Brawley, Calif. 92227.

D. (6) \$267,500.07. E. (9) \$63,539.49.

E. (9) \$27,941.88.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006. B. Ashland Oil, Inc., 1401 Winchester Avenue, Ashland, Ky. 41101.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006. B. Crown Central Petroleum Corp., One North Charles, Baltimore, Md. 21203.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006. B. International Petroleum Refining & Supply, Sdad., Ltda., 1270 Avenue of the Americas, Suite 2308, New York, N.Y. 10020.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006. B. International Processors, 4100 One Shell Square, New Orleans, La. 70139.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006. B. Seaview Petroleum Co., P.O. Box 231, Blue Bell. Pa. 19422.

Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006. B. The Securities Groups, 500 Park Avenue, New York, N.Y. 10022. D. (6) \$280. E. (9) \$62.50.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006. B. Toyota Motor Sales, U.S.A., Inc., 2055 West 190th Street, Torrance, Calif. 90504. D. (6) \$175. E. (9) \$250.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Suite 206, Washington, D.C. 20036.

B. American Optometric Association, 395 Orchard Street, Antioch, Ill. 60002.

D. (6) \$45.06. E. (9) \$130.95.

A. Julie Clark, National Legal Aid and Defender Association, 1625 K Street NW., 8th Floor, Washington, D.C. 20006.

B. National Legal Aid and Defender Association, 1625 K Street NW., 8th Floor, Washington, D.C. 20006.

D. (6) \$8,659.54. E. (9) \$42.30.

A. Kimball Clark, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20036. D. (6) \$551.86. E. (9) \$378.85.

A. Susan Clark, American Express Co., 1700 K Street NW., Washington, D.C. 20006.

B. American Express Co., 1700 K Street NW., Washington, D.C. 20006.

A. Thomas R. Clark, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. Vernon A. Clark, 1899 L Street NW., Suite 403, Washington, D.C. 20036.

B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.

D. (6) \$1,250. E. (9) \$278.

A. Donald M. Clarke, Collins & Smith Associates, Inc., 201 North Fairfax Street, Alexandria, Va. 22314.

B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611. D. (6) \$750.

A. Wade P. Clarke, Jr., Deere & Co., John Deere Road, Moline, Ill. 61265.

B. Deere & Co., John Deere Road, Moline, Ill. 61265.

Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington,

B. American Industrial Health Council, 1075 Central Park Avenue, Scarsdale, N.Y. 10583

D. (6) \$250.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Columbia Nitrogen Corp., P.O. Box 1483 and Nipro, Inc., P.O. Box 1483, Augusta, Ga. 30903.

D. (6) \$10.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Securities Clearing Corp., 55 Water Street, New York, N.Y. 10041. D. (6) \$1,236. E. (9) \$4.

A. Ronald D. Clements, 1111 19th Street NW., Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$2,100. E. (9) \$430.

A. The Cleveland Electric Illuminating Co., 55 Public Square, Cleveland, Ohio 44113.

E. (9) \$4,914.36.

A. Clifford & Warnke, 815 Connecticut Avenue, Washington, D.C. 20006.

B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830. D. (6) \$900. E. (9) \$270.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006. B. National Tour Brokers Association, 120 Kentucky Avenue, Lexington, Ky. 40502.

D. (6) \$1,750. E. (9) \$452.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006. B. Phillips Petroleum Co., Bartlesville, E. (9) \$1,750.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006. B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington,

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006. B. Warner-Lambert Co., 201 Tabor Road,

Morris Plains, N.J. 07950.

A. Dexanne B. Clohan, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610. D. (6) \$3,769.

A. Coalition of Automotive Associations, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.

A. Coan, Couture, Lyons & Moorhead, 1625 I Street NW., No. 1015, Washington, D.C. 20006.

B. A-C Valley Corp., Box 402, Emlenton, Pa. 16373.

D. (6) \$300.

A. Coan, Couture, Lyons & Moorhead, 1625 I Street NW., No. 1015, Washington,

B. Internatio, Inc., 116 John Street, New York, N.Y. 10038.

D. (6) \$500.

Coan, Couture, Lyons & Moorhead, 1625 I Street NW., No. 1015, Washington, D.C. 20006.

B. Tosco, 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

D. (6) \$900.

A. Coan, Couture, Lyons & Moorhead, 1625 I Street NW., No. 1015, Washington, D.C. 20006.

B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pitts-burgh, Pa. 15222.

D. (6) \$1,200.

A. Thomas B. Coates, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.

B. American Petroleum Institute, 2101 L. Street NW., Washington, D.C. 20037.

A. Joe Cobb, Cobb Green & Associates, Ltd., 3438 North Southport Avenue, Chicago, Ill. 60657.

B. Council for a Competitive Economy. Washington, D.C.

D. (6) \$9,083.33.

A. Richard B. Cobb, Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$450. E. (9) \$1,027.21.

A. John J. Coffey, 1700 K Street NW., Washington, D.C. 20006.

B. Chevron USA Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006. D. (6) \$650.

A. Don V. Cogman, MAPCO, Inc., 1100 Connecticut Avenue NW., Suite 820, Washington, D.C. 20036.

B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.

D. (6) \$3,750. E. (9) \$426.63.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, DC. 20036. D. (6) \$4,500. E. (9) \$239.50.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.

B. CSL Industries, One Century Plaza, 2029 Century Park East, Los Angeles, Calif. 90067.

E. (9) \$3.99.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.

B. Estate of Sylvia Buring, 1837 Harbor Avenue, Memphis, Tenn. 38113.

D. (6) \$20,000. E. (9) \$73.44.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.

B. Northwest Energy Co., 315 East 200 South, Salt Lake City, Utah 84111.

D. (6) \$23,183.75. E. (9) \$486.47.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.

B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017. D. (6) \$2.940.12.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.

B. United States Leasing International, 633 Battery Street, San Francisco, Calif.

D. (6) \$25,161.25. E. (9) \$3,921.37.

A. Herbert B. Cohn, Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.

B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

D. (6) \$240.

A. Elizabeth A. Coker, Seafarers International Union, 815 16th Street NW., Washington, D.C. 20006.

B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

D. (6) \$3,000, E. (9) \$392,43.

A. Cole & Corette, 1200 17th Street NW., Washington, D.C. 20036.

B. The Chase Manhattan Bank, N.A., One Chase Manhattan Plaza, New York, N.Y. 10015.

A. Cole & Corette, 1200 17th Street NW., Washington, D.C. 20036. B. Lubar & Youngstein, 29 St. John Street, London SW1A 1HB, England.

A. E. William Cole, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite

800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South
Boylston Street, Los Angeles, Calif. 90017.
D. (6) \$600. E. (9) \$96.

A. Eleanor Cole, UBA, Inc., 1800 M. Street NW., 460 South, Washington, D.C. 20036.

B UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

D. (6) \$1,000.

A. Ken W. Cole, Amoco, P.O. Box 3092, Houston, Tex. 77001.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) \$12,500. E. (9) \$884.76.

A. Stacey W. Cole, New Hampshire Petroleum Council, 23 School Street, Concord. N.H. 03301.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Calvin J. Collier, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

A. Calvin J. Collier, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036

B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70115.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) \$9,557.52.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. American Frozen Food Institute, 1700 Old Meadow Road, Suite 100, McLean, Va.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington,

B. American Meat Institute, 1700 North Moore Street, Arlington, Va. 22209.

D. (6) \$565.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Ferrous Scrap Consumers Coalition, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

Food Marketing Institute, Street NW., Washington, D.C. 20006.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. National Association of Convenience Stores, One Skyline Place, Suite 311, 5205 Leesburg Pike, Falls Church, Va. 22041.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Outdoor Power Equipment Institute,
 1901 L Street NW., Washington, D.C. 20036.
 D. (6) \$2,000. E. (9) \$250.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Suite 308,

Washington, D.C. 20007.

B. Tool and Stainless Steel Industry Committee, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

A. Frank Collins, Oil, Chemical & Atomic Workers International Union, 1126 16th 1126 16th Street NW., Washington, D.C. 20036.

B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

D. (6) \$2,000.

A. George R. Collins, IUE-AFL-CIO, 1126 16th Street NW., Washington, D.C. 20036.

B. IUE-AFL-CIO, 1126 16th Street NW., Washington, D.C. 20036.

D. (6) \$600. E. (9) \$300.

A. Marvin Collins, American Council of ife Insurance, Inc., 1850 K Street NW., Life Insurance, Inc., 18 Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) \$455.

A. Mary M. Collins, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

D. (6) \$500.

A. Paul L. Collins, American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

B. American Personnel & Guidance Association, 2 Skyline Place, Suite 400, 5203 Leesburg Pike, Falls Church, Va. 22041.

D. (6) \$1,345.41.

A. Stephen J. Collins, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the U.S., Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) \$25. E. (9) \$4.

A. Colorado Railroad Association, Denver Club Building, Denver, Colo. 80202.

A. W. Kent Combs, IBM Corp., 1801 K Street NW., Washington, D.C. 20006.

B. International Business Machines Corp., Old Orchard Road, Armonk, N.Y. 10504.

D. (6) \$415.27. E. (9) \$34.20.

Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

D. (6) \$1,161. E. (9) \$1,161.

A. Committee for Effective Capital Recovery, 1901 L Street NW., Suite 303, Washington, D.C. 20036.

D. (6) \$8,558.73. (9) \$8,558.73.

A. Committee for Effective Tax Incentives, 1 Farragut Square, 8th Floor, Washington, D.C. 20006.

E. (9) \$5,000.

A. Committee for Equality of Citizens Before the Courts, 3401 West Division Street, Chicago, Ill. 60651.

A. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.

D. (6) \$23,514.72. E. (9) \$34,454.87.

A. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.

D. (6) \$17,300. E. (9) \$9,358.68.

A. Committee to Assure Availability of Casein, 3213 O Street NW., Washington, D.C. 20007.

D. (6) \$8,000.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$1,249,313. E. (9) \$357,342.05.

A. Lance Compa, United Electrical, Radio & Machine Workers of America, 1411 K Street NW., Suite 410, Washington, D.C. 20005.

B. United Electrical, Radio & Machine Workers of America, 11 East 51st Street, New York, N.Y. 10022. D. (6) \$4,667. E. (9) \$97.50.

A. Computer & Communications Industry Association, Suite 512, 1500 Wilson Boulevard, Arlington, Va. 22209.

A. Edward C. Cone, Jr., P.O. Box 1606, Forest Park, Ga. 30051.

B. Southeastern Lumber Manufacturers Association, P.O. Box 1606, Forest Park, Ga. 30051.

D. (6) \$13.52.

E. (9) \$2.048.78

A. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036

A. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$36,062.88, E. (9) \$36,062.88.

A. Raymond F. Conkling, Texaco,

1050 17th Street, Washington, D.C. 20036.

B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

D. (6) \$200. E. (9) \$20.40.

A. Robert J. Conner, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036

B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.

D. (6) \$500. E. (9) \$1,459.41.

A. Stephen N. Conner, Route 1, Box 165, Easton, Md. 21601.

B. Ministry of Foreign Affairs, Kingdom of Saudi Arabia, c/o Royal Embassy of Saudi Arabia, 1520 18th Street NW., Washington, D.C.

E. (9) \$6,146,96.

A. Albert J. Conners, Air Force Sergeants Association, 5211 Auth Road, Camp Springs, Md. 20023.

B. Air Force Sergeants Association, 5211 Auth Road, Camp Springs, Md. 20023.

A. John J. Connolly, The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1000, Arlington, Va. 22209.

The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1000, Arlington, Va. 22209. D. (6) \$1,500.

A. Jerry C. Connors, American Auto-mobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003. E. (9) \$512.50.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa.

D. (6) \$3,500.

A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, P.O. Box D.C. 20024.

E. (9) \$11,668.

A. Constructora Nacional de Carros de Ferrocarril, S.A., San Lorenzo, No. 925, 5 Piso, Mexico, D.F., Mexico.

E. (9) \$3,435.64.

A. Consumers Union of United States, Inc., 256 Washington Street, Mount Vernon, N.Y. 10550.

E. (9) \$10,931.

A. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830. E. (9) \$289,02.

A. John T. Conway, American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street, SE., Washington, D.C. D. (6) \$7,875. E. (9) \$720.83.

A. Alexandria W. Cook, 229 Pennsylvania

Avenue SE., Washington, D.C. 20003.

B. EDS Corp., 229 Pennsylvania Avenue
SE., Washington, D.C. 20003.

D. (6) \$330.72. E. (9) \$151.55.

A. Charles F. Cook, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036

B. American Mining Congress. Street NW., Washington, D.C. 20036. D. (6) \$60.17. E. (9) \$3.50.

A. Frederick N. Cook, Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037 D. (6) \$600. E. (9) \$619.61.

A. Harry N. Cook, 1130 17th Street NW., Washington, D.C. 20036.

B. The National Waterways Conference,

A. K. Richard Cook, 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turn-

pike, Fairfield, Conn. 06431.

D. (6) \$525.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. Aleutian/Pribilof Islands Association, 1689 C Street, Anchorage, Alaska Inc... 99501.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. American Motorcyclist Association, P.O. Box 141, Westerville, Ohio 43081.

D. (6) \$14,652.18.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington. D.C. 20036.

B. Ashland Oil, Inc., Post Office Box 391, Ashland, Ky. 41101.

D. (6) \$500.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. Bank of Louisville, 500 West Broadway, Louisville, Ky. 40202.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. B.A.T. Industries, Ltd., P.O. Box 345-Windsor House, 50 Victoria Street, London, SW1H ONL, England.

D. (6) \$18,000. E. (9) \$234.30.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. Citizens Deposit Bank, Post Office Box

8, Vanceburg, Ky. 41179.

D. (6) \$500.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. Consolidated Natural Gas Co., Four Gateway Center, Pittsburgh, Pa. 15222.

D. (6) \$1,000.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036. B. The Edison Electric Institute, 1111 19th

Street NW., Washington, D.C. 20036, D. (6) \$500.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. First Bank & Trust Co., 1544 Winches-

ter Avenue, Ashland, Ky. 41101.

D. (6) \$4,000.

A. Cook, Purcell, Hansen & Henderson, Chartered, Suite 1100, 1015 18th Street NW., Washington, D.C. 20036.

B. Guam Growth Council, P.O. Box BV,

Agana, Guam 96911.

D. (6) \$11,613.60. E. (9) \$252.91.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Suite 1100, Washington, D.C. 20036.

B. Harley-Davidson Motor Co., Inc., P.O.

Box 652, Milwaukee, Wis. 53201.

D. (6) \$1.150.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. N. C. Machinery, Box 3562, Seattle,

Wash. 98124.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. Ohio Valley Improvement Association, Inc., 401 Carew Tower, Cincinnati, Ohio 45202.

D. (6) \$2,500.

A. Cook, Purcell, Hansen & Henderson, Chartered, Suite 1100, 1015 18th Street NW., Washington, D.C. 20036.

B. Port Authority of Guam, P.O. Box 1445, Agana, Guam 96910.

A. Cook, Purcell, Hansen & Henderson, Chartered, Suite 1100, 1015 18th Street NW., Washington, D.C. 20036.

B. Republic Airlines, Inc., 7500 Airline Drive, Minneapolis, Minn. 55450.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. Roadway Express, Inc., P.O. Box 471—1077 Gorge Boulevard, Akron, Ohio 44309.

D. (6) \$5,200. E. (9) \$32.13.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. St. George Tanaq Corp.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington. D.C. 20036.

B. Tanadgusix Corp., St. Paul Island, Alaska 99660.

E. (9) \$27.91.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

D. (6) \$500.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301.

D. (6) \$2,500. E. (9) \$85.32.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.

B. The Tobacco Institute, 1875 I Street NW., Eighth Floor, Washington, D.C. 20006 D. (6) \$5,000. E. (9) \$147.06.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washing-

B. The Western Union Telegraph Co., 1828 L Street NW., Suite 1001, Washington, D.C. 20036.

D. (6) \$3,000. E. (9) \$37.76.

A. Eileen D. Cooke, 110 Maryland Avenue NE., Box 54, Washington, D.C. 20002.

B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.

D. (6) \$1,062.

A. Paul H. Cooksey, 212 North Lee Street, Alexandria, Va. 22314.

B. Cooksey Corp., for ICORE International, 212 North Lee Street, Alexandria, Va.

A. Paul H. Cooksey, 212 North Lee Street, Alexandria, Va. 22314.

B. Cooksey Corp. (for Marconi Space & Defense Systems), 212 North Lee Street, Alexandria, Va. 22314.

D. (6) \$850, E. (9) \$33.

A. Paul H. Cooksey, 212 North Lee Street, Alexandria, Va. 22314.

B. Cooksey Corp. (for Messerschmitt-Bolkow-Blohm), 212 North Lee Street, Alexandria, Va. 22314.

D. (6) \$7,000. E. (9) \$197.65.

A. Paul E. Cooney, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.

B. First Wisconsin National Bank of Milwaukee, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202.

A. Paul E. Cooney, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006. B. Phosphate Rock Export Association,

1311 North West Shore Boulevard, Tampa, Fla. 33607.

A. Benjamin Y. Cooper, Jr., 1730 North Lynn Street, Arlington, Va. 22209. B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.

D. (6) \$4,000. E. (9) \$135.80.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America. Inc., 1600 I Street NW., Washington, D.C. 20006

A. Jess Cooper, 1155 15th Street NW.,

Suite 314, Washington, D.C. 20005.

B. Rocky Mountain Oil & Gas Association, 345 Petroleum Building, Denver, Colo. 80202.

D. (6) \$852. E. (9) \$793.84.

A. Joshua W. Cooper, Portsmouth-Kittery Armed Services Committee, Inc., 626 South Lee Street, Alexandria, Va. 22314.

B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.

D. (6) \$1,400. E. (9) \$607.39.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada. D. (6) \$3,000.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Footwear Division, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006. D. (6) \$10,500.

A. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

D. (6) \$5,766. E. (9) \$18,935.67.

A. Darrell Coover, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill.

D. (6) \$2,000. E. (9) \$244.

A. Kelly Copeland, in care of National Organization for Women, 425 13th Street NW., Suite 1048, Washington, D.C. 20004.

B. National Organization for Women, 425 13th Street NW., Suite 1048, Washington, D.C. 20004.

D. (6) \$750.

A. Constance E. R. Corbino, 1015 15th Street NW., No. 802, Washington, D.C. 20005

B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.

D. (6) \$375.

A. John F. Corcoran, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

D. (6) \$1,000.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.

B. Frank G. Kingsley, 285 Canoe Road, New Caanan, Conn. 06840. E. (9) \$50.

A. Samuel C. Corey, Sr., 2500 DeKalb

Pike, Norristown, Pa., 19404.
B. Provident Indemnity Life Insurance
Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. Samuel C. Corey, Jr., 2500 DeKalb

Pike, Norristown, Pa., 19404.

B. Provident Indemnity Life Insurance
Co., 2500 DeKalb Pike, Norristown, Pa.

A. Bennett J. Corn, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, Eighth floor, New York, N.Y. 10048.
B. Coffee, Sugar & Cocoa Exchange, Inc., World Trade Center, Eighth Floor, New York, N.Y. 10048.

A. Corn Refiners Association, Inc., 1001 Connecticut Avenue NW., Washington, D.C. 20036

D. (6) \$2,470. E. (9) \$3,477.

A. Cornell Oil Co., 5440 Harvest Hill Road, Suite 200, Dallas, Tex. 75230. E. (9) \$3,833.24.

A. Glen S. Corso, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) \$6,000. E. (9) \$206.

A. R. H. "Dick" Cory, 1510 American Bank Tower, Austin, Tex. 78701.

B. Central and South West Services, Inc.,

1 Main Place, No. 2700, Dallas, Tex. 75250.

A. John E. Cosgrove, Public Employee Department, AFL-CIO, 815 16th Street NW.,

Washington, D.C. 20006.

B. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C.

D. (6) \$11,979.89.

A. Cosmetic, Toiletry & Fragrance Association, Inc., 1110 Vermont Avenue NW., No. 800, Washington, D.C. 20005.

A. Clark R. Cosse III, 5644 Hawthorne Place, New Orleans, La. 70124.

B. Southern Forest Products Association,

P.O. Box 52468, New Orleans, La. 70152. D. (6) \$8,525.04.

A. James R. Costello, Jr., American Tex-tile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

D. (6) \$500. E. (9) \$81.20.

A. Michael E. Costello, 1909 Vermont Avenue NW., Suite 600, Washington, D.C.

B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.

E. (9) \$537.30.

A. Cotton Farmers Association, 700 Texas Center, 900 Washington, Waco, Tex. 76703. D. (6) \$200.

A. J. Barry Coughlin, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006

B. Ford Motor Co., Dearborn, Mich. 48121. D. (6) \$701.60. E. (9) \$535.70.

A. Paul J. Coughlin, Jr., 1120 20th Street NW., Suite 600 South, Washington, D.C. 20036.

B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10154. D. (6) \$1,250.

A. Craig A. Coulter, 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036. D. (6) \$537.50.

A. Council for a Livable World, 11 Beacon Street, Boston, Mass. 02108. E. (9) \$15,359.10.

Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.

B. American Can Co., et. al. E. (9) \$850.

A. Council of State Chambers of Commerce, 499 South Capitol Street SW., Suite 412, Washington, D.C. 20003. D. (6) \$1,551.47. E. (9) \$1,515.19.

A. Jean Anne Courey, National Association of Arab Americans, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. National Association of Arab Americans, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) \$1,812.50. E. (9) \$425.

A. James H. Cousins, National Savings & Loan League, 1101 15th Street NW., Washington, D.C. 20005.

B. National Savings & Loan League, 1101 15th Street NW., Washington, D.C. 20005. D. (6) \$2,000. E. (9) \$76.

A. John F. Cove, 918 16th Street NW., No. 702, Washington, D.C. 20006.

B. Cove Associates, Inc., 918 16th Street NW., No. 702, Washington, D.C. 20006.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. American Association of Oral & Maxillofacial Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.

D. (6) \$20,500. E. (9) \$35.25.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. American Watch Association, Inc., 10 East 40th Street, New York, N.Y. 10016.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Association of Maximum Service Telecasters, Inc. (MST), 1735 DeSales Street NW., Washington, D.C. 20036. D. (6) \$900. E. (9) \$4.70.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006. B. Bristol Bay Native Corp., P.O. Box 220,

Anchorage, Alaska 99510.

Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Facet Enterprises, Inc., 7030 South Yale Avenue, Tulsa, Okla. 74177.

E. (9) \$20.25.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006. B. Hugo Neu, 380 Madison Avenue, New

York, N.Y. 10017.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. International Business Machines Corp., Armonk, N.Y. 10504.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) \$15,000. E. (9) \$14.75.

A. Covington & Burling, 888 16th Street

NW., Washington, D.C. 20006.

B. Irving Trust Co., One Wall Street, New York, N.Y. 10015.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. MasterCard International Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. National Committee for Limited Profit Housing, HHH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. Covington & Burling, 888 16th Street

NW., Washington, D.C. 20006.

B. New York State Urban Development Corp., 1515 Broadway, New York, N.Y. 10036

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Phillips Petroleum Co., 1262 Adams

Building, Bartlesville, Okla. 74004. D. (6) \$750.

A. Covington & Burling, 888 16th Street

NW., Washington, D.C. 20006.
B. Reichhold Energy Corp., P.O. Box 1482, Tacoma, Wash. 98401.

A. Covington & Burling, 888 16th Street

NW., Washington, D.C. 20006.
B. Securities Industry Association, 489
L'Enfant Plaza East SE., Washington, D.C.

A. Eugene S. Cowen, 2759 Unicorn Lane, NW., Washington, D.C. 20015.

B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) \$55.80.

A. Archibald Cox, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036. D. (6) \$4,042.50. E. (9) \$222.41.

A. C. Bryan Cox, P.O. Box 139, Kansas City, Mo. 64141.

B. Kansas City Life Insurance Co., P.O. Box 139, Kansas City, Mo. 64141.

A. Eric Cox, World Federalist Political Education Committee, 1101 Arlington Bou-levard, Arlington, Va. 22209.

B. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.

D. (6) \$802.51.

A. Karl E. Cox, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.

B. American Footwear Industries Association, 1611 North Kent Street, Suite 900, Arlington, Va. 22209. D. (6) \$3,375.50. E. (9) \$173.15.

A. Kenneth A. Cox, 1133 19th Street NW., Washington, D.C. 20036.

B. MCI Communications Corp., 1133 19th Street NW., Washington, D.C. 20036. D. (6) \$1,736.34. E. (9) \$5.65.

A. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.

B. Canaveral Port Authority, P.O. Box 267, Cape Canaveral, Fla. 32920.

D. (6) \$22,500. E. (9) \$573.93.

A. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036. B. City of Miami, Miami, Fla.

A. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.

B. Dade County, Miami, Fla. D. (6) \$4,000.

A. Cramer & Cramer, 1320 19th Street Avenue, Lauderdale Lakes, Fla. 33313. NW., No. 200, Washington, D.C. 20036.

B. Hoffman, Hendry, Stoner, Sims & Sawicki, 215 East Central Boulevard, Orlando, Fla. 32801, and Global Exploration & Development Corp., 1414 Collins Avenue, Lakeland, Fla. 33801.

A. Mark C. Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.

B. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036, and Canaveral Port Authority, P.O. Box 267, Cape Canaveral, Fla. 32920.

A. Mark C. Cramer, 1320 19th Street NW.,

No. 200, Washington, D.C. 20036.

B. Cramer & Cramer, 1320 19th Street
NW., No. 200, Washington, D.C. 20036 (for
City of Miami, Miami, Fla.).

A. Mark C. Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.

B. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036 (for Dade County, Miami, Fla.).

A. William C. Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.

B. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036, and Canaveral Port Authority, P.O. Box 267, Cape Canaveral, Fla. 32920.

A. William C. Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.

B. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036 (for City of Miami, Miami, Fla.).

A. William C. Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.

B. Cramer & Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036 (for Dade County, Miami, Fla.).

A. William C. Cramer, 1320 19th Street NW., No. 200, Washington, D.C. 20036.

B. Hoffman, Hendry, Stoner, Sims & Sawicki, 215 East Central Boulevard, Orlando, Fla. 32801, and Global Exploration & Development Corp., 1414 Collins Avenue, Lakeland, Fla. 33801.

A. William D. Crawford, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood Railway Carmen of the United States and Canada, 4929 Main Street, Kansas City, Mo. 64112.

D. (6) \$1,470.

A. Aldene E. Creech, National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, III. 60611; 777 14th Street NW., Washington, D.C. 20005

D. (6) \$1,500. E. (9) \$41.69.

A. Kathryn Hilton Creech, National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$125.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

D. (6) \$5,000. E. (9) \$500.

A. Max Creinin, 3099 Northwest 48th

A. Joseph M. Cribben, 6900 Valley Brook Drive, Falls Church, Va. 22042.

B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) \$1,750. E. (9) \$30.

A. Richard E. Cristol, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.
B. The Robert H. Kellen Co., 5775 Peach-

tree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342, and Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.

D. (6) \$70.

A. P. H. Croft, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$1,625.

A. Robert W. Cromartie, 1800 Massachu-

setts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$75.

A. Charles H. Cromwell, Inc., 6709 Georgia Avenue, Chevy Chase, Md. 20015. B. General Electric Co., 777 14th Street

NW., No. 1000 Washington, D.C. 20005.

A. Charles H. Cromwell, Inc., 6709 Georgia Avenue, Chevy Chase, Md. 20015.

B. Hughes Helicopters, 1140 Connecticut Avenue NW., No. 1005, Washington, D.C. 20006.

A. Charles H. Cromwell, Inc., 6709 Georgia Avenue, Chevy Chase, Md. 20015.

B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Charles H. Cromwell, Inc., 6709 Georgia Avenue, Chevy Chase, Md. 20015.

B. Northrop Corp., 1701 North Fort Myer Drive, Arlington, Va. 22209.

A. Charles H. Cromwell, Inc., 6709 Geor-

gia Avenue, Chevy Chase, Md. 20015. B. Vought Corp., 1045 Jefferson Davis Highway, No. 612, Alexandria, Va. 22202.

A. Donald Crosier, Nebraska Petroleum Council, P.O. Box 95063, Lincoln, Nebr. 68509

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. James H. Cromwell, Sr., 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of

America, 1957 E Street NW., Washington, D.C. 20006.

D. (6) \$3,000. E. (9) \$500.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Associated Gas Distributors, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

D. (6) \$67. E. (9) \$5.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Commuter Airline Association of Amer-ca, Inc., 1101 Connecticut Avenue NW., Washington, D.C. 20036.

E (9) \$5

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Control Data Corp., 500 West Putnam

Avenue, Greenwich, Conn. 06830.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Eli Lilly Inc., 307 East McCarty Street

Indianapolis, Ind. 46285. D. (6) \$6,320. E. (9) \$10.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Kline Iron & Steel Co., Inc., 1225 Hugger Street, Columbia, S.C. 29201

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Wholesaler-Distributors, 1725 K Street NW., Washington, D.C. 20006

D. (6) \$7,690. E. (9) \$10.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. David C. Crowley, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

D (6) \$450 E (9) \$25

A. Kenneth R. Crowley, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

D. (6) \$62.50 E. (9) \$4.35.

A. Charles T. Cudlip, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.

D. (6) \$2,000. E. (9) \$126.40.

A. Barry Cullen, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006

B. International Paper Co., 1620 I Street, NW., Suite 700, Washington, D.C. 20006. D. (6) \$125.

A. Gerard L. Cullen, 7900 Callaghan Road, San Antonio, Tex. 78229.

B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.

William E. Cumberland, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C.

A. Richard C. Cunan, California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.

B. California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106. D. (6) \$5,000. E. (9) \$1,101.98.

A. John T. Curran, 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL-CIO, 905 16th Street NW., Washington, D.C. 20006. D. (6) \$13,282.50. E. (9) \$473.10.

A. Sharon Allen Currens, American Insti-NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735

New York Avenue NW., Washington, D.C. 20006.

D. (6) \$450.

A. Current, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

A. Carl T. Curtis, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Don Rich Co., 372 Franklin Avenue, Redlands, Calif. 92373.

A. William K. Dabaghi, 1120 Connecticut Avenue NW., Washington, D.C. 20036. B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D (6) \$1 025

A. Fred L. Dahl, 10808 South Glen Road, Potomac, Md. 20854. B. Bechtel Power Corp., 1620 I Street

NW., Washington, D.C. 20006.

A. William Kay Daines, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006. D. (6) \$350. E. (9) \$19.30.

A. Terese C. D'Alessio, 2020 North 14th

Street, Suite 402, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

D. (6) \$125. E. (9) \$39.79.

A. Donald W. Dalrymple, American Cyanamid Co., 1575 I Street NW., Suite 220, Washington, D.C. 20005.

B. American Cyanamid Co., Wayne, N.J. 07470; Lederle Laboratories, Pearl River, N.Y. 10965

D. (6) \$2,280. E. (9) \$393,89.

A. James G. Dalton, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006

D. (6) \$2,000.

A. John M. Damgard, ACLI International Inc., 1735 I Street NW., Washington, D.C. 20006.

B. ACLI International, Inc., 717 West-chester Avenue, White Plains, N.Y. 10604.

A. Tracy Danese, P.O. Box 529100, Miami,

Fla. 33152. B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.

D. (6) \$921.50. E. (9) \$1,216.65.

A. Daniels, Houlihan & Palmeter, P.C., 1819 H Street NW., Washington, D.C. 20006. B. Japan Lumber Importer's Association, Tokyo, Japan.

A. Dan Danner, 1747 Pennsylvania Avenue NW., Suite 702, Washington, D.C. 20006.

B. ARMCO, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) \$300, E. (9) \$269.43.

A. William H. Darden, 1620 I Street NW., Washington, D.C. 20006.

B. Reynolds Metals Co., 6601 West Broad Street, Richmond, VA. 23261.

D. (6) \$500. E. (9) \$30.

A. Oneida L. Darley, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030

E (9) \$7

A. Diane Davenny Darneille, Schering-Plough Corp., 1100 17th Street NW., Suite 1206, Washington, D.C. 20036.

B. Schering-Plough Corp., 2000 Galloping Hill Road, Kenilworth, N.J. 07033.

D. (6) \$2,019. E. (9) \$2,160.

A. Thomas Roger Dart, Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala. 36195.

B. American Petroleum Institute. 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$138.64.

A. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.

E. (9) \$9,715.98.

A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$4.688.

A. Philip J. Daugherty, Industrial Union Department., AFL-CIO.

B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006

D. (6) \$5,991. E. (9) \$222.05.

A. John B. Davenport, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20035.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$138.79.

A. Larry C. Davenport, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342

B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342 (for Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342).

D. (6) \$140.

A. Daniel I. Davidson, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif. 95051, and the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, Calif., and associate member Plumas Sierra Rural Electric Cooperative.

A. Christopher L. Davis, Walsh, Cleary, Hamsher & Davis, P.C., 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C.

B. Erie County Industrial Development Agency, Crosby Building, 170 Franklin Street, Buffalo, N.Y. 14202.

D. (6) \$130.

A. David R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapo-

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$938.44. E. (9) \$446.32.

A. Drew M. Davis, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) \$247.37. E. (9) \$93.

A. Edward M. Davis, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C. D. (6) \$4,223.34. E. (9) \$292.47.

A. Fred Davis, Edison Electric Institute, 1111 19th Street NW., Washington, D.C.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$1,115. E. (9) \$474.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, P.O. Box 185, Denver, Colo. 80202; Suite 400, 1300 19th Street NW., Washington, D.C. 20036.

B. Integrity Oil & Gas Co., 410 Street, Suite 1670, Denver, Colo. 80202. 410 17th

D. (6) \$1,431. E. (9) \$1,136.68.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, P.O. Box 185, Denver, Colo. 80202; Suite 400, 1300 19th Street NW., Washington, D.C. 20036.

B. Snyder Oil Co., 410 17th Street, Suite 1300, Denver, Colo. 80202.

D. (6) \$958.50. E. (9) \$761.36.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, P.O. Box 185, Denver, Colo. 80201; Suite 400, 1300 19th Street NW., Washington, D.C. 20036.

Tenneco Oil Co., 126 North Point Drive, P.O. Box 2888, Houston, Tex. 77001. D. (6) \$1,782. E. (9) \$1,415.48.

A. Kenneth E. Davis, 1899 L Street NW., No. 807, Washington, D.C. 20036.

B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.

D. (6) \$500.

A. Ovid R. Davis, The Coca-Cola Co., P.O.

Drawer 1734, Atlanta, Ga. 30301.

B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

A. Davis Polk & Wardwell, 1 Chase Manhattan Plaza, New York, N.Y.; Washington Office, 1575 I Street NW., Washington, D.C. B. International Paper Co., 77 West 45th

Street, New York, N.Y.

E. (9) \$977.18.

A. R. Hilton Davis, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062

D. (6) \$754. E. (9) \$10.

A. Robert W. Davis, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. D. (6) \$1,440. E. (9) \$805.

A. William Lee Davis, Westvaco Corp., 299 Park Avenue, New York, N.Y. 10171.

B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10171. D. (6) \$1,718.64. E. (9) \$2,756.20.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.

B. Associated Third Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.

A. J. Edward Day, 21 Dupont Circle NW.,

Washington, D.C. 20036.

B. Electronic Industries Assn. Consumer Electronics Group, 2001 I Street NW., Washington, D.C. 20006.

John Russell Deane III, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.

B. American Metal Detectors Manufacturers, Inc., 2804 National Drive, Garland, Tex. 75401.

A. John Russell Deane III, 1607 New Hampshire Avenue NW., Washington, D.C. 20009

B. National Outdoor Coalition, 8387 Tamarind Avenue, Fontana, Calif. 92335.

A. Gaston de Bearn, Hoffmann-La Roche Inc., 1775 K Street NW., Suite 300, Washington, D.C. 20006.

B. Hoffmann-La Roche Inc., 340 Kingsland Street, Nutley, N.J. 07110.

A. Mark A. de Bernardo, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United

States, 1615 H Street NW., Washington, D.C. 20062.

A. Robert L. Debo, c/o Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Mark O. Decker, National Association Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) \$75.

A. Winston M. Decker, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.

D. (6) \$220.

A. Winston M. Decker, 1522 K Street NW.,

No. 828, Washington, D.C. 20005.

B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

D. (6) \$20

A. Brian Deery, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. George K. Degnon Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005

B. National Association of Children's Hospitals and Related Institutions, 1601 Con-cord Pike, No. 34, Independence Hall, Wilmington, Del. 19803.

George K. Degnon Associates, Inc., 1015 15th Street NW, Washington, D.C. 20005

B. Association of State and Territorial Health Officials, 1015 15th Street NW., Washington, D.C. 20005.

E. (9) \$2,000.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037. B. Recording Industry Association of America, Inc., 888 Seventh Avenue, Ninth Floor, New York, N.Y. 10106.

D. (6) \$2,806.25. E. (9) \$676.40.

A. Edward N. Delaney, 1000 16th Street

NW., Washington, D.C. 20036.

B. Comark, 4000 MacArthur Boulevard, Newport Beach, Calif. 92660. D. (6) \$50,000. E. (9) \$5,613.82.

A. John W. Delaney, the First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. John W. Delaney, First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Robert B. Delano, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$2,500.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. Consejo Estatal de Desarrollo, Carratera A Tecate No. 1, Apartado 1798, Tijuana, Baja, California.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. Governor Roberto de la Madrid, Gobernador de Baja, California, P.O. Box 286, San Ysidro, Calif. 92073.

A. Susan C. DeMarr, 1615 H Street NW., Washington, D.C. 20061.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, DC

D. (6) \$2,500.

A. Tania L. Demchuk, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018

D. (6) \$100.

A. Bradford T. Dempsey, 512 West Maple Avenue, No. 210, Vienna, Va. 22180.

George H. Denison, 4837 Del Ray Avenue, Washington, D.C. 20014.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006. D. (6) \$1,800.

A. Ray Denison, 815 16th Street NW., Washington, D.C. 20006. B. American Federation of Labor, and

Congress of Industrial Organizations, 16th Street NW., Washington, D.C. 20006.

D. (6) \$14,035.06. E. (9) \$218.06.

A. John H. Denman, c/o Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$1,114.80. E. (9) \$1,844.64.

A. Daniel B. Denning, Gulf Mineral Resources Co., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Mineral Resources Co., South Bellaire Street, Denver, Colo. 80222.

A. Wells Denyes, Eastman Chemical Products, Inc., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.

D. (6) \$90. E. (9) \$9.70

A. Department of Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$7.642.49. E. (9) \$7.642.49.

A. Derrel B. De Passe, Container Corp. of America, 1100 Connecticut Avenue NW., No. 540, Washington, D.C. 20036.

B. Container Corp. of America, 1100 Connecticut Avenue NW., No. 540, Washington, D.C. 20036.

D. (6) \$9,750. E. (9) \$5,000.

A. Samuel L. Devine, Bricker & Eckler, 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C. 20004.

B. American Small and Rural Hospital Association, Ohio Chapter, 426 West Main Street, Bellevue, Ohio 44811.

A. Samuel L. Devine, Bricker & Eckler, 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C. 20004.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007. D. (6) \$652.50

Samuel L. Devine, Bricker & Eckler, 1301 Pennsylvania Avenue NW., Suite 1150,

Washington, D.C. 20004.

B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Los Angeles, Calif. 90024.

D. (6) \$22,716.96. E. (9) \$1,137.77.

A. Samuel L. Devine, Bricker & Eckler, 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C. 20004.

B. Payco American Corp., 6230 Busch

Boulevard, Columbus, Ohio 43229.

A. Samuel L. Devine, Bricker & Eckler, 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C. 20004.

B. Pepsico, Inc., Purchase, N.Y. 10577.

D. (6) \$5,500. E. (9) \$5.92.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.

B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

D. (6) \$400.

A. Ralph B. Dewey, 1050 17th Street NW., No. 1180, Washington, D.C. 20036.

B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106. D. (6) \$1,228.25. E. (9) \$1,595.94.

A. Doris J. Dewton, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ash-

land, Ky. 41101. D. (6) \$ 2,000.

A. Kendall P. Dexter, 9 Country Club Road, Mobile, Ala. 36608. B. W. Wyatt Shorter, MacMillan Bloedel, Inc., Pine Hill, Ala. 36769.

D. (6) \$2,285. E. (9) \$1,124.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036. B. Airbus Industrie, Avenue Lucien Ser-

vanty, 31700 Blagnac, France. D. (6) \$3,812.90. E. (9) \$7,000.33.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005.

A. DGA International Inc., 1225 19th Street NW., Washington, D.C. 20036. B. Sofreavia, 75 rue la Boetie, Paris 8eme,

France.

E. (9) \$2,700.

A. Miller D. Dial, 1850 K Street NW., Suite 550, Washington, D.C. 20006. B. CF Industries, Inc./Energy Coopera-tive, Inc., Salem Lake Drive, Long Grove, Ill.

D. (6) \$500. E. (9) \$1,167.74.

A. Diamond Shamrock Corp., 717 North Harwood Street, Dallas, Tex. E. (9) \$888.36.

A. Charles J. DiBona, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$1,875.

A. John M. Dickerman, John Dickerman & Associates, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036. B. National Lumber & Building Material

Dealers Association, 1990 M Street NW., Suite No. 350, Washington, D.C. 20036. D. (6) \$6,000 E. (9) \$107.14.

A. Chester T. Dickerson, Jr., Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo.

A. Ann Sanders Dickey, 1615 H Street NW., Washington, D.C. 20062. B. Chamber of Commerce of the United States, 1615 H Street NW., Washington,

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. American Fisheries Defense Committee, 2101 L Street NW., Washington, D.C.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037. B. Custom Automotive Sound Association,

Inc., Suite 1000, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$1,000.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. Capeway Seafoods, Inc., 16 Front Street, New Bedford, Mass. 92742.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. Federated Cash Management Systems, 421 Seventh Avenue, Pittsburgh, Pa. 15219. D. (6) \$2,600.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. Marine Engineers Beneficial Associ-

ation, 444 North Capitol Street, Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. L-5 Society, 1620 North Park, Tucson, Ariz. 86719.

A. Dickstein, Shapiro & Morin, 2101 L

Street NW., Washington, D.C. 20037.
B. National Federation of Societies for Clinical Social Work, 167 Arcar Road, Babylon, N.Y. 11702. D. (6) \$500.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037. B. Rockport Yacht & Supply Co., 1114 Main Street, Rockport, Tex. 78382.

D. (6) \$225.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037. B. Shrimp Harvesters Coalition of the

Gulf Coast & South Atlantic States, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. Tennessee Gas Transmission Co., P.O. Box 2511, Houston, Tex. 77001.

A. John R. Dierker, 1150 17th Street NW., Suite 500, Washington, D.C. 20036. B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166. D. (6) \$300 E. (9) \$107.10.

A. Paula A. Dilley, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

B. Marathon Oil Co., Findlay, Ohio 45840.

A. Thomas A. Dine, 444 North Capitol Street NW., No. 412, Washington, D.C.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

D. (6) \$8,124.99.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., Suite 206, 600 Penn-sylvania Avenue SE., Washington, D.C. Lumbermens 20003

B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.

D. (6) \$1,800.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076. D. (6) \$61,857.69. E. (9) \$61,857.69.

A. J. L. Disque, 556 Morris Avenue, Summit, N.J. 07901.

B. Ciba-Geigy Corp., 556 Morris Avenue, Summit, N.J. 07901.

D. (6) \$1,930. E. (9) \$1,257.

A. Dennis C. Dix, Outdoor Power Equipment Institute, 1901 L Street NW., Washington, D.C. 20036.

B. Outdoor Power Equipment Institute, 1901 L Street NW., Washington, D.C. 20036.

A. Patsy B. Dix, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) \$1,404.50. E. (9) \$38.

A. O. L. Dixon III, Gulf Power Co., P.O. Box 1151, Pensacola, Fla. 32520.

B. Gulf Power Co., P.O. Box 1151, Pensacola, Fla. 32520.

D. (6) \$1,225. E. (9) \$1,712.05.

A. Steven P. Doehler, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.

B. Mortgage Insurance Cos. of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.

D. (6) \$2,500. E. (9) \$112.

A. H. M. Dole, 1333 New Hampshire Avenue NW., No. 1001, Washington, D.C. 20036.

B. Atlantic Richfield Co., 1333 New Hampshire Avenue NW., No. 1001, Washington, D.C. 20036.

A. Domestic Petroleum Council, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.

D. (6) \$36,000. E. (9) \$40,919.

A. Leo J. Donahue, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Richard M. Donaldson, 1700 Guildhall Building, Cleveland, Ohio 44115. B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Timothy L. Donohoe, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036

B. ENSERCH Corp., 300 South St. Paul Street, Dallas, Tex. 75201.

D. (6) \$6,435. E. (9) \$1,031.

A. Thomas J. Donohue, 1615 H Street NW., Washington, D.C. 20062.

B. Citizen's Choice, Inc., 1615 H Street

NW., Washington, D.C. 20062.

D. (6) \$5,000.10.

A. Jack C. Donovan, P.O. Box 5000, Cleveland, Ohio 44101.

Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.

A. William J. Donovan, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209. B. National Association of Federal Credit

Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209. D. (6) \$300. E. (9) \$1,212.84.

A. Francis X. Dooley, 525 School Street SW., Washington, D.C. 20024. B. American Road & Transportation

Builders Association, 525 School Street SW., Washington, D.C. 20024.

D. (6) \$5,000. E. (9) \$410.

A. Joseph W. Dorn, Kilpatrick & Cody, 2501 M Street NW., Suite 500, Washington, D.C. 20037.

Kilpatrick & Cody (for Furniture R Rental Association of America), 2501 M Street NW., Suite 500, Washington, D.C.

D. (6) \$980. E. (9) \$5.25.

James A. Dorsch, 1750 K Street NW., Washington, D.C.

B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Dean R. Dort II, Deere & Co., 910 17th Street NW., Suite 808, Washington, D.C. 20006.

B. Deere & Co., John Deere Road, Moline, TIL 61265.

D. (6) \$255.

A. Joseph K. Doss, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030

E. (9) \$1.75.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036

B. Central California Educational Television, Inc., et al.

E. (9) \$46,116.19.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C.

B. Hampton Roads Energy Co. & Security Marine Terminal Co., Central Office Building No. 202, 330 County Street, Portsmouth, Va. 23704.

A. Charles P. Downer, 7901 Westpark Drive, McLean, Va. 22102.

B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. D. (6) \$800. E. (9) \$250.

A. Jane L. Downey, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington Va. 22209.

B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington Va. 22209.

D. (6) \$144.23.

A. John P. Doyle, Jr., Bell Helicopter Textron, 1666 K Street NW., Washington, D.C. 20006.

B. Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington D.C. 20006. D. (6) \$3,221.87. E. (9) \$1,728.87.

A. Patrick L. Doyle, 444 North Capitol Street NW., Suite 820, Washington, D.C. 20001.

B. Professional Air Traffic Controllers Organization (PATCO), 444 North Capitol Street NW., Suite 820, Washington, D.C. 20001.

A. Robert H. Doyle, 1130 17th Street NW.,

No. 230, Washington, D.C. 20036. B. Water Quality Association, 477 East Butterfield Road, Lombard, Ill. 60148.

A. Nancy Drabble, 215 Pennsylvania Avenue SE., Washington, D.C. 20003. B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$4,250.01

A. James E. Drake, 1776 K Street NW.,

Washington, D.C. 20006.

B. American Medical Association, North Dearborn Street, Chicago, Ill. 60610. D. (6) \$4,043.

A. D. Jane Drennan, McDermott, Will & Emery, 1850 K Street NW., Suite 500, Washington, D.C. 2002 ington, D.C. 20006.

B. Schenley Distillers, Inc., 36 Fourth Street, Cincinnati, Ohio 45202. 36 East

A. Anthony Dresden, Hill & Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc. Avenue, New York, N.Y. 10017. Inc., 633 Third

A. Jerome L. Dreyer, 1300 North 17th Street, Suite 300, Arlington, Va. 22209.

B. Association of Data Processing Services Organizations, Inc., 1300 North 17th Street, Suite 300, Arlington, Va. 22209.

A. Kevin J. Driscoll, American Bar Association, 1800 M Street NW., Washington, D.C.

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) \$400. E. (9) \$50.

A. Edwin Jason Dryer, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Foley, Lardner, Hollabaugh & Jacobs

(for Independent Refiners Association of America), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Evelyn Dubrow, International Ladies Garment Workers Union, 1710 Broadway, New York, N.Y. 10019.

B. International Ladies Garment Workers Union, 1710 Broadway, New York, N.Y. 10019

D. (6) \$9,659. E. (9) \$3,327.14.

A. Morgan D. Dubrow, 1800 Massachu-

setts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$125.

A. Barbara S. Dudeck, 955 L'Enfant Plaza SW., Suite 905, Washington, D.C. 20024. B. American Honda Motor Co., Inc., 100

West Alondra Boulevard, Gardena, Calif. 90247.

D. (6) \$200. E. (9) \$70.15

A. Henry A. Dudley, 1737 H Street NW.,

Washington, D.C. 20006.
B. Republic of Turkey, 1606 23d Street
NW., Washington, D.C. 20008.
D. (6) \$4,166. E. (9) \$242.84.

A. Jane McPike Dudley, 1101 15th Street NW., Washington, D.C. 20005.

B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005. D. (6) \$375.

A. Michael Duffy, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$65.94.

A. Francis J. Duggan, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads,
 1920 L Street NW., Washington, D.C. 20036.
 D. (6) \$766.29.
 E. (9) \$402.39.

A. Mervin E. Dullum, 1629 K Street NW., Room No. 204, Washington, D.C. 20006. B. Delta Air Lines, Inc., Hartsfield Atlanta

International Airport, Atlanta, Ga. 30320.

D. (6) \$200. E. (9) \$86.

A. Don R. Duncan, Phillips Petroleum Co., 1825 K Street NW., No. 1107, Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. Robert B. Duncan, Schwabe, Williamson, Wyatt, Moore and Roberts, 1000 Poto-

mac Street NW., Washington, D.C. 20007.

B. Eugene Water and Electric Board,

Eugene, Oreg. D. (6) \$812.50.

A. Robert B. Duncan, Schwabe, Williamson, Wyatt, Moore & Roberts, 1000 Potomac Street NW., Washington, D.C. 20007.

B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$2,500.

A. Robert B. Duncan, Schwabe, Williamson, Wyatt, Moore & Roberts, 1000 Potomac Street NW., Washington, D.C. 2007

B. Helicopter Loggers Association, P.O.

Box 206, Wilsonville, Oreg. 97070.

D. (6) \$250.

A. Robert B. Duncan, Schwabe, Williamson, Wyatt, Moore & Roberts, 1000 Potomac Street NW., Washington, D.C. 20007.

B. Litchstreet Co., 32 Cherry Lawn Lane, Northport, Long Island, N.Y. 11768. D. (6) \$150. E. (9) \$27.36.

A. Robert B. Duncan, Schwabe, Williamson, Wyatt, Moore & Roberts, 1000 Potomac Street NW., Suite 302, Washington, D.C. 20007

B. Mountain States Energy, Inc., P.O. Box 3767. Butte. Mont. 59702.

D. (6) \$9,875.

A. Robert B. Duncan, Schwabe, Williamson, Wyatt, Moore & Roberts, 1000 Potomac Street NW., Washington, D.C. 20007

B. Otis Elevator Co., Transportation Technology Division, 11380 Smith Road, Denver, Colo. 80207.

D. (6) \$4,000.

A. Robert B. Duncan, Schwabe, Williamson, Wyatt, Moore & Roberts, The Flour Mill, Suite 302, 1000 Potomac Street NW., Washington, D.C. 20007.

B. METRO-Metropolitan Service District, Tri-County Metropolitan Transportation District, State of Oregon, City of Portland. D. (6) \$11,312.50. E. (9) \$37.61.

A. Robert B. Duncan, Schwabe, William-Street NW., Washington, D.C. 20007.

B. Western Forestry Industries Association, 1500 S. W. Taylor, Portland, Oreg.

D. (6) \$250.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.

B. Dayton-Montgomery County Park District, 1375 E. Silbenthaler Avenue, Dayton, Ohio 45414.

- A. Duncan, Weinberg & Miller, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
 - B. Delaware "5".
- A. Duncan, Weinberg & Miller, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
- B. East Bay Regional Park District, 11500 Skyline Boulevard, Oakland, Calif. 94169.
- A. Duncan, Weinberg & Miller, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
- B. Iva May Harvey, Route 7, Box 117, Blythe, Calif. 92225.
- A. Duncan, Weinberg & Miller, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
- B. Huron-Clinton Metropolitan Authority, 3050 Penobscot, Detroit, Mich. 48226.
- A. Duncan, Weinberg & Miller, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
- B. Adolph Kizas, 5715 Timothy Place, Alexandria, Va. 22303.
- A. Duncan, Weinberg & Miller, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
- B. Koniag, Inc., P.O. Box 746, Koniag, Alaska
- A. Duncan, Weinberg & Miller, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
- B. Mid-West Electric Consumer Association, P.O. Box 5089, Evergreen, Colo.
- A. Duncan, Weinberg & Miller, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
- B. Western Fuels Association, Inc., 1225 19th Street NW., Suite 700, Washington, D.C. 20036.
- A. Douglas, G. Dunn, InterNorth, 1015 15th Street NW., Suite 900, Washington,
- B. InterNorth, 1015 15th Street NW., Suite 900, Washington, D.C. 20005. D. (6) \$1,500.
- A. Mari Lee Dunn, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
- D. (6) \$750.
- A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C.
- B. Ford Motor Co., Dearborn, Mich. 48121. D. (6) \$1,820. E. (9) \$835.52.
- A. Joseph L. Duran, First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
- B. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
- A. Michael V. Durando, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
- B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$3,750. E. (9) \$158.

A. Raymond Durazo, Air-Conditioning and Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

B. Air-Contioning and Refrigeration Insti-tute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

- D. (6) \$2,500. E. (9) \$750.
- A. L. L. Duxbury, Burlington Northern Inc., 413 New Jersey Avenue SE., Washington, D.C. 20003.
 - Burlington Northern Inc., 176 East
- Fifth Street, St. Paul, Minn. 55101. D. (6) \$2,600. E. (9) \$963,25.
- A. Denis J. Dwyer, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
- B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va., 22314.
- D. (6) \$285.
- A. Jean F. Dye, National Congress of Parents & Teachers, 12700 Lake Avenue, Lakewood, Ohio 44107.
- B. National Congress of Parents & Teach-700 North Rush Street, Chicago, Ill. 60611

- A. Dennis J. Earhart, 1753 Euclid Street NW., Washington, D.C. 20009. B. Bonneville Associates, Inc., 200 East South Temple, Suite No. 300, Salt Lake City, Utah 84111 (for Western Regional Council, Box 81244, Salt Lake City, Utah 84108.)
- D. (6) \$366.60
- A. Jack D. Early, The Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.
- B. National Agricultural Chemicals Association, 1155 15th Street NW., Suite 514, Washington, D.C. 20005
 - D. (6) \$18.75. E. (9) \$3.
- A. Roy W. Easley, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
- B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
- A. East-West Trade Council, 3213 O Street NW., Washington, D.C. 20007. D. (6) \$500.
- A. Patricia S. Ebaugh, St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 612, Washington, D.C. 20036.
- B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017. D. (6) \$1,531.
- A. Donald R. Ebe, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.
- B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.
- A. Robert E. Ebel, Enserch Corp., 1025 Connecticut Avenue NW., Suite 1014, Wash-
- ington, D.C. 20036. B. Enserch Corp., 300 Street, Dallas, Tex. 75201. D. (6) \$1,450. E. (9) \$795. 300 South St. Paul
- A. Harold F. Eberle, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
- B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
 - D. (6) \$14,423.10.

D. (6) \$1.200.

A. N. Boyd Ecker, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

- B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
- D. (6) \$1,500. E. (9) \$48.75.
- A. Bob Eckhardt, 122 3d Street SE., Washington, D.C. 20003.
- B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
 - D. (6) \$962.50.
- A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
- B. American Seat Belt Council, P.O. Box Drawer F, Jamesburg, N.J. 08831. D. (6) \$4,500. E. (9) \$22.
- A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
- B. Toyota Motor Sales, U.S.A., Inc., 2055 West 190th Street, Torrance, Calif. 90504. D. (6) \$9,000. E. (9) \$245.11.
- A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. DGA International, 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, 31700 Blasnau, Toulouse, France.) D. (6) \$6,120.
- A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20036.
- B. DGA International, 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 Rue LaBoetie, 76008, Paris, France.) D. (6) \$2,700.
- A. Peter B. Edelman, Foley, Lardner, Hol-
- labaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washing-ton, D.C. 20006 (for Independent Refiners Association of America, 1775 Pennsylvania Avenue NW., Washington, D.C.)
- A. Helen H. Edge, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
- B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
- D. (6) \$355.78.
- A. Arthur B. Edgeworth, Jr., United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
- B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. D. (6) \$3,750.
- A. Edison Electric Institute, 1111 19th Street NW., 9th Floor, Washington, D.C. 20036.
- D. (6) \$63,329.44. E. (9) \$72,890.79.
- A. Stephen L. Edmiston, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024. can
- B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076. D. (6) \$8,092.80. E. (9) \$1,116.80.
- A. EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003. E. (9) \$1.591.94.
- A. Edwards Associates, Inc., 507 Second Street NE., Washington, D.C. 20002.
- B. Portland General Electric Co., Southwest Salmon Street, Portland, Oreg. 97204
- A. Edwards Associates, Inc., 507 Second Street NE., Washington, D.C. 20002.

B. Confederated Tribes of Warm Springs, Warm Springs, Oreg. 97761.

A. Edwards Associates, Inc., 507 Second Street NE., Washington, D.C. 20002.

B. Blue Ribbon Sports, Inc., 3900 Southwest Murray Boulevard, Beaverton, Oreg. 97005.

A. Christine A. Edwards, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite

802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

J. Rodney Edwards, 260 Madison

Avenue, New York, NY 10016.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Macon T. Edwards, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005. B. National Cotton Council of America,

P.O. Box 12285, Memphis, Tenn. 38112. D. (6) \$1,800. E. (9) \$50.49.

A. William A. Edwards, 250 Old Country

Road, Mineola, N.Y. 11501.

B. Long Island Lighting Co., 250 Old Country Road, Mineola, N.Y. 11501.

D. (6) \$1,660. E. (9) \$1,143.27

A. Paul S. Egan, National Legislative Commission, 1608 K Street NW., Washington, D.C.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind. D. (6) \$5,298. E. (9) \$69.42.

Eggers & Greene, PC, 1407 Main Street, Suite 335, Dallas, Tex. 75202.
B. The LTV Corp., P.O. Box 225003,

Dallas, Tex. 75265.
D. (6) \$3,000. E. (9) \$1,852.73

A. Eggers & Greene, PC, 1407 Main Street, Suite 335, Dallas, Tex. 75202. B. Whitney National Bank of New Or-leans, 228 St. Charles Avenue, New Orleans,

A. Charles E. Ehrhart, 2000 L Street NW.,

No. 801, Washington, D.C. 20036.

B. Ralston Purina Government Affairs, Inc., 2000 L Street NW., Suite 801, Washington, D.C. 20036.

D. (6) \$500. E. (9) \$165.

A. Mary Ann Eichenberger, American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$2,800.

A. Jonathan P. Ela, Sierra Club, 142 West Gorham Street, Madison, Wis. 53703.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108. D. (6) \$552.15 E. (9) \$2,128.81.

A. H. J. Elam III, 1201 Maple Street, Greensboro, N.C. 27405. B. Cone Mills Corp. 1201 Maple Street, Greensboro, N.C. 27405.

A. Jane E. Elder, Sierra Club, 142 West Gorham Street, Madison, Wis. 53703. B. Sierra Club, 530 Bush Street, San Fran-

cisco, Calif. 94108. D. (6) \$1,166.25.

A. George K. Eliades, Society of American Wood Preservers, Inc., 1401 Wilson Boule-

vard, Suite 205, Arlington, Va. 22209.

B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

D (6) \$75 E (9) \$177.

A. J. Burton Eller, Jr., National Cattle-men's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203. D. (6) \$1,000. E. (9) \$63.50.

A. Charles W. Elliott, Wisconsin Petro-leum Council, 25 West Main Street, Room 703, Madison, Wis. 53703. B. American Petroleum Institute, 2101 L

Street NW., Washington, D.C. 20037.

D. (6) \$583.38. E. (9) \$290.01.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784. D. (6) \$120. E. (9) \$312.81.

A. John Ellis, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Keith H. Ellis, Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036. B. Conference of State Bank Supervisors,

1015 18th Street NW., Washington, D.C. 20036.

D. (6) \$1,125. E. (9) \$701.98.

A. Perry R. Ellsworth, National Council of Agricultural Employers, 435 Southern Building, 1425 H Street NW., Washington, D.C. 20005.

B. National Council of Agricultural Employers, 435 Southern Building, 1425 H Street NW., Washington, D.C. 20005. D. (6) \$1,200. E. (9) \$12.95.

A. Joseph T. Elvove, 54 Surfwatch Drive, Kiawah Island, S.C. 29455.

B. Publicker Industries, Inc., 777 West Putnam Avenue, Greenwich, Conn. 06830. D. (6) \$20,600. E. (9) \$10,632.80.

A. Ely, Guess & Rudd, 1090 Vermont Avenue NW., No. 630, Washington, D.C.

A. Carl F. Emde, Air Products & Chemicals, Inc., 1800 K Street, NW., Suite 1016, Washington, D.C. 20006.

B. Air Products & Chemicals, Inc., P.O.

Box 538, Allentown, Pa. 18105.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Suite 801, Washington, D.C. 20036.

D. (6) \$36,579.08. E. (9) \$41,682.19.

A. Emerson Electric Co., 8000 West Florissant, St. Louis, Mo. 63136. E. (9) \$3,692.80.

A. Employee Relocation Council, 1627 K Street NW., Suite 600, Washington, D.C.

E. (9) \$8,055.72.

A. Lowell J. Endahl, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$180.

Energy Action Educational Foundation, 2000 P Street NW., Suite 310, Washington, D.C. 20036.

D. (6) \$300. E. (9) \$132.03.

A. Energy Consumers & Producers Association, P.O. Box 1726, Seminole, Okla. 74868. D. (6) \$42,740. E. (9) \$8,355.54.

A. Energy Cooperative, Inc., 6300 River Road, Rosemont, Ill. 60018.

E (9) \$2,000

A. Gertrude Engel, National Health Federation, 2450 Virginia Avenue NW., Washington, D.C. 20037.

B. National Health Federation, P.O. Box 686, Monrovia, Calif. 91016.

D. (6) \$3,000.

A. Ralph Engel, 1001 Connecticut Avenue NW., Washington, D.C. 20036. B. Chemical Specialties Manufacturers

Association. 1001 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$216. E. (9) \$47.15.

A. Lewis A. Engman, 1155 15th Street NW., Washington, D.C. 20005. B. Pharmaceutical Manufacturers Associ-

ation, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) \$2,500.

A. Patricia Hanahan Engman, Bristol-Meyers Co., 1155 15th Street NW., Washington, D.C. 20005.

B. Bristol-Meyers Co., 345 Park Avenue, New York, N.Y. 10154.

D. (6) \$2,000. E. (9) \$1,200.

A. Christopher Engquist, 1957 E Street NW., Washington, D.C. 20006. B. The Associated General Contractors of

America, 1957 E Street NW., Washington,

A. M. Dale Ensign, Sinclair Oil Corp., 1100 17th Street NW., Suite 406, Washington, D.C. 20036.

B. Sinclair Oil Corp., P.O. Box 1677, Englewood, Colo. 80150. D. (6) \$500. E. (9) \$148.36.

A. Enterprise Consultants, Inc., Suite 100, 499 South Capitol Street SW., Washington, D.C. 20003.

B. Christian Voice, 418 C Street NE., Washington, D.C. 20002; Sclavo, Inc., 5 Mansard Court, Wayne, N.J. 07470; Dravo Utility Constructors, Inc., Two Pennsylvania Plaza, New York, N.Y. 10121. D. (6) \$15,250. E. (9) \$54.15.

A. Vickie L. Erickson, 1750 K Street NW.,

Washington, D.C. 20006.

B. Food Marketing Institute, 1
Street NW., Washington, D.C. 20006. 1750 K

D. (6) \$450.

A. Sara Ehrman, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001. B. American Israel Public Affairs Commit-

tee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

D. (6) \$8,749.98.

John M. Erskine, Jr., 1108 Lavaca, Suite 400, Austin, Tex. 78701.

B. Standard Oil Co. (Indiana), P.O. Box 3092, Houston, Tex. 77001.
D. (6) \$471.24. E. (9) \$796.20.

A. John T. Estes, Allied Corp., 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.

B. Allied Corp., P.O. Box 3000-R, Morristown, N.J. 07960.

D. (6) \$300. E. (9) \$35.

A. Ethyl Corp., 1155 Fifteenth Street NW., Suite 611, Washington, D.C. 20005. E. (9) \$3,800.

A. Joseph O. Evans, 4401 Lee Highway, Apt. 21, Arlington, Va. 22207.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

- B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
- D. (6) \$400. E. (9) \$50.

A. William J. Evans, Suite 901, 1660 L Street NW., Washington, D.C. 20036.

B. Pan American World Airways, Inc., Suite 901, 1660 L Street NW., Washington, D.C. 20036

D. (6) \$110. E. (9) \$105.18.

A. Fawn K. Evenson, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.

B. American Footwear Industries Association, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.

D. (6) \$8,500. E. (9) \$871.08.

A. Michael E. Faden, Union of Concerned Scientists, Inc., 1725 I Street NW., Suite 601, Washington, D.C. 20006.

B. Union of Concerned Scientists, Inc., 1384 Massachusetts Avenue, Cambridge, Mass. 02238.

D. (6) \$4,950.

A. Thomas L. Fagan, General Electric Co., 777 14th Street NW., Washington, D.C. B. General Electric Co., 3135 Easton Turn-

pike, Fairfield, Conn.

D. (6) \$250.

- A. Robert R. Fahs, Cargill, Inc., 1050 17th Street NW., Suite 1202, Washington, D.C. 20036.
- B. Cargill, Inc., P.O. Box 9300, Minneapolis, Minn 55440.

D. (6) \$2,500. E. (9) \$16.40.

A. Michael I. Fanning, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Thomas Boyd Farley II, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$6,350. E. (9) \$89.05.

A. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) \$108,315.50. E. (9) \$62,512.03.

A. Robert S. Faron, LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., Washington, D.C.

B. LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., Washington, D.C.; 140 Broadway, New York, N.Y.

D. (6) \$21.

A. John W. Farquhar, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1 Street NW., Washington, D.C. 20006. 1750 K D. (6) \$300.

A. Dagmar T. Farr, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006. D. (6) \$450.

A. Dolores L. Farr, American Nurses' Association, 1030 15th Street, NW., Washington, D.C. 20005.

B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.

D. (6) \$3,271. E. (9) \$202.92.

A. Michael Farrar, American Paper Inst., Inc., 1619 Massachusetts Ave. NW., Wash-ington, D.C. 20036.

- B. American Paper Inst., Inc., 260 Madison Ave., New York, N.Y. 10016.
- A. Penelope S. Farthing, American Insurance Association, 1025 Connecticut Avenue, NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue, NW., Suite 415, Washington, D.C. 20036.

D. (6) \$200.

A. Clinton Fawcett, The Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.

B. The Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.

A. Jane Fawcett-Hoover, Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

D. (6) \$22.92.

A. Kevin J. Fay, Air-Conditioning & Refrigeration Inst., 1815 North Fort Myer Drive, Arlington, Va. 22209.

B. Air-Conditioning & Refrigeration Inst., 1815 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) \$2,300. E. (9) \$750.

A. Federal Express Corp., P.O. Box 727, Memphis, Tenn. 38194.

E. (9) \$35,709.65.

Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004

D. (6) \$1,667.72. E. (9) \$1,667.72.

A. Federation of American Hospitals, 1111 19th Street NW., No. 402, Washington, D.C. 20036.

D. (6) \$9,000. E. (9) \$9,000.

A. Kenneth E. Feltman, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Fensterwald & Associates, Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.

B. National Nucritional Foods Association, 2170 El Camino Real, Suite 104, Oceanside, Calif. 92054

D. (6) \$9,824.99. E. (9) \$719.10.

A. Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.

B. Committee for Humane Legislation,

Inc., 1 Pine Street, Neptune, N.J. 07753. D. (6) \$2,500. E. (9) \$125.

A. Edward T. Fergus, Bache Halsey Stuart Shields Inc., 100 Gold Street, New York, N.Y. 10038.

B. Bache Halsey Stuart Shields Inc., 100 Gold Street, New York, N.Y. 10038.

D. (6) \$700.

A. Betsy Ferguson, Times Mirror Co., 1875 I Street NW., Suite 1110, Washington, D.C.

B. Times Mirror Co., Times Mirror Square, Los Angeles, Calif. 90053. D. (6) \$7,000.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002

B. Alascom, Inc., 949 East 36th Avenue, Anchorage, Alaska 99502. D. (6) \$1,050. E. (9) \$675.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C.

B. Alaska International Industries, 3201 C Street, Anchorage, Alaska 99503.

D. (6) \$5,000. E. (9) \$750.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002

B. Foss Launch & Tug & Foss Alaska Line, 660 West Ewing Street, Seattle, Wash. 98119

E. (9) \$625.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. Northwest Alaskan Pipeline Co., P.O. Box 1526, Salt Lake City, Utah.

D. (6) \$3,900. E. (9) \$750.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. Pacific Northern Oil, Suite 1800/1100 Olive Way, Seattle, Wash. 98101. D. (6) \$200.00.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C.

B. U.S. Borax & Chemical Corp., 3075 Wilshire Boulevard, Los Angeles, Calif. 90010. D. (6) \$3,300. E. (9) \$750.

A. James H. Ferguson, American Society for Personnel Administration, 1140 Con-necticut Avenue, Suite 609, Washington, D.C. 20036.

B. American, Society for Personnel Administration, 30 Park Drive, Berea, Ohio 44017

D. (6) \$7,500. E. (9) \$4,483.

A. John T. Ferguson, II, Georgia-Pacific Corp., 1875 I Street NW., Washington, D.C. 20006.

B. Georgia-Pacific Corp., 900 SW. Fifth Avenue, Portland, Oreg. 97204.

A. John L. Festa, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Blaine Fielding, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. C. H. Fields, American Farm Bureau Federation, 425 13th Street NW., Washington. D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$5,153, E. (9) \$158.

A. Gary W. Fields, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036

D. (6) \$150. E. (9) \$35.45.

A. Edith U. Fierst, Suite 501, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Association of American Foreign Service Women, 6372 31st Place NW., Washington, D.C. 20015.

D. (6) \$1,000. E. (9) \$125.

A. Herbert A. Fierst, 610 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. Council of Forest Industries of British Columbia, 1500-1055 West Hastings Street, Vancouver, British Columbia, Canada V6E 2H1.

D. (6) \$12,000. E. (9) \$575.

A. Matthew P. Fink, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006 D. (6) \$255. E. (9) \$12.50.

A. Finley, Kumble, Wagner, Heine, Underberg & Casey, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Friends of Animals, 11 West 60th

Street, New York, N.Y. 10023.

D. (6) \$1.815.

A. Finley, Kumble, Wagner, Heine, Underberg & Casey, 1120 Connecticut Avenue NW., Washington, D.C. 20036. B. Population Crisis Committee, 1120 19th

Street NW., Washington, D.C. 20036.

D. (6) \$1,160.

A. Thomas D. Finnigan, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

E. (9) \$77.25.

A. Jill Finsen, 923 15th Street NW., Washington, D.C. 20005.

B. Transportation Institute, 923 15th Street NW., Washington, D.C. 20005. D. (6) \$3,000. E. (9) \$359.80.

A. M. J. Fiocco, 1090 Vermont Avenue NW., Suite 410, Washington, D.C. 20005. B. The National Industrial Traffic League,

1090 Vermont Avenue NW., Suite 410, Washington, D.C. 20005.

D. (6) \$3,000. E. (9) \$33.45.

A. Laurie A. Fiori, National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049. D. (6) \$354.23. E. (9) \$336.47.

A. First Congressional District Action Committee, 6 Maxfield Court, Barrington, R.I. 02806.

D. (6) \$500. E. (9) \$536.17.

A. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110. E. (9) \$5,586.07.

A. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. First Pro Life Congressional District Action Committee, 10 North 77th Avenue, Pensacola, Fla. 32506.

A. Richard L. Fischer, 1000 16th Street

NW., Suite 500, Washington, D.C. 20036. B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.

D. (6) \$630.

A. Fisher, Gelband, Sinick & Lamberton, P.C., Suite 440, 2020 K Street NW., Wash-ington, D.C. 20006.

B. The League of New York Theatres & Producers, Inc., 226 West 47th Street, New York, N.Y. 10036.

D. (6) \$1,750. E. (9) \$48.

A. Mary Clare Fitzgerald, Chase Manhattan Bank, N.A., 900 17th Street NW., Washington, D.C. 20006.

B. The Chase Manhattan Bank, N.A. Chase Manhattan Plaza, New York, N.Y. 10081.

D. (6) \$225. E. (9) \$23.01.

A. Victor E. Fitzmaurice, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017. D. (6) \$2,000. E. (9) \$160.55.

A. Hilliard J. Fjord, 602 Main Street, Suite 600, Cincinnati, Ohio 45202. B. The Ohio River Co., 580 Walnut Street,

Suite 1400, Cincinnati, Ohio 45202. D. (6) \$1,515. E. (9) \$761.88.

A. Susan Garber Flack, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006. D. (6) \$2,000. E. (9) \$59.

A. James J. Flanagan, 25 Research Drive, Westborough, Mass. 01581.

B. New England Power Service Co., 25 Research Drive, Westborough, Mass. 01581. D. (6) \$516.90. E. (9) \$162.45.

A. M. Kendall Fleeharty, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United

States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$2,000.

A. Aaron I. Fleischman, 1725 N Street NW., Washington, D.C. 20036.

B. Cablecom-General, Inc., P.O. Box 3366,

Englewood, Colo. 80155.

A. Robert P. Fogarty, National Association of Manufacturers, 3499 Ridgewood Drive, Columbus, Ohio 43220.

B. National Association of Manufacturers, 1776 F Street NW., Washington, 20006.

D. (6) \$1,000.

A. Howard W. Fogt, Jr., Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C.

B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Care Cabs, Inc., 5538 West National Avenue, West Allis, Wis. 53214.

A. Foley, Lardner, Hollabaugh & Jacobs, Suite 1000, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. First Wisconsin National Bank of Milwaukee, 777 East Wisconsin Avenue, Mil-waukee, Wis. 53202.

D. (6) \$9,805. E. (9) \$94.02.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington. D.C. 20006.

B. Independent Refiners Assn. of America, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) \$46,773. (9) \$5,173.19.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Insurance Association of Connecticut, Washington Street, Hartford, Conn. 06160.

D. (6) \$3,000. E. (9) \$13.31.

A. Foley, Lardner, Hollabaugh & Jacobs, Suite 1000, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.

D. (6) \$18.280. E. (9) \$818.10.

A. Raymond J. Foley, 1430 K Street NW., Suite 1000, Washington, D.C. 20005.

B. National Candy Wholesalers Association, Inc., 1430 K Street NW., Suite 1000, Washington, D.C. 20005.

D. (6) \$150.

A. R. D. Folsom, National Council on Synthetic Fuels Production, 1747 Pennsylvania Avenue NW., Suite 825, Washington, D.C.

B. National Council on Synthetic Fuels Production, 1747 Pennsylvania Avenue NW.,

Suite 825, Washington, D.C. 20006.

A. Food and Beverage Trades Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$11,782.83. E. (9) \$11,782.83.

A. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006. E. (9) \$5,435.

A. Gordon Forbes, 303 Hanover Building, 480 Cedar Street, St. Paul, Minn. 55101.

B. Minnesota Railroads Association.

D. (6) \$600. E. (9) \$990.37.

A. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.

A. Forest Industries Committee on Timber Valuation and Taxation, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Edward H. Forgotson, 1627 K Street NW., 10th floor, Washington, D.C. 20006. B. Texas Oil & Gas Corp., Fidelity Union Tower, Dallas, Tex. 75201.

A. Ira N. Forman, 444 North Capitol Street NW., No. 412, Washington, D.C.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

D. (6) \$8,749.98

A. Ebert E. Fournace, 3706 Eaton Road NW., Canton, Ohio 44708.

B. American Electric Power Service Corp 180 East Broad Street, Columbus, Ohio 43215.

A. Albert A. Fox, 1150 Connecticut Avenue NW., Washington, D.C. 20036. B. Allied Corp., P.O. Box 3000-R, Morris-

town, N.J. 07960.

D. (6) \$200. E. (9) \$55.

A. Joseph L. Fraites, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, Eighth Floor, New York, N.Y.

B. Coffee, Sugar & Cocoa Exchange, Inc., World Trade Center, Eighth Floor, New York, N.Y. 10048.

A. William H. G. France, National Motorsports Committee of ACCUS, 1701 K Street NW., No. 1204, Washington, D.C. 20006.

National Motorsports Committee of ACCUS, 1701 K St. NW. No. 1204, Washington, D.C. 20006.

A. Douglas L. Francisco, 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) \$26.80.

A. Harley Frankel, 5104 North 14th Street, Arlington, Va. 22205.

B. National Head Start Association, 1635 South Main Street, South Bend, Ind. 46601. D. (6) \$2,633.85. E. (9) \$469.77.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.

B. Silver Users Association, 1717 K Street NW., Washington, D.C. 20006.

D. (6) \$1,300. E. (9) \$114.01.

George Franklin, Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.

B. Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.

D. (6) \$3,000. E. (9) \$75.

A. Thomas C. Franks, National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611. D. (6) \$1,500. E. (9) \$470.88.

A. Charles L. Frazier, National Farmers Organization, 475 L'Enfant Plaza SW., No. 2250, Washington, D.C. 20024.

B. National Farmers Organization, Coi-

ning, Iowa 50843.

D. (6) \$3,500. E. (9) \$2,260.14.

A. Robert M. Frederick, National Grange, 1616 H Street NW., Washington, D.C. 20006.

B. National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) \$4,375.

A. Gary N. Freeman, Suite 1940, Tower Place, 3340 Peachtree Road NE., Atlanta, Ga. 30026.

B. CTI-Container Transport International, Trans America ICS, Trans Ocean Leasing Corp., in care of Edward A. Wooley, the Chrylser Building, 405, Lexington Avenue, New York, N.Y. 10174. D. (6) 270. E. (9). \$38.15.

A. James O. Freeman, U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. D. (6) \$3,355. E. (9) \$47.

A. Linda J. Freeman, National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Cable Television Association,

1724 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$337.50.

A. Pamela B. Freer, International Ladies Garment Workers Union, 1710 Broadway, New York, N.Y. 10019.

B. International Ladies Garment Workers Union, 1710 Broadway, New York, N.Y. 10019.

D. (6) \$5,343. E. (9) \$148.65.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C.

B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001. D. (6) \$550. E. (9) \$15.

A. George L. Frick, in care of Delaware Oil Men's Association, 20 East Division Street, Dover, Del. 19901.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Susan Fridy, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) \$1,925. E. (9) \$110.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.

B. Automotive Dismantlers & Recyclers of America, 1000 Vermont Avenue, Washing-ton, D.C. 20006.

D. (6) \$375. E. (9) \$0.15.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.

B. Cheyenne River Sioux Tribe, Box 100, Eagle Butte, S. Dak.

E. (9) \$12.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.

B. Czechoslavak Claimants.

E. (9) \$41.90.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.

B. The Makah Tribe of Indians, P.O. Box 115, Neah Bay, Wash. 98357.

D. (6) \$55. E. (9) \$11.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.

B. Davy McKee, 6200 Oak Tree Boulevard,

Cleveland, Ohio 44131.

D. (6) \$8,325.25.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.

B. Metlakatla Indian Community, P.O.

Box 8, Metlakatla, Alaska 99962.

D. (6) \$164. E. (9) \$9.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.

B. National Association of Pension Funds, Sunley House, Bedford Park, Croydon, Eng-

E. (9) \$1,397.95.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Nez Perce Tribe, Lapwai, Idaho. E. (9) \$10.60.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Pueblo of Laguna, Laguna, N. Mex. D. (6) \$3,284. E. (9) \$12.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.

B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) \$628.60.

A. Fried, Frank, Harris, Shriver & Kam-pelman, 600 New Hampshire Avenue NW., No. 1000, Washington, D.C. 20037.

B. Sea Colony, Inc., c/o Carl Freeman Associates, Inc., Cabin John Center, 11325 Seven Locks Road, Potomac, Md. 20854.

E. (9) \$106.38.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Seneca Nation of Indians, Box 231, Salamanca, N.Y. 14779.

D. (6) \$1,676. E. (9) \$11.50.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005. B. National Tire Dealers and Retreaders

Association, Inc., 1343 L Street NW., Washington, D.C. 20005.

D. (6) \$2,000. E. (9) \$20.

A. Barry A. Friedman, Wilner & Scheiner, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022

A. Charlotte Friedman, American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

B. American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

E. (9) \$59

A. James M. Friedman, 650 Terminal Tower, Cleveland, Ohio 44113.

B. Cleveland Electric Illuminating Co., 55 Public Square, Cleveland, Ohio 44113.

A. Friedman & Mann, P.C., 810 18th Street NW., Suite 202, Washington, D.C. 20006.

B. Coushatta Tribe of Louisiana, in care of Ernest Sickey, Elton, La. 70532.

A. Gay H. Friedmann, 1150 Connecticut Avenue NW., Suite 717, Washington, D.C. 20036.

B. Southern California Gas Co., 720 West Eighth Street, M.L. 1208, Los Angeles, Calif.

D. (6) \$6,375, E. (9) \$149.

A. Owen V. Frisby, Chase Manhattan Bank, N.A., 900 17th Street NW., Washington, D.C. 20006.

B. The Chase Manhattan Bank, N.A., Chase Manhattan Plaza, New York, N.Y. 10081.

D. (6) \$750. E. (9) \$115.09.

A. Gustave Fritschie, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C.

B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

D. (6) \$6,000. E. (9) \$40.

A. Charles H. Fritts, 2009 North 14th Street, Suite 600, Arlington, Va. 22201.

B. New Bedford Seafood Council, Inc., 17 Hamilton Street, New Bedford, Mass. 02740. D. (6) \$6,600. E. (9) \$451.74.

A. Charles H. Fritzel, National Association of Independent Insurers, 499 South Capitol Street SW., No. 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) \$390. E. (9) \$210.

A. Jeffrey A. Fritzlen, Tenneco Inc., 490 L'Enfant Plaza East SW., Suite 2202, Washington, D.C. 20024.

B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

D. (6) \$1,000.

A. Robert F. Froehlke, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006

D. (6) \$50.

A. Gordon H. Fry, 1120 19th Street NW., Suite 410, Washington, D.C. 20036.

B. Cigar Association of America, Inc., 1120 19th Street NW., Suite 410, Washington, D.C. 20036.

D. (6) \$28.

A. Fulbright & Jaworski, 1150 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

B. Underwood Neuhaus, 724 Travis, Houston, Tex. 77002.

D. (6) \$16,412.50. E. (9) \$2,748.39.

A. Fulbright & Jaworski, 1150 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

B. U.S. Leasing International, Inc., 633 Battery Street, San Francisco, Calif. 94111. D. (6) \$18,528.50. E. (9) \$261.16.

A. Richard G. Fuller, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031

B. National Audio-Visual Association, 3150

Spring Street, Fairfax, Va. 22031.

D. (6) \$1,235.50.

A. Ronald K. Fuller, San Diego Gas & Electric Co., 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. San Diego Gas & Electric Co., 101 Ash Street, San Diego, Calif. 92101. D. (6) \$1,675. E. (9) \$1,234.

A. Fulton Energy Corp., 2727 East 21st Street, Tulsa, Okla. 74114.

A. Claudia R. Fuquay, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036. B. National Food Processors Association,

1133 20th Street NW., Washington, D.C.

D. (6) \$500. E. (9) \$73.82.

A. Nancy H. Fussell, 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) \$225. E. (9) \$177.76.

A. David H. Fyock, P.O. Box 376, Germantown, Md. 20874.

B. GPU Service Corp., 100 Interpace Parkway, Parsippany, N.J. 07054. D. (6) \$5,500. E. (9) \$1,661.07.

A. G-4 Children's Coalition, in care of Lester Nurick, 1666 K Street NW., Washington, D.C. 20006.

A. Marc P. Gabor, Amalgamated Clothing & Textile Workers Union, 815 16th Street NW., No. 310, Washington, D.C. 20006.

B. Amalgamated Clothing & Textile Workers Union, 15 Union Square, New York, N.Y. 10003.

D. (6) \$2,187.50. E. (9) \$257.25.

A. Terry Gabrielson, Transcontinental Gas Pipe Line Corp., 490 L'Enfant Plaza SW., No. 3202, Washington, D.C. 20024.

B. Transcontinental Gas Pipe Line Corp.,

2700 South Post Oak Road, Houston, Tex. 77001.

D. (6) \$450.

A. James E. Gaffigan, American Hotel & Motel Association, 1101 Connecticut Avenue NW., Suite 1006, Washington, D.C. 20036.

B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019. D. (6) \$913.84.

A. Larry S. Gage, 2550 M Street NW., Suite 300, Washington, D.C. 20037.

B. National Association of Public Hospitals, 2550 M Street NW., Suite 300, Washington, D.C. 20037.

D. (6) \$20,000. E. (9) \$28,422.76.

A. Norman S. Gaines, RJR Industries, Inc., 2550 M Street NW., Suite 770, Wash-ington, D.C. 20037.

B. RJR Industries, Inc., P.O. Box 2959,

Winston-Salem, N.C. 27102.

D. (6) \$619. E. (9) \$599.46.

A. Michael R. Gale, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

D. (6) \$8,125,02.

A. Ann E. Gallagher, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700. Arlington, Va. 22209.

D. (6) \$150.

A. Mark J. Gallagher, 1707 L Street NW., No. 400, Washington, D.C. 20036. B. National Committee for a Human Life

Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.

D. (6) \$5,130. E. (9) \$2,295.

A. Carlos Galvis, CMP Group, Inc., 5201 Leesburg Pike, No. 906, Falls Church, Va. 22041

B. Tenant Owned Apartment Association, Inc., The Real Estate Board of New York, Inc., 12 East 41st Street, New York, N.Y.

D. (6) \$4,000.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70002.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152. D. (6) \$1,875.

A. Gardner, Carton & Douglas, 1875 I Street NW., No. 1050, Washington, D.C.

B. Peoples Gas Co., 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Gardner, Carton & Douglas, 1875 I St., NW., Suite 1050, Washington, D.C. 20006. B. Sealed Power Corporation, 2001 San-

ford St., Muskegon, MI 49443.

A. Gardner, Carton & Douglas, 1875 I Street NW., Suite 1050, Washington, D.C.

B. Zeigler Coal Co., 1700 North Moore Street, Arlington, Va. 22209.

Sherwin Gardner, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007. B. Grocery Manufacturers of America,

Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. William L. Gardner, Foley, Hoag & Eliot, 1920 N Street NW., Washington, D.C. 20036.

B. Braswell Shipyards, Inc., P.O. Box 317, Mount Pleasant, S.C. 29464.

A. James J. Garry, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, Eighth Floor, New York, N.Y. 10048.

B. Coffee, Sugar & Cocoa Exchange, Inc., World Trade Center, Eighth Floor, New York N.Y. 10048.

A. E. June Garvin, Ohio Petroleum Council, 88 East Broad Street, Columbus, Ohio

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$700. E. (9) \$1,072.25.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637. D. (6) \$400. E. (9) \$50.

A. Philip Gasteyer, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C.

B. United States League of Savings Associ-

D. (6) \$2,225.

A. John A. Gauthier, 923 15th Street NW., Washington, D.C. 20005.

B. Transportation Institute, 923 15th Street NW., Washington, D.C. 20005.

D. (6) \$3,000. E. (9) \$8.10.

A. Dwight M. Geduldig, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill 60611. D. (6) \$3,611.55. E. (9) \$208.81.

A. John R. Geiger, Goulds Pumps, Inc., 1660 L Street NW., Suite 506, Washington, D.C. 20036.

B. Goulds Pumps, Inc., 240 Falls Street, Seneca Falls, N.Y. 13148. D. (6) \$1,000. E. (9) \$11.50.

A. Robert C. Gelardi, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.

B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342, for: Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga 30342.

D. (6) \$540.

A. Morton A. Geller, First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C.

E. (9) \$3,825.

A. General Instrument Corp., 1775 Broadway, New York, N.Y. 10019. D. (6) \$2,850. E. (9) \$686.

A. John Gentille, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Georgia Association of Petroleum Retailers, Inc., 315 West Ponce de Leon Avenue, 933 First National Bank Building, P.O. Box 789, Decatur, Ga. 30031.

B. Georgia Association of Petroleum Retailers, Inc., Service Station Dealers of America, Inc., 2021 K Street NW., Washing-ton, D.C. 20006.

E. (9) \$2,500.

A. Joseph G. Gerard, Southern Furniture Manufacturers Association, 918 16th Street NW., No. 402, Washington, D.C. 20006.

B. Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C. 27261

D. (6) \$1,500. E. (9) \$1,943.10.

A. Louis Gerber, 1925 K Street NW., Washington, D.C. 20006.

B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006. D. (6) \$6,456.52. E. (9) \$45.50.

A. Dorothy F. Gevinson, Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Robert N. Giaimo, 499 South Capitol Street SW.. Suite 110, Washington, D.C.

B. Insurance Association of Connecticut, 60 Washington Street, Suite 1304, Hartford, Conn. 06106.

D. (6) \$8.750.

A. William T. Gibb III, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) \$500.

A. Wayne Gibbens, Mid-Continent Oil & Gas Association, 1919 Pennsylvania Avenue NW., Suite 503, Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association,

Thompson Building, Tulsa, Okla.

74103.

D. (6) \$5,250. E. (9) \$71.30.

A. Anne Marie Gibbons, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington D.C. 20037.

D. (6) \$500.

A. Clifford S. Gibbons, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

D. (6) \$48.

A. John A. C. Gibson, Coal Building, Washington, D.C. 20036. B. National Coal Association, Coal Build-

ing, Washington, D.C.
D. (6) \$11,500. E. (9) \$673.12.

A. Theresa M. Gibson, American Express Co., 1700 K Street NW., Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004

A. Thomas F. Gibson, 1750 Old Meadow Road, McLean, Va. 22102.

B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

A. Arthur P. Gildea, 274 Glenfield Court, Cincinnati, Ohio 45238.

B. Brewery and Soft Drink Workers Nattional Conference, International Brother-hood of Teamsters, Chauffeurs, Warehouse-men and Helpers of America, 1400 Renaissance Drive, Park Ridge, Ill. 60068.

A. Michael Gildea, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006. D. (6) \$12,096.50.

A. John Giles, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C.

A. Neal P. Gillen, American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.

B. American Cotton Shippers Association, 1707 L Street NW., Washington, D.C. 20036. D. (6) \$35,000. E. (9) \$1,413.04.

A. Marla F. Gilson, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001. D. (6) \$625.

A. Ginsburg, Feldman, Weil, & Bress, 1700 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

B. Coal Oil Producers Association, 1700 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

D. (6) \$500. E. (9) \$76.60.

A. Gerard Giovaniello, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 777 14th Street, NW., Washington, D.C. 20005.

D. (6) \$2,500. E. (9) \$529.53.

A. Michael K. Gire, Bricker & Eckler, 1301 Pennsylvania Avenue NW., Suite 1150, Washington, D.C. 20515.

B. American Small and Rural Hospital Association, 426 West Main Street, Bellevue, Ohio 44811.

E. (9) \$1,230.58.

A. Brenda M. Girton, 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684. D. (6) \$60. E. (9) \$45.20.

A. Jonah Gitlitz, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Advertising Federation, 1225 Connecticut Avenue NW., Washington, D.C.

A. Michael J. Giuffrida, 1019 19th Street NW., Suite 800, Washington, D.C. 20036.

B. National Frozen Food Association, Inc. 604 West Derry Road, P.O. Box 398, Hershey, Pa. 17033. D. (6) \$2,600.15.

A. Vernie Glasson, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$6,000. E. (9) \$72.

A. Sol Glasner, Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.

B. Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.

A. George L. Gleason, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C. D. (6) \$3,973.75. E. (9) \$102.13.

A. John P. Gleason, Jr., 1750 Old Meadow Road, McLean, VA 22102.

B. Brick Institute of America, 1750 Old Meadow Road, McLean, VA 22102.

A. Robert Gleason, International Longshoremen's Association, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

B. International Longshoremen's Association, AFL-CIO, 17 Battery Place, New York, N.Y. 10004.

D. (6) \$5,785.86.

A. The Glenmede Trust Co., 229 South 18th Street, Philadelphia, Pa. 19103.

A. Elmer G. Gleske, FlightSafety International, 1629 K Street NW., Suite 400, Washington, D.C. 20006.

B. FlightSafety International, Marine Air Terminal, LaGuardia Airport, New York, N.Y. 11371.

D. (6) \$1,800. E. (9) \$100.

A. Godfrey Association, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.

E. (9) \$114.25.

A. Horace D. Godfrey, 918 16th Street NW., S-501, Washington, D.C. 20006.

B. Godfrey Association, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006. E. (9) \$114.25.

J. F. Godfrey, P.O. Box 186, Fort Worth, Tex. 76101.

B. The Western Company of North America, P.O. Box 186, Fort Worth, Tex. 76101.

D. (6) \$18.

A. Harvey S. Gold, Velsicol Chemical Corp., 1015 15th Street NW., Washington, D.C. 20005.

B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

D. (6) \$2,400. E. (9) \$92.60.

A. William M. Goldstein, Morgan, Lewis & Bockius, 123 South Broad Street, Philadelphia, Pa. 19109.

B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800N, Washington, D.C.

A. Jack Golodner, 815 16th Street NW.,

Washington, D.C. 20006.

B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$3,160.

A. Ruth Gonze, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

D. (6) \$500.

A. Don A. Goodall, 1575 I Street NW., Suite 220, Washington, D.C. 20005.

B. American Cyanamid Co., Wayne, N.J.

D. (6) \$404. E. (9) \$147.02.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Eurpoean Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for So-freavia, 75 rue la Boetie, Paris, 8eme, France).

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15047. Minneapolis, Minn. 55415.

B. Crop Quality Council, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.

D. (6) \$9,269.40.

Robert F. Goodwin, Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.

B. Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006. D. (6) \$40. E. (9) \$50.70.

A. Benjamin Gordon, 2000 P Street NW., No. 708, Washington, D.C. 20036.

B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.

D. (6) \$4.50.

A. Douglas Gordon, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

- B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
 - D. (6) \$375. E. (9) \$62.40.

A. Brenda J. Gore, 2030 M Street NW., No. 800 Washington, D.C. 20036.

B. TRW, Inc., 2030 M Street NW., No. 800 Washington, D.C. 20036.

D. (6) \$1,000.

- A. James D. Gormley, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
- B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

D. (6) \$2700.

- A. Peter J. Gossens, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
- B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) \$9,900. E. (9) \$107.07.

- A. Thomas E. Grace, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
- B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, IL 60671.

A. John R. Graff, Suite 330, 1025 Vermont Avenue NW., Washington, D.C. 20005.

- B. International Association of Amuse-ment Parks and Attractions, 7222 West Cermak Road, Suite 303, North Riverside, III. 60546.
 - D. (6) \$156. E. (9) \$152.
- A. Lawrence T. Graham, American Hotel & Motel Association, 1101 Connecticut Avenue NW., Suite 1006, Washington, D.C. 20036
- B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019 D. (6) \$913.84.
- A. Luis Granados, Law Offices of Sheldon London, 1725 DeSales Street, Washington, D.C. 20036
- B. The ESOP Association of America, 47 Kearny Street, San Francisco, Calif. 94108. D. (6) \$1,875. E. (9) \$2,965.33.

A. Wm. W. Grant, Utah International Inc., 1150 Connecticut Avenue NW., No. 710, Washington, D.C. 20036.

B. Utah International Inc., 550 California Street, San Francisco, Calif. 94104.

E. (9) \$638.06.

- A. James L. Granum, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
- B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

D. (6) \$1,000.

- A. Michael R. Graul, Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
- B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, 111, 60067.

D. (6) \$1,000.

- A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22102.
- B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va.
 - D. (6) \$649.98. E. (9) \$25.
- A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

- B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.
- A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C.
- 20005. B. Hill & Knowlton, B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017. (For: Health Insurance Association of America, Washington. D.C.)
- A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
- B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017. (For: Navajo Nation, Window Rock, Ariz.)
- A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
- B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017. (For: RKO General, Washington, D.C.)
- A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
- B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017. (For: Seattle First National Bank, Seattle, Wash.)
- A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C.
- B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017. (For: Uni-royal, Washington, D.C.)
- A. Samuel A. Grayson, Union Pacific Railroad Co., P.O. Box 1745, Boise, Idaho 83701. B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr. 68179.
- A. The Great Western Sugar Co., P.O. Box 8308 T.A., Denver, Colo. 80217. E. (9) \$11,396.15.
- A. Greater Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.
- Donald R. Greeley, Celanese Corp., 1101 17th Street NW., Suite 307, Washington, D.C. 20036.
- B. Celanese Corp., 1211 Avenue of the Americas, New York, N.Y. 10036. D. (6) \$750. E. (9) \$135.60.
- A. George R. Green, 1750 K Street NW.,
- Washington, D.C. 20006. B. Food Marketing Institute, 1' Street NW., Washington, D.C. 20006. 1750 K

D. (6) \$450.

- A. James W. Green, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
- B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$2,156.40. E. (9) \$253.55.
- A. Robert Greenstein, Project on Food Assistance & Poverty, 236 Massachusetts Avenue NE., Washington, D.C. 20002.
 B. Center for Community Change, 1000
- Wisconsin Avenue NW., Washington, D.C. 20007.

D. (6) \$4,025. E. (9) \$150.

- A. P. Michael Greenwald, American Hospital Association, 444 North Capitol Street
- NW., Suite 500, Washington, D.C. 20001. B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611. D. (6) \$971.96.
- A. Saunders Gregg, Entex, Inc., P.O. Box 2628, Houston, Tex. 77001. B. Entex, Inc., P.O. Box 2628, Houston,

D. (6) \$2,027. E. (9) \$4,290.60.

A. Chellis O. Gregory, Jr., 151 North Carolina Avenue SE., Washington, D.C. 20003.

B. Zuckert, Scoutt & Rasenberger, 888 17th Street NW., Washington, D.C. 20006 (for Republic Airlines).

D. (6) \$10,027.80.

- A. William G. Greif, Bristol-Myers Co., 1155 15th Street NW., Washington, D.C.
- B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10154.

D. (6) \$25,000.

- A. Edward F. Greissing, Jr., Upjohn Co., 1660 L Street NW., No. 205, Washington, D.C. 20036.
- B. Upjohn Co., 7000 Portage Road, Kalamazoo, Mich. 49001.
- A. Lori Gribbin, 1899 L Street NW., No. 807, Washington, D.C. 20036.
- B. Rohm and Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
 - D. (6) \$500. E. (9) \$340.66.
- A. George L. Griffin III, National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.
- B. National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005. D. (6) \$1,500. E. (9) \$33.46.
- A. Harold H. Griffin, 1050 17th Street NW., No. 320, Washington, D.C. 20036.
- B. Family Health Program, 9930 Talbert Avenue, Fountain Valley, Calif. 92708.
 - D. (6) \$2,750. E. (9) \$317.06.
- A. Joan M. Griffin, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
- B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
 - D. (6) \$4,700. E. (9) \$36.60.
- A. Edward D. Griffith, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
- B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071. D. (6) \$1,500.
- A. Mark N. Griffiths, NAM, 1776 F Street NW., Washington, D.C. 20006. B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
- A. A. Jack Grimes, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
- B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

E. (9) \$4.40.

- A. Robert J. Grimm, 9 West 57th Street, New York, N.Y. 10019. B. Avon Products, 9 West 57th Street, New York, N.Y. 10019.
- A. Olga Grkavac, 1300 North 17th Street, Suite 300, Arlington, Va. 22209.
- B. Association of Data Processing Service Organizations, Inc., 1300 North 17th Street, No. 300, Arlington, Va. 22209.
- A. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007. E. (9) \$65.23.
- A. Groom and Nordberg, 1775 Pennsylva-nia Avenue NW., Suite 450, Washington, D.C. 20006.

- B. Ad Hoc Group on Life Insurance Company, Taxation of Pension Funds, c/o Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006
- B. Aetna Life & Casualty, 151 Farmington Road, Hartford, Conn. 06115.
- A. Groom and Nordberg, 1775 Pennsylva-nia Avenue NW., Suite 450, Washington,
- D.C. 20006.

 B. American President Lines, 1950 Franklin Street, Oakland, Calif. 94612.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Bally Manufacturing Corp., 2640 West
- Belmont Avenue, Chicago, Ill. 60618.
- D. (6) \$200. E. (9) \$8.
- A. Groom and Nordberg, 1775 Pennsylva-nia Avenue NW., Suite 450, Washington, D.C. 20006
- B. Connecticut General Insurance Co., Hartford, Conn. 06115.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
- B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
- B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
 - D. (6) \$100. E. (9) \$8.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
- B. John Hancock Mutual Life Insurance Co., P.O. Box 111, Boston, Mass. 02117.
- A. Groom and Nordberg, 1775 Pennsylva-nia Avenue NW., Suite 450, Washington, D.C. 20006.
- B. Eli Lilly and Co., 307 East McCarty Street, Indianapolis, Ind. 46206.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006
- B. Matson Navigation, 333 Market Street, San Francisco, Calif. 94105.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006
- B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
- B. Phillips Petroleum, 656 Information Center, Bartlesville, Okla. 74004.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
- B. Phoenix Mutual Life Insurance Co. One American Row, Hartford, Conn. 06115.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
- B. The Prudential Insurance Company of America, Prudential Plaza, Newark, N.J. 07101.
 - D. (6) \$150. E. (9) \$8.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

- B. The Travelers, One Tower Square, Hartford, Conn. 06115.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington,
- B. Western Conference of Teamsters Pension Trust Fund, P.O. 7880, San Francisco, Calif. 94102.
- A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
- B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pitts-burgh, Pa. 15222.
- D. (6) \$100. E. (9) \$8.
- A. David B. Gross, Shell Oil Co., Suite 200, 1025 Connecticut Avenue, Washington, D.C. 20036
- B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001. D (6) \$1,000
- A. Nina G. Gross, American Bankers Asso ciation, 1120 Connecticut Avenue, Washington, D.C. 20036.
- B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036
 - D. (6) \$720. E. (9) \$39.40.
- A. Frank N. Grossman, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.
- D. (6) \$1,500.
- A. Jerome Grossman, Council for a Livable World, 11 Beacon Street, Boston, Mass.
- B. Council for a Livable World, 11 Beacon Street, Boston, Mass. 02108.
 - D. (6) \$6,300.
- A. John R. Groundwater, Jr., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
- B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030
 - E. (9) \$9.70.
- A. Gail Pardue Grubb, 1101 15th Street NW., Suite 205, Washington, D.C. 20005.
- B. Home Health Services and Staffing Association, 1101 15th Street NW., Suite 205, Washington, D.C. 20005.
 - D. (6) \$1.500.
- A. John T. Grupenhoff, 10000 Falls Road, No. 306, Potomac, Md. 20854.
- B. National Association for Hospital Development, 1700 K Street NW., No. 605, Washington, D.C. 20006.
- A. John T. Grupenhoff, 10000 Falls Road, No. 306, Potomac, Md. 20854.
- B. American Gastroenterological Association., c/o Charles Slack, Inc., Thorofare, N.J. 08086.
- A. John T. Grupenhoff, 10000 Falls Road, No. 306, Potomac, Md. 20854.
- B. American Academy of Dermatology, 820 Davis Street, Evanston, Ill. 60201.
- A. Richard F. Guay, 1101 15th Street NW., Washington, D.C. 20005.
- B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005. D. (6) \$925.
- A. Kenneth A. Guenther, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 202, Washington, D.C. 20036.
- Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.

- D. (6) \$15,000. E. (9) \$44.10.
- A. Jerome R. Gulan, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
- B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006. D. (6) \$4.500.
- A. Jerome R. Gulan, Small Business Legislative Council, 1604 K Street NW., Washington. D.C. 20006.
- B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006. D. (6) \$2.500.
- A. Gun Owners of America, Inc., 101 S. Whiting Street, Alexandria, Va. 22304.
 - D. (6) \$47,586.40. E. (9) \$72,224.25.
- A. Thomas M. Gunn, P.O. Box 516, St. Louis, Mo. 63166.
- B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
- A. David Gusky, N.F.F.E., 1016 16th Street NW., Washington, D.C. 20036. B. National Federation of Federal Em-
- ployees, 1016 16th Street NW., Washington, D.C. 20036.
 - D. (6) \$8,543.58.
- A. Susan L. Gustafson, American Automobile Association, 8111 Gatehouse Road. Falls Church, Va. 22047.
- B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
- A. Robert F. Guthrie, 815 16th Street NW., Washington, D.C. 20006.
- B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
 - D. (6) \$3,906.49.
- A. C. James Hacket, American Plywood Association, P.O. Box 11700, Tacoma, Wash.
- B. American Plywood Assciation, P.O. Box 11700, Tacoma, Wash. 98411.
- A. James M. Hacking, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
- B. National Retired Teachers Association/ American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049. D. (6) \$503.08. E. (9) \$330.65.
- A. Craig Hackler, 115 D Street SE., Suite 8, Washington, D.C. 20003.
- B. Beneficial Management Corp., South Street, Morristown, N.J. 07960.
 - D. (6) \$2,500.
- A. Craig Hackler, 115 D Street SE., Suite 8, Washington, D.C. 20003.
- B. Cadillac Fairview, c/o The Corporation Trust Co., 100 West 10th Street, Wilmington, Del. 19801.
 - D. (6) \$9,375.
- A. Craig Hackler, 115 D Street SE., Suite 8, Washington, D.C. 20003. B. California Westside Farmers, 955 L'En-
- fant Plaza North SW., Room 1101, Washington, D.C. 20024.
- A. Craig Hackler, 115 D Street SE., Suite 8, Washington, D.C. 20003.
 B. National Living Centers, 777 South Post Oak Road, Suite 600, Houston, Tex.
- A. Craig Hackler, 115 D Street SE., Suite 8, Washington, D.C. 20003.

B. Stichting Philips Pensionenfonds A and B, Tramstraat 62, Eindhoven, The Netherlands

D. (6) \$375.

- A. Loyd Hackler, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
- B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006. D. (6) \$2,000. E. (9) \$101.

- A. Ronald D. Hagen, National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
- B. National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049. D. (6) \$302.08. E. (9) \$187.68.
- A. Bruce N. Hahn, 9300 Livingston Road, Washington, D.C. 20022.
- B. National Tooling & Machining Association, 9300 Livingston Road, Washington, D.C. 20022
- A. James S. Hahn, 777 14th Street NW., Washington, D.C. 20005.
- B. National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005. D. (6) \$2,500. E. (9) \$389.06.
- A. Donald M. Haines, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005
- B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) \$10,286.50. E. (9) \$42.15.

- . Thomas F. Hairston, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
- B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017. E. (9) \$680.58.
- A. Haley, Bader & Potts, 1730 M Street NW., Washington, D.C. 20036.
- Pilots Rights Association, P.O. Box 7000-367, Redondo Beach, Calif. 90277.

D. (6) \$1,565.50. E. (9) \$1,596.32.

- A. Cheryl A. Haley, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
- B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611. D. (6) \$1,739.51. E. (9) \$154.14.
- A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
- B. Agri-Business, Inc., Board of Trade Building, 1700 Iron Street, Salina, Kans. 67401.
- A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, P.C., 1750 K Street NW., Suite 350, Washington, D.C. 20036.

B. The Williams Companies, P.O. Box 2400, Tulsa, Okla. 74101.

D. (6) \$25.

- A. John F. Hall, National Forest Products Association, 1619 Massachusetts Ave. NW., Washington, D.C. 20036.
- B. National Forest Products Association, 1610 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$600.

- A. Richard F. Hall, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

 B. Union Oil Co. of California, 461 South
- Boylston Street, Los Angeles, Calif. 90017.

D. (6) \$2,000, E. (9) \$1,249.48.

- A. Maurice E. Halsey, Northern Illinois Gas Co., 1627 K Street NW., Suite No. 202, Washington, D.C. 20006.
- B. Northern Illinois Gas Co., P.O. Box 190, Aurora, Ill. 60507.

D. (6) \$2,500.

- A. Jerald V. Halvorsen, Allied-General Nuclear Services, 1150 Connecticut Ave. NW., Washington, D.C. 20036.
- B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.

D. (6) \$5,000.

- A. Hamel, Park, McCabe & Saunders, 1776 F Street, NW., Washington, D.C. 20006. B. Belize Sugar Industries, Ltd., Belize
- City, Belize (Central America).
- A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
- B. Beneficial Foundation, 1300 Market Street, Wilmington, Del.
- A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
- B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.

D. (6) \$6,000. E. (9) \$20.

- A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006. B. National Wool Growers Association,
- 600 Crandall Building, Salt Lake City, Utah 84101

D. (6) \$316.25 E. (9) \$0.52.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006. B. State of Alaska.

- A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
- B. Sugar Association of the Caribbean, Port of Spain, Trinidad. E. (9) \$46.98.
- A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
- B. United Student Aid Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.
- A. Bruce Hamilton, Sierra Club, Box 1078, Lander, Wy. 82520.
- B. Sierra Club, 530 Bush St., San Francis-co, Calif. 94108.

D. (6) \$1,100. E. (9) \$474.24.

- A. James L. Hamilton, III, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
- B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230 D. (6) \$726.25 E. (9) \$162.65.
- A. Philip W. Hamilton, 1901 L Street NW., Suite 711, Washington, D.C. 20036.
- B. Hamilton & Associates Inc., Street NW., Suite 711, Washington, D.C. 20036 (for National Labor-Management Foundation, Louisville, Ky.).

E. (9) \$3.30.

- A. Stanley Hamilton, Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.
- B. Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.

D. (6) \$500. E. (9) \$50.

A. Susan W. Hamlin, 1957 E Street NW., Washington, D.C. 20006.

- B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006
- A. Sara Hamric, 260 Madison Avenue, New York, N.Y. 10016.
- B. American Paper Institute, Inc., Madison Avenue, New York, N.Y. 10016.
- A. Nolan W. Hancock, Oil, Chemical and Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.
- B. Oil, Chemical and Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

D. (6) \$4,250.

- A. George J. Hanks, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., No. 1250, Washington, D.C. 20006.
- B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
- A. Elisabeth Hanlin, Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.
- B. Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036
- A. The Hannaford Co., Inc., 1225 19th Street NW., Washington, D.C. 20036.
- B. Americans for the Voter Initiative, 3115 N Street NW., Washington, D.C. 20007.
- A. The Hannaford Co., Inc., 1225 19th Street NW., Washington, D.C. 20036.
- B. Asociacion de Amigos del Pais, 6a. Av. 'A," 10-38, Zona 9, Guatemala City, Guatemala

E. (9) \$778.09

- A. The Hannaford Co., Inc., 1225 19th Street NW., Washington, D.C. 20036.

 B. China External Trade Development
- Council, 10th Fl., 201 Tunhna North Road, Taipei, Taiwan, R.O.C.

D. (6) \$3,000. E. (9) \$260.48.

- A. The Hannaford Company, Inc., 1225 19th Street NW., Washington, D.C. 20036. B. National Venture Capital Association, 1225 19th Street NW., Washington, D.C. 20036
 - D. (6) \$12,600. E. (9) \$3,453.81.
- A. Hansell, Post, Brandon & Dorsey, 1747 Pennsylvania Avenue NW., Suite 920, Washington, D.C. 20006.
- B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Washington, D.C. 20001.
 - D. (6) \$3,120. E. (9) \$21.35.
- A. J. E. Hansen, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.
- B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Box U, Mount Prospect, Ill. 60056.

D. (6) \$350.

- A. Jill A. Hanson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
- B. Ethyl Corp. 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
- A. Rayburn Hanzlik, Suite 400, 1333 New Hampshire Avenue NW., Washington, D.C. 20036
- B. Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046

D. (6) \$1,861.50 (9) \$190.71

- A. Peter J. Hapworth, 1511 K Street NW.,
- Washington, D.C. 20005.

 B. The Sugar Association, Inc., 1511 K
 Street N.W., Washington, D.C. 20005.

D. (6) \$500. E. (9) \$204.91.

A. Harbison Ford, Inc., Route 1, Morrisville, Pa. 19067.

E. (9) \$160.

A. Ralph R. Harding, 305 Hearthstone Drive, Boise, Idaho 83702.

B. AMPCO Foods, Inc., Box 592, Blackfoot. Idaho 83221

E. (9) \$5,083.39.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.

B. National Tooling & Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Charles N. Harkey, Beneficial Management Corp. of America, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.

B. Beneficial Management Corp., of America, 1300 Market Street, Wilmington, Del.

- A. Dan R. Harlow, Diamond Shamrock Corp., 1737 H Street NW., Washington, D.C. 20006
- B. Diamond Shamrock Corp., 717 North Harwood Street, Dallas, Tex.

D. (6) \$1,500.

- A. Donald L. Harlow, 310 Riley Street, Falls Church, Va. 22046.
- B. Air Force Sergeants Association, 5211 Auth Road, Camp Springs, Md. 20023.
- A. C. Wayne Harmon, Gulf Oil Corp., 1025 Connecticut Avenue N.W., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

D. (6) \$250. E. (9) \$112.

A. Robert L. Harness, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.

B. Monsanto Co., 800 N. Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) \$450. E. (9) \$129.75.

A. Michael T. Harrigan, United States Olympic Committee, 2033 M Street NW., No. 702, Washington, D.C. 20036.

B. United States Olympic Committee, 1750 East Boulder, Colorado Springs, Colo.

A. Toni Harrington, American Honda Motor Co., Inc., 955 L'Enfant Plaza SW., Suite 905, Washington, D.C. 20024.

B. American Honda Motor Co., Inc., 100 West Alondra Boulevard, Gardena, Calif. 90247.

D. (6) \$200. E. (9) \$132.82.

A. Harris, Berg & Creskoff, 2033 M Street NW., Washington, D.C. 20036.

B. Association of Food Distributors, Inc., 115 Broadway, New York, N.Y. 10006.

D. (6) \$2.510. E. (9) \$35.

A. Harris, Berg & Creskoff, 2033 M Street NW., Washington, D.C. 20036.

B. P. L. Thomas & Co., Inc., P.O. Box 449, 75 Claremont Road, Bernardsville, N.J.

D. (6) \$1,100. E. (9) \$110.

A. Hubert L. Harris, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

D. (6) \$2,500. E. (9) \$56.39.

A. Robert H. Harris, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

A. Jim Harrison, Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.

B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.

D. (6) \$6,250. E. (9) \$40.92.

A. William H. Harsha, 1102 Delf Drive,

McLean, Va. 22101.

B. William H. Harsha & Associates, Inc., 499 South Capitol Street SW., Suite 102, Washington, D.C. 20003 (for American Trucking Association, 1616 P Street NW., Washington, D.C. 20036).

D. (6) \$7,500. E. (9) \$272.56.

A. William H. Harsha, 1102 Delf Drive, McLean, Va. 22101.

B. William H. Harsha & Associates, Inc., 499 South Capitol Street SW., Washington, D.C. 20003 (for Commuter Airline Association of America, 1101 Connecticut Avenue NW., Washington, D.C. 20036). D. (6) \$2,000.

A. William H. Harsha, 1102 Delf Drive,

McLean, Va. 22101.

B. William H. Harsha & Associates, Inc., 499 South Capitol Street SW., Washington, D.C. 20003 (for Grumman Flxible, 1660 L Street NW., Suite 504, Washington, D.C. 20036).

D. (6) \$1,500.

A. William H. Harsha, 1102 Delf Drive, McLean, Va. 22101.

B. William H. Harsha & Associates, Inc., 499 South Capitol Street SW., Suite 102, Washington, D.C. 20003 (for Slurry Transport Association, 490 L'Enfant Plaza East, SW., Suite 3102, Washington, D.C. 20024). D. (6) \$8,000.

A. William H. Harsha, 1102 Delf Drive,

McLean, Va. 22101.

B. William H. Harsha & Associates, Inc., 499 South Capitol Street SW., Washington, D.C. 20003 (for Zantop International Airlines, Detroit Willow Run Airport, Ypsilanti, Mich. 48197).

D. (6) \$5,000.

A. Richard Hart, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$400. E. (9) \$80.

A. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115. (E). (9) \$7,100.

A. Charles D. Hartman, Texaco, Inc., 1050 17th Street NW., Suite 500, Washington, D.C. 20036.

B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

D. (6) \$592.30.

A. Robert S. Hartmann, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Norman B. Hartnett, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024. B. Disabled American Veterans, 3725 Alex-

andria Pike, Cold Spring, Ky. 41076. D. (6) \$17,102.40. E. (9) \$2,165.43.

A. Clifford J. Harvison, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

Walter A. Hasty, Jr., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

D. (6) \$873.75.

A. Barbara J. Haugh, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

E. (9) \$1,191.76.

A. Rodney E. Haugh, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.

B. Potato Chip/Snack Food Association, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.

D. (6) \$600.

A. Mary W. Haught, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.

B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.

D. (6) \$700. E. (9) \$1.

A. Charles W. Havens III, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Sidney G. Hawkes, The Mead Corp., 1000 Connecticut Avenue NW., Suite 715, Washington, D.C. 20036.

B. The Mead Corp., Mead World Headquarters, Courthouse Plaza Northeast, Dayton, Ohio 45463.

D. (6) \$3,600. E. (9) \$270.66.

A. David G. Hawkins, Natural Resources Defense Council, 1725 I Street NW., Washington, D.C. 20006.

B. Natural Resources Defense Council. 1725 I Street NW., Washington, D.C. 20006. D. (6) \$1,354.25. E. (9) \$22.05.

A. John H. Hawkins, Jr., Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.

B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.

D. (6) \$11,376. E. (9) \$1,656.32.

A. Paul M. Hawkins, 1750 K Street NW., Washington, D.C.

B. Health Insurance Association of America, 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, NY.; 332 South Michigan Avenue, Chicago, Ill.

A. Bruce Hawley, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$4,937. E. (9) \$73.

A. Wesley F. Hayden, 5224 Cherokee Avenue, Alexandria, Va. 22312.

B. International Association of Fish and Wildlife Agencies, 1412 16th Street NW., Washington, D.C. 20036.

D. (6) \$6,250.02. E. (9) \$78.40.

A. Patrick B. Healy, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) \$543.75.

A. Robert L. Healy, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., Flower Street, Los Angeles, Calif. 90071.

D. (6) \$250.

- A. Health Insurance Association of America, Inc., 1750 K Street NW., Washington,
- A. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036. D. (6) \$20.28. E. (9) \$20.28.
- A. William H. Hecht, 1875 I Street NW., Washington, D.C. 20006.
- B. The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006. D. (6) \$350. E. (9) \$32.

- Jay Hedlund, 2030 M Street NW.,
- Washington, D.C. 20036.
 B. Common Cause, 2030 M Street NW.,
 Washington, D.C. 20036.
 D. (6) \$6,499.98. E. (9) \$92.38.

- A. Edward D. Heffernan-Shannon, Heffernan, Moseman & Goren, P.C., No. 1025, 1875 Eye Street NW., Washington, D.C.
 - B. Ductile Iron Pipe Research Association.
- John Heffner, 1957 E Street NW., Washington, D.C. 20006.
- B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
- A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
- B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
 D. (6) \$11,990.40. E. (9) \$969.97.

- A. Helicopter Association International, 1110 Vermont Avenue NW., Suite 430, Washington, D.C. 20005. E. (9) \$34,886.74.
- A. Lewis M. Helm, 1700 K Street NE., No.
- B. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005. (For: The Government of the Republic of Zaire).

D. (6) \$2,500. E. (9) \$30.

- A. Thomas R. Hendershot, Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
- B. Partnership Placements, Inc., 11812 San Vicente Boulevard, Los Angeles, Calif. 90049

D. (6) \$3,172.50.

- A. Thomas R. Hendershot, Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
- B. Petroleum Heat and Power Co., 3000 Peltz Street, Philadelphia, Pa. 19146. D. (6) \$537.50.

- A. Thomas R. Hendershot, Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
- B. Philadelphia Gas Works, 1518 Walnut Street, Philadelphia, Pa. 19102.

D. (6) \$1.347.50.

- A. Thomas R. Hendershot, Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
- Philadelphia Stock Exchange, 1900 Market Street, Philadelphia, Pa. 19103.
- A. Thomas R. Hendershot, Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.

B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.

D. (6) \$812.50

A. Carol C. Henderson, American Library Association, 110 Maryland Avenue NE., Box

54, Washington, D.C. 20002 B. American Library Association, 50 E. Huron Street, Chicago, Ill. 60611.

D. (6) \$627.

- A. John B. Henderson, Textron, Inc., 1666 K Street NW., Suite 300, Washington, D.C. 20006.
- B. Textron Inc., 40 Westminster Street, Providence, R.I. 02903.

D. (6) \$1,990. E. (9) \$295.

A. Richard Dean Henderson, Private Truck Council Of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.

B. Private Truck Council Of America, Inc.,

1101 17th Street NW., Washington, D.C. 20036.

E. (9) \$30.

- A. Henkel & Lamon, P.C., 229 Peachtree Street, NE., No. 2500, Atlanta, Ga. 30043. B. Colonial Life & Accident Insurance Co.,
- P.O. Box 1365, Columbia, S.C. 29201.
- A. Henkel & Lamon, P.C., 229 Peachtree Street, NE, No. 2500, Atlanta, Ga. 30043.
- B. National Association of Pension Consultants and Administrators, Inc., No. 300, 3 Piedmont Center, Atlanta, Ga. 30305.
- A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.
- B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) \$1,500.

- A. Bert E. Henningson, National Farmers Organization, 475 L'Enfant Plaza SW., No. 2250, Washington, D.C. 20024.
- B. National Farmers Organization, Corning, Iowa 50841, and 475 L'Enfant Plaza

SW., No. 2250, Washington, D.C. 20024. D. (6) \$2,570. E. (9) \$99.12.

- A. George F. Hennrikus, Jr., The Retired Officers Association, 201 N. Washington Street, Alexandria, Va 22314.
 B. The Retired Officers Association, 201
- Washington Street, Alexandria, Va. 22314

D. (6) \$4,313.

- A. D. A. Henriksen, 1333 New Hampshire Avenue NW., Suite 1001, Washington, D.C. 20036.
- B. Atlantic Richfield, 1333 New Hamp-shire Avenue NW., Suite 1001, Washington,
- A. LeAnn Hensche, RJR Industries, Inc., 2550 M Street NW., No. 770, Washington, D.C. 20037.
- B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
 D. (6) \$263.74. E. (9) \$85.18.

- A. Lawrence R. Herman, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
- B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

D. (6) \$6,923.10.

- A. Lyla M. Hernandez, American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Suite 214, Potomac, Md. 20854.
- B. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Suite 214, Potomac, Md.

E (9) \$194 33

- A. Heublein, Inc., Munson Road, Farmington, Conn. 06032. E. (9) \$14.415.56.
- A. Ted A. Heydinger, 1615 H Street NW., Washington, D.C. 20062.
- B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
 - D. (6) \$2,375. E. (9) \$395.18.
- A. Andrew I. Hickey, Jr., Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
- B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016
 - D. (6) \$15,750. E. (9) \$1,652.52.
- A. Bert Ingalls Hickman, Jr., 1625 Massa-chusetts Avenue NW., No. 505, Washington, D.C. 20036.
- B. The Keefe Co. (for American Family Life Assurance Co.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
 - D. (6) \$1,250.
- A. Bert Ingalls Hickman, Jr., 1625 Massa-chusetts Avenue NW., No. 505, Washington, D.C. 20036.
- B. The Keefe Co. (for Continental Materials), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
- A. Bert Ingalls Hickman Jr., 1625 Massa-chusetts Avenue, NW., No. 505, Washington, D.C. 20036.
- B. The Keefe Co. (for the Cordage Institute), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036. D. (6) \$1,250

- A. Bert Ingalls Hickman, Jr., 1625 Massa-chusetts Avenue NW., No. 505, Washington, D.C. 20036.
- B. The Keefe Co. (for Alvin Nederlander Association, Inc.), 1625 Massachusetts Avenue, NW., No. 505, Washington, D.C.
- A. Bert Ingalls Hickman, Jr., 1625 Massa-chusetts Avenue NW., No. 505, Washington, D.C. 20036.
- B. The Keefe Co. (for U.S. Overseas Tax Fairness Committee, Inc.), 1625 Massachu-setts Avenue NW., No. 505, Washington, D.C. 20036.
- A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
- B. The Keefe Co. (for Young Drug Products Corp.), 1625 Massachusetts Avenue, NW., No. 505, Washington, D.C. 20036.
- A. Paul T. Hicks, Rhode Island Petroleum Association, 154 Francis Street, Providence, R.I. 02903.
- B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
- A. J. Thomas Higginbotham, Mellon Bank N.A. Pittsburgh, Pa. 15230.
- B. Mellon Bank N.A. and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230. D. (6) \$2,000. E. (9) \$1,458.66.
- A. Kevin M. Higgins, 9 West 57th Street,
- New York, N.Y. 10019.
 B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
- A. Allan D. Hill, Phillips Petroleum Co., 1825 K Street NW., No. 1107, Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville,

. Hill, Christopher & Phillips, P.C., 1900 M Street NW., Washington, D.C. 20036.

B. Campaign for Community-Based Economic Development, 1200 New Hampshire Avenue NW., Suite 320, Washington, D.C. 20036.

D. (6) \$250.

A. Hill, Christopher & Phillips, P.C., 1900 M Street NW., Washington, D.C. 20036. B. SEARCH Group, Inc., 925 Secret River

Drive, Sacramento, Calif. 95831.

D. (6) \$1,000.

A. Hill, Christopher & Phillips, P.C., 1900 M Street NW., Washington, D.C. 20036.

B. Whitney National Bank of New Or-

leans, 228 Saint Charles Avenue, New Orleans, La. 70130.

D. (6) \$750.

A. J. Eldred Hill, Jr., UBA, Inc., 1800 M Street NW., No. 460 South, Washington,

B. UBA, Inc., 1800 M Street NW., No. 460 South, Washington, D.C. 20036. D. (6) \$2,000.

A. Hill and Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005. B. Florists' Transworld Delivery Associ-

ation, P.O. Box 2227, Southfield, MI 48037. D. (6) \$8,250.

A. Robert B. HIll, Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.

B. Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037. D. (6) \$300.

A. C. F. Hitchcock, Box 19029, Washington, D.C. 20036.

B. Aviation Consumer Action Project, Box 19029, Washington, D.C. 20036.

E. (9) \$10.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va. 22204.

B. Vought Corp., Dallas, Tex.D. (6) \$2,640. E. (9) \$405.68.

A. Sheila K. Hixson, 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036. D. (6) \$1,000.

A. Lawrence S. Hobart, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) \$1,000.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Washington,

D.C. 20006.

B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pitts-burgh, Pa. 15222.

D. (6) \$3,700. E. (9) \$160.

A. Robert J. Hobbs, National Consumer Law Center, 11 Beacon Street, Boston, Mass. 02108.

B. National Consumer Law Center, 11 Beacon Street, Boston, Mass. 02108.

A. Jerald E. Hobson, 1775 K Street NW., Suite 310, Washington, D.C. 20006. B. The El Paso Co., P.O. Box 2185, Hous-

ton, Tex. 77001.

D. (6) \$2,500. E. (9) \$327.54.

A. Charles L. Hoebel, Carrier Corp., Suite 305, 1629 K Street NW., Washington, D.C.

B. Carrier Corp., Carrier Tower, Box 4800, Syracuse, N.Y. 13221. D. (6) \$3,300.

A. Howard E. Hoelter, Illinois Petroleum Council, P.O. Box 5034, Springfield, Ill.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Irvin A. Hoff, 20 North Live Oak Road, Hilton Head Island, S.C. 29928.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$458.33. E. (9) \$454.23.

A. Ellen S. Hoffman, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund of the Washington Research Project, Inc.

D. (6) \$3,060. E. (9) \$346.11.

A. Herbert E. Hoffman, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

D. (6) \$400. E. (9) \$50.

A. William L. Hoffman, American University of Beirut, 516 First Street SE., Washington, D.C. 20003.

B. American University of Beirut, 380 Madison Avenue, New York, N.Y. 10017. D. (6) \$5,000. E. (9) \$357.76.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006. B. Council of European & Japanese Na-tional Shipowners' Associations, 30/32 St. Mary Axe, London EC38ET, England.

A. Hogan & Hartson, 815 Connecticut

Avenue NW., Washington, D.C. 20006. B. Direct Selling Association, 17 Street NW., Washington, D.C. 20036. 1730 M

D. (6) \$1,600.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006. B. Energy Transportation Systems, Inc.,

50 Beale Street, San Francisco, Calif. 94106.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Suite 600, Washington, D.C. 20006.

B. Florida State Hospice Organization, Inc., 111 Northwest 10th Avenue, Miami, Fla. 33128

D. (6) \$1,182. E. (9) \$4.50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Suite 600, Washington, D.C. 20006.

B. Hospital Association of New York State, 15 Computer Drive W., Albany, N.Y. 12205.

D. (6) \$1,265. E. (9) \$179.28.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Motorcycle Industry Council, Inc., 1001 Connecticut Avenue NW., Suite 522, Washington, D.C. 20036.

D. (6) \$90.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006. B. National Farmers Organization, Cor-ning, Iowa 50841.

D. (6) \$3,392.50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006. B. National Soft Drink Association, 1101

16th Street NW., Washington, D.C. 20036. D. (6) \$5,962.50. E. (9) \$77.15.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Newspaper-Broadcaster Committee, P.O. Box 3412, San Francisco, Calif. 94119.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Toyota Motor Sales, USA, Inc., West 190th Street, Torrance, Calif. 90509. E. (9) \$79.08

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Vinland National Center, 3675 Ihduhapi Train, Loretto, Minn. 55357.

A. Richard F. Hohlt, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. D. (6) \$5,500. E. (9) \$219.86.

A. Walter Holan, 20 North Wacker Drive, Chicago, Ill. 60606.

B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Bruce E. Holbein, Digital Equipment Corp., 111 Powdermill Road, B79, Maynard, Mass. 01754.

B. Digital Equipment Corp., 111 Powdermill Road, B79, Maynard, Mass. 01754.

D. (6) \$9,500. E. (9) \$1,199.

A. Michele O'Donnell Holbrook, National Fuel Gas Distribution Co., Room 900, 10 Lafayette Square, Buffalo, N.Y. 14203.

B. National Fuel Gas Distribution Corp., National Fuel Gas Supply Corp., et al.

D. (6) \$387. E. (9) \$997.81.

A. Holiday Inns, Inc., 3796 Lamar Avenue, Memphis, Tenn. 38195. E. (9) \$2,000.

A. Marcus A. Hollabaugh, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C.

B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.

A. Wendell M. Holloway, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich.

D. (6) \$1,243.80. E. (9) \$906.57.

A. Lee B. Holmes, National Association of Realtors, 777 14th Street, NW., Washington, D.C. 20005.

B. National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005. D. (6) \$5,000. E. (9) \$74.32.

A. Moses D. Holmes, Jr., National Educa-tion Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$1,790.40. E. (9) \$29.79.

A. Peter E. Holmes, General Electric Co., 77 14th Street NW., Washington, D.C.

20005. B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) \$1,250.

A. E. Y. Holt, Jr., National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

- B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
- A. Linwood Holton, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.
- B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
 - D. (6) \$500.
- A. Karen C. Hontz, 600 New Hampshire Avenue NW., Suite 920, Washington, D.C.
- B. Gulf & Western Management Co., 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037
 - D. (6) \$856. E. (9) \$80.98.
- A. Fortescue W. Hopkins, Box 218, Daleville, Va. 24083.
- B. Graham-White Manufacturing Co., Graham-White Sales Corp., P.O. Box 1099, Salem, Va. 24153.
- A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. Chicago Board of Trade Clearing Corp., 141 W. Jackson Boulevard, Chicago, Ill.
- A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. Commonwealth Edison Co., One First National Plaza, Chicago, Ill. 60603.
- A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. First Chicago Corp., One First National Plaza, Chicago, Ill. 60603.
- A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.
- A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. National Association of Independent Insurers, 2600 River Road, Des Plains, Ill. 60018.
 - D. (6) \$875.
- A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603. B. Northwest Industries, Inc., 6300 Sears
- Towers, Chicago, Ill. 60606.
- A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. Peoples Energy Corporation, 122 South Michigan Avenue, Chicago, Ill. 60603.
- D. (6) \$437.50.
- A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
- D. \$2,955.80.
- A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.
- B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
- A. Virginia E. Hopkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
- B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Machinery Dealers National Associ-ation, 1110 Spring Street, Silver Spring, Md. 20910).
- A. Virginia E. Hopkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
- B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202,

- (for Taft Broadcasting Co., 1718 Young Street, Cincinnati, Ohio 45210).
- A. William B. Hopkins, P.O. Box 13366, Roanoke, Va. 24033.
- B. Tulare Lake Water Users Committee, P.O. Box 1206, Corcoran, Calif. 93212. D. (6) \$4,740. E. (9) \$1,799.62.
- A. Robert Jack Horn, 1819 H Street NW., Suite 960, Washington, D.C. 20006. B. The Detroit Edison Co., 2000 Second
- Avenue, Detroit, Mich. 48226. D. (6) \$358.
- A. John F. Horty, 1735 I Street NW., Suite 710, Washington, D.C. 20006. B. National Council of Community Hospi-tals, 1735 I Street NW., Suite 710, Washington, D.C. 20006.
- E. (9) \$287.57.
- A. William J. Hotes, Diamond Shamrock Corp., 1737 H Street NW., Washington, D.C. 20006.
- B. Diamond Shamrock Corp., 717 North Harwood Street, Dallas, Tex.
- E. (9) \$416.95.
- A. Thomas B. House, 1700 Old Meadow Road, Suite 100, McLean, Va. 22102. B. American Frozen Food Institute, 1700
- Old Meadow Road, Suite 100, McLean, Va. 22102
 - D. (6) \$1,000.
- A. Housley Goldberg and Kantarian, P.C., 1800 M Street NW., No. 675N, Washington, D.C. 20036.
- A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001. E. (9) \$3,030.50.
- A. Howell Corp., 1010 Lamar, Suite 1800, Houston, Tex. 77002.
- A. Donald L. Howell, First City National Bank Building, Houston, Tex. 77002.
- B. Vinson & Elkins (for Slurry Transport Association), First City National Bank Building, Houston, Tex. 77002.

 D. (6) \$43.75. E. (9) \$8.64.
- A. J. William Howell, International Business Machines Corp., 1801 K Street NW., Washington, D.C. 20006.
- B. International Business Machines Corp., Old Orchard Road, Armonk, N.Y. 10504. D. (6) \$1,168. E. (9) \$209.81.
- A. Joe L. Howell, 1700 Pennsylvania Avenue NW., No. 750, Washington, D.C. 20006.
- B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.
- A. Joe L. Howell, 1700 Pennsylvania Avenue NW., No. 750, Washington, D.C.
- B. Allstate Insurance Companies, Allstate Plaza, Northbrook, Ill. 60062.
- A. Mary Lynch Howell, Textron, Inc., 1666 Street, Suite 300, Washington, D.C. 20006.
- B. Textron, Inc., 1666 K Street, Suite 300, Washington, D.C. 20006.
 - D. (6) \$1,500. E. (9) \$280.
- A. John B. Howerton, ASARCO Inc., Suite 209, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
- B. ASARCO Inc., 120 Broadway, New York, N.Y. 10271.
- D. (6) \$2,000.
- A. John S. Hoyt, Professional Insurance Agents, 400 North Washington Street, Alex-andria, Va. 22314.

- B. Professional Insurance Agents, 400 North Washington Street, Alexandria, Va. 22314.
 - D. (6) \$250. E. (9) \$200.
- A. Paul R. Huard, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
- B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
- A. J. W. Hudson, 1899 L Street, Washington, D.C. 20036.
- B. Travel Industry Association of America, 1899 L Street, Washington, D.C. 20036. D. (6) \$980.
- A. David Emery Hughes, Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04122.
- B. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04122.
- D. (6) \$8.75. E. (9) \$1.
- A. Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036. B. The Business Roundtable, 1828 L Street NW., Washington, D.C. 20036.
- D. (6) \$850. E. (9) \$9.
- A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
- B. National Retired Teachers Association/ American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049. D. (6) \$847.88.
- A. Vester T. Hughes, Jr., 1000 Mercantile Dallas Building, Dallas, Tex. 75201.
- B. Cornell Oil Co., 5440 Harvest Hill Road, Suite 200, Dallas, Tex. 75230.
 - D. (6) \$500. E. (9) \$3,333.24.
- A. Vester T. Hughes, Jr., 1000 Mercantile Dallas Building, Dallas, Tex. 75201.
- B. Herbert E. Russell, P.O. Drawer 888, Magnolia, Ark. 71753.
 - D. (6) \$500. E. (9) \$2,153.84.
- A. William E. Hughes, Jr., 11 Hills Avenue, East Hampton, Conn. 06424. B. Northeast Utilities Service Co., Selden
- Street, Berlin, Conn. 06037.
- A. William G. Hughes, National Association of Federal Veterinarians, 1522 K Street NW., No. 836, Washington, D.C. 20005.
- B. National Association of Federal Veterinarians, 1522 K Street NW., No. 836, Washington, D.C. 20005.
- A. Edward L. Huie, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
- B. National Association of Air Traffic Specialists, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
 - D. (6) \$7,538.51. E. (9) \$1,161.38.
- Cordell W. Hull, 497 Stockbridge Avenue, Atherton, Calif. 94025.
- B. Bechtel Group, Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.
- A. David C. Hull, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
- B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112. D. (6) \$637.50.
- A. Truman Hunt, Jr., Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205
- B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$225. E. (9) \$1,028.28.

A. Acacia G. Hunt, Suite 850, 2020 K

Street NW., Washington, D.C. 20006. B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

D. (6) \$52.42. E. (9) \$2.85.

A. David A. Hunt, Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

B. Air Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arling-

ton, Va. 22209. D. (6) \$5,200. E. (9) \$1,500.

A. Harriet Hunt, 82 Second Street, San Francisco, Calif. 94105. B. The Trust for Public Land, 82 Second

Street, San Francisco, Calif. 94105. D. (6) \$1,292.16. E. (9) \$1,834.47.

A. Richard M. Hunt, NL Industries, Inc., Suite 1009 Connecticut Building, 1150 Connecticut Avenue NW., Washington, D.C.

B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.

D. (6) \$3,222.

A. Michael M. Hunter, International Telephone & Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.

B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022

D. (6) \$1,500. E. (9) \$60.

A. William J. Hunter, Jr., Suite 900, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Mead Corp., Courthouse Plaza Northeast, Dayton, Ohio 45463.

E. (9) \$2,245.

A. Milton F. Huntington, Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$572. E. (9) \$1,470.05.

A. Dewey M. Hutchins, Jr., Eastman Kodak Co., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Eastman Kodak Co., 343 State Street,

Rochester, N.Y. 14650. D. (6) \$450. E. (9) \$151

A. Philip A. Hutchinson, Jr., Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.

A. Volkswagen of America, Inc.

Parkview Boulevard, Warren, Mich. 48092.

D. (6) \$250.

A. Randy Huwa, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$6,250.02.

A. Robert D. Hynes, Jr., 1800 K Street NW., Washington, D.C. 20006.

B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006. D. (6) \$500.

A. I.G.C., Inc., Suite 405, 2550 M Street NW., Washington, D.C. 20037.

B. Republic of Turkey, 1606 23d Street NW., Washington, D.C. 20008. D. (6) \$10,000.

A. Richard H. Ichord, Room 400, 499 South Capitol Street SW., Washington, D.C.

20003.

B. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.

D. (6) \$900. E. (9) \$38.07.

A. Ronald K. Ikejiri, Japanese American Citizens League, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Japanese American Citizens League, 1765 Sutter Street, San Francisco, Calif. 94115

A. IMA Resources, Inc., 1800 K Street NW., Washington, D.C. 20006.

A. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006. D. (6) \$10,569.50. E. (9) \$10,569.50.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, NY. 10038

D. (6) \$17,876.02. E. (9) \$17,876.02.

A. Independent Local Newspaper Association, 1050 17th Street NW., Washington, D.C. 20036.

D. (6) \$7,500.

A. Independent Producers Group, 240 Page Court, 220 W. Douglas, Wichita, Kans. 67202.

D. (6) \$19.830. E. (9) \$14.236.06.

A. Independent U.S. Tanker Owners Committee, 1612 K Street NW., No. 510, Washington, D.C. 20006.

A. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$16,533.28. E. (9) \$16,533.28.

Nancy J. Ingalsbee, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006. B. United States Ski Association, 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

D. (6) \$335. E. (9) \$90.16.

A. G. Conley Ingram, Alston, Miller & Gaines, 35 Broad Street, Suite 1200, Atlanta, Ga. 30335.

B. Great American Management & Invest-ment, Inc., 5775-D Peachtree Dunwoody Road, Suite 600, Atlanta, Ga. 30342.

A. John H. Ingram, American Public Transit Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. The American Public Transit Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$5,000. E. (9) \$417.

A. Andrea L. Innes, Coal Building, Washington, D.C. 20036.

B. National Coal Association, Coal Building, Washington, D.C. 20036. D. (6) \$4,187.50. E. (9) \$645.09.

A. Insurance Economics Society of America, 1700 Pennsylvania Avenue NW., Suite 590, Washington, D.C. 20006.

D. (6) \$25,528.72.

A. Inter-American Associates, Inc., 1502 27th Street NW., Washington, D.C. 20007. B. Government of Honduras.

A. Interlake, Inc., 2015 Spring Road, Commerce Plaza, Oak Brook, Ill. 60521. E. (9) \$15,925.89.

A. International Association of Bridge, Structural and Ornamental Iron Workers, 1750 New York Avenue NW., Washington, D.C. 20006.

E. (9) \$8,580.

A. International Brotherhood of Team-sters, 25 Louisiana Avenue NW., Washing-ton, D.C. 20001.

E. (9) \$63,695,68.

A. International Longshoremen's Association, AFL-CIO, 17 Battery Place, Suite 1500, New York, N.Y. 10004.

E. (9) \$29,574.99.

A. International Union of Bricklayers and Allied Craftsmen, 815 15th Street NW., Washington, D.C. 20005.

E. (9) \$5,711.18.

A. Int'l Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson, Detroit, MI 48214.

D. (6) \$71,051.22. E. (9) \$71,051.22.

A. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006. E. (9) \$17,707.74.

A. Investment Counsel Assn. of America, Inc., 50 Broad Street, New York, N.Y. 10004.

A. Charles C. Irons, American Movers Conference, 1117 North 19th Street (P.O. Box 9204), Arlington, Va. 22209.

American Movers Conference, North 19th Street (P.O. Box 9204), Arlington, Va. 22209.

D. (6) \$326.70.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Bldg., St. Paul, Minn. 55101.

D. (6) \$14,386.01. E. (9) \$12,780.60.

A. John D. Isaacs, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. Council for a Livable World, 11 Beacon Street, Boston, Mass. 02108.

D. (6) \$6,478.22.

A. Joseph S. Ives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$135.

A. Robert A. Jablon, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Fort Pierce Utilities Authority of the City of Fort Pierce, Gainesville-Alachua County Regional Electric Water & Sewer Utilities, Sebring Utilities Commission, Cities of Homestead, Kissimee, Lakeland, Starke, Tallahassee, Fla.

A. Benjamin R. Jackson, 1607 New Hamp-shire Avenue NW., Washington, D.C. 20009. B. Norman D. Shutler, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.

D. (6) \$1,000. E. (9) \$88.25.

A. Mercer L. Jackson, National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

D. (6) \$200.

A. Margo L. James, American Gas Association, 1515 Wilson Boulevard, Arlington, Va.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) \$5,000. E. (9) \$365.58.

A. Japan Economic Institute of America, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$2,754.16. E. (9) \$2,754.16.

A. Joseph N. Jaquay, Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Diane Steigler Jarrell, 777 14th Street

NW., Washington, D.C. 20005.

B. National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005. D. (6) \$2,500. E. (9) \$259.63.

A. Thomas Destry Jarvis, National Parks and Conservation Association, 529 Tennes-

see Avenue, Alexandria, Va. 22305.

B. National Parks and Conservation Asso ciation, 1701 18th Street NW., Washington,

D.C. 20009. D. (6) \$862.21. E. (9) \$90.45*.

A. Jerry J. Jasinowski, National Association of Manufacturers, 1776 F Street NW.,

Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$5,172.

A. Joseph A. Jeffrey, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$145.04.

A. Joseph S. Jenckes, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.

B. Abbott Laboratories, Abbott Park, North Chicago, Ill, 60064.

E. (9) \$1,154.50.

Jenkins & Gilchrist, 2200 First National Bank Building, Dallas, Tex. 75202.

B. American College of Emergency Physi-

cians, Post Office Box 61911, Dallas, Tex.

D. (6) \$230. E. (9) \$5.70.

A. Jennings, Strouss & Salmon, 111 West Monroe, Phoenix, Ariz. 85003.

B. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.

D. (6) \$25.

Chris L. Jensen, Florida Petroleum Council, 111 North Gadsden Street, Tallahassee, Fla. 32301.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Jensen, Sanders & McConnell, 1200
North Main Street, Ste. 900, Santa Ana,
Calif. 92701; and 244 Maryland Avenue NE.,
Washington, D.C. 20002.
B. County of Orange, 10 Civic Center
Plaza, Santa Ana, Calif. 92701.

D. (6) \$9,500. E. (9) \$529.

A. Jensen, Sanders & McConnell, 1200 North Main Street, Ste. 900, Santa Ana, Calif. 92701; and 244 Maryland Avenue NE., Washington, D.C. 20002.

B. Orange County Transportation Commission, 1020 North Broadway, Santa Ana,

Calif. 92701. D. (6) \$6,500. E. (9) \$401.

A. Jensen, Sanders & McConnell, 1200 North Main Street, Ste. 900, Santa Ana, Calif. 92701; and 244 Maryland Avenue NE.,

Washington, D.C. 20002.

B. Santa Ana Valley Irrigation Co., 1900 Bank of America Tower, 1 City Boulevard West, Orange, Calif. 92668.

D. (6) \$1,500.

A. A. W. Jessup, Exxon Corp., 1899 L Street NW., Ste. 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020. E. (9) \$766.81.

A. Guy E. Jester, J. S. Alberici Construction Co., 2150 Kienlen Avenue, St. Louis, Mo. 63121.

B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Charles E. Joeckel, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky, 41076.
D. (6) \$8,894.40. E. (9) \$1,216.99.

A. Ronald P. Johnsen, Columbia Gas System Service Corp., 1625 Eye Street NW., Suite 303, Washington, D.C. 20006.

B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807. D. (6) \$175. E. (9) \$271.23.

A. Bruce T. Johnson, The Bowery Savings Bank, 110 E. 42 Street, New York, N.Y. 10017.

B. The Bowery Savings Bank, 110 E. 42 Street, New York, N.Y. 10017. D. (6) \$14,000. E. (9) \$40,596.87.

A. David H. Johnson, Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037 D. (6) \$160. E. (9) \$782.40.

A. Jess Johnson, Jr., Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) \$500.

A. John B. Johnson, Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala. 36195.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$215.

A. Rady A. Johnson, 1000 16th Street NW., Suite 500, Washington, D.C. 20036. B. Standard Oil Co. (Indiana), 200 East

Randolph Drive, Chicago, Ill. 60601.

D. (6) \$600.

A. Reuben L. Johnson, 1012 14th Street

NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) \$9,649.25. E. (9) \$143.64

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.

B. Marine Corps League, 933 N. Kenmore Street, Suite 321, Arlington, Va. 22201.

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.

B. Non Commissioned Officers Association of the USA, P.O. Box 33610, San Antonio,

Tex. 78233. D. (6) \$3,097.26. E. (9) \$180.51.

A. Spencer A. Johnson, Paperboard Packaging Council, 1800 K Street NW., No. 600, Washington, D.C. 20006.

B. Paperboard Packaging Council, 1800 K Street NW., No. 600, Washington, D.C. 20006.

A. Stanley L. Johnson, Texaco Inc., 1050 17th Street NW., Suite 500, Washington, D.C. 20036.

B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650. D. (6) \$250.

A. Johnson Swanson & Barbee, 4700 First International Building, Dallas, Tex. 75270.

B. Harbison Ford, Inc., Route 1, Morrisville, Pa. 19067.

E. (9) \$6,845.90.

A. William L. Johnson, Consumers Power Co., 1050—17th Street NW., Suite 290, Washington, D.C. 20036.

B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.

D. (6) \$600

A. David A. Johnson, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James D. Johnston, General Motors Corp., 1660 L Street NW., Washington, D.C.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) \$3,600. E. (9) \$3,461.85.

A. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830. E. (9) \$1,170.

A. Joint Maritime Congress, 444 North Capitol Street NW. No. 800, Washington, D.C. 20001

D. (6) \$17.141.72. E. (9) \$17.141.72.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036. D. (6) \$8,000. E. (9) \$372.80.

A. Charlie W. Jones, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) \$1,000. E. (9) \$100.

A. Jones, Day, Reavis & Pogue, 1735 I Street NW., Washington, D.C. 20006.

B. Food Policy Center, 538 7th Street SE., Washington, D.C. 20003.

A. Ernest W. Jones, Jr., 1957 E Street NW., Washington, D.C. 20006. B. The Associated General Contractors of

America, 1957 E Street NW., Washington, D.C. 20006.

A. James E. Jones, Appalachian Power Company, 40 Franklin Road SW., Roanoke, Va. 24022.

B. Appalachian Power Company, 40 Franklin Road SW., Roanoke, Va. 24022.

A. James E. Jones, Jr., Alliance of American Insurers, 1776 F Street NW., Washington, D.C.

B. Alliance of American Insurers, North Wacker Drive, Chicago, Ill. 60606. D. (6) \$190. E. (9) \$91.

A. Martha E. Jones, Four Loma Alta, Lakeland, Fla. 33803.

B. Florida Phosphate Council.

A. Norvill Jones, Reynolds Metals Co., 1620 I Street NW., Washington, D.C. 20006. B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.

D. (6) \$250.

Randall T. Jones, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America,

P.O. Box 12285, Memphis, Tenn. 38112. D. (6) \$2,062.50, E. (9) \$54.50.

A. De Soto Jordan, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003. D. (6) \$242. E. (9) \$169.77.

A. James V. Jordan III, P.O. Box 2563, Birmingham, Ala. 35202.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Jeffrey H. Joseph, 1615 H Street NW.,

Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$1,365. E. (9) \$114.

A. Ellen Josephson, National Legal Aid & Defender Association, 1625 K Street NW., 8th Floor, Washington, D.C. 20006.

B. Ellen Josephson, National Legal Aid & Defender Association, 1625 K Street NW., 8th Floor, Washington, D.C. 20006.

D. (6) \$8,750. E. (9) \$132.05.

A. Mary T. Joyce, CF Industries, Inc./ Energy Cooperative, Inc., 1850 K Street NW., Suite 550, Washington, D.C. 20006. B. CF Industries, Inc./Energy Coopera-

tive, Inc., Salem Lake Drive, Long Grove, Ill.

D. (6) \$500.

A. Robert E. Juliano, Hotel and Restaurant Employees & Bartenders International Union, 1875 K Street NW., Suite 450, Washington, D.C. 20006.

B. Hotel and Restaurant Employees & Bartenders International Union, 120 East Fourth Street, Suite 1300, Cincinnati, Ohio 45202

D. (6) \$9.999.96. E. (9) \$1.260.67.

A. Ruth E. Jurman, Glass Packaging Institute, 2000 L Street NW., Washington, D.C. 20036.

B. Glass Packaging Institute, 2000 L Street NW., Washington, D.C. 20036.

A. Byron E. Kabot, International Paper Co., 77 West 45th Street, New York, N.Y. 10036.

B. International Paper Co., 77 West 45th Street, New York, N.Y. 10036. D. (6) \$2,000. E. (9) \$661.32.

A. Geza Kadar, Jr., 1750 K Street NW.,

Washington, D.C.

B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Ann P. Kahn, 9202 Ponce Place, Fairfax, Va. 22031.

B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill.

Linda Heller Kamm, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs (for Car Cabs, Inc.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

Linda Heller Kamm, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Foley, Lardner, Hollabaugh & Jacobs (for Independent Refiners Association of

America, 1775 Pennsylvania Avenue NW., Washington, D.C.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

Linda Heller Kamm, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006

B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.

A. Donald J. Kaniewski, 905 16th Street

NW., Washington, D.C. 20006.

B. Laborers' International Union of N.A.. AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.

D. (6) \$5,747.49. E. (9) \$184.16.

A. Julius Kaplan, 1218 16th Street NW.,

Washington, D.C. 20036.
B. Kaplan, Russin & Vecchi, 1218 16th Street NW., Washington, D.C. 20036. E. (9) \$31.25.

A. Charles W. Karcher, Room 1707, Midland Building, Cleveland, Ohio 44115.

B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Gene Karpinski, 215 Pennsylvania Avenue SE., Washington, D.C. 20003. B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$3,750.

A. Joseph E. Karth, 102 W. Boca Raton

Road, Phoenix, Ariz. 85023.

B. Archer, Daniels, Midland Co., Decataur, Iowa.

D. (6) \$2,000.

A. Joseph E. Karth, 102 W. Boca Raton Road, Phoenix, Ariz. 85023.

B. KBS Associates, Inc., Suite 4400, 475 L'Enfant Plaza, Washington, D.C. 20024. D. (6) \$16,000. E. (9) \$1,941.78.

A. Howard C. Katz, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, 8th Floor, New York, N.Y. 10048.

B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, 8th Floor, New York, N.Y. 10048.

A. Lawrence W. Katz, Satellite Business Systems, 8283 Greensboro Drive, McLean, Va. 22102.

B. Satellite Business Systems. Greensboro Drive, McLean, Va. 22102. D. (6) \$1,350. E. (9) \$159.76.

A. Linda E. Katz, 1111 19th Street NW.,

Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$964.29. E. (9) \$422.81.

A. Everett E. Kavanaugh, Cosmetic, Toiletry & Fragrance Association, Inc., 1110 Vermont Avenue NW., No. 800, Washington, D.C. 20005.

B. Cosmetic, Toiletry & Fragrance Association, Inc., 1110 Vermont Avenue, NW., No. 800, Washington, D.C. 20005.

A. Kaye, Scholer, Fierman, Hays & Handler, 1575 I Street NW., Suite 1150, Washington, D.C. 20005.

B. Elsevier Scientific Publishers, BV, Overschiestratt 55-57, 1061 NH—Amster-dam, Slotervaart, The Netherlands.

. William J. Keating, National Grain and Feed Association, 725 15th Street, NW., Washington, D.C. 20005. B. National Grain and Feed Association,

P.O. Box 28328, Washington, D.C. 20005.

A. Howard B. Keck, 555 South Flower Street, Los Angles, Calif. 90071.

B. Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071. E. (9) \$300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for American Family Life Assurance Co.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036

D. (6) \$1,250.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036

B. The Keefe Co. (for Continental Materials), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036

B. The Keefe Co. (for Cordage Institute), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) \$1,250

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Knoxville International Energy Exposition (KIEE)), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) \$1,250.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Alvin Nederlander Associates, Inc.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 1625 Massachusetts 20036.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for U.S. & Overseas Tax Fairness Committee, Inc.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Westinghouse Electric Corp.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036. D. (6) \$1,250.

A. Teresa A. Keefe, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) \$2,938. E. (9) \$20.

Patricia Keefer, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$4,500.

A. Robert C. Keeney, 727 North Washington Street, Alexandria, Va. 22314.
B. United Fresh Fruit & Vegetable Association, 727 North Washington Street, Alexandria, Va. 22314.

D. (6) \$927.34. E. (9) \$314.41.

A. Jefferson D. Keith, 8150 Leesburg Pike, #1100, Vienna, Va. 22180.

B. National Pest Control Association, 8150 Leesburg Pike, #1100, Vienna, Va. 22180.

A. Robert H. Kellen, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.

B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342. (For: Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-

D. Atlanta, Ga. 30342.)

D. (6) \$810.

A. Keller & Heckman, 1150 17th Street NW., Washington, D.C. 20036.

B. Specialty Advertising Association International, 1404 Walnut Hill Lane, Irving, Tex. 75062

D. (6) \$1,500.

A. John G. Keller, 1899 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) \$94.50.

- A. Don Kellermann, Times Mirror, 1875 I Street NW., Suite 1110, Washington, D.C. 20006.
- B. Times Mirror Co., Time Square, Los Angeles, Calif. 90053. Times Mirror D. (6) \$5,000. E. (9) \$750.
- John B. Kelley, 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
- B. Avco Corp., 1275 King Street, Green-wich, Conn. 06830.

D. (6) \$1.500.

A. Michael T. Kelley, Houston Natural Gas Corp., 1700 North Moore Street, Suite 919, Arlington, Va. 22209.

B. Houston Natural Gas Corp., 1700 North Moore Street, Suite 919, Arlington, Va.

22209.

A. Ty Kelley, National Association of Chain Drug Stores, Inc., P.O. Box 1417-D49, Alexandria, Va. 22313.

B. National Association of Chain Drug Stores, Inc., P.O. Box 1417-D49, Alexandria, Va. 22313.

D. (6) \$1,500.

A. Stephen S. Kellner, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$47.92.

A. Brian F. Kelly, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

E. (9) \$27.50.

A. Ernest B. Kelly III, Satellite Television Corp., 1301 Pennsylvania Avenue NW., Washington, D.C. 20004.

B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024

D. (6) \$1,000. E. (9) \$391.21.

A. Harold V. Kelly, Republic Steel Corp., 1101 15th Street NW., Washington, D.C.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Mark L. Kemmer, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) \$2,500. E. (9) \$800.79.

A. Joseph W. Kennebeck, 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.

B. Volkswagen of America, Inc., 2762 Parkview Boulevard, Warren, Mich. 48092. D. (6) \$300.

A. William F. Kennedy, General Electric Co., Fairfield, Conn. 06431.

B. General Electric Co., Fairfield, Conn.

A. Jeremiah J. Kenney, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue,

New York, N.Y. 10017.

A. Peter B. Kenney, 1800 K Street NW., Washington, D.C. 20006.

B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006. D. (6) \$1,950. E. (9) \$233.74.

A. Robert T. Kenney, 1050 17th Street NW., Suite 500, Washington, D.C. 20036. B. Texaco Inc., 2000 Westchester Avenue,

White Plains, N.Y. 10650.

A. William J. Kenney, 1140 Connecticut Avenue NW., No. 400, Washington, D.C. 20036.

B. Bay State Gas Co., 120 Royall Street, Canton, Mass. 02021

D. (6) \$1,000 E. (9) \$4,720

A. Brendan Kenny, Air Transport Association, 1709 New York Ave. NW., Washington, D.C. 20006.

B. Air Transport Association, 1709 Northwestern Avenue NW., Washington, D.C. 20006.

D. (6) \$800.

A. J. H. Kent, Kent & O'Connor, Inc. 1919 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.

B. American Supply Association, 221 N. LaSalle Street, Chicago, Ill. 60601. D. (6) \$1,375. E. (9) \$538.85.

A. J. H. Kent, Kent & O'Connor, Inc., 1919 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.

B. American Warehousemen's Association, 222 W. Adams, Chicago, Ill. 60603.

D. (6) \$871.87. E. (9) \$347.75.

A. J. H. Kent, Kent & O'Connor, Inc., 1919 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.

B. Seniorcenters of America, 2640 Peerless Road NW., Cleveland, Tenn. 37311.

D. (6) \$1,350. E. (9) \$618.55.

A. Paul A. Kerschner, National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW.,

Washington, D.C. 20049. B. National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049. D. (6) \$623.08. E. (9) \$159.68.

A. Robert M. Ketchel, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. Gilbert W. Keyes, P.O. Box 3999 M/S: 8F-77, Seattle, Wash. 98124.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash, 98124.

D. (6) \$942.68. E. (9) \$10,12.77.

A. Earline A. Keyser, 7352 Lee Highway, Falls Church, Va. 22046.

B. Bechtel Power Corporation, 1620 Eye Street NW., Washington, D.C. 20006.

Richard F. Kibben, 200 Park Avenue NW., No. 2222, New York, N.Y. 10166.

B. Business Roundtable, 200 Park Avenue, NW., No. 2222, New York, N.Y. 10166.

A. William S. Kies, 1750 K Street NW., Washington, D.C. 20006. B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) \$450.

A. Maryann Kilduff, 923 15th Street NW., Washington, D.C. 20005.

B. Transportation Institute, 923 15th Street NW., Washington, D.C. 20005. D. (6) \$3,000. E. (9) \$39.70.

A. Kilpatrick & Cody, 2501 M Street NW., Suite 500, Washington, D.C. 20037.

B. Furniture Rental Association of America, 50 West Broad Street, Suite 1331, Columbus, Ohio 43215.

E. (9) \$1,452.10.

A. Margaret A. Kimball, Route 1, Box 118A, Bealeton, Va. 22712.

B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

Roberta D. Kimball, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956. E. (9) \$1,296.10.

A. Richard H. Kimberly, Kimberly-Clark Corp., 1400 Holcomb Bridge Road, Roswell, Ga. 30076.

B. Kimberly-Clark Corp., 401 North Lake Street, Neenah, Wis. 54956.

D. (6) \$112. E. (9) \$708.60.

A. Gene Kimmelman, 215 Pennsylvania

Avenue SE., Washington, D.C. 20003. B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$395.84.

A. Charles L. King, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C.

D. (6) \$120.

A. Dean King, National Rural Letter Carriers' Association, Suite 1204, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, Suite 1204, 1750 Pennsylvania Avenue NW., Washington, D.C.

E. (9) \$66.80.

A. Edward H. King, Walgreen Co., 200 Wilmot Road, Deerfield, Ill. 60015.

B. Walgreen Co., 200 Wilmot Road, Deerfield, Ill. 60015.

A. G. Jack King, U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001

B. U S Air, Inc., Washington National Airport, Washington, D.C. 20001.

D. (6) \$1,000.

A. Rufus King, 910 17th St., NW., Wash-

A. Rulus King, 910 17th St., N.W., Washington, D.C. 20006.

B. D. Gottlieb & Co., 165 West Lake Street, Northlake, Ill.; Stern Electronics, Inc., 1725 Diversey Parkway, Chicago, Ill.;

and Williams Electronics, Inc., 3401 California Avenue, Chicago, Ill.

A. King & Spalding, 2501 M Street NW., Suite 500, Washington, D.C. 20037. B. American Petroleum Institute, 2101 L

Street NW., Washington, D.C. 20037. E. (9) \$229.85.

A. King & Spalding, 2501 M Street NW., Suite 500, Washington, D.C. 20037.

B. Georgia-Pacific Corp., 1875 Eye Street NW., Washington, D.C. 20006.

E. (9) \$1,714.46.

A. W. Russell King, 1050 17th Street NW., No. 301, Washington, D.C. 20036.

B. Freeport-McMoRan, Inc., 200 Park Avenue, New York, N.Y. 10166.

D. (6) \$250.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street, Washing-

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036. D. (6) \$10,000.

A. Francis L. Kinney, 76 Pheasant Run, Newington, Conn. 06111.

B. Northeast Utilities Service Co., Selden

Street, Berlin, Conn. 06037.

A. Janie A. Kinney, Blum & Nash, 1015 18th Street NW., Suite 408, Washington,

B. Twin Coasts Newspaper, Inc., The Jour-nal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Michael T. Kinsella, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10166.

D. (6) \$3,000.

A. Kirby & Gillick, 1625 K Street NW., Suite 905, Washington, D.C. 20006.

B. American Bus Association, 1025 Connecticut Avenue, NW., Suite 308, Washington, D.C. 20036.
D. (6) \$750.

A. Kirby & Gillick, 1625 K Street NW., Suite 905, Washington, D.C. 20006.

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
D. (6) \$2,000. E. (9) \$85.

A. Kirby & Gillick, 1625 K Street NW., Suite 905, Washington, D.C. 20006. B. National Council of Farmer Coopera-

tives, 1800 Massachusetts Avenue NW., Suite 604, Washington, D.C. 20036. D. (6) \$3,250. E. (9) \$86.39.

A. John R. Kirk, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass. 02110.

B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Sally Ann Kirkpatrick Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.

B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

D. (6) \$588. E. (9) \$127.

A. Emmett B. Kitchen, Jr., National Association of Business and Educational Radio, Inc., P.O. Box 19164, Washington, D.C.

B. National Association of Business and Educational Radio, Inc., P.O. Box 19164, Washington, D.C. 20036.

A. Ronald A. Kitlas, Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.

B. Kellog Co. 235 Porter Street, Battle Creek, Mich. 49016.

D. (6) \$380. E. (9) \$222.

A. Saul B. Klaman, National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10166.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y.

D. (6) \$1,173.08.

Catherine B. Klarfeld, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.

B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.

A. Richard P. Kleeman, Association of American Publishers, Inc., 1707 L Street NW., No. 480, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., No. 480, Washington, D.C. 20036.

A. Joann Klimschot, 2030 M Street NW.,

Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$4,957.50.

A. Kline, Knopf & Wojdak, Inc., 111 State Street, Harrisburg, Pa. 17101.

B. The Medical College of Pennsylvania, 3300 Henry Avenue, Philadelphia, Pa. 19129. D. (6) \$500. E. (9) \$908.79.

A. Richard A. Kline, 1100 17th Street NW., Suite 313, Washington, D.C. 20036. B. Council of Active Independent Oil & Gas Producers, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.

D. (6) \$7.629.

A. William J. Klinefelter, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) \$8,901.72.

A. James E. Kneale, 2335 South Meade Street, Arlington, Va. 22202.

B. Lockheed Corp., P.O. Box 551, Bur-

bank, Calif. 91520.

D. (6) \$600. E. (9) \$224.80.

A. Gary D. Knight, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

Peter E. Knight, Federal National Mortgage Association, 3900 Wis Avenue NW., Washington, D.C. 20016. Wisconsin

B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

D. (6) \$5,750. E. (9) \$567.46.

A. Daniel F. Knise, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006

A. Keith R. Knoblock, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$67.04. E. (9) \$5.30.

John C. Knott, Burlington Northern Railroad Co., 6800 Powderhouse Rd., Cheyenne, Wyo. 82001.

B. Burlington Northern Railroad Co., 176 East Fifth St., St. Paul, Minn. 55101.

A. C. Neal Knox, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) \$1.575.

A. Ruth E. Kobell, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) \$4,975.40. E. (9) \$191.84.

A. Thomas G. Kobus, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) \$13,331.68.

A. Bradley R. Koch, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$129.25.

A. George W. Koch, 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Stanley E. Kolbe, Jr., The American Institute of Architects, 1735 New York Avenue

NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$2,750. E. (9) \$40.

A. Michael S. Koleda, National Council on Synthetic Fuels Production, 1747 Pennsyl-vania Avenue NW., Suite 825, Washington, D.C. 20006.

B. National Council on Synthetic Fuels Production, 1747 Pennsylvania Avenue NW., Suite 825, Washington, D.C. 20006.

A. Kominers, Fort, Schlefer & Boyer, 1776

F Street NW., Washington, D.C. 20006. B. Aeron Marine Shipping Co., Triad Office Center, 2001 Marcus Avenue, Lake Success, N.Y. 11042.

A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.

B. American Tankships Inc., Ingram Tankships Inc., 4100 One Shell Square, New Orleans, La. 70139.

A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.

B. Colt Industries, Inc., 430 Park Avenue, New York, N.Y. 10022.

A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.

B. Southern Overseas Corp., P.O. Box 2110, Wilmington, N.C. 28402.

A. Nicholas Kominus, 1001 Connecticut Avenue, Washington, D.C. 20036.

B. U.S. Cane Sugar Refiners' Association. 1001 Connecticut Avenue, Washington, D.C. 20036

D. (6) \$1,220.63.

A. Stephen Koplan, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$12,837.50. E. (9) \$469.56.

Horace R. Kornegay, 1875 I Street NW., No. 800, Washington, D.C. 20006.
B. Tobacco Institute, Inc., 1875 I Street

NW., No. 800, Washington, D.C. 20006.

A. Kenneth S. Kovack, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) \$8,901.72.

A. Michael J. Kowalsky, 1120 19th Street NW., Suite 410, Washington, D.C. 20036. B. Cigar Association of America, Inc., 1120

19th Street NW., Suite 410, Washington, D.C. 20036. D. (6) \$90

A. E. J. Krabacher, Cincinnati Milacron Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209

B. Cincinnati Milacron Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209.

D. (6) \$2,700. E. (9) \$341.

A. Mylio S. Kraja, The American Legion, 1608 K Street NW., Washington, D.C. B. The American Legion, 700 North Penn-

sylvania Street, Indianapolis, Ind. D. (6) \$9,138. E. (9) \$687.73.

Amos Kramer, Kansas Petroleum

Council, 1414 Merchants Bank Building, Topeka, Kans. 66612. B. American Petroleum Institute, 2101 L

Street NW., Washington, D.C. 20037. D. (6) \$540.76. E. (9) \$614.95.

A. Louis C. Kramp & Associates, 1919 Pennsylvania Avenue NW., No. 301, Washington, D.C. 20006.

B. Holiday Inns, Inc., 3796 Lamar Avenue,

Memphis, Tenn. 38195.

D. (6) \$2,000.

A. Louis C. Kramp & Associates, 1919 Pennsylvania Avenue NW., No. 301, Washington, D.C. 20006.

B. National Association of Homes for Children, 200 South Tyron Street, Suite 1500, Charlotte, N.C. 28202.

E. (9) \$2,000.

A. Louis C. Kramp & Associates, 1919 Pennsylvania Avenue NW., No. 301, Washington, D.C. 20006.

B. Servicemaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515

D. (6) \$2,500.

A. Louis C. Kramp & Associates, 1919 Pennsylvania Avenue NW., No. 301, Washington, D.C. 20006.

B U.S. Industrial Council, Third Floor, Realtors Building, 306 Gay Street, Nashville, Tenn. 37219.

D. (6) \$1,000.

A. Stephen W. Kraus, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006

D. (6) \$200.

A. Raymond R. Krause, TRW Inc., Suite 800, 2030 M Street NW., Washington, D.C.

B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) \$1,000.

A. Charles C. Krautler, 1100 H Street

NW., Washington, D.C. 20080.
B. Washington Gas Light Co.,
Street NW., Washington, D.C. 20080. 1100 H D. (6) \$42.39. E. (9) \$4.50.

A. Lawrence E. Kreider, Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio.

E. (9) \$5,884.46.

A. Anthony L. Kucera, 1600 Wilson Boulevard, Suite 1000, Arlington, Va. 22209.

B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1000, Arlington, Va. 22209.

D. (6) \$400.

A. Joseph Kuchler, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611. D. (6) \$1,442.87. E. (9) \$156.85.

A. Lloyd R. Kuhn, Aerospace Industries Association, 1725 DeSales Street NW., Washington, D.C. 20036.

B. Aerospace Industries Association, 1725 DeSales Street NW., Washington, D.C.

D. (6) \$14,210.

A. Thomas R. Kuhn, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C. D. (6) \$4,125.01. E. (9) \$207.20.

Daniel M. Kush, CertainTeed Corp., 1627 K Street, NW., Washington, D.C. 20006.

B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482. D. (6) \$500. E. (9) \$18.

A. The Labor Bureau, Inc., 1200 15th Street NW., Washington, D.C. 20005.

A. Laborers' International Union of North America, AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.

E. (9) \$19,687.25.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001

D. (6) \$7,450. E. (9) \$6,217.

A. Philip A. Lacovara, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.

A. Philip A. Lacovara, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

A. Philip A. Lacovara, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Pfizer, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) \$300. E. (9) \$6.

A. Phillip Ray Lackey, 823 Fifteenth Street NW., Washington, D.C. 20005. B. International Masonry Institute, 823 15th Street NW., Washington, D.C. 20005. D. (6) \$1,246.

A. Bruce C. Ladd, Jr., 4406 Franklin St.,

Kensington, Md. 20795.

B. Laclede Gas Company, 720 Olive Street, St. Louis, Mo. 63101.

D. (6) \$7,500. E. (9) \$36.

A. Walter B. Laessig, 1115 Massachusetts Avenue NW., Suite 6, Washington, D.C.

B. National Association of Real Estate Investment Trusts, Inc., 1101 Seventeenth Street NW., Washington, D.C. 20036.

D. (6) \$5,625. E. (9) \$35.

A. Sandra L. LaFevre, Nationwide Insurance Companies & Affiliates, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Nationwide Insurance Companies & Affiliates, One Nationwide Plaza, Columbus, Ohio 43216.

D. (6) \$500.

A. Sarah M. Laird, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C.

D. (6) \$4,997. E. (9) \$66.

A. Robert Lamb, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$5,000. E. (9) \$233.41.

A. David R. Lambert, American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

B. American Seed Trade Association, 1030 15th Street NW, Suite 964, Washington, D.C. 20005.

D. (6) \$5,000.

A. David F. Lambert III, Automotive Occupant Protection Association, 2001 Jefferson Davis Highway, Suite 1101, Arlington, Va. 22202.

B. Automotive Occupant Protection Association, 2001 Jefferson Davis Highway, Suite 1101, Arlington, Va. 22202.

D. (6) \$11,000.

A. Landis, Cohen, Singman & Rauh, 1019 19th Street NW., No. 500, Washington, D.C. 20036.

B. American Society of Composers, Authors & Publishers, One Lincoln Plaza, 6th Floor, New York, N.Y. 10023.

D. (6) \$2,000.

A. Landis, Cohen, Singman & Rauh, 1019 19th Street NW., No. 500, Washington, D.C. 20036.

B. Committee to Preserve the Patent Jurisdiction of the U.S. Courts of Appeals, 77 West Washington Street, Chicago, Ill. 60625

D. (6) \$2,000.

A. Landis, Cohen, Singman & Rauh, 1019 19th Street NW., No. 500, Washington, D.C. 20036

B. Council of Creative Artists, Libraries, & Museums, 250 West 57th Street, Suite 626, New York, N.Y. 10019.

A. Landis, Cohen, Singman & Rauh, 1019 19th Street NW., No. 500, Washington, D.C. 20036.

B. NFL Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$2,000.

A. David W. Landsidle, National Association of Manufacturers 1719 Route 10, Parsippany, N.J. 07054.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) \$600.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22203.

B. Geothermal Resources International, 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.

D. (6) \$750. E. (9) \$20.

A. Lane and Edson, P.C., 1800 M Street NW., Suite 400S, Washington, D.C. 20036.

City of Baltimore, Mayor William Donald Schaefer, 250 City Hall, Baltimore, Md 21202

D. (6) \$2,000.

A. Lane and Edson, P.C., 1800 M Street NW., Suite 400S, Washington, D.C. 20036.

B. National Leased Housing Association, 1800 M Street NW., Suite 400S, Washington, D.C. 20036.

D. (6) \$450.

A. Laurence F. Lane, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

D. (6) \$975. E. (9) \$38.

A. Robin W. Lanier, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. chants

B. National Retail Merchants Association. 100 West 31st Street, New York, N.Y. 10001. D. (6) \$100. E. (9) \$5.

A. Michael S. Lang, American Productivity Center, Inc., 123 North Post Oak Lane, Houston, Tex. 77024.

B. American Productivity Center, Inc., 123 North Post Oak Lane, Houston, Tex. 77024.

A. Wayne R. LaPierre, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) \$925. E. (9) \$194.59.

A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turn-

pike, Fairfield, Conn. D. (6) \$875.

A. LaSalle National Bank, 135 South La-Salle Street, Chicago, Ill. 60690.

A. Lawrence C. Laser, Cities Service Co., 1660 L Street NW., Washington, D.C. 20036. B. Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.

A. Glenn T. Lashley, American Automobile Association, 8111 Gatehouse Road. Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Louis F. Laun, 260 Madison Avenue, New York, N.Y. 10016.

American Paper Institute, Inc., 260 Madison Ave., New York, N.Y. 10016.

A. Kathryn Lavriha—League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United 1730 M Street NW., Washington, States.

D. (6) \$2,619. E. (9) \$61.

A. Jane A. Lawlor, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. George H. Lawrence, American Gas Association, 1515 Wilson Boulevard, Arlington,

Va. 22209. B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) \$415. E. (9) \$30.

A. Henry J. Lawrence, Jr., American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

A. Lead-Zinc Producers Committee, 1320 19th Street NW., Suite 600, Washington, D.C. 20036.

D. (6) \$28,000. E. (9) \$8,094.80.

A. League of NY Theatres & Producers, Inc., 226 West 47th Street, New York, N.Y. 10036.

D. (6) \$19,057.14. E. (9) \$19,057.14.

A. League to Save Lake Tahoe, 2197 Lake Tahoe Boulevard, P.O. Box 10110, South Lake Tahoe, Calif. 95731.

D. (6) \$9,000.

A. League of California Milk Producers, 1225 8th Street, Suite 385, Sacramento, Calif. 95814.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) \$25,386. E. (9) \$24,386.

A. John I. LeBerre, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Aluminum & Chemical Corp.,

17th Street NW., Washington, D.C. 20006

D. (6) \$150. E. (9) \$35.

A. LeBoeuf, Lamb, Leiby & MacRae, 140 Broadway, New York, N.Y., and 1333 New Hampshire Avenue NW., Washington, D.C.

B. Underwriters at Lloyd's, London, c/o Wm. G. Hockensmith, 409 McClure Building, Frankfurt, Ky. 40601; and John Smith, Lord, Bissell & Brook, 115 South LaSalle Street, Chicago, Ill. 60603.

D. (6) \$82.50. E. (9) \$21.

A. Robert F. Lederer, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C.

. Lee, Toomey & Kent, 1200 18th Street

NW., Washington, D.C. 20036.

B. Towers, Perrin, Forster & Crosby, Inc., Center Square West, 1500 Market Street, Philadelphia, Pa. 19102.

A. David A. Leff, Joint Maritime Congress, 444 North Capitol Street NW., Suite 801,

Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street NW., Suite 800, Washington, D.C. 20001.

D. (6) \$2,283.50.

A. Robert B. Leflar, 2000 P Street NW., No. 708, Washington, D.C. 20036. B. Health Research Group, 2000 P Street

NW., No. 708, Washington, D.C. 20036.

A. Caroline Mills LeGette, 215 Pennsylva-nia Avenue SE., Washington, D.C. 20003. B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003. D. (6) \$3,500.

Joanna S. Lehane, 1120 19th Street NW., Suite 333, Washington, D.C. 20036.

B. Motor & Equipment Manufacturers Association, 1120 19th Street NW., Suite 333, Washington, D.C. 20036.

D. (6) \$621.60. E. (9) \$293.14.

A. Leighton, Conklin, Lemov, Jacobs & Buckley 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. City & Regional Magazine Association, 2033 M Street NW., Suite 800, Washington,

D.C. 20036.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. The Clorox Co., 1221 Broadway, Oakland, Calif. 94612.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. General Instrument Corp., 320 West 57th Street, New York, N.Y. 10019.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Greater Boston Real Estate Board, 24 School Street, Boston, Mass. 02108.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Jet America International, Inc., General Aviation Terminal, Washington National

Airport, Washington, D.C.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C.

20006

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Professional Air Traffic Controllers Organization, 444 North Capitol Street NW.,

Washington, D.C. 20001.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Savings Bank Association of Massachusetts, 50 Congress Street, Boston, Mass.

02109.

D. (6) \$5,000. E. (9) \$150.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Turner Broadcasting System, Inc., 1018 West Peachtree Street NW., Atlanta, Ga.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Whey Products Institute, 130 North

Franklin Street, Chicago, Ill. 60606.

A. Joseph L. Leitzinger, Avenue, Seattle, Wash. 98164. B. Simpson Timber Co., 900 Fourth

900 Fourth Avenue, Seattle, Wash. 98164.

D. (6) \$159.60. E. (9) \$144.97.

A. Lynette B. Lenard, Dow Chemical Co., 1800 M Street NW., Suite 700 South, Washington, D.C. 20036.

B. The Dow Chemical Co., Midland, Mich.

48640.

D. (6) \$125. E. (9) \$62.50.

A. Edward A. Lenz, 1750 K Street NW., Washington, D.C.

B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 32 South Michigan Avenue, Chicago, Ill.

A. Earl T. Leonard, Jr., The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301

The Coca-Cola Co., P.O. Drawer 1734,

Atlanta, Ga., 30301. D. (6) \$591. E. (9) \$2,896.96.

A. Lloyd J. Leonard, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United

States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) \$3,393. E. (9) \$62.

A. Charles Leppert, Jr., Procter & Gamble Manufacturing Co., 1801 K Street NW., Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45201.

D. (6) \$30.

A. Richard L. Lesher, 1615 H Street NW., Washington, D.C. 20062. B. Chamber of Commerce of the United States of America, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$300.

A. Dale Lestina, National Education Association, 1201 16th Street, NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$1,884.80. (9) \$114.07.

A. Ernest M. LeSueur, Beneficial Management Corp. of America, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.

B. Beneficial Management Corp. of Amer-ca, 1300 Market Street, Wilmington, Del.

A. Joseph Letorney, National Education Association, 112 Union Street, South Weymouth, Mass. 02190.

B. National Education Association, 16th Street NW., Washington, D.C. 20036. D. (6) \$953. (9) \$103.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Boston Edison Co., et al., 800 Boylston Street, Boston, Mass. 02199.

E. (9) \$11.88.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006. B. Holy Cross Hospital, 15031 Rinaldi

Street, Mission Hills, Calif. 91345.

D. (6) \$1,387.50.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. National Council of Community Hospitals, 1735 I Street, NW., Suite 710, Washington, D.C. 20006.
D. (6) \$1,265.

A. Leva, Hawes, Symington, Martin & Op-penheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10177.

D. (6) \$3,200. (9) \$4.

A. Samuel R. Levering, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. U.S. Committee for the Oceans, 100 Maryland Avenue N.E. Washington, D.C. 20002

A. Carl Levin, Burson-Marsteller, 1800 M Street NW., Washington, D.C. 20036.

B. Western Forest Industries Association, 1500 Southwest Taylor, Portland, Oreg. 97205.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.

B. Association of American Railroads, American Railroad Building, Washington, D.C.

D. (6) \$2,000.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.

B. Independent Local Newspaper Association, Suite 701, 1050 17th Street NW., Washington, D.C. 20036.

A. Roger N. Levy, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, Agents of N.Y. 10038.

D. (6) \$8,884.62.

A. Charles L. Lewis, American Personnel Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

B. American Personnel and Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041

D. (6) \$214.

A. E. David Lewis, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

B. Society of American Wood Preservers, 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.

D. (6) \$130. E. (9) \$285.

A. Michael R. Lewis, ILWU, 1133 15th Street NW, Suite 640, Washington, D.C. 20005.

International Longshoremen's Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.

D. (6) \$6,000. E. (9) \$1,280.

A. Stuart A. Lewis, Suite 300, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Manufacturers Hanover Corp., 350 Park Avenue, New York, N.Y. 10022.

D. (6) \$450.

A. Stuart A. Lewis, Suite 300, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Bank of Detroit, P.O. Box 116, Detroit, Mich. 48232.

D. (6) \$400.

A. Stuart A. Lewis, Suite 300, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Seattle First National Bank, P.O. Box 3586, Seattle, Wash. 98124.

D. (6) \$400.

A. John F. Leyden, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006. B. AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$3,313.11.

A. Wm. J. Lhota, 301 Cleveland Avenue SW., Canton, Ohio 44702.

B. Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702.

D. (6) \$1,374.39. E. (9) \$1,630.42.

A. Jan Pittman Liebman, 1120 20th Street NW., S-520, Washington, D.C. 20036.

B. National Committee for Research in Neurological & Communicative Disorders, 1120 20th Street NW., S-520, Washington, D.C. 20036

D. (6) \$6,000. E. (9) \$35.

A. Herbert Liebenson, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

D. (6) \$5,625.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

A. William C. Lienesch, 238 10th Street SE., Washington, D.C. 20003.

B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

D. (6) \$1,518.64. E. (9) \$149.20.

A. Edward J. Lincoln, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Japan Economic Institute of America, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$100.

A. James P. Linse, United Airlines, 1825 K Street NW., No. 607, Washington, D.C.

B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.

D. (6) \$500.

A. Thomas L. Linton, Chevron U.S.A. Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.

B. Chevron U.S.A. Inc., (a subsidiary of standard Oil Co. of California) 1700 K Street NW., Washington, D.C. 20006.

D. (6) \$300.

A. Charles B. Lipsen, 1700 Pennsylvania Avenue NW., Suite 550, Washington, D.C. 20006.

B. Hoffman, Hendry, et al. (for: Global Exploration & Development Corp.).

A. Lipsen & Hamberger, 1725 DeSales Street NW., No. 800, Washington, D.C. 20036.

B. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

D. (6) \$15,600.

A. Lipsen & Hamberger, 1725 DeSales Street NW., No. 800, Washington, D.C.

B. Datapoint Corp., 1600 Wilson Boulevard, Suite 500, Arlington, Va. 22209.

D. (6) \$8,700.

A. Lipsen & Hamberger, 1725 DeSales Street NW., No. 800, Washington, D.C. 20036.

B. Westinghouse Electric Corp., 1801 K Street NW., 9th Floor, Washington, D.C. 20006.

D. (6) \$15,000.

A. Robert G. Litschert, 1111 19th Street

NW., Washington, D.C. 20036 B. Edison Electric Institute, 111 Street NW., Washington, D.C. 20036. 1111 19th D. (6) \$872. E. (9) \$561.78

A. William F. Little, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C.

B. Ford Motor Co., Dearborn, Mich. 48121. D. (6) \$362.50. E. (9) \$402.

A. Roy Littlefield, 1343 L Street NW., Washington, D.C. 20005

B. National Tire Dealers and Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.

D. (6) \$3,000. E. (9) \$225.

A. David A. Litvin, 1111 19th Street NW., Suite 310, Washington, D.C. 20036, B. Kennecott Corp., Ten Stamford Forum,

Stamford, Conn. 06904.

D. (6) \$500. E. (9) \$137.92.

A. E. F. Livaudais, Jr., Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) \$120.

A. Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64112. E. (9) \$9,053.23.

A. H. Richard Lloyd, Jr., General Electric Co., 777 14th Street NW., Washington, D.C. 20005

B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. Lobel, Novins & Lamont, 1523 L Street NW., Suite 200, Washington, D.C. 20005. B. Generic Pharmaceutical Industry Asso-

ciation, 600 Third Avenue, New York, N.Y. 10016.

D. (6) \$2,592. E. (9) \$154.07.

A. Nils A. Lofgren, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Associ-

ation of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) \$50.

A. Robert C. Lohse, Service Station Dealers of America, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.

B. Service Station Dealers of America, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.

D. (6) \$1,733.32.

A. Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.

B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.

D. (6) \$1,500.

A. Nira Hardon Long, 1800 M Street NW., Suite 880 South, Washington, D.C. 20036.

B. City of Los Angeles, Los Angeles, Calif. 90012

D. (6) \$6.131.25.

A. Robert W. Long, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$178.87. E. (9) \$7.40.

A. Thomas R. Long, Westvaco Corp., 299 Park Avenue, New York, NY. 10171. B. Westvaco Corp., 299 Park Avenue, New

York, NY. 10171. D. (6) \$1,260. E. (9) \$1,037.

A. John H. Lonnquist, Jr., Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.

B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.

D. (6) \$100. E. (9) \$100.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. Classroom Publishers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. Industrial Diamond Association, East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.

B. Textile Rental Services Association of America, 1250 Hallandale Beach Boulevard. Hallandale, Fla. 33009.

A. Susan J. Loomis, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

D. (6) \$750. E. (9) \$100.

A. Lord, Day & Lord, 25 Broadway, New York, N.Y. 10004.

B. Bowater North America Corp., East Putnam Avenue, Old Greenwich, Conn. 06870.

D. (6) \$2,526.46.

A. Lord, Day & Lord, 25 Broadway, New York, N.Y. 10004.

D. (6) \$26,793.75. E. (9) \$3,581.61.

A. Philip J. Loree, 50 Broadway, New York, N.Y. 10004.

B. Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004.

D. (6) \$200.

A. Robert E. Losch, P.C., Losch & Depuy, 1716 New Hampshire Avenue NW., Washington, D.C. 20009.

B. Great Lakes International, Inc., 2122 York Road, Oak Brook, Ill. 60521.

D. (6) \$17,500. E. (9) \$2,798.03.

. Robert E. Losch, P.C., Losch & Depuy, 1716 New Hampshire Avenue NW., Washington, D.C. 20009.

B. Pelican Terminal Corp., 734 Walt Whitman Road, Suite 304, Melville, N.Y. 11747; and Port of Galveston, P.O. Box 328, Galveston, Tex. 77550.

D. (6) \$10,000. E. (9) \$2,219.41.

A. Claudia J. Louis, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

James F. Lovett, 1801 K Street NW., Washington, D.C. 20006.

B. Westinghouse Electric Corp., Westing-Building, Gateway Center, Pittsburgh, Pa. 15222.

D. (6) \$500. E. (9) \$200.

A. Matthew A. Low, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.

B. Norman D. Shutler, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.

A. Robert C. Lower, 1200 C&S National Bank Building, 35 Broad Street, Atlanta, Ga. 30335.

B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. William C. Lowrey, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

D. (6) \$500.

A. Gerald M. Lowrie, 1120 Connecticut

Avenue NW., Washington, D.C. 20036. B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C.

20036. D (6) \$5 000

A. Mrs. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Suite 800, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202. D. (6) \$3,000. E. (9) \$354.26.

A. Charles Emmet Lucey, McDermott, Will & Emery, 1850 K Street NW., Suite 500, Washington, D.C. 20006.

B. Catholic Press Association, 119 North Park Avenue, Rockville Centre, N.Y. 11570. D. (6) \$1,000. E. (9) \$50.

A. William F. Ludlam, Sr., American Revolution Bicentennial Administration Association, P.O. Box 5282, Virginia Beach, Va.

B. ARBA Licensees Association, P.O. Box 10, Cocoa Beach, Fla. 32931.

E. (9) \$1.814.

A. Christopher Luis, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the U.S., 1615 H Street NW., Washington, D.C. 20062. D. (6) \$1,150. E. (9) \$36.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049. E. (9) \$3,447.82.

A. Milton F. Lunch, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) \$1,000.

. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.

B. Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004

D. (6) \$600. E. (9) \$26.91.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.

B. National Product Liability Council, 600 New Hampshire Avenue, Suite 920, Washington, D.C. 20037.

D. (6) \$250. E. (9) \$9.10.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.

B. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa. 18101.

D. (6) \$3,300. E. (9) \$365.42.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006. B. Shanghai Power Co., 100 West 10th

Street, Wilmington, Del. 19801.

D. (6) \$300.

A. Christian J. Lund, 1125 15th Street

NW., Washington, D.C. 20005.

B. United Technologies Corp., United Technologies Building, Hartford, Conn. 06101; 1125 15th Street NW., Washington, D.C. 20005. D. (6) \$13,975.

A. Peter D. Luxemburger, 3416 Garfield Street NW., Washington, D.C. 20007. B. Alaska Coalition.

A. Russell MacCleery, 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.

D. (6) \$2,000. E. (9) \$30.

A. Jack A. MacDonald, National Council of Health Centers, 2600 Virginia Avenue NW., No. 915, Washington, D.C. 20037.

B. National Council of Health Centers,

2600 Virginia Avenue NW., No. 915, Washington, D.C. 20037.

D. (6) \$975. E. (9) \$252.38.

A. James E. Mack, National Confectioners Association, 5101 Wisconsin Avenue, Suite 506, Washington, D.C. 20016.

B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.

D. (6) \$21,625. E. (9) \$2,248.83.

A. James E. Mack, Peanut Butter & Nut Processors Association, 5101 Wisconsin Avenue, Suite 504, Washington, D.C. 20016.

B. Peanut Butter & Nut Processors Association, 5101 Wisconsin Avenue, Suite 504, Washington, D.C. 20016.

D. (6) \$13,999.98. E. (9) \$2,872.11.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22102.

B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.

D. (6) \$10,989. E. (9) \$500.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, Inc., 810 National Press Building, Washington, D.C. 20045. B. Ad Hoc Committee in Defense of Life,

Inc., 150 East 35th Street, New York, N.Y. 10016.

D. (6) \$11,660. E. (9) \$3,940.07

A. Marion M. MacRae, BankAmerica Corp., 1800 K Street NW., No. 920, Washington, D.C. 20006.

BankAmerica Corp., BankAmerica Center, San Francisco, Calif.

D. (6) \$46.36. E. (9) \$109.47.

A. W. Terry Maguire, American Newspa-per Publishers Association, Box 17407, Dulles International Airport, Washington, D.C. 20041.

B. American Newspaper Publishers Association, Box 17407, Dulles International Airport, Washington, D.C. 20041.

D. (6) \$1,500. E. (9) \$647.

A. Thomas D. Maher, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. John F. Mahoney, 1776 K Street NW.,

Washington, D.C. 20006.

B. American Medical Association, North Dearborn Street, Chicago, Ill. 60610. D. (6) \$4,015. E. (9) \$88.13.

A. Robert L. Maier, 900 17th Street NW.,

Washington, D.C. 20006.

B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C.

D. (6) \$400. E. (9) \$10.

A. F. Anthony Maio, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006

B. First Wisconsin National Bank of Milwaukee, 777 East Wisconsin Avenue, Mil-waukee, Wis. 53202.

A. Andre Maisonpierre, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.

B. Alliance of American Insurers, North Wacker Drive, Chicago, Ill. 60606. D. (6) \$375.

A. David L. Mallino, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222. D. (6) \$8,901.72.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Eastman Chemical Products, Inc., P.O.

Box 431, Kingsport, Tenn. 37662. D. (6) \$750. E. (9) \$31.

A. Mary Jo Malone, American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$1,875.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036. E. (9) \$1,250.

A. Forbes Mann, 1155 15th Street NW.,

Suite 1004, Washington, D.C. 20005.

B. The LTV Corp., 1525 Elm Street,
Dallas, Tex. 75222.
D. (6) \$500. E. (9) \$20.

Carter Manasco, 5932 Chesterbrook

Road, McLean, Va. 22101.

B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.

D. (6) \$6,249.99. E. (9) \$75.45.

Phelps, Rothenberg Manatt, Tunney, 1200 New Hampshire Avenue NW.,

Suite No. 200, Washington, D.C. 20036. B. Dutcher Industries, 7717 Convey Court, San Diego, Calif. 92111. D. (6) \$202.50.

Rothenberg Manatt, Phelps, Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.

B. GATX Corp., 120 South Riverside

Plaza, Chicago, Ill. 60606.

D. (6) \$13,642.50.

Phelps, Rothenberg Manatt. Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.

B. Institute of Electrical & Electronic En-

gineers, 1111 19th Street NW., Suite 608,

Washington, D.C. 20036. D. (6) \$900. E. (9) \$.60.

Manatt, Phelps, Rothenberg Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.

B. Los Angeles (City) Community Rede-elopment Agency, 727 West Seventh velopment Agency, 727 Street, Los Angeles, Calif. West Seventh

D. (6) \$6,192.

Rothenberg Phelps. Tunney, 1200 New Hampshire Avenue NW.,

Suite 200, Washington, D.C. 20036. B. Luz International Ltd., 110 Burlingame Avenue, Burlingame, Calif. 94010.

D. (6) \$1,500.

Phelps, Rothenberg A. Manatt. Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.

B. National Investment Development Corp., 1801 Century Park East No. 1901, Los Angeles, Calif. 90067.

D. (6) \$1.375.

Manatt, Phelps, Rothenberg A. Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.

B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.

D. (6) \$5,175.

Manatt. Phelps. Rothenberg Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.

B. Northwest Alaskan Pipeline Co., 1120 20th Street NW., Suite S-700, Washington,

D.C. 20036. D. (6) \$1,780.

Phelps, Rothenberg Manatt. Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.

B. Pharmaceutical Manufacturers Association, 1155 15th Street, NW., Washington, D.C. 20005

D. (6) \$2,737.

Phelps. Rothenberg Manatt. Tunney, 1200 New Hampshire Avenue NW., Suite 200, Washington, D.C. 20036.

B. 20th Century Fox Film Corp., P.O. Box 900, Beverly Hills, Calif. 90213.

D. (6) \$9,265. E. (9) \$59.90.

A. Manchester Associates, Inc., 1155 15th Street NW., No. 1010, Washington, D.C. 20005.

B. Nissan Motor Co., Ltd., 560 Sylvan Avenue, P.O. Box 1606, Englewood Cliffs, N.J. 07632.

A. Ted R. Mannen, Health Industry Manufacturers Association, Suite 1100, 1030 15th Street NW., Washington, D.C. 20005.

B. Health Industry Manufacturers Association, Suite 1100, 1030 15th Street NW., Washington, D.C. 20005.

A. Armand G. Manson, 1666 K Street NW., Suite 300, Washington, D.C. 20006.

B. Bell Aerospace Textron, 1666 K Street NW., Suite 300, Washington, D.C. 2006.

D. (6) \$2,760.

A. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington. Va. 22202.

A. Allen J. Manzano, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001. B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. John V. Maraney, 324 East Capitol Street NE., Washington, D.C. 20003.

B. National Star Route Mail Carriers Association, 324 East Capitol Street, Washington, D.C. 20003.

A. Richard Markey, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001. D. (6) \$2,500.

A. March for Life, Inc., P.O. Box 2950, Washington, D.C. 20013.

D. (6) \$3,861.27. E. (9) \$3,829.58.

A. Charles T. Marck, 1800 M Street NW.,

Suite 700 South, Washington, D.C. 20036. B. The Dow Chemical Co., Midland, Mich. 48640.

D. (6) \$1,000. E. (9) \$250.

A. Richard Markey, 444 North Capitol Street NW., No. 409, Washington, D.C. 20001.

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., No. 409, Washington, D.C. 20001.

D. (6) \$2,500.

A. E. Vernon Markham III, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

B. Stephens Overseas Services, Inc., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

D. (6) \$9.36.

A. Lawrence D. Markley, P.O. Box 3518, Anchorage, Alaska 99501.

B. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501. D. (6) \$5,643.28. E. (9) \$8,447.55.

A. John Marlin, 307 West Nevada, Urbana, TIL 61801

B. Central States Resource Center, P.O. Box 477, Urbana, Ill. 61801. D. (6) \$2,875.

A. Howard Marlowe, 815 16th Street NW.,

Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. D. (6) \$13,621.07. E. (9) \$500.11.

A. D. V. Maroney, Jr., Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington,

D.C. 20016.

A. C. Travis Marshall, 1776 K Street NW., Washington, D.C. 20006.

B. Motorola Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) \$1,500. E. (9) \$44.22.

A. J. Paull Marshall, Association of American Railroads, 412 First Street SE., Washington, D.C. 20003.

B. Association of American Railroads,
 1920 L Street NW., Washington, D.C. 20036.
 D. (6) \$266.21. E. (9) \$237.90.

A. David O. Martin, Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.

B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.

D. (6) \$150. E. (9) \$325.50.

A. John B. Martin, National Retired Teachers Association, American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association. American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049. D. (6) \$71. E. (9) \$71.

A. John M. Martin, Jr., 6909 Fort Hunt Road, Alexandria, Va. 22307. B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) \$300. E. (9) \$35.

A. John M. Martin, Jr., 6909 Fort Hunt Road, Alexandria, Va. 22307.

B. National Association of Home Builders, 15th & M Streets NW., Washington, D.C. 20005.

D. (6) \$100. E. (9) \$15.

A. Katherine E. Martin, Association of American Railroads, 412 First Street SE.,

Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) \$273.12. E. (9) \$136.96.

A. Larry K. Martin, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington,

D.C

D (6) \$150

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$225.

A. Reynaldo L. Martinez, National Education Association, 1330 Gaylord Street, Apt. 707, Denver, Colo. 80206.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$953. E. (9) \$552.50.

A. Joseph J. Martyak, Union Carbide Corp., 1930 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) \$85.41.

A. Mike M. Masaoka, 900 17th Street NW.,

Suite 520, Washington, D.C. 20006. B. Toyota Motor Sales, U.S.A., Inc., 1899 L Street NW., Suite 703, Washington, D.C. 20036

D. (6) \$750

A. Mike M. Masaoka, 900 17th Street NW., Suite 520, Washington, D.C. 20006. B. West Mexico Vegetable Distributors As-

sociation, P.O. Box 848, Nogales, Ariz. 85621. D. (6) \$500.

Scott A. Mason, Samaritan Health Service, 6137 East Calle Camelia, Scottsdale, Ariz. 85251

B. Samaritan Health Service, 1410 North 3d Street, Phoenix, Ariz. 85004.

D. (6) \$2,250.

A. W. A. Mason, 442 Ontario, Shreveport,

B. Southwestern Electric Power Co., P.O. Box 21106, Shreveport, La. 71156. D. (6) \$105.

A. Cliff Massa III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. James D. Massie, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036. D. (6) \$5,000. E. (9) \$6,517.45.

A. William F. Massmann, Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265. B. Dr. Pepper Co., P.O. Box 225086,

Dallas, Tex. 75265.

A. Charles D. Matthews, 1100 17th Street NW., No. 410, Washington, D.C. 20036.

B. National Ocean Industries Association, 1100 17th Street NW., No. 410, Washington, D.C. 20036.

D. (6) \$1,622.28. E. (9) \$266.89.

A. Robert A. Matthews, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

D (6) \$686 19

A. Joanne E. Mattiace, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower,

Chicago, Ill. 60684.

C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C.

B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C.

B. Joint Government Liaison Committee, 1111 E Street NW., Washington, D.C.

A. Anthony F. Mauriello, c/o New York State Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10176.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$954.60. E. (9) \$681.11.

A. Samuel L. Maury, United States Steel Corporation, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

A. Thomas H. Maxedon, c/o Kentucky Petroleum Council, 4010 Dupont Circle, Suite 469, Louisville, Ky. 40207.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$413.74. E. (9) \$374.70.

A. Arnold Mayer, 1775 K Street NW., Washington, D.C. 20006.

B. United Food & Commercial Workers International Union, 1775 K Street NW., Washington, D.C. 20001.

D. (6) \$16,153.83. E. (9) \$421.91.

A. James C. May, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007. B. Grocery Manufacturers of America,

Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. Aerospace Industries of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036

A. Mayer, Brown & Platt, 888 17th Street

NW., Washington, D.C. 20006.

B. Comdisco, Inc., 6400 Shafer Court, Rosemont, Ill. 60018.

D. (6) \$140.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. The ERISA Industry Committee, Suite

500, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) \$1,365.

A. Mayer, Brown & Platt, 888 17th Street

NW., Washington, D.C. 20006.

B. The National Association of Manufacturers, 1776 F Street NW., Washington, D.C.

A. Douglas E. McAllister, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, Street NW., Washington, D.C. 20036. D. (6) \$41.21. E. (9) \$3.95.

A. William J. McAuliffe, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

B. American Land Title Assn., 1828 L Street NW., Washington, D.C. 20036.

Ann McBride, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. 6. \$8,500.02. E. (9) \$166.55.

A. Martha L. McCabe, 1828 L Street NW., Suite 1100, Washington, D.C. 20036

B. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036

D. (6) \$6,249,99. E. (9) \$1,980.67.

A. John McCahill, United States Olympic Committee, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. United States Olympic Committee, 750 East Boulder Avenue, Colorado Avenue, Colorado 1750 Springs, Colo. 80909.

A. Julie P. McCahill, The Mead Corp. M. Suite F. McCanni, The Mead Corp., 1000 Connecticut Avenue NW., Suite 715, Washington, D.C. 20036. B. The Mead Corp., Mead World Head-quarters, Courthouse Plaza NE., Dayton,

Ohio 45463.

D. (6) \$275.00. E. (9) \$69.47.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006. D. (6) \$300.

. Robert H. McCandless, 1707 H Street

NW., Washington, D.C. 20006.

B. Transamerica Insurance Corp. of California, Occidental Center, Los Angeles, Calif. 90015.

D. (6) \$43,748.11.

A. James W. McCarthy, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson

Boulevard, Arlington, Va 22209. D. (6) \$2,000. E. (9) \$1,256.48.

A. James R. McCaul, IMA Resources, Inc., 1800 K Street NW., Washington, D.C. 20006. B. IMA Resources, Inc., 1800 K Street 1800 K Street

NW., Washington, D.C. 20006.

A. McCarty, Noone & Williams; 490 L'Enfant Plaza East SW., Suite 3306, Washington, D.C. 20024.

B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.

D. (6) \$225.00. E. (9) \$20.84.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Cigar Association of America, 1120 19th Street NW., Washington, D.C. 20036.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Cities Service Co., Box 300, Tulsa, Okla. 74102.

E. (9) \$43.57.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.

E. (9) \$102.95

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Gulf Resources & Chemical Corp., 1100 Milam Building, Houston, Tex. 77002.

E. (9) \$20.69.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C.

B. Gulf & Western Industries, Inc., One Gulf and Western Plaza, New York, N.Y. 10023.

E. (9) \$199.25.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036

B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Mobile Corp., 150 East 42nd Street, New York, N.Y. 10017.

E. (9) \$55.61.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036

B. Tracor, Inc., 6500 Tracor Lane, Austin, Tex. 78721.

A. Richard M. M. McConnell, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Molly McCormick, Philadelphia Elec tric Co., 2301 Market Street, S23-1, P.O. Box 8699, Philadelphia, Pa. 19101.

B. Philadelphia Electric Co., 2301 Market Street, P.O. Box 8699, Philadelphia, Pa. 19101.

D. (6) \$1.675. E. (9) \$322.48.

A. Sally McCormick, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$4,957.50. E. (9) \$562.50.

A. Toni McCrary, American Mining Congress, 1920 N Street NW., Washington, D.C.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$46.14.

A. Maria S. McCrea, National Association of Arab Americans, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. National Association of Arab Americans, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) \$1,075. E. (9) \$400.

E. L. McCulloch, 819 Railway Labor Building, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114. D. (6) \$284.60. E. (9) \$85.20.

A. Albert L. McDermott, American Hotel & Motel Association, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019. D. (6) \$1,693,48.

A. Marianne McDermott, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Michael D. McDonald, Maryland Petro-leum Association, 60 West Street, Annapolis, Md. 21401.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Patrick J. McDonough, American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

B. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church,

Va. 22041.

D. (6) \$3.483. E. (9) \$542.61.

A. Susan K. McDowell, National Grange, 1616 H Street NW., Washington, D.C. 20006. B. National Grange, 1616 H Street NW.,

Washington, D.C. 20006.

D. (6) \$875.

A. Darryl D. McEwen, Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

B. Society of American Florists, 901 N. Washington St., Alexandria, Va. 22314.

A. Robert H. McFadden, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the U.S., Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) \$176. E. (9) \$8.75.

A. Paul J. McGeady, 27 Hampton Place, Nutley, N.J. 07110.

B. Morality in Media, Inc., 475 Riverside Drive, New York, N.Y. 10115. D. (6) \$41.20.

A. Donna Lee McGee, 1800 M Street NW., No. 870, South, Washington, D.C. 20036

B. Burlington Industries, Inc. 1800 M Street NW., No. 870, South, Washington, D.C. 20036.

A. W. Curt McGeen, 711 Ridge Dr., McLean, Va. 22101.

B. Bechtel National, Inc., 1620 I Street NW., Washington, D.C. 20006.

A. P. Anne McGhee, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1 Street NW., Washington, D.C. 20006. 1750 K D. (6) \$450.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006. D. (6) \$13,299. E. (9) \$817.02.

A. Jerome J. McGrath, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) \$500.

A. Peter E. McGuire, National Association of Retired and Veteran Railway Employees. Inc., 400 First Street NW., Washington, D.C.

B. National Association of Retired and Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kan. 66106, Hotel & Restaurant Employees International Union, 1875 I Street NW., Washington, D.C. 20006, and International Union of Police Association, 422 First Street SE., Washington, D.C. 20003.

D. (6) \$5,999.98.

A. Walter P. McHugh, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.

B. American Hospital Association, North Lake Drive, Chicago, Ill. 60611.

D. (6) \$3,071.52. E. (9) \$22.25.

A. Clarence M. McIntosh, Jr., Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

D. (6) \$1,253.77.

A. Lyndley R. McIntosh, 410 First Street, SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C. D. (6) \$2,003.13 E. (9) \$96.29

A. Robert S. McIntyre, 1825 K Street, Suite 522, Washington, D.C. 20006.

B. Citizens for Tax Justice, 1825 K Street, Suite 522, Washington, D.C. 20006. D. (6) \$4,326.93. E. (9) \$36.

A. Christine E. McKechnie, 2550 M Street NW., Suite 770, Washington, D.C. 20037. B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.

D. (6) \$250. E. (9) \$169.05.

A. William F. McKenna, 1800 M Street

NW., Washington, D.C. 20036. B. Housley Goldberg and Kantarian, P.C., 1800 M Street NW., No. 675N, Washington, D.C. 20036.

A. Janet E. McKenzie, Allied-General Nuclear Services, 1150 Connecticut Avenue NW., Washington, D.C. 20036. B. Allied-General Nuclear Services, P.O.

Box 847, Barnwell, S.C. 29812.

D. (6) \$500.

A. Robert T. McKernan, American Massa-chusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. William Colm McKeveny, Chadbourne, Parke, Whiteside & Wolff, 30 Rockefeller Plaza, New York, N.Y. 10112.

B. American Pulpwood Association, 1619 Massachusetts Ave. NW., Washington, D.C.

20036.

A. James D. McKevitt, 490 L'Enfant. Plaza

East SW., Suite 3206, Washington, D.C.

B. National Federation of Independent
Business, 490 L'Enfant Plaza East SW.,
Suite 3206, Washington, D.C.

D. (6) \$3,500 E. (9) \$175.

A. C.A. Mack McKinney, 110 Maryland

Ave., NE., Box 43, Washington, D.C. 20002. B. Non Commissioned Officers Association of the USA, P.O. Box 33610, San Antonio, Tex. 78233

D. (6) \$7,123.14. E. (9) \$7,094,75.

A. Gail H. McLarnon, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

Gail H. McLarnon, First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. James D. McLaughlin, American Bankers Association, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C.

D. (6) \$1,100. E. (9) \$444.44.

A. John S. McLees, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$1,403.50. E. (9) \$220.80.

A. William F. McManus, General Electric o., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turn-pike, Fairfield, Conn. 06431.

D. (6) \$520.

Jane Pierson McMichael, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) \$12,573.40. E. (9) \$31,283.52.

A. James D. McMillan, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) \$197.

A. Laramie Faith McNamara, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) \$1,000.

A. George G. Mead, American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Association, Inc. 1616 P Street NW., Washington, D.C. 20036.

D. (6) \$8,000.

John K. Meagher, LTV Corp., 1155 15th Street NW., Suite 1004, Washington, D.C. 20005.

The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.

D. (6) \$2,500. E. (9) \$550.

A. Francis X. Meaney, 1015 15th Street W., Washington, D.C. 20005; One Center NW., Washington, D.C. Plaza, Boston, Mass. 02108.

B. Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. 1015 15th Street NW., Washington, D.C. 20005; One Center Plaza, Boston, Mass. 02108.

A. Francis X. Meaney, 1015 15th Street NW., Washington, D.C. 20005; One Center Plaza, Boston, Mass. 02108.

B. Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. 1015 15th Street NW., Washington, D.C. 20005; One Center Plaza, Boston, Mass. 02108 for Goldman, Sach & Co., 55 Broad Street, New York, N.Y. 10004.

A. Francis X. Meaney, 1015 15th Street NW., Washington, D.C. 20005; One Center Plaza, Boston, Mass. 02108.

B. Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. 1015 15th Street NW., Washington, D.C. 20005; One Center Plaza, Boston, Mass. 02108 for Refuse Fuels, Inc., P.O. Box 83, Bradford, Mass. 08130.

A. Francis X. Meaney, 1015 15th Street NW., Washington, D.C. 20005.

B. Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C., 1015 15th Street NW., Washington, D.C. and 1 Center Plaza, Boston, Mass. 02108, for SCA Services, Inc., 60 State Street, Boston, Mass. 02109.

D. (6) \$250.

A. Francis X. Meaney, 1015 15th Street NW., Washington, D.C. 20005.

B. Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C., 1015 15th Street NW., Washington, D.C. and 1 Center Plaza, Boston, Mass. 02108, for Securities Industry Associ-

ation, 20 Broad Street, New York, N.Y. 10005.

D (6) \$1 000

A. Joe J. Meder, Inc., 1050 17th Street NW., No. 1100, Washington, D.C. 20036. B. Interlake, Inc., 2015 Spring Road, Com-

merce Plaza, Oak Brook, Ill. 60521.

D. (6) \$9,000. E. (9) \$222.20.

A. David O. Meeker, Jr., American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$1,500.

A. William H. Megonnell, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$455. E. (9) \$42.95.

A. Richard A. Mehler, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.

E. (9) \$505.

A. Louis L. Meier, Jr., American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.

B. American Society of Civil Engineers, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.

D. (6) \$1,128. E. (9) \$1,493.

A. Susan Meisinger, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001

D. (6) \$2,500. E. (9) \$16.55.

A. F. A. Meister, Jr., 1611 North Kent Street, Suite 900, Arlington, Va. 22209.

B. American Footwear Industries Association, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.

D. (6) \$350. E. (9) \$15.

A. Jack Menache, 7900 Callaghan Road, San Antonio, Tex. 78229.

B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.

A. Marilee Menard, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.

D. (6) \$2,000.

A. Edward L. Menning, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

D. (6) \$15.41.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North

Kent Street, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Ar-lington, Va. 22209.

A. Charles L. Merin, National Rural Letter Carriers' Association, Suite 1204, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, Suite 1204, 1750 Pennsylvania Avenue

NW., Washington, D.C. 20006.

D. (6) \$10,329. E. (9) \$355.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20815. B. Central Gulf Lines, Inc., No. 2 Canal Street, New Orleans, La. 70130.

E. (9) \$16.45.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20815.

B. Coalition of United States Citizen Award-Holders Against Czechoslovakia. E. (9) \$437.19.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20815.

B. National Association of Recycling Industries, Inc. 330 Madison Avenue, New York, N.Y. 10017.

E. (9) \$172.

A. M. Barry Meyer, The Aluminum Asso ciation, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006

D. (6) \$50. E. (9) \$161.15.

A. Larry Meyers, 115 D Street SE., Suite 8, Washington, D.C. 20003.

B. Independent Cattlemen Association, 704 East Wonsley, Suite 202, Austin, Tex. 78753.

D. (6) \$4,500.

A. Larry Meyers, 115 D Street SE., Suite 8, Washington, D.C. 20003.

B. Southwestern Peanut Growers, Box 338, Gorman, Tex. 76544.

D. (6) \$5,000.

A. James G. Michaux, Federated Department Stores, Inc., 1801 K Street NW., Suite 903, Washington, D.C. 20006.

B. Federated Department Stores, Inc., West Seventh Street, Cincinnati, Ohio 45202.

D. (6) \$500.

A. Ronald A. Michieli, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.

D. (6) \$1,000.

A. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) \$4,863.43. E. (9) \$7,518.99.

A. Mid Continent Wildcatters Association, 200 Douglas Building, Wichita, Kans. 67202.
 D. (6) \$25,023.58. E. (9) \$7,729.

A. Joy Midman, National Association of Private Psychiatric Hospitals, 1701 K Street, Washington, D.C.

B. National Association of Private Psychiatric Hospitals, 1701 K Street NW., Suite 1205, Washington, D.C. 20006.

D. (6) \$250.

A. Migrant Legal Action Program, 806 15th Street NW., Washington, D.C. 20005. D. (6) \$24,564.71. E. (9) \$24,564.71.

A. Milbank, Tweed, Hadley & McCloy, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. LaSalle National Bank, 135 South La-Salle Street, Chicago, Ill. 60690.

A. Roy H. Millenson, Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.

B. Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.

D. (6) \$2,050. E. (9) \$107.66.

A. A. Stanley Miller, Federation of American Controlled Shipping, 910 16th Street, Room 302, Washington, D.C. 20006.

B. Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004.

D. (6) \$200.

A. Miller Associates, Inc., 2500 Q Street NW., Washington, D.C. 20007. B. Tosco Corp., 10100 Santa Monica Bou-levard, Los Angeles, Calif. 90067.

D. (6) \$1,500. E. (9) \$56.

A. C. John Miller, 1101 16th Street NW.,

Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) \$17.

A. Miller, Cassidy, Larroca & Lewin, 2555 M Street NW., Washington, D.C. 20037. B. National Public Radio, 2025 M Street

NW., Washington, D.C.

D. (6) \$1,240.

A. Miller & Chevalier, Chtrd., 1700 Pennsylvania Avenue NW., Washington, D.C.

B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852

D. (6) \$3,975.

A. Dale Miller, 1200 16th Street NW., No. 305, Washington, D.C. 20036.

B. Texasgulf, Inc., Stamford, Conn. D. (6) \$450. E. (9) \$787.30.

A. Daniel R. Miller, Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. Truck Trailer Manufacturers Associ-

ation, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) \$700. E. (9) \$21.50.

A. James C. Miller, National Grange, 1616 H Street NW., Washington, D.C. 20006. B. National Grange, 1616 H Street NW.,

Washington, D.C. 20006.

D. (6) \$3,062.

A. John R. Miller, 1750 Midland Building, Cleveland, Ohio 44115.

B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Linda B. Miller, Suite 405, 2550 M Street NW., Washington, D.C. 20037.

B. Volunteer Trustees of Not-for-Profit Hospitals, Suite 405, 2550 M Street NW., Washington, D.C. 20037.

D. (6) \$2,000. E. (9) \$100.

A. Paul J. Miller, Sonnenschein, Carlin et al., 8000 Sears Tower, Chicago, Ill. 60606.

B. Investment Counsel Association of America, Inc., 50 Broad Street, New York, N.Y. 10004.

A. Robert H. Miller, Tenneco, Inc., 490 L'Enfant Plaza East SW., No. 2202, Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. W. Kirk Miller, 733 North Van Buren Street, Suite 610, Milwaukee, Wis. 53202. B. Barley and Malt Institute, 733 North Van Buren Street, Suite 610, Milwaukee, Wis. 53202.

D. (6) \$4,000. E. (9) \$880.59.

A. Christine Topping Milliken, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges and Universities, 1717 Massachu-setts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) \$7,860. E. (9) \$213.83.

A. John C. Milliner, Jr., P.O. Box 1606, Forest Park, Ga., 30051.

B. Southeastern Lumber Manufacturers Association, P.O. Box 1606, Forest Park, Ga., 30051.

D. (6) \$60.82.

A. John F. Mills, 1875 I Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.

D. (6) \$200. E. (9) \$14.

A. Edward J. Milne, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) \$1,250.

A. Minerals Exploration Coalition, Inc., 790 West Tennessee Avenue, Suite 103, Denver, Colo. 80223.

D. (6) \$44,603.

A. Deborah M. Minnich, General Instrument Corp., 1200 New Hampshire Avenue NW., Suite 320, Washington, D.C. 20036.

B. General Instrument Corp., 1775 Broadway, New York, N.Y. 10019.

D. (6) \$350. E. (9) \$265.

A. Thom B. Miranda, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.

D. (6) \$562.50. E. (9) \$13.51.

A. Stafford Michael Mishoe, 499 South Capitol Street SW., Suite 102, Washington, D.C. 20003.

B. National Pork Producers Council, P.O. Box 10383, Des Moines, Iowa 50306.

D. (6) \$225. E. (9) \$1,306.74.

A. Mark R. Misiorowski, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of

America, 1957 E Street NW., Washington, D.C. 20006.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1875 I Street NW., Washington, D.C.

B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.

E. (9) \$378.

A. Michael S. Moe, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Moery & Co., 1230 Kensington Road, McLean, Va. 22102.

B. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005 (for Amsterdam Rotterdam Bank).

A. Moery & Co., 1230 Kensington Road, McLean, Va. 22102.

B. Surrey & Morse, 1156 15th Street NW. Washington, D.C. 20005 (for Arab Republic of Egypt).

D. (6) \$375. E. (9) \$16.

A. Moery & Co., 1230 Kensington Road, McLean, Va. 22102.

- B. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005 (for the Govern-ment of the Republic of Zaire).
- A. Moery & Co., 1230 Kensington Road, McLean, Va. 22102.
- B. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005 (for Riviana Foods,

D. (6) \$75. E. (9) \$8.

- A. Robert M. Moliter, General Electric Co., 777 14th Street NW., Washington, D.C. 20005
- B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) \$265.

- A. John V. Moller, Manchester Associates. Ltd., 1155 15th Street NW., No. 1010, Washington, D.C. 20005.
- B. Manchester Associates, 1155 15th Street NW., No. 1010, Washington, D.C. 20005 (for: Nissan Motor Co., Ltd., 560 Sylvan Avenue, Englewood Cliffs, N.J.).

A. Michael J. Molony, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$60.

- A. C. Manly Molpus, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
- B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.

D. (6) \$1,000.

- A. Christopher Monek, 1957 E Street NW., Washington, D.C. 20006.
- B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
- A. Elizabeth Monro, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
- B. Air Transport Association of America. 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$1,300.

- A. Michael Monroney, TRW Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
- B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) \$1,000.

- A. Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
- B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill.
- A. Steven M. Moodie, 910 16th Street, Room 302, Washington, D.C. 20006.
- B. Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004.

D. (6) \$200.

- A. G. Merrill Moody, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
- B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036. D. (6) \$105.59. E. (9) \$116.77.
- . James P. Mooney, National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.
- B. National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$5,000. E. (9) \$200.43.

- A. Alan J. Moore, The Atchison, Topeka and Santa Fe Railway Co., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. The Atchison, Topeka and Santa Fe Railway Co., 80 East Jackson Boulevard. Chicago, Ill. 60604.

D. (6) \$1,000.

- A. Janis E. Moore, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
- B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$250.
- A. Morality In Media, Inc., 475 Riverside Drive, New York, N.Y. 10115. D. (6) \$50.75. E. (9) \$50.75.
- A. Richard Moran, 444 North Capitol Street NW., Suite 409, Washington, D.C.
- B. Associated Builders and Contractors. Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
 D. (6) \$3,125.

- A. Vincent L. Morelli, 2550 M Street NW., Suite 225, Washington, D.C. 20037.
- B. Congoleum Corp., Portsmouth, N.H. 03801
 - D. (6) \$399. E. (9) \$286.26.
- A. Jo V. Morgan, Jr., 1828 L Street NW., No. 800, Washington, D.C. 20036.
- B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201. D. (6) \$1,588.90.

- A. John Morgan, Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
- B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006. D. (6) \$875. E. (9) \$37.90.
- A. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800 N, Washington, D.C. 20036.
- B. Committee For Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800 N, Washington, D.C. 20036

D. (6) \$1,161. E. (9) \$618.

A. Morgan, Lewis & Bockius, 1800 M

Street NW., Washington, D.C. 20036. B. Knoll Fine Chemicals, 120 East 56th Street, New York, N.Y. 10022.

- A. Martin S. Morris, 1957 E Street NW., Washington, D.C. 20006.
- B. The Associated General Contractors of America, 1957 E Street NW., Washington,
- A. Victor G. Morris, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue, NW., No. 530, Washington, D.C. 20036. B. Montgomery Ward & Co., Inc., One
- Ward Plaza, Chicago, Ill. Montgomery 60671.
- . Morrison & Foerster, 1920 N Street NW., Washington, D.C. 20036.

 B. The City and County of San Francisco,
- City Hall, San Francisco, Calif. 94102. E. (9) \$5.50.
- A. William C. Morrison, 2001 North Adams Street, Arlington, Va. 22201. B. Meat Importers Council of America, 2001 North
- Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
 D. (6) \$875.

A. Russell N. Mosher, 1500 Wilson Boulevard, Suite 700, Arlington, Va. 22209.

- D. (6) \$209. E. (9) \$281.35
- A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036
- B. Crown Zellerbach Corp., 1 Bush Street, San Francisco, Calif. 94119.
- A. Bernard Moss, 2440 Virginia Avenue NW., Washington, D.C. 20037.
- B. Association of Bank Holding Companies, 730 15th Street NW., Washington, D.C. 20005
 - D. (6) \$750.
- A. Lynn E. Mote, InterNorth, 1015 15th Street NW., Suite 900, Washington, D.C. 20005.
- B. InterNorth, 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) \$2,000.

- A. Motor and Equipment Manufacturers Association, 1120 19th Street NW., Suite 333, Washington, D.C. 20036.
 - E. (9) \$914.74.
- A. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) \$3,716.02. E. (9) \$3,716.02.

- A. Kelly Holley Mountain, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
- B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
- A. William G. Mullen, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
- B. Associated Third Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006
 - D. (6) \$600.
- A. Richard J. Muller, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036
- B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288. D. (6) \$2,000. E. (9) \$105.
- John P. Mulligan, 1101 17th Street NW., Washington, D.C. 20036.
- B. Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036. D. (6) \$1,525.
- A. Albert E. Mullin, Jr., Digital Equipment Corp., 111 Powdermill Road, B79, Maynard, Mass. 01754.
- B. Digital Equipment Corp., 111 Powdermill Road, B79, Maynard, Mass. 01754.
- D. (6) \$43,750.
- Tracy Mullin, National Retail Merchants chants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. Connecticut
- B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001. D. (6) \$100. E. (9) \$15.
- A. Robert J. Mullins, 1012 14th Street NW., Washington, D.C. 20005.
- B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
- D. (6) \$6,633.87. E. (9) \$123.92.
- A. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007 D. (6) \$5,538.77. E. (9) \$5,538.77.
- A. Richard E. Murphy, 2020 K Street NW., Washington, D.C. 20006.

- B. Service Employees International Union, AFL-CIO, CLC, 2020 K Street NW., Suite 200, Washington, D.C. 20006. D. (6) \$1,000. E. (9) \$130.

A. Richard W. Murphy, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036. B. National Food Processors Association,

1133 20th Street NW., Washington, D.C.

D. (6) \$500. E. (9) \$111.75.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036

B. Chicago, Milwaukee, St. Paul & Pacific Railroad, 516 West Jackson, Chicago, Ill. 60606

D. (6) \$500.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C.

B. The Cleveland Cliffs Iron Co., 1460 Union Commerce Building, Cleveland, Ohio 44115.

D. (6) \$150.

- A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C.
- B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.

D. (6) \$250.

- A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036
- B. Iron Ore Lessor Association, 1500 First National Bank Building, St. Paul, Minn. 55101.

D. (6) \$250.

- A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C.
- B. The LTV Corp., P.O. Box 5003, Dallas, Tex. 75222.

D. (6) \$300.

- A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C.
- B. National Council of Coal Lessors, Inc., 1150 One Valley Square, Charleston, W. Va. 25301.

D. (6) \$250.

A. William E. Murray, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$179.50.

A. Frank Dominic Musica, American Institute of Architects, 1735 New York Avenue, NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue, NW., Washington, D.C.

D. (6) \$2,750.

A. Harold D. Muth, 1600 Wilson Boulevard, Suite 1000, Arlington, Va. 22209.

B. The American Waterways Operators, Inc., Arlington, Va. 22209.

D. (6) \$300.

A. Lawrence P. Mutter, 6849 Old Domin-

ion Drive, McLean, Va. 22101.

B. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.

A. Fred J. Mutz, 1120 Connecticut Avenue

NW., Washington, D.C. 20036.
B. American Bankers Association, 1120
Connecticut Avenue NW., Washington, D.C.

D. (6) \$2,000. E. (9) \$10.

A. Gary D. Myers, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

The Fertilizer Institute, B Street NW., Washington, D.C. 20036.

D. (6) \$500. E. (9) \$2,508.28.

- A. J. Walter Myers, Jr., Forest Farmers Association, P.O. Box 95385, Atlanta, Ga.
- B. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
- A. Clifford Naeve, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.
- B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.

D. (6) \$115.37. E. (9) \$40.

A. Gerald P. Nagy, National Home Furnishings Association, 900 17th Street NW., Suite 514, Washington, D.C. 20006.

B. National Home Furnishings Associ-

ation, 405 Merchandise Mart, Chicago, Ill. 60654.

D. (6) \$2,000.

A. N. Naman, Howell, Smith, Lee & Muldrow, P.C., 700 Texas Center, 900 Washington, Waco, Tex. 76703.

B. Cotton Farmers Association, 700 Texas Center, 900 Washington, Waco, Tex. 76703.

A. Bernard Nash, Blum & Nash, 1015 18th

Street, No. 408, Washington, D.C. 20036.
B. General Electric Co., 3125 Turnpike, Fairfield, Conn. 06431.

A. Bernard Nash, Blum & Nash, 1015 18th

Street, No. 408, Washington, D.C. 20036. B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065. E. (9) \$40.

- A. NATA, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C.
- A. Frances E. Nathan, New York Public Library, 8 East 40th Street, New York, N.Y. 10016.
- B. New York Public Library, Fifth Avenue and 42d Street, New York, N.Y. 10018. D. (6) \$3.975.
- A. Hardy L. Nathan, 1750 K Street NW., Washington, D.C. 20006.
- B. Food Marketing Institute, 1 Street NW., Washington, D.C. 20006. D. (6) \$900. 1750 K
- Raymond Nathan, 4242 East-West Highway, Chevy Chase, Md. 20815. B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.

D. (6) \$555. E. (9) \$393.78.

- A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.
- D. (6) \$8,501.60. E. (9) \$8,501.60.
- A National Associated Businessmen, Inc. 1000 Connecticut Avenue, No. 615, Washington. D.C. 20036.

D. (6) \$30. E. (9) \$13.95.

A. National Association for Humane Legislation Inc., Post Office Box 11675, St. Petersburg, Fla. 33733.

D. (6) \$57.38. E. (9) \$230.

A. National Association for Neighborhood Schools Inc., P.O. Box 14887, Columbus, Ohio 43214.

D. (6) \$13,523.26. E. (9) \$10,694.99.

A. National Association for Uniformed Services, 5535 Hempstead Way, P.O. Box 1406, Springfield, Va. 22151.

D. (6) \$2,243.03. E. (9) \$2,652.55.

A. National Association of Air Traffic Specialists, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.

E (9) \$8 700.39

- A. National Association of Business and Educational Radio, Inc., P.O. Box 19164, Washington, D.C. 20036.
 - E. (9) \$854.25.
- A. National Association of Chain Drug Stores, Inc., P.O. Box 1417-D49, Alexandria, Va. 22313.

E. (9) \$5,950.

A. The National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

E. (9) \$15.41.

A. National Association of Homes for Children, 200 South Tyron Street, Suite 1500, Charlotte, N.C. 28202.

D. (6) \$2,000.

A. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) \$177.676.71. E. (9) \$154.368.07.

- National Association of Margarine Manufactures, 1625 I Street NW., No. 1024-A, Washington, D.C. 20006
- A. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$65,021.48 E. (9) \$65,021.48.
- A. National Assocation of Mutual Insurance Cos., 3707 Woodview Trace, P.O. Box 68700, Indianapolis, Ind. 46268.
- A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10166
- D. (6) \$15,432.27. E. (9) \$15,432.27.
- A. The National Association of Pension Consultants and Administrators, Three Piedmont Center, Suite 300, Atlanta, Ga. 30342.

D. (6) \$2,100. E. (9) \$31.14.

- A. National Association of Personnel Consultants, 1012 14th Street NW., Washington D.C. 20005.
 - D. (6) \$7,509.19. E. (9) \$6,100.
- A. National Association of Private Enterprise, Alameda Roosevelt 2827, San Salvador, El Salvador.

E. (9) \$12,000.

A. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

D. (6) \$6,000. E. (9) \$5,860.

A. National Association of Realtors, 430 orth Michigan, Chicago, Ill. 60611; 777 North Michigan, Chicago, Ill. 60611; 7' 14th Street NW., Washington, D.C. 20005. E. (9) \$40.753.80.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031. D. (6) \$57,547.23. E. (9) \$6,391.57.

A. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) \$1,750. E. (9) \$1,750.

A. National Business Aircraft Association, One Farragut Square South, Washington, D.C. 20006.

A. National Cable Television Association, 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$10,101.19. E. (9) \$10,301.62.

A. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203. E. (9) \$2,063.50.

A. National Coal Association, Coal Building, Washington, D.C. 20036.

D. (6) \$1,395,429.57. E. (9) \$31,727.04.

A. National Coalition for Marine Conservation, Inc., P.O. Box 23298, Savannah, Ga. 31403.

D. (6) \$9,980. E. (9) \$13,455.75.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.

D. (6) \$11,292.87. E. (9) \$7,425.

A. National Committee on Small Issue Industrial Development Bonds, Box 1, 1800 M Street NW., 900 South, Washington, D.C.

D. (6) \$28,013.75. E. (9) \$28,013.75.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112. D. (6) \$19,386.90. E. (9) \$19,386.90.

A. National Council of Agricultural Employers, 435 Southern Building, 1425 H Street NW., Washington, D.C. 20005.

D. (6) \$12,640. E. (9) \$3,024.95.

A. National Council of Health Centers, 2600 Virginia Avenue NW., Suite 915, Washington, D.C. 20037.

D. (6) \$4,262.56. E. (9) \$3,096.12.

A. National Council on Synthetic Fuels Production, 1747 Pennsylvania Avenue NW., No. 825, Washington, D.C. 20006.

A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$162.772.49. E. (9) \$162.772.49.

A. National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$1,414.16. E. (9) \$1,414.16.

A. National Employee Benefits Institute, 1341 G Street NW., Suite 909, Washington, D.C. 20005.

D. (6) \$375.

A. National Family Farm Coalition, 918 F Street NW., Washington, D.C. 20004.

D. (6) \$10,711. E. (9) \$12,035.92.

The National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$833,194.50. E. (9) \$8,683.82.

A. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) \$21,683.55. E. (9) \$21,683.55

National Federation of Independent Business, 150 West 20th Avenue, San Mateo, D. (6) \$13.155. E. (9) \$13.155.

A. National Federation of Parents for Drug Free Youth, 9805 Dameron Street, Silver Spring, Md. 20906.

A. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

D (6) \$5,000 E. (9) \$2,193.02

A. National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) \$12,500. E. (9) \$9,062.

National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) \$11,514. E. (9) \$2,330.61.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654

E (9) \$4 300

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.

D. (6) \$5,375. (9) \$1,810.01.

A. The National Industrial Traffic League, 1090 Vermont Avenue NW., S-410, Washington, D.C. 20005.

D. (6) \$4,125. (9) \$3,660.

A. National Leased Housing Association, 1800 M Street NW., Suite 400 S, Washington, D.C. 20036.

D. (6) \$450. (9) \$450.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va.

D. (6) \$8,426.18. E. (9) \$8,426.18.

A. National Manufactured Housing Federation, 1700 Pennsylvania Avenue NW., Suite 745, Washington, D.C. 20006.

D. (6) \$24.706.14.

A. National Maritime Council, 1748 N Street NW., Washington, D.C. 20036. D. (6) \$181,935.23. E. (9) \$918.20.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001. D. (6) \$7,868.64. E. (9) \$7,868.64.

A. National Motorsports Committee of ACCUS, 1701 K Street NW., No. 1204, Washington, D.C. 20006.

A. National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006. D. (6) \$250,000. E. (9) \$19,591.

A. National Organization for Women, 425 13th Street NW., Suite 1048, Washington, D.C. 20004.

E. (9) \$2,325.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036. E. (9) \$34,782.66.

A. National Pest Control Association, 8150 Leesburg Pike, No. 1100, Vienna, Va. 22180

A. National Potato Council, 888 17th Street NW., No. 700, Washington, D.C. 20006.

E. (9) \$1,000.

A. National Product Liability Council, 20 North Wacker Drive, Chicago, Ill. 60606. E. (9) \$29,459.41.

A. National Realty Committee, Inc., 2033 M Street NW., No. 303, Washington, D.C.

D. (6) \$3,178.20. E. (9) \$3,178.20.

A. National Rehabilitation Association, 633 South Washington Street, Alexandria, Va. 22314.

E (9) \$4 500

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001. E. (9) \$4,285.

A. National Right to Life Committee, Inc., 529 14th Street, NW., Washington, D.C. 20045

D. (6) \$217,820.53. E. (9) \$13,787.93.

A. National Right to Work Committee, 8001 Braddock Road, Springfield, Va. 22160. D. (6) \$3,974.37. E. (9) \$3,974.37.

A. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

E. (9) \$4.014.37.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Suite 1204, Washington, D.C.

D. (6) \$11,774. E. (9) \$9,931.

A. National Savings & Loan League, 1101 15th Street NW., No. 400, Washington, D.C. 20005.

D. (6) \$20,017.25. E. (9) \$76.

A. National Security Trades Association, 55 Broad Street, New York, N.Y. 10004. E. (9) \$3.033.34.

A. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006. D. (6) \$5,000. E. (9) \$612.60.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.

D. (6) \$12,500. E. (9) \$15,450.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036. E. (9) \$65,850.41.

A. National Solid Wastes Management Association, 1120 Connecticut Avenue NW., Suite 930, Washington, D.C. 20036. E. (9) \$380.80.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.

D. (6) \$5,330.15. E. (9) \$7,011.85.

A. National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.

D. (6) \$48,736. E. (9) \$48,736.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

D. (6) \$7,500. E. (9) \$7,500.

A. National Tour Brokers Association, Inc., 120 Kentucky Avenue, Lexington, Ky. 40502

D. (6) \$17.630. E. (9) \$17.630.

A. National Water Resources Association, 955 L'Enfant Plaza SW., Suite 1202, Washington, D.C. 20024. D. (6) \$6,000. E. (9) \$11,970.

A. National Wheel & Rim Association, 4836 Victor Street, Jacksonville, Fla. 32207.

A. Karen J. Neale, Chemical Manufactures Association, 2501 M Street NW., Washington, D.C. 20037.

- B. Chemical Manufacturers Association, 2501 M St. NW., Washington, D.C. 20037. D. (6) \$300.
- A. Alan M. Nedry, 1111 19th Street NW., Suite 303, Washington, D.C. 20036. B. Southern California Edison Co., P.O.

Box 800, Rosemead, Calif. 91770.

D. (6) \$50. E. (9) \$50.

A. Mary Elizabeth Neese, National Savings & Loan League, 1101 15th Street NW., No. 400, Washington, D.C. 20005.

B. National Savings & Loan League, 1101 15th Street NW., No. 400, Washington, D.C. 20005.

D. (6) \$1,000.

A. Stanley Nehmer, Suite 600, 1320 19th

Street NW., Washington, D.C. 20036.

B. Lead-Zinc Producers Committee, Suite 600, 1320 19th Street NW., Washington, D.C. 20036.

D. (6) \$500. E. (9) \$350.

- A. E. Colette Nelson, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001
- B. Associated Builders & Contractors, nc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001. D. (6) \$4,625. E. (9) \$180.41.

- A. Gordon E. Nelson, 12005 Millstream Drive, Bowie, Md. 20715.
- B. Farm/Water Alliance, 329 C Street SE., Basement, Washington, D.C. 20003.

D. (6) \$20,700. E. (9) \$2,944.04.

A. Robert W. Nelson, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. D. (6) \$120.

A. Sharon L. Nelson, Consumers Union of United States, Inc., 1511 K Street NW., Suite 1033, Washington, D.C. 20005. B. Consumers Union of United States,

Inc., 256 Washington Street, Mt. Vernon, N.Y. 10550.

D. (6) \$206.

A. Network, 806 Rhode Island Avenue NE., Washington, D.C. 20018. D. (6) \$34,438.48. E. (9) \$42,328.31.

A. E. John Neumann, Baltimore Gas & Electric Co., 1100 Connecticut Avenue, No. 820, Washington, D.C. 20036.

B. Baltimore Gas & Electric Co., Gas & Electric Building, P.O. Box 1475, Baltimore, Md. 21203

D. (6) \$1,136.29. E. (9) \$1,602.95.

A. Carla B. Neuschel, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610. D. (6) \$2,100. E. (9) \$75.05.

A. Robert B. Neville, 311 First Street NW., Washington, D.C. 20001.

B. National Restaurant Association, 311 First Street NW., Washington, D.C. 20001.

A. Louis H. Nevins, National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10166

D. (6) \$4,937.50.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

B. Bill Newbold & Associates (for: American Protestant Hospital Association, One Woodfield Place, Suite 311, 1701 East Woodfield Drive, Schaumburg, Ill. 60195).

D. (6) \$10,000.02.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

B. Bill Newbold & Associates (for: Arkansas Hospital Association, 1501 North University, Suite 400, Little Rock, Ark. 72207).

D. (6) \$1,500.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

B. Bill Newbold & Associates (for: Texas Hospital Association, P.O. Box 15587, Austin, Tex. 78761). D. (6) \$3,000.

A. Kathryn L. Newman, Republic Steel Corp., 1101 15th Street NW., Washington, D.C. 20005.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Thomas E. Newman, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$250.

A. William B. Newman, Jr., Consolidated Rail Corp., 2234 North Columbia Street, Arlington, Va. 22207.

B. Consolidated Rail Corporation, P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.

D. (6) \$2,500.

A. Janet G. Newport, National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006.

B. National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006.

D. (6) \$3,875. E. (9) \$239.25.

A. Newrath, Meyer and Faller, P.C., 4400 Jenifer Street NW., Washington, D.C. 20015.

B. National Association of Business Educational Radio, Inc., P.O. Box 19164, Washington, D.C. 20036.

D. (6) \$845. E. (9) \$9.25.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.

A. M. Ray Niblack, 1101 15th Street NW., Washington, D.C. 20005. B. American Bankers Insurance Group,

600 Brickell Avenue, Miami, Fla. 33131. D. (6) \$3,000. E. (9) \$72.43.

A. Nicholas J. Nichols, AICPA, 1620 Eye Street NW., Washington, D.C. 20006. B. American Institute of Certified Public

Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036. D. (6) \$1,500. E. (9) \$632.

A. Robert W. Nichols, Consumers Union of U.S., Inc., 1511 K Street NW., Suite 1033,

Washington, D.C. 20005.

B. Consumers Union of U.S., Inc., 256
Washington Street, Mt. Vernon, N.Y. 10550.
D. (6) \$7,500. E. (9) \$25.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18322.

B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.

A. Donald R. Niemi, Caterpillar Tractor Co., 100 NE Adams Street, Peoria, Ill. 61629. B. Caterpillar Tractor Co., 100 NE Adams Street, Peoria, Ill. 61629. D. (6) \$1,400. E. (9) \$2,069.67.

A. Patrick J. Nilan, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.

B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005

D. (6) \$12,645.40. E. (9) \$4,691.50.

A. Nissan Motor Co., Ltd., 560 Sylvan Avenue, P.O. Box 1606, Englewood Cliffs,

A. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020. E. (9) \$5,993.94.

A. Robert W. Nolan, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

D. (6) \$100.

A. Walker F. Nolan, 1111 19th Street NW., Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) \$287.68. E. (9) \$327.08.

A. H. Christopher Nolde, Chemcial Manufacturers Association, 2501 M Street, NW., Washington, D.C. 20037.

B. Chemical Manufacturers Association, 2501 M Street, NW., Washington, D.C. 20037. D. (6) \$300.

A. Charles M. Noone, 490 L'Enfant Plaza East SW., Suite 3306, Washington, D.C. 20024

B. National Association of Small Business Investment Companies, 618 Washington Building, Washington, D.C. 20005.

D. (6) \$1,500. E. (9) \$194.89.

A. M. Kathryn Nordstrom, 1575 I Street NW., Suite 725, Washington, D.C. 20005.

B. Pacific Seafood Processors Association, 1620 South Jackson Street, Seattle, Wash. 98144.

D. (6) \$3,750. E. (9) \$84.17.

A. James O. E. Norell, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) \$912.50.

Norfolk & Western Railway Co., North Jefferson Street, Roanoke, Va. 24042. E. (9) \$210.

A. Richard B. Norment IV, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Julia J. Norrell, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) \$357. E. (9) \$29.40.

A. North American Car Corp., 33 Monroe Street, 24th Floor, Chicago, Ill. 60603. E. (9) \$6,300.69.

A. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.

E. (9) \$2,197.19.

- A. Morgan Norval, 12029 Washington Street, No. 2, Alexandria, Va. 22314.
- B. Citizens Committee for the Right To Keep and Bear Arms, 1601 114th Southeast, Suite 191, Bellevue, Wash. 98004. D. (6) \$300.
- A. Nossaman, Krueger & Marsh, 11 19th Street NW., Washington, D.C. 20036. 1140

B. Aetna Life & Casualty, 151 Farmington Avenue, Hartford, Conn. 06156.

A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Washington, D.C. 20036.

- B. Dividend Support Group, Northwestern National Life Insurance Co., 20 Washington Avenue South, Minneapolis, Minn. 55440. D. (6) \$1,875.
- A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1140 19th Street NW., Suite 600, Washington, D.C. 20036.

B. Helionetics, Inc., 17312 Eastman Street, Irvine, Calif. 92714.

- A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Suite 600, Washington, D.C. 20036.
- B. Insurance Association of Connecticut, Washington Street, Hartford, Conn. 06106.
 - D. (6) \$225. E. (9) \$1,900.
- A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Suite 600, Washington, D.C. 20036.
- B. New York Life Insurance Co., 51 Madison Avenue, New York, N.Y. 10010.

D. (6) \$75.

- Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1140 19th Street NW., Suite 600, Washington, D.C. 20036.
- B. Ocean Energy Council, 1303 South Michigan Avenue, Chicago, Ill. 60605.
- Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1140 19th Street NW., Suite 600, Washington, D.C. 20036.

B. Office of the Governor, Commonwealth of the Northern Mariana Islands, Saipan

CM 96950.

- A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Suite 600, Washington, D.C. 20036.
- B. Phoenix Mutual Life Insurance Co., One American Row, Hartford, Conn. 06115. E. (9) \$100.
- A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Suite 600, Washington, D.C. 20036.
- The Western Union Telegraph Co., 1828 L Street NW., Suite 1001, Washington,

D.C. 20036. E. (9) \$200.

- A. Franklin W. Nutter, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
- B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
- A. Mark J. Nuzzaco, 7901 Westpark Drive,
- McLean, Va. 22102.

 B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
 - D. (6) \$3,500. E. (9) \$500.
- A. Donald A. Nyberg, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.

- B. The Standard Oil Co., (Ohio), Midland Building, Cleveland, Ohio 44115.
- A. Dallin H. Oaks, Brigham Young University, Provo, Utah 84602.
- B. Brigham Young University, Provo. Utah 84602.
- A. Hubert K. O'Bannon, 1544 33d Street
- NW., Washington, D.C. 20007. B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024
 - D. (6) \$1,284.
- A. George O'Bea, Jr., 815 16th Street NW.,
- Suite 304, Washington, D.C. 20006.

 B. United Paperworkers International Union, 815 16th Street NW., Suite 304, Washington, D.C. 20006.
- A. Richard O'Brecht, 1957 E Street NW., Washington, D.C. 20006.
- B. Associated General Contractors of America, 1957 E Street, NW., Washington, D.C. 20006.
- A. Coleman C. O'Brien, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006
- B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. D. (6) \$4,200. E. (9) \$110.42.
- A. John F. O'Brien, Connecticut Petro-leum Council, 410 Asylum Street, Hartford, Conn. 06103
- B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
- A. Raymond O'Brien, ITT Corp., 1707 L Street NW., Washington, D.C.
- B. International Telephone & Telegraph Corp., 320 Park Ave., N.Y., N.Y. 10022. D. (6) \$300. E. (9) \$35.
- A. Rosemary O'Brien, 1850 K Street, NW., Suite 550, Washington, D.C. 20006.
- B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
 - D. (6) \$500.
- A. David S. O'Bryon, American Chiropractic Association, 1735 DeSales Street, NW., Suite 600, Washington, D.C. 20036.
- B. American Chiropractic Association, 1735 DeSales Street NW., Suite 600, Washington, D.C. 20036.
- D. (6) \$450. E. (9) \$118.90.
- A. G. H. Ochenrider, Grumman Aerospace orp., 1600 Wilson Boulevard, Arlington, Corp., Va. 22209.
- B. Grumman Aerospace Corp., Bethpage, N.Y. 11714. D. (6) \$2,500. E. (9) \$658.
- A. William B. O'Connell, 111 East Wacker Drive, Chicago, Ill.
- B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill., 60601.
 - D. (6) \$10,312. E. (9) \$2,136.82.
- A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
- B. American Clinical Laboratory Association, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
 - D. (6) \$3,200.
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006. B. American Family Life Assurance Co.,
- P.O. Box 1459, Columbus, Ga. 31902.
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006.

- B. American Institute of Certified Public Accountants, 1620 I Street, NW., Washington, D.C. 20006.
- A. O'Connor & Hannan, 1919 Pennsylvania Avenue, NW., Washington, D.C. 20006.
- B. American Invsco Corp. 120 South La-Salle Street, Chicago Ill. 60603.
 - D. (6) \$3,500.
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue, NW., Washington, D.C. 20006. B. Automotive Parts & Accessories Associ-ation, 1025 Connecticut Avenue, NW., Washington, D.C. 20036.
- A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Charles River Breeding Laboratories, Inc., 251 Ballardvale Street, Wilmington, Mass. 01887.
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006.
- B. CKLW Radio Broadcasting, Ltd., 1640 Windsor, Ouellette Avenue, Ontario. Canada.
- A. O'Connor & Hannan, 1919 Pennsylvania, Avenue NW., Washington, D.C. 20006.
- B. Commonwealth of Puerto Rico, 734 15th Street, NW., Washington, D.C. 20005.
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006.
- B. Deak National Bank, Fleischmanns, N.Y. 12430.
 - D. (6) \$2,477.75.
- A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. First National Monetary Corp., 4000 Town Center, Suite 1500, Southfield, Mich. 48075.
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006. B. Glass Packaging Institute, 2000 L Street NW., Suite 815, Washington, D.C. 20036.
 - D. (6) \$503.
- A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006.
- B. Great National Corp., 2320 South Tower, Plaza of the Americas, Dallas, Tex. 75201.
 - D. (6) \$600.
- A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Health Care Financing Study Group, New York, N.Y.
 - D. (6) \$5,000.
- A. O'Connor & Hannan, 1919 Pennsylva-nia, Avenue, NW., Washington, D.C. 20006. B. Hennepin County, 2300 Government
- Center, Minneapolis, Minn. 55414.
- A. O'Connor & Hannan, 1919 Pennsylva-nia, Avenue, NW., Washington, D.C. 20006. B. Investment Co. Institute, 1775 K
- Street, NW., Washington, D.C. 20006.
- A. O'Connor & Hannan, 1919 Pennsylva-nia, Avenue, NW., Washington, D.C. 20006. B. Investors Diversified Services, Inc.,
- Suite 2900, IDS Tower, Minneapolis, Minn. 55402.
- A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. National Coal Consumers Alliance, 414 Nicollet Mall, Minneapolis, Minn. 55401. D. (6) \$17,461.67.
- A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Committee for Quality Health Care. New York, N.Y.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Community Action Foundation, 178 Tremont Street, Boston, Mass. D (6) \$2,500.

A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006. B. Neighborhood TV Co., Inc., 1835 K Street NW., Washington, D.C. D. (6) \$625.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. John Nuveen Co., 209 South LaSalle Street, Chicago, Ill. 60604.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006

B. Paraho Development Corp., 300 Enterprise Building, Grand Junction, Colo. 81501. D (6) \$110

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005. D. (6) \$459.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) \$2,315.75.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.

B. Plateau, Inc., 4775 Indian School Road NE., Albuquerque, N. Mex. 87110.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Police Association of the District of Co-

lumbia, 2701 Pennsylvania Avenue SE., Washington, D.C. 20020.

D. (6) \$1,313.

A. O'Connor & Hannan, 1919 Pennsylva-nia Avenue NW., Washington, D.C. 20006.

B. Joseph E. Seagram & Sons, Inc., 375 Park Avenue, New York, N.Y. 10152. D. (6) \$3,491.

A. O'Connor & Hannan, 1919 Pennsylva-

nia Avenue NW., Washington, D.C. 20006.

B. Securities Industry Association, 490
L'Enfant Plaza East SW., Washington, D.C.

D. (6) \$3,333.33.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Wine & Spirits Wholesalers of America, 2033 M Street NW., Washington, D.C. 20036.

D. (6) \$1,500.

A. Leonard F. O'Connor, First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110

A. P. C. O'Connor, Kent & O'Connor, Inc., 1919 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.

American Supply Association North LaSalle Street, Chicago, Ill. 60601. D. (6) \$1,375. E. (9) \$538.85.

A. P. C. O'Connor, Kent & O'Connor, Inc., 1919 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.

B. American Warehousemen's Association, 222 West Adams, Chicago, Ill. 60603.

D. (6) \$871.87. E. (9) \$347.75

A. P. C. O'Connor, Kent & O'Connor, Inc., 1919 Pennsylvania Avenue NW., No. 300, Washington, D.C. 20006.

B. Seniorcenters of America, 2640 Peerless Road NW., Cleveland, Tenn. 37311. D. (6) \$1,350. E. (9) \$618.55.

A. Larry A. Oday, Combined Insurance Co. of America, 1819 H Street NW., No. 630, Washington, D.C. 20006.

B. Combined Insurance Co. of America, 707 Combined Centre, Northbrook, Ill. 60062.

A. Thomas A. O'Day, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.

B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606. D. (6) \$400. E. (9) \$126.05.

A. T. J. Oden, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Forest Products Association,

1619 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$4,500.

A. Ashton J. O'Donnell, 89 Fair Oaks Lane, Atherton, Calif. 94025.

B. Bechtel National, Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Bradford C. Oelman, Owens-Corning Fiberglas Corp., 900 17th Street NW., Washington, D.C. 20006.

B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

Jane O'Grady, 815 16th Street NW.,

Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$12,837.50. E. (9) \$123.10.

A. Barbara E. O'Hara, American Society Travel Agents, Inc., 1300 19th Street of Travel Agents, Inc., 1300 NW., Washington, D.C. 20036.

B. American Society of Travel Agents, nc., 711 Fifth Avenue, New York, N.Y. 10022.

D. (6) \$1,250.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001. D. (6) \$10,467.48.

A. James G. O'Hara, 2550 M Street NW., Washington, D.C. 20037.

B. American Federation of Teachers, 11 Dupont Circle NW., Washington, D.C. 20036.

James G. O'Hara, 2550 M Street NW., Washington, D.C. 20037.

B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

A. Harold E. O'Kelley, 7900 Callaghan Road, San Antonio, Tex. 78229.

B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.

A. R. Q. Old & Associates, Inc., 205 The

Strand, Alexandria, Va. 22314.

B. General Electric Co., P.O. Box 2444, Daytona Beach, Fla. 32015.

D. (6) \$250.

A. R. Q. Old & Associates, Inc., 205 The Strand, Alexandria, Va. 22314.

B. Gould, Inc., 1745 Jefferson Davis Highway, No. 405, Arlington, Va. 22202.

D. (6) \$220.

A. R. Q. Old & Associates, Inc., 205 The Strand, Alexandria, Va. 22314.

B. Gruman Aerospace Corp., 1600 Wilson Boulevard, No. 711, Arlington, Va. 22209. D. (6) \$220. E. (9) \$390.

A. R. Q. Old & Associates, Inc., 205 The Strand, Alexandria, Va. 22314.

B. Hughes Aircraft Co., 1515 Wilson Bou-levard, Arlington, Va. 22209.

A. R. Q. Old & Associates, Inc., 205 The Strand, Alexandria, Va. 22314.

B. Sperry Division, 1725 South Jefferson Davis Highway, No. 401, Arlington, Va. 22202.

D. (6) \$220.

A. Alvin E. Oliver, National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.

B. National Grain and Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. Van R. Olsen, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.

B. U.S. Beet Sugar Association, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005

A. Charles E. Olson, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) \$1,884.80. E. (9) \$159.

A. Roy E. Olson, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Nancy J. Olson, Johns-Manville Corp., 1025 Connecticut Avenue NW., No. 214, Washington, D.C. 20036.

B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.

D. (6) \$400.

A. Donald K. O'Neill, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036

B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) \$1,000.

A. O'Neill & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Allegheny County Commission, 119 Courthouse, Room 101, Pittsburgh, Pa.

A. O'Neill & Haase, P.C., 1333 New Hamp-shire Avenue NW., Suite 1110, Washington, D.C. 20036

B. California Westside Farmers, Security Bank Building, 1060 Fulton Mall, Fresno, Calif.

A. O'Neill & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Chicago Board of Trade Clearing Corp., 141 West Jackson, Chicago, Ill. 60604.

A. O'Neill & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

- B. Commercial Union Assurance Cos., One Beacon Street, Boston, Mass. 02108.
- A. O'Neill & Haase, P.C., 1333 New Hamp-shire Avenue NW., Suite 1110, Washington, D.C. 20036.

Mahoning Valley Economic Development Corp., 3200 Belmont Avenue, Youngstown, Ohio 44505.

A. O'Neill & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

Massachusetts Hospital Association, One Boston Place, Suite 1820, Boston, Mass.

A. O'Neill & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington,

B. The Western Union Telegraph Co., Suite 1001, 1828 L Street NW., Washington, D.C. 20036

A. O'Neill & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Philip C. Onstad, Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

B. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

D. (6) \$50. E. (9) \$289.02

A. Michel Orban, American Express Co., 1700 K Street NW., Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Elvira Orly, Edison Electric Institute, 1111 19th Street NW., Washington, D.C.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. D. (6) \$454.12. E. (9) \$454.12.

A. J. Denis O'Toole, 1120 Connecticut Avenue NW., Washington, D.C. 20036. B. American Bankers Association, 1120

Connecticut Avenue NW., Washington, D.C. 20036

D. (6) \$1.020.

A. M. Diane O'Toole, 1701 North Fort Myer Drive, Suite 1208, Arlington, Va.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

A. Stephen E. O'Toole, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202. D. (6) \$3,000. E. (9) \$2,460.60.

A. Roland A. Ouellette, General Motors Corp., 1660 L. Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202. D. (6) \$3,600. E. (9) \$4,573.68.

A. Cliff Ouse, 1800 Massachusetts Avenue

NW., Washington, D.C. 20036. B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. D. (6) \$37.50.

A. Outdoor Power Equipment Institute, 1901 L Street NW., Washington, D.C. 20036. E. (9) \$2,250.

A. Joseph A. Overton III, TRW Inc., 2030 M Street NW., Suite 800, Washington, D.C.

B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) \$1,000.

A. Thomas J. Owens, 207 Olympic National Building, Seattle, Wash. 98104.

CONGRESSIONAL RECORD—HOUSE

B. Dollar Savings Bank, Fourth and Springfield, Pittsburgh, Pa. 15230; Washing-ton Mutual Savings Bank, P.O. Box 834, Seattle, Wash, 98111.

D. (6) \$12,250. E. (9) \$5,987.42.

A. William H. Owens, Jr., 1101 17th Street, Suite 1004, Washington, D.C. 20036. B. American Dental Association, 1101 17th Street NW., Suite 1004, Washington, D.C.

D. (6) \$1,000.

A. W. D. Page, American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

B. American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

A. Steven J. Paggioli, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) \$33. E. (9) \$19.85.

A. Geri D. Palast, 2020 K Street NW., Washington, D.C. 20006.

B. Service Employees International Union, AFL-CIO, CLC, 2020 K Street NW., Suite 200, Washington, D.C. 20006.

D. (6) \$1,000. E. (9) \$74.75.

A. Henry S. Palau, The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

D. (6) \$705

A. Diane M. Palmer, 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.

B. Northwest Bancorporation, 1200 Northwestern Bank Building, Minneapolis, Minn.

D. (6) \$375. E. (9) \$480.

A. John Pannullo, National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

D. (6) \$300. E. (9) \$500.

A. Fred Panzer, The Tobacco Institute, 1875 I Street NW., Suite 800, Washington, D.C. 20006.

B. The Tobacco Institute, 1875 I Street NW., Suite 800, Washington, D.C. 20006.

D. (6) \$250. E. (9) \$25.

- A. Paperboard Packaging Council, 1800 K Street NW., No. 600, Washington, D.C. 20006.
- A. G. Oliver Papps, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
- B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Herschell E. Parent, Arkansas Petroleum Council, 302 Commercial National Bank Building, Little Rock, Ark. 72201.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$479. E. (9) \$646.61.

A. Ann L. Parenteau. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

- B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
- A. Nancy L. Parke, 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

B. Lone Star Industries, Inc., 1 Greenwich Plaza, Greenwich, Conn. 06830.

D. (6) \$600. E. (9) \$200.

A. John N. Parker, Mobil Oil Corp., 1100 Connecticut Avenue NW., No. 620, Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) \$375.

A. Kimberly C. Parker, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) \$7,256.90. E. (9) \$61.30.

A. Ken Parmelee, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005. D. (6) \$2,000.

A. Tom E. Paro, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Tele-casters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

D. (6) \$218.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.

B. Aerospatiale Helicopter Corp., Forum Drive, Grand Prairie, Tex. 75051. D. (6) \$10,754. E. (9) \$1,962.77.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va.

B. Bangor & Aroostook Railroad, Northern Maine Junction, Bangor, Maine 04401.

D. (6) \$3,600. E. (9) \$1,962.77.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.

B. Boston & Maine Railroad, Iron Horse Park, North Billerica, Mass. 01862. D. (6) \$4,749.99. E. (9) \$2,238.77.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.

B. Chicago & North Western Transporta-tion Co., 400 West Madison, Chicago, Ill. 60606.

D. (6) \$21,000. E. (9) \$2,047.85.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.

B. Delaware Otsego System, 1 Railroad Avenue, Cooperstown, N.Y. 15825.

D. (6) \$7,000. E. (9) \$2,080.34.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209

B. European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005. D. (6) \$8,001. E. (9) \$1,669.94.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209

B. Genesee & Wyoming Industries, 71 Lewis Street, Greenwich, Conn. 06830.

D. (6) \$1,000. E. (9) \$1,962.77.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209

B. Lehigh Valley Estate, 415 Brighton, Bethlehem, Pa. 18015.

D. (6) \$5,000. E. (9) \$1,669.43.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va.

B. Oy Wartsila AB, Helsinki Shipyard, P.O. Box 132, SF-00151, Helsinki 15, Finland.

E. (9) \$586.17.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va.

B. Pittsburg & Shawmut, R.D. No. 2, Middle Street, Brookville, Pa. 15825.

D. (6) \$1,400, E. (9) \$1,962,77.

A. Linda K. Parson, 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

D. (6) \$45.

A. Jack Partridge, 1014 Vine Street, Cincinnati, Ohio 45201.

B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.

D. (6) \$1,500. E. (9) \$494.57.

A. Robert D. Partridge, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$618.

A. Alan K. Parver, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

D. (6) \$840. E. (9) \$25.

A. Richard M. Patterson, Dow Chemical Co., 1800 M Street NW., Suite 700 South, Washington, D.C. 20036.

B. The Dow Chemical Co., Midland, Mich. 48640.

D. (6) \$500. E. (9) \$239.50.

Thomas Patterson, National Cable Television Association, Inc., 1724 Massachusett Avenue NW., Washington, D.C. 20036

B. National Cable Television Association, Inc., 1724 Massachusett Avenue NW., Washington, D.C. 20036.

D. (6) \$231.

A. William H. Patterson, General Electric Co., 777 14th Street NW., Suite 1000, Wash-

ington, D.C. 20005. B. General Electric Co., 3135 Easton Turn-

pike, Fairfield, Conn. 06609.

D. (6) \$120.

A. Kenton H. Pattie, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

B. National Audio-Visual Association, 3150 Spring Street, Fairfax, Va. 22031.

D. (6) \$2,922.

A. David J. Pattison, 1750 K Street NW., Washington, D.C. 20006

B. Health Insurance Association of Amer-1750 K Street NW., Washington, D.C. 20006; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Alaska Housing Financial Corp., P.O. Box 1020, Anchorage, Alaska 99510.

A. Patton, Boggs & Blow, 2550 M Street

NW., Washington, D.C. 20037.
B. American Congress of Surveyors & Mappers, 210 Little Falls Street, Falls Church, Va. 22046.

D. (6) \$1,145.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Imported Automobile Deal-Association, 1220 19th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Maritime Association, 1612 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

American Movers Conference, 1117 North 19th Street, Arlington, Va. 22209. D. (6) \$3,750. E. (9) \$97.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Pharmaceutical Association, 2215 Constitution Avenue NW., Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street

NW., Washington, D.C. 20037.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Society of Association Executives, 1575 I Street NW., Washington, D.C.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Armco Inc., General Offices, Middle-

town, Ohio 45052.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Bath Iron Works Corp., 700 Washing-

ton Street, Bath, Maine 04530. D. (6) \$225.

A. Patton, Boggs & Blow, 2550 M Street

NW., Washington, D.C. 20037.
B. The Business Roundtable, 1801 K
Street NW., Washington, D.C. 20006.
D. (6) \$1,520.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. California Westside Farmers, 9555 L'Enfant Plaza North, SW., Room 1101, Washington, D.C. 20024. D. (6) \$4,610. E. (9) \$9.75.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. Cargill, Inc., No. 26, Box 9300, Minne-apolis, Minn. 55440. D. (6) \$170. E. (9) \$17.58.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Castle & Cooke, Inc., P.O. Box 3928, San Francisco, Calif. 94119.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Central American Sugar Council, 2550 M Street NW., Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

D. (6) \$1,035.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. City of Birmingham, City Hall, Birmingham, Ala. 35203.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

D. (6) \$195.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Diagnostic Imaging and Therapy Systems Division, 2101 L Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. Dredging Industry Size Standards Com-

2550 M Street NW., Washington, D.C. 20037.

D. (6) \$190.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. E.G.G. Industries, 45 William Street, Wellesley, Mass.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

D. (6) \$170. E. (9) \$17.58.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Hobby Industry of America, 319 East 54th Street, Elmwood, N.J. 07407.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Institute for Scrap Iron and Steel, Inc. 1627 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. International Congeneration Society, 1111 19th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Lee Way Motor Freight, Inc., 300 West Reno, Oklahoma City, Okla. 73108.

D. (6) \$2,290.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Litton Industries, Inc., 360 North Crescent Drive, Beverly Hills, Calif. 90210.

D. (6) \$3,057.50. E. (9) \$607.90.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. LOOP, Inc., 1010 Common Street, 250 Bank of New Orleans Building, New Orleans, La. 70112.

A. Patton, Boggs & Blow, 2550 M Street

NW., Washington, D.C. 20037.

B. Los Angeles Olympic Commemorative
Coin Committee, 1 Rockefeller Center, New
York, N.Y. 10200.

D. (6) \$4,150. E. (9) \$22,75.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Los Angeles Olympic Organizing Committee, 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

- B. Loss Reserve Deduction Committee, 205 East 42d Street, New York, N.Y. 10017. D. (6) \$112.50.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Louisiana Pacific Corp., 1300 Southwest Fifth Avenue., Portland, Oreg. 97201.
- . Patton, Boggs & Blow, 2550 M Street
- NW., Washington, D.C. 20037. B. M & M Plastics, P.O. Box 634, 41 South Creek Road, Chattanooga, Tenn. 37406.
 - D. (6) \$543.75 E. (9) \$3.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Mars, Inc., 1651 Old Meadow Road, McLean, Va. 22101.
 - D. (6) \$3,965.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Mocatta Metals Corp., 35 Broad Street, New York, N.Y. 10004.
- D. (6) \$12,815.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Montgomery Ward Co., Inc., 619 West Chicago Avenue, Chicago, Ill. 60671.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Multi Mineral Corp., 330 North Belt East, Houston, Tex. 77060. D. (6) \$3,108.75. E. (9) \$5.50.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. National Association of Small Business Investment Cos., 618 Washington Building, 1435 G Street NW., Washington, D.C. 20005.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. National Marine Manufacturers Association, 401 Michigan Avenue, Chicago, Ill. 60601.
 - D. (6) \$760.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. The National Multi-Housing Council, 1800 M Street NW., Washington, D.C. 20036.
 - D. (6) \$1,050.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
- A. Patton, Boggs & Blow, 2550 M Street
- NW., Washington, D.C. 20037. B. Northwest Energy Corp., 315 East 200 South, Salt Lake City, Utah 84111.
- D. (6) \$2,250.
- A. Patton, Boggs & Blow, 2550 M Street
- NW., Washington, D.C. 20037.

 B. Ocean Minerals Co., 465 North Bernardo, Mountain View, Calif. 94040.
- D. (6) \$337.50.
- . Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Sultanate of Oman, 2550 M Street NW., Suite 800, Washington, D.C. 20037.
 - D. (6) \$950.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. Options Clearing Corp., 233 S. Wacker Drive, Room 5950, Chicago, Ill. 60605.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

- B. OSG Bulk Ships, Inc., 1114 Avenue of the Americas, New York, N.Y. 10036.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. Pepsico, Inc., Purchase, N.Y. 10577.
- D. (6) \$2,980.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Jack Philip and Son, Inc., 724 Dupont Plaza Center, Miami, Fla. 33131.
- A. Patton, Boggs & Blow, 2550 M Street
- NW., Washington, D.C. 20037.
 B. The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.
 D. (6) \$170. E. (9) \$17.58.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
- A. Patton, Boggs & Blow, 2550 M. Street NW., Washington, D.C. 20037
- B. Redwood Industry Park Committee, 2750 Sand Hill Road, Menlo Park, Calif. 94025.
 - D. (6) \$1,140. E. (9) \$8.25.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. Retail Tax Committee, 2550 M Street
- NW., Washington, D.C. 20037.
- D. (6) \$11,030. E. (9) \$666.25.
- Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. St. Joe Minerals, 1730 Rhode Island Avenue NW., Washington, D.C. 20005.
- D. (6) \$3,972.50 E. (9) \$450.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

 B. Shipbuilders' Council of America, 600
- New Hampshire Avenue NW., Washington, D.C. 20037.
 - D. (6) \$1,520.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. SSIE Council To Protect Earned Employment Rights, Smithsonian Science Information Exchange, 1730 M Street NW., Washington, D.C. 20037.
- D. (6) \$1,500. E. (9) \$21.50.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. State of Alaska, Suite 345, 444 North Capitol Street, Washington, D.C. 20001.
- A. Patton, Boggs & Blow, 2550 M Street
- NW., Washington, D.C. 20037. B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10017.
- D. (6) \$1,710.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. U.S. Lines, 27 Commerce Drive, Cran-
- ford, N.J. 07016. D. (6) \$225.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037. B. Western Union Telegraph Co., Suite 1101, 1826 L Street NW., Washington, D.C.
 - D. (6) \$1.710.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

- B. Westinghouse Electric Co., 1801 K Street NW., Washington, D.C. 20006.
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Weyerhaeuser Co., Tacoma, Wash. 98477
 - D. (6) \$5,436.25
- A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
- B. Wilshire Oil Co. of Texas, 250 Park Avenue, New York, N.Y.
 - D. (6) \$760.
- A. Andrew R. Paul, 600 New Hampshire Avenue NW., Suite 920, Washington, D.C.
- B. Gulf & Western Management Co., 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.
 - D. (6) \$1,250. E. (9) \$93.58.
- A. Paul, Hastings, Janofsky & Walker, 1050 Thomas Jefferson Street NW., Sixth Floor, Washington, D.C. 20007.
- B. BEST Employers Association, Birch Street, Newport Beach, Calif. 90226.
- A. Paul, Hastings, Janofsky & Walker, 1050 Thomas Jefferson Street NW., Sixth Floor, Washington, D.C. 20007.
- B. Capitol Oil Company, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
- A. Paul, Hastings, Janofsky & Walker, 1050 Thomas Jefferson Street NW., Sixth Floor, Washington, D.C. 20007.
- B. Council of Active Independent Oil and Gas Producers, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
- A. Paul, Hastings, Janofsky & Walker, 1050 Thomas Jefferson Street NW., Sixth Floor, Washington, D.C. 20007.
- B. ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
 - D. (6) \$2,500.
- A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue, NW., Washington, D.C. 20036.
- B. American Consulting Engineers Council, 1155 15th Street, NW., No.713, Washington, D.C. 20005.
- A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue, NW., Washington, D.C. 20036.
- B. Council of Energy Resource Tribes, 1140 Connecticut Avenue, NW., No. 310, Washington, D.C. 20036.
- A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue, NW., Washington, D.C. 20036.
- B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
- A. Beth Peacock, 1707 L Street NW., Suite 950, Washington, D.C. 20036.
- B. General Foods Corp., 1707 L Street NW., Suite 950, Washington, D.C. 20036. D. (6) \$1,765.
- A. William E. Peacock, 8000 West Florissant, St. Louis, Mo. 63136.
- B. Emerson Electric Co., 8000 West Florissant, St. Louis, Mo. 63136.
 - E. (9) \$345.40.
- A. Law Offices of Jack Pearce, 1000 Connecticut Avenue NW., No. 1200, Washington, D.C. 20036.

- B. Committee Urging Regulatory Reform for Efficient National Trucking (CUR-
- A. Frank Pecquex, Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.
- B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C.
- D. (6) \$3,000. E. (9) \$215,43.
- A. James M. Peirce, National Federation of Federal Employees, 1016 16th Street
- NW., Washington, D.C. 20036.

 B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
- D. (6) \$1,436.76.
- A. Humberto R. Pena, 1155 15th Street NW., No. 502, Washington, D.C. 20005. B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10154.
- D. (6) \$500.
- A. Pennsylvania Power & Light Co., 2 North 9th Street, Allentown, Pa. 18101. E. (9) \$3,665,42.
- A. Don Penny, Warner Communications Inc., 1776 K Street NW., Suite 701, Washington, D.C. 20006.
- B. Warner Communications, 75 Rockefeller Plaza, New York, N.Y. 10019. D. (6) \$7,500. E. (9) \$3,300.
- . Dominic V. Pensabene, 1700 K Street NW., Washington, D.C. 20006.
- B. Chevron U.S.A. Inc., 1700 K Street NW., Washington, D.C. 20006.
 - D. (6) \$500.
- A. Gregory M. Pensabene, Santa Fe Indus tries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Sante Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.
- D. (6) \$1,405.
- Pension Rights Center, Room 1019, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
 - D. (6) \$141. E. (9) \$2,150.97.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C.
- B. Alarm Device Manufacturing Co., 165 Eileen Way, Syosset, N.Y. 11791.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C. 20006
- B. Alarm Industry Telecommunications Committee of the National Burglar & Fire Association, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
 - D. (6) \$316.25. E. (9) \$19.50.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006. B. The Glenmede Trust Co., 222 South 18th Street, Philadelphia, Pa. 19103.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C. 20006
- B. Libery Communications, Inc., P.O. Box 7009, Eugene, Oreg. 97401.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C.
- B. Millicom Inc., Suite 5500, 153 East 53d Street, New York, N.Y. 10022. D. (6) \$250. E. (9) \$61.50.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

- B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Suite 200, Washington, D.C.
- B. National Public Radio, 2025 M Street NW., Washington, D.C. 20036.
- D. (6) \$1,840. E. (9) \$40.
- A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006. B. Sun Shipbuilding, Foot of Morton
- Avenue, Chester, Pa. 19013.
- D. (6) \$2,243.67. E. (9) \$18.20
- A. Pepper, Hamilton & Scheetz, 1776 F Street, NW., Suite 200, Washington, D.C. 20006.
- B. TRT Telecommunications Corp., 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
 - D. (6) \$718.75. E. (9) \$38.
- A. PepsiCo, Inc., 700 Anderson Hill Road, Purchase, N.Y. 10577.
- E. (9) \$1,200.
- A. Barbara K. Pequet, 1921 Kalorama Road, NW., No. 103, Washington, D.C. 20009.
- B. National Consumers League, 1522 K Street, NW., No. 406, Washington, D.C.
- D. (6) \$3,100. E. (9) \$30.
- A. Elinor Peretsman, 55 Tain Drive, Great
- Neck, N.Y. 11021.
 B. United Action for Animals, Inc., 205
 East 42d Street, New York, N.Y. 10017.
 D. (6) \$1,970. E. (9) \$1,508.27.
- A. Perito, Duerk, Carlson & Pinco, P.C., 1140 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.
- B. Foremost-McKesson, Inc., Crocker Plaza, One Post Street, San Francisco, Calif.
- A. Perito, Duerk, Carlson & Pinco, P.C. Suite 400, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Society of Real Estate Appraisers, 645 North Michigan Avenue, Chicago, Ill. 60611. D. (6) \$1,065. E. (9) \$63.73.
- A. Tony Perkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-
- sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
- D. (6) \$75.
- A. Gary J. Perkinson, Beneficial Management Corp. of America, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.
- B. Beneficial Management Corp. of Amer-1300 Market Street, Wilmington, Del. 19899
- A. Jeffry L. Perlman, 1615 H Street NW., Washington, D.C. 20062.
- B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062
 - D. (6) \$2,420. E. (9) \$607.27.
- A. John P. Perrin, American Osteopathic Association, 499 South Capitol Street SW., Suite 104 SW., Washington, D.C. 20003.
- B. American Osteopathic Association, 499 South Capitol Street, Suite 104 SW., Washington, D.C. 20003.
 - D. (6) \$2,847.20. E. (9) \$72.11.
- A. Todd A. Peterman, American Movers Conference, 1117 North 19th Street (P.O. Box 9204), Arlington, Va. 22209.

- B. American Movers Conference, 1117 North 19th Street (P.O. Box 9204), Arlington. Va. 22209.
- D. (6) \$302.88.
- A. Peterson, Engberg & Peterson, 1730 M Street NW., Washington, D.C. 20036.
- B. Federated Research Corp., 421 Seventh Avenue, Pittsburgh, Pa. 15219. D. (6) \$13,295. E. (9) \$688.34.
- A. Kenneth Peterson, 815 16th Street NW., Washington, D.C. 20006.
- B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006. D. (6) \$13,299. E. (9) \$200.58.
- A. Mary B. Peterson, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
- B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202. D. (6) \$3,000. E. (9) \$1,948.34.
- A. Michael J. Petrina, Jr., 1155 15th Street NW., Washington, D.C. 20005.
- B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
 - D. (6) \$4,000. E. (9) \$97.15.
- A. Paul F. Petrus, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
 - D. (6) \$1,200.
- A. Lorraine Petti, 2817 18th Street NW., Washington, D.C. 20009.
- B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Suite 501, Los Angeles, Calif. 90017. D. (6) \$3,090.
- A. John E. Pflieger, Time Inc., 888 16th Street NW., Washington, D.C. 20006. B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020. D. (6) \$1,700.
- A. James R. Phalen, 1100 Connecticut Avenue NW., Suite 820, Washington, D.C. 20036.
- B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.
 - D. (6) \$2,500. E. (9) \$386.79.
- A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
 - D. (6) \$14,851.30. E. (9) \$14,851.30.
- A. Marshall A. Pharr, 6103 Adirondack, Amarillo, Tex. 79106.
- B. Southwestern Public Service Co., P.O.
 Box 1261, Amarillo, Tex. 79170.
 D. (6) \$1,206. E. (9) \$2,132.12.
- A. John P. Philbin, Mobil Oil Corp. 1100 Connecticut Avenue NW., Washington, D.C. 20036
- B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
- D. (6) \$1,500.
- A. Susan L. Philips, Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
- B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
 - D. (6) \$3,177. E. (9) \$128.48.
- A. John D. Phillips, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
- B. National Association of Independent Colleges and Universities, 1717 Massachu-

setts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) \$13,560. E. (9) \$228,28.

A. Mark W. A. Phillips, 507 Second Street

NE., Washington, D.C. 20002.

B. The Navajo Nation, Window Rock, Ariz 86515

A. Richard F. Phillips, Phillips Petroleum Co., 1825 K Street NW., No. 1107, Washington, D.C. 20006.

Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. William G. Phillips, D.C. Associates, Inc., 402 Third Street SE., Washington, D.C.

B. Association of University Programs in Occupational Health and Safety, P.O. Box 20186, Houston, Tex. 77025.

D. (6) \$7.500.

A. Phosphate Chemicals Export Association, Inc., 200 Park Avenue, New York, N. V. 10166

E. (9) \$19,972.61.

A. Sam Pickard, Monsanto Co., 1101 17th

Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh
Boulevard, St. Louis, Mo. 63166.
D. (6) \$500. E. (9) \$516.42.

Bill Pickens, 1111 19th Street NW., Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$1,698. E. (9) \$544.49.

A. W. D. Pickett, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington. D.C. 20001.

B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Box U, Mt. Prospect, III. 60056.

D. (6) \$350.

A. James Pickman, 1200 New Hampshire Avenue NW., Suite 320, Washington, D.C. 20036

B. Campaign for Community-Based Economic Development, 734 15th Street NW., Suite 200, Washington, D.C. 20005.

D. (6) \$17,451.25. E. (9) \$2,093.82.

Mark M. Pierce, Standard Oil Co. (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.

B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Paul E. Pierce, Service Station Dealers of America, Inc., 2021 K Street NW., Suite

303, Washington, D.C. 20006.

B. Service Station Dealers of America, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.

D. (6) \$2.879.26.

A. Pierson, Ball & Dowd, 1200 18th Street

NW., Washington, D.C. 20036. B. The Dun & Bradstreet Corp., 299 Park Avenue, New York, N.Y. 10017.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.

B. Satellite Business Systems, 8003 West-

park Drive, McLean Va. 22101.

D. (6) \$2,500.

A. Pierson, Ball & Dowd, 1200 18th Street

NW., Washington, D.C. 20036.

B. Turner Elementary School, Stanton and Alabama Avenues SE., Washington,

A. Pierson Semmes Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007. B. American Land Title Association, 1828

L Street NW., Washington, D.C. 20036.

D. (6) \$150. E. (9) \$12.25.

A. Pierson Semmes Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Edgington Oil Co., Inc., 2400 East Arte-

sia Boulevard, Long Beach, Calif. 90805.

A. Pilots Rights Association, P.O. Box 7000-367, Redondo Beach, Calif. 90277. D. (6) \$19,609.95. E. (9) \$6,794.83.

A. Linda Pinegar, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association of America 1709 New York Avenue, Washington D.C. 20006.

D. (6) \$875.

A. Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06926.

A. Peter K. Pitsch, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036. B. Montgomery Ward & Co., Inc., 1 Mont-

gomery Ward Plaza, Chicago, Ill. 60671.

A. Plains Cotton Growers, Inc., P.O. Box 3640, Lubbock, Tex. 79452.

A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Richard J. Pollack, American Nurses' Association, 1030 15th Street NW., Washington, D.C. 20005.

B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108. D. (6) \$2,778.60. E. (9) \$515.40.

Frances A. Pollak, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.

B. Goodyear Tire & Rubber Co., Akron,

Ohio 44316. D. (6) \$1,000.

A. Richard P. Pollock, 2000 P Street NW.,

Washington, D.C. 20036.
B. Public Citizen, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

A. Henry E. Poole, 9 West 57th Street, New York, N.Y., 10019. B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Raymond K. Pope, 1639 K Street NW., Suite 800, Washington, D.C. 20006. B. AMFAC, Inc., 50 O'Farrell Street, San Francisco, Calif. 94108. D. (6) \$3,145. E. (9) \$863.

A. Paula D. Porpilia, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036

D. (6) \$575. E. (9) \$196.66.

A. Port of Seattle, P.O. Box 1209, Seattle, Wash. 98111

E. (9) \$2,067.77.

A. Joan E. Porte, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.

D. (6) \$1,250.

A. Phillip Porte & Associates, Inc., 1301 South Arlington Ridge Road, Suite 208, Arlington, Va. 22202.

B. American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Tex. 75235

D. (6) \$6,000.

A. Phillip Porte & Associates, Inc., 1301 South Arlington Ridge Road, Suite 208, Arlington, Va. 22202.

B. National Association of Medical Directors of respiratory Care, Box 10832, Chicago, Ill. 60610.

D. (6) \$3,000.

A. Robert W. Porter, 888 17th Street NW., Suite 700, Washington, D.C. 20006.

B. National Potato Council, 888 17th Street NW., Suite 700, Washington, D.C. 20006.

D. (6) \$1,000.

A. Robert W. Porter, 888 17th Street NW., Suite 700, Washington, D.C. 20006.

B. Western Growers Association, 888 17th Street NW., Suite 700, Washington, D.C. 20006

D. (6) \$1,000.

A. Porter, Wright, Morris & Arthur, 1133 15th Street NW., Suite 1200, Washington, D.C. 20005.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

A. Alonzo M. Poteet, Veterans of Foreign Wars of the United States, 200 Maryland Avenue, Washington, D.C. 20002.

B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) \$2,500. E. (9) \$65.15.

A. Potter International, Inc., 90 Street NW., Washington, D.C. 20006. 900 17th

B. Rockwell International, Inc., 600 Grant Street, Pittsburgh, Pa. 15219.

A. Potter International, Inc., 900 17th Street NW., Washington, D.C. 20006.

B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119. D. (6) \$3,000.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900 S, Washington, D.C. 20036.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006. D. (6) \$600. E. (9) \$10.35.

A. Michael M. Pousner, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.

B. The Robert H. Kellen Co., 5775 Peach-

tree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342 (for Calorie Control Council, 5775 Peachtree-Dunwoody, Road, Suite 500-D, Atlanta, Ga. 30342).

D. (6) \$315.

A. John M. Powderly, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) \$8,901.72.

A. Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue NW., Suite 970, Washington, D.C. 20036.

Intergraph Corp., P.O. Box 5183, Huntsville, Ala. 35805.

D. (6) \$5,000.

A. Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue NW., Suite 970, Washington, D.C. 20036.
B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore,

D. (6) \$1,200.

A. Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue NW., Suite 970, Washington, D.C. 20036.

B. National Multi Housing Council, 1800 M Street NW., Washington, D.C. 20036.

A. Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue NW., Suite 970, Washington, D.C. 20036.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Richard M. Powell, International Association of Refrigerated Warehouses, 7315 Wisconsin Avenue, Washington, D.C. 20014.

B. International Association of Refrigerated Warehouses, 7315 Wisconsin Avenue, Washington, D.C. 20014.
E. (9) \$183.98

A. Robert D. Powell, Suite 600, 1110 Vermont Avenue NW., Washington, D.C. 20005.

B. National Business Aircraft Association, One Farragut Square South, Washington, D.C. 20006.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. 12285, Memphis, Tenn. 38112.

D. (6) \$387. E. (9) \$29.66

A. John (Jay) Power, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006. D. (6) \$10,900.50.

A. William D. Powers, 1016 16th Street NW., Suite 800, Washington, D.C. 20036. B. National Housing Law Project, 2150 Shattuck Avenue, Suite 300, Berkeley, Calif. 94704

D. (6) \$7,396.80. E. (9) \$60.

A. William C. Prather, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601

D. (6) \$850.

A. William B. Prendergast, Distilled Spirits Council of the U.S., Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

B. Distilled Spirits Council of the U.S., Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

D. (6) \$8,000. E. (9) \$920.75.

A. Brainard E. Prescott, 670 Main Street, East Aurora, N.Y. 14052.

B. Security New York State Corp., One East Avenue, Rochester, N.Y. 14638. E. (9) \$213.37.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc. (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France) 1225 19th Street NW., Washington, D.C. 20036.

D. (6) \$32.21.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc. (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005) 1225 19th Street NW., Washington, D.C. 20036.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc. (for Sofreavia, 75 rue la Boetie, Paris 8eme, France) 1225 19th Street NW., Washington, D.C. 20036.

A. Paul F. Preston, National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. BPA Industrial Customers (Bonneville Power), Suite 310, Lloyd Building, 700 NE., Multnomah Street, Portland, Oreg. 97232.

D. (6) \$370. E. (9) \$18.42.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

E. (9) \$37.22

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Chugach Natives, Inc., 903 West Northern Lights, 201, Achorage, Alaska 99503.

. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Moore McCormack Resources, One Landmark Square, Washington, D.C. 20006. D. (6) \$1,959.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. National Education Association, 1201-

16th Street NW., Washington, D.C.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Transportation Institute, 923 13th Street NW., Washington, D.C. D. (6) \$2,918.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. United States Cruises, 2200 Sixth Avenue, Seattle, Wash. 89121.

D. (6) \$1,590.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Western Resource Alliance, 2565 West 23d Street, P.O. Box 7848, Eugene, Oreg.

D. (6) \$540.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

WOMETCO Enterprises, Inc., North Miami Avenue, Miami, Fla. 33128. D. (6) \$8,805. E. (9) \$505.97.

A. Keith A. Pretty, 16025 Northland Drive, Southfield, Mich. 48075. B. Standard Oil Co. (Indiana), 200 East Randolph, Chicago, Ill. 60601. D. (6) \$195.80, E. \$1,094.09.

. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Bank Holding Companies, 730 15th Street NW., Washington, D.C. 20005.

D. (6) \$831.88.

A. Patricia Pride, Financial Accounting Standards Board, 1129 20th Street NW., Washington, D.C. 20036.

B. Financial Accounting Standards Board, High Ridge Park, Stamford, Conn. 06905.

D. (6) \$111.03 E. (9) \$44.60.

A. Arnold J. Prima, Jr., American Institute of Architects, 1735 New York Avenue, NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006

D. (6) \$1,200.

A. Gwenyth Pritchard, National Federation of Independent Business, 490 L'Enfant Plaza SW., Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

D. (6) \$2,250, E. (9) \$40.

A. Ellen Pritchett, National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill, 60611. D. (6) \$2,500. E. (9) \$118.72.

A. Jerry C. Pritchett, Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue NW., Washington, D.C.

B. Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue NW., Suite 750, Washington, D.C. 20015.

A. Stuart Proctor, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$4,500. E. (9) \$112.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Pro Life Congressional District 11, P.O. Box 727, San Carlos, Calif. 94070. D. (6) \$726. E. (9) \$431.

Pro-Life CDAC 12, P.O. Box 7145, Menlo Park, Calif. 94025.

D. (6) \$1,010. E. (9) \$872.

A. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C.

E. (9) \$2,587.50.

A. Proskauer Rose Goetz & Mendelsohn, 300 Park Avenue, New York, N.Y. 10022; 1150 Connecticut Avenue, Washington, D.C. 20036.

B. The League of New York Theatres and Producers, Inc., 226 West 47th Street, New York, N.Y. 10036.

D. (6) \$17,000. E. (9) \$259.14.

A. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa.

A. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$32,895.32. E. (9) \$24,696.72.

A. David E. Pullen, Johns-Manville Corp., 1025 Connecticut Avenue NW., No. 214, Washington, D.C. 20036.

B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.

D. (6) \$600.

A. F. Eugene Purcell, 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

B. Lone Star Industries, Inc., One Greenwich Plaza, Greenwich, Conn. 06830.

D. (6) \$1,000 E. (9) \$205.

A. Earle W. Putnam, Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington,

D.C. 20016

A. Howard Pyle, 4930 Quebec Street NW., Washington, D.C. 20016. B. Houston Lighting & Power Co., P.O.

Box 1700, Houston, Tex. 77001.

D. (6) \$2,678.58.

A. Mark C. Pyle, P.O. Box 3731, Washington, D.C. 20007.

B. Retail Bakers of America, 6525 Belcrest

Road, Suite 250, Hyattsville, Md., 20782. D. (6) \$2,132.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.

B. Independent Bakers Association, P.O. Box 3731, Washington, D.C. 20007.

D. (6) \$3,000.

A. John R. Quarles, Jr., Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.

B. National Environmental Development Assn. Clean Air Act Project (NEDA/CAAP), 3 National Press Building, Washington, D.C. 20045.

D. (6) \$1,000.

A. Clifford H. Raber, McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

B. McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

D. (6) \$80, E. (9) \$53.90.

A. Alex Radin, 2600 Virginia Avenue NW.,

Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) \$625.94.

A. Robert A. Ragland, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) \$200.

A. Richard W. Rahn, 1615 H Street NW.,

Washington, D.C. 20062.

B. Chamber of Commerce of the United States of America, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$2,025. E. (9) \$199.69.

A. Railway Labor Executives' Association, 400 First Street NW., Suite 804, Washington, D.C. 20001.

B. Railway Labor Executives' Association, 400 First Street NW., Suite 804, Washington, D.C. 20001.

D. (6) \$48,250. E. (9) \$76,545.09.

A. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. Law Offices of John V. Rainbolt, 1800 K Street NW., Suite 429, Washington, D.C. 20006.

B. MidAmerica Commodity Exchange, 125 W. Jackson Boulevard, Chicago, Ill. 60604. D. (6) \$9.150. E. (9) \$441.54.

Joyce Ramonas, Detroit Edison Co., 1819 H Street NW., Suite 960, Washington, D.C. 20006.

B. Detroit Edison Co., 2000 Second Avenue, Detroit, Mich. 48226.

D. (6) \$210.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.

B. The Business Roundtable, 1828 L Street NW., Washington, D.C. 20036. D. (6) \$3,332.50.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.

Grocery Manufacturers of America, 1010 Wisconsin Avenue NW., Washington, D.C. 20006.

D. (6) \$268.75.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.

B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20006. D. (6) \$3.195.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.

B. Western Union International, 1 Western Union International Plaza, New York, N.Y. 10004.

D. (6) \$2,364.

A. Donald A. Randall, 1625 K Street NW., Washington, D.C. 20006.

B. Automotive Service Councils, Inc., 188 Industrial Drive, Suite 112, Elmhurst, Ill. 60126

D. (6) \$1,047.06.

A. Donald A. Randall, 1625 K Street NW., Washington, D.C. 20006.

B. National Association For Milk Marketing Reform, 1625 K Street NW., Washington, D.C. 20006.

A. Gary B. Randall, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$125.

A. Robert Randall, 709-A 8th Street SE., Washington, D.C. 20003.

B. Alliance For Cannabis Therapeutic, P.O. Box 23691, Washington, D.C. 20024.

D. (6) \$405. E. (9) \$70.

A. R. Ray Randlett, Allied Corp., 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20005.

B. Allied Corp., P.O. Box 3000-R, Morristown, N.J. 07960.

D. (6) \$80. E. (9) \$4.50.

A. Arthur G. Randol III, Exxon Corp., 1899 L Street NW., No. 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.

E. (9) \$732.32.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.

B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.

D. (6) \$1,250. E. (9) \$5,905.77.

A. Magda Ratajski, Norfolk & Western Railway Co., P.O. Box 23652, L'Enfant Plaza Station, Washington, D.C. 20024.

B. Norfolk & Western Railway Co.

North Jefferson Street, Roanoke, Va. 24042. D. (6) \$210.

A. Carol Raulston, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue NW., New York, N.Y. 10016.

A. G. David Ravencraft, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.

B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

D. (6) \$2,000.

A. Eiler C. Ravnholt, Hawaiian Sugar Planters' Association, 723 Investment Build-ing, Washington, D.C. 20005.

B. Hawaiian Sugar Planters' Association,

Honolulu, Hawaii. D. (6) \$300. E. (9) \$73.55.

A. W. Lee Rawls, Pennzoil Co., 1155 15th Street NW., Suite 602, Washington, D.C.

B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77001.

D. (6) \$750.

A. W. Randall Rawson, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

E. (9) \$16.29.

A. J. Gene Raymond, National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) \$1,009.83.

A. Sydney C. Reagan, 10 Duncannon Court, Glen Lakes, Dallas, Tex. 75225.

B. Southwestern Peanut Shellers Association, 10 Duncannon Court, Glen Lakes, Dallas, Tex. 75225.

D. (6) \$475.51. E. (9) \$325.51.

A. Susan E. Reece, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) \$850. E. (9) \$52.22.

A. John M. Rector, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

D. (6) \$700. E. (9) \$150.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Dwight C. Reed, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) \$72.12.

A. Janet S. Reed, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. Paralysis Cure Research Foundation, 100 Maryland Avenue NE., Suite 501, Washington, D.C. 20002.

A. John H. Reed, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001. D. (6) \$9,500. E. (9) \$151.70.

A. Charles C. Reely, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

B. National Limestone Institute, Inc. 3251 Old Lee Highway, Suite 500, Fairfax, Va.

A. Robert S. Reese, Jr., American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.

- B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036. D. (6) \$8,000. E. (9) \$1,245.31.
- A. J. Ronald Reeves, U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001
- B. U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001.

D. (6) \$2,000. E. (9) \$125.96.

A. John T. Reggitts, Jr., R.D. No. 2, 95 Boonton Avenue, Boonton, N.J. 07005.

A. Frank D. Register, National Association of Retail Grocers of the U.S., Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.

B. National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va 22091.

D. (6) \$50. E. (9) \$8.

Paul Reiber, Suite 921, 1625 I Street NW., Washington, D.C. 20006.

B. International Air Leases, Inc., P.O. Box 480233, Miami, Fla. 33148.

A. Charlotte T. Reid, 1776 K Street NW., Washington, D.C. 20006.

B. Motorola Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) \$3,000.

A. Reid & Priest, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$37. E. (9) \$3.60.

A. Reid & Priest, 1111 19th Street NW.,

Washington, D.C. 20036.

B. Northeast Utilities Service Co., P.O. Box 270, Hartford, Conn. 06101.

A. Reid & Priest, 1111 19th Street NW.,

Washington, D.C. 20036.

B. South Carolina Electric & Gas Co., P.O. Box 764, Columbia, S.C. 29218.

A. Jerry E. Reider, Emerson Electric Co., 1745 Jefferson Davis Highway, Arlington, Va. 22202.

B. Emerson Electric Co., 8000 W. Florissant, St. Louis, Mo. 63136.

A. Mark Reihl, Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

D. (6) \$3,000. E. (9) \$386.84.

A. Gary B. Reimer, Tiger International, Inc., 1800 K Street NW., Suite 600, Washington, D.C. 20006.

B. Tiger International, Inc., 1888 Century Park East, Los Angeles, Calif. 90067.

D. (6) \$1,410. E. (9) \$226.66.

A. Thomas K. Reinhard, International Trading Associates Inc., 806 15th Street NW., Suite 210, Washington, D.C. 20005.

B. International Trading Associates Inc., 806 15th Street NW., Suite 210, Washington, D.C. 20005.

D. (6) \$99

A. Harry O. Reinsch, 1310 Jones Street, Apartment 902, San Francisco, Calif. 94109. B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Jack Reiter, Tiger International, Inc., 1800 K Street NW., Suite 600, Washington,

D.C. 20006. B. Tiger International, Inc., 1888 Century Park East, Los Angeles, Calif. 90067. D. (6) \$2,100. E. (9) \$683.53.

A. Religious Coalition for Abortion Rights, Inc., 100 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) \$7,779.30. E. (9) \$12,509.39

A. W. W. Renfroe, 69 Fountain Place-

Wilkinson Street, Frankfort, Ky. 40601.

B. Kentucky Railroad Association, 9
Fountain Place—Wilkinson Street, Frankfort, Ky. 40601.

Diane Rennert, 1707 L Street NW., Washington, D.C. 20036.

B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036. D. (6) \$3,300. E. (9) \$350.80

Research Animal Alliance, 400-2 Totten Pond Road, Suite 200, Waltham, Mass. 02154.

D. (6) \$33,937.50. E. (9) \$6,503.87.

A. Research To Prevent Blindness, Inc., 598 Madison Ave., New York, N.Y. 10022. E. (9) \$649.73.

A. Retired Officers Association, 201 N. Washington Street, Alexandria, Va. 22314. D. (6) \$6,435.

A. Forrest I. Rettgers, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.

B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.

A. Lynne Revo-Cohen, National Press Building, Room 481, Washington, D.C. 20045.

B. Federally Employed Women, Inc., National Press Building, Room 481, Washington, D.C. 20045.

D. (6) \$4,920. E. (9) \$400.

A. Allan R. Rexinger, The Proprietory Association, 1700 Pennsylvania Avenue NW., Suite 700, Washington, D.C. 20006.

B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C

D. (6) \$2,437.50. E. (9) \$150.

A. Nancy C. Reynolds, 300 Maryland Avenue NE., Washington, D.C. 20002.

B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002. D. (6) \$1,450. E. (9) \$125.

A. Austin T. Rhoads, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Founda-tion, 910 17th Street NW., Washington, D.C. 20006

E. (9) \$528.58.

A. Robin Alan Rhodes, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) \$5,980.69.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C.

E. (9) \$134.69.

A. Grace Ellen Rice, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$4,125. E. (9) \$116.

A. Theron J. Rice, Conoco Inc., 1025 Connecticut Avenue, Suite 1000, Washington, D.C. 20036.

B. Conoco Inc., High Ridge Park, Stamford, Conn. 06904.

A. Alan H. Richardson, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) \$1,000.

A. John T. Richardson, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

A. Russell W. Richardson, Suite 1002, 1911 Jefferson Davis Highway, Arlington, Va. 22202.

B. Lear Siegler, Inc., P.O. Box 2158, Santa Monica, Calif. 90406.

D. (6) \$300. E. (9) \$78.20.

A. Bruce Rickerson, American Society of Civil Engineers, 1625 I Street NW., Suite 607, Washington, D.C. 20006

B. American Society of Civil Engineers, 345 East 47th Street, New York, N.Y. 10017. D. (6) \$3,000.

A. Don Ricketts, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$65.94.

A. Kerri Ridenour, 1155 15th Street NW., Washington, D.C. 20005.

B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005. D. (6) \$750.

A. Lowell J. Ridgeway, North Dakota Petroleum Council, Box 1395, Bismarck, N.D. 58502.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$463. E. (9) \$1,120.13.

A. Peter S. Ridley, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Mark J. Riedy, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of Amer-1125 15th Street, NW., Washington, D.C. 20005.

A. S. F. Riepma, 1625 I Street NW., No. 1024-A, Washington, D.C. 20006.

B. National Association of Margarine Manufacturers, 1625 I Street, NW., Washington, D.C. 20006.

A. E. Philip Riggin, National Legislative Commission, 1608 K Street NW., Washington, D.C. 20006.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis Ind. 46204.

D. (6) \$6,862. E. (9) \$721.02.

A. Valerie M. Riggins, Beneficial Management Corp. of America, 1700 North Moore Street, 1925 Rosslyn Center Building, Ar-lington, VA. 22209

- B. Beneficial Management Corp. of America, 1300 Market Street, Wilmington, Del.
- A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005. B. Association of Bank Holding Co., 730 15th Street NW., Washington, D.C. 20005. D. (6) \$756.25. E. (9) \$28.

- A. Carol A. Risher, Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
- B. Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.

D. (6) \$1,200. E. (9) \$84.79.

- A. James E. Ritchie, 499 South Capitol Street SW., Suite 400, Washington, D.C. 20003.
- B. Gaming Industry Association Nevada, Inc., One East First Street, Suite 1007, Reno, Nev. 89501.

D. (6) \$3,200. E. (9) \$886.75.

- A. James E. Ritchie, 499 South Capitol Street SW., Suite 400, Washington, D.C.
- B. National Association of Off-Track Betting Corp., P.O. Box 446, Batavia, N.Y.

D. (6) \$2,000. E. (9) \$1,313,13.

- A. James E. Ritchie, 499 South Capitol Street SW., Suite 400, Washington, D.C. 20003
- B. Nevada Resort Association, 1785 East Sahara Avenue, Suite 250, Las Vegas, Nev. 89104.

D. (6) \$4,800. E. (9) \$1,330,12.

- A. Stark Ritchie, 2101 L Street NW., Washington, D.C. 20037.
- B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
- A. RJR Industries, Inc., 1100 Reynolds Boulevard, Winston-Salem, N.C. 27105. E. (9) \$5,919.14.
- A. Roadside Business Association, 9001 West Braddock Road, Springfield, Va. 22151.
 - D. (6) \$2,013.10. E. (9) \$2,013.10.
- A. Elizabeth Jane Robbins, 43 D Street,

SE., Washington, D.C. 20003. B. Scholastic Magazines, Inc., 900 Sylvan Avenue, Englewood Cliffs, N.J. 07632.

- A. George Roberts, National Education Association, 555 Park Street, Suite 160, St. Paul, Minn, 55103.
- B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$860.75. E. (9) \$186.85.
- A. Perry A. Roberts, 8000 West Florissant, St. Louis, Mo. 63136.
- B. Emerson Electric Co., 8000 West Florissant, St. Louis, Mo. 63136.

E. (9) \$1,192.24.

- A. Ray Roberts & Associates, 499 South Capitol Street SW., Suite 102, Washington,
- B. Centex Corp., 1400 Republic National Bank Tower, Dallas, Tex. 75201. D. (6) \$3,000. E. (9) \$421.39.
- A. Ray Roberts & Associates, 499 South Capitol Street SW., Suite 102, Washington,
- D.C. 20003.

 B. Guam Oil & Refining Co., Inc., 3400 Southland Center, Dallas, Tex. 75201. D. (6) \$12,000. E. (9) \$2,535.39.
- A. Ray Roberts & Associates, 499 South Capitol Street SW., Suite 102, Washington, D.C. 20003.

B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.

D. (6) \$3,000. E. (9) \$421.39.

A. Richard R. Roberts, 1899 L Street NW., Suite 403, Washington, D.C. 20036.

B. Outdoor Advertising Association America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.

D. (6) \$263. E. (9) \$318.

- A. Betty S. Robinson, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.
- International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) \$8,794.39. E. (9) \$209.

- A. Charles A. Robinson, Jr., 1800 Massa-chusetts Avenue NW., Washington, D.C. 20036.
- B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$217.21

- A. Ronn Robinson, National Education Association, P.O. Box 558, Mercer Island, Wash. 98040.
- B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$953. E. (9) \$774.

A. Howard W. Robison, 10 West Side Drive, Rehoboth Beach, Del. 19971.

B. Consolidated Rail Corp. P.O. Box 23451, L'Enfant Piaza Station, Washington, D.C. 20024.

D. (6) \$871.

- A. Antoinette K. Roche, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.
 - B. General Atomic Co., San Diego, Calif. D. (6) \$500. E. (9) \$25.
- A. Thomas G. Roderick 1101 16th Street NW., Washington, D.C. 20036.
- B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

D. (6) \$3,500.

- A. Quincy Rodgers, General Instrument Corp., Suite 320, 1200 New Hampshire Avenue NW., Washington, D.C. 20036. B. General Instrument Corp., 1775 Broad-
- way, New York, N.Y. 10019.

D. (6) \$1,000. E. (9) \$377.

- A. Ted V. Rodgers, Nationwide Insurance Companies & Affiliates, 1000 Connecticut Avenue NW., Washington, D.C. 20036. B. Nationwide Insurance Cos. & Affiliates,
- One Nationwide Plaza, Columbus, Ohio. 43216.

D. (6) \$2,500. E. (9) \$320.

- A. Bruce N. Rogers, General Motors Corp., 1600 L Street NW., Washington, D.C. 20036.
- B. General Motors Corp., 3044 Grand Boulevard, Detroit, Mich. 48202. 3044 West

D. (6) \$2,500. E. (9) \$2,613.76.

- A. Donald L. Rogers, 730 15th Street NW.,
- Washington, D.C. 20005. B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005. D. (6) \$1,650.
- A. Margaret Rogers, Printing Industries of America, 1730 North Lynn Street, Arlington, Va. 22209.

 B. Printing Industries of America, 1730
- North Lynn Street, Arlington, Va. 22209.

D. (6) \$1,000.

- A. Terrence L. Rogers, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
- B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) \$6,625.90. E. (9) \$51.

- A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
- B. Merrill Lynch Leasing, Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080.

D. (6) \$2,000.

- A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
- B. Overseas Shipholding Group, Inc., 1114 Avenue of Americas, New York, N.Y. 10036.
- A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
- B. Twentieth Century Fox Film Corp., P.O. Box 900, Beverly Hills, Calif. 90213.

D. (6) \$1,000.

- A. Richard A. Rohrbach, 1625 I Street NW., Suite 809, Washington, D.C. 20006.
- B. Boise Cascade Corp., 1625 I Street NW., Suite 809, Washington, D.C. 20006. D. (6) \$17,250. E. (9) \$3,528.
- A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
- B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
- A. Teno Roncalio, P.O. Box 1707, Cheyenne, Wyo.
- B. Northwest Alaska Pipeline Co., 1801 K Street NW., Washington, D.C. 20036; Colorado Interstate Gas Co., P.O. Box 1087, Colorado Springs, Colo. 80944; Rocky Mountain Energy, P.O. Box 2000, Broomfield, Colo. 80020.

D. (6) \$7,000.

- A. Teno Roncalio, P.O. Box 1707, Cheyenne, Wyo. 82001.
- B. State of Wyoming, Capitol Building, Cheyenne, Wyo. 82002.
- A. Tatiana Roodkowsky, 1615 H Street NW., Washington, D.C. 20062. B. Chamber of Commerce of the United
- States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$2,500. E. (9) \$150.13.

- A. Nicholas Roomy, Jr., P.O. Box 1986, Charleston, W. Va. 25327.
- B. Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327. D. (6) \$378.40. E. (9) \$462.98.
- A. Fred B. Rooney, 1300 19th Street NW., Suite 404, Washington, D.C. 20036.
- B. American Iron and Steel Institute, 1000 16th Street NW., Washington, D.C. 20036.
- A. Fred B. Rooney, 1300 19th Street NW., Suite 404, Washington, D.C. 20036.

 B. Association of American Railroads,
- 1920 L Street NW., Washington, D.C. 20036. D. (6) \$200.
- A. Fred B. Rooney, 1300 19th Street NW., Suite 404, Washington, D.C. 20036.
- B. California Portland Cement Co., 800 Wilshire Boulevard, Los Angeles, Calif. 90017.
- A. Fred B. Rooney, 1300 19th Street NW., Suite 404, Washington, D.C. 20036.

B. PACCAR, Inc., Business Center Building, P.O. Box 1518, Bellevue, Wash. 98009.

A. Kevin M. Rooney, 1111 19th Street NW., Washington, D.C. 20036. B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$1,028. E. (9) \$336.49.

A. John C. Roots, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Wash-

ington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) \$215.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, 1575 I Street NW., Washington,

Continental Resources Co., P.O. Box

44, Winter Park, Fla. 32790. D. (6) \$28,905. E. (9) \$2,881.61.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, 1575 I Street NW., Washington, D.C. 20005.

B. Institute of Makers of Explosives, 1575 I Street NW., Washington, D.C. 20005.

A. Walda W. Roseman, National Public Radio, 2025 M Street NW., Washington, D.C. 20036. B. National Public Radio, 2025 M Street

NW., Washington, D.C. 20036. D. (6) \$13,500. E. (9) \$40.25.

A. Burt E. Rosen, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Pfizer Inc., 235 East 42d Street, New

York, N.Y. 10017.

D. (6) \$241.42. E. (9) \$256.42

Albert B. Rosenbaum III, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Arthur F. Rosenfeld, 1615 H Street NW., Washington, D.C. 20062. B. Chamber of Commerce of the United

States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$110.

A. Robert W. Ross, National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Cable Television Association,

Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$1.650.

A. William F. Ross, SC Petroleum Council, 716 Keenan Building, Columbia, S.C. 29201. B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$535. E. (9) \$1,598.41.

A. Gary W. Rossow, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Washington, D.C. 20006. B. Motor Vehicle Manufacturers Associ-

ation of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202. D. (6) \$100. E. (9) \$5.

A. Alan J. Roth, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington,

D.C. 20037.

B. Fort Pierce Utilities Authority of the City of Fort Pierce, Gainesville-Alachua County Regional Electric Water & Sewer Utilities, Sebring Utilities Commission Cities of Homestead, Kissimmee, Lakeland, Starke, Tallahassee, Fla. D. (6) \$138.

A. Barry N. Roth, The Williams Co., 1750 K Street NW., Suite 350, Washington, D.C. 20006.

B. The Williams Co, P.O. Box 2400, Tulsa, Okla. 74101. D. (6) \$100.

A. Donald D. Rounds, South Dakota Petroleum Council, P.O. Box 669, Pierre, S.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$226.25. E. (9) \$369.65.

A. William C. Rountree, Standard Oil Co., (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.

B. The Standard Oil Co., (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Michael O. Roush, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024. D. (6) \$2,250. E. (9) \$200.

A. Rouss & O'Rourke, Lawyers Building, 231 East Vermijo, Colorado Springs, Colo. 80903.

B. Union Nacional de Productores de Azucar, S.A. de C.V., Balderas 36, Mexico, D.F., Mexico.

D. (6) \$2,887.50. E. (9) \$1,865.95.

Mark Rovner, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$4,750.02.

A. Eugene F. Rowan, J. C. Penny Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

A. James C. Rowland, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Union Carbide Corp., 270 Park Avenue,

New York, N.Y. 10017.

A. John W. Rowland, Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America,

1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) \$750. E. (9) \$1.50.

A. James S. Rubin, 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.

B. Allied Corp., P.O. Box 3000-R, Morristown, N.J. 07960.

D. (6) \$125.

A. Paul M. Ruden, Wilner & Scheiner, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022

A. Gloria Cantaneo Rudman, Joint Maritime Congress, 444 North Capitol Street NW., No. 801, Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street NW., No. 800, Washington, D.C. 20001.

D. (6) \$769.20.

A. John C. Runyan, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) \$5,700. E. (9) \$137.60.

A. Leonard H. Ruppert, N.J. Petroleum Council, 170 West State Street, Trenton, N.J. 08608.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) \$486.54. E. (9) \$69.

A. Barry Russell, 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) \$28.

. Christine Anne Russell, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Herbert E. Russell, P.O. Drawer 888. Magnolia, Ark. 71753.

E. (9) \$2,653.84.

A. Robert M. Russell, 2170 Piedmont Road NE., Atlanta, Ga. 30324.

B. Orkin, Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324. D. (6) \$240. E. (9) \$913.

A. Wally Rustad, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$75.

A. Sheryl P. Rutledge, 1100 H Street NW.,

Washington, D.C. 20080.

B. Washington Gas Light Co., 1100 H
Street NW., Washington, D.C. 20080.

D. (6) \$17.08. E. (9) \$21.75.

J. T. Rutherford & Associates, Inc., 1660 L Street NW., Suite 514, Washington, D.C. 20036.

American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606. E. (9) \$36.10.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Suite 514, Washington, D.C. 20036.

B. American Association of Bioanalysis, International Society of Clinical Lab Technology, 614 Paul Brown Building, St. Louis,

E. (9) \$38.20.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Suite 514, Washington, D.C. 20036.

B. American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

E. (9) \$52.40.

A. Ella Marice Ryan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penney, Inc., 1301 Avenue of Americas, New York, N.Y. 10019.

D. (6) \$100.

A. John F. Ryan, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036. B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

D. (6) \$79. E. (9) \$6.

A. Joseph Ryan, 1725 DeSales Street, Suite 800, Washington, D.C. 20036.

B. Genertal Instrument Corp., 1775 Broadway, New York, N.Y. 10019. D. (6) \$1,500. E. (9) \$44.

A. Lynn Ryan, Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pitts-

burg, Pa. 15230.

D. (6) \$150. E. (9) \$35.50.

A. Paul R. Sacia, 1012 14th Street NW., Washington, D.C. 20005. B. The Farmers' Educational & Co-Opera-

tive Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) \$3,230.77. E. (9) \$10.38.

A. Robert P., St. Louis, 2550 M Street NW., Suite 225, Washington, D.C. 20037. B. Congoleum Corp., P.O. Box 4040, Ports-

mouth, N.H. 03801. D. (6) \$1,000. E. (9) \$150.40.

A. Samaritan Health Service, 1401 North Third Street, P.O. Box 25489, Phoenix, Ariz. 85004.

E. (9) \$4.253.

A. Sammons Enterprises, Inc., 403 South Akard, Dallas, Tex. 75202.

A. Whitney G. Sampson, 9002 Greenwillow Drive, Houston, Tex. 77096. B. American Association of Ophthalmol-

ogy, 1100 17th Street NW., Washington, D.C. 20036.

D. (6) \$546.48. E. (9) \$546.48.

A. Frank P. Sanders, The Signal Cos., Inc., 1575 I Street NW., Washington, D.C. 20005. B. The Signal Cos., Inc., 11255 North Torrey Pines Road, La Jolla, Calif. 92037. D. (6) \$1,030.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$5,000.

A. David Sandler, 2233 Wisconsin Avenue

NW., No. 322, Washington, D.C. 20007.
B. National Council of Community Mental Health Centers, 2233 Wisconsin Avenue NW., No. 322, Washington, D.C. 20007.
D. (6) \$3,000. E. (9) \$150.

A. Peter G. Sandlund, Room 315, 1725 I

Street NW., Washington, D.C. 20006.

B. Council of European & Japanese National Shipowners' Associations, 30/32 St. Mary Axe., London EC3A 8ET, England. D. (6) \$300.

A. Donald E. Santarelli, 2033 M Street NW., Washington, D.C. 20036.

B. Empresa Brasileira de Aeronautica, S.A., (EMBRAER), Sao Paulo, Brazil.

D. (6) \$200. E. (9) \$405.

A. Donald E. Santarelli, 2033 M Street NW., Washington, D.C. 20036. B. Kings River Water Users Committee. D. (6) \$2,000. E. (9) \$645.

A. Donald E. Santarelli, 2033 M Street

NW., Washington, D.C. 20036. B. Safari Club International, 5151 East Broadway, Tucson, Ariz. 85711. D. (6) \$2,500. E. (9) \$715.

A. Albert C. Saunders, 1155 15th Street NW., Washington, D.C. 20005.

B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005. D. (6) \$4,000, E. (9) \$32,45.

A. Henry Schacht, California Canners and Growers, 3100 Ferry Building, San Francisco, Calif. 94106.

B. California Canners and Growers, 3100 Ferry Building, San Francisco, Calif. 94106. D. (6) \$5,000. E. (9) \$2,481.86.

A. Mark Schacht, Migrant Legal Action Program, 806 15th Street NW., Washington, D.C. 20005.

B. Migrant Legal Action Program, 806 15th Street NW., Washington, D.C. 20005. D. (6) \$6,702.65. E. (9) \$1,318.14.

A. Harold A. Schaitberger, 1750 New York Avenue NW., Washington, D.C. 20006. B. International Association of Fire Fight-

ers, 1750 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$10,771.42.

A. Herbert Y. Schandler, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. American League for Exports & Security Assistance, Inc. (ALESA), Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C.

D. (6) \$8,000. E. (9) \$294.60.

A. Kenneth D. Schanzer, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036, D. (6) \$3,000. E. (9) \$822.

A. Jay T. Scheck, Jr., Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C.

B. Ford Motor Co, Dearborn, Mich. 48121.D. (6) \$514.45. E. (9) \$402.

A. Henry Schein, Inc., 5 Harbor Park Drive, Port Washington, N.Y. 11050. E. (9) \$949.74.

A. Joseph Scherer, American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

B. American Association of School Administrators, 1801 North Moore Street, Arlington, Va. 22209.

A. Jacques T. Schlenger, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.

B. Maryland Savings-Shares Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) \$85.41.

A. James P. Schlicht, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) \$6,750. E. (9) \$37.36.

A. Kenneth D. Schloman, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036. D. (6) \$837.50. E. (9) \$72.41.

A. Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Wash-

ington, D.C. 20024.

B. Boston University, 147 Bay State Road, Boston, Mass. 02215, D. (6) \$1,000. E. (9) \$8.

A. Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Wash-

ington, D.C. 20024.

B. Ocean Spray Cranberries, Inc., Plymouth, Mass. 02360.

D. (6) \$1,125. E. (9) \$19.

A. Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20024.

B. Tufts University, Medford, Mass. 02155.

D. (6) \$2,250. E. (9) \$24.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Japan Economic Institute of America, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$400.

A. Amy Schmidt, International Longshoremen's Association, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

B. International Longshoremen's Association, AFL-CIO, 17 Battery Place, New York, N.Y. 10004.

D. (6) \$4,205,71.

A. Richard M. Schmidt, Jr., 1333 New Hampshire Avenue NW., Suite 600, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

D. (6) \$500.

A. Arthur L. Schmuhl, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Mahlon C. Schneider, The Pillsbury Co., 608 Second Avenue South, Minneapolis Minn. 55402.

B. The Pillsbury Co., 608 Second Avenue South, Minneapolis Minn. 55402. D. (6) \$250. E. (9) \$537.

A. Frank Schneller, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Andrew A. Scholtz, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, Eighth Floor, New York, N.Y.

B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, Eighth Floor, New York, N.Y. 10048.

A. Michael M. Schoor, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) \$2,500.

A. Schrader-Lauth & Associates, Inc., 1600 Wilson Boulevard, Arlington, Va.

B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102; Agri-Trans, 10825 Watson Road, Sunset Hills, Mo. 63127.

D. (6) \$15,000. E. (9) \$3,000.

A. Marsha Schramm, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.

B. Domestic Petroleum Council Trade Association, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.

A. N. Donald Schroeder, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Mark Schultz, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$5,000. E. (9) \$127.51.

A. Robert L. Schulz, Iowa Petroleum Council, 1012 Fleming Building, Des Moines, Iowa 50309.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Donald H. Schwab, VFW National Legislative Service, 200 Maryland Avenue NE., Washington, D.C. 20002

B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) \$4,250. E. (9) \$773.90.

A. Schwabe, Williamson, Wyatt, Moore & Roberts, 1200 Standard Plaza, Portland, Oreg. 97204.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

E. (9) \$3,133.35.

A. Harry K. Schwartz, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.

B. City of Philadelphia-Department of Commerce, 1650 Municipal Services Building, Philadelphia, Pa. 19107.

D. (6) \$500.

A. Harry K. Schwartz, 1800 M Street NW.,

Suite 400 South, Washington, D.C. 20036. B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067. D. (6) \$2,500.

A. Richard Schwartz, Boat Owners Associ-

ation of the United States, 880 South Pickett Street, Alexandria, Va. 22304.

B. Boat Owners Association of the United

States, 880 South Pickett Street, Alexandria, Va. 22304.

D. (6) \$3,000.

A. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036

D. (6) \$6,798.57. E. (9) \$4,942.77.

A. Michael Sciulla, Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.

B. Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.

D. (6) \$3,000.

A. H. B. Scoggins, Jr., 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) \$28.87.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America,

P.O. Box 12285, Memphis, Tenn. 38112. D. (6) \$3,262.50. E. (9) \$100.89.

A. Sandra Sedacca, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$4,905.

A. Charles M. Seeger III, 2000 L Street NW., No. 802, Washington, D.C. 20036.

B. Popham, Haik, Schnobrich, Kaufman & Doty, Ltd., 4344 IDS Center, Minneapolis, Minn. 55402 (for: Chicago Mercantile Exchange, 444 West Jackson Boulevard, Chicago, Ill. 60606).

A. Charles M. Seeger, III, 2000 L Street NW., No. 802, Washington, D.C. 20036.

B. Popham, Haik, Schnobrich, Kaufman & Doty, Ltd., 4344 IDS Center, Minneapolis, Minn. 55402 (for: Glenrock Refinery, Inc., P.O. Box 2553, Casper, Wyo. 82602).

A. Charles M. Seeger III, 2000 L Street NW., No. 802, Washington, D.C. 20036.

B. Popham, Haik, Schnobrich, Kaufman & Doty, Ltd., 4344 IDS Center, Minneapolis, Minn. 55402 (for: Newcomb Securities Co., 767 Fifth Avenue, 34th Floor, New York, N.Y. 10153).

A. H. Richard Seibert, Jr., National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$425.

A. Seifman & Lechner, P.C., 1000 Potomac Street NW., Washington, D.C. 20007.

B. Massachusetts Association of Contribu-tory Retirement Systems, Inc., 182 Sunny-side Road, Norwood, Mass. 02062. D. (6) \$18,000. E. (9) \$56.43.

A. Seifman & Lechner, P.C., 1000 Potomac Street NW., Washington, D.C. 20007.

B. National Association of Police Organizations, 12th and L Streets, Sacramento, Calif. 95814.

D. (6) \$11,392.80. E. (9) \$1,641.19.

A. Armistead I. Selden, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. American League for Exports and Security Assistance, Inc. (ALESA), Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024

D. (6) \$15,000. E. (9) \$77.80.

A. Stanton P. Sender, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) \$1,260. E. (9) \$39.70.

A. David Senter, 100 Maryland Avenue NE., Box 69, Washington, D.C. 20002.

B. American Agriculture Movement, Inc., 100 Maryland Avenue NE., Box 69, Washington, D.C. 20002. D. (6) \$9,000.

A. Service Master Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.

E. (9) \$2.500.

A. Service Station Dealers of America, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006. E. (9) \$30,127,49.

A. Sarah Setton, 1511 K Street NW., Washington, D.C. 20005.

B. The Sugar Association, Inc., 1511 K Street NW., Washington, D.C. 20005. D. (6) \$115. E. (9) \$8.

Seven Months Session for Congress, 6 Yellowpine Terrace, Austin, Tex. 3306 78757.

E. (9) \$548.

A. Seward & Kissel, 1050 17th Street NW., Washington, D.C. 20036. B. Merrill Lynch Money Markets, Inc., 165

Broadway, New York, N.Y. 10080.

J. Richard Sewell, Florida Power &

A. J. Richard Sewen, Fibrida Fower & Light Co., 1111 19th Street NW., Suite 1102, Washington, D.C. 20036.
B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.
D. (6) \$2,900. E. (9) \$331.59.

Leslie Sewell, 2025 M Street NW., Washington, D.C. 20036.

B. National Public Radio, 2025 M Street NW., Washington, D.C. 20036.

D. (6) \$9,500. E. (9) \$114.05.

A. Seyfarth, Shaw, Fairweather & Geraldson, 1111 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Agricultural Producers, 600 Commonwealth Avenue, Suite 212, Los Angeles, Calif. 90005.

D. (6) \$6,483.75.

A. Seyfarth, Shaw, Fairweather & Geraldson, 1111 19th Street NW., Suite 500, Washington, D.C. 20036.

B. National Multi Housing Council, 1800 M Street NW., Suite 285, Washington, D.C. 20036.

D. (6) \$18,844.50.

A. Seyfarth, Shaw, Fairweather & Geraldson, 1111 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

D. (6) \$3,987.50.

A. Robert L. Shaver, Pfizer Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pfizer Inc., 235 East 42d Street, New York, N.Y. 10017.

A. Yvonne L. Shafer, National Education Association, 555 Park Street, Suite 160, St. Paul, Minn. 55103.

B. National Education Association, 1201
 16th Street NW., Washington, D.C. 20036.
 D. (6) \$904. E. (9) \$511.45.

A. James M. Shamberger, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

E. (9) \$105.01.

A. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009. E. (9) \$25.

A. Lloyd D. Shand, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) \$400. E. (9) \$31.95.

A. Debbie Shannon, Seattle Pacific National Bank, 1901 L Street NW., No. 702, Washington, D.C. 20036.

B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071

D. (6) \$1,300. E. (9) \$300.38.

A. David L Shapiro, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

D. (6) \$2,500.

A. Harry D. Shapiro, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.

B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) \$85.41.

A. Karen Dolmatch Shaw, BankAmerica Corp., 1800 K Street NW., Suite 920, Washington, D.C. 20006.

BankAmerica Corp., BankAmerica Center, San Francisco, Calif.

D. (6) \$307.68. E. (9) \$1,040.03.

A. Luther W. Shaw, The Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.

B. National Agricultural Chemicals Asso ciation, 1155 15th Street NW., Suite 514, Washington, D.C. 20005.

D. (6) \$8,400, E. (9) \$79.85.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.

B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis,

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW. (900-S), Washington, D.C. 20036.

B. Atlas Minerals Division, P.O. Box 1207, Moab, Utah 84532

D. (6) \$560.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW. Washington, D.C. 20036.

B. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Islands, British West Indies

D. (6) \$5,020 E. (9) \$93.18.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW. (900-S), Washington, D.C. 20036.

B. Consolidated Grain & Barge Co., 5100 Oakland Avenue, St. Louis, Mo. 63110.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW. (900-S), Washington,

B. Emerson Electric Co., 8000 West Floris-

sant, St. Louis, Mo. 63136.

D. (6) \$364.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW. Washington, D.C. 20036.

B. Institute of Foreign Bankers, 200 Park Avenue, Suite 303 East, Room 23, New York,

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW. (900-S), Washington, D.C. 20036.

B. Investment Counsel Association of America, Inc., 50 Broad Street, New York, N.Y. 10004.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW. (900-S), Washington, D.C. 20036.

B. National Committee on Small Issue Industrial Development Bonds, Box 1, 1800 M Street NW. (900-S), Washington, D.C. 20036

D. (6) \$9,933.75. E. (9) \$39.30.

Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW. Washington, D.C. 20036.

B. Utility Nuclear Waste Management Group, c/o Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) \$761. E. (9) \$21.86.

A. Russell H. Shay, Sierra Club, 6014 College Avenue, Oakland, Calif. 94618.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) \$1,500.01. E. (9) \$1,797.09.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Champion International Corp.,

Street, Suite 540, Washington, D.C. 20006. D. (6) \$25,000.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Chancellor Corp., 31 Milk Street, Boston, Mass. 02109.

D. (6) \$5,000. E. (9) \$12.04.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Eleanor Clark, c/o J. Reynolds Barnes, 11 American Bank Building, 621 Morrison Street NW., Portland, Oreg. 97205. D. (6) \$20,550.73. E. (9) \$364.60.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Nabisco, 100 DeForest Avenue, East Hanover, N.J. 07936.

D. (6) \$25,000. E. (9) \$93.24.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017. B. Ryder Systems, Inc., 3600 82d Avenue

NW., Miami, Fla. 33166.

A. Shea & Gould, 330 Madison Avenue,

New York, N.Y. 10017. B. Tosco Corp., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Maureen Shea, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$7,187.52. E. (9) \$103.60.

A. Shearman & Sterling, 153 East 53d Street, New York, N.Y. 10022. B. The Business Roundtable, 200 Park

Avenue, New York, N.Y. 10166. D. (6) \$250. E. (9) \$8.

A. Shearman & Sterling, 53 Wall Street, New York, N.Y. 10005. B. Amory Houghton, Sr., et al.

A. John J. Sheehan, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C., 20006.

B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.

D. (6) \$11,615.22.

A. John P. Sheffey, National Association for Uniformed Services, 5535 Hempstead Way, P.O. Box 1406, Springfield, Va. 22151. B. National Association for Uniformed Services, 5535 Hempstead Way, P.O. Box

1406, Springfield, Va. 22151. D. (6) \$2,243.03. E. (9) \$2,652.55.

A. Jonathan R. Sheiner, 4 Irving Place, New York, N.Y. 10003.

B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. D. (6) \$512.50.

A. Seymour Sheriff, 1126 Woodward Building, Washington, D.C. 20005.

B. Wyman Family, 375 Park Avenue, New York, N.Y. 10022. E. (9) \$199.77.

A. Jay P. Sherman, 918 F Street NW., Washington, D.C. 20004.

B. National Family Farm Coalition, 918 F Street NW., Washington, D.C. 20004. D. (6) \$2,518.85. E. (9) \$37.70.

A. Michael S. Sherman, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20815.

B. National Association of Furniture Man-ufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20815.

D. (6) \$1,000. E. (9) \$100.

A. Dale Sherwin, 1735 I Street NW., No. 717, Washington, D.C. 20006.

B. A. E. Staley Manufacturing Co., 2200 Eldorado Street, Decatur, Ill. 62525.

D. (6) \$1,500. E. (9) \$221.18.

A. Russell L. Shipley, Jr., 1430 K Street

NW., Suite 1000, Washington, D.C. 20005. B. National Candy Wholesalers Association, Inc. 1430 K Street NW., Suite 1000, Washington, D.C. 20005.

D. (6) \$70.

A. Harvey A. Shipman, The Penn Central Corp., 1776 G Street NW., Suite 502, Washington, D.C. 20006.

B. The Penn Central Corp., 245 Park Avenue, Fourth Floor, New York, N.Y.

A. Fred B. Shippee, American Apparel Manufacturers Association, 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, 1611 North Kent Street, Suite 800, Arlington, Va. 22209

A. Mary Frances Shlagel, Union Oil Co. of California, 1100 Connecticut Avenue, NW., No. 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. W. Ray Shockley, American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036

B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

D. (6) \$2,550. E. (9) \$14.25.

A. Debbie Leilani Shon, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$1,394.40. E. (9) \$70.20.

A. G. Scott Shotwell, 1619 Massachusetts

Avenue, Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.

D. (6) \$2,475.

A. Barbara A. Shuman, Chevron U.S.A., Inc., 1700 K Street, Suite 1204, Washington, D.C. 20006.

B. Chevron U.S.A., Inc., a subsidiary of Standard Oil of California, 1700 K Street NW., Suite 1204, Washington, D.C. 20006.

D. (6) \$100.

A. Norman D. Shutler, 1607 New Hampshire Avenue NW., Washington, D.C. 20009. B. Clayton Manufacturing Co., 4213 North

Temple City Boulevard, El Monte, Calif. 91731

D. (6) \$1,000. E. (9) \$1,290.

A. Candice J. Shy, ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.

B. ENSERCH Corp., 300 South St. Paul Street, Dallas, Tex. 75201.

D. (6) \$3,625. E. (9) \$4,090.

A. Richard H. Siemsen, 8000 West Florissant, St. Louis, Mo. 63136.

B. Emerson Electric Co., 8000 West Florissant, St. Louis, Mo. 63136.

E. (9) \$1,680.20.

A. Bernard H. Sieracki, Illinois Petroleum Council, 79 West Monroe Street, Suite 514. Chicago, Ill. 60603.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$200. E. (9) \$18.77.

A. Daniel W. Sigelman, 2000 P Street, NW., No. 708, Washington, D.C. 20036.

B. Health Research Group, 2000 P Street, NW., No. 708, Washington, D.C. 20036.

A. Mark Silbergeld, Consumers Union of U.S., Inc., 1511 K Street NW., Suite 1033,

Washington, D.C. 20005.
B. Consumers Union of U.S., Inc., 256
Washington Street, Mount Vernon, N.Y. 10550.

D. (6) \$2,200. E. (9) \$10.

A. David Silver, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006. D. (6) \$75. E. (9) \$7.

A. Silver Users Association, 1717 K Street NW., Washington, D.C. 20006. D. (6) \$819.77. E. (9) \$2,727.02.

A. Barbara Silverman, 2500 DeKalb Pike,

Norristown, Pa. 19404.

B. Provident Indemnity Life Insurance
Co., 2500 DeKalb Pile, Norristown, Pa.

A. Susan Silverman, 10600 Stable Lane, Potomac, Md. 20854.

B. National Federation of Parents for Drug Free Youth, 9805 Dameron Street, Silver Spring, Md. 20906.

A. Silverstein & Mullens, 1776 K Street

NW., Washington, D.C. 20006. B. American Stock Exchange, 86 Trinity Place, New York, N.Y. 10006.

A. Silverstein & Mullens, 1776 K Street

NW., Washington, D.C. 20006.

B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

D. (6) \$50.

A. Silverstein & Mullens, 1776 K Street

NW., Washington, D.C. 20006. B. Bristol Myers Co., 345 Park Avenue, New York, N.Y. 10002.

A. Silverstein & Mullens, 1776 K Street

NW., Washington, D.C. 20006. B. Champion Inc., Corp., 1 Landmark Square, Stamford, Conn. 06921.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Silverstein & Mullens, 1776 K Street

NW., Washington, D.C. 20006. B. GATX Corp., 120 South Riverside Plaza, Chicago, Ill. 60606.

E. (9) \$186.40.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Music Corporation of America, 100 Universal City Plaza, Universal City, Calif. 91608.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. National Savings & Loan League, 1200

17th Street NW., Washington, D.C. 20036.

A. Gary D. Simms, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001. D. (6) \$300. E. (9) \$478.14.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001. B. Labor-Management Maritime Commit-

tee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) \$1,217.45. E. (9) \$151.08.

A. C. Kyle Simpson, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) \$3,250. E. (9) \$2,392.80.

A. Robert C. Singer, Soap and Detergent Association, 475 Park Avenue, South, New York, N.Y. 10016.

B. Soap and Detergent Association, 475 Park Avenue, South, New York, N.Y. 10016.

A. Thomas K. Singer, 900 17th Street NW., Washington, D.C. 20006. B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.

D. (6) \$344.70. E. (9) \$55.68.

A. Richard L. Sinnott and Co., 2021 K Street NW., Suite 306, Washington, D.C. 20006.

B. American President Lines, 1950 Frank-lin Street, Oakland, Calif. 94607. D. (6) \$1,250.

A. Donald E. Sinville, 227 North Street, Manchester, N.H. 03104.

B. Public Service Co. of New Hampshire, Manchester, N.H. 03105. D. (6) \$1,650.

A. Skadden, Arps, Slate, Meagher & Flom, 1775 Pennsylvania Avenue NW., Washing-

ton, D.C. 20006. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

D. (6) \$2,500.

A. Skadden, Arps, Slate, Meagher & Flom, 1 Rodney Square, P.O. Box 636, Wilming-

ton, Del. 19899. B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10171; Mead Corporation Courthouse Plaza Northeast Dayton, Ohio 45463. D. (6) \$2,000.

A. William J. Skinner, 815 15th Street NW., Washington, D.C. 20005. B. U.S. Pharmacopeial Convention, Inc.,

12601 Twinbrook Parkway, Rockville, Md. 20852.

D. (6) \$1,089. E. (9) \$185.66.

A. Barney J. Skladany, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) \$1,125.

A. Ruth L. Sky, Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04122.

B. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04122.

D. (6) \$210. E. (9) \$45.

A. Carstens Slack, Phillips Petroleum Co., 1825 K Street, NW., No. 1107, Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. F. Slatinshek & Associates, Inc., 1102 Belle Vista Drive, Alexandria, Va. 22307. B. Grumman Aerospace Corp., Bethpage,

D. (6) \$200.

A. Matthew B. Slepin, 1012 14th Street NW., Suite 805, Washington, D.C. 20005. B. National Association of Housing Coop-eratives, 1012 14th Street NW., Suite 805, Washington, D.C. 20005.

D. (6) \$550. E. (9) \$509.

A. William T. Slider, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005. D. (6) \$2,500.

Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006. D. (6) \$3,000. E. (9) \$856.18.

A. Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.

B. William M. Mercer, Inc., 1211 Avenue of the Americas, New York, N.Y. 10036.

D. (6) \$6,234.41. E. (9) \$4,848.08.

A. Stephan K. Small, Suite 3212, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

D. (6) \$1,828.13.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C.

B. American Horse Council, 1700 K Street NW., Suite 300, Washington, D.C. 20006.

D. (6) \$5,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C.

B. American Inland Waterway Committee, 7733 Forsyth Boulevard, St. Louis, Mo.

D. (6) \$3,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.

B. Federal Relations Associates Kansas City, Missouri) 400 North Capitol Street NW., Suite 368, Washington, D.C.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C.

Florida East Coast Railway Co., 1 Malaga Street, St. Augustine, Fla. 32084.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C.

B. Goldman Sachs, 55 Broad Street, New York, N.Y. 10004.

D. (6) \$1,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.

B. Pennzoil Co., Houston, Tex. 77001.

D. (6) \$6,000.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006

B. Republic of South Africa, 3051 Massachusetts Avenue NW., Washington, D.C. 20008.

D. (6) \$7,500.

A. Donald E. Smiley, Exxon Corp., 1899 L Street NW., No. 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) \$206.33.

A. James R. Smircina, P.O. Box 5000,

Cleveland, Ohio 44101.

B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101. D. (6) \$1,075. E. (9) \$601.36.

A. Arthur J. Smith Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

D. (6) \$500.

A. Smith, Barney Real Estate-Corp., 1345 Avenue of the Americas, New York, N.Y. 10105.

E. (9) \$15,280.

- A. Catherine S. Smith, 1025 Connecticut Avenue NW., Suite 209, Washington, D.C. 20036.
- B. American Business Conference, Inc., 1025 Connecticut Avenue NW., Suite 209, Washington, D.C. 20036.

D. (6) \$87.50. E. (9) \$9.

A. Charles Ronald Smith, Diamond Shamrock Corporation 1737 H Street NW., Washington, D.C. 20006.

B. Diamond Shamrock Corp., 717 North Harwood Street, Dallas, Texas.

D. (6) \$167.

- A. David H. Smith, Blue Ribbon Sports, Inc., 507 Second Street NE., Washington, D.C. 20002.
- B. Blue Ribbon Sports, Inc., 3900 Murray Boulevard SW., Beaverton, Oreg. 97005.
- Elizabeth M. Smith, Amalgamated Clothing and Textile Workers Union, 815 16th Street NW., Suite 310, Washington, D.C. 20006.

Amalgamated Clothing and Textile Workers Union, 15 Union Square, New York, N.Y. 10003.

D. (6) \$3,964.48. E. (9) \$56.55.

A. Gordon L. Smith, Hill and Knowlton, Inc., 1425 K Street, NW., No. 1000, Washington, D.C. 20005.

- B. Hill and Knowlton, Inc., 1425 K Street, NW., No. 1000, Washington, D.C. 20005 (for: Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, MI. 48037).
- A. J. Kenneth Smith, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006
- B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087. D. (6) \$3,720. E. (9) \$156.25.

A. Kathleen Gramp Smith, Council of Energy Resource Tribes, 1140 Connecticut

Avenue NW., Washington, D.C. 20036.

B. Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

A. Michael P. Smith, New York State Bankers Association, 485 Lexington Avenue,

New York, N.Y. 10017.

B. New York State Bankers Association, Lexington Avenue, New York, N.Y. 10017

D. (6) \$328. E. (9) \$1,004.

A. Smith & Pepper, 1776 K Street NW., Washington, D.C. 20006.

B. Southern Satellite Systems, Inc., P.O. Box 45684, Tulsa, Okla. 74145. D. (6) \$1,243.75.

A. Robert B. Smith, Jr., 1155 15th Street

NW., Washington, D.C. 20005. B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) \$4,000. E. (9) \$221.70.

- A. Robert T. Smith, Weyerhaeuser Co., 1625 I Street NW., Suite 902, Washington, D.C. 20006.
- R Weyerhaeuser Co., Tacoma, Wash. 98477.

D. (6) \$1,200, E. (9) \$48,30.

A. Susan E. Smith. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

D. (6) \$500. E. (9) \$34.

- A. Suzanne J. Smith, American Can Co., 1660 L Street NW., Suite 201, Washington, D.C. 20036.
- B. American Can Co., American Lane, Greenwich, Conn. 06830.

E. (9) \$461.64.

A. Talbott, C. Smith, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$3,000. E. (9) \$104.

A. William H. Smith, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

- A. Wayne H. Smithey, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
- B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.

D. (6) \$2,750. E. (9) \$193.87.

- A. Arthur V. Smyth, Weyerhaeuser Co., 1625 I Street NW., No. 902, Washington, D.C. 20006.
- Weyerhaeuser Co., Tacoma, Wash.

D. (6) \$2,000. E. (9) \$36.

Frank B. Snodgrass, 1100 17th Street NW., Washington, D.C. 20036.

B. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Washington, D.C. 20036.

D. (6) \$1,000.47.

- A. Snyder & Ball Associates, Inc., 1700 North Moore Street, No. 1610, Arlington, Va. 22209.
- B. Aerojet-General Corp., 9100 East Flair Drive, El Monte, Calif. 91734.
- A. Snyder & Ball Associates, Inc., 1700 North Moore Street, No. 1610, Arlington, Va. 22209.

B. DSP Inc., 1700 North Moore Street, Arlington, Va. 22209.

D. (6) \$100.

- A. Snyder & Ball Associates, Inc., 1700 North Moore Street, No. 1610, Arlington, Va. 22209.
- B. Gould, Inc., 10 Gould Meadows, Rolling Meadows, Il. 60008.
- A. Charles W. Snyder, 6000 Clewerall Drive, Bethesda, Md. 20034.
- B. Bechtel Financing Services, Inc., 1620 Eye Street, NW., No. 703, Washington, D.C.
- A. J. R. Snyder, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

E. (9) \$1,200.

A. John M. Snyder, 600 Pennsylvania Avenue SE., Suite 205, Washington, D.C. 20003.

B. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.

D (6) \$6,800.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007. D. (6) \$26,000.53. E. (9) \$20,857.83.

A. Michael L. Solomon, 5726 Thomas

Edison Court, Alexandria, Va. 22310. B. National Apartment Association, 1825 K Street NW., Suite 604, Washington, D.C.

D. (6) \$1,800.

A. Frederick P. Somers, Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.

D. (6) \$3,000. E. (9) \$648.29.

- A. Edmund T. Sammer, Jr., Council of American-Flag Ship Operators, 1625 K Street NW., No. 1200, Washington, D.C. 20006.
- B. Council of American-Flag Ship Operators, 1625 K Street, NW., No. 1200, Washington, D.C. 20006.
- A. Charles B. Sonneborn, American Academy of Ophthalmology, 1750 K Street NW., Suite 370, Washington, D.C. 20006.

B. American Academy of Ophthalmology, 1750 K Street NW., Suite 370, Washington, D.C. 20006.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036. B. Assiniboine and Sioux Tribes, Fort

- Peck Indian Reservation, Poplar, Mont. 59255.
- A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
- B. Shoshone Indian Tribe, Wind River Indian Reservation, Fort Washakie, Wyo. 82514.
- A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
- B. Standing Rock Sioux Tribe, Fort Yates, N. Dak. 58538.
- A. Southern Satellite Systems, Inc., Tulsa, Okla. 74145. E. (9) \$1,280.50.
- A. Southwestern Peanut Shellers Association, 10 Duncannon Court, Glen Lakes, Dallas, Tex. 75225.

D. (6) \$475.51. E. (9) \$475.51.

- A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
- B. Schenley Distillers, Inc., 888 Seventh Avenue, New York, N.Y. 10106.
- A. Specialized Carriers & Rigging Association, 1155 16th Street NW., Washington, D.C. 20036.
- A. Specialty Equipment Market Association, 11540 East Slauson Avenue, Whittier, Calif. 90606.
- A. John F. Speer, Jr., 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Founda-tion, 910 17th Street, NW., Washington, D.C. 20006.

A. George Spiegel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Northern California Power Agency (770 Kiely Boulevard, Santa Clara, Calif. 95051), Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, Calif., and associate member Plumas-Sierra Rural Electric Cooperative.

A. Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Northern California Power Agency (770 Kiely Boulevard, Santa Clara, Calif. 95051), Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, Calif., and associate member, Plumas-Sierra Rural Electric Cooperative.

A. Larry N. Spiller, 1015 15th Street NW., No. 802, Washington, D.C. 20005. B. American Consulting Engineers Coun-cil, 1015 15th Street NW., No. 802, Washington, D.C. 20005.

D. (6) \$900.

A. Joseph L. Spilman, Jr., 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$200.

A. Frederick C. Spreyer, Pacific Resources, Inc., 2501 M Street NW., Suite 540, Washington, D.C. 20037.

B. Pacific Resources, Inc., 733 Bishop Street, P.O. Box 3379, Honolulu, Hawaii 96813

D. (6) \$500.

A. Earl C. Spurrier, Monsanto Co., 1101 17th Street, NW., No. 604, Washington, D.C.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

A. Squire, Sanders & Dempsey, 21 Dupont

Circle NW., Washington, D.C. 20036.

B. American Chamber of Commerce in Italy, Inc., 21 Dupont Circle, NW., Washington, D.C. 20036.

A. Squire, Sanders & Dempsey, 21 Dupont

Circle NW., Washington, D.C. 20036.

B. American Chamber of Commerce In Spain, Inc., 21 Dupont Circle NW., Washington, D.C. 20036.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036. B. American Chambers of Commerce in

Europe and the Mediterranean, 21 Dupont Circle NW., Washington, D.C. 20036.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036. B. American Society of Anesthesiologists,

515 Busse Highway, Park Ridge, Ill. 60068.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036. B. City of Painesville, Ohio, Milburn Building, Painesville, Ohio 44077. E. (9) \$5.60.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036. B. National Collegiate Athletic Associ-

ation, Nall Avenue at Sixth Street, P.O. Box 1906, Shawnee Mission, Kans. 66222. E. (9) \$80.

A. Squire, Sanders & Dempsey, 21 DuPont Circle, NW., Washington, D.C. 20036.

B. Public Securities Association, One World Trade Center, New York, N.Y. 10048.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036. B. United States Wrestling Federation,

405 West Hall of Fame Avenue, Stillwater,

A. John Sroka, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contactors of America, 1957 E Street NW., Washington, D.C. 20006

A. Melvin R. Stahl, Motorcycle Industry Council, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Motorcycle Industry Council, 1001 Connecticut Avenue NW., Washington, D.C. 20036

E. (9) \$120.

A. Lynn E. Stalbaum, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001. D. (6) \$2,400. E. (9) \$149.23.

A. Robert W. Staley, 8000 West Florissant, St. Louis, Mo. 63136.

B. Emerson Electric Co., 8000 West Florissant, St. Louis, Mo. 63136.

E. (9) \$110.96.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115. E. (9) \$1,500.

A. Mitchel Stanfield, The Coastal Corp.,

Suite 205, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. The Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.
D. (6) \$400. E. (9) \$29.25.

A. David P. Stang, David P. Stang, P.C., 1629 K Street NW., Washington, D.C. 20006. B. McDermott Inc., P.O. Box 60035, New Orleans, La. 70160. D. (6) \$104.02.

A. David P. Stang, David P. Stang, P.C., 1629 K Street NW., Washington, D.C. 20006. B. Ocean Minerals Co., 465 Bernardo Avenue, Mountain View, Calif. 94043. D. (6) \$179.74.

David P. Stang, 1629 K Street, NW., Washington, D.C. 20006.

B. Superlite Builders Supply, Inc., 4150 West Turney, Phoenix, Ariz. 85019.

A. David P. Stang, 1629 K Street, NW., Washington, D.C. 20006.

B. Fred J. Russell, P.O. Box 54228, Los Angeles, Calif. 90054.

A. David P. Stang, David P. Stang, P.C., 1629 K Street NW., Washington, D.C. 20006. B. Zapata Corp., P.O. Box 4240, Houston, Tex. 77001.

D. (6) \$151.96

A. Michael J. Stanton, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich., 48202.

D. (6) \$247.50.

A. Melvin L. Stark, Suite 321, 1707 L Street, NW., Washington, D.C. 20036. B. Hartford Fire Insurance Co., Hartford

Plaza, Hartford, Conn. 06115. D. (6) \$6,000.

A. Walter M. Starke, P.O. Box 2563, Birmingham, Ala. 35202.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Robert R. Statham, Robert R. Statham Associates, 1000 Vermont Avenue, NW. Washington, D.C. 20005.

B. Committee for Commerical Energy Conservation, 1000 Vermont Avenue, NW., No., 604, Washington, D.C. 20005.

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202, (for: American Hot Dip Galvanizers Association, 1000 Vermont Avenue NW., Suite 1100, Washington, D.C. 20005).

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202, (for: Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910).

D. (6) \$5,193.75.

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202, (for: Special Committee for Workplace Product Liability Reform, 1800 Massachu-setts Avenue NW., Suite 708, Washington, D.C. 20036).

A. John L. Steele, Time Inc., 888 16th Street NW., Washington, D.C. 20006.

B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020. D. (6) \$2,200.

A. Theodore Stein, 2030 M Street, NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$5,537.52. E. (9) \$141.35.

A. Mary E. Stenberg, American Personnel Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

B. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041

D. (6) \$5,454.33. E. (9) \$40.

A. Stephens Overseas Services, Inc., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

D. (6) \$35.36. E. (9) \$39.10.

A. Stephens Overseas Services, Inc., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

B. National Office Machine Dealers Association, 1510 Jarvis Avenue, Elk Grove Village, Ill. 60007.

D. (6) \$45. E. (9) \$17.11.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Committee for Effective Capital Recovery, 1901 L Street NW., Suite 303, Washington, D.C. 20036.

E. (9) \$8,558.73.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Forest Industries Committee on Timber Valuation and Taxation, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Kiawah Island Co., P.O. Box 12910, Charleston, S.C. 29412.

D. (6) \$250.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036. B. Pfizer, Inc., 235 East 42d Street, New

York, N.Y. 10017.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Rule of Law Committee, Suite 800, 1250

Connecticut Avenue NW., Washington, D.C.

D. (6) \$1,140. E. (9) \$19.

A. Richard W. Sternberg, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$111.

A. Michael E. Steward, 2217 Observatory Place, Washington, D.C. 20007. B. Puget Sound Power & Light Co., Puget

Power Building, Bellevue, Wash. 98009.

E. (9) \$1,149.05.

A. Michael E. Steward, 2217 Observatory Place, Washington, D.C. 20007.

B. Vitro Engineering Corp., P.O. Box 296, Richland, Wash. 99352.
D. (6) \$600. E. (9) \$444.30.

A. Michael J. Stientjes, American Farm Bureau Federation, 425-13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068. D. (6) \$4,250. E. (9) \$59.

A. LaVerne Still, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) \$303.75. E. (9) \$21.71.

A. John W. Stillwaggon, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, 8th Floor, New York, N.Y. 10048. B. Coffee, Sugar & Cocoa Exchange, Inc.,

4 World Trade Center, 8th Floor, New York, N.Y. 10048.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

D. (6) \$1,125.

A. Kenneth F. Stinger, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036. D. (6) \$8,000. E. (9) \$216.08.

A. Stockholders of America, Inc., 1625 I Street NW., Suite 724A, Washington, D.C.

D. (6) \$945. E. (9) \$1,570.04.

A. Lisa Stolp, 1101 Connecticut Avenue

NW., Washington, D.C. 20036.

B. Vinson & Elkins, 1101 Connecticut
Avenue NW., Washington, D.C. 20036. (For:
Continental Resources Co.).

D. (6) \$270.

A. Adam D. Stolpen, Pitney Bowes, Inc., 1101 30th Street NW., Suite 203, Washington, D.C. 20007.

B. Pitney Bowes, Inc., 69 Wheeler Drive, Stamford, Conn. 06926.

A. George W. Stone, National Farmers Union, Denver, Colo. 80251 and 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005

D. (6) \$8,750, E. (9) \$33,35.

A. Richard B. Storey, 455-B Carlisle

Drive, Herndon, Va. 22070.

B. International Military Club Executives Association, 455-B Carlisle Drive, Herndon, Va. 22070.

A. Alan B. Stover, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$2,500. E. (9) \$17.55.

A. William M. Stover, Chemical Manufacturers Association, 2501 M Street NW.,

Washington, D.C. 20037.

B. Chemical Manufacturers Association, 2501 M Street, NW., Washington, D.C. 20037.

D. (6) \$1,000.

A. David E. Strachan, National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.

B. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.

D. (6) \$4,500.

A. Terrence D. Straub, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

D. (6) \$293. E. (9) \$43.12.

A. Stroock & Stroock & Lavan, 1150 17th

Street NW., Washington, D.C. 20036. B. J. Aron & Co., Inc., 160 Water Street, New York, N.Y. 10038.

D. (6) \$11,500. E. (9) \$.37,75.

A. Stroock & Stroock & Lavan, 1150 17th

Street NW., Washington, D.C. 20036. B. Crown Coach Corp., 2428 East 12th Street, Los Angeles, Calif. 90021. D. (6) \$90.

A. Stroock & Stroock & Lavan, 1150 17th

Street NW., Washington, D.C. 20036. B. Mrs. Patsy Perry, 70 Glen Cove Road, Roslyn Heights, N.Y.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Puerto Rico Federal Affairs Administration, 734 15th Street NW., Washington, D.C. 20005.

A. Norman Strunk, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

A. Walter B. Stults, NASBIC, 618 Washington Building, Washington, D.C. 20005.

B. National Association of Small Business Investment Companies, 618 Washington Building, Washington, D.C. 20005.

D. (6) \$1,000.

A. Eugene F. Sturgeon, 182 Crater Lane,

Kensington, Conn. 06037.

B. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.

D. (6) \$998.10 E. (9) \$1,199.09.

A. Austin P. Sullivan, Jr., General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

A. Sullivan & Beauregard, 1800 M Street NW., Washington, D.C. 20036.

B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

E. (9) \$9,810.45.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004 and 1775 Pennsylva-nia Avenue NW., Washington, D.C. 20006.

B. American International Group, Inc., 70 Pine Street, New York, N.Y. 10270.

E. (9) \$5.75.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004, and 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Bache Group, Inc., 100 Gold Street, New York, N.Y. 10038.

E. (9) \$8.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004, and 1775 Pennsylva-nia Avenue NW., Washington, D.C. 20006. B. Goldman, Sachs & Co., 55 Broad Street, New York, N.Y. 10004.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004, and 1775 Pennsylva-nia Avenue NW., Washington, D.C. 20006. B. INCO Limited, Toronto-Dominion

Centre, Toronto, Ontario, Canada M5K 1E3.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004; and 1775 Pennsylva-nia Avenue NW., Washington, D.C. 20006. B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C.

20024

E. (9) \$10.50.

A. Harold R. Sullivan, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006. D. (6) \$900.

A. Margaret Cox Sullivan, 1625 I Street NW., No. 724A, Washington, D.C. 20006. B. Stockholders of America, Inc., 1625 I Street NW., No. 724A, Washington, D.C. 20006.

E. (9) \$240.

A. Mary Beth Sullivan, 923 15th Street

NW., Washington, D.C. 20005. B. Transportation Institute, 923 15th Street NW., Washington, D.C. 20005.

D. (6) \$3,000. E. (9) \$409.74.

A. Patrick J. Sullivan, ILA, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006. B. International Longshoremen's Associ-

ation, AFL-CIO 17 Battery Place, New York, N.Y. 10004. D. (6) \$5,280.

A. Scott K. Sullivan, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue, NW., Washington, D.C. 20005.

D. (6) \$7,742.

A. Sullivan & Worcester, 1025 Connecticut Avenue NW., Washington, D.C. 20036. B. Marion Laboratories, Inc., 9221 Ward Parkway, Kansas City, Mo. 64114. D. (6) \$8,010. E. (9) \$79.49.

A. J. Mitchell Summers, 1747 Pennsylva-nia Avenue NW., Suite 702, Washington, D.C. 20006.

B. Armco, 1747 Pennsylvania Avenue NW., Suite 702, Washington, D.C. 20006.

D. (6) \$468. E. (9) \$244.08.

A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.

B. The Amsterdam-Rotterdam Bank, Herengracht 595, 1000 E. H. Amsterdam, The

A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.

B. Arab Republic of Egypt, Cairo, Egypt. D. (6) \$9,485. E. (9) \$325.

A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.

B. Government of the Republic of Zaire,

Kinshasha, Zaire, D. (6) \$2,635. E. (9) \$2,535.

A. Sutherland, Asbill & Brennan, 1666 K

Street NW., Washington, D.C. 20006. B. Kansas Farm Bureau Life Ins. Co., 2321 Anderson Avenue, Manhattan, Kans. 66502, and Farm Bureau Mutual Ins. Co., FKB Insurance Co. Manhattan Kans. 66502.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Kentucky Farm Bureau Mutual Ins. Co., 120 South Hubbard Lane, Louisville, Ky. 40207; and FB Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Southern Farm Bureau Life Ins. Co., P.O. Box 78, Jackson, Miss. 39205; Southern Farm Bureau Casualty Ins. Co., P.O. Box 1985, Jackson, Miss. 39205; and Mississippi Farm Bureau Mutual Ins. Co., Jackson, Miss. 39205.

A. Sutherland, Asbill & Brennan, 1666 K

Street NW., Washington, D.C. 20006.

B. United Farm Bureau Family Life Ins. Co., 130 East Washington Street, Indianapolis, Ind. 46204; and United Farm Bureau Mutual Ins. Co., 130 East Washington Street, Indianapolis, Ind. 46204.

A. W. Thomas Suttle, 1741 T Street NW., Suite 104, Washington, D.C. 20009.

B. The Institute of Electrical & Electronics Engineers, Inc., 1111 19th Street, NW., Washington, D.C. 20036.

D. (6) \$1,440. E. (9) \$7,108.

A. William W. Suttle. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

D. (6) \$465. E. (9) \$7.80.

A. Douglass W. Svendson, Jr., Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C.

B. Eastern Central Motor Carrier Association, Inc., P.O. Box 3600, Akron, Ohio

D. (6) \$450.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

D. (6) \$13,712.33.

A. John R. Sweeney, Jr., National Association of Selective Distributors, Inc., 1050 Turnpike Street, Canton, Mass. 02021.

B. National Association of Selective Distributors, Inc., 1050 Turnpike Street, Canton, Mass. 02021.

A. Rosemarie Sweeney, American Academy of Family Physicians, 475 L'Enfant

Plaza W., SW., Suite 2970, Washington, D.C. 20024.

B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114

D. (6) \$1.718.76. E. (9) \$1.485.46.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.

B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.

E. (9) \$1,041.72.

A. Z. Michael Szaz, 6819 Supreme Court, Springfield, Va. 22150.

B. Embassy of the Democratic Republic of Somalia, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

D. (6) \$3,000.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister (for American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001), First National Bank Center, Cincinnati, Ohio 45202.

A. Robert Taft, Jr., 1800 Massachusetts Avenue, NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First Na-tional Bank Center, Cincinnati, Ohio 45202 (for: American Hot Dip Galvanizers Association 1000 Vermont Avenue NW., Suite 1100, Washington, D.C. 20005).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Cincinnati Stock Exchange, 205 Dixie Terminal Building, Cincinnati, Ohio 45202).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Hanna-Barbera Productions, Inc., 3400 Cahuenga Boulevard, Los Angeles, Calif.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Hanna-Barbera's Marineland, Box 937, Rancho Palos Verdes, Calif. 90274).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Sisters of Charity of Cincinnati, Ohio, Mount St. Joseph, Ohio).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., Suite 708, Washington, D.C. 20036).

D. (6) \$5,700. E. (9) \$23,22.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Taft Broadcasting Co., 1718 Young Street, Cincinnati, Ohio 45210).

D. (6) \$1,400.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Telephone and Data Systems, Inc., 79 West Monroe Street, Chicago, Ill. 60603).

D. (6) \$18,000. E. (9) \$110.48.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Werner Von Clemm, 214 East 17 Street, New York, N.Y. 10003).

D. (6) \$2,333.68. E. (9) \$166.32.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, First National Bank Center, Cincinnati, Ohio 45202; (for Washington Magazine, Inc., c/o Frank, Bernstein Conaway & Goldman, 2 Hopkins Plaza, 1300 Mercantile Bank & Trust Building. Baltimore, Md. 21201).

A. Joe Tallakson, Suite 421, 1010 Vermont Avenue NW., Washington, D.C. 20005.

B. Sense, Inc., (for Quinault Indian Nation), Suite 421, 1010 Vermont Avenue NW., Washington, D.C. 20005.

D. (6) \$890.03. E. (9) \$3,301.03.

Susan Tannenbaum, 2030 M Street

NW., Washington, D.C. 20036. B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D (6) \$4 312 50

A. C. Michael Tarone, 2033 M Street NW., Washington, D.C. 20036.

B. Empresa Brasileira de Aeronautica, S.A., Sao Paulo, Brazil.

A. C. Michael Tarone, 2033 M Street NW., Washington, D.C. 20036.

B. Kings River Water Users Committee.

A. Linda Tarr-Whelan, National Educa-tion Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$1,237. E. (9) \$54.50.

A. William M Tartikoff, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) \$486.75. E. (9) \$230.74.

A. Charles A. Taylor III, 499 South Capitol Street SW., No. 401, Washington, D.C.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) \$1,000.

A. Clayton Taylor, 1 McDonald's Plaza, Oak Brook, Ill. 60521.

B. McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

D. (6) \$62.50. E. (9) \$58.51.

A. Dennis J. Taylor, Cummings & Lockwood, 1090 Vermont Avenue NW., Suite 650, Washington, D.C. 20005.

B. Central States Health & Life Co. of Omaha, Box 34350, Omaha, Nebr. 68134. D. (6) \$16,900.

A. Dennis J. Taylor, Cummings & Lockwood, 1090 Vermont Avenue NW., Suite 650, Washington, D.C. 20005.

B. Committee on Federal Contracting Practices, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) \$5,861.75.

A. Dennis J. Taylor, Cummings & Lockwood, 1090 vermon.
Washington, D.C. 20005.
Unc., 1025 Connecticut

Avenue NW., Washington, D.C. 20036.

D. (6) \$1,350.

A. Dennis J. Taylor, Cummings & Lockwood, 1090 Vermont Avenue NW., Suite 650, Washington, D.C. 20005.

B. Multi-State Communications, Inc., 230 Park Avenue, New York City, N.Y. D. (6) \$13.350.

A. Dennis J. Taylor, Cummings & Lockwood, 1090 Vermont Avenue NW., Suite 650,

Washington, D.C. 20005.
B. St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 612, Washington,

A. Peggy Taylor, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006. D. (6) \$12,175.90. E. (9) \$494.12.

A. Sid Taylor, National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington,

B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$2,700. E. (9) \$382.

A. B. W. Teague, Central Power & Light Co., P.O. Box 2121, Corpus Christi, Tex. 78403.

B. Central Power & Light Co., P.O. Box 2121, Corpus Christi, Tex. 78403.

D. (6) \$186. E. (9) \$285.

A. Paul M. Tendler, 1899 L Street NW., Suite 1001, Washington, D.C. 20036.

B. Paul M. Tendler Associates, Inc. (for the National Federation of Licensed Practical Nurses, Inc.), 1899 L Street NW., Suite 1001, Washington, D.C. 20036. D. (6) \$2,000. E. (9) \$230.

A. Paul M. Tendler, 1899 L Street NW., Suite 1001, Washington, D.C. 20036. B. Paul M. Tendler Associates, Inc. 1899 L Street, N.W., Washington, D.C. 20036 (for Rasch Elktronik Albert Einstein—Strabe 18 6074 Rodermark 2 West Germany).

D. (6) \$2,000. E. (9) \$200.

A. Betty-Grace Terpstra, Southern Furniture Manufacturers Association/National Association Furniture Manufacturers, 918 16th Street NW., No. 402, Washington, D.C. 20006

B. Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C.

D. (6) \$750. E. (9) \$760.52.

A. Edward F. Terrar, Jr., Room 400, 499 South Capitol Street SW., Washington, D.C.

20003. B. Washington Industrial Team, Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.

D. (6) \$900. E. (9) \$132.43.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005. B. Casson, Calligaro & Mutryn, 2600 Vir-

ginia Avenue NW., Washington, D.C. (for: Humana, Inc., 1 Riverfront Plaza, Louisville, Ky. 40201). D. (6) \$1,500.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005. B. Oklahoma State Nursing Home Associ-

ation, 200 North East 28th Street, Oklahoma City, Okla. 71305.

D. (6) \$3,400.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 24, Washington, D.C. 20005. B. Spectrum Emergency Care, Inc.

Executive Parkway, St. Louis, Mo. 63141. D. (6) \$1,050.

A. E. Wayne Thevenot, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Hallmark Cards, 25th and McGee Streets, Kansas City, Mo. 64108.

D. (6) \$600.

A. Thevenot, Murray & Scheer, 1120 Connecticut Avenue, Suite 1128, Washington, D.C. 20036

B. American Institute of Architects, 1735 New York Avenue, Washington, D.C. 20006. D. (6) \$5,400.

A. Thevenot, Murray & Scheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036

B. National Business Aircraft Association, 1 Farragut Square South, Washington, D.C.

D. (6) \$250.

A. Thevenot, Murray & Scheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Joseph E. Seagram & Sons, Inc., 375

Park Avenue, New York, N.Y.

D. (6) \$6,000.

A. Craig G. Thibaudeau, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030. B. National Limestone Institute, Inc., 3251

Old Lee Highway, Suite 500, Fairfax, Va.

E. (9) \$18.

A. 38th Pro Life Congressional District Action Committee, 8654 Bonview Terrace, Williamsville, N.Y. 14221.

E. (9) \$42.60

A. 36th Congressional District Action Committee, 129 Belmont Avenue, Buffalo, N.Y. 14223

D. (6) \$50. E. (9) \$48.96.

A. Edlu J. Thom, 1619 Massachusetts Avenue, Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.

D. (6) \$1,350, E. (9) \$69.74.

A. John W. Thomas, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. American Veterinary Medical Associ-

ation, 1522 K Street NW., No. 828, Washington, D.C. 20005.

D. (6) \$22.50.

A. John W. Thomas, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005. D. (6) \$22.50

A. Lawrence L. Thomas, 1740 Franklin Street, Apartment 3, San Francisco, Calif. 94109.

B. Bechtel Power Corp., 50 Beale St., P.O. Box 3965, San Francisco, Calif. 94119.

A. Robert C. Thomas, P.O. Box 2511,

Houston, Tex. 77001.

B. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.

A. Robert L. Thomas, National Association of Private Psychiatric Hospitals, 1701

K Street NW., Washington, D.C. B. National Association of Private Psychiatric Hospitals, 1701 K Street NW., Suite 1205, Washington, D.C. 20006.

D (6) \$100

A. Boyd Thompson, American Association of Foundations for Medical Care. 11325 Seven Locks Road, Suite 214, Potomac, Md. 20854

B. American Association of Foundations for Medical Care, 11325 Seven Locks Road, Suite 214, Potomac, Md. 20854.

E. (9) \$4.80.

A. Boyd Thompson, American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Suite 214, Potomac, Md. 20854.

B. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Suite 214, Potomac, Md.

20854.

A. Fred D. Thompson, Thompson & Crawford, 1575 I Street NW., Suite 325, Washington, D.C. 20005.

B. American Business Coalition, 131 East Redwood Street, Suite 210, Baltimore, Md. 21202.

D. (6) \$10,000.

A. Fred D. Thompson, Thompson & Crawford, 1575 I Street NW., Suite 325, Washington, D.C. 20005.

B. Westinghouse Electric Corp., 1801 K Street, Washington, D.C.

D. (6) \$4,737.50. E. (9) \$1,404.89.

A. Gary C. Thompson, Ohio Chemical & Atomic Workers International Union, 1126

16th Street NW., Washington, D.C. 20036. B. Oil, Chemical and Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

D. (6) \$3,650.

A. James P. Thompson, Jr., 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of

America, 1957 E Street NW., Washington, D.C. 20006.

A. Kenneth W. Thompson, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) \$300.

A. Richard L. Thompson, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.

B. Abbott Laboratories, North Chicago, Ill. 60064.

Roger G. Thompson, 1701 Central Avenue, Ashland, Ky. 41101.

B. Kentucky Power Co., 1701 Central Avenue, Ashland, Ky. 41101. D. (6) \$905. E. (9) \$1,450.60.

A. William D. Thompson, Lear Siegler, Inc., 1001 Connecticut Avenue NW., Suite 601, Washington, D.C. 20036.

B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

D. (6) \$3,000. E. (9) \$196.65.

A. Robert N. Thomson, Moore McCormack Resources, Inc., One Landmark Square, Stamford, Conn. 06901.

B. Moore McCormack Resources, Inc., One Landmark Square, Stamford, Conn.

D. (6) \$500. E. (9) \$89.

A. William R. Thornhill, P.O. Box 2511, Houston, Tex. 77001.

B. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.

D. (6) \$26.44. E. (9) \$8.

A. D. Whitney Thornton II, Sulivan & Bureauegard, 1800 M Street NW., Suite 925N, Washington, D.C. 20036.

B. Flyer Industries Ltd., P.O. Box 245, Transcona P.O., Canada R2C 3T4. Winnipeg, Manitoba,

D. (6) \$2,687.50. E. (9) \$124.97.

A. Gil Thurm, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005. D. (6) \$2,500.

Samuel Thurm, 1725 K Street NW.,

Washington, D.C. 20006.

B. Association of National Advertisers, 155 East 44th Street, New York, N.Y. 10017.

A. Ronald J. Tice, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036. B. Marathon Oil Co., Findlay, Ohio 45840.

A. Cyrus C. Tichenor III, A. H. Robins Corp., 1050 17th Street NW., Suite 1104, Washington, D.C. 20036. B. A. H. Robins Co., 1407 Cummings Drive, Richmond, Va. 23220. D. (6) \$775. E. (9) \$70.25.

A. Paul J. Tierney, Transportation Association of America, 1100 17th Street, NW., No. 1107, Washington, D.C. 20036.

B. Transportation Association of America, 1100 17th Street, NW., No. 1107, Washington, D.C. 20036.

A. Roger Tilles, 1111 19th Street, NW., No.

1050, Washington, D.C. 20036.
 B. First National Monetary Corp., 4000
 Town Center, 15th Floor, Southfield, Mich.

A. Roger Tilles, 1111 19th Street, NW., No. 1050, Washington, D.C. 20036.

B. Michigan Department of Education, Room 520, Michigan National Tower, Lansing, Mi. 48909.

A. Roger Tilles, 1111 19th Street, NW., No.

1050, Washington, D.C. 20036.
B. Scholastic Magazines, Inc., 900 Sylvan Avenue, Englewood Cliffs, N.J. 07632.

. Roger Tilles, 1111 19th Street, NW., No.

1050, Washington, D.C. 20036. B. Wayne State University, Detroit, Mich. 48202

A. Wallace F. Tillman, 1800 Massachusetts

Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. D. (6) \$175.

A. Martin R. Tilson, Jr., P.O. Box 2563, Birmingham, Ala. 35202. B. Southern Natural Gas Co., P.O. Box

2563, Birmingham, Ala. 35202.

D. (6) \$160. E. (9) \$727.61.

A. C. H. Timberlake, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006. B. Office of the Governor of the State of

Alaska, 444 North Capitol Street NW., Washington, D.C. 20001. D. (6) \$487.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006, B. American Inland Waterways Commit-

tee, One Mercantile Center, St. Louis, Mo. 63101.

D. (6) \$900.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$562.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

D. (6) \$112.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006. B. Chrysler Corp., P.O. Box 1919, Detroit,

Mich. 48288.

D. (6) \$562.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006. B. Eastern Airlines, Inc., Miami Interna-

tional Airport, Miami, Fla. 33148.

D. (6) \$412.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. Filmways, Inc., 2049 Century Park East, Los Angeles, Calif. 90067.

D. (6) \$637.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006. B. H. J. Heinz Co., P.O. Box 57, Pitts-

burgh, Pa. 15230. D. (6) \$300.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. Los Angeles Olympic Organizing Committee, et al., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

D. (6) \$3,250.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006. B. Major League Baseball, 75 Rockefeller Plaza, New York, N.Y. 10019. D. (6) \$357.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006. B. Middle South Services, Inc., Box 61000,

New Orleans, La. 70161.

D. (6) \$1,125.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036. D. (6) \$337.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006. B. Northrop Corp., 1701 North Fort Myer

Drive, Arlington, Va. 22209. D. (6) \$975.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006. B. G. D. Searle & Co., P.O. Box 1045, Skokie, Ill. 60076.

D. (6) \$675.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006. B. Standard Oil of Indiana, 1000 16th Street NW., Washington, D.C. 20036. D. (6) \$675.

A. Mike Tiner, 1775 K Street NW., Wash-

A. Mike Tiner, 1775 K Street NW., Washington, D.C. 20006.
B. United Food and Commercial Workers International Union, 1775 K Street NW., Washington, D.C. 20006.
D. (6) \$9,961.56. E. (9) \$138.17.

E. Linwood Tipton, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Founda-tion, 910 17th Street NW., Washington, D.C. 20006

E. (9) \$528.58.

A. Eben S. Tisdale, Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.

B. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) \$1,450. E. (9) \$35,50.

A. Title Associates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.

A. Tobacco Associates, Inc., Suite 912-1101 17th Street NW., Washington, D.C. 20036. E. (9) \$2,464.54.

A. James R. Tobin, Becton Dickinson & Co., Mack Centre Drive, Paramus, N.J. 07652

B. Becton Dickinson & Co., Mack Centre Drive, Paramus, N.J. 07652.

D. (6) \$2,000.

A. Warren D. Toburen, 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036. D. (6) \$408.

A. David G. Todd, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.

B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

D. (6) \$2,000.

A. M. Douglas Todd, 410 First Street SE., Washington, D.C. 20003.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C. 20003.

D. (6) \$443.63. E. (9) \$10.92.

William R. Tolley, Jr., Harris Corp., Melbourne, Fla. 32919.

B. Harris Corp., Melbourne, Fla. 32919. E. (9) \$61.35.

A. William D. Toohey, 1899 L Street NW., Washington, D.C. 20036.

B. Association of America, 1899 L Street NW., Washington, D.C. 20036.

D. (6) \$2.575.

A. Wanda Townsend, National Cable Television Association, Inc., 1724 Massachusetts Avenue, NW., Washington, D.C. 20036. B. National Cable Television Association,

Inc., 1724 Massachusetts Avenue, NW., Washington, D.C. 20036.

D. (6) \$318.75.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) \$1,000.

A. Richard L. Trachtman, 2550 M Street NW., Suite 620, Washington, D.C. 20037.

B. American Society of Internal Medicine, 2550 M Street NW., Suite 620, Washington, D.C. 20037.

D. (6) \$8,112. E. (9) \$184.02.

A. Hubert Travaille, Potlatch Corp., 1090 Vermont Avenue NW., Suite 510, Washington, D.C. 20005.

Potlatch Corp., P.O. Box 3591, San Francisco, Calif. 94119.

D. (6) \$600.

A. Transportation Association of America, 1100 17th Street NW., No. 1107, Washington D.C. 20036

Transportation Institute, 932 15th Street NW., Washington, D.C. 20005. E. (9) \$21,863.60.

A. Travel Industry Association of America, 1899 L Street NW., Washington, D.C.

D. (6) \$3,620. E. (9) \$3,620.

A. Paula C. Treat, National Home Furnishings Association, 900 17th Street NW., Suite 514, Washington, D.C. 20006.

B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.

D. (6) \$2,000.

A. Ernest B. Tremmel, Inc., 5908 Rossmore Drive, Bethesda, Md. 20014.

B. Burns & Roe, Inc., 1850 K Street NW., Suite 220, Washington, D.C. 20006.

D. (6) \$193. E. (9) \$27.

A. Richard S. Tribbe, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.

B. Trans World Airlines, Inc., 605 3rd Avenue, New York, N.Y. 10016.

D. (6) \$325.

A. Eugene M. Trisko, 9817 Rosensteel Avenue, Silver Spring, Md. 20910.

B. Stern Bros., Inc., P.O. Box 8, Parkersburg, W. Va. 26101.

D. (6) \$8,350. E. (9) \$780.48.

A. Glenwood S. Troop, Jr., 1709 New York Avenue NW., Suite 801, Washington, D.C.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) \$17,812.50. E. (9) \$326.50.

A. George G. Troutman, Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.

B. Bell Helicopter Textron, P.O. Box 482,

Fort Worth, Tex. 76101.

D. (6) \$150.

A. Thomas L. Trueblood, 401 North Michigan Avenue, Chicago, Ill. 60611.

B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) \$1,000, E. (9) \$1,487,95.

A. The Trust for Public Land, 82 2nd Street, San Francisco, Calif. 94105. E. (9) \$3,421.07.

A. Philip J. Tulimieri, Jr., 9 West 57th Street, New York, N.Y. 10019. B. Avon Products, Inc., 9 West 57th

Street, New York, N.Y. 10019.

A. Tuna Research Foundation, Inc. 17th Street NW., Washington, D.C. 20036. D. (6) \$2,518.89. E. (9) \$3,874.71.

A. David L. Turley, Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Richard F. Turney, 1725 K Street NW.,

Washington, D.C. 20006.
B. Courtney, McCamant & Turney, 1725
K Street NW., Washington, D.C. 20006. D. (6) \$300.

A. W. Glenn Tussey, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$6,000. E. (9) \$56.

A. St. Clair J. Tweedie, Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.

B. Scientific Apparatus Makers Associ-1101 16th Street NW., Washington,

D.C. 20036

D. (6) \$2.100. E. (9) \$100.

A. Edgar H. Twine, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 Sc. Flower Street, Los Angeles, Calif. 90071. D. (6) \$450.

A. Harold R. Tyler, Jr., Patterson, Belknap, Webb & Tyler, 30 Rockefeller Plaza, New York, N.Y. 10112.

B. International Paper Co., 77 West 45th Street, New York, N.Y. 10036.

A. Jerry Udell, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006. D. (6) \$200. E. (9) \$65.

A. Ullman Consultants, Inc., 1000 Potomac Street NW., Suit 302, Washington, D.C. 20007

B. American Guaranty Financial Corp., 1430 Southwest Broadway, Portland, Oreg. 97201.

D. (6) \$9,000.

A. Ullman Consultants, Inc., 1000 Potomac Street NW., Suit 302, Washington, D.C.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065. D. (6) \$7,500. E. (9) \$29.80.

A. Ullman Consultants, Inc., 1000 Potomac Street NW., Suite 302, Washington, D.C. 20007.

B. Western Forest Industries Association, 1600 Southwest Taylor, Portland, Oreg. D. (6) \$12,500. E. (9) \$172.45.

A. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04122. E. (9) \$264.75.

A. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y. 10017. D. (6) \$3,468.94. E. (9) \$3,468.94.

A. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001. E. (9) \$7,346.44.

A. United Fresh Fruit & Vegetable Association, 727 North Washington Street, Alexandria, Va. 22314.

D. (6) \$3,155.89. E. (9) \$2,497.39.

A. United Services Automobile Association, USAA Building, San Antonio, Tex. 78288

E. (9) \$9,284.38.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036

D. (6) \$4,908.75. E. (9) \$5,300.15.

A. U.S. Committee for the Oceans, 100 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) \$108.33. E. (9) \$550.

A. United States Industrial Council, Realtors Building, 3d floor, 306 Gay Street, Nashville, Tenn. 37219.

E. (9) \$1000.

A. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

E. (9) \$163.379.56.

A. U.S. & Overseas Tax Fairness Committee, Inc., 1101 15th Street NW., Washington, D.C. 20005.

E. (9) \$56,374.83.

A. United States Ski Association, 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

E. (9) \$426.76.

A. Lloyd N. Unsell, 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) \$44.50.

A. Utility Nuclear Waste Management Group, c/o Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) \$782.86. E. (9) \$782.86.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. David T. Van Camp, 1700 K Street NW., Washington, D.C. 20006.

B. Chevron USA Inc., a subsidiary of Standard Oil Co., of California, 1700 K Street NW., Washington, D.C. 20006.

D. (6) \$450.

A. John A. Vance, Pacific Gas and Electric, 1050 17th Street NW., Suite 1180, Washington, D.C. 20036.

B. Pacific Gas and Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

D. (6) \$2988. E. (9) \$1,966.71.

A. C. D. Van Houweling, P.O. Box 69, Centreville, Va. 22020.

B. National Pork Producers Council, P.O. Box 10383, Des Moines, Iowa 50306.

D. (6) \$490. E. (9) \$350.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. Allied General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.

D. (6) \$787.50, E. (9) \$31.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. American Institute for Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.

D. (6) \$687.50

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street N.W., 7th Floor, Washington, D.C. 20007

B. American President Lines, Ltd., 1950 Franklin Street, Oakland, Calif. 94612. D. (6) \$1,954. E. (9) \$85.25.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C.

B. Arctic Slope Regional Corp., Barrow, Alaska.

D. (6) \$62.50. E. (9) \$34.25

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. Thomas Ludlow Ashley, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006 (for General Public Utilities, 100 Interpace Parkway, Parsippany, N.J. 07050).

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C.

B. Committee on Status and Transition, 7th Palauan Legislature, P.O. Box 8, Koror, Palau, Western Caroline Islands 96940.

D. (6) \$975. E. (9) \$171.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th floor, Washington, D.C. 20007

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
D. (6) \$537.50. E. (9) \$95.20.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. Florida Agriculture Coalition, Inc., 249 Royale Palm Way, Palm Beach, Fla. 33480.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. Hawaiian Electric Co., P.O. Box 2750, Honolulu, Hawaii 96840.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. Huntington's Disease Coalition, 250 West 57th Street, New York, N.Y. 10019.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C.

B. Metropolitan District Commission, Hartford County, Connecticut, 555 Main Street, Hartford, Conn. 06101.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C.

B. New York Air, LaGuardia Airport, Flushing, N.Y. 11317.
D. (6) \$375. E. (9) \$20.75.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C.

B. North Slope Borough, P.O. Box 69, Barrow, Alaska 99723. D. (6) \$125. E. (9) \$22.25.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007

B. Pacific Gas and Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. Palm Beach-Broward Farmers Committee for Legislative Action, P.O. Box 396, Boynton Beach, Fla. 33435.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson

Street NW., 7th Floor, Washington, D.C.

B. Republic Geothermal, Inc., 11823 East Slauson Avenue, Suite 1, Sante Fe Springs, Calif. 96070.

D. (6) \$4,837.50. E. (9) \$383.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C.

B. Joseph E. Seagram & Sons, Inc., 1 Battery Park Plaza, New York, N.Y. 10004. D. (6) \$4,920. E. (9) \$30.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C.

B. South Florida Tomato & Vegetable Growers Association, P.O. Drawer B.B., Homestead, Fla. 33030.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007

B. Southwest Winter Vegetable Growers Association, P.O. Box 1670, Immokalle, Fla. 33934.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036. D. (6) \$100.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007

B. 25 E Street Associates, 1220 19th Street NW., Suite 400, Washington, D.C. 20036. D. (6) \$375.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006. E. (9) \$20.50.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007

B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.

A. Van Ness, Feldman, Sutcliffe, Curtis & Levenberg, P.C., 1050 Thomas Jefferson Street NW., 7th Floor, Washington, D.C. 20007.

B. Windfarms, Ltd., 402 Jackson Street, San Francisco, Calif. 94111. D. (6) \$100. E. (9) \$12.

A. Daniel W. Vannoy, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. D. (6) \$120. E. (9) \$78.

A. Gerald W. Vaughan, 1850 K Street NW., No. 390, Washington, D.C. 20006. B. Union Camp Corp., 1850 K Street NW., No. 390, Washington, D.C. 20006.

E. (9) \$30.

A. Murle L. Vaughan, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.

B. Beneficial Management Corp. of America, 1300 Market Street, Wilmington, Del.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

E. (9) \$2,492.60.

A. Gilda Ventresca, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.

B. American Hospital Association, North Lake Shore Drive, Chicago, Ill. 60611. D. (6) \$4,239.01. E. (9) \$158.96.

A. Jerry T. Verkler, P.O. Box 2521, Houston, Tex. 77001.

B. Texas Eastern International Transmis-Co., P.O. Box 2521, Houston, Tex. 77001.

A. C. John Vermilye, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant

Street, Pittsburgh, Pa. 15230.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Coalition of United States Citizen Award-Holders Against Czechoslovakia.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Pan American World Airways, Pan American Building, New York, N.Y. 10160. D. (6) \$6,600.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Trans-Lux Corp., 110 Richards Avenue, Norwalk, Conn. 06854.

D. (6) \$300.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Travelers Corp., One Tower Square, Hartford, Conn. 06115.

D. (6) \$5,492.50. E. (9) \$5,492.50.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036. B. Vinson & Elkins (for Continental Re-

1101 Connecticut sources Company). Avenue NW., Washington, D.C. 20036. D. (6) \$2,350. E. (9) \$7.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Vinson & Elkins (for Houston National Gas Corp.), 1101 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$3,025. E. (9) \$30.25.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Vinson & Elkins (for Slurry Transport Association), 1101 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$6,075. E. (9) \$30.75.

A. Larry R. Veselka, 1101 Connecticut

Avenue NW., Washington, D.C. 20036.

B. Vinson & Elkins (for Texas Eastern Transmission Corp.), 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. R. Eric Vige, 1660 L Street NW., No. 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.

A. Rudolph A. Vignone, 1800 K Street NW., Suite 800, Washington, D.C. 20006.

B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.

D. (6) \$1,500.

A. Steven A. Villas, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.

- B. The Standard Oil Company of Ohio, Midland Building, Cleveland, Ohio 44115.
- A. Howard A. Vine, National Association of Manufacturers, 1776 F. Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$200.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.

B. Board of Trade of the City of Chicago, 141 West Jackson Boulevard, Chicago, Ill. 60604.

D. (6) \$500.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.

B. Continental Insurance Co., 80 Maiden Lane, New York, N.Y. 10038.

D. (6) \$750.

- A. Virginia Association of Railway Patrons, P.O. Box 867, Richmond, Va. 23207. D. (6) \$34.97. E. (9) \$34.97.
- Andrew Vitali, 2101 L Street NW., Washington, D.C. 20037.

 B. American Petroleum Institute, 2101 L
- Street NW., Washington, D.C. 20037. D. (6) \$6,000. E. (9) \$51.21.
- A. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092. E. (9) \$1.498.05.
- A. Volume Footwear Retailers of America, 51 East 42nd Street, New York, N.Y. 10017.
- A. Ingrid A. Voorhees, 1957 E Street NW., Washington, D.C. 20006.
- B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
 - D. (6) \$2,000. E. (9) \$500.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., No. 1111, Washington, D.C. 20036
- B. Ad Hoc Committee on Individual Annuity Taxation, 10 Post Office Square, Boston, Mass
 - D. (6) \$11.882.35. E. (9) \$455.22.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., No. 1111, Washington, D.C. 20036
- B. American Life and Casualty Co., 207 North Fifth Street, Fargo, N. Dak. 58102. D. (6) \$2,597.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
- B. Bowery Savings Bank, 110 East 42d Street, New York, N.Y. 10017.
 D. (6) \$8,715. E. (9) \$403.11.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C.
- B. Canadian Cablesystems, Ltd., Suite 2602, P.O. Box 249, Toronto Dominion Center, Toronto, Canada.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
- B. General Instrument Corp., 1200 New Hampshire Avenue NW., Suite 321, Washington D.C.
 - D. (6) \$250.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.

- B. Grocery Manufacturers Association of America, 1010 Wisconsin Avenue NW., Washington, D.C.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
- B. International Agricultural Development Service, 1133 Avenue of the Americas, New York, N.Y. 10036.
 - D. (6) \$2,949. E. (9) \$125.99.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street, Suite 1111, Washington, D.C. 20036. B. J. Paul McNamara, 88 E. Broad Street, Columbus, Ohio.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
- B. Mowsafe Products Inc., 205 Dearborn Drive, Columbus, Ohio 43085.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
- B. National Hockey League, 1221 Avenue of the Americas, New York, N.Y. 10036. D. (6) \$750.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
- B. North American Soccer League, 1133 Avenue of the Americas, New York, N.Y. 10036.
 - D. (6) \$1,200.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
- B. Ohio Manufacturers Association, 100 East Broad Street, Columbus, Ohio 43215. D. (6) \$1.313.
- A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
- B. Wagnalls Memorial, 150 East Columbus Street, Lithropolis, Ohio.
- A. Robert J. Wager, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
- B. American Bakers Association, 2020 K Street NW., Suite 850, Washington, D.C.
- D. (6) \$1,312.50. E. (9) \$9.25.
- A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
- B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
 - D. (6) \$3,500. E. (9) \$2,086.07
- Herbert R. Waite, First National Boston Corp., 100 Federal Street, Boston, Mass. 02110
- B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.
- A. Wald, Harkrader & Ross, 1300 19th Street NW., Washington, D.C. 20036. B. Ad Hoc Committee to Preserve Federal-
- ly Assisted Short Line Railroads, c/o Wald, Harkrader & Ross, 1300 19th Street NW., Washington, D.C. 20036.
 - D. (6) \$8,100. E. (9) \$917.55.
- A. Wald, Harkrader & Ross, 136 Street NW., Washington, D.C. 20036. B. Chemtex Fibers, Inc., 850 1300 19th
- Third Avenue, New York, N.Y. 10022.
- A. Wald, Harkrader & Ross, 1300 19th Street NW., Washington, D.C. 20036. B. Whitney National Bank of New Or-
- leans, 228 St. Charles Avenue, New Orleans, La. 70130.

- D. (6) \$28.75. E. (9) \$28.75
- A. Robert E. Waldron, Associated Petroleum Industries of Michigan, P.O. Box 10070, Lansing, Mich. 48901.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$608.80. E. (9) 858.67.

- A. E. F. Waldrop, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
- B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036. D. (6) \$969.47.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Agrico Chemical Company, et al., Bank of Oklahoma Tower, One Williams Center, Tulsa, Okla. 74103.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
 - D. (6) \$1,562,50
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Airco. Inc., 100 Mountain Avenue, Murray Hill, N.J. 07974.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Aluminum Company of America, 1200 Ring Building, Washington, D.C. 20036.
 - D. (6) \$925.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. AMAX, Inc., Two Greenwich Plaza, Greenwich, Conn. 06830.
 - D. (6) \$3,937.50
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006
- B. American Airlines, Inc., P.O. Box 61616, Dallas/Ft. Worth Regional Airport, Tex. 75261.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. American Can Co., American Lane 1A9, Greenwich, Conn. 06830.
 - D. (6) \$300.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. American Iron & Steel Institute, 1000 16th Street NW., Washington, D.C. 20036. D. (6) \$1,250.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. American Telephone & Telegraph Co., 1120 20th Street NW., Washington, D.C. 20036.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Ashland Chemical, P.O. Box 2219, Columbus, Ohio 43216.
 - D. (6) \$300.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

- B. BASF Wyandotte Corp., 100 Cherry Hill Road, Parsippany, N.J. 07054. D. (6) \$300.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

D. (6) \$1,250.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. Bethlehem Steel Corp., Bethlehem, Pa.

D. (6) \$625.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. Board of Trade Clearing Corp., 141 W. Jackson Boulevard, Chicago, Ill. 60604.

D. (6) \$3,125.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. Board of Trade of the City of Chicago, 141 West Jackson Boulevard, Chicago, Ill. 60604
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. Caterpillar Tractor Co., 100 Adams Street NE., Peoria, Ill. 61629.

D. (6) \$625.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Chicago Mercantile Exchange, West Jackson Boulevard, Chicago, Ill. 60606.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

D. (6) \$750.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Cities Service Co., Cities Service Building, Tulsa, Okla. 74102.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Container Corp. of America, 1100 Connecticut Avenue NW., Washington, D.C. 20036

D. (6) \$300.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- Crown Zellerbach Corp., One Bush Street, San Francisco, Calif. 94119.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. CSX Corp. P.O. Box C-32222, Richmond, Va. 23261.

D. (6) \$1,250.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. Dealer Bank Association, 1800 K Street NW., Washington, D.C. 20006.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006. B. Deere & Co., John Deere Road, Moline,
- Ill. 61265.

D. (6) \$625.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Dresser Industries, Inc. 1100 Connecticut Avenue NW., Washington, D.C. 20036. D. (6) \$3,125.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Eastern Air Lines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. First Chicago Corp., One First National Plaza, Chicago, Ill. 60670.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,

D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.

D. (6) \$1,750.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

D. (6) \$625.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. General Public Utilities Corp., 100 Interpace Parkway, Parsippany, N.J. 07054. D. (6) \$3,000.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. General Telephone & Electronics, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$625.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Geothermal Kinetics, Inc., 301 West Indian School Road, Phoenix, Ariz. 85013.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Goodyear Tire & Rubber Co., 1800 K Street NW., Washington, D.C. 20006.

D. (6) \$625.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006
- B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Suite 1000, Washington. D.C. 20006.

D. (6) \$300.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. M. W. Kellogg Co., 3 Greenway Plaza East, Houston, Tex. 77046.

D. (6) \$625.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. Lone Star Steel Co., 2200 West Mockingbird Lane, Dallas, Tex. 75215.

D. (6) \$300.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Olin Corp., 120 Lake Ridge Road, Stamford, Conn. 06904.

D. (6) \$300.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Owens Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

D. (6) \$900.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Owens-Illinois, Inc., P.O. Box 1035, Toledo, Ohio 43666.

D. (6) \$925.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Phelps Dodge Corp., 1015 15th Street NW., Washington, D.C. 20005.

D. (6) \$1,250.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Procter & Gamble Co., Cincinnati, Ohio 45201.

D. (6) \$625.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Scott Paper Co., Scott Plaza, Philadelphia, Pa. 19113.

D. (6) \$1,250.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- B. Tennessee Synfuels Associates.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington,
- D.C. 20006.
 B. Tracor, Inc., 6500 Tracor Lane, Austin,
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

- B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

D. (6) \$925.

- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.
- A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Weyerhaeuser Co., 1625 I Street NW., Washington, D.C. 20006.

D. (6) \$300.

- A. Charles W. Walker, International Brotherhood of Electrical Workers AFL-International CIO-CLC, 1125 15th Street NW., Washington, D.C. 20005.
- B. International Brotherhood of Electrical Workers AFL-CIO-CLC, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) \$9,400.

- A. Linda Walker-Hill, Hill & Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005.
- B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.
- A. Warren W. Walkley, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
- B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
- A. R. Duffy Wall, 1050 17th Street NW., No. 301, Washington, D.C. 20036.
- B. Freeport-McMoRan Inc., 200 Park Avenue, New York, N.Y. 10166. D. (6) \$300.
- A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
- B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, N.J. 08854.

D. (6) \$49.86.

- A. Don Wallace Associates, Inc., 232 East Capitol Street NE., Washington, D.C. 20003. B. American Sugar Cane League of the U.S.A., Inc., 416 Whitney Building, New Orleans, La. 70130.
 - D. (6) \$6,000. E. (9) \$1,200.
- A. Don Wallace Associates, Inc., 232 East
- Capitol Street NE., Washington, D.C. 20003.

 B. Cotton Warehouse Association of America, 232 East Capitol Street NE., Washington, D.C. 20003.
 - D. (6) \$11,000. E. (9) \$3,325.
- A. Raymond C. Wallace, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
- B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
- A. Rob Wallace, 203 Maryland Avenue NE., Washington, D.C. 20002. B. Western Solar Utilization Network, 715
- S. W. Morrison, Portland, Oreg. 97205. D. (6) \$8,130.98. E. (9) \$3,813.85.
- A. Lionel L. Wallenrod, Avenue, New York, N.Y. 10016. 260 Madison
- B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
- A. R. Douglas Wallin, Jr., 1745 Jefferson Davis Highway, Arlington, Va. 22202.

- B. Emerson Electric Co., 8000 W. Florissant, St. Louis, Mo. 63136.
- A. Bonnie B. Wan, Montgomery Ward & Co., Inc., 1100 Connecticut Ave., NW., No. 530, Washington, D.C. 20036.
- B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671
- A. John F. Wanamaker, Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
- B. Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314. D (6) \$1 417
- A. James E. Wanko, Society of American Florists, 901 North Washington St., Alexandria, Va. 22314.
- B. Society of American Florists, 901 North Washington St., Alexandria, Va. 22314.
- Barbara Wanner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Japan Economic Institute of America, 1000 Connecticut Avenue NW., Washington, D.C. 20036

D. (6) \$300.

A. Alan S. Ward, 818 Connecticut Avenue

- A. Alan S. Ward, old Connecticut Avenue NW., Washington, D.C. 20006. B. Baker & Hostetler, 815 Connecticut Avenue, NW, Washington, D.C. 20006 (for: Soap & Detergent Association, 475 Park Avenue South at 32d Street, New York, N.Y. 10016.
- G. Fletcher Ward, Jr., Montogomery Ward & Co., Inc., 1100 Connecticut Avenue

NW., No. 530, Washington, D.C. 20036. B. Montgomery Ward & Co., Inc., One Montomery Ward Plaza, Chicago, Ill. 60671.

- A. John E. Ward, 182 Soundview Avenue, White Plains, N.Y. 10606.
- B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arling-ton, Va. 22209.
- Richard D. Warden, United Automobile, (UAW) Aerospace and Agricultural Implement Workers of America, 1757 N Street NW., Washington, D.C. 20036. B. International Union, United Auto-
- mobile, (UAW) Aerospace and Agricultural Implement Workers of America, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
 D. (6) \$13,614.63. E. (9) \$215.
- A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
 B. American Petroleum Institute, 2101 L
- Street NW., Washington, D.C. 20037. D. (6) \$6,530. E.(9) \$233.07.
- A. Michael O. Ware, Conoco Inc., 1025 Connecticut Avenue NW., Suite 1000, D.C. 20036.
- B. Conoco Inc., High Ridge Park, Stamford, Conn. 06904.

D. (6) \$1,000.

- A. Peter F. Warker, TRW Inc., 2030 M Street NW., Washington, D.C. 20036. B. TRW Inc. 23555 Euclid Avenue Cleve-
- land, Ohio 44117. D. (6) \$1,250.
- A. Ernest R. Warner, Jr., DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
- B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036; for: Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France.

D. (6) \$618.69. E. (9) \$640.28.

A. Ernest R. Warner, Jr., DGA International Inc., 1225 19th Street NW., Washington, D.C. 20036.

- B. DGA International, Inc., 1225-19th Street NW., Washington, D.C. 20036. for: Sofreavia, 75 rue la Boetie, Paris 8eme
- A. Washington Gas Light Co., Street NW., Washington, D.C. 20080. 1100 H

E. (9) \$1.208.72.

- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. Boeing Co., 7755 East Marginal Way, Seattle, Wash. 98124.

D. (6) \$375. E. (9) \$349.04.

- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. General Dynamics Corp., Pierre La-clede Center, St. Louis, Mo. 63105.

D. (6) \$375. E. (9) 349.04.

- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) \$375. E. (9) \$349.04.

- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. Grumman Aerospace Corp., Bethpage,

D. (6) \$375. E. (9) \$349.04.

- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. Hughes Aircraft Co., Culver City, Calif. 90230.

D. (6) \$375. E. (9) \$349.04.

- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
 - D. (6) \$375. E. (9) \$349.04.
- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.
 - D. (6) \$375. E. (9) \$349.04.
- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. Raytheon Co., 141 Spring Street, Lexington, Mass. 02173.
 - D. (6) \$375. E. (9) \$349.04.
- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.
- D. (6) \$375. E. (9) \$349.04.
- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.
- B. TRW, Inc., 1 Space Park, Redondo Beach, Calif. 90278.
- D. (6) \$375. E. (9) \$349.04.
- A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.

B. United Technologies Corp., United Technologies Building, Hartford, Conn. 06101.

D. (6) \$375. E. (9) \$349.04.

A. Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.

B. Vought Corp., P.O. Box 225907, Dallas,

Tex. 75265.

D. (6) \$375. E. (9) \$349.04.

Washington Industrial Team, Inc., Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.

B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pitts-

burgh, Pa. 15222.

D. (6) \$375. E. (9) \$349.04.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115. D. (6) \$20.692.07. E. (9) \$13.343.83.

A. Ralph J. Watson, 1745 Jefferson Davis Highway, Arlington, VA. 22202.

B. Rockwell International, 1745 Jefferson Davis Highway, Arlington, Va. 22202. D. (6) \$495. E. (9) \$171.20.

A. Carolyn Herr Watts, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$25.

A. George B. Watts, 1155 15th Street NW., Washington, D.C. 20005.

B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) \$1,000.

A. James L. Watts, NASBIC, 618 Washing-

ton Building, Washington, D.C. 20005.

B. National Association of Small Business Investment Companies, 618 Washington Building, Washington, D.C. 20005.

D. (6) \$2,000.

A. Bruce H. Watzman, National Coal Association, Coal Building, Washington, D.C. 20036.

B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036. D. (6) \$4,187.50. E. (9) \$552.67.

A. Judith G. Waxman, National Health Law Program, 1424 16th Street NW., Washington, D.C. 20036.

B. National Health Law Program, 2639 South La Cienega Boulevard, Los Angeles, Calif. 90034.

D. (6) \$2,601.55 E. (9) \$2,261.40.

A. William J. Way, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 Grand Boulevard, Detroit, Mich. 48202.

D. (6) \$2,500. E. (9) \$1,332.38.

A. Raymond J. Weatherly, 2733 Carter Farm Court, Alexandria, Va. 22306. B. Manufactured Housing Institute, 1745

Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.

A. William H. Weatherspoon, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037. D. (6) \$1,000. E. (9) \$1,038.47.

Vernon Weaver, Stephens Overseas Services Inc., 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

B. Stephens Overseas Services Inc., 1101 Connecticut Avenue NW, Suite 500, Washington, D.C. 20036.

A. Douglas M. Webb, 1111 19th Street NW., Suite 310, Washington, D.C. 20036.

B. Kennecott Corp., Ten Stamford Forum, Stamford, Conn. 06904.

D. (6) \$500. E. (9) \$326.78.

A. Frederick L. Webber, 1111 19th Street

NW., Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th
Street NW., Washington, D.C. 20036.

D. (6) \$4,559. E. (9) \$326.96.

A. Webster, Chamberlain & Bean, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Paratransit Institute, P.O. Box 340276, Coral Gables, Fla. 33134

D. (6) \$400.

A. Webster, Chamberlain & Bean, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Society of Radiologic Technologists, 55 East Jackson Boulevard, Chicago, Ill. 60604.

A. Webster & Chamberlain 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Charles Stewart Mott Foundation, Mott Foundation Building, Flint, Mich. 48502

D. (6) \$1,500

A. Webster & Sheffield, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Kidder, Peabody & Co., Inc., 10 Han-over Square, New York, N.Y. 10005.

E. (9) \$108.71.

A. Webster & Sheffied, 1200 New Hampshire Avenue NW., Suite 350, Washington, D.C. 20036.

B. National Conference of Bankruptcy Judges, c/o Webster & Sheffield, 1200 New Hampshire Avenue NW., Suite 350, Washington, D.C. 20036.

D. (6) \$10.176.25.

A. Webster & Sheffield, 1200 New Hamp-shire Avenue NW., No. 350, Washington, D.C. 20036.

B. Penobscot Nation, Community Building, Indian Island, Maine 04468.

D. (6) \$437.50 E. (9) \$287.30.

A. Webster & Sheffield, 1200 New Hampshire Avenue NW., No. 350, Washington, D.C. 20036.

B. Skanska U.S.A., Inc., 8330 Old Courthouse Road, Building Tycon 2, Suite 500, Vienna, Va. 22180.

E. (9) \$8.

A. Webster & Sheffield, One Rockefeller

Plaza, New York, N.Y. 10020. B. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10105.

D. (6) \$13,750.

A. Lee Weddig, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

D. (6) \$4,000. E. (9) \$10.

A. Charles W. Wegner, Jr., Professional Insurance Agents, 600 Pennsylvania Avenue SE., Suite 202, Washington, D.C. 20003.

Professional Insurance Agents, North Washington Street, Alexandria, Va.

D. (6) \$375. E. (9) \$275.

A. Fred Wegner, National Retired Teachers Association, American Association of Retired Persons, 1909 K Street NW., Washing-

B. National Retired Teachers Association, American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049. D (6) \$465.35. E. (9) \$19.56.

A. Lauren C. Weilburg, American Osteo-pathic Association, 499 South Capitol Street SW., Washington, D.C. 20003.

B. American Osteopathic Association, 499 South Capitol Street SW., Suite 104, Washington, D.C.

D. (6) \$646. E. (9) \$56.98.

A. Donald G. Weinert, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) \$1,500.

A. Joan Weinstock, American Optometric Association, 1730 M Street NW., Suite 206, Washington, D.C. 20036.

B. American Optometric Association, 395 Orchard Street, Antioch, Ill. 60002.

D. (6) \$35.31. E. (9) \$108.72.

A. Joel A. Weiss, Acurex Solar Corp., 1730 North Lynn Street, No. 400, Rosslyn, Va. 22209.

B. Acurex Solar Corp., 1730 North Lynn Street, No. 400, Rosslyn, Va. 22209.

D. (6) \$3,640.76. E. (9) \$323.56.

Michael A. Weiss, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Morton N. Weiss, National Security Traders Association, 55 Broad Street, New York, N.Y. 10004.

B. National Security Traders Association, 55 Broad Street, New York, N.Y. 10004. D. (6) \$2,625. E. (9) \$408.34.

A. Judith H. Weitz, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund, 1520 New Hampshire Avenue NW., Washington, D.C. 20036

D. (6) \$1,476. E. (9) \$93.86.

A. L. H. Wells, Shell Oil Company, 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Company, P.O. Box 2463, Houston, Tex. 77001.

D. (6) \$500.

A. W. R. Werner, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C.

B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.

A. Fred Wertheimer, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) \$10,999.98. E. (9) \$303.24.

A. Joy C. West, Migrant Legal Action Program, 806 15th Street NW., Washington, D.C. 20005.

B. Migrant Legal Action Program, 806 15th Street NW., Washington, D.C. 20005. D. (6) \$5,016.38. E. (9) \$1,235.04.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621. E. (9) \$500.

A. W. P. West, Jr., 1629 K Street NW., Room No. 204, Washington, D.C. 20006.

B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga 30320.

D. (6) \$273. E. (9) \$222.83.

A. Harry H. Westbay III, 1625 Eye Street NW., No. 805, Washington, D.C. 20006.

B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.

D. (6) \$1,500. E. (9) \$750.

A. Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101. E. (9) \$215.90.

A. Western Growers Association, 888 17th Street NW., Suite 700, Washington, D.C. 20006

E. (9) \$1,000.

A. Western Radiological Group, Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.

A. John F. Wetzel, Motorcycle Industry Council, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Motorcycle Industry Council, 1001 Connecticut Avenue NW., Washington, D.C.

D. (6) \$1,500.

A. Wexler & Associates, 1616 H Street NW., Suite 400, Washington, D.C. 20006.

B. Armco Inc., 1747 Pennsylvania Avenue NW., Suite 702, Washington, D.C. 20006.

D. (6) \$25,000. E. (9) \$555.83.

A. Wexler & Associates, 1616 H Street NW., Suite 400, Washington, D.C. 20006. B. The GHK Cos., 6441 Grand Boulevard NW., Oklahoma City, Okla. 73116. D. (6) \$22,500. E. (9) \$660.74.

A. Wexler & Associates, 1616 H Street NW., Suite 400, Washington, D.C. 20006.

B. National Radio Broadcasters Association, 1705 DeSales Street NW., Washington, D.C. 20036.

D. (6) \$7,345. E. (9) \$35.74.

A. Harvey J. Wexler, Continental Airlines, 1025 Connecticut Avenue NW., Suite 1017, Washington, D.C. 20036.

B. Continental Airlines, International Airport, Los Angeles, Calif. 90009.
D. (6) \$2,000. E. (9) \$1,000.

A. Brian B. Whalen, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.

B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) \$1,250. E. (9) \$110.50.

A. George Whaley, Carl Byoir & Associates, 1899 L Street NW., Suite 400, Washington, D.C. 20006.

B. Carl Byoir & Associates, 1899 L Street NW., Suite 400, Washington, D.C. 20006.

A. Clyde A. Wheeler, Jr., Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.

B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.

D. (6) \$15,000. E. (9) \$363.80.

A. Edwin M. Wheeler, Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

B. Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

E. (9) \$25.

A. Thomas E. Wheeler, National Cable Television Association, Inc., 1724 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Cable Television Association,

1724 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$1,375.

A. William Whichard, Jr., 1100 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. Brenda J. White, 140 Park Place, Room 807, New York, N.Y. 10007.

B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.

D. (6) \$2,938.48. E. (9) \$166.76.

A. Donald F. White, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) \$1,500. E. (9) \$95.

A. John S. White, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

B. Marathon Oil Co., Findlay, Ohio 45840.

A. John Thomas White II, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

Alton W. Whitehouse, 1750 Midland Building, Cleveland, Ohio 44115.

B. The Standard Oil Co. (Ohio), Midland

Building, Cleveland, Ohio 44115.

Bennett C. Whitlock, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations., Inc., 1616 P Street NW., Washington, D.C. 20036. D. (6) \$7,500. E. (9) \$859.90.

A. James A. Whitman, National Association of Chain Drug Stores, Inc., P.O. Box 1417-D49, Alexandria, Va. 22313.

B. National Association of Chain Drug Stores, Inc., P.O. Box 1417-D49, Alexandria, Va. 22313

A. William F. Whitsitt, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006

B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.

D. (6) \$7,000. E. (9) \$86.58.

A. David E. Whitten, Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036

B. Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036. D. (6) \$5,000. E. (9) \$1,908.11.

A. Wickwire, Lewis, Goldmark & Schorr, 00 Maynard Building, Seattle, Wash. 500 98104.

B. Mayor and City Council, City of Seattle, Seattle, Wash. 98104.

A. Nina Faye Widenmann, Arizona Public Service Co., P.O. Box 21666, Phoenix, Ariz. 85036.

B. Arizona Public Service Co., P.O. Box 21666, Phoenix, Ariz. 85036.

D. (6) \$919.88. E. (9) \$3,220.09.

A. Richard J. Wiechmann, American Paper Institute, Inc., 1619 Massachusetts Avenue, NW, Washington, D.C. 20036.

B. American Paper Institute, Inc., Madison Avenue, New York, N.Y. 10016.

A. Harry G. Wiles II, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

E. (9) \$63.

A. Jerry C. Wilkerson, 1025 Connecticut Avenue NW., No. 1005, Washington, D.C. 20036.

B. International Franchise Association, 1025 Connecticut Avenue NW., No. 1005, Washington, D.C. 20036.

D. (6) \$650. E. (9) \$1,855.

Suite 300, Arlington, Va. 22209.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Association of Data Processing Service Organizations, Inc., 1300 North 17th Street,

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Bonneville International Corp., 36 South State Street, Salt Lake City, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Brigham Young University, Provo. Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. The Church of Jesus Christ of Latter-Day Saints, 10 East North Temple, Salt Lake City, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Confederated Salish & Kootenai Tribes of the Flathead Reservation, Montana.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. European Travel Commission, 488 Madison Avenue, New York, N.Y. 10022.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. The Hoopa Valley Tribe, P.O. Box 817. Hoopa, Calif.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Independent Data Communications

Manufacturers Association, Inc., "IDCMA," 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$10,521.50. E. (9) \$48.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

D. (6) \$3,353. E. (9) \$40.57.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Louisiana Pacific Corp., First National Bank Building, 1300 Southwest Fifth Avenue, Portland, Oreg. 97201. D. (6) \$5,355.50. E. (9) \$1,223.37.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. Marathon Oil Co., Findlay, Ohio. E. (9) \$36.26.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. NANA Regional Corp., Inc., Box 49, Kotzebue, Alaska 99752.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.

B. Shee Atika, Inc., P.O. Box 4578, Mount Edgecumbe, Alaska 99835.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. State of Hawaii, Department of Regulatory Agencies, P.O. Box 541, Honolulu, Hawaii 96809.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006. B. U.S. National Bank of Oregon, Portland, Oreg.; (for "Remaining Members" of the Klamath Indian Tribe, Oreg.).

Sandra L. Willett, 624 C Street SE., Washington, D.C. 20003.

B. National Consumers League, 1522 K Street NW., No. 40W, Washington, D.C. 20005.

E. (9) \$40.

A. Ralph E. Willham, 1750 New York Avenue NW., Washington, D.C. 20036.

B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$8,977.50.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.

B. The LTV Corp., LTV Tower, 1525 Elm Street, Dallas, Tex. 75201.

A. Williams & Connolly, 839 17th Street NW., Washington, D.C. 20006. B. William H. Sullivan, Jr., 500 Neponset Avenue, Dorchester, Mass. 02122.

A. James H. Williams, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030. B. National Limestone Institute, Inc., 3251

Old Lee Highway, Suite 500, Fairfax, Va. 22030.

E. (9) \$10.

A. Lee Williams, American Retail Federation, 1616 H Street NW., Washington, D.C.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006. D. (6) \$1,600.

A. Lucinda L. Williams, 1111 19th Street, Suite 402, Washington, D.C. 20036.

B. Federation of American Hospitals, 1111 19th Street NW., No. 402, Washington, D.C. 20036.

D. (6) \$4,500.

A. Williams, Myers & Quiggle, 888 17th Street NW., Washington, D.C. 20006. B. Church Alliance for Clarification of

ERISA, 511 North Akard Building, Suite 311, Dallas, Tex. 75201. D. (6) \$8,950. E. (9) \$375.78.

A. Robert E. Williams, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.

B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.

D. (6) \$1,500.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006. B. Mortgage Insurance Cos. of America,

1725 K Street NW., Suite 1402, Washington, D.C. 20006.

D. (6) \$2,700. E. (9) \$49.65.

A. Betsy Willson-Messer, National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049. D. (6) \$291.92. E. (9) \$18.50.

A. Charlotte Wilmer, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$75.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. The Business Roundtable, 1828 L Street NW., Washington, D.C. 20036. E. (9) \$20.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. G-IV Children's Coalition, Room 1100, 1666 K Street NW., Washington, D.C. 20006.

A. Bjorg Opdahl Wilson, UNICEF Information Service, 110 Maryland Avenue NE., Washington, D.C. 20002.

B. The U.S. Committee for UNICEF, 331 East 38th Street, New York, N.Y. 10016. D. (6) \$1,500.

A. Charles H. Wilson, 499 South Capitol Street SW., Suite 102, Washington, D.C. 20003

B. City of Gardena, 1700 West 62d Street, Gardena, Calif. 90247. D. (6) \$500. E. (9) \$2,396.16.

A. Charles D. Wilson, 1850 K Street NW., No. 390, Washington, D.C. 20006.

B. Union Camp Corp., 1850 K Street NW., No. 390, Washington, D.C. 20006. E. (9) \$466.89.

A. Dena L. Wilson, 1600 Wilson Boulevard, Suite 1000, Arlington, Va. 22209.

B. The American Waterways Operators,

Inc., 1600 Wilson Boulevard, Suite 1000, Arlington, Va. 22209.

D. (6) \$350, E. (9) \$131.11.

A. Donnie E. Wilson, Husky Oil Co., 1800 M Street NW., Suite 295 North, Washington, D.C. 20036.

B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.

A. James E. Wilson, Jr., 1150 17th Street NW., Suite 500, Washington, D.C. 20036. B. McDonnell Douglas Corp., P.O. Box

516, St. Louis, Mo. 63166.

A. Robert C. Wilson, 216 South Carolina Avenue SE., Washington, D.C. 20003.

B. RMI, Inc., 225 West 30th Street, National City, Calif. 92050. D. (6) \$1,230.

D. (6) \$250.

A. Robert C. Wilson, Room 400, 499 South Capitol Street, SW., Washington, D.C.

20003.

B. Washington Industrial Team, Room 400, 499 South Capitol Street SW., Washington, D.C. 20003.

D. (6) \$900.

A. William A. Wilson III, 8001 Braddock Road, Springfield, Va. 22160.

B. National Right to Work Committee, 8001 Braddock Road, Springfield, Va. 22160. D. (6) \$200. E. (9) \$18.

A. Windels, Marx, Davies & Ives, 51 West 51st Street, New York, N.Y. 10005.

B. Waterman Steamship Corp., 120 Wall Street, New York, N.Y. 10005. E. (9) \$140.

A. Joseph B. Winkelmann, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 777 14th Street NW., Washington, D.C. 20005. D. (6) \$2,500. E. (9) \$669.32.

A. Kathleen J. Winn, Pennzoil Co., 1155 15th Street NW., Suite 602, Washington, D.C. 20006.

B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77001.

D. (6) \$475. E. (9) \$25.

A. James R. Winnie, Cities Service Gas Co., P.O. Box 25128, Oklahoma City, Okla. 73125.

B. Cities Service Gas Company, P.O. Box 25128, Oklahoma City, Okla. 73125.

A. Louise V. Winstead, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C.

A. Winston & Strawn, 2550 M Street NW.,

Suite 500, Washington, D.C. 20037. B. GIC Financial Services Corp., 9701 West Higgins Road, Suite 420, Rosemont, III. 60018.

E. (9) \$5.50.

A. Winston & Strawn, 2550 M Street NW., Suite 500, Washington, D.C. 20037.

B. International Council of Shopping Centers, 665 Fifth Avenue, New York, N.Y. 10022.

E. (9) \$16.70.

A. Mark E. Winter, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036. D. (6) \$3,000.

A. Alan M. Wiseman, Suite 900, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

The Mead Corp., Courthouse Plaza Northeast, Dayton, Ohio 45463.

E. (9) \$2,775.

A. Richard F. Witherall, Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.

B. Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.

Witkowski, Weiner, McCaffrey and Brodsky, P.C., 1575 I Street NW., Suite 350, Washington, D.C. 20005.

B. Coordinating Council on Manufactured Housing Finance, Suite 350, 1575 Eye Street NW., Washington, D.C. 20005.

D. (6) \$6,175.50.

A. Witkowski, Weiner, McCaffrey & Brodsky, P.C., 1575 I Street NW., Suite 350, Washington, D.C. 20005.

B. Foremost Insurance Co., 5800 Foremost Drive SE., Grand Rapids, Mich. 49501.

D. (6) \$821.50.

A. Witkowski, Weiner, McCaffrey & Brodsky, P.C., 1575 I Street NW., Suite 350, Washington, D.C. 20005.

B. National Manufactured Housing Finance Association, 1575 Eye Street NW., Suite 350, Washington, D.C. 20005.

E. (9) \$2,015.11.

A. Glenn P. Witte, 910 17th Street, NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street, NW., Washington, D.C. 20006.

A. H. C. Witthaus, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202. D. (6) \$3,000. E. (9) \$935.31.

James E. Wolf, The Trane Co., 2020 14th Street, North Arlington, Va. 22201.
B. The Trane Co., 3600 Pammel Creek
Road, La Crosse, Wis. 54601.

D. (6) \$2,500.

A. Sidney M. Wolfe, 2000 P Street NW., No. 708, Washington, D.C. 20036.

B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036. D. (6) \$8.33.

A. Don Womack, Texas Utilities Services Inc., 1825 K Street NW., Suite 303, Wash-

Inc., 1623 C. 20006.

B. Texas Utilities Services Inc., 2001
Bryan Tower, Dallas, Tex. 75201.

D. (6) \$2,407. E. (9) \$127.60.

A. Burton C. Wood, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C.

D. (6) \$9,900. E. (9) \$1,197.

A. Charles A. Wood, National Fuel Gas Distribution Corp., Room 900, 10 Lafayette Square, Buffalo, N.Y. 14203.

B. National Fuel Gas Distribution Corp National Fuel Gas Supply Co., Penn-York Energy Co., Seneca Resources Co., National Fuel Gas Co.

D. (6) \$714.40. E. (9) \$2,122.88.

A. W. Alan Woodford, Chemical Manufacturers Association, 2501 M Street, NW., Washington, D.C. 20037.

B. Chemical Manufacturers Association, 2501 M Street, NW., Washington, D.C. 20037

D. (6) \$300.

A. Diane Woodruff, Committee of Urban Program Universities, 1300 19th Street NW.,

No. 220, Washington, D.C. 20036. B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.

D. (6) \$2,361.00.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., (for: Airbus Industrie, Avenue Lucien Servant 31700 Blagnac, France). 1225 19th Street NW., Washington, D.C. 20036.

D. (6) \$229.43.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., (for: European Aerospace Corp., 1101 15th Strret NW., Washington, D.C. 20005). 1225 19th Street, NW., Washington, D.C. 20036.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., (for: Sofreavia, 7 rue 1a Boehe, Paris 8eme, France). 1225 19th Street NW., Washington, D.C. 20036.

A. Richard P. Woods, Pacific Resources, Inc., 2501 M Street NW., Suite 540, Washington, D.C. 20037.

B. Pacific Resources, Inc., 733 Bishop Street, P.O. Box 3379, Honolulu, Hawaii 96813.

D. (6) \$500.

A. William E. Woods, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

D. (6) \$1,500. E. (9) \$300.

A. Perry W. Woofter, Tesoro Petroleum Corp., 1775 K Street NW., Suite 310, Washington, D.C. 20006.

B. Tesoro Petroleum Corp., 8700 Tesoro Drive, San Antonio, Tex 78286.

D (6) \$2 500

A. Edward A. Woolley, Jones, Hirsch & Bull, 405 Lexington Avenue, Suite 3600, New York, N.Y. 10174.

B. CTI-Container Transport International, Inc., 445 Hamilton Avenue, White Plains, N.Y. 10601.

D. (6) \$472.52 E. (9) \$66.32.

A. Linda Anzalone Woolley, 1615 H Street NW., Washington, D.C. 20062. B. Chamber of Commerce of the United

States, 1615 H Street NW., Washington, D.C. 20062. D. (6) \$500.

Ronald L. Wooten, Consolidation Coal Co., 1025 Connecticut Avenue NW., No. 1000, Washington, D.C. 20036.

B. Consolidation Coal Co., Consol Plaza, 1800 Washington Road, Pittsburgh, Pa.

15241

D. (6) \$1,260. E. (9) \$160.

A. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.

D. (6) \$4,958.65. E. (9) \$10,551.32.

A. Steven M. Worth, Hill and Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. William R. Worthen, National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.

B. National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.

D. (6) \$3,150. E. (9) \$619.

A. Edward E. Wright, 1819 H Street NW.,

Suite 1175, Washington, D.C. 20006. B. G-4 Childrens' Coalition, 7309 Delfield Street, Chevy Chase, Md. 20015. E. (9) \$32.04.

A. Franklin L. Wright, Jr., National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y.

D. (6) \$2,750.

A. William L. Wright, Eli Lilly & Co., 1901

L Street NW., Washington, D.C. 20036.
B. Eli Lilly & Co., 307 East McCarty
Street, Indianapolis, Ind. 46285.
D. (6) \$3,000. E. (9) \$197.50.

Richard E. Wyckoff, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036. D. (6) \$1,500. E. (9) \$192.

A. Marc D. Yacker, American Paper Institute, Inc., 1619 Massachusetts Avenue, NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., Madison Avenue, New York, N.Y. 10016.

Albert Yamada, 900 17th Street

NW., Suite 520, Washington, D.C. 20006. B. Toyota Motor Sales, U.S., Inc., Washington Office, 1899 L Street NW., Suite 703, Washington, D.C. 20036.

D. (6) \$500.

A. T. Albert Yamada, 900 17th Street NW., Suite 520, Washington, D.C. 20006.

B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621. D. (6) \$500.

A. Edward R. Yawn, the Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$1,064. E. (9) \$187.01.

A. Kim Yelton, 8120 Fenton Street, Silver Spring, Md. 20910.

B. Americans United for Separation of Church and State, 8120 Fenton Street, Silver Spring, Md. 20910.
D. (6) \$4,980.78. E. (9) \$5,154.67.

A. Jack Yelverton, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Fleet Reserve Association, 1303 New

Hampshire Avenue NW., Washington, D.C.

A. D. Scott Yohe, Delta Air Lines, Inc., 1629 K Street NW., Room 204, Washington, D.C. 20006.

B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320. D. (6) \$390. E. (9) \$82.40.

A. G. Reynolds Young, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$1,000.

A. Hugh F. Young, Jr., National Paint & Coatings Association, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

B. National Paint & Coatings Association, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

D. (6) \$3,000.

A. John Andrew Young, Suite 207, 1333 New Hampshire Avenue NW., Washington,

D.C. 20036.
B. The Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.

A. Judith Young, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors R , 777 14th Street NW., Washington, D.C. 20005.

D. (6) \$1,500. E. (9) \$173.31.

A. Thane Young, National Association of Realtors $^{\rm R}$, 777 14th Street NW., Washington, D.C. 20005.

B. National Association of Realtors R North Michigan Avenue, Chicago, Ill. 60611; 777 14th Street NW., Washington, D.C.

D. (6) \$1,500. E. (9) \$185.09.

A. Betsy Younkins, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) \$6,000. E. (9) \$132.04.

A. Eugene A. Yourch, 50 Broadway, New York, N.Y. 10004. B. Federation of American Controlled

Shipping, 50 Broadway, New York, N.Y. 10004.

D. (6) \$200.

A. Harry M. Zachem, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.

- B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101. D. (6) \$2,000.
- A. Donald M. Zahn, 8001 Braddock Road, Springfield, Va. 22160.
- B. National Right to Work Committee, 8001 Braddock Road, Springfield, Va. 22160. D. (6) \$185. E. (9) \$372.78.
- A. Lynn Zakupowsky, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
- B. General Electric Co., 3135 Easton Turn-pike, Fairfield, Conn. 06431.

D. (6) \$3,000.

- A. Steven S. Zaleznick, National Retired Teachers Association—American Association of Retired Persons, 1909 K Street
- NW., Washington, D.C. 20049.

 B. National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW. Washington, D.C. 20049.
 - D. (6) \$300. E. (9) \$160.82.
- A. Barnaby Zall, Federation for American Immigration Reform (FAIR), 2028 P Street NW., Washington, D.C. 20036.

 B. Federation for American Immigration
- Reform 2028 P Street NW., Washington, D.C. 20036.
 - D. (6) \$2,375. E. (9) \$144.38.
- . Barry W. Zander, 6113 Amhurst, Metairie, La. 70003.

- B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152. D. (6) \$6,600.
- A. John S. Zapp, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
- B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610. D. (6) \$4,092. E. (9) \$214.25.
- A. Janice Zarro, 9 West 57th Street, New York, N.Y. 10019.
- B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
- A. Thomas K. Zaucha, Cooperative Food Distributors of America, 1910 K Street, NW., No. 700, Washington, D.C. 20006.
- B. Cooperative Food Distributors of America, 1910 K Street, NW., No. 700, Washington, D.C. 20006.
- A. L. Andrew Zausner, Pennzoil Co., 1155 15th Street NW., Suite 602, Washington, D.C. 20005.
- B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77001.
- D. (6) \$1,000. E. (9) \$50.
- A. Philip F. Zeidman, Suite 900, 1025 Connecticut Avenue NW., Washington, D.C.

- B. The American Business Conference, Suite 209, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
- Jerome M. Zeifman, National Senior Citizens Law Center, 1424 16th Street NW., Suite 300, Washington, D.C. 20036.
- B. National Senior Citizens Law Center, 1424 16th Street NW., Suite 300, Washington, D.C. 20036. D. (6) \$1,910. E. (9) \$2,318.
- A. John L. Zorack, Suite 1100, 1015 18th Street NW., Washington, D.C. 20036. B. Federal Express Corp., Box 727, Mem-
- phis, Tenn. 38194.
- D. (6) \$4,000.
- A. Zuckert, Scoutt & Rasenberger, 888 17th Street NW., Washington, D.C. 20006.
- B. Harcourt Brace Jovanovich, 757 Third Avenue, New York, N.Y. 10017.
- D. (6) \$14,335.73. E. (9) \$1,028.48.
- A. Charles O. Zuver, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
- B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
 - D. (6) \$3,000.
- A. Frances A. Zwenig, Center to Protect Workers' Rights, 815 16th Street NW., Washington, D.C. 20006.
- B. Center to Protect Workers' Rights, 815 16th Street NW., Washington, D.C. 20006.
- D. (6) \$6,500.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the first calendar quarter of 1981 were received too late to be included in the published reports for that quarter:

(Note.—The form used for report is reproduced below. In the interest of economy in the Record, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

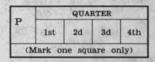
"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT



NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".-Reports by Agents or Employees. An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report-naming both persons as "employers"-is to be flied each quarter.

B. EMPLOYER.-State name, address, and nature of business. If there is no employer, write "None."

Note on Item "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"-§302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying

Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no

longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and hills

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative indistributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below, Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 14

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."-(a) In General. The term "contribution" includes anything of value. When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term contribution" includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribu--Section 302(a) of the Lobbying Act.

(b) If This Report Is for an Employer .- (i) In General Item "D" is designed for the reporting of all receipts from which expendi-

tures are made, or will be made, in accordance with legislative interests.

(ii) Receipts of Business Firms and Individuals.—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation-will have no receipts to report, even though it does have expenditures to report.

(iii) Receipts of Multipurpose Organizations.—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contribution of \$500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) If This Report Is for an Agent or Employee.—(i) In General. In the case of many employees, all receipts will come under thems

"D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests,

(ii) Employer as Contributor of \$500 or More. - When your contribution from your employer (in the form of salary, fee, etc.) amounts to \$500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

Contributors of \$500 or more

(from Jan. 1 through this Quarter)

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Receipts (other than loans)

1. \$.....Dues and assessments

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

2. \$Gifts of money or anything of value	13. Have there been such contributors?
3. \$Printed or duplicated matter received as a gift	
4. \$Receipts from sale of printed or duplicated matter	Please answer "yes" or "no":
5. \$Received for services (e.g., salary, fee, etc.)	14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last
6. \$Total for this Quarter (Add items "1" through "5")	days of this Quarter total \$500 or more:
7. \$Received during previous Quarters of calendar year	Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under under the headings "Amount" and
8. \$TOTAL from Jan. 1 through this Quarter (Add "6" and "7")	"Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following
Loans Received	example:
"The term 'contribution' includes a loan"—Sec. 302(a).	
9. \$Total now owed to others on account of loans	Amount Name and address of Contributor
10. \$Borrowed from others during this Quarter	("Period" from Jan. 1 through, 19)
11. \$Repaid to others during this Quarter	\$1,500.00 John Doe, 1621 Blank Bldg., New York, N.Y.
12. \$"Expense money" and Reimbursements received this	\$1,785.00 The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
Quarter And Reimodisements received this	\$3.285.00 TOTAL

Note on Item "E".-(a) In General. "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure" Section 302(b) of the Lobbying Act.

(b) If This Report Is for an Agent or Employee. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. Expenditures (Including Loans) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Loans Made to Others "The term 'expenditure' includes a loan"—Sec. 302(b). 12. \$	
15. Recipients of Expenditures of \$10 or More In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:	
Amount Date or Dates—Name and Address of Recipient—Purpose \$1,750.00 7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the	
"Marshbanks Bill."	
\$2,400.00 7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at \$800.00 per month.	
\$4.150.00 TOTAL	

A. Albert E. Abrahams, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; and 925 15th Street NW., Washington, D.C.

D. (6) \$6,100. E. (9) \$3,089.60.

Actors Equity Association, 165 West 46th Street, New York, N.Y. 10036. D. (6) \$2,500. E. (9) \$2,500.

A. Charles F. Adams, American Association of Advertising Agencies, 1899 L Street NW., Washington, D.C. 20036.

B. American Association of Advertising Agencies, 666 Third Avenue, New York, N.Y. 10017.

D. (6) \$2,500. E. (9) \$750.

A. Raymond T. Adams, 1725 K Street

NW., Suite 909, Washington, D.C. 20006. B. The Superior Oil Co., and Superior Farming Co., 1725 K Street NW., Washington. D.C. 20006

A. David Alberswerth, 1006 Massachusetts Avenue NE., Washington, D.C. 20002.

B. Western Organization of Resource Councils, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$1,025,06.

A. Robert D. Allen, 2845 Summit Drive, Hillsborough, Calif. 94010.

B. Bechtel Power Corp., 50 Beale Street,

P.O. Box 3965, San Francisco, Calif. 94119.

A. Robert Alvarez, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$2,499.99.

A. Jerome A. Ambro Associates, 2301 South Jefferson Davis Drive, Arlington, Va. 22202

B. Associated Universities, Upton, N.Y. 11973.

D. (6) \$300. E. (9) \$795.61.

A. Jerome A. Ambro Associates, 2301 South Jefferson Davis Drive, Arlington, Va. 22202

B. County of Suffolk, H. Lee Dennison Building, Veterans Memorial Highway, Hauppauge, N.Y. 11787. E. (9) \$1,058.09.

Jerome A. Ambro Associates, 2301 South Jefferson Davis Drive, Arlington, Va. 22202

B. New York State Department of Transportation, 1220 Washington Avenue, State Campus, Albany, N.Y. 12232. D. (6) \$5,375. E. (9) \$2,751.80.

A. American Association for Respiratory Therapy, 1720 Regal Row, Suite 112, Dallas, Tex. 75235.

D. (6) \$1,053.97, E. (9) \$11,425.42.
A. American Cancer Society, Inc., 777
Third Avenue, New York, N.Y. 10017. E. (9) \$2,285.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611. D. (6) \$11,452.89. E. (9) \$11,452.89.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068, 425 13th Street NW., Washington, D.C. 20004. D. (6) \$73,091. E. (9) \$73,091.

A. American Federation of State, County and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036.

E. (9) \$62,071.78.

. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209. D. (6) \$30,935. E. (9) \$30,935.

A. American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington, D.C. 20009. D. (6) \$416,303.51. E. (9) \$19,717.89.

A. American Logistics Association, 5205 Leesburg Pike, No. 1213, Falls Church, Va.

D. (6) \$550. E. (9) \$500.

A. American Radio Relay League, Inc, 225 Main Street, Newington, Conn. 06111. E. (9) \$7,484.90.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036. D. (6) \$3,464.57. E. (9) \$3,464.57.

A. American Society for Medical Technology, 1725 DeSales Street NW., Suite 403, Washington, D.C. 20036. D. (6) \$3,372.50. E. (9) \$3,270.84.

A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036

D. (6) \$943.09.

A. American Wind Energy Association, 1609 Connecticut Avenue NW., Washington, D.C. 20009.

E. (9) \$385.70.

Americans for SALT, 1742 N Street NW., Washington, D.C. 20036.

Nancy Amidei, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) \$111.99.

A. Scott G. Anderson, Burlington Northern Inc., 413 New Jersey Avenue SE., Washington, D.C. 20003.

B. Burlington Northern Inc., Fifth Street, St. Paul, Minn. 55101. D. (6) \$1,900. E. (9) \$1,304.90.

A. Tobias Anthony, 1800 K Street NW., Suite 720, Washington, D.C. 20006.

B. Research-Cottrell, Inc., P.O. Box 1500, Somerville, N.J.

D. (6) \$3,000. E. (9) \$733.

A. W. Stanley Armstrong, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1 Street NW., Washington, D.C. 20036. 1920 N

D. (6) \$52.74. E. (9) \$8.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. American Family Corp., 1902 Wynnton

Road, Columbus, Ga. 31906.

D. (6) \$600.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Iron & Steel Institute, 1000 16th Street NW., Washington, D.C. 20036. D. (6) \$750.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Corporate Property Investors, 230 Park Avenue, New York, N.Y. 10017. D. (6) \$625.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Realty Committee, 2033 M Street NW., Washigton, D.C. 20036. D. (6) \$500.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001. D. (6) \$375.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Quintana Refinery Co., P.O. Box 3331,

Houston, Tex. 77001. D. (6) \$375.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Securities Industry Association, 20 Broad Street, New York, N.Y. 10005.

D. (6) \$437.

D. (6) \$833.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036. B. Security First Group, Inc., 1800 Avenue of the Stars, Los Angeles, Calif. 90067.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. American Association of Dealers in Ancient, Oriental and Primitive Art, 1591/2 East 94th Street, New York, N.Y. 10028.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. American INVSCO Corp., 120 South LaSalle Street, Chicago, Ill. 60603.

D. (6) \$630. E. (9) \$57.44.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Commissioner of Baseball, 15 West 51st Street, New York, N.Y. 10019. E. (9) \$2.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217. D. (6) \$3,750. E. (9) \$31.40.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. National Coordinating Committee for Multiemployer Plans, 816 16th Street NW., Suite 603, Washington, D.C. 20006.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Recording Industry Association of America, 1370 Avenue of the Americas, 30th Floor, New York, N.Y. 10019. D. (6) \$310 E. (9) \$6.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Securities Industry Association, 490 L'Enfant Plaza, Suite 3212, Washington, D.C.

D. (6) \$810. E. (9) \$13.20.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

D. (6) \$32,950. E. (9) \$934.99.

A. Association of Data Processing Services Organization, Inc., 1300 North 17th Street, Suite 300, Arlington, Va. 22209.

A. George J. Aste, United Airlines, 1825 K Street, NW., No. 607, Washington, D.C. 20006.

B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.

D. (6) \$500.

A. Joseph W. Ayres, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$3,875. E. (9) \$182.

A. William Douglas Badger, 12695 Castile

Court, Woodbridge, Va. 22192.

B. Christian Action Council, Inc., 788 National Press Building, Washington, D.C. 20045

D. (6) \$4,560. E. (9) \$5,562.50.

A. Carl E. Bagge, National Coal Association, Coal Building, Washington, D.C.

B. National Coal Association, Coal Building, Washington, D.C. 20036.

D. (6) \$2.750

A. Albert L. Baldock, Richardson-Vicks, Inc, 1050 17th Street NW., Washington, D.C. 20036.

B. Richardson-Vicks, Inc., 10 Westport Road, Wilton, Conn. 06897. D. (6) \$140,000. E. (9) \$61.50.

A. Bally Manufacturing Corp., 2640 West Belmont Avenue, Chicago, Ill. 60618. E. (9) \$408.

A. James C. Barr, Credit Union National Association, 1730 Rhode Island Avenue NW., Suite No. 810, Washington, D.C. 20036. B. Credit Union National Association, 1730

Rhode Island Avenue NW., Suite No. 810, Washington, D.C. 20036.
D. (6) \$300. E. (9) \$187.84.

A. David S. Barrows, 1201 SW. 12th, Suite

200, Portland, Oreg. 97205.B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470. D. (6) \$1,200. E. (9) \$916.85.

A. James R. Baxter, 2033 K Street, NW., No. 200, Washington, D.C. 20006. B. National Construction Employers Council, 2033 K Street, NW., No. 200, Washington, D.C. 20006.

A. Josiah Beeman, 1625 L Street NW.,

Washington, D.C. 20036.
B. American Federation of State, County and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) \$13,750.02. E. (9) \$1,451.85.

A. James Beizer, American Mining Congress, 1920 N Street NW., Washington, D.C.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20005.

D. (6) \$840.60.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.

B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.

A. John B. Benton, 1010 Lamar, Suite 1800, Houston, Tex. 77002.

B. Howell Corp., 1010 Lamar, Suite 1800, Houston, Tex. 77002.

A. David Berick, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$3,500.01.

A. Susan Bingham, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. National Federal of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

D (6) \$2 250 E (9) \$200.

A. Robert Bird, General Mills, Inc., 1200 New Hampshire Avenue NW., Suite 370, Washington, D.C. 20036.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

D. (6) \$700. E. (9) \$118.95.

A. Gerrie Bjornson Burns, B. F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.

B The B. F. Goodrich Co., Akron, Ohio 44318

D. (6) \$100.

A. Black, Manafort & Stone, 435 North Lee Street, Alexandria, Va. 22314.

B. Air Transportation, 1709 New York Avenue NW., Washington, D.C. 20009. D. (6) \$6,250.20. E. (9) \$6,250.20.

A. Black, Manafort & Stone, 435 North Lee Street, Alexandria, Va. 22314.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067. D. (6) \$21,000. E. (9) \$21,102.01.

A. Brent Blackwelder, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy

Center, 317 Pennsylvania Avenue SE., Washington, D.C.

D. (6) \$3,500.01.

A. Smith Blair, NARFE, 1533 New Ham-shire Avenue NW., Washington, D.C. 20036. B. National Association of Retired Federal

Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.

D. (6) \$2,135.

A. Helen K. Blank, Children's Defense Fund, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund. D. (6) \$2,578. E. (9) \$65.80.

A. Blatchford, Epstein & Brady, 1000 Potomac Street NW., Washington, D.C. 20007. B. National Association of Private Enter-

prise, Alameda Roosevelt 2827, San Salva-

dor, El Salvador. D. (6) \$14,000. E. (9) \$785.79.

A. Blatchford, Epstein & Brady, 1000 Potomac Street NW., Washington, D.C. 20007. B. North American Car Corp., 33 Monroe Street, 24th Floor, Chicago, Ill. 60603.

A. David Blatt, Municipal Labor Commit-tee, 818 18th Street NW., Suite 750, Washington, D.C. 20006.

B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007. D. (6) \$5,911.24. E. (9) \$1,160.23.

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036. B. General Electric Co., 3125 Easton Turn-

pike, Fairfield, Conn. 06431.

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065. D. (6) \$4,093,75. E. (9) \$573

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, Inc., The Jour-nal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Edward N. Bond, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) \$1,000. E. (9) \$680.98.

A. Jay Bonitt, 300 Maryland Avenue NE., Washington, D.C. 20002.

B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) \$800. E. (9) \$105.

A. Bonneville Associates, Inc., 200 East South Temple No. 300, Salt Lake City, Utah 84111.

B. Western Regional Council, P.O. Box 8144, Salt Lake City, Utah 84108.

D. (6) \$2,982. E. (9) \$7,332.

A. Edward T. Borda, 1625 I Street NW., Washington, D.C. 20006.

B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washing-ton, D.C. 20006.

D. (6) \$4,000.

A. Connie Borken-Hagen, 29 Cambridge Street, London SW1, England.

B. American Chamber of Commerce (UK), 75 Brook Street, London W1, England. D. (6) \$9,900. E. (9) \$2,557.50.

A. Mary M. Bourdette, 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

D. (6) \$380.46. E. (9) \$28.25.

A. A. D. Bourland, General Motors Corp., 1660 L Street NW., Suite 800, Washington, D.C. 20036

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202. D. (6) \$3,000. E. (9) \$7,312.22.

A. Margueritte Bracy, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036. D. (6) \$7,075.26. E. (9) \$359.98.

A. Dan J. Bradley, 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

D. (6) \$77.10.

A. Gene M. Bradley, The Boeing Co., 1700 N. Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) \$500. E. (9) \$257.

A. S. Gail Bramblett, National Education Association, 1201 16th Street NW., Washington, D.C. 20036

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036

Albert E. Brewster, Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

A. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$21,120. E. (9) \$21,120.

A. Diane V. Brown, International Paper Co., 1620 Eye Street NW., Suite 700, Washington, D.C. 20006.

B. International Paper Co., 1620 Eye Street NW., Suite 700, Washington, D.C. 20006.

D. (6) \$600. E. (9) \$670.

A. Donald K. Brown, 1127 11th Street, Suite 618, Sacramento, Calif. 95814.
B. Summa Corp., P.O. Box 14000, Las

Vegas, Nev.

A. John J. Brown, 1125 17th Street NW., Washington, D.C. 20036.

B. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.

D. (6) \$7,500. E. (9) \$1,058.

A. Brown & Roady, 1333 New Hampshire Avenue NW., Suite 1070, Washington, D.C. 20036.

B. Louisville & Nashville Railroad Co., 908 West Broadway, Louisville, Ky. 40203. D. (6) \$12,497. E. (9) \$507.51.

A. Brownstein Zeidman and Schomer, 1025 Connecticut Avenue NW., Washington,

D.C. 20036.

B. New York City Housing Development Corp., 75 Maiden Lane, 8th Floor, New

York, N.Y. 10038. A. Brownstein Zeidman and Schomer, 1025 Connecticut Avenue NW., Washington,

D.C. 20036. B. New York State Mortgage Loan Enforcement & Administration Corp., 11 West 42d Street, New York, N.Y. 10036.

D. (6) \$517.50. E. (9) \$159.84.

A. Garry Bryant, Migrant Legal Action Program, Inc., 806 15th Street NW., Wash-ington, D.C. 20005.

B. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005

D. (6) \$6,209.31. E. (9) \$721.81.

A. John S. Buckley, National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.

B. National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington,

D.C. 20005. D. (6) \$600. E. (9) \$80.

A. Robert D. Buehler, BF Goodrich Co., 1800 K Street NW., Suite 929, Washington,

D.C. 20006. B. The BF Goodrich Co., Akron, Ohio 44318.

D. (6) \$400.

A. David A. Bunn, 1211 Connecticut Avenue NW., No. 406, Washington, D.C. 20036

B. The Hearst Corp., 959 Eighth Avenue, New York, N.Y. 10019.

D. (6) \$900.

A. David A. Bunn, 1211 Connecticut Avenue NW., No. 406 Washington, D.C. 20036.

B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022. D. (6) \$4,000.

A. David A. Bunn, 1211 Connecticut Avenue NW., No. 406, Washington, D.C.

B. Parcel Shippers Association, 1211 Connecticut Avenue NW., No. 406, Washington, D.C. 20036.

D. (6) \$1,000.

20006.

A. Chris Burch, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036. D. (6) \$6,250.02. E. (9) \$461.63.

A. Busby, Rehm and Leonard, P.C., 1629 K Street NW., Suite 1100, Washington, D.C.

B. Automobile Importers of America, Inc., 1735 Jefferson Davis Highway, Arlington, Va. 22202.

D. (6) \$2,100. E. (9) \$50.

A. Bushnell, Gage, Reizen & Byington, P.C., 1111 19th Street NW., Washington, D.C. 20036.

B. Consumer Solar Electric Power Corp.

A. Bushnell, Gage, Reizen & Byington, P.C., 1111 19th Street NW., Washington, D.C. 20036.

B. Cellulose Manufacturers Association.

A. Butler, Binion, Rice, Cook & Knapp, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Dorchester Sea-3 Products, Inc., 1300 Main Street, Houston, Tex. 77002.

Butler, Binion, Rice, Cook & Knapp, 1747 Pennsylvania Avenue NW., Suite 900, Washington, D.C. 20006.

B. Seatrain Lines, Inc., One Chase Manhattan Plaza, New York, N.Y. 10005.

D. (6) \$2,785. E. (9) \$110.72.

A. Morrison Cain, 1625 I Street NW., Washington, D.C. 20006.

B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.

D. (6) \$6.250.

A. California Synfuels Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 275, Washington, D.C. 20037.

B. Pennzoil Co., Suite 602, 1155 15th Street NW., Washington, D.C. 20005.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.

B. Aetna Life & Casualty, 151 Farmington

Avenue, Hartford, Conn. 06115. E. (9) \$56.59.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.

B. American Family Life Assurance Co. of Georgia, P.O. Box 1459, Columbus, Ga. 31902.

D. (6) \$522.

A. David Carley, National Association of Public Television Stations, 955 L'Enfant Plaza SW., Suite 7200, Washington, D.C.

B. National Association of Public Television Stations, 955 L'Enfant Plaza SW, Suite 7200, Washington, D.C. 20024.

D. (6) \$500. E. (9) \$200.

A. Peter Carlson, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003

D. (6) \$2,750.01.

A. Jack M. Carpenter, American Mining Congress, 1920 N Street NW., Washington,

B. American Mining Congress, Street NW., Washington, D.C. 20036. D. (6) \$52.74. E. (9) \$47.80.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) \$1,884.80. E. (9) \$114.25.

A. Cayman Turtle Farm Ltd., P.O. Box 645, Grand Cayman Islands, Cayman Islands, British West Indies.

A. Henry Chajet, American Mining Congress, 1920 N Street NW., Washington, D.C.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$27.47.

A. Henry Chamberlain, Priest & Fine, Inc., 1725 K Street NW., Washington, D.C. 20006

B. National Technical Schools of Los An-

D. (6) \$84. E. (9) \$471.52.

A. John A. Chambers, Satra Corp., 1050 17th Street NW., Suite 680, Washington, D.C. 20036.

B. Satra Corp., 21 East 63d Street, New York, N.Y. 10021.

D. (6) \$3,200. E. (9) \$300.

A. William U. Chandler, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, Pennsylvania Avenue SE., Washington, D.C. 20003

D. (6) \$2,499.99.

A. Chappell Communications Management, 245 West Elmwood Drive, P.O. Box 431, Dayton, Ohio 45459.

B. The National Management Association, 2210 Arbor Boulevard, Dayton, Ohio 45439. D. (6) \$3,000, E. (9) \$500.83.

A. Donald D. Clancy, 7403 Greenfarms Drive, Cincinnati, Ohio 45224.

B. Tele-Press Associates, Inc., 341 East 79th Street, New York, N.Y., 10001.

D. (6) \$7,000. E. (9) \$2,249.19.

A. Anne Harrison Clark, Population Resource Center, 110 Maryland Avenue NE., Washington, D.C. 20002.

B. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017.

D. (6) \$6,369.

A. Jean Marshall Clarke, National Organization for Women, Inc., 425 13th Street NW., Suite 1048, Washington, D.C. 20004.

B. National Organization for Women, Inc., 425 13th Street NW., Suite 1048, Washington, D.C. 20004.

A. Clean Water Action Project, 1341 G Street NW., No. 200, Washington, D.C. 20005.

D. (6) \$101,744. E. (9) \$4,068.

A. Coalition for Full Nuclear Accountability, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$8,370. E. (9) \$8,370.

A. Cohen & Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.

B. Contract Staffing of America, Inc., 17601 East 17th Street, Tustin, Calif. 92680.

A. Timothy A. Colcord, Visa, U.S.A. Inc., 1620 Eye Street NW., Washington, D.C. 20006.

B. Visa, U.S.A., Inc., 300 Clearway View, San Mateo, Calif. 94403.

D. (6) \$6,875. E. (9) \$236.92.

A. Robert E. Cole, General Motors Corp., 1660 L Street, NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) \$3,000. E. (9) \$786.86.

A. Stephen J. Collins, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) \$100. E. (9) \$4.

- Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202. D. (6) \$1,418.58. E. (9) \$2,513.16.
- A. Committee for Do-It-Yourself Household Moving, 1100 17th Street, NW., No. 1000, Washington, D.C. 20036.
- A. Committee for Limit of Oil Import, 400 Newport Center Drive, Suite 508, Newport Beach, Calif. 92660.
- A. Community Nutrition Institute, 1146 19th Street, NW., Washington, D.C. 20036. E. (9) \$374.
- A. Community Service Society, 105 East 22d Street, New York, N.Y. 10010. E. (9) \$4,558.95.

A. Stephen N. Conner, Route 1, Box 165, Easton, Md. 21601.

B. Ministry of Foreign Affairs, Kingdom of Saudi Arabia, c/o Royal Embassy of Saudi Arabia, 1520 18th Street NW., Washington, D.C.

D. (6) \$10,000. E. (9) \$1,357.89.

- A. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003. E. (9) \$512.50.
- A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024

E. (9) \$12,050.

- A. Charles F. Cook, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036
- B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

D. (6) \$1,103.03. E. (9) \$15.

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. Aleutian/Pribilof Islands Association, 1689 C Street, Anchorage, Alaska 99501.
- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

D. (6) \$2,000.

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. Bank of Louisville, 500 West Broadway, Louisville, Kv. 40202.
- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. Bulova Systems & Instruments Corp., Green Acres Road West, P.O. Box 189, Valley Stream, N.Y. 11582.

D. (6) \$750.

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. Citizens Deposit Bank, Post Office Box 8, Vanceburg, Ky. 41179.

D. (6) \$500.

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. Consolidated Natural Gas Co., Four Gateway Center, Pittsburgh, Pa. 15222.

D (6) \$2 500

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. First Bank and Trust Co., 1544 Winchester Avenue, Ashland, Ky. 41101.

D. (6) \$1.075.

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washing-ton, D.C. 20036.
- B. Hamilton Technology, Inc., P.O. Box 1609, Columbia Avenue, Lancaster, Pa. 17604.

D. (6) \$750.

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. N. C. Machinery, Box 3562, Seattle, Wash. 98124.

D. (6) \$500.

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washing-ton, D.C. 20036.
- B. Ohio Valley Improvement Assoc., Inc., 401 Carew Tower, Cincinnati, Ohio 45202. D. (6) \$1,000.
- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. Roadway Express, Inc., P.O. Box 471, 1077 Gorge Boulevard, Akron, Ohio 44309. D. (6) \$2,500.
- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washing-
- ton, D.C. 20036.

 B. St. George Tanaq Corp.; Alaska Native Village Corp.
- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington. D.C. 20036.
- B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

D. (6) \$500.

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301. D. (6) \$2,000. E. (9) \$95.56.

- A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
- B. The Tobacco Institute, 1875 I Street NW., 8th floor, Washington, D.C. 20006. D. (6) \$4,500. E. (9) \$53.06.

- A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
- B. The Western Union Telegraph Co., 1828 L Street NW., Suite 1001, Washington, D.C. 20036.

D. (6) \$1,237.50.

- A. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
 - D. (6) \$5.766. E. (9) \$23.365.99.
- A. Patrick H. Corcoran, Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006

- B. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006
- Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036. D. (6) \$8,450.
- A. Council of Industrial Boiler Owners. 11222 Silverleaf Drive, Fairfax Station, Va. 22039.

E. (9) \$1,061.80.

- A. Roger C. Courtney, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
- B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009. D. (6) \$1,948.85. E. (9) \$637.65.
- A. Eric Cox, 1011 Arlington Boulevard, Arlington, Va. 22209.
- B. World Federalists Political Education Committee, 600 Valley Road, Wayne, N.J. D. (6) \$782.98
- A. Cramer & Cramer, 1320 19th Street NW., Suite 200, Washington, D.C. 20036.
- B. Norman, Lawrence, Patterson & Far-
- A. Credit Union National Association, Inc., 1730 Rhode Island Avenue NW., Suite 810, Washington, D.C. 20036. D. (6) \$300. E. (9) \$871.31.

- A. P. H. Croft, American Short Line Rail-Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
- B. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$1,625.

- A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. The Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201. D. (6) \$102. E. (9) \$10.
- A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Helicopter Association International, 1110 Vermont Avenue NW., Suite 430, Washington, D.C. 20005.

D. (6) \$204. E. (9) \$10.

- A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
- B. Pacor Corp., 1900 North Street, Philadelphia, Pa. 19122.

E. (9) \$10.

- A. Charles H. Crutchfield, 1409 East Boulevard, Charlotte, N.C. 28203.
- B. General Tire & Rubber Co., One General Street, Akron, Ohio 44329.
- A. Gerard L. Cullen, 7900 Callaghan Road, San Antonio, Tex. 78229. B. Datapoint Corp., 9725 Datapoint Drive,
- San Antonio, Tex. 78284.
- A. Cummins Engine Co., Inc., 1000 Fifth Street, Columbus, Ind. 47201.
- A. Gary L. Curran, 328 F Street NW., Washington, D.C. 20002.
- B. Conservative Caucus, 422 Maple Street. Vienna, Va. 22180.

D. (6) \$1,500.

- A. Current, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
- A. Curtis, Mallet-Prevost, Colt & Mosle, 100 Wall Street, New York, N.Y. 10005.

B. United States Trust Co. of New York, 45 Wall Street, New York, N.Y. 10005.

A. Jay B. Cutler, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009. D. (6) \$4,703.50. E. (9) \$689.94.

A. Tracy Danese, P.O. Box 529100, Miami, Fla. 33152.

B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152. E. (9) \$2,232.50.

- Daniels, Houlihan & Palmeter, P.C., 1810 H Street NW., Washington, D.C. 20006. B. Japan Lumber Importer's Association, Tokyo, Japan.
- A. Richard C. Darling, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
- B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

D. (6) \$1,500.

- A. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.
- A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$4.688.

A. John L. Davidson, Jr., The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.

B. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.

- A. Edwin I. Davis, 1510 First City East Building, Houston, Tex. 77002.
- B. Coastal Corp., Coastal Tower, Houston,

D. (6) \$200 E. (9) \$630.30.

A. Dawson, Riddell, Fox, Holroyd & Wilson, P.C., 723 Washington Building, Washington, D.C. 20005.

B. Agrico Chemical Co., P.O. Box 3166, Tulsa, Okla. 74101.

A. Dawson, Riddell, Fox, Holroyd & Wilson, P.C., 723 Washington Building, Washington, D.C. 20005.
B. Anheuser-Busch, Inc., 721 Pestalozzi Street, St. Louis, Mo. 63118.

Dawson, Riddell, Fox, Holroyd & on, P.C., 723 Washington Building, Wilson, P.C., Washington, D.C. 20005.

B. Beneficial Corp., Wilmington, Del. D. (6) \$5,000.

A. Dawson, Riddell, Fox, Holroyd & Wilson, P.C., 723 Washington Building, Washington, D.C. 20005.

B. C.I.T. Financial Corp., 620 Madison Avenue, New York, N.Y. 10022.

A. Dawson, Riddell, Fox, Holroyd & Wilson, P.C., 723 Washington Building, Washington, D.C. 20005.

B. Dial Finance Corp., 207 Ninth Street, Des Moines, Iowa 50307.

A. Dawson, Riddell, Fox, Holroyd & Wilson, P.C., 723 Washington Building, Washington, D.C. 20005.
B. International Paper Co., 220 East 42d Street, New York, N.Y. 10017.

A. Dawson, Riddell, Fox, Holroyd & Wilson, P.C., 723 Washington Building, Washington, D.C. 20005.

B. Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016. D. (6) \$5,000 E. (9) \$212.50.

Dawson, Riddell, Fox, Holroyd & on, P.C., 723 Washington Building, Wilson, P.C., 723 Wa Washington, D.C. 20005.

B. W. K. Kellogg Foundation, 400 North Avenue, Battle Creek, Mich. 49016.

A. Dawson, Riddell, Fox, Holroyd & Wilson, P.C., 723 Washington Building, Washington, D.C. 20005.

B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.

D. (6) \$1,765. E. (9) \$138.01.

A. Dawson, Riddell, Fox, Holroyd & Wilson, P.C., 723 Washington Building, Washington, D.C. 20005.

B. U.S. Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20006. D. (6) \$10,000.

A. Dawson, Riddell, Fox, Holroyd & Wilson, P.C., 723 Washington Building, Washington, D.C. 20005.

B. The Williams Companies, One Williams Center, Tulsa, Okla. 74101.

D. (6) \$2,700.

- A. John Russell Deane III, 1607 New Hampshire Avenue NW., Washington, D.C. 20009
 - B. Coalition of Automotive Associations.
- A. John Russell Deane III, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.
- B. Specialty Equipment Market Associ-
- A. Robert B. Delano, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$2,500.

A. Dennis C. Dix, Outdoor Power Equipment Institute, 1901 L Street NW., Washington, D.C. 20036.

B. Outdoor Power Equipment Institute, 1901 L Street NW., Washington, D.C. 20036.

A. H. A. Doersam, 517 Powell Drive, Annapolis, Md. 21401.

B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.

D. (6) \$2,250. E. (9) \$1,459.20.

A. James F. Dohery, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Groups Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) \$1,765. E. (9) \$1,765.

A. Julie Domenick, Municipal Labor Committee, 1346 Connecticut Avenue, Suite 330, Washington, D.C. 20006.

B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.

D. (6) \$11,738.58. E. (9) \$1,373.14.

- A. Domestic Petroleum Council, 1101 Connecticut Avenue NW., No. 500, Washington,
- A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.

D. (6) \$102,000. E. (9) \$45,496.06.

A. Leo J. Donahue, 230 Southern Building, Washington, D.C. 20005.

- B. American Association of Nurserymen, 230 Southern Building, Washington, D.C.
- Thomas J. Donohue, 1615 H Street NW., Washington, D.C. 20062.
- B. Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.

D. (6) \$5,000.10.

A. Joseph W. Dorn, Kilpatrick & Cody, 2501 M Street NW., Washington, D.C. 20037. B. Kilpatrick & Cody, 2501 M Street NW., Washington, D.C. 20037.

D. (6) \$980. E. (9) \$66.50.

A. Theodore Douglas, 2501 59th Street, St. Louis, Mo. 63130.

B. Missouri State Conferences of Painters and Allied Trades, 2501 59th Street, St. Louis, Mo. 63130.

A. John C. Doyle, Jr., 317 Pennsylvania Avenue SE., Washington, D.C. 20003. B. Environmental Policy Center, 317

Pennsylvania Avenue SE., Washington, D.C.

D. (6) \$2,499,99.

A. Jerome L. Dreyer, 1300 North 17th Street, Suite 300, Arlington, Va. 22209.

B. Association of Data Processing Services Organizations, Inc., 1300 North 17th Street, Suite 300, Arlington, Va. 22209.

A. Lawrence M. Dubin, One First National Plaza, No. 5200, Chicago, Ill. 60603. B. Peoples Energy Corp., 122 South Michi-

gan Avenue, Chicago, Ill. 60603.

D. (6) \$2,193.

A. Douglas Duerr, Credit Union National Association, 1730 Rhode Island Avenue NW., Suite 810, Washington, D.C. 20036.

B. Credit Union National Association, 1730 Rhode Island Avenue NW., Suite 810, Washington, D.C. 20036.

D. (6) \$300. E. (9) \$157.75.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Enrivonmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003

D. (6) \$1.250.

A. Michael V. Durando, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$3,750. E. (9) \$130.

A. Raymond Durazo Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

B. Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) \$2,000. E. (9) \$800.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.

B. American Inland Waterways Commit-7733 Forsyth Boulevard, No. 2201, St. Louis, Mo. 63105.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.

B. Doss Aviation, Inc., P.O. Box 725, Fort Rucker, Ala. 36360.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401

B. Cherokee Nation, P.O. Box 119, Tahlequah, Okla. 74464.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.

B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.

B. Oklahoma Association of Electric Coops, P.O. Box 11047, Oklahoma City, Okla. 73111.

A. Ed Edmondson, P.O. Box 11, Muskogee,

B. U.S. Maritime Committee, 600 New Hampshire Avenue NW, No. 420, Washing-ton, D.C. 20037.

A. Charles E. Ehrhart, 2000 L Street NW.,

No. 801, Washington, D.C. 20036. B. Ralston Purina Government Affairs, Inc., 2000 L Street NW., Suite 801, Washington, D.C. 20036.

D. (6) \$500. E. (9) \$165.

A. Phyllis Eisen, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$800. E. (9) \$15.

A. Jonathan P. Ela, Sierra Club, 142 West

Gorham Street, Madison, Wis. 53703. B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) \$552.15. E. (9) \$1,196.62.

A. Jane E. Elder, Sierra Club, 142 West Gorham Street, Madison, Wis. 53703. B. Sierra Club, 530 Bush Street, San Fran-cisco, Calif. 94108.

D. (6) \$1,166.25.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists

and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036. D. (6) \$5,438.51. E. (9) \$179.60.

A. Enterprise Consultants, Inc., Suite 100, 499 South Capitol Street SW., Washington, D.C. 20003.

B. Christian Voice, 418 C Street NE., Washington, D.C. 20002; Sclavo, Inc., 5 Man-sard Court, Wayne, N.J. 07470; Dravo Utility Constructors, Inc., Two Pennsylvania Plaza, New York, N.Y. 10121.

D. (6) \$4,700. E. (9) \$173.32.

A. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$24,550.89. E. (9) \$24,550.89.

Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C.

D. (6) \$53,490.35. E. (9) \$64,828.25.

A. Epstein Becker Borsody & Green, P.C., 1140 19th Street NW., No. 900, Washington,

American Association of Professional Standards Review Organizations, No. 214, Cabin John Mall, 11325 Seven Locks Road, Potomac, Md. 20854.

D. (6) \$340

A. Epstein Becker Borsody & Green, P.C., 1140 19th Street NW., No. 900, Washington, D.C. 20036.

B. American Association of Foundations for Medical Care, No. 214, Cabin John Mall, 11325 Seven Locks Road, Potomac, Md. 20854.

D. (6) \$340

A. William J. Evans, Suite 901, 1660 L Street NW., Washington, D.C. 20036. B. Pan American World Airways, Inc., Suite 901, 1660 L Street NW., Washington, D.C. 20036.

D. (6) \$284. E. (9) \$356.26.

Fallbrook Public Utility District, 888 17th Street NW., Washington, D.C. 20006.

A. John W. Farquhar, 1750 K Street NW.,

Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K
Street NW., Washington, D.C. 20006.
D. (6) \$300.

A. Kevin J. Fay, Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

B. Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) \$1,500. E. (9) \$600.

A. Federation for American Immigration Reform, 2028 P Street NW., Washington, D.C. 20036.

E. (9) \$2,596.36.

A. Bradford L. Ferguson, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Chicago Board of Trade Clearing Corp 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. C. H. Fields, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

American Farm Bureau Federation, 2225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$5,153. E. (9) \$6.

A. 5th Pro-Life Congressional District Action Committee, 1120 Michigan Boulevard, Dunedin, Fla. 33528.

E. (9) \$7.52.

A. Samuel Fine, Priest & Fine, Inc., 1725 K Street NW., Washington, D.C. 20006. B. National Technical Schools of Los An-

D. (6) \$90. E. (9) \$7.50.

A. Theodora Fine, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009. D. (6) \$2,035.25. E. (9) \$699.87.

A. Sheldon I. Fink, Sonnenschein Carlin Nath & Rosenthal, 8000 Sears Tower, Chicago, Ill. 60606.

B. First Wisconsin Mortgage Trust, 233 South Wacker Drive, Chicago, Ill. 60606.

D. (6) \$6,910. E. (9) \$917.57.

A. First Congressional District Action Committee, 6 Maxfield Court, Barrington, R.I. 02806.

D. (6) \$6.228. E. (9) \$2.250.84.

A. First Pro-Life Congressional District Action Committee, 10 North 77th Avenue,

A. Mary Clare Fitzgerald, Chase Manhattan Bank, 900 17th Street NW, Washington, D.C. 20006.

The Chase Manhattan Bank, One B. Chase Manhattan Plaza, New York, N.Y. 10081

D. (6) \$225. E. (9) \$225.

A. James H. Fitzpatrick, Hospital Association of New York State, 15 Computer Drive

West, Albany, N.Y. 12205.

B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.

D. (6) \$313. E. (9) \$416.

Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) \$2,000. E. (9) \$15,090.37.

A. Albert A. Fox, Allied Chemical Corp., 1150 Connecticut Avenue NW., Washington, D.C. 20036

B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.

D. (6) \$125. E. (9) \$45.

A. Donald Fraher, 810 18th Street NW., Washington, D.C. 20006.

B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) \$4,629.12. E. (9) \$40.50.

A. George Franklin, Kellogg Co., Porter Street, Battle Creek, Mich. 49016.

B. Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.

D. (6) \$3,000. E. (9) \$75.

A. Leslie E. Freed, 1660 L Street NW., Suite 201, Washington, D.C. 20036.

B. American Can Co., American Lane, Greenwich, Conn. 06830.

A. David W. Freer, 2101 L Street NW., Washington, D.C. 20037.

B. Western Oil & Gas Association, 727 West Seventh Street, Suite 850, Los Angeles, Calif. 90017.

D. (6) \$825.

A. Gay H. Friedmann, 1150 Connecticut Avenue NW., Suite 717, Washington, D.C. 20036.

B. Southern California Gas Co., 720 West Eighth Street—M.L. 1208, Los Angeles, Calif. 90017.

D. (6) \$5,310.

A. Owen V. Frisby, Chase Manhattan Bank, N.A., 900 17th Street NW., Washington, D.C. 20006.

B. The Chase Manhattan Bank, N.A. Chase Manhatten Plaza, New York, N.Y. 10081.

D. (6) \$900. E. (9) \$136.50.

A. David C. Fullarton, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037. B. National Telephone Cooperative Asso-ciation, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

E. (9) \$2,250.

A. Fulton Energy Corp., 2727 East 21st Street, Suite 301, Tulsa, Okla. 74114. E. (9) \$24.75.

A. G-4 Children's Coalition, 9309 Delfield Street, Chevy Chase, Md. 20015. D. (6) \$8. E. (9) \$230.87.

A. Garvey, Schubert, Adams & Barer, 1000 Potomac Street NW., Fifth Floor, Washington, D.C. 20007.

B. Delaware & Hudson Railway Co., The Delaware & Hudson Building, Albany, N.Y. 12207

D. (6) \$1,050.

Garvey, Schubert, Adams & Barer, 1000 Potomac Street NW., Fifth Floor, Washington, D.C. 20007.

B. Noranda Mining, Inc., 986 Atherton Drive, Suite 220, Salt Lake City, Utah 84107. D. (6) \$3,228. E. (9) \$269.70.

A. Garvey, Schubert, Adams & Barer, 1000 Potomac Street NW., Fifth Floor, Washington, D.C. 20007.

B. Northwest Food Producers Association, P.O. Box 1976, Woodinville, Wash. 98072.

A. Garvey, Schubert, Adams & Barer, 1000 Potomac Street NW., Fifth Floor, Washington, D.C. 20007.

B. Totem Ocean Trailer Express, Inc., 1000 Olive Way, Seattle, Wash. 98101. D. (6) \$3,960. E. (9) \$307.30.

A. Garvey, Schubert, Adams & Barer, 1000 Potomac Street NW., Fifth Floor, Washington, D.C. 20007.

B. Washington Citizens For World Trade, Fourth & Battery Building, Suite 925, Seattle, Wash. 98121.

D. (6) \$750.65. E. (9) \$282.45.

A. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

E. (9) \$91.20.

A. Generic Pharmaceutical Industry Association, 600 Third Avenue, 18th Floor, New York, N.Y. 10016.

D. (6) \$2,691. E. (9) \$2,691.

Thomas W. George, 315 Westgate Building, Austin, Tex. 78701.

B. Texas Water Conditioning Association, 8517 Appalachian Drive, Austin, Tex.

D. (6) \$600. E. (9) \$118.03.

A. Gerard, Byler & Associates, Inc., Suite 1100, 1100 17th Street NW., Washington, D.C. 20036.

B. Ak-Chin Indian Community Council, Route 2 Box No. 27, Maricopa, Ariz. 85239. D. (6) \$300.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Colville Business Council, Box 150, Nespelem, Wash. 99155.

E. (9) \$1,300.10.

A. Gerard, Byler & Associates, 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Commissioned Officers Association, U.S. Public Health Service, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.

. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Inter-Tribal Council of Arizona, 124 W. Thomas Road, Phoenix, Ariz,

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. The Minnesota Chippewa Tribe, P.O. Box 217, Cass Lake, Minn. 55633.

D. (6) \$300.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington,

Papago Tribe of Arizona, Box 837, Sells, Ariz. 85634.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. The Tulalip Tribes, 6700 Totem Beach Road, Marysville, Wash. 89270.

D. (6) \$300.

Vernie Glasson, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill, 60068.

D. (6) \$6,000. E. (9) \$6.

. The Glenmede Trust Co., 229 South 18th Street, Philadelphia, Pa. 19103.

Godfrey Associates, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.

A. Horace D. Godfrey, 918 16th Street NW., S-501, Washington, D.C. 20006.

B. Godfrey Association, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.

A. Neil B. Goldstein, Sierra Club, 800 Second Avenue, New York, N.Y. 10017. B. Sierra Club, 530 Bush Street, San Fran-

cisco, Calif. 94108.

D. (6) \$1,065.48. E. (9) \$2,406.10.

A. Jack Golodner, 1140 Connecticut Avenue NW., Washington, D.C. 20036. B. Actors Equity Association, 165 W. 46th Street, New York, N.Y. 10036.

D. (6) \$2,500. E. (9) \$463.47.

A. Jack Golodner, 815 16th Street NW., Washington, D.C.

B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) \$3,160.

A. Alfonso J. Gonzalez, National Association of Social Workers, Inc., 1425 H Street NW., Suite 600, Washington, D.C. 20005.

B. National Association of Social Workers, Inc., 1425 H Street NW., Suite 600, Washington, D.C.

D. (6) \$9,000. E. (9) \$720.

A. Brenda J. Gore, 2030 M Street NW., No. 800, Washington, D.C. 20036.

B. TRW, Inc., 2030 M Street NW., No. 800, Washington, D.C. 20036.

D. (6) \$1,000.

A. Ann M. Gosier, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$13.19. E. (9) \$3.60.

A. George B. Gould III, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) \$10,197.31. E. (9) \$4,496.84.

A. John K. Gram, Public Timber Purchasers Group, 714 Oregon Bank Building, Port-

land, Oreg. 97204.

B. Public Timber Purchasers Group, 714 Oregon Bank Building, Portland, Oreg.

97204.

D. (6) \$1,781.25. E. (9) \$207.75.

A. Edward Shawn Grandis, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317

Pennsylvania Avenue SE., Washington, D.C.

D. (6) \$2,499.99.

A. Ruth P. Graves, Reading Is Fundamen-Inc., 475 L'Enfant Plaza, Suite 4800, Washington, D.C. 20560.

Reading Is Fundamental, Inc., L'Enfant Plaza, Suite 4800, Washington, D.C. 20560.

D. (6) \$120. E. (9) \$25.80.

A. Robert K. Gray, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Incorporated, 633 Third Avenue, New York, N.Y., 10017 (for: David A. Witts).

A. Robert K. Gray, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Incorporated, 633 Third Avenue, New York, N.Y. 10017 (for: Distilled Spirits Council of the U.S.).

A. Robert K. Gray, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Incorporated, 633 Third Avenue, New York, N.Y., 10017 (for: Health Insurance Association of America).

A. Robert K. Gray, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Incorporated, 633 Third Avenue, New York, N.Y., 10017.

A. Robert K. Gray, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005

B. Hill and Knowlton, Incorporated, 633 Third Avenue New York, N.Y., 10017 (for: Motorola Communications, Incorporated).

A. Margit S. Greenspon, 2626 Pennsylva-nia Avenue NW., Washington, D.C. 20037. B. National Telephone Cooperative Asso-ciation, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

E. (9) \$600.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C.

B. Connecticut General Insurance Co., Hartford, Conn. 06115.

A. Richard J. Gruenwald, 2033 K Street NW., No. 200, Washington, D.C. 20006.

B. National Construction Employees Council, 2033 K Street NW., No. 200, Washington, D.C. 20006.

A. Kenneth A. Guenther, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 202, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 202, Washington, D.C. 20036.

D. (6) \$15,000. E. (9) \$126.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill. 60602.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Beneficial Foundation, 1300 Market Street, Washington, D.C.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006. B. Pepsico, Inc.

A. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) \$513,081.16. E. (9) \$32,234.49.

A. Erling Hansen, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) \$115.53. E. (9) \$115.53.

A. Rayburn Hanzlik, Suite 400, 1333 New Hampshire Avenue NW., Washington, D.C. 20036

B. The Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.

D. (6) \$1,641.35. E. (9) \$560.18.

A. Ralph R. Harding, 305 Hearthstone Drive, Boise, Idaho 83702.

B. AMPCO Foods, Inc., Box 592, Blackfoot, Idaho 83221.

D. (6) \$36,000. E. (9) \$3,906.42.

Harris, Beach, Wilcox, Rubin and Levey, Two State Street, Rochester, N.Y. 14614; 1730 M Street NW., Washington, D.C. 20036.

B. United Societies of Physiotherapists, Inc., 163 Cold Spring Road, Syosset, N.Y. 11791.

D. (6) \$660.

A. Bruce Hawley, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$4,937. E. (9) \$28.

A. John D. Heffner, Smith & Pepper, 1776 K Street NW., Suite 700, Washington, D.C. 20006.

B. American Association of Private Railroad Car Owners, Inc., 969 Santa Ysabel Avenue, Baywood Park, Calif. 93402.

D. (6) \$716.49. E. (9) \$49.84

A. Henkel & Lamon, P.C., 229 Peachtree Street NE., 2500 Peachtree Center-Cain Tower, Atlanta, Ga. 30303

B. Colonial Life & Accident Insurance

Company, P.O. Box 1365, Columbia, S.C.

A. Henkel & Lamon, P.C., 229 Peachtree Street NE., 2500 Peachtree Center-Cain

Tower, Atlanta, Ga. 30043.

B. National Association of Pension Consultants and Administrators, Inc., No. 300, Three Piedmont Center, Atlanta, Ga.

A. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

E. (9) \$10.830.

A. Esther Herst, National Committee Against Repressive Legislation, 1343 F Street NE., Washington, D.C. 20002.

B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017. D. (6) \$3,055.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Chicago Board of Trade Clearing Corp. 141 West Jackson Boulevard, Chicago, Ill.

A. Frederic W. Hickman, One First Na-tional Plaza, No. 5200, Chicago, Ill. 60603. B. Commonwealth Edison Co., One First

National Plaza, Chicago, Ill. 60603.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603. B. First Chicago Corp., One First National

Plaza, Chicago, Ill. 60603.

A. Frederic W. Hickman, One First Na-

tional Plaza, No. 5200, Chicago, Ill. 60603. B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018

D. (6) \$840.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

D. (6) \$60.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

D. (6) \$210. E. (9) \$195.87.

A. E. Joseph Hillings, P.O. Box 44, Winter Park, Fla. 32790.

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790. D. (6) \$2,500. E. (9) \$596.15.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va. 22204.

B. Vought Corp., Dallas, Tex. D. (6) \$4,000. E. (9) \$482.02.

A. Sheila K. Hixson, 1101 17th Street, NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036. D. (6) \$1,000.

A. Michele O'Donnell Holbrook, National Fuel Gas Distribution Co., Room 900, 10 Lafayette Square, Buffalo, N.Y. 14203.

B. National Fuel Gas Distribution Corp., National Fuel Gas Supply Corp., National Fuel Gas Co., Penn-York Energy Co., Seneca Resources Co.

D. (6) \$467.20. E. (9) \$1,298.25.

A. James L. Holt, Kennecott Corp., 1111 19th Street NW., Suite 310, Washington, D.C. 20036.

B. Kennecott Corp., Ten Stamford Forum, Stamford, Conn. 06904.

D. (6) \$500. E. (9) \$1,529.98.

A. Harriet Holtzman, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$1,500.

A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Chicago Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill.,

A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Commonwealth Edison Co., One First National Plaza, Chicago, Ill. 60603.

A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603. B. First Chicago Corp., One First National Plaza, Chicago, Ill. 60603.

A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603. B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.

A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60618

D. (6) \$840.

A. Hopkins & Sutter, Room 5200, One First National Plaza, Chicago, Ill. 60603.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

D. (6) \$60.

A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Peoples Energy Corp., 122 South Michigan Avenue, Chicago, Ill. 60603.

D. (6) \$2.193.

A. Hopkins & Sutter, Room 5200, One First National Plaza, Chicago, Ill. 60603.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

A. Hopkins & Sutter, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

D. (6) \$210. E. (9) \$195.87.

A. John F. Horty, 1735 I Street NW., Suite 710, Washington, D.C. 20006 B. National Council of Community Hospi-

tals, 1735 I Street NW., Suite 710, Washington, D.C. 20006

E. (9) \$1,292.05.

A. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.

D. (6) \$3,924. E. (9) \$3,924.

A. Howell Corp., 1010 Lamar, Suite 1800, Houston, Tex. 77002.

A. Karl T. Hoyle, Credit Union National Association, 1730 Rhode Island Avenue NW., Suite 810, Washington, D.C. 20036.

B. Credit Union National Association, 1730 Rhode Island Avenue NW., Suite 810, Washington, D.C. 20036.

D. (6) \$300. E. (9) \$147.19.

A. Tony R. Huerta, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001

D. (6) \$4,928.26.

A. Cordell W. Hull, 497 Stockbridge Avenue, Atherton, Calif. 94025.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Hunton & Williams, P.O. Box 1535, Richmond, Va. 23212.

B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036. D. (6) \$6,395.

A. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 202, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 South Main Street, Sauk D. (6) \$108,288. E. (9) \$74,238.82.

A. Institute of Foreign Bankers, 200 Park Avenue, Suite 303 East—Room 23, New York, N.Y.

A. International Association of Bridge, Structural and Ornamental Iron Workers, 1750 New York Avenue NW., Washington, D.C. 20006.

E. (9) \$8,580.

A. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue, NW., Washington, D.C. 20036. E. (9) \$25,558.61.

A. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.

E. (9) \$8,520.

A. Mary Jo Jacobi, Minnesota Mining & Manufacturing Co., 1101 15th Street NW., Washington, D.C.

B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.

A. Walter K. Jaenicke, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$5,000.

A. E. A. Jaenke & Associates, Inc., 1575 I Street NW., Suite 230, Washington, D.C. 20005.

B. Farmland Industries, Kansas City, Mo. D. (6) \$500.

A. E. A. Jaenke & Associates, Inc., 1575 I Street NW., Suite 230, Washington, D.C.

B. University of Kansas, Lawrence, Kans.

D. (6) \$250.

A. Thomas Destry Jarvis, 529 Tennessee Avenue, Alexandria, Va. 22305. B. National Parks & Conservation Associ-

ation, 1701 18th Street NW., Washington, D.C. 20009.

D. (6) \$427.05. E. (9) \$84.52.

A. Joseph A. Jeffrey, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

D. (6) \$362.60. E. (9) \$237.12.

A. Philip K. Jehle, SmithKline Corp., 1150 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

B. SmithKline Corp., 1500 Spring Garden Street, Philadelphia, Pa. 19101.

D. (6) \$300. E. (9) \$160.

A. Walter W. John, Organization of Professional Employees of the U.S. Department of Agriculture, Room 1414, South Building, USDA, Washington, D.C. 20250.

B. Organization of Professional Employees of the U.S. Department of Agriculture (OPEDA), Room 1414, South Agriculture Building, Washington, D.C. 20250.

D. (6) \$703.37.

A. Stuart H. Johnson, Jr., 910 17th Street NW., Washington, D.C. 20006.

B. New York Dock Railway, 334 Furman Street, Brooklyn, N.Y.

D. (6) \$2,325. E. (9) \$11.75.

A. Jones, Day, Reavis & Pogue, 1735 I Street NW., Washington, D.C. 20006.

B. Food Policy Center, 538 Seventh Street SE., Washington, D.C. 20003.

E. (9) \$30.

A. Linda Wolf Jones, 105 East 22d Street, New York, N.Y. 10010.

B. Community Service Society, 105 East 22d Street, New York, N.Y. 10010.

D. (6) \$945. E. (9) \$698.

A. Keiki Kehoe, 317 Pennsylvania Avenue

SE., Washington, D.C. 20003. B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003

D. (6) \$4,500.

A. Paul J. Kelley, 2727 North Central Avenue, Phoenix, Ariz. 85004. B. U-Haul International, Inc., 2727 North

Central Avenue, Phoenix, Ariz. 85004.

. Robert F. Kelly, 1007 Market Street,

Wilmington, Del. 19898.

B. E. I. du Pont de Nemours & Co., 1007
Market Street, Wilmington, Del. 19898.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850. D. (6) \$7,000. E. (9) \$540.

A. Vytautas Kerbelis, 69 Cottage Street, Bar Harbor, Maine 04609.

B. Aras.

D. (6) \$600.

A. Kilpatrick & Cody, 2501 M Street NW., Suite 500, Washington, D.C. 20037. B. Furniture Rental Association of Amer-

ica, 50 West Broad Street, Suite 1331, Columbus, Ohio 43215.

E. (9) \$1,530.79.

A. Richard J. Kinane, Rm 731, 1346 Connecticut Avenue NW., Washington, D.C.

B. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$3777.75.

A. Janie A. Kinney, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, Inc., The Jour-nal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Donald A. Kirtley, Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

B. Hercules Inc. 910 Market Street, Wilmington, Del. 19899.

(D) (6) \$750. (E) (9) \$102.

A. Terrence H. Klasky, Independent Bankers Association of America, 1625 Mas-sachusetts Avenue NW., No. 202, Washington, D.C.

B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.

D. (6) \$12,000. E. (9) \$632.96.

A. Keith R. Knoblock, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$22.12. E. (9) \$2.75.

A. Thomas G. Kobus, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) \$10,348.56.

A. Kutak Rock & Huie, 1650 Farnam

Street, Omaha, Nebr. 68102.

B. E. F. Hutton & Company, Inc., One Battery Park Plaza, New York, N.Y. 10004.

Peter M. Lafen, 530 7th Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 530 7th Street SE., Washington, D.C. 20003.

D. (6) \$1,489.93.

A. Sandra L. LaFevre, Nationwide Insurance Co. & Affiliates, 1000 Connecticut Avenue NW., Suite 304, Washington, D.C.

B. Nationwide Insurance Co., & Affiliates, Nationwide Plaza, Columbia, Ohio 43216.

D. (6) \$500.

A. Lane & Edson, Suite 400 South, 1800 M

Street NW., Washington, D.C. 20036.
B. Council of State Housing Agencies, Suite 514, 1133 15th Street NW., Washington, D.C. 20005.

A. Glenn T. Lashley, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Wash-ington, D.C. 20036.

B. Commonwealth of Puerto Rico, 734 15th Street NW., Suite 600, Washington, D.C. 20005.

D. (6) \$2,735.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Engineering Supervision Co., 170 Newport Center Drive, No. 150 Newport Beach, Calif. 92660.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Washington, D.C.

B. Hampshire Energy, 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.

D. (6) \$190. E. (9) \$10.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Republic Geothermal, Inc., 11823 East Slauson Avenue, Santa Fe Springs, Calif. 90670.

D. (6) \$725.

A. Ivan L. Lawyer, GCC Beverages, Inc.,

7777 NW. 41st Street, Miami, Fla. 33166. B. GCC Beverages, Inc., 7777 NW. 41st Street, Miami, Fla. 33166.

A. League of California Milk Producers, 1225 Eighth Street, Suite 385, Sacramento, Calif. 95814. E. (9) \$5,395.22.

A. Robert F. Lederer, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Lee, Toomey & Kent, 1200 18th Street NW., Washington, D.C. 20036.

B. Towers, Perrin, Forster & Crosby, Inc., Center Square West, 1500 Market Street, Philadelphia, Pa. 19102.

D. (6) \$3,220. E. (9) \$150.

A. Mary Nell Lehnhard, Blue Cross & Blue Shield Associations, 1700 Pennsylvania Avenue NW, Washington, D.C. 20006.

B. Blue Cross & Blue Shield Associations, 1700 Pennsylvania Avenue NW, Washington, D.C. 20006.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. American Dental Assistants Associ-ation, 666 North Lake Shore Drive, Suite 1130, Chicago, Ill. 60611.

D. (6) \$1,780. E. (9) \$1,468.46.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. American Express Co., 1700 K Street NW., Washington, D.C. 20006.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Federation of Apparel Manufacturers, 450 Seventh Avenue, New York, N.Y. 10001. D. (6) \$2,440. E. (9) \$2,440.97.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Fireman's Fund American Life Insurance Co., 1600 Los Gamos Drive, San Rafael, Calif. 94911.

D. (6) \$2,035. E. (9) \$2,171.90.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. General Atomic Co., 2 NW., Washington, D.C. 20006. 2021 K Street

D. (6) \$3,555. E. (9) \$2,865.22.

A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

- B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006
 - D. (6) \$1.980. E. (9) \$1.627.
- A. Leighton, Conklin, Lemov, Jacobs & Buckley, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. Olin Corp., 120 Long Ridge Road, Stamford, Conn. 06904.

D. (6) \$1,565. E. (9) \$1,621.41.

A. Kaye C. Leonard, 1090 Vermont Avenue NW., Suite 510, Washington, D.C. 20005

B. Potlatch Corp., P.O. Box 3591, San Francisco, Calif. 94119. D. (6) \$936.50.

- A. Rodney E. Leonard, Community Nutrition Institute, 1146 19th Street NW., Wash-
- ington, D.C. 20036.

 B. Community Nutrition Institute, 1146
 19th Street NW., Washington, D.C. 20036.
- A. Joseph Letorney, National Education Association, 112 Union Street, South Weymouth, Mass. 02190.

B. National Education Association, 12 16th Street NW., Washington, D.C. 20036. D. (6) \$953. E. (9) \$344.60.

Caroline A. Lewis, Apartment and Office Building Association, 1511 K Street NW., Washington, D.C. 20005.

B. Apartment and Office Building Association, 1511 K Street NW., Washington, D.C. 20005.

A. Lewis, Rice, Tucker, Allen & Chubb, 611 Olive Street, St. Louis, Mo. 63101. B. The Saint Louis Mercantile Library As-

sociation, 510 Locust Street, St. Louis, Mo.

D. (6) \$658.12. E. (9) \$3.30.

A. Lewis, Rice, Tucker, Allen & Chubb, 611 Olive Street, St. Louis, Mo. 63101.

B. Spectrum Emergency Care, Inc., 970 Executive Parkway, St. Louis, Mo. 63141. D. (6) \$6,570.40. E. (9) \$1,010.89.

- A. Russell B. Light, Boeing Co., 1700 North Moore Street, 20th Floor, Rosslyn, Va. 22209.
- B. Boeing Co., P.O. Box 3707, Seattle, Wash, 98124.

D. (6) \$126. E. (9) \$113.40.

- A. Lillick, McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036
- B. Rotan Mosle, Inc., 1500 South Tower Pennzoil Place, Houston, Tex. 77002. D. (6) \$15,000. E. (9) \$88.19.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Council of Pollution Control Financing Agencies, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) \$3,000.

- A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
- B. National Association of Urban Flood Management Agencies, 1015 18th Street NW., Suite 200, Washington, D.C. 20036. D. (6) \$1,800.
- A. Theodore M. Littman, 260 Chinook Drive, Placentia, Calif. 92670.

 B. Rockwell International, 12214 Lake-
- wood Boulevard, Downey, Calif. 90241. D. (6) \$81.88. E. (9) \$67.16.
- A. David A. Litvin, Kennecott Corp., 1111 19th Street NW., Suite 310, Washington, D.C. 20036.

- B. Kennecott Corp., Ten Stamford Forum, Stamford, Conn. 06904.
- D. (6) \$500. E. (9) \$434.19.
- A. Nira Hardon Long, Smothers, Douple, Gayton & Long, 1800 M Street, Suite 880 South, Washington, D.C. 20036.

B. City of Los Angeles, Los Angeles, Calif. 90012

D (6) \$7 162 22

A. Robert C. Long, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036. D. (6) \$68.14. E. (9) \$2.40.

A. Robert S. Long, Clark Oil & Refining Corp., 1850 K Street NW., Suite 510, Washington, D.C.

B. Clark Oil & Refining Corp., 8530 West National Avenue, Milwaukee, Wis. 53227.

D. (6) \$2,000.

A. Suellen Lowry, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

B. National Abortion Rights League, 825 15th Street NW, Washington, D.C. 20005. D. (6) \$5,143.45.

A. Charles Emmet Lucey, McDermott, Will & Emery, 1850 K Street NW., Suite 500, Washington, D.C. 20006.

B. Catholic Press Association, 119 North Park Avenue, Rockville Centre, N.Y. 11570. D. (6) \$50. E. (9) \$6.

A. William F. Ludlam, Sr., P.O. Box 5282, Virginia Beach, Va. 23455.

B. American Revolution Bicentennial Administration Licensees Association, P.O. Box 10, Cocoa Beach, Fla. 32931.

E. (9) \$2,412.50.

A. Christian J. Lund, 1125 15th Street NW., Washington, D.C. 20005.

B. United Technologies Corp., United Technologies Building., Hartford, Conn. 06101; 1125 15th Street NW., Washington, D.C. 20005.

D. (6) \$13,975.

A. William T. Lyons, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006. B. CIBA-GEIGY Corp., Ardsley, N.Y.

10502.

D. (6) \$3,062. E. (9) \$1,781.90.

- A. Samuel A. Mabry, Hercules, Inc., 1800 K Street NW., Washington, D.C. 20006. B. Hercules, Inc., 910 Market Street, Wil-mington, Del. 19899.

D. (6) \$4,812. E. (9) \$549.

- A. Chalmers Marquis, NAPTS, 955 L'En-
- fant Plaza SW., Washington, D.C. 20024. B. National Association of Public Television Stations, 955 L'Enfant Plaza SW., Suite 7200, Washington, D.C. 20024. D. (6) \$500. E. (9) \$200.

- A. Reynaldo L. Martinez, National Education Association, 1330 Gaylord Street, Apt.
- 707, Denver, Colo. 80206.

 B. National Education Association, 1201
 16th Street NW., Washington, D.C. 20036.

 D. (6) \$953. E. (9) \$882.
- A. Jon G. Massey, P.O. Box 8293, Washington, D.C. 20024.
 B. Oil Investment Institute, P.O. Box 8293, Washington, D.C. 20024.
- A. Herbert S. Matthews, Box 72, Mechanicsville, Md. 20659.
- B. Jacksonville Transportation Authority P.O. Drawer O, Jacksonville, Fla. 32207.

- D. (6) \$3,999.99. E. (9) \$357.01.
- A. Herbert S. Matthews, Box 72, Mechan-
- icsville, Md. 20659.

 B. Martin-Meritta Aerospace, 6801 Rock-ledge Drive, Bethesda, Md. 20034.

 D. (6) \$2,650. E. (9) \$102.80.
- A. Douglas E. McAllister, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
- B. American Mining Congress, Street NW., Washington, D.C. 20036. D. (6) \$41.21.
- A. Robert C. McCandless, 1707 H Street
- NW., Washington, D.C. 20006. B. Transamerica Insurance Corp. of California, Occidental Life, Los Angeles, Calif. 90015
 - D. (6) \$22,151.50.
- A. Law Offices of Robert C. McCandless. 1707 H Street NW., Washington, D.C. 20006.
- B. Energy Consumers and Producers Association, Petroleum Plaza, Seminole, Okla. 74868

D. (6) \$3,600.

- A. McClure & Trotter, Suite 600, 1100 Connecticut Avenue NW., Washington, D.C.
- B. Cigar Association of America, 1120 19th Street NW., Washington, D.C. 20036.
- A. Joel C. McConnell, Jr., Independent Bankers Association of America, 1625 Mas-sachusetts Avenue NW., No. 202, Washington, D.C. 20036.
- B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.
- D. (6) \$8,000. E. (9) \$500.
- A. John L. McCormick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
- B. Environmental Policy Center, Pennsylvania Avenue SE., Washington, D.C. 20003
- D. (6) \$3,500.01.
- A. James W. McDade, McDade and Lee, 1130 17th Street NW., Washington, D.C.
- B. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.
- A. Francis O. McDermott, 1750 K Street NW., Washington, D.C. 20006. B. First Chicago Corp., One First National
- Plaza, Chicago, Ill. 60603.
- A. Francis O. McDermott, 1750 K Street
- NW., Washington, D.C. 20006.

 B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
 - D. (6) \$840.
- A. Francis O. McDermott, 1750 K Street NW., Washington, D.C. 20006. B. Peoples Energy Corp., 122 South Michi-
- gan Avenue, Chicago, Ill. 60603.
 - D. (6) \$2,193.
- A. Francis O. McDermott, 1750 K Street NW., Washington, D.C. 20006. B. Sears, Roebuck Co., Sears Tower, Chi-
- cago, Ill. 60684
- A. Francis O. McDermott, 1750 K Street
- NW., Washington, D.C. 20006.

 B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015. D. (6) \$210. E. (9) \$195.87.
- A. Darryl D. McEwen, Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314

- B. Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314
- A. John E. McGill, Telephone Utilities, Inc., 1221 SW. Yamhill, Suite 200, Portland, Oreg. 97205.
- B. Telephone Utilities, Inc., 1221 SW. Yamhill, Suite 200, Portland, Oreg. 97205.

D. (6) \$290.90. E. (9) \$953.98.

- A. Christopher C. McGrath, N.Y.S. Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10176.
- B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
- A. John McNally, Clean Water Action Project, 1341 G Street NW., Washington, D.C. 20005.
- B. Clean Water Action Project, 1341 G Street NW., Washington, D.C. 20005.
- A. Nanine Meiklejohn, 1625 L Street NW., Washington, D.C. 20036.
- B. American Federation of State, County and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) \$8,749.98. E. (9) \$155.05.

- A. Susan Meisinger, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
- B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

D. (6) \$2,500. E. (9) \$19.57.

- A. Sharon L. Messinger, Suite 2300, 1700 North Moore Street, Arlington, Va. 22209.
- B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.
- A. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C.
 - D. (6) \$27,721.01. E. (9) \$27,721.01.
- A. Miller & Chevalier, Chartered, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. California Savings and Loan, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.
- A. Miller & Chevalier, Chartered, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
- B. Estate of Edna Shelton, c/o American Security Bank, 15th and Pennsylvania Avenue NW., Washington, D.C. 20013.

D. (6) \$20,000.

- A. Miller & Chevalier, Chartered, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
 - B. Lockheed Corp., Burbank, Calif. 91520.
- A. C. John Miller, 1101 16th Street NW., Washington, D.C. 20036
- B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036

E. (9) \$24.25.

- . Clinton R. Miller, 212 West Foothill Boulevard, Monrovia, Calif. 91016.
- B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016. D. (6) \$37.86. E. (9) \$71.89.
- A. Joseph S. Miller, 19 Third Street NE., Washington, D.C.
- Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036. D. (6) \$4,500.
- A. Joseph S. Miller, 19 Third Street NE., Washington, D.C.

- B. O. & C. Counties Association, 1980 Haydon Road, Roseburg, Oreg. 97470.
- A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
- B. Port of Portland, Box 3529, Portland, Oreg. 97208.
- A. Joseph S. Miller, 19 Third Street NE., Washington, D.C.
- B. Western Forest Industries Association, 1500 Southwest Taylor, Portland, Oreg. 97208.
- D. (6) \$3,000. E. (9) \$145.
- A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C.
- B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.
- A. John J. Motley, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
- B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024. D. (6) \$2,250. E. (9) \$200.

- A. David H. Moulton, 1000 Potomac Street NW., Washington, D.C. 20007. B. Insulation Contractors Association of
- America, 905 16th Street NW., Washington,
- A. David H. Moulton, 1000 Potomac Street
- NW., Washington, D.C. 20007.

 B. Mineral Insulation Manufacturers Association, 382 Springfield Avenue, Summit, N.J. 07901.
- A. David H. Moulton, National Energy Efficiency Coalition, 1000 Potomac Street NW., Washington, D.C. 20007.
- B. National Energy Efficiency Coalition, 1000 Potomac Street NW., Washington, D.C. 20007
- A. Richard J. Muller, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C.
- B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.

D. (6) \$2,000. E. (9) \$105.

- A. George L. Murphy, Warner Communications, Inc., 1776 K Street NW., Suite 701, Washington, D.C. 20006.
- B. Warner Communications, Inc., Rockefeller Plaza, New York, N.Y. 10019.
- A. Rosemary Griffin Murray, 1660 L Street NW., Suite 901, Washington, D.C. 20036.
- B. Pan American World Airways, Inc., Suite 901, 1660 L Street NW., Washington, D.C. 20036.

D. (6) \$642. E. (9) \$651.12.

- A. Robert J. Muth, ASARCO, Inc., 120 Broadway, New York, N.Y. 10271 B. ASARCO, Inc., 120 Broadway, New
- York, N.Y. 10271

D. (6) \$300. E. (9) \$270.20.

- A. Law Offices of Timothy D. Naegele, Suite 1280, 1850 K Street NW., Washington, D.C. 20006.
- B. BayBanks, Inc., 175 Federal Street, Boston, Mass. 02110.
- A. Law Offices of Timothy D. Naegele, Suite 1280, 1850 K Street NW., Washington, D.C. 20006.
- B. Republic National Bank of New York, 5th Avenue at 40th Street, New York, N.Y. 10018.
- A. Bernard Nash, Blum & Nash, 1015 18th Street, No. 408, Washington, D.C. 20036.

- B. General Electric Co., 3125 Easton Turnpike, Fairfield, Conn. 06431.
- A. Bernard Nash, Blum & Nash, 1015 18th
- Street, No. 408, Washington, D.C. 20036.

 B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.
- A. NATA, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C.
- A. Frances E. Nathan, New York Public Library, 8 East 40th Street, New York, N.Y. 10016.
- B. New York Public Library, 5th Avenue and 42d Street, New York, N.Y. 10016. D. (6) \$3,750.
- A. National Associated Businessmen, Inc., 1000 Connecticut Avenue, No. 615, Washington, D.C. 20036.

D. (6) \$5. E. (9) \$18.21.

- A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019
- D. (6) \$41,005 E. (9) \$41,459.
- A. National Association for Humane Legislation, P.O. Box 11675, St. Petersburg, Fla. 33733.
 - D. (6) \$72.12. E. (9) \$15.36.
- A. National Association of Latino Elected & Appointed Officials (NALEO), 430 Sixth Street NE., Washington, D.C. 20002.

D. (6) \$31,960. E. (9) \$50,611.79.

- A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
 - D. (6) \$3,065,513.27. E. (9) \$150,736.27.
- A. National Association of Margarine Manufacturers, 1625 I Street NW., Suite 1024-A, Washington, D.C. 20006.
- A. National Association of Private Enterprise, Alameda Roosevelt 2827, San Salvador, El Salvador.,
 - E. (9) \$14,294.66.
- A. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
- D. (6) \$1.741.42. E. (9) \$1.595.80.
- A. National Association of Wheat Growers, 415 Second Street NE., Suite 300, Washington, D.C. 20002.
 - D. (6) \$20,362,20, E. (9) \$39,995,66.
- A. National Coal Consumers' Alliance, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.

D. (6) \$12,666.75. E. (9) \$12,666.75.

- A. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
- D. (6) \$8,257.50. E. (9) \$9,490.09.
- A. National Consumer Finance Association, 1000 16th Street NW., Suite 601, Washington, D.C. 20036. E. (9) \$3 475
- A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036. D. (6) \$26,872.58. E. (9) \$26,872.58.
- A. National Energy Efficiency Coalition, 1000 Potomac Street NW., Washington, D.C. 20007.
- A. National Family Farm Coalition, 918 F Street, NW., Washington, D.C. 20005.

D. (6) \$10,839.35. E. (9) \$13,893.51.

A. National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue, NW., Washington, D.C. 20036.

D. (6) \$69,642. E. (9) \$9,785.28.

A. National Federation of Parents for Drug Free Youth, 9805 Dameron Street, Silver Spring, Md. 20906.

A. National Franchise Association Coalition, P.O. Box 366, Fox Lake, Ill. 60020.

A. National Hairdressers and Cosmetologists Association, 3510 Olive Street, St. Louis, Mo. 63103.

D. (6) \$2,862.72.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.

D. (6) \$31,982.12

A. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006

D. (6) \$4,555.07. E. (9) \$3,984.14.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036. E. (9) \$22,698.66.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) \$56,953.17. E. (9) \$85,049.13.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.

D. (6) \$8,077. E. (9) \$6,992.64.

National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.

D. (6) \$3,598. E. (9) \$3,598.

A. National Tour Brokers Association, Inc., 120 Kentucky Avenue, Lexington, Ky.

D. (6) \$21,696. E. (9) \$21,696.

A. Michael C. Nave, NARFE, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.

B. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.

D. (6) \$361.25. E. (9) \$12.50.

A. Stanley Nehmer, Suite 600, 1320 19th Street NW., Washington, D.C. 20036. B. Lead-Zinc Producers Committee, Suite

600, 1320 19th Street NW., Washington, D.C. 20036.

D. (6) \$500. E. (9) \$350.

A. E. Colette Nelson, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

D. (6) \$4,625. E. (9) \$57.38.

A. Gordon E. Nelson, 12005 Millstream Drive, Bowie, Md. 20715.

B. Farm/Water Alliance, 220 C Street SE., Suite 209, Washington, D.C. 20003.

D. (6) \$20,700. E. (9) \$1,181.85.

A. Sandie Nelson, Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$4,000.

A. Thomas C. Nelson, American Mining Congress, 1920 N Street NW., Washington,

B. American Mining Congress, Street NW., Washington, D.C. 20036. D. (6) \$12.37. 1920 N

William B. Newman, Jr., 2234 North Columbus Street, Arlington, Va. 22207. B. Consolidated Rail Corp., 990 L'Enfant

Plaza, Washington, D.C. 20024.

D. (6) \$2,500.

A. Michael C. Normile, 5771 Harwich Court, No. 233, Alexandria, Va. 22311. B. National Community Action Agency,

Executive Directors Association, 815 15th Street NW., No. 610, Washington, D.C. 20005

D. (6) \$6,800. E. (9) \$1,249.37.

A. North American Car Corp., 33 Monroe Street, 24th Floor, Chicago, Ill. 60603.

A. Clifford R. Northrup, Credit Union National Association, 1730 Rhode Island Avenue NW., Suite No. 810, Washington, D.C. 20036.

B. Credit Union National Association, 1730 Rhode Island Avenue NW., Suite No. 810, Washington, D.C. 20036. D. (6) \$300. E. (9) \$378.53.

A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Washington, D.C. 20036. B. Aetna Life & Casualty, 151 Farmington

Avenue, Hartford, Conn. 06156.

A. Nossaman, Krueger & Marsh, 1140 19th Street, NW., Washington, D.C. 20036. B. New York Life Insurance Co., 51 Madi-

son Avenue, New York, N.Y. 10010.

E. (9) \$75.

A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Washington, D.C. 20036. B. Phoenix Mutual Life Insurance Co.,

One American Row, Hartford, Conn. 06115.

A. Mary E. Oakes, Hercules Inc., 1800 K Street NW., Washington, D.C. 20006. B. Hercules Inc., 910 Market Street, Wil-

mington, Del. 19899.

D. (6) \$1,410. E. (9) \$245.

A. Hubert K. O'Bannon, Consolidated Rail Corp., 1544 33d Street NW., Washington, D.C. 20007.

B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.

D. (6) \$1,284.

A. T. J. Oden, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Forest Products Association,

1619 Massachusetts Avenue NW., Washing-

ton. D.C. 20036.

D. (6) \$4,500. E. (9) \$101.82.

A. Barbara O'Hara, American Society of Travel Agents, Inc., 1300 19th Street NW., Suite 230, Washington, D.C. 20036. B. American Society of Travel Agents,

Inc., 711 Fifth Avenue, New York, N.Y.

D. (6) \$75.

A. Oil Investment Institute, P.O. Box 8293, Washington, D.C. 20024

A. O'Keefe, Ashenden & Lyons, Suite 5100, 1 First National Plaza, Chicago, Ill. 60603.

B. American Invsco Corp., 120 South La-Salle Street, Chicago, Ill. 60603.

E. (9) \$897.95.

Jean Olson, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$500.

A. John F. O'Neal, O'Neal & Claassen, Chartered, 600 New Hampshire Avenue NW., No. 952, Washington, D.C. 20037.

Commodity Exchange, Inc., Four World Trade Center SE., Plaza Building, New York, N.Y. 10048.

D. (6) \$3,750.

A. John F. O'Neal, O'Neal & Claassen, Chartered, 600 New Hampshire Avenue NW., No. 952, Washington, D.C. 20037.

B. National REA Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.

D. (6) \$1,000.

A. Charles Orasin, 810 18th Street NW., Washington, D.C. 20006.

B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) \$5,268.79.

A. Organization of Professional Employees of the U.S. Department of Agriculture, Room 1414, South Agriculture Building, Washington, D.C. 20250.

D. (6) \$2,514.40. E. (9) \$1,195.10.

A. M. Diane O'Toole, 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

A. Outdoor Power Equipment Institute, 1901 L Street NW., Washington, D.C. 20036. E. (9) \$2,000.

A. J. Allen Overton, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.

D. (6) \$894.18. E. (9) \$83.

A. Judith E. Park, NARFE, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.

B. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.

D. (6) \$7,713. E. (9) \$8.

A. Nancy L. Parke, 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C.

B. Lone Star Industries, Inc., One Greenwich Plaza, Greenwich, Conn. 06830.

D. (6) \$600. E. (9) \$200.

A. Sara Lynn Parker, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) \$562.34.

A. Renee Parsons, 530 Seventh Street, SE., Washington, D.C. 20003.

B. Friends of the Earth, 530 Seventh Street SE., Washington, D.C. 20003.

D. (6) \$1,929.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

D. (6) \$455.62. E. (9) \$5.50.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. Organization for the Preservation of the Public Employee Retirement Industry & Opposition to Social Security Expansion (OPPOSE), 1300 Logan Street, Denver,

D. (6) \$1,140. E. (9) \$208.

A. Law Offices of Jack Pearce, 1000 Connecticut Avenue NW., No. 1200, Washington, D.C. 20036.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006. B. Amatex Corp., 1032 Standbridge Street,

Box 228, Norristown, Pa. 19404.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. Cold Finished Steel Bar Institute, P.O. Box 5631, Chicago, Ill. 60680.

D. (6) \$202.50.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006. B. Harris Corp., Melbourne, Fla. 32919.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Retail Druggists, 1750 K Street NW., Washington D.C. 20006

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. Russian Travel Bureau, 20 East 46th Street, New York, N.Y. 10017.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.

B. Sun Shipbuilding, Foot of Morton Avenue, Chester, Pa. 19013.

D. (6) \$7,432.50.

A. Barbara K. Pequet, 1921 Kalorama Road NW., No. 103, Washington, D.C. 20009. B. National Consumers League, 1522 K Street NW., No. 406, Washington, D.C. 20005

D. (6) \$200. E. (9) \$3,130.

A. Perito, Duerk, Carlson & Pinco, P.C., 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Society of Real Estate Appraisers, 645 North Michigan Avenue, Chicago, Ill. 60611. D. (6) \$1,030. E. (9) \$48.85.

A. Edmund J. Perret II, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009, D. (6) \$1,652.85. E. (9) \$725.

A. Tom E. Persky, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$250.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.

B. National R.E.A. Telephone Association, Cargill Building, Minneapolis, Minn. 55402

D. (6) \$1,500. E. (9) \$595.83.

Lorraine Petti, 709 Massachusetts Avenue NE., No. 1, Washington, D.C. 20002. B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Suite 501, Los Angeles, Calif. 90017. D. (6) \$3,055.

A. Mark W. A. Phillips, 507 Second Street NE., Washington, D.C. 20002. B. The Confederated Tribes of the Warm

Springs, Warm Springs, Oreg. 97761.

A. Ernest M. Pitt, Jr., P.O. Box 1264, Ash-

land, Ky. 41101.

B. Reynolds, Pitt & Harper, P.O. Box 1264, Ashland, Ky. 41101 (for: Dr. Robert D. Lange, P.O. Box 1264, Ashland, Ky. 41101). D. (6) \$488.66. E. (9) \$265.57.

A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. J. Francis Pohlhaus, NAACP, 1025 Vermont Avenue NW., Suite 820, Washington,

B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

D (6) \$3 500

A. Nathaniel Polster, 2128 Wyoming

Avenue, Washington, D.C.

B. American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017; Research To Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.

D. (6) \$4,625. E. (9) \$895.

A. Rafe Pomerance, 530 Seventh Street SE., Washington, D.C. 20003.

B. Friends of the Earth, Inc., 530 Seventh Street SE., Washington, D.C. 20003. D. (6) \$4,334.

Judith A. Pond, 2000 L Street NW., No.

801, Washington, D.C. 20036.

B. Ralston Purina Government Affairs, Inc., 2000 L Street NW., Suite 801, Washington. D.C. 20036.

A. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017. D. (6) \$4,325. E. (9) \$9,467.

Richard H. Prendergast. 925 15th

Street NW., Washington, D.C. 20005. B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005. D. (6) \$1,000. E. (9) \$348.66.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington,

B. Kyukuyo Co., Ltd., Suite 604, Central Building, 810 Third Avenue, Seattle, Wash.

A. Woodruff M. Price, CSX Corp., 840 Washington Building, 15th Street and New York Avenue NW., Washington, D.C. 20005.
B. CSX Corp., 1500 Federal Reserve Building, Richmond, Va. 23219.
D. (6) \$3,000. E. (9) \$430.

A. Daniel B. Priest, Priest & Fine, 1725 K Street NW., Washington, D.C. 20006.

B. National Technical Schools of Los Angeles

D. (6) \$120. E. (9) \$511.

A. Stuart Proctor, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068. D. (6) \$4,500. E. (9) \$44.

A. Steven L. Pruitt, 1625 L Street NW., Washington, D.C. 20036

D. (6) \$8,749.93.

A. Public Timber Purchasers Group, 714 Oregon Bank Building, 319 SW., Portland, Oreg. 97204.

D. (6) \$54,000. E. (9) \$4,560.84.

A. F. Eugene Purcell, 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006

B. Lone Star Industries, Inc., 1 Greenwich Plaza, Greenwich, Conn. 06830.

D. (6) \$1,000. E. (9) \$205.

A. Clifford H. Raber, 1 McDonald's Plaza, Oak Brook, Ill. 60521.

B. McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

A. Craig J. Rancourt, Suite 503, 1825 K Street NW., Washington, D.C. 20006.

B. American Association of Classified School Employees, 6805 Oak Creek Drive, Columbus, Ohio 43229.

D. (6) \$7,006.98. E. (9) \$7,006.98

Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560. E. (9) \$145.80.

A. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.

D. (6) \$441,604. E. (9) \$338,918.41.

A. John M. Rector, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

B. National Association of Retail Drug-gists, 1750 K Street NW., Washington, D.C.

D. (6) \$700. E. (9) \$150.

A. Thomas M. Rees, P.C., 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.

B. American Savings & Loan Association, 9465 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Thomas M. Rees, P.C., 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.

B. Fluor Corp., 1627 K Street NW., Washington, D.C. 20006.

A. Thomas M. Rees, P.C., 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.

B. Great Western Savings & Loan Association, 8383 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Thomas M. Rees, P.C., 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.

B. Home Savings & Loan Association, 3731 Wilshire Boulevard, Beverly Hills, Calif.

A. Thomas M. Rees, P.C., 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.

B. Imperial Resources Association, P.O. Box 119, Brawley, Calif. 92227.

A. David E. Reeves, 4803 Scarsdale Road, Bethesda, Md. 20016.

B. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.

A. Reserve Officers Association of United States, 1 Constitution Avenue NE., Washington, D.C. 20002.
D. (6) \$1,751.51. E. (9) \$8,004.20.

A. Lynne Revo-Cohen, National Press Building, Room 481, Washington, D.C. 20045.

B. Federally Employed Women, Inc., National Press Building, Room 481, Washington, D.C. 20045.

D. (6) \$4,440. E. (9) \$400.

A. Nancy C. Reynolds, 300 Maryland Avenue NE., Washington, D.C. 20002. B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) \$2,800. E. (9) \$138.

A. Grace Ellen Rice, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068. D. (6) \$4,125. E. (9) \$10.

A. John P. Richardson, National Association of Arab Americans, 1825 Connecticut Avenue NW., Washington, D.C. 20009. B. National Association of Arab Ameri-

cans, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) \$2,000. E. (9) \$425.

A. S. F. Riepma, 1625 I Street NW., Suite

1024-A, Washington, D.C. 20006.

B. National Association of Margarine Manufacturers, 1625 I Street NW., Suite 1024-A, Washington, D.C. 20006.

A. Robert L. Roach, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) \$1,250.

A. Ronn Robinson, National Education Association, P.O. Box 558, Mercer Island, Wash. 98040.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20064. D. (6) \$953. E. (9) \$1,879.60.

A. Howard W. Robison, 10 West Side

Drive, Rehoboth Beach, Del. 19971.

B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.

D. (6) \$2,407.

A. Ted V. Rodgers, Nationwide Insurance Companies & Affiliates, 1000 Connecticut Avenue NW., Suite 304, Washington, D.C.

B. Nationwide Insurance Companies & Affiliates, One Nationwide Plaza, Columbus,

Ohio 43216. D. (6) \$2,500. E. (9) \$37.

A. Bruce N. Rogers, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202. D. (6) \$2,500. E. (9) \$2,724.96.

A. Emil A. Romagnoli, ASARCO Inc., 120 Broadway, New York, N.Y. 10271.

B. ASARCO Inc., 120 Broadway, New

York, N.Y. 10271.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers. 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) \$3,875.59.

A. Michael O. Roush, National Federation of Independent Business, 490 L'Enfant

Plaza East SW., Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East, SW., Suite 3206, Washington, D.C. 20024.

D. (6) \$2,250. E. (9) \$200.

A. Barry Russell, 1101 16th Street NW., Washington, D.C. 20036. B. Independent Petroleum Association of

America, 1101 16th Street NW., Washington, D.C. 20036.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.

B. American Association of Bioanalysts, International Society of Clin Lab Tech, 614 Paul Brown Building, St. Louis, Mo.

E. (9) \$61.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.

B. American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.

E. (9) \$49.80.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington,

B. American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

A. Arthur B. Sackler, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

D. (6) \$2,200. E. (9) \$134.14.

A. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188

E. (9) \$661.42.

A. Rohan J. Samaraweera, The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.

B. The Consumer Bank Association, 1725 K Street NW., Washington, D.C. 20006. D. (6) \$1,000. E. (9) \$344.85.

A. William Samuel, National Treasury Employees Union, 1730 K Street NW., Suite

1101, Washington, D.C. 20006.

B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

D. (6) \$5,621.50.

A. Peter G. Sandlund, Room 315, 1725 I Street NW., Washington, D.C. 20006.

B. Council of European & Japanese National Shipowners' Associations, 30/32 St. Mary Axe, London EC3A 8ET, England. D. (6) \$300.

A. Donald E. Santarelli, 2033 M Street

NW., Washington, D.C. 20036.
B. Empresa Brasileira de Aeronautica,
S.A., d.b.a. EMBRAER, Sao Paulo, Brazil.

D. (6) \$500. E. (9) \$380.

A. Donald E. Santarelli, 2033 M Street

NW., Washington, D.C. 20036.

B. The Kings River Power Development Committee, 4886 East Jensen Avenue, Fresno, Calif. 93725.

A. Donald E. Santarelli, 2033 M Street NW., Washington, D.C. 20036. B. Kings River Water Users Committee.

D. (6) \$3,500. E. (9) \$695.29.

A. Donald E. Santarelli, 2033 M Street NW., Washington, D.C. 20036. B. Safari Club International, 5151 East

Broadway, Tucson, Ariz. 85711. D. (6) \$2,500. E. (9) \$610.

A. Mark Schacht, Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.

B. Migrant Legal Action Program, Inc., 806 15th Street NW., Suite 600, Washington,

D.C. 20005. D. (6) \$6,702.65. E. (9) \$1,022.26.

A. Jerome D. Schaller, Minnesota Mining & Manufacturing Co., 1101 15th Street NW., Washington, D.C. 20005. B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55144.

D. (6) \$10,000, E. (9) \$20,50.

A. Deborah M. Schechter, American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington, D.C. 20009.

B. American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington, D.C. 20009.

D. (6) \$1,400. E. (9) \$250.

A. Ann C. Scheiner, American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington, D.C. 20009.

B. American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington, D.C. 20009.

D. (6) \$412.50. E. (9) \$150.

A. Marsha Schramm, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

B. Domestic Petroleum Council Trade Association, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

A. Robert I. Schramm, 1725 K Street NW., Suite 909, Washington, D.C. 20006.

B. The Superior Oil Co. and Superior Farming Co., 1725 K Street NW., Washington, D.C. 20006.

A. Stanley W. Schroeder, Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

B. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

E. (9) \$91.20.

A. Bari Lee Schwartz, Food Research and Action Center, 2011 Eye Street NW., Suite 700, Washington, D.C. 20006.

B. Food Research and Action Center, 2011 Eye Street NW., Suite 700, Washington, D.C. 20006.

D. (6) \$2,530.74. E. (9) \$10.80.

A. Elizabeth Nash Schwartz, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) \$750. E. (9) \$416.30.

A. Carl F. Schwensen, 415 Second Street NE., Suite 300, Washington, D.C. 20002.

B. National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.

D. (6) \$3,925.84.

A. Deirdre S. Searles, 7900 Callaghan Road, San Antonio, Tex. 78229.

B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.

A. Seifman & Lechner P.C., 1000 Potomac Street NW., Washington, D.C. 20007.

B. Massachusetts Association of Contributory Retirement Systems, Inc., 182 Sunny-side Road, Norwood, Mass. 02062.

D. (6) \$6,000.

A. Seifman & Lechner P.C., 1000 Potomac Street NW., Washington, D.C. 20007. B. National Association of Police Organi-

zations, 12th & L Streets, Sacramento, Calif. 95814.

E. (9) \$129.60.

A. Seven Months Session for Congress, 3306 Yellowpine Terrace, Austin, Tex. 78757.

E. (9) \$448.

A. David L. Shapiro, 444 North Capitol Street NW., Suite 409, Washington, D.C.

B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

D. (6) \$2,500.

A. Jonathan R. Sheiner, 4 Irving Place, New York, N.Y. 10003.

B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003. D. (6) \$512.50.

A. Jay P. Sherman, 918 F Street, NW., Washington, D.C. 20004.

B. National Family Farm Coalition, 918 F Street NW., Washington, D.C. 20004.

D. (6) \$3,026.68. E. (9) \$26.30.

A. Nelson Shields, 810 18th Street, NW., Washington, D.C. 20006.

B. Handgun Control, Inc., 810 18th Street, NW., Washington, D.C. 20006.

D. (6) \$2,915.17.

A. G. Scott Shotwell, 1619 Massachusetts Avenue, Washington, D.C. 20036.

B. National Forest Products Association,

1619 Massachusetts Avenue, Washington, D.C. 20036.

D. (6) \$2,475.

A. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) \$58,494,00. E. (9) \$58,494.

A. Stephen Silbiger, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C., 20036. D. (6) \$10,500. E. (9) \$345.34.

A. Larry Silverman, Clean Water Action Project, 1341 G Street NW., No. 200, Washington, D.C. 20005.

B. Clean Water Action Project, 1341 G Street NW., No. 200, Washington, D.C.

D. (6) \$1,096. E. (9) \$85.

A. Susan Silverman, 10600 Stable Lane, Potomac, Md. 20854.

B. National Federation of Parents for Drug Free Youth, 9805 Dameron Street, Silver Spring, Md. 20906.

. Silverstein & Mullens, 1776 K Street

NW., Washington, D.C. 20006. B. American Stock Exchange, 86 Trinity Place, New York, N.Y. 10006.

A. Silverstein & Mullens, 1776 K Street

NW., Washington, D.C. 20006.

B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

D. (6) \$50.

A. Silverstein & Mullens, 1776 K Street

NW., Washington, D.C. 20006. B. Bristol Myers Co., 345 Park Avenue, New York, N.Y. 10002.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Champion Int. Corp., One Landmark Square, Stamford, Conn. 06921.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Federal National Mortgage Association,

1133 15th Street NW., Washington, D.C. 20005.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. General American Transportation Company, 120 South Riverside Plaza, Chicago, Ill, 60606.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Government of the Netherlands Antilles, Fort Amsterdam Willemstad, Curacao, Netherlands Antilles.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. National Savings & Loan League, 1200 17th Street NW., Washington, D.C. 20036.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Ogden Transportation Corp., 277 Park Avenue, New York, N.Y. 10017.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

Venezuelan-American Chamber of Commerce and Industry.

A. Althea T. L. Simmons, National Association for the Advancement of Colored People, 1025 Vermont Avenue NW., No. 820, Washington, D.C. 20005

B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

D. (6) \$4,000.

A. Amanda Simmons, 1615 34th Street NW., Washington, D.C. 20007.

B. National Technical Schools of Los Angeles, 4000 South Figueroa Street, Los Angeles, Calif. 90037.

D. (6) \$450. E. (9) \$15.

A. Mark Simon, 815 16th Street, Washington, D.C. 20006.

B. Food and Beverage Trades Department, AFL-CIO, 815 16th Street, Washington, D.C. 20006.

D. (6) \$334.96.

A. Stanley C. Simon, Simon, Twombly & Terry, P.C., 17130 Dallas Parkway, Suite 160, Dallas, Tex. 75248.

B. The Southland Corp., 2828 North Has-kell Avenue, Dallas, Tex. 75204.

A. Stephen L. Skardon, Jr., NARFE, 1533 New Hampshire Avenue NW., Washington,

B. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.

D. (6) \$6,822. E. (9) \$9.50.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10105.

E. (9) \$11,958.

A. Elizabeth M. Smith, Amalgamated Clothing and Textile Workers Union, 815 16th Street NW., Washington, D.C. 20006. B. Amalgamated Clothing and Textile

Workers Union, 15 Union Square, New York, N.Y. 10003.

D. (6) \$3,964.48. E. (9) \$79.59.

A. Suzanne J. Smith, American Can Co., 1660 L Street NW., Suite 201, Washington, D.C. 20036.

B. American Can Co., American Lane, Greenwich, Conn. 06830, E. (9) \$391.18.

A. Solar Lobby, 1001 Connecticut Avenue NW., Suite 510, Washington, D.C. 20036.

D. (6) \$194,707.19. E. (9) \$13,955.11.

A. Michael L. Solomon, 5726 Thomas Edison Court, Alexandria, Va. 22310.

B. National Apartment Association, 1825 K Street NW., Suite 604, Washington, D.C. 20006

D. (6) \$1,800.

A. Vincent R. Sombrotto, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.

D. (6) \$3,310.65.

A. Charles B. Sonneborn, American Academy of Ophthalmology, 1750 K Street NW., Suite 370, Washington, D.C. 20006.

B. American Academy of Ophthalmology, 1750 K Street NW., Suite 370, Washington, D.C. 20006.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La.

D. (6) \$38,615.49. E. (9) \$38,615.49.

A. Southern Satellite System, Inc., P.O. Box 45684, Tulsa, Okla. 74145.

A. Southwest Homefurnishings Association, P.O. Box 64545, Dallas, Tex. 75206.

A. Larry Speakes, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 1425 K Street, NW., Washington, D.C. 20005.

A. Barrett Stambler, Solar Lobby, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036.

D. (6) \$109.34.

A. Elliot Stern, American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington, D.C. 20009.

B. American Health Planning Association, 1601 Connecticut Avenue, NW., Suite 700, Washington, D.C. 20009.

D. (6) \$7,350, E. (9) \$654.24.

A. Michael J. Stientjes, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$4,250. E. (9) \$20.

A. LaVerne Still, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) \$303.75. E. (9) \$13.23.

A. Richard Boyle Storey, 455-B Carlisle Drive, Herndon, Va. 22070.

B. International Military Club Executives Association, 455-B Carlisle Drive, Herndon, Va. 22070.

A. Alan Stover, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) \$2,312.

A. W. Melvin Street, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

- B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006
- A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

 B. Mrs. Patsy Perry, 70 Glen Cove Road,

Roslyn Heights, N.Y.

A. Stroock & Stroock & Lavan, 1150 17th

Street NW., Washington, D.C. 20036.
B. Puerto Rico Federal Affairs Administration, 734 15th Street NW., Washington, D.C. 20005.

A. Jim Sullivan, National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Washington, D.C. 20036.

A. John L. Sweeney, 13931 Esworthy Road, Germantown, Md. 20767. B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024

D. (6) \$6,420.

A. Donald R. Sweitzer, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Em-ployes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Ex-press & Station Employes, 3 Research Place, Rockville, Md. 20850. D. (6) \$5,000. E. (9) \$960.

A. Richard Preston Swigart, American Can Co., 1660 L Street NW., Suite 201,

Washington, D.C. 20036.

B. American Can Co., American Lane,

Greenwich, Conn. 06830. E. (9) \$441.85.

A. Lewis M. Taffer, American Express Co., 1700 K Street NW., Suite 702, Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Suzette Tapper, Solar Lobby, 1001 Connecticut Avenue NW., Washington, D.C. 20036

B. Solar Lobby, 1001 Connecticut Avenue NW., No. 510, Washington, D.C. 20036. D. (6) \$404.55.

A. C. Michael Tarone, 2033 M Street NW., Washington, D.C. 20036.

B. Empresa Brasileira de Aeronautica, S. A., Sao Paulo, Brazil.

A. C. Michael Tarone, 2033 M Street NW., Washington, D.C. 20036. B. Kings River Water Users Committee.

A. Clayton Taylor, 1 McDonald's Plaza, Oak Brook, Ill. 60521. B. McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

D. (6) \$213. E. (9) \$275.

A. Tele-Press Associates, Inc., 342 East 79th Street, New York, N.Y. 10021.

B. Japan Fisheries Association, 9-13 Akasaka 1, Minato-ku, Tokyo, Japan.

D. (6) \$62,262.

A. Tele-Press Associates, Inc., 342 East 79th Street, New York, N.Y. 10021.
B. Japan Whaling Association, 2-4 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo, Japan.

D. (6) \$47,332.70. E. (9) \$1,660.53.

A. Thaxter, Lipez, Stevens, Broder & Micoleau, 1825 K Street NW., Suite 503, Washington, D.C. 20006.

- B. National Alliance for Hydroelectric Energy, Suite 700, 1629 K Street NW., Washington, D.C. 20006.
- A. Richard L. Thompson, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.

B. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064.

A. Drew V. Tidwell, 1725 K Street NW., Washington, D.C. 20006.

B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006. D. (6) \$2,000. E. (9) \$1,054.62.

A. David R. Toll, Business Roundtable, 1828 L Street NW., Suite 402, Washington, D.C. 20036.

B. The Business Roundtable, 200 Park Avenue, New York, N.Y. and 1828 L Street NW., Washington, D.C. D. (6) \$200. E. (9) \$40.

A. Richard L. Trachtman, 2550 M Street NW., Suite 620, Washington, D.C. 20037. B. American Society of Internal Medicine,

2550 M Street NW., Suite 620, Washington, D.C. 20037.

D. (6) \$8,112. E. (9) \$150.

A. Joseph P. Trainor, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Em-ployes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.

D. (6) \$6,000. E. (9) \$620.

A. TransAfrica, 1325 18th Street NW., No. 202, Washington, D.C. 20036. D. (6) \$12,965. E. (9) \$42,826.76.

A. Philip Travaglione, 21 6th Street NE., No. 1-B, Washington, D.C. 20002.

B. National Community Action Agency, 815 15th Street NW., Suite 610, Washington, D.C. 20005.

D. (6) \$10,609.16. E. (9) \$5,970.

A. W. Glenn Tussey, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) \$6,000. E. (9) \$28.

A. United Food and Commercial Workers, International Union, AFL-CIO, 1775 K Street NW., Washington, D.C.

D. (6) \$39,752.38. E. (9) \$39,752.38.

A. United Societies of Physiotherapists, Inc., 163 Cold Spring Road, Syosset, N.Y. 11791.

D. (6) \$5.105. E. (9) \$660.

A. John A. Vance, Pacific Gas and Electric Co., 1050 17th Street NW., Washington, D.C. 20036.

B. Pacific Gas and Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) \$3,486. E. (9) \$2,293.97.

A. Daniel W. Vannoy, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006. D. (6) \$80. E. (9) \$14.75.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Labor-Industry Coalition for International Trade (LICIT), 1660 L Street NW., Suite 1100, Washington, D.C. 20036. D. (6) \$1,000. E. (9) \$200.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Semiconductor Industry Association, 20380 Town Center Lane, Suite 155, Cupertino, Calif. 95014.

D. (6) \$1,000. E. (9) \$1,762.

A. Abe J. Voron, 6204 White Oak Lane, Tamarae, Fla. 33319.

B. National Radio Broadcasters Association, Suite 500, 1705 DeSales Street NW., Washington, D.C. 20036.

D. (6) \$2,500. E. (9) \$1,725.

Eleanor Walters, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, Pennsylvania Avenue SE., Washington, D.C. 20003

D. (6) \$1,250.01.

A. Clarke R. Watson, Westland Co., Inc., 1429 Larimer Square, Denver, Colo. 80202.

A. Carolyn Herr Watts, 1800 Massachusetts Avenue NW., Washington, D.C. 20036. B. National Rural Electric Cooperative As-

sociation, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) \$25.

A. Douglas M. Webb, Kennecott Corp., 1111 19th Street NW., Suite 310, Washington, D.C. 20036.

B. Kennecott Corp., 10 Stamford Forum, Stamford, Conn. 06904.

D. (6) \$500. E. (9) \$113.59.

A. Marchant Wentworth, Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Environmental Action, Inc., Room 731, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) \$4,000.

A. Joy C. West, Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.

B. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.

D. (6) \$5,016.38. E. (9) \$871.11.

A. Western Organization of Resource Councils, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) \$10,000. E. (9) \$1,323.07.

A. Western Resource Alliance, Star Route Box 98, Eastsound, Wash. E. (9) \$231.

A. Harvey J. Wexler, Continental Airlines, Inc., 1025 Connecticut Avenue NW., Suite 1017, Washington, D.C. 20036.

B. Continental Airlines, Inc., International Airport, Los Angeles, Calif., 90009.

A. Curtis E. Whalen, P.O. Box 44, Winter Park, Fla. 32790.

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790. D. (6) \$2,875. E. (9) \$1,247.

D. (6) \$2,000. E. (9) \$1,000.

A. Thomas D. Wilcox, P.C., 1899 L Street NW., Suite 705, Washington, D.C. 20036.

B. National Association of Stevedores,

1899 L Street NW., Suite 705, Washington, D.C. 20036.

D. (6) \$6,800. E. (9) \$7,455.

A. Sandra L. Willett, 624 C Street SE., Washington, D.C. 20003.

- B. National Consumers League, 1522 K Street NW., No. 406, Washington, D.C. 20005.
- D. (6) \$325. E. (9) \$3,040.

A. Ralph E. Willham, 1750 New York Avenue NW., Washington, D.C. 20036. B. Sheet Metal Workers' International As-

- sociation, 1750 New York Avenue NW., Washington, D.C. 20006.
 - D. (6) \$8,977.50.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington,
- B. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005
 - D. (6) \$228. E. (9) \$39.41.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. American Trucking Association, 430 First Street SE., Washington, D.C. 20003. D. (6) \$430. E. (9) \$39.41.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington,
- B. Association for Responsible Housing Policy, Inc., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. C. Brewer & Co., Ltd., P.O. Box 1826, Honolulu, Hawaii 96801. D. (6) \$7.50. E. (9) \$13.13
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Burger King Corp., 7360 North Kendall Drive, Miami, Fla. 33152
 - D. (6) \$15. E. (9) \$13.13
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Consolidated Foods Corp., 135 South LaSalle Street, Chicago, Ill. 60603.
- D. (6) \$343.75. E. (9) \$39.41.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Domestic Petroleum Council, Suite 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- R Lloyd Hayes, P.O. Box 1447, Port Arthur, Tex. 77640.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. IU International Management Corp 1500 Walnut Street, Philadelphia, Pa. 19102. D. (6) \$375. E. (9) \$26.27.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.
- D. (6) \$16,160. E. (9) \$1,261.01.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

- B. Krause Milling Co., P.O. Box 1156, Mil-
- waukee, Wis. 53201. D. (6) \$22.50. E. (9) \$13.13.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. The Louisiana Land & Exploration Co., P.O. Box 60350, New Orleans, La. 70160.
- A. Williams & Jensen, P.C., 1101 Connecticut Avenue NW., Suite 500, Washington,
- B. Mustang Fuel Corp., 1100 First National Center East, Oklahoma City, Okla. 73102. D. (6) \$500. E. (9) \$26.27.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. National Association of Water Companies, 1019 19th Street NW., Suite 1110, Washington, D.C. 20036.
 - D. (6) \$324.50. E. (9) \$39.41.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C.
- B. Olympia & York Developments, Ltd., 1 First Canadian Place, Toronto, Ontario, Canada.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Olympia & York Equity Corp., 245 Park Avenue, New York, N.Y.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Paralyzed Veterans of America, 4350 East-West Highway, Suite 900, Washington, D.C. 20014.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
 - D. (6) \$100. E. (9) \$13.13.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Southern Railway System, 920 15th Street NW., Washington, D.C. 20005.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.
- B. Student Loan Marketing Association, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
 - D. (6) \$992.50. E. (9) \$118.22.
- A. Williams & Jensen, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

- B. Universal Foods, Inc., 433 East Michigan Avenue, Box 737, Milwaukee, Wis. 53201.
 - E. (9) \$13.13.
- A. Margie R. Williams, 415 Second Street NE., Suite 300, Washington, D.C. 20002.
- B. National Association of Wheat Grow-415 Second Street NE., Washington, D.C. 20002
 - D. (6) \$1,398.34.
- A. Perry F. Williams, 225 Main Street, Newington, Conn. 06111.
- B. The American Radio Relay League, 225 Main Street, Newington, Conn. 06111.
 - D. (6) \$6,600. E. (9) \$884.90.
- A. Robert E. Williams, United Airlines, 1825 K St. NW., No. 607, Washington, D.C.
- B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
 - D. (6) \$1,500.
- A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
- B. Mortgage Insurance Companies of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
 - D. (6) \$2,700. E. (9) \$761.66.
- A. Richard F. Witherall, Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.
- B. Colorado Railroad Association, Denver Club Building, Denver, Colo. 80202.
 - D. (6) \$1,418.58. E. (9) \$2,513.16.
- A. William E. Woods, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
- B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
 - D. (6) \$1,500, E. (9) \$300.
- A. W. R. Worley, 730 Densley Drive, Decatur, Ga. 30033.
- B. Georgia Power Co., 270 Peachtree Street NW., Atlanta, Ga. 30303.
 - D. (6) \$4,472. E. (9) \$3,370.32.
- A. William R. Worthen, National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.
- B. National Tax Limitation Committee, 1523 L Street NW., Suite 600, Washington, D.C. 20005.
 - D. (6) \$1,500. E. (9) \$288.
- A. Kim Yelton, 8120 Fenton Street, Silver Spring, Md. 20910.
- B. Americans United for Separation of Church and State, 8120 Fenton Street, Silver Spring, Md. 20910.
 - D. (6) \$4,980.78. E. (9) \$5,183.42.
- A. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
 - D. (6) \$4,042. E. (9) \$3,834.
- A. Zoological Action Committee, 1320 19th Street NW., Suite 400, Washington, D.C. 20036.
 - D. (6) \$7,500. E. (9) \$7,500.

QUARTERLY LOBBY POSTCARD

The following Quarterly Lobby Postcards were filed with the Clerk of the House of Representatives for the second calendar quarter of 1981:

A POSTCARD MAY BE USED WHEN A REGISTRANT HAS NOT INCURRED REPORTABLE RECEIPTS AND EXPENDITURES AND HAS NOT ENGAGED IN ANY LOBBYING ACTIVITY DURING THE QUARTER.

QUARTERLY LOBBY POSTCARD

Note: The Following Information Is Being Provided For Informational Purposes Only.

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HLF3

IMPORTANT: File a separate postcard for each employer or client	
REGISTRANT	
Business Address	
(number, st	reet/P.O. Box)
(city, sta	te, zip code)
Employer	
For the period (check one box only): April 10 Report (Jan. 1—Mar. 31)	19
☐ July 10 Report (April 1—June 30)	☐ Jan. 10 (Oct. 1—Dec. 31)
ceipts or expenditures in connection with previous or fa	t engage in any lobbying activities or incur reportable re uture lobbying activities. I am aware that the Act requires a mences; otherwise I can continue to submit a postcard in
(date)	(signature)

CONGRESSIONAL RECORD—HOUSE

- A. John J. Adams. B. Ethyl Corp.
- A. Hobson H. Adcock. B. Pepsi-Co, Inc.
- A. G. Colburn Aker. B. Hill and Knowlton, Inc.
- A. Akin, Gump, Strauss, Hauer & Feld. B. FSC Corp.
- A. Akin, Gump, Strauss, Hauer & Feld.
- B. Goldston Oil Corp.
- A. Akin, Gump, Strauss, Hauer & Feld. B. Leaseway Transportation Corp.
- A. Akin, Gump, Strauss, Hauer & Feld. B. National Association of Condominium & Cooperative Housing.
- A. Akin, Gump, Strauss, Hauer & Feld.
- B. Northwest Alaskan Pipeline Co.
- A. Akin, Gump, Strauss, Hauer & Feld. B. Northwest Pipeline Co.
- Akin, Gump, Strauss, Hauer & Feld. B. Shearson, Loeb, Rhoades.
- A. Akin, Gump, Strauss, Hauer & Feld. B. Sun Co., Inc.
- Akin, Gump, Strauss, Hauer & Feld. B. Valero Energy Corp.
- A. Joseph C. Allwarden.
- B. Kollsman Instrument Co.
- A. Amalgamated Transit Union AFL-CIO
- Amalgamated Transit Union National Capital Local 689.
 - A. American Advertising Federation.
- A. American Association of Blood Banks.
- American Congress on Surveying & Mapping,
- A. American Council on Alcohol Problems.
- A. American Hellenic Institute Public Affairs Committee. Inc.
- A. American Honey Producers Associ-
- A. American Orthotic and Prosthetic Association.
- A. American Pulpwood Association.
- A. American Waterways Shipyard Confer-
- A. Apartment and Office Building Associ-
 - A. John Christian Archer.
 - B. Brown & Root, Inc.
- A. Rodney Armstrong.
- B. Armstrong Byrd & Associates, Inc. (for Toyota Motors Sales, U.S.A. Inc.).
- A. Asphalt Roofing Manufacturers Association.
 - A. Associated Employers, Inc.
- Association of American Foreign Service Women.
 - A. George J. Aste.
 - B. United Airlines.
 - A. Frank M. Ault.

- B. Norwich-Eaton Pharmaceuticals.
- A. John D. Austin.
- B. American Mining Congress.
- . Frances L. Babb.
- B. Renewed Energy Corp.
- A. Carol M. Barger.
- B. Consumers Union of United States, Inc.
- A. John H. Barnard, Jr. B. Bechtel Power Corp.
- A. Barnett, Alagia & Carey.
- B. Dairymen, Inc.
- A. Richard L. Barr.
- B. Iowa Railway Association.
- A. Barrett Smith Schapiro Simon & Armstrong
- B. New York Cocoa Clearning Association,
- A. Barrett Smith Schapiro Simon & Armstrong
- B. New York State Urban Development Corp.
 - A. Lynne D. Battle.
 - B. College Placement Council, Inc.
- A. John E. Baughman. B. Pennsylvania State Education Association.
- A. Robert J. Baughman.
- B. American Orthotic & Prosthetic Association.
- A. James R. Baxter.
- B National Construction Employers Council
 - A. Howard H. Bell.
- B. American Advertising Federation.
- A. Douglas P. Bennett.
 B. Association of Executive Recruiting Consultants.
 - . Fredrick S. Benson III.
- B. American Paper Institute, Inc.
- A. David A. Beren.
- B. International Association of Ice Cream Manufacturers.
- A. O. M. Berge. B. Brotherhood of Maintenance of Way Employes.
- A. Richard B. Berman.
- B. Steak and Ale Restaurants of America, Inc.
- A. Mary E. Bernhard.
- B. Flexible Packaging Association.
- A. Charles Bernhardt.
- B. National Federation of Federal Employees
- A. George K. Bernstein. B. Crum & Forster Insurance Cos.
- A. Walter J. Bierwagen.
 B. Amalgamated Transit Union, AFL-CIO.
- A. James D. P. Bishop, Jr.
- B. Burson-Marsteller, Inc. (for National Oil Jobbers Council).
- A. Tom G. Black. B. National Federation of Federal Employees.
 - A. Glenn E. Blitgen.
 - B. American Mining Congress.
 - A. Jerald Blizin.

- B. Hill and Knowlton.
- A. Jared O. Blum.
- B. Direct Selling Association.
- A. Larry A. Boggs.
- B. American Mining Congress.
- A. Christie K. Bohner.
- B. Kaiser Steel Corp.
- A. M. Warren Bolton.
- B. Provident Indemnity Life Insurance
 - A. Charles E. Boswell.
- B. Amalgamated Transit Union, National Capitol Local 689.
- A. Rodney A. Bower.
- B. International Federation of Professional and Technical engineers, AFL-CIO.
- A. Bracewell & Patterson.
- B. Valero Energy Corp.
- A. Mitchell H. Bradley.
- B. American Society of Mechanical Engi-
- A. Jerry Brady.
- B. Stepan Chemical Co.
- A. David Branand.
- B. American Mining Congress.
- A. Gerard M. Brannon.
- B. American Council of Life Insurance, Inc.
- A. Peter E. Braveman.
- B. Loeb & Loeb (for Joan Irvine Smith).
- A. Noel Brazil.
- B. American Optometric Association.
- A. John Henry Brebbia.
- B. Alston, Miller & Gaines (for Board of Trade Clearing Corp.).
- A. John Henry Brebbia.
- B. Alston, Miller & Gaines (for Northern Solar Systems, Inc.).
- A. Breed, Abbott & Morgan. B. Associated Hospital Service of New York.
 - A. Breed, Abbott & Morgan.
 - B. Handy & Harman.

 - A. Breed, Abbott & Morgan. B. Lefrak Organization.
- A. Miles H. Bresee, Jr. B. Bechtel Power Corp.
- A. Claude S. Brinegar.
- B. Union Oil Co. of California.
- A. Stanley R. Browne.
- B. E. I. du Pont de Nemours & Co., Inc.
- A. Harvey F. Brush. B. Bechtel Group, Inc.
- A. David G. Burden.
- B. Standard Oil Co. (Indiana).
- A. Gerard P. Burke.
- B. International Air Leases, Inc.
- A. Francis X. Burkhardt.
- B. International Brotherhood of Painters and Allied Trades.
- A. B. Kent Burton.

ation.

- B. American Trucking Association, Inc.
- A Robert W. Busha. B. National Asphalt Pavement Associ-
- A. Thomas D. Byrne.
 B. Stone Container Corp.
- A. Cadwalader, Wickersham & Taft. B. Asphalt Roofing Manufacturers Associ-
- A. Cadwalader, Wickersham & Taft.
- B. General Dynamics Corp.
- A. Cadwalader, Wickersham & Taft. B. Shell Oil Co.
- A. Roy C. Cahoon Associates.
- B. National Automatic Merchandising Association.
- A. James R. Calloway.
- A. Donald L. Calvin.
- B. New York Stock Exchange, Inc.
- A. Camp, Carmouche, Palmer, Barsh & Hunter.
 - B. Union Pacific Railroad.

 - A. Jerry B. Campbell. B. Parents & Friends of UAG.
 - A. Jerry L. Campbell.
- B. Tennessee Valley Public Power Association.
- A. Paul W. Cane.
- B. Bechtel Power Corp.
- A. Capital Counselors, Inc.
- B. Electronic Data Systems.
- A. Donald Capshaw.
- B. Airline Pilots Association.
- A. Isaac R. Caraco. B. Bechtel Power Corp.
- A. C. G. Caras.
- B. Ogden Corp.
- A. William Carmichael.
- B. American Floral Services, Inc.
- A. David C. Carter.
- B. United States Beet Sugar Association.
- A. Elisabeth Prewitt Chalmers. B. American Institute of Architects.
- A. Chemtex Fibers, Inc.
- A. Howard P. Chester.
- B. Stone, Glass & Clay Coordinating Committee
- A. Donald T. Chunn.
- B. Title Associates, Inc.
- A. Cladouhos & Brashares. B. Ashland Oil, Inc.
- A. Cladouhos & Brashares.
- B. Crown Central Petroleum Corp.
- A. Cladouhos & Brashares.
- B. International Petroleum Refining & Supply Sdad., Ltda.
- A. Cladouhos & Brashares.
- B. International Processors.
- A. Cladouhos & Brashares.
- B. Seaview Petroleum Co.
- A. Bob Clark & Associates.
- B. Ryder System, Inc.
- A. Gilbert M. Clark.

- B. American Association of Blood Banks.
- A. Joseph J. F. Clark.
- B. Eaton Associates, Inc.
- A. William F. Clarken.
- B. International Council of Airshows.
- A. Clifford & Warnke.
- B. Warner-Lambert Co.
- A. Coalition of Concerned Charities.
- A. Michael J. Cohen.
- B. American International Group.
- A. Cole & Corette.
- B. American Express Co.
- A. Collier, Shannon, Rill & Scott.
- B. American Frozen Food Institute.
- A. Collier, Shannon, Rill & Scott. B. Ferrous Scrap Consumers Coalition.
- A. Collier, Shannon, Rill & Scott.
- B. Food Marketing Institute.
- A. Collier, Shannon, Rill & Scott.
 B. National Association of Convenience Stores.
 - A. Collier, Shannon, Rill & Scott.
- B. National Broiler Council.
- A. Collier, Shannon, Rill & Scott. B. Tool and Stainless Steel Industry Committee.
 - A. Colorado Railroad Association.
- A. Committee of Citizens of National Committee to Exonerate Richard Nixon.
- A. Community Nutrition Institute.
- A. Congressional District Action Committee
- A. Congressional District Action Committee No. 7.

 - A. Gregory A. Conrad. B. American Mining Congress.
 - A. John J. Contney.
- B. Textile Rental Services Association of
- A. Alfred C. Cordon.
 B. Buffalo Broadcasting Co., Inc.
- A. Samuel C. Corey, Jr. B. Provident Indemnity Life Insurance Co.
- A. Samuel C. Corey, Sr.
 B. Provident Indemnity Life Insurance Co.
 - A. Bennett J. Corn.
 - B. Coffee, Sugar & Cocoa Exchange, Inc.
 - A. Mary Marcotte Corrigan.
 - B. National Rifle Association of America.
- A. Cosmetic, Toiletry & Fragrance Association.
- A. Daniel T. Coughlin.
- B. Jos. Schlitz Brewing Co.
- A. William R. Courtney.
- B. Tribal Council of the Coushatta Tribe of Louisiana.
 - A. John F. Cove.
- B. Cove Associates, Inc. (for Aerospace/ Optical Division, ITT).
 - A. John F. Cove.

- B. Cove Associates, Inc. (for Association of U.S. Night Vision Manufacturers).
 - A. C. Bryan Cox.
 - B. Kansas City Life Insurance Co.
 - A. Charles H. Cromwell, Inc.
 - B. General Electric Co.
- A. Charles H. Cromwell, Inc.
- B. Hughes Helicopters.
- A. Charles H. Cromwell, Inc.
- B. Motorola, Inc.
- A. Charles H. Cromwell, Inc.
- B. Northrop Corp.
- A. Charles H. Cromwell, Inc.
- B. Vought Corp.
- A. James H. Cromwell, Sr.
- B. Med-E-Jet Corp.
- A. James H. Cromwell, Sr.
- B. Worldgate Office Park, Inc.
- A. Bobby E. Crow.
- B. Columbia Gulf Transmission Co.
- A. Crowell & Moring.
- B. Associated Gas Distributors.
- A. Cuba Claims Association.
- A. William E. Cumberland.
- B. Mortgage Bankers Association of Amer-
 - A. John J. Curran.
- B. National Coordinating Committee for Multi-Employer Plans.
 - A. Sharon Allen Currens.
 - B. American Institute of Architects.
- A. Everett E. Cutter. B. Oregon Railroad Association.
- A. Fred L. Dahl. B. Bechtel Power Corp.
- A. Damon Corp.
- A. Daniels, Houlihan & Palmeter, P.C.
- B. Japan Lumber Importer's Association.
- A. David S. Danielson. B. American Optometric Association.
- A. John C. Datt.
- B. American Farm Bureau Federation.
- A. P. M. Davison, Jr. B. North Dakota Railway Lines.
- A. J. Edward Day. B. Associated Third Class Mail Users.
- A. J. Edward Day. B. Electronic Industries Association.
- A. Francis R. deBondt. B. Credit Union Financial Services, Inc.
- A. George K. Degnon Associates, Inc. B. National Association of Children's Hos-

 - A. John L. Delano. B. Montana Railroad Association.
 - A. Cartha D. DeLoach.

pitals & Related Institutions.

- B. PepsiCo. Inc.
- A. O Mark De Michele.

- B. Arizona Public Service Co.
- A. Bradford T. Dempsey.
- A. Detroit Edge Tool Co.
- A. James T. Devine. B. Bowling Proprietors Association of
- A. Chester T. Dickerson, Jr.
- B. Monsanto Co.
- A. Dickinson, Wright, McKean, Cudlip &
- B. J. Aron & Co., Inc.
- A. Dickinson, Wright, McKean, Cudlip & Moon
- B. K Mart Corp.
- James J. Dickman.
- B. New York Shipping Association, Inc.
- A. Dickstein, Shapiro & Morin.
- B. American Fisheries Defense Committee.
- A. Dickstein, Shapiro & Morin.
- B. Capeway Seafoods, Inc.
- A. Dickstein, Shapiro & Morin.
- B. L-5 Society.
- A. Dickstein, Shapiro & Morin.
- B. Marine Engineers Beneficial Association.
- A. Dickstein, Shapiro & Morin.
- Shrimp Harvesters Coalition of the Gulf Coast and South Atlantic States.
- A. Dickstein, Shapiro & Morin. B. Tennessee Gas Transmission Co.
- A. Harley M. Dirks.
- B. Washington Counsel/Medical and Health.
- A. Disabled Officers Association.
- A. John D. Doherty, Jr.
- B. Chase Manhattan Bank.
- A. Hollis M. Dole.
- B. Atlantic Richfield Co.
- A. William D. D'Onofrio.
- B. National Association for Neighborhood Schools.
- A. Jack C. Donovan.
- B. Cleveland Electric Illuminating Co.
- James A. Dorsch.
- B. Health Insurance Association of Amer-
- A. Robert H. Doyle.
- B. Water Quality Association.
- A. Robert H. Doyle.
- B. Water Systems Counsel.
- . Anthony Dresden.
- B. Hill and Knowlton.
- . W. H. Drushel, Jr.
- B. Vinson & Elkins (for Quintana Refinery Co.).
 - A. Mary Jane C. Due.
- B. American Mining Congress.
- A. Evelyn Dukovic.
- B. Morality in Media, Inc.
- A. Don R. Duncan.
- B. Phillips Petroleum Co.
- A. Duncan, Weinberg & Miller, P.C.

- B. Dayton-Montgomery County Park Dis-
- A. Duncan, Weinberg & Miller, P.C.
- B. "Delaware 5".
- A. Duncan, Weinberg & Miller, P.C. B. East Bay Regional Park District.
- A. Duncan, Weinberg & Miller, P.C. B. Iva May Harvey.

- A. Duncan, Weinberg & Miller, P.C. B. Huron-Clinton Metropolitan Authority.
- A. Duncan, Weinberg & Miller, P.C.
- B. Adolph Kizas.
- A. Duncan, Weinberg & Miller, P.C.
- B. Koniag, Inc.
- A. Duncan, Weinberg & Miller, P.C.
- B. Mid-West Electric Consumer Association.
 - A. Duncan, Weinberg & Miller, P.C.
 - B. Western Fuels Association, Inc.
- A. John H. Dunne. B. International Federation of Professional and Technical Engineers, AFL-CIO.
 - Joseph L. Duran.
 - B. First National Bank of Boston.
 - A. Henry I. Dworshak.
 - B. American Mining Congress.

 - A. Roderick Dwyer. B. American Mining Congress.
 - A. Eaton Associates, Inc.
 - A. Robert E. L. Eaton.
 - B. Eaton Associates, Inc.
 - A. Economic Service Counsel, Inc.
 - A. Daniel J. Edelman, Inc.
 - B. Nestle
 - A. Edelman International Corp.
- B. Republic of Uganda/Embassy of Uganda.
- A. Anne Edlund. B. Motor Vehicle Manufacturers Associ-
 - . Edwards Associates, Inc.
- B. Blue Ribbon Sports, Inc.
- A. Edwards Associates, Inc.B. Confederated Tribes of Warm Springs.
- A. Edwards Associates, Inc.
- B. Portland General Electric Co.
- A. J. Rodney Edwards.
- B. American Paper Institute, Inc.
- A. Mary Ann Eichenberger.
- B. American Institute of Architects.
- A. Stephen W. Elliott.
- B. Fidelity Union Bank.
- A. Elv. Guess & Rudd.
- A. Law Offices of Northcutt Ely.
- B. Ocean Mining Associates.
- A. Law Offices of Northcutt Ely. B. Outer Banks Civic League.
- A. Steven L. Engelberg. B. Amercian Association of Marriage and Family Therapy.
 - A. Joseph O. Evans.
 - A. Ellen Egan Eves.

- B. ICI Americas, Inc.
 - A. Robbie G. Exley.
- National Federation of Federal Empolye
 - A. Donald C. Evans.
- A. Dale W. Fallat.
- B. The Andersons.
- A. Michael Farrar.
- B. American Paper Institute, Inc.
- A. Arthur Fefferman.
- B. American Council of Life Insurance.
- A. John W. Feist.
- B. Kaiser Steel Corp.
- A. C. W. Fendrich.
- B. Research-Cottrell, Inc.
- A. John Festa.
- B. American Paper Institute, Inc.
- A. Blaine Fielding.
- B. American Paper Institute, Inc.
- A. Richard J. Fiorini. B. Noranda Mining, Inc.
- A. Aaron I. Fleischman.
 B. Fleischman and Walsh, P.C. (for Warner Amex Cable Communications, Inc.).
- A. David H. Foerster.
- B. National Education Association.
- A. Carol J. Forbes.
- B. General Leasing Corp.
- A. Carol J. Forbes.
- B. Sen C. Grassley (Iowa).
- A. Carol J. Forbes.
- B. Poly-Metrics, Inc.
- A. Carol J. Forbes.
- B. Rushmore-Borgham Museum.
- A. Charles Ford.
- B. Motor Vehicle Manufacturers Association.
- A. Joseph L. Fraites. B. Coffee, Sugar and Cocoa Exchange, Inc.
- A. William C. France. B. National Motorsports Committee of ACCUS.
- A. William H. G. France. B. National Motorsports Committee of ACCUS.

 - A. Robert E. Freer, Jr. B. Kimberly-Clark Corp.
- A. Fried, Frank, Harris, Shriver & Kam-
- B. Doyon, Limited.
- A. Fried, Frank, Harris, Shriver & Kampelman.
- B. Miccosukee Tribe of Florida.
- A. Fried, Frank, Harris, Shriver & Kam-

A. Fried, Frank, Harris, Shriver & Kam-

- B. Oglala Sioux Tribe.
- A. Barry A. Friedman.
- pelman. B. Rosebud Sioux Tribe.

- B. Wilner & Scheiner (for American Society of Travel Agents, Inc.).
- A. James M. Friedman.
- B. Cleveland Electric Illuminating Co.
- A. Terry Gabrielson.
- B. Transcontinental Gas Pipeline Corp.
- A. Joe Harry Galis.
- B. Prison Law Libraries.
- A. Joe Harry Galis. B. Prison Reform.
- Joe Harry Galis.
- B. Prisoner Rights.
- A. Lawrence H. Gall. B. Transco Co., Inc.
- A. Gardner, Carton & Douglas.
- B. Peoples Gas Co.
- A. Gardner, Carton & Douglas.
- B. Sealed Power Corp.
- A. Edward A. Garmatz.

 B. Baltimore Gas & Electric Co.
- A. James J. Garry.
- B. Coffee, Sugar and Cocoa Exchange.
- A. James A. Gavin.
 B. Committee for Equitable Access to Crude Oil.
 - A. Morton A. Geller.
- B. First National Bank of Boston.
- A. George and George.
- B. Continental Resources Co.
- A. George and George.
- B. Pepsico, Inc.
- A. George W. Gephart. B. Baltimore Gas & Electric Co.
- A. Phillis H. Gerstell.
- B. American Council of Life Insurance, Inc.
- A. Thomas F. Gibson.
- B. Brick Institute of America.
- A. Susan Gilbert.
- B. National Federation of Federal Employees.
- A. Arthur P. Gildea. B. Brewery & Soft Drink Workers, National Conference.
- A. Mark W. Gillaspie. B. Houston Natural Gas Corp.
- A. Joe L. Gilmore.
- B. Chrysler Defense, Inc.
- A. Jonah Gitlitz.
 B. Direct Mail/Marketing Association.
- A. John P. Gleason, Jr.
- B. Brick Institute of America.
- A. Law Offices of Thomas W. Gleason. B. International Longshoremen's Association, AFL-CIO.
- A. Richard D. Godown.
- Burson-Marsteller (for National Oil Jobbers Council).

 - A. Richard C. Gohla. B. Retail Bakers of America.
 - A. Vance V. Goodfellow.
 - B. Crop Quality Council.
 - A. Bruce G. Goodman.

- B. Damon Corp.
- A. Robert D. Gordon.
- B. International Union of Police Associations
 - A. Irmgard Gordos.
 - B. American Security Council.
 - A. Ann Gosier.
 - B. American Mining Congress.
 - A. Government Relations Associates, Inc.
 - B. Kaiser Steel Corp.
 - A. Thomas E. Grace.
 - B. Montgomery Ward & Co., Inc.

 - A. Mark E. Grayson. B. Hill and Knowlton, Inc.
- A. Mark E. Grayson. B. Hill and Knowlton, Inc. (for RKO General)
 - A. Mark E. Grayson.
- B. Hill and Knowlton, Inc. (for RKO Uniroyal).
- A. Samuel A. Grayson. B. Union Pacific Railroad Co.
- A. Edward Green. B. American Mining Congress.
- A. Wayne Green.
- B. 73 Magazine.
- A. Dale Greenwood.
- B. Washington Railroad Association.
- A. Edward F. Greissing, Jr.
- B. Upjohn Co.
- A. Ellen B. Griffith.
- B. Child Advocacy Center.
- A. Chester A. Groseclose, Jr. B. South Dakota Railroads Association.
- A. Richard J. Grunewald.
 B. National Construction Employers Council.
- A. John T. Grupenhoff.
- B. American Academy of Dermatology.
- A. John T. Grupenhoff.
- B. American Gastroenterological Association
 - A. John T. Grupenhoff.
- B. National Association for Hospital De-
 - A. Guavule Rubber Growers Association.
 - Thomas M. Gunn.
 - B. McDonnell Douglas Corp.
 - A. Ellen Haas.
 - B. Community Nutrition Institute.
 - C. James Hackett.
 - B. American Plywood Association.
 - A. Ann Hagemann.
 - B. American Broadcasting Co.
 - A. William D. Hager.
 - B. American Academy of Actuaries.
 - A. Peter H. Hahn.
 - B. Chromalloy American Corp.
- A. Beverly Halem. B. Halem Industries, Inc.
- A. Martin Ryan Haley & Associates.
- B. Agri-Business, Inc.
- A. Martin Ryan Haley & Associates.

- B. American Energy, Inc.
- A. Martin Ryan Haley & Associates.
- B. Central Texas Grain Products Marketing Cooperative.
 - A. Martin Ryan Haley & Associates.
 - B. Grain Products Alcohol Cooperatives.
- A. Martin Ryan Haley & Associates. B. M&M/Mars Division of Mars.
- A. Martin Ryan Haley & Associates. B. New England Mutual Life Insurance Co.
 - A. Martin Ryan Haley & Associates.
- B. North Plains Grain Products Coopera-
- A. Martin Ryan Haley & Associates.
- B. Operation Independence.
- A. Martin Ryan Haley & Associates.
- B. Tobacco Tax Council.
- A. Martin Ryan Haley & Associates.
- B. West Alabama Grain Products Cooperative, Inc.
- A. Norman S. Halliday. B. National Association of Greeting Card Publishers.
 - A. Joseph Halow.
- B. North American Export Grain Association, Inc.
 - A. Hamel, Park, McCabe & Saunders.
 - B. State of Alaska.
 - A. Robert E. Hampton.
- B. ICI Americas, Inc.
- A. Sara Hamric. B. American Paper Institute, Inc.
- A. George J. Hanks, Jr. B. Union Carbide Corp.
- A. Hannaford Company, Inc.
- B. Tosco Oil Corp.
- A. Hansell, Post, Brandon & Dorsey. B. Portman Properties.
- A. Michael T. Harrigan. B. United States Olympic Committee.
- A. Robert S. Hartmann. B. Hill and Knowlton, Inc.
- A. Edwin H. Harvey. B. National Federation of Federal Emplovees.
- A. Gary R. Hattal. B. International Federation of Professional and Technical Engineers, AFL-CIO.
- A. Kathryn JoAnn Hawes.
 B. International Federation of Professional and Technical Engineers, AFL-CIO.
 - A. Paul M. Hawkins.
- B. Health Insurance Association of America.
- A. Junius Hayes, III.
- B. Progress, Inc.
- A. Health Insurance Association of America.
- A. Charles L. Hebner.
- B. ICI Americas, Inc.
- A. Lon H. Heibeck.

- B. Pennsylvania State Education Associ-
 - . Richard L. Hellwege.
 - B. Lear Siegler, Inc.
 - A. C. Dayle Henington.
 - B. Chicago Mercantile Exchange.
 - A. Henkel & Lamon.
- B. Colonial Life & Accident Insurance Co.
- A. Henkel & Lamon.
 B. National Association of Pension
 Consultants and Administrators, Inc.

 - A. Donald A. Henriksen. B. Atlantic Richfield Co.
- A. Bruce Heppen.
- B. National Federation of Federal Em-
 - A. Kevin M. Higgins.
- B. Avon Products, Inc.
- A. Allan D. Hill,
- B. Phillips Petroleum Co.
- A. Hill, Christopher and Phillips, P.C. B. Michigan State Housing Development
- A. Hill, Christopher and Phillips, P.C.
- B. Morgan Guaranty Trust Co. of New York.
- A. Hill, Christopher and Phillips, P.C.
- B. Republic National Bank of New York.
- A. Gerald "Jerry" Hill. B. Standard Oil Co. (Indiana).
- A. Hill and Knowlton.
- B. Florists' Transworld Delivery.
- A. Morton A. Hill.
- B. Morality in Media, Inc.
- A. Beverly Hines.
- B. VISA USA, Inc.
- A. Robert J. Hobbs.
- B. National Consumer Law Center, Inc.
- A. William H. Hoffman, Jr.
- B. American Iron & Steel Institute.
- A. Robert L. Holding.
- B. Association of Home Appliance Manufacturers.
- A. Henry W. Holling.
- B. Caterpillar Tractor Co.
- A. Richard C. Holmquist. B. American Mining Congress.
- A. John W. Holton.
- B. American Bankers Association.
- A. Fortescue W. Hopkins, B. Graham-White Manufacturer Co. & Graham-White Sales, Co.
 - A. Housley, Goldberg and Kantarian, P.C.
 - A. Mary Greer Houston.
- B. Hamilton & Associates, Inc., (for Farm Labor Research Committee).
 - A. Virginia Hoy.
 - B. National Multi Housing Council.
 - A. Hudson, Leftwich & Davenport.
 - B. City of Detroit.
 - A. Margaret Renken Hudson. B. Korf Industries, Inc.
- A. Gary E. Hughes.

- B. American Council of Life Insurance, Inc.
- Vester J. Hughes, Jr.
- B. Sammons Enterprises, Inc.
- A. William E. Hughes, Jr.
- B. Northeast Utilities Service Co.
- A. William G. Hughes. B. National Association of Federal Veter-
- A. Cordell W. Hull.
- B. Bechtel Group, Inc.
- A. Frederick D. Hunt, Jr.
- B. Society of Professional Benefit Administrators.
- A. Lawrence H. Hunt, Jr.
- B. Sidley & Austin (for Heinold Commodities, Inc., and ContiCommodity Service,

 - A. Peter C. Hunt. B. Brooklyn Union Gas. Co.
 - A. Gerard F. Hurley.
 - B. National Club Association.
 - A. Robert R. Hurt.
 - B. Merck & Co., Inc.
 - A. Ronald K. Ikejiri.
 - B. Japanese American Citizens League.
 - A. IMA Resources, Inc.
- B. Allis-Chalmers.
- A. Bernard J. Imming.
 B. United Fresh Fruit & Vegetable Association.
- A. Independent U.S. Tar Owners Committee.
 - A. Inter-American Association, Inc.
- A. International Brotherhood of Painters and Allied Trades.

 - A. James D. Isbister.
 B. Blue Cross and Blue Shield Association.
 - A. Roy Jacobsen.
- B. Parents & Friends of UAG.
- A. Joseph N. Jaquay.
- B. Amalgamated Transit Union, AFL-CIO.
- A. Jennings, Strouss & Salmon. B. Shamrock Foods Co.
- A. Donald A. Johnson.
- B. Plains Cotton Growers, Inc.
- A. H. Bradley Johnson. B. American Mining Congress.
- A. Spencer A. Johnson.
- B. Paperboard Packaging Council.
- A. Barbara W. Johnston.
- B. Utah International, Inc.
- A. JoJoBa Growers Association.
- A. James E. Jones.
- B. Appalachian Power Co.
- A. James V. Jordan, III.
- B. Southern Natural Gas Co.
- Ardon V. Judd, Jr.
- B. Dresser Industries, Inc.
- A. Geza Kadar, Jr.
- B. Health Insurance Association of America
 - A. Hans Kaehler.

- B. Consultants Research Service.
- A. Kaiser Steel Corp.
- A. Howard C. Katz.
- B. Coffee, Sugar & Cocoa Exchange, Inc.
- A. Everett E. Kavanaugh.
- B. Cosmetic, Toiletry and Fragrance Association.
- A. Kaye Scholer, Fierman, Hays & Han-
- B. American Psychoanalytic Association.
- A. William J. Keating.
- B. National Grain and Feed Association.
- A. Donald W. Keller.
- B. Quintana Petroleum Corn
- A. William T. Kendall.
- B. Alliance for Free Enterprise.
- A. William J. Kenney.
- B. Bay State Gas Co.
- A. Vytautas K. Kerbelis.
- B. ARAS (Psychomotor Domain of Self).
- A. Rosalie K. Kessler.
- B. Toyota Motor Sales, U.S.A., Inc.
- A. Earline A. Keyser.
- B. Bechtel Power Corp.
- A. Richard F. Kibben. B. Business Roundtable.
- A. Edward J. Kiernan.
- B. International Union of Police Associ-
- A. Daniel L. Kiley.
- B. Norfolk & Western Railway Co.
- A. Margaret A. Kimball.
- B. Bechtel Power Corp.
- A. James L. Kimble. B. American Insurance Association.
- A. Edward H. King. B. Walgreen Co.
- A. G. Jack King. B. U.S. Air, Inc.
- A. Roger P. Kingsley. B. American Speech-Language-Hearing Association.
- A. Francis L. Kinney. B. Northeast Utilities Service Co.
- A. Kirby & Gillick.
- B. Corn Refiners Association.
- A. Alan G. Kirk, II.
- B. Potomac Electric Power Co.
- A. Robert B. Kittredge.
- B. Investment Counsel Association of America, Inc.
- A. Allie C. Kleinpeter, Jr. B. Louisiana Bankers Association.
- A. Kline, Knopf and Wojdak, Inc. B. General Public Utilities Corp.
- A. John J. Klocko, III. B. E. I. du Pont de Nemours & Co., Inc.
- A. Glenn Knapp.
- A. Jeffrey W. Knight.

- B. Friends of the Earth.
- A. Horace R. Kornegay.
- B. Tobacco Institute, Inc.
- A. Charles B. Kornmann.
 B. South Dakota Railroads Association.
- A. Philip Kugler. B. American Federation of Teachers, AFT-CIO
- A. Labor Bureau, Inc.
- A. R. D. Laime.
- B. National Education Association.
- B. National Potato Council.
- A. James H. Lake. B. Sunmaid Raisin Growers of California.
- James H. Lake.
- B. Western Growers Association.
- A. C. P. Lambos.
- B. New York Shipping Association, Inc.
- A. Thomas M. Landin.
- B. SmithKline Corp.
- A. B. A. Landy. B. Cryogenic Vacuum Tech. Co.
- A. B. A. Landy Co.
- Albert E. Lane.
- B. People Opposed to Energy Lobby-POTEL.
 - A. Reed E. Larson.
 - B. National Right to Work Committee.
 - A. LaSalle National Bank.
 - A. Lawrence C. Laser.
 - B. Cities Service Co.
 - A. Michael J. Lashbrook.
 - B. National Rifle Association.
- A. Glenn T. Lashley. B. American Automobile Association.
- A. Theodore A. Lattanzio.
- B. National Rifle Association.
- A. Louis F. Laun.
- B. American Paper Institute, Inc.
- A. Henry J. Lawrence, Jr.
- B. American Institute of Architects.
- A. Linda L. Lawrence.
- B. Brown & Root, Inc.
- A. Richard J. Lease.
- A. David A. Lefeve.
- B. Merrill Lynch & Co., Inc.
- A. Leighton, Conklin, Lemov, Jacobs & Buckley
 - B. Adhesive and Sealant Council, Inc.
- Leighton, Conklin, Lemov, Jacobs &
- B. American Association of Nurse Anesthetists.
- A. Leighton, Conklin, Lemov, Jacobs &
- B. Intraocular Lens Manufacturers Associ-
- A. Leighton, Conklin, Lemov, Jacobs & Buckley.
- B. Jet America International, Inc.
- A. Leighton, Conklin, Lemov, Jacobs & Buckley.

- B. National Glass Dealers Association.
- A. Edward A. Lenz.
- B. Health Insurance Association of Amer-
 - A. Rodney E. Leonard.
 - B. Community Nutrition Institute.
- A. Robert Lesmeister. B. American Firearms Industry.
- A. Robert Lesmeister.
- B. American Press Media
- A. Leva, Hawes, Symington, Martin & Oppenheimer.
- B. American Electric Power Service Corporation.
- A. Leva, Hawes, Symington, Martin & Oppenneimer. B. Business Roundtable.
- A. Leva, Hawes, Symington, Martin & Oppenheimer.
 - B. Commerzbank Ag.
- A. Leva, Hawes, Symington, Martin & Oppenheimer.
- B. Commonwealth Edison Co.
- A. Leva, Hawes, Symington, Martin & Oppenheimer.
- B. Consolidated Edison Co. of New York, Inc.
- A. Leva, Hawes, Symington, Martin & Oppenheimer.
 - B. General Electric Co.
- A. Leva, Hawes, Symington, Martin & Oppenheimer
- B. GK Technologies, Inc.
- A. Leva, Hawes, Symington, Martin & Oppenheimer.
- B. Glass Packaging Institute.
- A. Leva, Hawes, Symington, Martin & Oppenheimer.
- B. National Association for Hospital Development.
- A. Leva, Hawes, Symington, Martin & Op-
- B. National Association of Supermarket
- A. Leva, Hawes, Symington, Martin & Oppenheimer. B. Tosco, Inc.
- A. Leva, Hawes, Symington, Martin & Oppenheimer.
 - B. Union Investment GmbH.
 - A. Robert J. Levering.
- B. Direct Selling Association.
- A. Manuel Levine.
- B. Wood Lucksinger & Epstein.
- A. David Lewis.
- B. American Optometric Association.
- A. Richard A. Lillquist.
- B. Flexible Packaging Association.
- A. James P. Linse.
- B. United Airlines.
- A. Elena Linthicum.
- B. Allied Corp.
- A. Zel E. Lipsen. B. Pen, Inc.
- B. National Rifle Association.
- A. Theodore M. Littman.

- B. Rockwell International.
- A. Robert H. Loeffler.
- B. State of Alaska.
- A. Nira Hardon Long.
- B. National Black Media Coalition.
- A. John Lounsbury.
- B. National Rifle Association.
- A. Robert C. Lower. B. Board of Trade of the City of Chicago.
- A. Curtis Mackey.
- B. National Insulation Contractors Association.
 - A. Lee G. Magnussen.
 - B. Heinold Commodities, Inc.
- A. Mary Jo Malone.
- B. American Institute of Architects.
- A. Manchester Associates, Ltd. B. Nissan Motor Co., Ltd.
- A. Richard J. Mannix.
- B. Brooklyn Union Gas Co.
- A. Ronald Anthony Marks.
- A. D. V. Maroney, Jr. B. Amalgamated Transit Union, AFL-CIO.
- A. E. C. Marty.
- A. Judith L. Marty.
- A. Mike M. Masaoka.
- B. American Japanese Trade Committee.
- A. Mike M. Masaoka.
- B. Nisei Lobby.
- A. Jon G. Massey.
- B. Oil Investment Institute.
- A. William F. Massman.
- B. Dr. Pepper Co.
- A. C. V. & R. V. Maudlin. B. Joint Government Liaison Committee.
- A. Samuel L. Maury. B. United States Steel Corp.
- A. Charles H. Mauzy. B. National Education Association.
- A. William J. McAuliffe, Jr. B. American Land Title Association.
- A. Michael J. McCabe.
- B. Allstate Enterprises, Inc.
- A. John McCahill.
- B. United States Olympic Committee.
- A. A. R. McCammon.
- B. Tennessee Railroad Association.
- A. James R. McCaul. B. IMA Resources, Inc. (for Allis-Chalmers).
- A. Robert S. McConnaughey. B. American Council of Life Insurance, Inc.

 - A. Marianne McDermott. B. Hill and Knowlton, Inc.
- A. Dinah D. McElfresh. B. Hauck & Associates, Inc. (for National Association of Child Care Management Foodservice Organization of Distributors).
 - A. Darryl D. McEwen.

- B. Society of American Florists.
- A. James M. McGarry, Jr.
- B. Eaton Associates, Inc.
- A. W. Curt McGee.
- B. Bechtel National, Inc.
- A. William F. McKenna.
- B. Housley Goldberg and Kantarian, P.C.
- A. Robert T. McKernan.
- B. American Paper Institute, Inc.
- A. William Colm McKeveny.
- B. American Pulpwood Association.
- A. Robert E. McVicker.
- B. Kollsman Instrument Co.
- A. R. E. McWilliams.
- B. Boeing Commercial Airplane Co.
- A. George G. Mead.
- B. American Trucking Associations, Inc.
- A. David O. Meeker, Jr.
- B. American Institute of Architects.
- A. R. Otto Meletzke.
- B. American Council of Life Insurance.
- A. Howard Menaker.
- B. American Optometric Association.
- A. Metzger, Shadyac & Schwarz.
- B. Melex USA, Inc.
- A. Andrice J. Michaels.
- B. American Mining Congress.
- A. Laurie L. Michel.
- B. Nabisco, Inc.
- A. Milbank, Tweed, Hadley & McCloy.
- B. LaSalle National Bank.
- . Dale Miller.
- B. Gulf Intracoastal Canal Association.
- . Luman G. Miller.
- B. Oregon Railroad Association.
- A. Robert H. Miller.
- B. Tenneco, Inc.
- A. Richard V. Minck.
- B. American Council of Life Insurance.
- A. Stacev J. Moblev.
- B. E. I. du Pont de Nemours & Co.
- A. John V. Moller.
- B. Nissan Motor Co.
- A. John C. Monsul.
- A. Robert Morin.
- B. Society of Real Estate Appraisers.
- . Victor G. Morris.
- B. Montgomery Ward & Co., Inc.
- A. Kelly Holley Mountain.
- B. American Paper Institute, Inc.
- A. Fareed A. Muhammad.
- B. Prisoners State of Indiana.
- A. Frank Dominic Musica.
- B. American Institute of Architects.
- A. Lawrence P. Mutter.
- B. Automotive Parts Rebuilders Association.
 - A. Paul J. Myer.

- B. American Broadcasting Co.
- A. National Association of Margarine Manufacturers
- A. National Club Association.
- A. National Consumer Center for Legal Services.
- A. National Council for a Responsible Firearms Policy.
 - A. National Grain and Feed Association.
- National Motorsports Committee of
- A. National Pest Control Association.
- A. National Resource Center for Consumers of Legal Services.
 - A. National Small Business Index.
 - A. National Turkey Federation.
 - A. National Wheel & Rim Association.
 - A. National Youth Pro Life Coalition.
 - A. Carolyn B. Nelson.
- B. Metropolitan Properties, Inc.
- A. Mark D. Nelson.
- B. E. I. du Pont de Nemours & Co., Inc.
- A. Thomas C. Nelson. B. American Mining Congress.
- A. Milton E. Neshek.
- B. Kikkoman Foods, Inc.
- A. New York Committee of International Committee of Passenger Lines.
 - A. Nissan Motor Co., Ltd.
- A. North American Export Grain Association, Inc.
 - A. C. D. Nyberg.
- B. Geo. A. Hormel & Co.
- A. M. Eileen O'Brien.
- B. Dow Corning Corp.
- A. Katharine C. O'Callaghan. B. Burson-Marsteller (for National Oil Jobbers Council, Inc.).
 - A. O'Connor & Hannan.
- B. American Institute of Certified Public Accountants.
- A. O'Connor & Hannan.
- B. Automotive Parts & Accessories Associ-
 - A. O'Connor & Hannan.
- B. Commonwealth of Puerto Rico.
- A. O'Connor & Hannan. B. Hennepin County.
- A. O'Connor & Hannan. B. Investors Diversified Services, Inc.
- O'Connor & Hannan.
- B. Investment Co. Institute.
- A. O'Connor & Hannan.
- B. John Nuveen & Co.
- A. O'Connor & Hannan. B. Westinghouse Electric Corp.
- A. Leonard F. O'Connor. B. First National Bank of Boston.
- A. John B. O'Day.

- B. Insurance Economics Society of Amer-
- Ashton J. O'Donnell.
 - B. Bechtel National, Inc.
 - John A. O'Donnell. B. Philippine Sugar Commission.
 - A. Neil H. Offen.
 - B. Direct Selling Association.
 - A. Oil Investment Institute.
 - A. R. Q. Old & Associates.
 - B. General Electric Co.
 - A. R. Q. Old & Associates. B. Gould. Inc.
- A. R. Q. Old & Associates
- B. Grumman Aerospace Corp.
- A. R. Q. Old & Associates. B. Hughes Aircraft Co.
- A. R. Q. Old & Associates.
- B. Sperry Division.
- A. Alice O'Leary.
- B. Alliance for Cannabis Therapeutics.
- A. Alvin E. Oliver.
- B. National Grain and Feed Association.
- A. Van R. Olsen.
- B. United States Beet Sugar Association.
- A. Nancy J. Olson.
- B. Johns-Manville Corp.
- A. Roy E. Olson.
- B. American Paper Institute, Inc.
- A. W. D. Page.
- B. American Plywood Association.
- A. Paperboard Packaging Council.
- A. David J. Pattison.
- B. Health Insurance Association of America.
 - A. Larry E. Paulick.
- B. National Spa & Pool Institute.
- A. Peabody, Rivlin, Lambert & Meyers.
- B. American Consulting Engineers Council.
 - A. Peabody, Rivlin, Lambert & Meyers.
 - B. Council of Energy Resource Tribes.

 - A. Peabody, Rivlin, Lambert & Meyers. B. Tuna Research Foundation.
 - A. Peabody, Rivlin, Lambert & Meyers. B. Westinghouse Electric Corp.

 - A. Pepper, Hamilton & Scheetz. B. Coalition of Concerned Charities.

 - A. Richard F. Phillips. B. Phillips Petroleum Co.
- Pineapple Growers Association of Hawaii.
 - A. Piper & Marbury.
- B. Ryder System, Inc.
- A. Piper & Marbury. B. Trailer Train Co.
- A. Ronald L. Platt.
- B. Burger King Corp.
- A. Wyll W. Pleger.

- B. Brown & Root, Inc.
- A. Michael A. Poling.

 B. American Mining Congress.
- A. Robert F. Pontzer. B. Lear Siegler, Inc.
- A. Henry E. Poole. B. Avon Products, Inc.
- A. Portman Properties.
- A. A. Frank Portmann III.
- B. Amax Coal Co.
- A. Janet Power. B. VISA USA, Inc.
- A. Graydon R. Powers, Jr. B. Scientific Apparatus Makers Association.
- A. Preston, Thorgrimson, Ellis & Holman. B. American Waterways Shipyard Conference
- A. Preston, Thorgrimson, Ellis & Holman.
- B. Commercial Union Assurance Co.
- A. Preston, Thorgrimson, Ellis & Holman.
- B. Dravo Corp.
- A. Preston, Thorgrimson, Ellis & Holman.
- B. Employers Reinsurance Corp.
- A. Preston, Thorgrimson, Ellis & Holman. B. Northern Tier Pipeline Co.
- A. Preston, Thorgrimson, Ellis & Holman.
- B. Port of Seattle.
- A. Preston, Thorgrimson, Ellis & Holman. B. Ronan Telephone Co.
- A. Preston, Thorgrimson, Ellis & Holman. B. Schnitzer Investment Corp.
- A. Preston, Thorgrimson, Ellis & Holman. B. State of Alaska.

- A. Preston, Thorgrimson, Ellis & Holman. B. Tennessee Gas Pipeline Co.
- A. Preston, Thorgrimson, Ellis & Holman. B. Washington Department of Ecology.
- A. Preston, Thorgrimson, Ellis & Holman.
- B. Washington Natural Gas.
- A. Arnold J. Prima, Jr.
 B. American Institute of Architects.
- A. Paul C. Pritchard.
- B. National Parks & Conservation Associ-
- Provident Indemnity Life Insurance Co.
 - A. Gerald H. Pugh.
 - B. Combined Insurance Co. of America.
 - A. David E. Pullen.
 - B. Johns-Manville Corp.
 - A. Earle W. Putnam.
 - B. Amalgamated Transit Union, AFL-CIO.
 - A. William A. Quinlan.
 - B. Retail Bakers of America.
 - A. Rare Animal Relief Effort, Inc.
 - A. Carol Raulston.
 - B. American Paper Institute, Inc.
 - A. Julian O. Read.
 - B. Central & South West Corp.
 - A. Timothy Redmon.

- B. American Optometric Association.
- A. Janet S. Reed.
- B. Paralysis Cure Research Foundation.
- A. Martha L. Rees. B. E. I. du Pont de Nemours & Co.
- A. Charlotte T. Reid.
- B. Volunteer Trustees of Not for Profit
 - A. Reid & Priest.
- B Shanghai Power Co.
- A. William W. Reinertson.
- B. American Optometric Association.
- A. Harry O. Reinsch.
- B. Bechtel Power Corp.
- A. Murray P. Reiser.
- B. Edward Blankstein, Inc.
- A. W. W. Renfroe.
- B. Kentucky Railroad Association.
- A. Research-Cottrell, Inc.
- A. John H. Reurs.
- B. New York Committee of International Committee of Passenger Lines.
- A. R. Paul Richard.
- B. Association of American Law Schools.
- A. John T. Richardson.
- B. Monsanto Co.
- A. Lloyd C. Richardson, Jr.
- B. South Dakota Railroads Association.
- A. Mark J. Reidy.
- B. Mortgage Bankers Association of Amer-
- A. James E. Ritchie.
- B. National Association of Optometrists & Opticians, Inc.
 - A. Stark Ritchie.
 - B. American Petroleum Institute.
 - A. Elizabeth Jane Robbins.
- B. Scholastic Magazines, Inc.
- A. Robinson, Silverman, Pearce, Aronsohn & Berman.
- B. National Realty Committee Inc.
- A. Rodey, Dickason, Sloan, Akin & Robb,
- B. Navajo Tribe of Indians.

 - A. Lois M. Rodney. B. Credit Union Financial Services, Inc.
 - A. Willi Roelli.
 - B. Coffee, Sugar & Cocoa Exchange, Inc.

 - B. National Rifle Association.
 - A. Rogers & Wells.
 - B. A. Johnson & Co., Inc.
 - A. Rogers & Wells.
 - B. F. & M. Schaefer Corp.
 - A. Rogers & Wells.
 - B. Merrill Lynch International, Inc.
 - A. Rogers & Wells.
 - B. Squibb Corp.
 - A. Rogers & Wells.
- B. Teachers Insurance & Annunity Associ-ation/CREF.
 - A. Carole M. Rogin.

- B. Hauck & Associates, Inc. (for National Association for Child Care Management).
- A. Kenneth S. Rolston, Jr.
- B. American Pulpwood Association.
- A. Mark A. Root.
- B. Samuel E. Stavisky & Associates, Inc. (for Broadcast Music, Inc.).
- A. John W. Rowland.
- B. Amalgamated Transit Union, AFL-CIO.
- A. Eric M. Rubin.
- B Meadville Corp.
- A Eric M Rubin
- B. Outdoor Advertising Association.
- A. Paul M. Ruden.
- B. American Society of Travel Agents, Inc.
- A. David J. Sadd.
- B. National Association of Arab Ameri-
- A. Thomas L. Sager.
- B. E. I. du Pont de Nemours & Co.
- A Sammons Enterprises, Inc.
- A. Vincent R. Sandusky.
- B. SMACNA.
- A. Dale E. Schell.
- B. GATX Corp.
- A. Walter Arthur Schumann III.
- B. Potomac Overlook Associates.
- A. Steve A. Schwartz.
- B. International Federation of Profession-
- al & Technical Engineers, AFL-CIO.
- A. Charles M. Seeger III. B. Popham, Haik, et al. (for Chicago Mercantile Exchange).
- A. Charles M. Seeger III. B. Popham, Haik, et al. (for Glenrock Refinery, Inc.).
- A. Charles M. Seeger III. B. Popham, Haik, et al. (for Newcomb Securities Co.).

 - . David Senter. B. American Agriculture Movement, Inc.
 - A. Seward & Kissel.
- A. Seward & Kissel. B. Merrill Lynch Money Markets, Inc.
- A. Clive Seymour. B. Tennessee Gas Pipeline Co.
- A. Shamrock Foods Co.
- A. Shaw Pittman Potts & Trowbridge. B. Datapoint Corp.
- A. Seymour Sheriff. B. Man-Made Fiber Producers Association, Inc.
- A. Mary Frances Shlagel.
- A. A. Z. Shows.
- A. Daniel W. Sigelman.

B. Union Oil Co of California.

- B. Health Research Group.
- A. Barbara A. Silverman. B. Provident Indemnity Life Insurance
- A Robert C. Singer.

- B. Soap & Detergent Association.
- A. 6th Pro-Life Congressional District Action Committee.
- Carstens Slack.
- B. Phillips Petroleum Co.
- A. Barry S. Slevin. B. United Food & Commercial Workers International Union.
- A. Small Business Council of America, Inc.
- A. Delbert D. Smith. B. COMSAT Corp.
- A. Gordon L. Smith. B. Hill and Knowlton (for Florists' Transworld Deliver).
 - A. Robert Wm. Smith.
- B. Railway Progress Institute.
- A. Sidney O. Smith.
 B. Board of Trade of the City of Chicago.
- A. Thomas Blaisdell Smith.
- B. Community Nutrition Institute.
- A. Synder & Ball Associates, Inc.
- B. Aerojet-General Corp.
- A. Snyder & Ball Associates, Inc.
- B. Gould, Inc.
- A. Charles W. Snyder. B. Bechtel Financing Services, Inc.
- A. Edmund T. Sommer, Jr.
- B. Council of American-Flag Ship Operators
 - A. South Dakota Railroads Association.
 - A. Shelby E. Southard.
- A. Specialized Carriers & Rigging Association.
- A. John F. Speer, Jr. B. International Ice Cream Manufactur-
- A. William C. Spence. B. Columbia Gulf Transmission Co.
- A. Earl C. Spurrier.
- B. Monsanto Co.
- A. Elisabeth A. Squeglia. B. American Small & Rural Hospital Asso-
- A. Squire, Sanders & Dempsey.
- B. Public Securities Association.
- A. David P. Stang. B. Fred J. Russell.
- A. David P. Stang.
- B. Superlite Builders Supply, Inc.
- A. Walter M. Starke.
- B. Southern Natural Gas Co.
- A. State & Federal Associates, Inc.
- B. National Association of Convenience Stores
- A. State & Federal Associates, Inc.
- B. Schering-Plough Corp.
- A. Robert R. Statham.
 B. Committee for Commercial Energy Conservation.
- A. Charles D. Statton. B. Bechtel Power Corp.
- A. Smauel E. Stavisky.

- B. Samuel E. Stavisky & Associates, Inc. (for Boardcast Music, Inc.).
- A. Samuel E. Stavisky & Associates, Inc. B. Broadcast Music, Inc.
- A. Leon P. Stavrou.
- B. American Hellenic Institute Public Affairs Committee, Inc.
 - A. David J. Steinberg.
- B. National Council for a Responsible Firearms Policy.
 - A. Travis B. Stewart.
- A. John W. Stillwaggon. B. Coffee, Sugar and Cocoa Exchange, Inc.
- A. O. R. Strackbein. B. International Allied Printing Trades Association.
 - A. Roger J. Stroh.
- B. United Fresh Fruit and Vegetable Association.
- George W. Strong.
- B. Houston Natural Gas Corp.
- A. Austin P. Sullivan, Jr. B. General Mills, Inc.

- A. Janice D. Sullivan.
- B. Progress, Inc.
- A. Sunmaid Raisin Growers of California.
- A. Thomas M. Susman.
- B. William Carter Co.
- A. John R. Sweeney B. Bethlehem Steel Corp.
- A. Robert D. Swezey, Jr. B. MCI Communications. Corp.
- A. A. B. Swindell, IV.
- B. North Carolina Railroad Association.
- A. Elinor D. Talmadge. B. Tanners' Council of America.
- A. H. William Tanaka.
- B. Bridgestone Tire Co., Ltd.
- A. Warren Tanner.
- B. Organization of Independent Artists.
- A. Frank A. Taylor. B. National Federation of Federal Employees.
 - A. Thevenot, Murray & Scheer.
 - B. Swaziland Sugar Association.
 - A. Lawrence L. Thomas.
 - B. Bechtel Power Corp.
 - A. W. Reid Thompson.
 - B. Potomac Electric Power Co.
 - A. Grace F. Thorpe.
 - A. Paul J. Tierney.
- B. Transportation Association of America.
- A. Roger Tilles. B. First National Monetary Corp.
- A. Roger Tilles. B. Michigan Department of Education.
- A. Roger Tilles. B. Scholastic Magazines, Inc.
- B. Wayne State University.
- A. Title Associates, Inc.
- A. Edward Tonat.

- B. Robert Goff & Associates, Inc.
- A. Transportation Association of America.
- A. Robert C. Troup.
- A. Philip J. Tulimieri, Jr.
- B. Avon Products, Inc.
- A. 23d Congressional District Action Committee.
 - A. Joseph R. Tyler
- B. U.S. Fiber Corp.
- A. Drew A. Upton.
- B. Scientific Apparatus Makers Associ-
 - A. R. Dick Vander Woude.
- B. National Education Association.
- A. A. Randall Vehar.
- B. United Mine Workers of America.
- A. Jerry T. Verkler.
- B. Texas Eastern Transmission Corp.
- A. C. John Vermilye.
- B. U.S. Steel Corp.
- A. Brenda R. Viehe-Naess.
- B. American Insurance Association.
- A. R. Eric Vige.
- B. Cities Service Co.
- A. Vorys, Sater, Seymour & Pease.
- B. Virginia State University.
- A. Catherine Waelder.
- B. National Federation of Federal Employees.
- A. Howard W. Wahl. B. Bechtel Power Corp.
- A. Christine M. Waisanen. B. ICI Americas, Inc.
- A. Wald, Harkrader & Ross.
- B. Chemtex Fibers, Inc.
- A. Linda Walker-Hill.
- B. Hill & Knowlton.
- A. R. C. Wallace. B. Amalgamated Transit Union, AFL-CIO.
- A. Lionel L. Wallenrod. B. American Paper Institute, Inc.
- A. Charles S. Walsh.
 B. Fleischman & Walsh (for National Cable TV Association, Inc.).
- A. Bonnie B. Wan. B. Montgomery Ward & Co., Inc.
- A. James E. Wanko. B. Society of American Florists.
- A. Alan S. Ward.
- B. Baker & Hostetler (for Soap & Detergent Association).
- A. G. Fletcher Ward, Jr.
- B. Montgomery Ward & Co., Inc.
 - A. John E. Ward.
- B. Meat Importers Council of America,
- A. Robert Watkins.
 B. Motor Vehicle Manufacturers Associ-
- ation.
 - A. Clarke R. Watson.

CONGRESSIONAL RECORD—HOUSE

- B. Westland Co.
- A. Horace S. Webb. B. Iowa Electric Light & Power Co.
- A. Webster, Chamberlain & Bean. B. American Society of Radiologic Tech-
- nologists.
- A. Jack R. Wehrly. B. Dow Corning Corp.
- A. Robert Weigend. B. COMSAT Corp.
- A. Thomas F. Wenning. B. Bison & Wenning (for National Association of Retail Grocers of the United
- A. Thomas F. Wenning. B. Bison & Wenning (for National Food Brokers Association).

 - A. William Whichard, Jr. B. Union Oil Co. of California.
 - A. White, Fine & Verville.
 - B. Turlock Irrigation District.
 - A. Wickwire, Lewis, Goldmark & Schorr.
 - B. Arctic Slope Regional Corp.
 - A. Wickwire, Lewis, Goldmark & Schorr. B. Mayor and City of Seattle.
 - A. Richard J. Wiechmann.
 - B. American Paper Institute, Inc.
 - A. Robert E. Williams. B. United Airlines.

 - A. W. G. Williams.
- A. David K. Willis.
 B. Motor Vehicle Manufacturers Association of the United States, Inc.
 - A. Wilmer, Cutler & Pickering.

- B. Browning-Ferris Industries, Inc.
- A. Wilmer, Cutler & Pickering.
- B. Dealer Bank Association.
- A. Wilmer, Cutler & Pickering.
- B. Morgan Guaranty Trust Co.
- A. Wilmer, Cutler & Pickering.
 B. Motor Vehicle Manufacturers Association of the United States, Inc.
- A. Wilmer, Cutler & Pickering. B. National Corporation for Housing Partnerships.
 - A. Dorothy R. Wilson.
 - B. Coalition for Concerned Charities.
 - A. James R. Winnie.
 - B. Cities Service Gas Co.
 - A. Curtin Winsor, Jr.
 - B. Alliance for Free Enterprise.
 - A. Winston & Strawn.
- B. American Association of Museums.
- A. Winston & Strawn. B. Building Owners & Managers Associ-
 - A Winston & Strawn.
 - B. Gould, Inc.

ation, Inc.

- A. Ann R. Wise.
- B. Hollingsworth & Vose Co.
- A. Richard F. Witherall.
- B. Colorado Railroad Association.
- A. Glenn P. Witte.
- B. International Association of Ice Cream Manufacturers and Milk Industry Foundation.
 - A. Ronald Wolsey.

- B. Amoco Oil Co.
- A. George M. Worden.
- B. Hill & Knowlton, Inc.
- A. George M. Worden.
- B. Hill & Knowlton, Inc. (for Distilled Spirits Council of the United States, Inc.).
 - A. Steven M. Worth.
 - B. Hill & Knowlton, Inc.
 - A. Frederick S. Wyle.
- B. Department of External Affairs, Office of the President, Federated States of Micro-
 - A. Marc D. Yacker.
 - B. American Paper Institute, Inc.
- A. Edward A. Yopp.
- B. State National Bank of El Paso.
- A. Michael Zagorac, Jr.
- B. Jack Eckerd Corp.
- A. Janice Zarro.
- B. Avon Products, Inc.
- A. Thomas K. Zaucha.
- B. Cooperative Food Distributors of America.
- A. Myron Zeitz.
- B. Community Nutrition Institute.
- A. Laurence W. Zoeller.
- B. Burson-Marsteller (for National Oil Jobbers Council, Inc.).
 - A. ZOOACT.
 - A. Carl E. Zwisler III.
 - B. International Franchise Association.

EXTENSIONS OF REMARKS

MILTON FRIEDMAN ON THE MARKET AND HUMAN FREEDOM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. McDONALD. Mr. Speaker, I do not always agree with Milton Friedman and his Chicago school of economics, but he and I do agree on the subject of socialized medicine. We agree that socialized medicine increases the cost of medicine and lowers the quality of the care delivered to the patient. Professor Friedman's recent article on this subject appeared in Private Practice magazine for July 1981. Mr. Friedman's article traces the failure of socialized medicine in Great Britain and points out how our limited socialized medicinemedicare and medicaid-have duced bad results in the United States. I commend it to the attention of any of my colleagues who may still feel that Government medicine has any merit. The article follows:

THE MARKET AND HUMAN FREEDOM (By Milton Friedman)

I am delighted to be here with you because you are part of a small band of people around the world who are trying to preserve the basic elements of a truly free and open society-a task which has for many years seemed almost hopeless but which I believe has recently taken on a new hue of hope. It looks as if there may be a change in the tide, as if that trend-that I am sure all of us bemoan-toward a greater and greater role for government in controlling men's lives may be stopping and reversing.
With respect to the field of medicine, one

of the most extraordinary feats of imagination that I know of is a passage in a book by Aleksandr Solzhenitsyn, the novel "Cancer Ward," in which * * * the protagonist of the novel visits an elderly man, a physician, who dates back before the revolution and who is able to talk about the nature of private

practice in medicine.

Here was a man (Solzhenitsyn) who had lived in the country, in a communist country, all his life at the time he wrote this. This was long before he was expelled from the Soviet Union and, yet, out of his imagination he was able to construct a true picture of the merits of private practice as op-posed to state practice. And this in a country which has gone farther than almost any other in converting the practice of medicine from a noble and honorable profession into an ignoble and dishonorable one-where physicians are required, essentially, to use their art to incarcerate people in prison, to declare them sick when all they are is free spirits, where in the only country in the western world-if you can call Russia the western world-I believe the average age at

death is going down rather than up.

And yet, despite the virtues of the private practice of medicine, the trend throughout

the world has been in the opposite direc-tion. It has been in the direction of the elimination of private practice; it has been in the direction of giving government more and more control over the practice of medi-

What has been happening in medicine has been part of a general trend for the past 80 to 90 years around the world-toward a greater and greater control of individuals by governmental officials, toward a turning over of more and more power to the government-the growth of government spending, the growth of government regulation, the growth of government intervention in every area

The growth of government financing of medical care is no different than the nationalization of steel industries in the United States. It's no different than the extension of control over prices or over wages. What you have has been a broad movement ever since the end of the 19th century away from a society in which government serves primarily as an umpire, as a policeman, and toward a society in which government serves as the all-powerful-supposedly and hopefully-all-benevolent father. The trend away from free medicine is part of a general trend not only in the sense that the same kind of greater involvement in government has occurred in area after area, but also in a very different sense, in the sense that it reflects to a considerable extent a kind of schizophrenia among businessmen and among physician professions. Every nessman knows that he's in favor of free trade and free markets except when it comes to himself and he's a special case. He needs a tariff or he needs a special tax arrangement. Physicians have been no different. The medical profession, the healing professions in general, are in favor of private practice but only up to certain limits.

A few years ago I spent a week or so on the island of Kos, a Greek island in the Aegean. I was on the island because it was the home of Hippocrates, the father of modern medicine. I wanted to bring Hippocrates in as an introduction to the episode of "Free to Choose," a PBS 10-part series hosted by the author or the part, of our program which dealt with the problems of labor unions and labor relations.

I wanted to use Hippocrates and the Hippocratic oath as an introduction to why you had a development of trade unions and the consequences which they have. Hippocrates himself gave his name to the Hippocratic oath, but he had nothing to do with it. What happened is, as most of you probably know, when he died, the island was full of physicians and of patients who had been attracted by Hippocrates' fame. But when he died, the fame was not there any more and the attraction was not so great, so you had an oversupply of physicians. Of course, physicians didn't like that so they organized themselves into a group and they drafted the Hippocratic oath.

The Hippocratic oath, which all of you probably took when you entered practice but didn't read very carefully, contains many fine and noble sentiments and statements. But if you examine it more carefully, you will see it is essentially a trade union agreement. There is a phrase in it in which the physician says he will take as students only his own children and the children of other physicians. There is another portion that is an attempt to restrict entry into medicine in an attempt to keep down the numbers.

There is another phrase in there which has to do with jurisdiction. It's a phrase, if you will remember, in which the surgeon says he will not interfere with the medical physician. The medical physician will not interfere with the surgeon. They shall each leave the other to pursue his specialty.

And that is, of course, what has happened to medicine over the course of the centuries that followed. Almost everywhere medical practitioners have formed themselves into organizations that have generally, with the assistance of the state, restricted entry into medicine-all, of course, for good purposes. Nobody ever does undesirable things for bad reasons; all for the good purpose of raising

standards of medical practice.

I have examined the story in this area in the United States, in particular with the American Medical Association during the course of the 1920's and 1930's. It's an extreme example of a very powerful trade union which succeeded in keeping down the number of physicians and in the process raising costs, which succeeded in retarding the development of efficient group medical practice and in the process reduced the quality. I mention this not to attack the American Medical Association or the members of it. They are noble, able people who wanted good things, but were misled. But only to suggest again a sense in which the developments in medicine are not special to medicine.

INPUT UP, OUTPUT DOWN

Now, from the point of view of the providers of medical care, the initial effect of government involvement often seems beneficial. After all, here's a new source of funds, here's a new set of finances which will make possible things that were not possible before. And that is indeed true for a time. It is true that in the initial stages when government enters into the financing of medicine, physicians and other providers of medical care do benefit. In the United States the emergence of medicare and medicaid has roughly doubled the fraction of the national income spent on medicine and it has greatly benefited many physicians. Indeed, its effect on the incomes of physicians has been far more noticeable than its effect on the quality of care received by patients. A major effect has simply been that the gov-ernment pays for some things that before the medical professional provided without payment. In that stage there is no doubt that government involvement is beneficial.

However, that is only the entry wedge in the beginning of it. As government control spreads and gets wider and wider, the advantages decline and the disadvantages emerge. And eventually there is a reversal and even from the purely financial point of view, from the amount of resources devoted to medicine, government control tends to

reduce it.

The most dramatic example of that is in the United Kingdom, which introduced so-cialized medicine in 1948 right after the war,

so you have a long period. What happens is in the beginning the government spends more because that is part of the process of getting approval for its socialization of medicine. But then, when the thing is donewhen the whole thing has been taken overthen there are always fiscal pressures. People will voluntarily pay their own money to go see a particular physician, but nobody likes to pay taxes for someone else to see a physician. Consequently, the complaints emerge that this is a very expensive process and that you have the cost running away and you have to hold down expenditures.

British physician Max Gammon developed a rather interesting theory—which he called a theory of bureaucratic displacement—in which he said in all bureaucratic enterprises where bureaucracies take over, input goes up and output goes down. A particular application of Parkinson's law, which is the growth of bureaucracy tends to take the place of useful output or useless output tends to take the place of useful. And he gave some evidence on that. In the eight years from 1965 to 1973 in Britain, the number of people on hospital staffs went up 28 percent and, I might note, that the people on clerical and administrative staffs went up 41 percent. On the other hand, the average number of beds occupied per day went down 11 percent and that wasn't because there weren't people there to occupy them. There was a waiting list of some 600,000 people at all times during that period.

The end result of this is twofold. On the one hand, as all of you know, there has been a virtual flight of physicians from Britain. The number of physicians emigrating from Britain has been something like a third to a half of the number graduating from medical school. But the other side of it is that there emerges a pressure from private medicine. And so one of the most rapidly growing developments in Britain has been the institution of voluntary health insurance with, as I was mentioning before, private hospitals being built.

The setting in which medicine has been practiced during the thousands of years has been one in which the patient has been the client and the employer of the physician. Today the state, in one manifestation or the other, claims to be the employer and thus the one to prescribe the conditions under which the physician has to carry out his work. These conditions may not, and eventually will not, be restricted to working hours, salaries and certified drugs. They may invade the whole territory of the patient/physician relationship. If the battle of today is not fought and not won, there will

be no battle to fight tomorrow.

What is the appropriate role of government in medicine? Given the extent to which government has been taking over, what is appropriate? What should government be doing? In my opinion, if we put to one side the field of public health, which is we are really talking about, we're really talking about physician/patient relationships. The fields of communicable diseases, public health and sanitation-there is an important role for government in that area. But in the area of private medicine, I do not believe there is any special role whatsoever for government other than its role in every other area of our lives.

What is that role in other areas of our lives? Well, an important role of govern-ment is to enforce laws against fraud and deception. If a person professing to be a physician hangs out a shingle saying, "I

have been graduated from the University of and it turns out he never went to such a university or there is no such university, then he ought to be prosecuted for fraud and deception. But that's the same in every field and ought to be done for the butcher, the baker, and the shoemaker and the candlestick maker. A second function that governments have assumed and is appropriate for governments to assume is to help people who are in dire distress. We do have a situation in which individual citizens get into a situation, often through no fault of their own, in which they are in dire difficulty and one of those possible situations may be subject to very high medical ex-penses, but there is nothing special about that. Another reason for dire distress may be a flood that destroys a town or it may be an earthquake or it may be anything else. And in that sense there can be a role for government in assisting people and the terms ought to be the same, in my opinion, regardless of what is the cause.

I do not believe there is any case whatso-

ever for government's financing ordinary medical care of a private patient. The cost financing ordinary medical care is well within the means of ordinary families in most of our countries. Certainly so far as the more expensive, unusual forms of medical care the appropriate method of financing those is insurance just as that is the appropriate mechanism for financing other

large risks

In the United States the development of private health insurance has gone very far indeed. So that today something like 80 percent of all hospital bills are covered by insurance, most of which is private voluntary health insurance, some of which is medicare government insurance for the elderly and some of which is other government programs, but most of which is private.

NO GOVERNMENT AID

You hear all the time the argument that medical care is so expensive that you cannot expect the ordinary person to finance it. Well, there are two things wrong with that. First of all, who finances it if government finances it? It's the ordinary people. Government doesn't have any money with which to finance anything. All government has is a monopoly on force. And, therefore, the power to take money out of some people's pockets and use it for purposes that are determined by government. So, * * * if ordinary people, if the average people of the country cannot afford to pay for their own medical care, neither can the government afford to pay for it.

But the second thing that is wrong with it is that it misrepresents the magnitude of the expenditures on medical care. The total expenditures in the United States on medical care-and I may say those expenditures have been going up very rapidly thanks to government involvement * * have gone from something like 4 or 5 percent of the national income to 9 or 10 percent. But yet those total expenditures on medical care are less than two-thirds of amount people spend on their houses. It's less than three-fourths of the amount they

spend on their automobiles.

In my opinion, government involvement in medicine has been the problem and not the solution. And the right ultimate course * " and this is a position that will go much beyond what most of you in this room would go to I believe, * * * should be no government involvement, no government regulation, no government subsidization and to add the point where I will lose all of you

* * * no government licensure of physicians. (Applause.) You are a most unusual audience. I have argued against the licensure of physicians before the board of directors of the American Medical Association and had one of the most vituperative, the most argumentative evenings I have ever had. But, your endorsement of that is fascinating because I think physicians everywhere and people everywhere are coming to realize the truth of that old saving that if you're going to sup with the devil you better have a very long spoon. And licensure is not a long enough spoon. It has been a major source of the problem.

Well, let me go on and ask the question, what are the prospects of turning things around? And here I think it is possible to be far more optimistic than it was some 5 or 10 years ago. Not because of any element special to medicine, not at all, but for a very different reason and that is that just as the socialization of medicine has been part of the broader movement toward socialism, so the enhancement of private medicine willcan-only occur as part of a broader movement toward an enhancement of human freedom in all areas, toward a reduction of the role of government in our society, toward a cutting of government back to scale. And the reason it is possible to be more optimistic than it was a few years ago is because it seems to me we are experiencing worldwide a movement of opinion and a movement of practice away from the trends of the past 70 or 80 years and in a very different and new direction.

These trends are worldwide and they can be observed not only in the countries most of us come from-the western countriesthey can be observed in the countries behind the Iron Curtain. The success of the Russian revolution in 1917, of the communist revolution in China after World War II, were part of this worldwide movement toward greater centralization and collectivism. Just as much as the emergence of the welfare state in Great Britain, of the New Deal in the United States, and similar tendencies here in Australia. And, similarly, what is happening in Poland, the attempts in countries like Hungary to introduce greater elements of market arrangements, the attempt by Mr. Deng and others in China to introduce a greater role for the market in those countries. They may not succeed, I am not saying they will, far from it. But, they are indicative of the same kind of a worldwide move away from collectivism and centralized direction and toward a greater role of market and of human free-

You know, the believers in collectivism, the believers in socialism are on the defensive everywhere. Very seldom do people who have taken a very strong and firm position change their position. People pretty well are set in their ways after the age of 25, but you have new generations arising and you have a whole mess of the population that has come to the conclusion that it has been sold a bill of goods and that it has come to realize that these miracles promised by governmental control are not going to emerge.

FREEDOM PERSISTS

And as a result you have a political movement sparked very much by a resistance to high taxes-and that's probably the most important driving force-which is showing its face all over. It's by no means certain, very far from it indeed, that that movement will be successful. It is far more difficult to unwind the consequences of government control than it is to get involved in those controls in the first instance. Every time government gets involved in any area it sets up vested interests that have a strong reason to oppose the reversal of that policy. That's why it is so difficult to turn things around.

So, I am by no means confident that we shall succeed throughout the world in turning things around, in particular in the area of medicine, of providing a greater role for freedom, but I am certain of one thing: elements of freedom will persist.

Just as the private practice of medicine lit a light that Solzhenitsyn recognized inside of closed in Russia, so private practice will persist. The real question is whether it will be able to assume as large a place and as large a role as would be in the interest of patients, or physicians, of the community at large.

ANTHONY "SHOEY" LATTANZIO

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. YATRON. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues in the House the accomplishments of Mr. Anthony "Shoey" Lattanzio.

For 40 years, Mr. Lattanzio was actively involved in the Reading, Pa., Orioles. He served in numerous capacities and, together with his board of directors, made the Reading organization the largest Lodge and Home Association of the Orioles in the United States.

Mr. Lattanzio was indeed an indefatigable and most dedicated member of the Orioles, as he devoted almost all of his spare time to the club. He held all the offices of the local Lodge and the Home Association. In addition, he was elected to the prestigious supreme board, and served as supreme treasurer and two terms as supreme president. The importance of the position of supreme president cannot be overemphasized, as his jurisdiction included all U.S. Oriole organizations. Moreover, Mr. Lattanzio served on any committee to which he was asked, including the Orioles' Meadow Building Committee.

Mr. Lattanzio was instrumental in developing solutions to the problems which occurred at the Orioles. Under his leadership the mortgage was paid and the club improved dramatically. His managerial skill was manifest in every capacity he served and was a most important feature in the club's success.

It is certainly an honor for me to pay tribute to Mr. Lattanzio. His leadership, loyalty, wisdom, and experience were tremendous assets to the Orioles not only in Reading, but all over the country. His many achievements and contributions will always be remembered. Mr. Lattanzio is truly an outstanding American citizen.

CHANGES IN THE FEDERAL GOVERNMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, August 12, 1981, into the Congressional Record:

CHANGES IN THE FEDERAL GOVERNMENT

In my newsletter last week, I commented on the abrupt and far-reaching changes in the Federal Government that have occurred this year. The central point of the newsletter was that a reduction in the size and cost of the Federal Government, an objective strongly promoted by President Reagan, has been the primary development. Because he views the Government as the problem and not the solution, the President seeks to minimize its intervention in all aspects of the Nation's life. Any measure that holds the Government in check is all to the good.

There should be no doubt about the importance of the changes, but still it is possible to overstate them. As I examine the budget cuts of recent weeks, I am impressed that very few of the programs approved during the New Deal and the Great Society have been eliminated, though many of them have been reduced in size and cost. Public service jobs have been terminated and some programs have been folded into block grants serving the same general purposes, but social security, medicare, medicaid, student loans, aid to education, nutrition centers, and grants for community development remain on the books.

Even so, the changes in the Federal Government are dramatic. They are also very understandable. For some years now, both the public mood of exasperation with the ways things have been going and the inability of the Government to deal effectively with our many problems have been apparent. The frustration came to the foreground in the 1980 election, an election which revealed a deep tide of discontent. There was broad support in the country for decisive action to address the Nation's problems. The changes came about, however, not simply because of the mood of the country. The President deserves credit, too. His success in conceiving his plan and steering it through Congress demonstrated a rare political prowess. Using the process of reconciliation, a part of the Budget Act designed for more modest ends, he short circuited lengthy legislative deliberations on numerous bills, made it very difficult for special interest groups to modify his plan, and took full advantage of public sentiment before it dissipated. He kept public concern focused on two bills, the tax and budget cuts, both of which contained sweeping and complex changes in scores of laws. As a legislative maneuver, the President's was spectacular.

Mr. Reagan also had help from his party. During the past few months the Republicans in Congress have maintained a remarkable discipline. Only one Republican voted against the President's tax bill, for example, For the Democrats, it was quite a different They simply could not stay united and their discipline broke frequently. The Democrats merely reacted to Republican initiatives and did not organize a coherent

and constructive opposition.
Some observers believe that the changes in the Federal Government are permanent,

but I am not so sure. These observers point out that the indexation of the tax brackets will lead to a permanent loss of Federal revenue and a permanent curtailment of Federal power. They argue that there will be re-lentless pressure for further cuts in spending, and they contend that the Government will find new programs much harder to finance. The other view-one which may have been overlooked-calls attention to patterns in our history. Periods of internal stress are often followed by periods in which there is less emphasis on social responsibility and the role of the Government. The years after the Civil War and World War I are examples. Because of the conflict in Vietnam, the Watergate scandal, and the economic problems of recent years, the Nation may be entering a similar time. Moreover, important social phenomena, such as poor mass transportation, inadequate health care, the decay of the cities, unemployment, and trouble in the schools may reassert themselves if they are not handled effectively. If they do, new demands will arise for Government action.

It is easy to see the direction the Federal Government will take in the years ahead. In general, I am inclined to think that we will be less ideological and more pragmatic as we try to solve our problems. Perhaps we should take our cue from an observation of President Lincoln's on his own conduct in office: That a man with a policy would have been fatal to the country, and that he just tried to do what was best each day. Because most of us agree that the Government has run too many deficits, incurred too many costs, and been too clumsy and intrusive in its actions, we will surely be more willing to consider nongovernmental options as

search for solutions.

Nevertheless, I doubt that-in the long run, at least-we will come to accept the idea that the Federal Government is evil and worthless. Most of us turn to the Government at some point in our lives: Some for personal advantage, others out of a gen-uine concern for their fellow citizens, still others in desperation. Most of us believe that the Federal Government has a job to do even if we worry that it is sometimes excessive. It seems to me that Americans have repudiated an inefficient, ineffective Government, not the Government itself. Americans have a very reasonable desire: To be able to solve problems with less bureaucracy, less cost, and less interference.

HONORING THE CITY OF LAKE-CALIF.'S SKYNIGHT WOOD, PROGRAM

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. LUNGREN. Mr. Speaker, I rise with pride to bring to the attention of my colleagues the 15th anniversary of the city of Lakewood, Calif.'s skynight program. Skynight was the first community program to use helicopters for routine police work. Following the effective use of helicopter patrols during the Watts riots in 1965, Los Angeles County Sheriff Peter Pitchess proposed to a receptive Lakewood City Council the basic concept of the sky night-helicopter patrol program. Insti-

tuted as a trial program in the summer of 1966, skynight began to yield immediate results and crime in the Lakewood area dropped 11 percent

Originally, the skynight program had one helicopter with a civilian pilot and a sheriff's deputy observer. Presently the city of Lakewood and the surrounding communities of Para-mount, Bellflower, Artesia, Hawaiian Gardens, and Cerritos are served by three skynight helicopters on a fulltime basis. The skynight program and its innovative approach to crime prevention has proven so effective that over 100 communities in America now use helicopter patrols on a regular basis to assist police.

The tremendous success of the skynight program over the past 15 years is a tribute to the civic leaders of Lakewood and to the entire community. It is through the actions of such concerned and active citizens that effective ways may be found to curtail the crime which has plagued our Nation's communities. It is now the responsibility of the U.S. Congress to follow the lead of the people of Lakewood and develop a comprehensive plan to combat crime that will provide full protection for the people of America.

PERU: A THIRD WORLD CINDERELLA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mrs. SCHROEDER. Mr. Speaker, amidst the dismal spectacle of international financial woes, notably in Third World countries, there are a few bright exceptions. Peru is one.

Sound financial management, oil production, market incentives, and government efficiencies have done wonders for the Peruvian economy.

'A Third World Cinderella," in the August 30, 1981, New York Times, has the details:

[From the New York Times, Aug. 30, 1981]

A THIRD WORLD CINDERELLA (By Clyde H. Farnsworth)

Washington.-The figures are staggering. Those third-world nations without the blessing of oil revenues have run up debt approaching \$400 billion. Countries in arrears on current payments have risen from three in 1974 to 22 at the end of 1980, and the amount in arrears has jumped from \$500 million to \$5.5 billion.

'Debt rescheduling crises, like the migration of locusts, are recurring events," says Chandra Hardy, a specialist on the financial problems of third-world countries at the World Bank. "We know they are coming but

not when."

The crises-the specter of an entire nation going bankrupt-get all the attention. But since the 1973-74 explosion in oil prices, no borrowing countries have defaulted out-right. And despite the heavy economic weather of the last half-dozen years, some of these hard-pressed nations have managed to improve their position through self-help.

Peru is a shining example. Years of cheap money, large Government subsidies, heavy public works spending, a costly arms program and nationalizations left the country with runaway inflation and unmanageable short-term foreign debt. Now, less than a year in office, its new civilian Government returned to the international credit markets that shunned it only three years

The Reagan Administration, now in the midst of drafting a new American approach to third-world development, is watching Peru's efforts closely. Reagan officials have already signaled some reluctance to approve an expansion of Government aid to the third world. They want developing countries to de-emphasize centralized planning and orient policies more toward the market system to create a better environment for private capital investment. While cautious about commenting on individual countries, Reagan officials do not conceal their desire to see more Perus.

A. W. Clausen, president of the World Bank, cited Peru, South Korea, Taiwan, Singapore, Hong Kong, Chile and Argentina among those that have already tapped private enterprise with some success. Mr. Clausen, now preparing for next month's annual meeting of the World Bank and its sister lending institution, the International Monetary Fund, put the issue in these terms: "We have to ask what the World Bank can do to help a given country make itself more sexy,

more interesting, safer."
In Peru, increased oil production has aided the country's improvement. It has moved from a \$200 million-a-year oil import-

er in 1978 to a small net exporter. While petroleum and minerals are important in the country's improving export position, Peru has also made substantial progress in expanding foreign markets as well for light

manufactured goods, which now account for

about a quarter of overall exports.
"Peru has turned the corner," said Jack
D. Guenther, senior vice president of Citibank and its senior adviser for international operations. "After the oil-price increases, there were all sorts of dire forecasts that countries would not be able to adjust. What we're seeing in Peru is the way adjustment works. The key is good management.'

Peru's economic storm struck in 1978, when it was unable to pay interest and amortization and was forced to seek a rescheduling of its obligations. The Government of President Fernando Belaunde Terry, which took over last July after 12 years of military rule, has just prepaid a \$354 million loan to a consortium of banks. The money was not due until 1986. That, combined with a decision of two newly organized syndicates, one led by Manufacturers Hanover and the other by Wells Fargo, to lend Peru \$200 million of fresh credits on more favorable terms, is evidence that conditions are chang-

William H. Bolin, executive vice president in charge of the world banking division at the Bank of America, said: "Peru has adopted quite workable and sound economic policies with budget control, greater latitude for private investment and the free market and more efficient management of public enterprises. This is not to say that it will be able to avoid further strains as it seeks to maintain social peace and reduce the rate of inflation, but the country is now operating within its means.

The Government, in addition to repaying some of the country's debts, has already managed to reduce inflation, increase central bank reserves, attract foreign capitaland at the same time increase the minimum wage and win a no-strike agreement from the powerful trade unions.

By 1978 the gross external debt neared \$7 billion. With dwindling earnings from exports there was not enough in the till to pay off the interest and amortization and the Government had to request a rescheduling

of the obligations.

Some 250 international commercial banks. which held \$800 million of debt that had fallen due, insisted that the Government first come to terms with the International Monetary Fund, the intergovernmental lending agency that provides balance-ofpayments credits to countries that cannot make ends meet-but only on condition that they alter policies.

Stormy negotiations with Peru culminated in an agreement in August 1978, under which the Monetary Fund granted additional credits following a commitment from the Government to reduce bank credit, let interest rates rise to reflect the inflation rate, speed up the rate of devaluation of the sol against the dollar to reflect market rates, and reduce public works expenditures and subsidies. Four months later the rescheduling accord was signed with the commercial banks.

With the refinancing package came dramatic changes in the overall economic management that have been continued by President Belaunde and by Manuel Ulloa Elfas. an internationally known financier who was named Prime Minister and Minister of the Economy.

Key economic positions in the new Government were also taken by such men as Richard Webb and Pedro Pablo Kuczynski, who had both earlier held high posts in the World Bank. Mr. Webb, an internationally known economist, had also taught at Prince-

Reserves of the Central Bank are now more than \$1 billion, much of the funds held in United States Treasury securities. Despite a shift to import liberalization aimed at checking inflation, the country enjoyed a surplus of exports over imports last year of nearly \$1 billion. Inflation has come down from the 80 percent level in 1978 to around 50 percent, and would be lower, bankers said, were it not for the lifting of controls on food and fuel prices and interest

Other evidence of recovery: a 3.1 percent real growth rate last year, down slightly from 1979 mainly because poor weather checked farm output and lower world mineral prices curbed mining output. Other sectors were more buoyant. Manufacturing output rose by 7 percent and construction activity was 18 percent higher.

Petróleos del Peru, the nationalized Exxon subsidiary, found commercially productive wells in the northern jungle area bordering Ecuador and offered international companies up to half of whatever oil they might find in their own exploration. Occidental, Superior Oil and Belco are among those that have undertaken the joint ven-

tures with Petroperu.

Fernando Schwalb López Aladana, Ambassador to the United States, says his country's golden rule on foreign investment consists of "creating favorable conditions for it: In other words, by offering guarantees and reasonable tax incentives to prospective investors and restoring confidence in Government through the adoption of rules of the game so stable that they will guarantee fair treatment."

THE PASSING OF A GREAT AMERICAN

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. HAWKINS. Mr. Speaker, the passing of Roy Wilkins was a blow to all members of our society who remember him as a tireless soldier in his life-long struggle for equal rights for blacks. He counseled Presidents, Congressmen, and Senators on civil rights matters and fought the legislative battle at a time when blacks were less represented in the area than they are now. Although he is gone, his legacy will never die. Mr. Speaker, I submit an editorial from the Washington Post highlighting the efforts of this great American:

Roy WILKINS

Today's young Americans of all races may read with a certain understandable detachment about life in this country 50 years ago, when Roy Wilkins began his distinguished career with the National Association for the Advancement of Colored People, Lynch law and Jim Crow were teamed in a cruel reign through southern and border states that slammed doors and gates in the faces of blacks. Restaurants, hotels, theaters, drinking fountains, beaches, pools and entire neighborhoods were blatantly segregatedand heaven help any Negro objector because the law certainly wouldn't. Mr. Wilkins who died yesterday at the age of 80, had more than a routine role in all that has changed since then.

Through those dangerous days down South and on into the years of more subtle but persistent discrimination in all regions of the country, Mr. Wilkins kept up the battles for equal justice under the law. In the courts, in the legislatures, in the city halls and in the schools, this ardent and idealistic man approached each of these challenges with intelligence, unshakeable faith, grace,

rage and plenty of research.

Because Roy Wilkins chose not to rail but to persuade, not to tear down but to construct, not to shoot from the hip but to marshal reason and resources, there were some in the civil rights movements of the '60s and 70s who became impatient with his style and pace. But for the most part, they still respected Mr. Wilkins for his incalculable contributions during so many of the most important moments in U.S. civil rights history-and for the fact that he guided the country's oldest civil rights organization through its greatest growth and period of prestige.

It was the successes of this pioneer, in fact, that made the issues confronting the NAACP and other newer organizations that much more complex and the views of black Americans that much more diverse. The days are past when the NAACP could set directions almost by itself. And if Mr. Wilkins could not comprehend or countenance some of the methods and directions of certain of those groups in his later years, he nevertheless spoke out for freedom and understanding: "All dedicated hands are needed and welcome in this fight," he once said, "but the NAACP would be less than human if it did not take a special pride for not only in what it has done but in what it is doing

There is no question that this is a better country for those deeds-and for the guiding hand of Roy Wilkins.

SUNSET AND OVERSIGHT: FIND-THE RIGHT FORMULA FOR A VIGOROUS CONGRESS

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. LONG of Louisiana. Mr. Speaker, beginning September 18, the Subcommittee on the Legislative Process of the House Rules Committee will hold a series of hearings on congressional oversight.

As chairman of the subcommittee, it is my pleasure to extend an invitation to all interested Members to participate in these hearings. The Honorable TRENT LOTT, ranking minority member of the subcommittee, joins me in this invitation. TRENT and I mailed out 'dear colleague" letters announcing the hearings in early August. We wanted to allow all those interested in presenting their views ample notice in order to obtain a wide range of comment.

The proposals we will emphasize are the oversight portions of the Lott resolution, House Resolution 100, the Committee Improvement Amendments Act of 1981, and two bills pertaining to sunset legislation, H.R. 2, the Sunset Act of 1981, and H.R. 58, the Sunset Review Act of 1981.

The legislative changes effected through reconciliation and the budget process represent a new approach to program change. We feel it is appropriate and timely to review the way we authorize programs, and reassess proposals that would alter this process through sunset, sunset review, and other oversight measures.

Sunset strictly interpreted requires the automatic termination of Government programs after a specified period unless they are deliberately renewed by legislative action. In its pure form it is a concept that is itself sinking below the horizon, partly because many of the 30-odd States that enacted sunset legislation since 1976 have had disappointing experiences with it.

We are left with valuable nuggets after panning the streams of sunset proposals, however. These are the methods to institutionalize and streamline the program review and oversight embodied in all sunset plans.

The Budget and Impoundment Control Act of 1974 mandates comprehensive congressional oversight as an aid to choosing budget priorities. When Federal resources are limited, priority selection becomes more urgent and the oversight function more critical.

At its best, oversight can be dynamic, not deadly. It can be detective work, spotlighting waste and abuse of public funds. It can separate deserving programs from the dispensable. It can serve as a mechanism for creative change, and for improving Government services.

Oversight is a fundamental part of the legislative process. It is pervasive, and takes many forms. The casework we do, the contacts we make with Federal agencies, are oversight, though we may not consciously regard them as such. Any review, assessment, or inquiry that can result in a program change is oversight, whether or not it bears that label.

What is needed most of all is simply enough time to perform the expanding obligatory aspects of oversight. This is particularly important for the authorizing committees, for making time for formal program reviews is a growing problem.

The bills we plan to examine in our fall hearings are all designed to assist the oversight process. We do not plan to limit ourselves to discussing only these proposals. Many members have had valuable firsthand experience with oversight. We hope to encourage informal, bipartisan sharing of ideas in such areas as selecting oversight priorities, setting up agendas, motivations for oversight, making room for oversight in already strained schedules, and creating public awareness of oversight activity.

The three proposals before the subcommittee contain an assortment of appealing features. H.R. 58, which the Honorable Butler Derrick and I have introduced in the 97th Congress with the cosponsorship of over 150 Members, creates a tie between program review by committees and legislative action in the same Congress. This would be coordinated with the Budget Act. H.R. 58 requires each Congress to prepare and vote on an oversight schedule and to report legislation to continue, modify, or terminate the programs selected for review. All programs would be subject to review, because no program could be automatically terminated. Automatic termination is a feature of traditional sunset legislation that serves to exempt sensitive but costly programs from sunset for fear of placing them in jeopardy. The danger of ending programs inadvertently is avoided by requiring that Congress vote to end them. This makes it possible to include the review of entitlements, loan guarantees, and tax expenditures.

H.R. 58 has also been enriched by the sunrise provisions of BUTLER DER-RICK'S H.R. 65 in the 96th Congress. It

requires listing a bill's objectives in its accompanying report, a feature which should ease the job of oversight by clarifying program goals. This would

help the agencies as well.

H.R. 58 has benefited from committee contributions, thanks to detailed responses to questionnaires and other information furnished to us by the House committees. Additionally, it reflects what we have learned from extensive hearings held in the previous Congress on sunset legislation and studies made of the States experiences with sunset.

An essential feature of program review is a comprehensive inventory of Federal programs, arranged by committee jurisdiction. H.R. 58 and H.R. 2 contain inventory provisions. H.R. 58 also requires that reviews include an analysis of the regulatory impact of the programs being reviewed.

H.R. 2, introduced by the Honorable JAMES J. BLANCHARD, requires that all Government programs, except those specifically exempted, be reviewed and reauthorized at least once every 10 years. It limits authorizations to not

more than 10 years.

Committee Improvement Amendments Act was explored earlier this summer in productive and stimulating bipartisan hearings held jointly with the Subcommittee on Rules. The oversight provisions, section I, have been referred to the Subcommittee on the Legislative Process. This section provides that the Government Operations Committee hold hearings on accomplishoversight committees ments and their proposed oversight Government Operations agendas. would then consolidate all committee agendas into a single oversight agenda resolution for House consideration.

It is the hope of all subcommittee members that our series of hearings on these and other proposals will contribute in a major way to helping Congress deal with the growing workload of a rigorous budget process. The need to oversee and evaluate existing programs has grown correspondingly.

We will welcome testimony or participation in panel discussions from any Members interested in sharing their views on how to improve oversight. We hope to enlist the advice of former Members as well. Our aim is to provide a forum for lively discussion and bipartisan exploration of how to make oversight a workable tool, responsive to the needs of the times.

TRIBUTE TO OTTO A. TENNANT

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. EVANS of Iowa. Mr. Speaker, I want to offer my congratulations to

Otto A. Tennant, P.E., of Des Moines, Iowa, a fellow professional engineer, who has recently been elected president of the National Society of Professional Engineers (NSPE), NSPE, a naorganization representing tionwide 80,000 individual members working in virtually every aspect of the engineering profession, will honor Otto tonight at a reception, and I am proud to be among his many friends who will be in attendance.

Otto served as vice chairman of NSPE's north central region and professional engineers in industry and chairman of the legislative and government affairs committee.

He holds a B.S. degree in general engineering from Iowa State University and an M.A. in economics from Drake

Currently he is manager of industrial marketing and technical services of

Iowa Power & Light Co.

It is indeed an honor for the State of Iowa to claim Otto Tennant. As a fellow member of NSPE and his friend I would like to extend my best wishes to him for what I am sure will be a productive year.

THE NATIONAL DEBT MUST BE REDUCED

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. IRELAND, Mr. Speaker, I am today introducing legislation designed to serve as a guidepost for the future. for the day we finally achieve a balanced budget, and, most wonderful of all, a budget surplus.

My bill would put the Congress on record that a major goal of our fiscal policy must be not merely balancing the budget, as important as this is, but also reducing the national debt by applying a budget surplus when one is

achieved.

The headlines of late have made it clear that despite the massive tax and budget cuts enacted so far by the Congress, we must cut even further. This bad news is compounded, in my view. by reports this week from the Treas-Department that consideration may be given to new tax increases to help control the projected fiscal year 1982 budget deficit of some \$60 billion, and the staggering fiscal year 1984 projected deficit of \$100 billion.

You do not have to be a disciple of Milton Friedman to agree with his point that Government spending and taxes combine to crowd out private spending, absorbing resources that otherwise might be used for private comsumption or productive capital in-

vestment

You also do not have to have shared my experience in the banking business

to know how harmful to the people of our Nation are the high interest rates now being charged on loans. Homes are not being built or purchased; the same for automobiles; education is being priced out of reach.

As a banker, I used to pride myself in getting my banks involved in these sorts of community-building activities. As Members of Congress, we all know how badly our communities are being hurt by the failure to finance these activities-or, rather, by the inability of the average person or business to pay the price.

I make these obvious points about the effects of inflation on the economy because I think it is essential to remind ourselves of just what we are talking about when we resist the idea of reducing the national debt on the grounds that deficit financing is a useful governmental tool.

It is my basic premise that tax cuts plus Government spending cuts will equal, eventually, if we are tough enough, a real balanced budget. I say "real," because, obviously, we could "balance" the budget tomorrow by hiking taxes enough, or cutting programs enough. But, again, obviously, we must continue to act in the responsible fashion we have so far this year.

We cannot, in short, make up for 25 years of financial mismanagement overnight, or by passing a few cuts or tax law revisions. We have to keep it up. My bill is designed to be a part of that process, by helping us to focus on what our ultimate goals really are.

We do not want a balanced budget just for itself, although, as a banker, I recognize that concept has legitimate appeal. I think we want a balanced budget for the simple reason that our budget-and our Federal Federal debt-have clearly gotten out of hand, regardless of which, or who's, economic theory you subscribe to.

Interest on our national debt, social security, and defense together constitute 60 percent of the Federal budget. We are now looking at some well-merited, in my view, defense cuts. Social security is an area I need not mention-we all heard enough about proposed cuts on our recent district work period.

This leaves the national debt as, to me, both the most attractive, and potentially most productive area of cuts which we must begin to explore in the future.

If I may add a few statistics to the debate: presently, the ratio of Federal debt is running in excess of 25 percent of our GNP, and interest on this massive debt is some 10 percent of the Federal budget, itself some 3 percent of GNP.

While low, this interest percentage is growing, as it was less than 2 percent in 1979. Interest payments in fiscal year 1982 are estimated to be \$100 billion, or enough to fund even the most extreme MX proposal, for example.

Another fact perhaps not fully comprehended is that a growing percentage of our national debt is now held by foreign investors—presently some 22 percent, up from a mere 8.6 percent in 1970. That this is primarily the result of our oil import dependency I do not find reassuring.

We are so used to the Federal debt, and the carrying costs, that we fail to focus on the "digging the hole deeper" aspect of mounting carrying costs. Interest on the public debt has risen some 156 percent since 1974. This is not mere "inflation money"; military spending, for example, has risen only 71 percent.

In short, interest-bearing Federal debt has more than doubled in the past 8 years, a rate far in excess of our GNP. If the present deficit projections are true, and if interest rates on 3½-year U.S. Government securities remain at their current levels, simply paying the interest on the debt will take some 20 percent—one-fifth—of all our projected tax revenues for this year.

As a banker, I can assure you that I never approved a loan which would take one-fifth of someone's income to simply make the interest payments, home mortgages excepted.

My point is that the problem of balancing the budget becomes increasingly difficult—if not impossible—simply due to "locked in" interest payments, payments which will hit a higher level each year.

The multiplier effect of increasing debt and high interest rates on the debt are areas of fiscal planning, and fiscal action, to which the Congress must begin to apply itself.

An apparently inevitable chain of events is at work here, even though we are now engaged in a very courageous budget and tax cutting process—unless we actually reduce the debt, the interest costs alone will make it increasingly difficult to balance the budget, or, having achieved a balanced budget, to keep it balanced.

A final fact—every percentage point by which interest rates exceed budget assumptions increases Federal debt carrying costs some \$2.4 billion annually. It doesn't take a calculator to see how many worthwhile programs and needed community-building activities are being killed just to service this debt, and what we face for the future if we don't reduce the debt.

With that, and with the hope that my bill will help focus the debate in a positive and timely way, I now present for the RECORD a copy of my legislation: H.J. RES. 320

Joint resolution expressing the sense of the Congress that following the achievement of a balanced budget, any existing budget surplus should be applied to reducing the national debt.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas the continuing growth of the national debt of the United States is not in the best interest of the economic health of the Nation:

Whereas borrowing money to pay interest on the national debt adds to inflation, and deprives the private sector of needed development capital, while adding to the cost of that capital which is available;

Whereas a balanced budget is a major goal

of United States fiscal policy;

Whereas reducing the national debt should be a major goal of United States fiscal policy, because it would encourage economic growth by stimulating the private sector, and cutting inflation: Now, therefore, be it

Resolved, that-

(1) Following the achievement of a balanced budget, any existing budget surplus should be applied on an annual basis to reduce the national debt of the United States;

(2) Reducing the national debt should be a major goal of United States fiscal policy in order to stimulate economic growth and cut inflation. ■

UNITED STATES-LIBYAN CONFRONTATION

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. BROOMFIELD. Mr. Speaker, because of the congressional recess, this is my first opportunity to express my thoughts on the U.S. defensive action taken August 19 against Libyan attack aircraft. I wholeheartedly endorse the action taken by our pilots in response to an unprovoked attack in international waters.

This confrontation has again clearly demonstrated Libya's total disregard for international law and human life. The Libyans were aware that U.S. naval forces were holding peaceful training exercises in well-established international waters, but, nevertheless, tried to back up their dubious claim of sovereignty over the area by attacking our aircraft. I have only praise for the manner in which our fighters responded, and for the level of preparedness of the naval task force in general.

Some editorial writers have questioned whether the U.S. naval exercise was not itself a provocative action which encouraged the Libyan attack. I find such commentary shallow and devoid of an elementary understanding of Libyan strategy and tactics. We are not dealing with a nation that adheres to recognized rules of civilized behavior. Libya financially supports

international terrorism from its oil revenues. It maintains terrorist training bases and grants asylum to terrorists. It has forcefully overthrown the Government of Chad, and has attempted to undermine the Governments of Sudan and Egypt. Moreover, it was only a short time ago that Libyan troops were kicked out of Uganda for supporting Idi Amin, the butcher of Africa.

To suggest that the naval exercise, operating in international waters, was provocative, is itself outrageous. Are we never to cease reading or hearing such lines from apologists for every breach of international law by radical regimes? Whether we are dealing with Libya, Iran, the PLO, or the Soviet Union, we are told by some that the establishment of a strong position which defends our national interest will never bring opponents around to our way of thinking. Such sentiments were expressed at Munich in 1938, and in the Carter White House in recent years. They were not credible then, and the evidence doesn't support them now. Appeasement doesn't work.

I commend the Reagan administration for its willingness to defend the basic principles of international navigation in this particular instance, and of freedom in general throughout the world, Such forceful defense of American interests has not only bolstered the morale of our Armed Forces after 4 years of deterioration, but it has given confidence to our allies abroad. The attainment of world peace is never more effectively pursued than when the United States is militarily and economically strong, and is prepared to let our adversaries know that we will meet our responsibilities in the international arena.

A TRIBUTE TO AMERICA'S WORKING PEOPLE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. FARY. Mr. Speaker, it is early September again, and according to a 99-year-old tradition, I am sure we all enjoyed the last holiday and 3-day weekend of the summer. For many of our youth, these were the last 3 days of summer vacation. For families and working people, these were the last days to take a short vacation before the cooling air of autumn is upon us. For others, it was a time to just stay at home and perhaps see neighbors and friends.

However we spent this Labor Day weekend though, let us not forget what this day symbolizes and who this day commemorates. In ceremonies throughout the country we paid tribute to American workers who, through their hands, muscle, sweat, and minds have built this country and keep it running. We paid tribute to those who build our houses, pave our roads, and raise our skyscrapers and office buildings. We paid tribute to those who assemble our cars, machinery, and appliances; produce and package our food, run the offices of business and government smoothly, and perform countless other jobs and tasks.

In short, we paid tribute to the American worker of the past and present. It is easy to take their labor and the fruits of their labor for granted. Yet when we look at the rest of the world, we realize just how bountiful the fruits of their labor have been. They have produced a standard of living that has freed us from a subsistent level of existence. They have enriched our lives both on the job and when the day's work is done. A majority of the world's population do not enjoy these blessings.

And lest we forget, our parents and grandparents, in many cases, were not able to free themselves from a subsistent standard of living and from hard, back-breaking, life-shortening work. All money and energy went for basic necessities. Working 12 hours a day, 6 and 7 days a week, there was no time for leisure or to enjoy the benefits which they reaped. Many of these workers were subject to dangerous workplace conditions and little job security.

Fortunately, we have progressed beyond that point, but this progress did not come easily. It took persistence, dedication, and courage to organize workers and press for a decent wage and better working conditions. They were hard-fought victories, and we also pay tribute today to the men and women behind those victories.

While paying tribute, however, we must not grow complacent. There are still too many in this country who do not have safe and healthful workplaces, decent homes, access to good schools, and good medical care. We must work to insure that all Americans enjoy these basic necessities.

So, while we relaxed and enjoyed this weekend, let us remember the American workers and all they have done and are doing for us. They have built our cities, our homes, and our way of life. They certainly deserve this day of appreciation.

INFORMING THE AMERICANS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

 Mr. LAGOMARSINO. Mr. Speaker, during the August recess, members of the Committee on Foreign Affairs conducted a study mission to the Far East, including a stop in Taiwan. During our stay in that country, an editorial appeared in the China News summarizing the main issues affecting the relations between our two countries. I believe it is worthwhile to keep these issues in mind as we consider policies that affect our Far Eastern allies.

The editorial follows:

INFORMING THE AMERICANS

Before the U.S. broke off diplomatic relations, the Republic of China was frequently visited by congressional delegations and individual senators and representatives.

Today such visits are few and far between. This is why we especially welcome the two-day sojourn of congressmen headed by Clement J. Zablocki, chairman of the House of Representatives Committee on Foreign Affairs.

If members of the U.S. Congress don't come here to talk to our leaders and see our situation for themselves, they are legislating in the dark on measures pertaining to Taiwan and the Republic of China.

Nothing in U.S. law prohibits individual congressmen or groups from stopping over in the Republic of China

in the Republic of China.

But in President Carter's time, the administration discouraged Taiwan visitation as a part of the process of appeasing the Chinese Communists. Under President Reagan, that phase of U.S. China policy apparently has been ended.

It is to be presumed that our government leaders have been candid in talking to the 21-member congressional delegation. We know that the reception has been friendly.

Information provided for the visitors has no doubt been concerned with defense and

The condition of our national security is especially important.

As yet, the United States has not responded to the Republic of China's request for fighter aircraft with greater capability than the F5E.

Some American sources have maintained that the Taiwan Straits are quieter than ever before and that the Chinese Communists constitute no threat whatsoever.

This isn't true. If the American congressmen learn this and nothing else, they will support the sale of higher performance aircraft to the Republic of China in the nearest future.

The Chinese Communists make no bones about saying they are going to cross the Straits and attack Taiwan. They have many reasons for doing so.

reasons for doing so.

The Republic of China is too successful at a time when the mainland's failure to modernize is becoming increasingly apparent.

Mainland people are restively demanding to learn from Taiwan. The Communists may be compelled to strike out in defense of their own tryanny.

Even if the F5E is a match for the MIG19 or even the 21, it is obvious that the Chinese Communists will try to improve their air striking power in the next few years.

To replace the F5E will take at least two or three years. If the present workhorse of the Chinese Air Force is not retired in that time, it will almost certainly be overtaken by a new or improved Chinese Communist fighter.

Our political and military leaders are in a position to tell the congressmen exactly where we stand in terms of defending ourselves against the Red Chinese military machine.

It is not true, for example, that the Chinese Communists have reduced their forces along the mainland coast opposite Taiwan. Despite the defense needs in the north and south, the Communists have maintained these forces at peak level.

Why? The Republic of China may be intent upon national recovery, but that is to be principally a political action. We are aware that the United States would be strongly opposed to any east-west venture across the Taiwan Straits. There is no intention of mounting one.

If the Communist Straits forces are not required for defense, their intention is obviously offensive.

To help the Republic of China modernize its air force, navy and army will contribute to the peace of Asia, not to warmaking. We still consider ourselves to be bound by the American partnership and alliance.

Economically, the Republic of China depends heavily on the American trade and investment relationship. About a third of our goods go to the United States. We are earnestly endeavoring to buy more goods from America, the only country in the world to do so

But the lack of diplomatic relations and direct contacts between our two governments has been responsible for economic damage.

For example, President Reagan removed the U.S. quotas on our shoes. But lack of information then led our government to believe that the United States wanted stringent controls on our part. It doesn't. It wants plenty of cheap shoes for American buyers.

Congressional action is needed to break down barriers which were erected by the Carter administration almost as an evasion of the Taiwan Relations Act. It is already apparent that the ROC-U.S. economic relationship is going to be more important than that between Red China and the United States for a long time to come.

But the Chinese Communists have official standing and contacts, while we are relegated to the status of economic orphan. Congress has the power to improve the situation and thereby help the United States as well as Republic of China.

Perhaps above all, the United States has pressing need for greater understanding of the Chinese mainland reality. Washington runs grave risks in trying to play the Red China card against the Soviet Union.

The leaders of this country know both the minds and the intention of the Chinese Communists. Red China is not an American friend. It remains an enemy. Failure to treat it as such could be a mistake to rank with those made before Pearl Harbor and in the war's end Pacific participation of the USSR.

This country has nothing to hide from its old American friends. The congressional visit should be only the first of many to clear away some of the misunderstandings that have arisen since Jimmy Carter took it upon himself to recognize the Chinese Communists and derecognize the Republic of China.

H.R. 450 SAYS VIOLENCE IS NO WAY TO SETTLE DISPUTES

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. BEARD. Mr. Speaker, the incidence of strike-related violence is a problem which calls for immediate attention by this Congress.

The current legislative drive to amend the Hobbs Anti-Extortion Act is not the first congressional attempt to expressly outlaw the use of physical and psychological intimidation to enforce compliance with the wishes of either labor or management.

In 1946, Congress enacted the original Hobbs Act at the behest of an American public which was becoming alarmed over an escalation of violence occurring in conjunction with labor disputes.

That law provided for full Federal sanctions against all individuals or groups of individuals employing violent tactics to achieve their objectives in interestate commerce, whether the guilty party was employer or employ-

But some parties immediately set out to undermine the legislative intent of the Hobbs Act with intricate legalistic infighting.

Their efforts culminated in complete success in 1973, when the Supreme Court ruled that union officials and their agents could not be held responsible for acts of violence under Federal law when those acts were committed in pursuit of legitimate union objectives.

In the Enmons decision, the Court acquitted three individuals who dynamited transformer substations to force a utility company and its employees to accept their demands.

The acquittal was based not upon the men's innocence, but upon their participation in a legitimate union objective—a strike—which released them from accountability in the eyes of the Federal law.

The extreme acts of terrorism condoned by this warped ruling grants those on both the labor and management side who want to use violence a wide range of violent options to intimidate both employers and employees.

And this violence has occurred in such places as my home State of Tennessee.

The citizens of Tennessee are still concerned at the outrageous acts of violence displayed by 1,500 angry picketers to disrupt the groundbreaking ceremonies for the construction of the \$300 million Nissan automobile plant in Smyrna.

That project, which will employ 2,000 skilled laborers at the height of construction and produce 2,200 high technology jobs paying an average of

\$20,000 yearly, was the target of violence because the subcontracts will be available to all on a competitive basis.

It is inconceivable to me how anyone who professes to speak out on behalf of the workingman could attempt to drive away with violence so many high-paying, promising jobs from the workingmen and workingwomen of Tennessee.

The right to join a union is a basic right of American workers. The right to strike is a basic right of workers in the private sector. I support both those rights.

But violence is no way to settle labor disputes. Violence is wrong, whether it is perpetrated by union or management officials. The American worker should be allowed to choose, not be intimidated by fear of bodily harm.

TRIBUTE TO THE EMPLOYEES OF THE USPHS CLINIC IN SAN PEDRO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. ANDERSON. Mr. Speaker, at the end of this month, many of the hospitals and clinics which comprise the U.S. Public Health Service system will close their doors forever. Such is the case with the San Pedro Clinic, in my own 32d District of California.

The many hours all of the doctors, nurses, therapists, pharmacists, and others have worked in the care and service of the many people in their charge demonstrates a devotion to duty and commitment to quality health care which I believe deserves recognition.

Many successful pilot projects coordinated by the clinic's employees have become standards. They have been adopted for use by other health care institutions in this country. And I am pleased to insert for the Record, Mr. Speaker, a statement submitted by the Director of the USPHS hospital in San Francisco, Dr. Truman McCasland, to the Health Services Administration. It is a recommendation for a commendation award, to which I would like to add my own strong endorsement.

The statement follows:

JUSTIFICATION STATEMENT PUBLIC HEALTH SERVICE UNIT COMMENDATION

The United States Public Health Service Outpatient Clinic, San Pedro, California, is nominated for the PHS Unit Commendation (UC) in recognition of their superior service and outstanding performance in the achievement of the goals and objectives of the Office of Ambulatory Care, Bureau of Medical Services, the Health Services Administration and the Public Health Service from August 1, 1980 to August 31, 1981.

The enumeration of accomplishments by

The enumeration of accomplishments by this organization demonstrates a level of professionalism and performance above that normally expected of other similar organizations. Undoubtedly, their efforts and teamwork have increased the quality and accessibility of ambulatory care services provided to PHS beneficiaries in San Pedro.

Utilizing only existing funds and personnel resources, their efforts during this period included reorganizing the medical staff by reducing the number of physicians by one and hiring a nurse practitioner. The latter concept is a time honored and cost effective means of treating patients in an ambulatory care setting and enabled the clinic to increase its services. Affiliation agreements were consummated with other Federal agencies (i.e. Veterans Administration Medical Center, Long Beach, and Naval Regional Medical Center, San Diego) which once again increased accessibility to care, introduced advanced technology into the clinic's environment while maximizing scarce resources by containing costs and avoiding duplication of services. The facility's cooperative spirit is also evidenced by the staff's willingness to provide medical and administrative assistance to the Center for Disease Control Quarantine station at Los Angeles International Airport, the Veterans Administration Medical Center's (Wadsworth) team who conducted a longitudinal study on atomic bomb survivors and by providing radiology services to U.S. Air Force dispensary (El Segundo) patients. Procedures were streamlined which enabled active duty personnel to receive prompt attention when reporting for sick call or having to comply with annual physical examination requirements. Moreover, the clinic's dental staff has been providing sick call coverage for the approximatley 800 inmates incarcerated at the Terminal Island Federal prison who have been without the services of full time providers since July 1, 1981. These forms of assistance, which in many instances lasted over a period of weeks, are in addition to the staff's already voluminous workload.

The clinic's enthusiasm for outreach services is manifest in numerous ways. For example, physicians and nurses, prior and subsequent to the Bureau of Medical Services' Seafarers Health Improvement Program. are dispatched to provide outreach care to seamen while their vessels are at dockside. This action has earned the respect and appreciation of a multitude of seamen and shipping company representatives. Tangentially, the clinic works in concert with local shipping company physicians in improving existing regulations governing U.S. Coast Guard physical requirements for merchant seamen. Moreover, the clinic mobilized and made available primary health care personnel and other resources to Indochinese and Cuban/Haitian refugees who entered the Ports of Los Angeles and Miami respectively, as well as those refugees located at Fort Chaffee, Arkansas and Camp McCoy, Wisconsin.

In addition to the aforementioned activities, the staff developed and expanded a model patient health education program which has been emulated by other PHS facilities. Topics include smoking cessation, arthritis, diabetes, hypertension, obesity, stress reduction and breast self-examinations. Through the use of volunteers and working in concert with the Seamen's Church of San Pedro, an alcoholism counseling program was initiated. Additionally, a Health Awareness Program, which, in part, publishes health tips and conducts seminars, was established for the Eleventh Coast Guard District. The results have been so

promising that this program is being adopted by the Twelfth Coast Guard District.

Not being satisfied with the status quo. and in its desire for self-improvement, the clinic actively participates in a number of research projects. Illustratively, the clinic was selected to participate in a Health Services Research project regarding the utility of patient hand carried medical records. The project, which is under the direction of two professors from the University of Massachusetts, is intended to increase patient involvement in the medical care process, determine patient receptivity and determine the cost effectiveness of such an endeavor. Other research pursuits include working with Dr. Eleanor Smith (of the National Center for Health Services Research) on ways of containing contract hospital care costs and participation in the American Hospital Association's health education project.

In a related matter, the clinic, eager to provide educational opportunities for health care students, has entered into affiliation agreements with a number of universities. As such, the clinic's staff has served as preceptors for students enrolled at the University of California at Los Angeles, California State University (Long Beach) and the Uniformed Services School of Medicine (Bethesda, Maryland). The Staff's commitment to the community is also revealed in their providing cardiopulmonary resuscitation training for patients and their dependents as well as participating in civic meetings such as the Los Angeles County Health Department's Volunteers for Immunization, Coastal Health Services Regional Community Health Service Council, San Pedro's Coordinating Council, San Pedro's Home Environmentalist Program, Harbor Nursing Advisory Committee, Los Angeles Interagency Forum on Resettlement of Indochinese Refugees and the Los Angeles Federal Executive Board.

The professionalism, innovative approaches, teamwork, flexibility, pride and devotion to duty demonstrated by all the personnel assigned to San Pedro's USPHS Outpatient Clinic during this period is truly outstanding and reflects positively on themselves and the U.S. Public Health Service.

So, Mr. Speaker, although these many fine individuals, under the capable direction of Bruce Immerman, will now be scattered to the four winds, I want them all to know that while they may be gone, they will not be forgotten. All of us in the South Bay area who have known them, worked with them, or have been cared for by them, will long remember their selfless contributions to our quality of life.

IRS ABUSES—WASTE IS JUST ONE PART OF THE PROBLEM

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. LEBOUTILLIER. Mr. Speaker, with the passing of each day, comes further reinforcement of the realization that the general reach of the Federal Government is on the wane. Indeed, the recently adopted budget and tax reductions bear witness to the

desire of the American people to LONG BEACH lessen, if not eliminate, Government involvement in our lives.

LAUNCH CAM HANCE MEMBI

Unfortunately, there is a notable exception to this trend. I speak specifically of the Internal Revenue Service, whose practices have been labeled by some as illegal, overhanded, and unrestrained.

While many are familiar with the horror stories of IRS agents swooping down on "criminal" tax derelicts to collect a few thousand or even hundred dollars, the IRS recently demonstrated the ultimate in callousness in its efforts to collect an underpayment of 10 cents.

To some, the following account may seem humorous. To others, this incredible incident is representative of the seemingly limitless powers of the IRS. If you are tempted to chuckle while reading this article, remind yourself that for many, when dealing with the IRS, you are guilty until proven innocent.

The article which appeared in the New York Daily News on August 7, 1981, follows:

Pounds of Flesh: IRS Fattens Thin Dime Owed

(By Bella English)

A dime won't even buy penny candy any more, but to Uncle Sam it can be worth a lot more than 10 cents.

The government is demanding that a Chinatown woman pay a \$28.15 penalty because she underpaid her 1980 taxes—by a dime.

In an Aug. 3 letter to Chan Wing, 59, the Internal Revenue Service said: "Unpaid tax on return is 10 cents. Penalty charge is \$28.15. Balance due to IRS is \$28.25. Make check payable to IRS."

Wing, who speaks no English, showed the form to her stepdaughter, Rose Wine, assistant manager at a Chemical Bank branch in Jackson Heights, Queens.

"It cost them more to print up this form and send this out than my stepmother owes," Rose said, "Do you believe this? I think this is the most ridiculous thing I've ever heard of. I just had to laugh."

Her laughter turned to anger yesterday when she went to the IRS office in Jackson Heights and was told that her stepmother must indeed pay the 10 cents and the \$28.15

"I can't believe it," Rose said. "They're wasting your money and my money over a lousy dime. But I don't know which way to turn. If I have to pay it, I have to pay it."

Rose said, though that she is considering writing a letter of appeal to President Reagan.

IRS officials said that disclosure laws prevent their discussing the case.

LONG BEACH BOY SCOUTS LAUNCH CAMPAIGN TO EN-HANCE MEMBERSHIP

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. LUNGREN. Mr. Speaker, the Boy Scouts of America have been a dynamic component of the leadership training for young men in this country since the inception of Scouting in the United States in 1913. Through scouting, literally millions of young men have been forged into self-sufficient leaders via the rigors of the Scouting program.

A keen appreciation of our Nation's natural resources, an understanding of the scope—and limits—of man's physical abilities, and a knowledge of the great things that can be attained through manly cooperation—these are the vital attributes of the Scouting program.

Since 1922, the Long Beach Area Council of the Boy Scouts of America has been instilling these very characteristics into the young men of the district I represent. On September 15, the Long Beach Council will launch an ambitious program to enhance its membership. On that date, the council will launch its fall roundup kickoff. Working with the unit leaders of Boy Scout and Cub Scout troops throughout the area and with school administrators and officials, the council will seek to increase its overall membership by no less than 1,500 by the vear's end.

Mr. Speaker, I hope that the other Members of this body will join me in wishing this effort the very best of success in this effort to extend the benefits of Scouting to hundreds more young men in the southern California area.

THE FIRST 6 MONTHS HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 5, 1981, into the Congressional Record:

THE FIRST 6 MONTHS

As the August recess approaches, it is appropriate for a Congressman to think about the significance of the major events that have taken place in this session of Congress.

The most noteworthy development is the radical cutting back of federal involvement in the American economy. Congress will cut social expenditures by \$37 billion in 1982 and by \$140 billion over the next three years. Congress has also approved a multi-year tax cut that will amount to \$150 billion by 1984. Together, these actions represent

both the largest budgetary realignment in the history of the federal government and a most dramatic shift in the role the federal government plays in our national economy.

Over the past few months, President Reagan's budgetary strategy has emerged and taken clear form. He intends to use tax cuts both to hold the budget in check and to reduce the size of the federal government in relation to the economy. With the new tax law, the only way to control the deficit will be through further cuts in spending. To all who follow the budget closely, it is apparent that the large reductions in spending made this year will not begin to be sufficient to balance the budget anytime soon. More budget cutting will be necessary later this year and in subsequent years. It is unlikely that social security and defense will be spared.

It is not in the budget and tax cuts alone, however, that the new direction of the federal government may be seen. Mr. Reagan has sparked a serious debate on the condition and course of federalism with his search for ways to "restore the constitutional symmetry between the federal govern-ment and the states." He proposes to fold more than 500 federally controlled categorical programs into a few large block grants for the states. These block grants will be an "interim step" toward the eventual return of the sources of revenue to the states. The President is also ready to direct a sweeping reversal in the way the federal government regulates the private sector. The role of the federal government as a protector of consumers, the environment, and minorities will decline. The laws put into effect after Watergate and the environmental and civil rights movements will be open to modification. Appointees to the regulatory agencies will be men and women who are supporters and former employees of the businesses they will oversee. Mr. Reagan's success in these areas, while not as spectacular as his success in cutting taxes and the budget, is noteworthy in any case, especially since it is

still early in his term of office. The major events of this congressional session invite comparison with other periods in recent American history. The President has become the fourth Chief Executive in this century to make an early, pronounced mark on domestic legislation (the others were Mr. Wilson, Mr. Roosevelt, and Mr. Johnson). Most students of the Presidency know that if a President does not secure approval of the basic elements of his program in his first session of Congress, he never does. It is apparent that Mr. Reagan has done what he needed to do. He deserves full credit for responding to the will of the voters, for holding to his priorities, and for pushing his program very hard.

Observers agree that the President has done remarkably well in getting his pro-gram through Congress. The Republicans control the Senate comfortably, so it may not be surprising that his program has moved easily through the body. His mastery, however, has also extended to the House of Representatives. It seems to me that on economic issues, and perhaps on other issues, too, Mr. Reagan now has effective control of the House. He has accomplished far more than most Washington politicians thought possible only a few months ago. The magnitude of the change is such that it will take years for Congre and the country to understand just what has been done. It is clear to me now that for many Congresses to come, the agenda will be to act upon the new course the President has set.

Because Mr. Reagan has done so well, he must bear responsibility for the performance of the economy. He has promised that his program will bring rapid growth, more jobs, less inflation, and lower interest rates. The question is whether he is right. From the start, experts have doubted some of his assumptions-in particular. economic whether rapid growth can occur as inflation falls. Another worry is that by cutting taxes so deeply, the President may run enormous deficits. If these deficits are combined with tight money, interest rates may remain very high. Mr. Reagan, however, sees a "new ren-aissance" in America and a "new era of prosperity." He believes that results will come quickly because of the expectations he thinks his program will generate. All Americans must hope that the President is right.

It is undoubtedly premature to judge

whether the President's program stands at the beginning of a new era in our history, the beginning of something solid and last ing, or whether it is just another political detour from the road that leads to economic growth and stability. I would only add that while Mr. Reagan has enjoyed success in the launching of his economic plan, it is less obvious that the Democratic opposition has been as vital, constructive, and coherent as it should be. Having been the majority in Congress since 1955, the Democrats may have forgotten how to exercise the skills of responsible opposition. Whatever the case, the Democrats must improve. The President himself would be a beneficiary of such an improvement.

LORETTA C. MANGGRUM

HON. WILLIS D. GRADISON. JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. GRADISON. Mr. Speaker, I would like to take this opportunity to pay tribute to a citizen who has contributed much to the cultural and educational enrichment of the Cincinnati community. Loretta C. Manggrum, who turned 85 years old this past July, is currently working toward a Ph. D. in music composition and theory from the University of Cincinnati's College Conservatory of Music. Mrs. Manggrum was the first black woman to graduate from the old conservatory of music, earning her master's degree.

A noted Cincinnati composer, Mrs. Manggrum has written six cantata's, including "Watch," which was performed at the college conservatory of music's Patricia Corbett Auditorium in 1975, and "Behold," which is performed during the Christmas season each year. She has written many spirituals and anthems which are sung in various churches in the city as well as

in other parts of Ohio.

Her love for and commitment to young people is especially noteworthy. Following her husband's death in 1961, Mrs. Manggrum began teaching in the Cincinnati public school system and taught until her retirement at age 75. She still spends a great deal of time composing music which children sing, learn from, and enjoy. Most importantly, Mrs. Manggrum has been instrumental in helping young people with musical talent and interest pursue musical educations in college.

In addition to her concern for these young people, Mr. and Mrs. William Langston Manggrum had three children of their own; Lillian Jenkins, principal at Winton Terrace School, Robert Manggrum, science teacher at Gamble Junior High School, and the late Langston Manggrum, an architect who designed several buildings in the Cincinnati area.

Currently, Mrs. Manggrum serves as organist and pianist for the Gaines United Methodist Church, which will be the site of a special tribute to be held Sunday, September 20. I am happy to pay tribute to Loretta C. Manggrum and to present her with this special congressional recognition.

RESIDENTIAL RENTAL HOUSING TAX INCENTIVE ACT OF 1981

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

 Mr. McKINNEY. Mr. Speaker, today I am introducing the Residen-McKINNEY. Mr. Speaker. tial Rental Housing Tax Incentive Act of 1981 to stimulate increased private sector production of rental housing in general and low-income rental housing in particular.

We are all too familiar from our districts with the increasingly severe shortage of rental housing. At the same time that we must cut back on the outrageously expensive production of subsidized rental housing, we must face the fact that the construction of new, unsubsidized units has dropped a precipitous 80 percent over the past 3

This astounding drop in production has led experts to estimate a gap between rental needs and production in the 1980's totaling from 1.2 to 4.6 million units. Such a shortfall places a tremendous burden on tenants, whose incomes average half that of homeowners nationwide, as low vacancy rates lead to aggravated inflation in rents. Rental vacancies have declined from the second quarter of 1980 to the second quarter of 1981 in every region of the country but the North Central. says the Census Bureau. While the national rental vacancy rate declined to an even 5 percent, the lowest that it has been in years, the largest decline in rental vacancies is in the South, where the 5.1 percent of this year represents a significant drop from 1980's 6.5 percent. In the West, the rental vacancy rate dropped to 5 percent from 5.5 percent last year, while the Northeast rate has fallen to 3.7 percent from

the already perilous 4.1 percent in 1980.

The inevitable outcome of the shortage of rental housing, as demonstrated in New York City and countless less well known places around the country, is more overcrowding, deterioration, and displacement. All of these factors pressure local governments to adopt rent controls and restraints on condominium conversions. These, of course, only further discourage production and promote deterioration and abandonment.

My bill addresses the extreme need for more private sector production of rental housing through a tax incentive approach. I believe that we must act now to restore rental housing to at least the bare margin of profitability, and that tax advantages are essential to that margin. We must also act immediately to contain the subsidy costs of the assisted housing programs, which can no longer be directly supported by the Federal Government. The savings associated with a tax incentive approach to producing new and rehabilitated rental units affordable by low-income people are obvious when you compare these indirect costs with the frightening costs of direct subsidy programs. Even if Congress never authorizes a single additional unit for subsidization, annual housing assistance outlays under existing commitments will be at least \$9.6 billion by 1986. Clearly, we must develop more efficient approaches.

Consequently, I propose shortening the period for straight line depreciation-the method most preferred for housing development-to 10 years for constructed or rehabilitated rental housing, and to 8 years for new buildings in which at least 20 percent of the units are leased to low-income families at affordable rents. The 20percent standard developed by the Mortgage Bond Subsidy Act and tandem financing of section 8 projects insured under section 221(d)(4) of the National Housing Act appears a more realistic and workable approach to providing low-income rental units. I would also broaden the definition of low-income rehabilitation which qualifies for 5-year writeoff under existing law to the 20-percent standard, and increase to \$40,000 per unit the maximum which may be depreciated without any of the complex restrictions in

the current law.

Finally, this bill includes financial incentives for owners of rental properties in which 20 percent of the tenants are low income both to maintain the property and continue to own it after most of the usual tax benefits have been taken. Specifically, I propose an investment tax credit to kick in after 5 years of occupancy. Landlords would receive a \$1 reduction in taxes for each \$1 spent on maintenance, up to 5 percent of the adjusted basis in the

building. The credit would kick in just at the point when the building typically requires new paint and the inevitable small but costly repairs. In addition to creating more low-income housing, this provision should help to extend the useful, rental life of many buildings

While I have long criticized the traditional direct subsidy approach to providing low-income housing which section 8 epitomizes, I recognize that new, more efficient solutions to the problems must be developed. In addition, we can no longer ignore the rental housing crisis without even more destructive consequences. I believe this bill will maintain our commitment to rental housing in general and low income in particular, while passing the necessary litmus text of budget restraint. I am hopeful, therefore, that tax incentives will become an effective and efficient part of rental housing policy over the next decade.

STANLEY "SCHULTZ" SADOWSKI

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. YATRON. Mr. Speaker, I rise today to pay tribute to one of Reading, Pa.'s finest citizens, Stanley "Schultz" Sadowski.

Throughout his life, Stanley Sadowski has consistently demonstrated his love and respect for his fellow man. As a bartender for 42 years he spent much of his time listening to people's problems, consoling, sympathizing, advising, and providing encouragement and reassurance to those who needed help. He adroitly settled disagreements and cooled tempers with the utmost tact, diplomacy, and commonsense.

Stanley Sadowski could get along well with others and his experiences as a baseball player and expert bowler reinforced his belief in the benefits of teamwork. Mr. Sadowski fostered the spirit of teamwork during his years at the Reading Orioles. This attitude, combined with his many qualities made him a most effective member of this organization.

Mr. Sadowski was a member of both the fraternal lodge and the home association of the Orioles. He proceeded through the 12 official chairs of the lodge and served in every officer's chair of the home association. In each of these capacities, Mr. Sadowski made valuable contributions which improved and strengthened the club.

Mr. Speaker, I am truly grateful for the opportunity to give recognition to the achievements of this fine American. May Mr. Sadowski's life serve as an inspiration to us all. THE VOTING RIGHTS DEBATE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. WHITEHURST. Mr. Speaker, on August 5, 1981, the editor of the Norfolk Virginian-Pilot provided the readers of that paper with a thoughtful and comprehensive commentary on the Voting Rights Act. It seems to me that Mr. Eastland has put the matter in perspective, and the points that he has raised merit the full and careful consideration of all of my colleagues before a final vote is cast on the extension of this act.

Thank you, Mr. Speaker.
[From the Virginian-Pilot, Aug. 5, 1981]
THE VOTING RIGHTS DEBATE

First the Justice Department rejected the state Senate's redistricting plan on grounds that the two single-member districts into which Norfolk would be divided would "dilute" black voting strength. Then, last week, the Justice Department threw out the House of Delegates' plan because it said black voting strength would be "diluted" in six of the state's 100 proposed districts.

Supporters of extending the Voting Rights Act, under whose authority the Justice Department acted in both instances, have interpreted these decisions, the first two such voting rights actions taken by the Reagan administration, as reasons the act must be renewed. However that may be, the two decisions suggest another point: that the purpose of the Voting Rights Act is no longer to ensure access to the ballot but to guarantee, wherever possible, that the groups protected by the act—blacks mainly, but also Chicanos, Asian-Americans, and American Indians—are proportionally represented in elective bodies by members of their own groups.

Thus the focus is on statistics and numbers and percentages, and it is from this quantitative stew that a more truly equal society is supposed to emerge. Presumably we will have this better society when, as Justice Thurgood Marshall wrote last year, every minority group is electing "candidates in proportion to its numbers."

In the current debate over renewal and revision of the Voting Rights Act, now regarded especially by blacks as the instrument for effecting proportional representation, few people have dared to raise the question of whether this sort of representation is such a worthy goal. Certainly it is not on the minds of those who demonstrated the other day in behalf of extension in Richmond; emotional advocacy rarely permits sober reflection. And it is not a question the six candidates for statewide office in Virginia have taken up, mainly because all six are opposed to extension of the act.

Amazingly, this question did not even seem to burden the House Judiciary Committee, which last week approved legislation that would extend the act in a revised form for another ten years. The committee falled to address what "dilution" means, which is to say it falled to address the question of what minorities are entitled to.

But precisely this is the question that must be raised. If minorities are entitled to nondiscriminatory access to the ballot box. colitsame COLUMBIA ACT TO ELIMINATE join VARIOUS SEXUAL OFFENSES

HON. PHILIP M. CRANE

EXTENSIONS OF REMARKS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

Mr. PHILIP M. CRANE. Mr. Speaker, it is my unfortunate but necessary responsibility today to introduce a resolution of disapproval for the District of Columbia Sexual Assault Reform Act of 1981. It has been called a reform but in fact it is far from it. Although certain portions of the measure may have merit, the proposal in its entirety is unacceptable. The District Act for instance, would effectively repeal laws prohibiting homosexual conduct in the District of Columbia and laws prohibiting the seduction of children. It would legalize the sexual advance by a teacher against a 17year-old child so long as no force were used. The act would also reduce the penalty for forcible rape from life im-

prisonment to 20 years in jail.

The District of Columbia and the agencies of the Federal Government located within its boundaries are the concern of every American. To allow a code of ethics to be instituted for the seat of the Federal Government which other Americans traditionally have found unacceptable would be a denial of our responsibility as legislators of this great Nation. For this reason I have introduced a resolution of disapproval today. It is my hope that after its passage the District Council will take a closer look at what should or should not be included in such an act if they are disposed to moving another piece of legislation forward in this area.

THE LIBERALS PRAISE O'CONNOR—CONSERVATIVES CRITICIZE CHOICE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. McDONALD. Mr. Speaker, with hearings commencing this week on the nomination of Mrs. Sandra Day O'Connor to the Supreme Court, it seems pertinent to let the public know who is in favor of the nomination and who opposes. Conservative Digest, in its August 1981 issue, compiled statements from liberals and conservatives on the nomination, and I think they bear careful consideration by the Members of this body. Therefore, I am inserting them in the Congressional Record for the edification of those who are interested:

THE LIBERALS PRAISE O'CONNOR KENNEDY

"Every American can take pride in the President's commitment to select such a woman for this critical office."—Sen. Edward Kennedy (D-Mass.), quoted in Time magazine, July 20, 1981

SMEAL

"Judge Sandra Day O'Connor's appointment to the Supreme Court is a victory for the women's movement because of the unceasing pressure placed on the President for women's rights and particularly the Equal Rights Amendment."—Statement by Eleanor Smeal, president, National Organization for Women, July 7, 1981.

TIP O'NEILL

House Speaker Thomas P. O'Neill Jr. (D-Mass.), who has been in a toe-to-toe battle with Mr. Reagan on the budget and taxes, called a truce long enough to hail Judge O'Connor's nomination as "the best thing he's [Reagan] done since he was inaugurated."—Quoted in the New York Times, July 9, 1981.

METZENBATIM

"At this point, it looks like a good appointment."—Liberal Sen. Howard Metzenbaum (D-Ohio), ABC World News Tonight, July 7, 1981.

UDALL

"My Democratic friends ought to be grateful for this appointment. It's almost inconceivable to me that they could do any better."—Rep. Morris Udall (D-Ariz.), in the Washington Post, July 13, 1981.

ADA

Americans for Democratic Action spokesman Stina Santiestevan said she was "thrilled" at the choice [of O'Connor]...—Quoted in Human Events, July 18, 1981.

Now

"I'm surprised by President Reagan's pick, because O'Connor is not as rightwing as I would have anticipated. Yes, in my judgment, O'Connor is a feminist. In 1972, she was an active and vocal supporter of ERA. Newspapers here report that she was one of the strongest backers of ERA. And I assume she still supports it."—Kate McGee of Phoenix, Ariz., national board member of the National Organization for Women, representing the Southwest region, in CD interview, July 7, 1981. McGee says she knows "lots" about Judge O'Connor and has researched her record for the national NOW group.

MOYNIHAN

"Judge O'Connor is a superb choice."— Sen. Daniel Moynihan, the pro-abortion liberal Democrat from New York, Congressional Record, July 16, 1981.

ACLU

"From the standpoint of her not being a doctrinaire conservative, the President made a good selection."—Louis Rhodes, director of the American Civil Liberties Union, quoted in the Philadelphia Inquirer, July 8, 1981.

KAMISAR

"Give the devil his due; it was a pretty good appointment."—Michigan law professor Yale Kamisar, "a judicial liberal," quoted in Time magazine, July 20, 1981.

ROWAN

"... My male intuition says that President Reagan has made a choice that is good for the nation."—Veteran anti-Reaganite

then they can be part of an integrated political process, able to cast ballots in the same unrestrained way as whites and able to join in alliances based on class that cross racial lines. Such is the historical meaning of the right to vote, and it guarantees no results along racial lines—no proportional representation by race. It generates the sort of politics cities like Norfolk have seen, as blacks frequently have banded through the use of the Goldenrod ballot to help elect candidates (black or white) of their choice.

But, on the other hand, if minorities are entitled not simply to equal access to the ballot box but to proportional representation by race, then the historical meaning of the right to vote changes. Political alliances based on class and issues mean less; racial politics becomes more important. The political process becomes segregated, with blacks understanding they are to vote for blacks, and whites perhaps cynically deciding that they should vote only for whites.

Unfortunately, this is the clear direction in which the Voting Rights Act is taking us, and it is a direction raising more questions than people have been willing to recognize. It is not at all clear, for example, that carving out a majority black district, wherever possible, is necessarily a good thing for blacks; a minority vote can by "diluted" be excessive concentration. Nor is it clear that an equitable proportion of seats will result in a comparable proportion of legislative benefits. No one has proposed that the Voting Rights Act should ensure this result, but it is the assumption on which appellate courts and the Justice Department have often seemed to proceed. Nevertheless, legislation that a majority of blacks might want enacted could stand a better chance of being passed if the political process emphasizes non-racial coalitions, and thus non-racial elections.

It will be October, probably, before the question of extension comes to a vote on Capitol Hill. Between now and then, especially in this political season in Virginia, and especially because of the two decisions by the Justice Department, one can expect more such demonstrations as were held this past Saturday-demonstrations that paint the issue as one of simple morality. But it should be clear to anyone who studies the Voting Rights Act that the central question its current enforcement raises is not the simply moral one of whether the right to vote is being denied. It is rather the political one of what kind of society we should be, one that encourages, as Madison would have had it, factions based on common interests that cut across racial lines, or one that encourages race to be the deciding characteristic in the electoral process.

The irony of the Voting Rights Act is that it intended to produce the first kind of society but has been used to effect the second. The Reagan administration, which is still trying to decide where it should stand, will honor the original purpose of the act by ensuring that, if renewed, it will be enforced in such a way as to encourage an integrated political process.

and superliberal columnist Carl Rowan, in the Washington Star, July 10, 1981.

"YELLOW DOG" DEMOCRAT

"She won't be a rightwing ideologue like Rehnquist."—Self-described "yellow dog Democrat" and Arizona lawyer John Frank, quoted in the Washington Post, July 8, 1981

CONSERVATIVES CRITICIZE CHOICE

DR. WILLKE

"I am shocked beyond belief at President Reagan's surprise nomination of pro-abortionist Sandra Day O'Connor to the United States Supreme Court. I'm sure you are too. Her ascension to the high court would be the most devastating blow to the pro-life movement since the Supreme Court legalized abortion on demand in 1973 . . . Mrs. O'Connor also claims to be 'personally opposed to abortion.' But you and I have heard those same words from politicians like Birch Bayh and Teddy Kennedy. Did their 'personal opposition' ever cause them to cast a pro-life vote? No."—Jack Willke, MD, president of the National Right to Life Committee, in a July 15, 1981, Action-Gram to Friends of the Unborn.

SENATOR HELMS

"The information that he [the President] has about the lady and the information that I have about the lady are not consistent, one to the other. He told me that she had not, to his knowledge, participated in the ERA issue, that she was strongly opposed, personally, to abortion."—Sen. Jesse Helms (R-N.C.), on the CBS Evening News, after a meeting with President Reagan, July 7, 1981.

REVEREND FALWELL

"President Reagan's nomination of Judge Sandra O'Connor of Arizona to the Supreme Court is a mistake. Judge O'Connor's record indicates she is not an opponent of abortion on demand and is opposed to attempts to curb this biological holocaust that has taken the lives of more than 10 million innocent babies since the 1973 Roe vs. Wade decision by the Supreme Court that legalized abortion."—The Rev. Jerry Falwell, head of the Moral Majority, quoted in the New York Daily News, July 8, 1981.

SCHLAFLY

"Some of the people who are praising President Reagan's appointment of this judge are people who would never vote for him, who would never back his economic program and who are not his friends. And I hope he won't end up the way Jimmy Carter did—which is to find that he tried to curry favor with his enemies, but he lost out all the way around."—Phyllis Schlafly, interviewed on the CBS Evening News, July 8. 1981.

DR. GERSTER

"It was common knowledge she was philosophically against us in the legislature. It is unforgivable that the White House could ignore this."—Dr. Carolyn Gerster, MD, of Phoenix, Ariz., former head of the National Right To Life Committee, quoted in the Washington Post, July 8, 1981.

NELLIE GRAY

"Please understand clearly that your proposed nomination of Judge Sandra D. O'Connor to fill the vacant seat on the Supreme Court brings deep disappointment and anguish to all pro-life Americans. . . . Please do not nominate a candidate for the Supreme Court whose public voting record indicates that the new justice would cast a vote on the high bench to continue the

slaughter of innocent preborn human beings. P.S.: Pro-lifers find it offensive that we must picket the White House to bring your attention to this matter. We worked in the 1980 primary and general elections so that the innocent preborn children would be protected by your administration."— Nellie Gray, president of March for Life, in a letter to President Reagan, July 14, 1981.

HUMAN EVENTS

"President Reagan, for all his and his aides' assurances, asking conservatives to rally behind a highly uncertain trumpet... What is so difficult to comprehend, however, is why the administration, in making this weightiest of all appointments, selected a nominee of such murky ideological moorings. Under a Reagan presidency, we expected to see a major transformation in the high court, a sea-change shift to the right. But that kind of alteration is not likely to come about with O'Connor-type appointments. Conservatives—no, the country—have a right to expect better."—Human Events, July 18, 1981.

DR. JEFFERSON

"This appointment is appalling."—Dr. Mildred Jefferson, president, Right To Life Crusade

KAREN MILLS

"We're going to fight the appointment all the way."—Karen Mills, past president of Arizonans for Life, quoted in the National Catholic Register, July 19, 1981.

ROBISON

"Any report concerning the appointment of Sandra O'Connor which appears to imply that I have endorsed her is a gross misrepresentation... All evidence indicates that she stood for pro-abortion and that she was pro-ERA. This gave our organization and all pro-family interests cause for grave concern... I have total confidence in the profamily interest groups. If they are convinced that Sandra O'Connor would not be the best choice, then I would certainly stand with those people who have a consistent record of concern for the family."—Excerpt from a clarification statement by James Robison, James Robison Evangelistic Association.

RABBI GINSBERG

"Because of Judge O'Connor's pro-abortion record, it would be a tragedy for the cause of human rights for unborn children to have this appointment confirmed."—Rabbi Hersh M. Ginsberg, director, Union of Orthodox Rabbis of the U.S. and Canada.

MORAL MAJORITY

"The President has made a truly major mistake and we intend to point this out with all the means at our disposal. We consider it Ithe O'Connor appointment! the single most disappointing act since this administration came into office."—Dr. Ron Godwin, vice president and chief operating officer of the Moral Majority, quoted in the Baltimore Sun, July 8, 1981.

PHILLIPS

"The nomination of a pro-abortion feminist to the court is a major blow to the political alliance of social and economic conservatives which began to emerge in 1977 and which contributed significantly to Ronald Reagan's 1980 primary victories as well as legislative turnovers in 1978 and 1980. Right-to-life supporters are not partisan Republicans. For them, protecting innocent unborn children is the overriding issue."—Howard Phillips, national director, The Conservative Caucus, July 9, 1981.

FRAN WATSON

"When Ronald Reagan understands that he will lose the support [in 1984], then maybe the next judges he appoints will respect the right to life of the unborn child. But to accomplish this, the leaders of the Right-to-Life movement must seriously consider establishing an independent political base of support. As long as a pragmatic politician like Ronald Reagan believes we have nowhere else to go, he will continue to give right-to-life rhetoric and pro-abortionists actions."—Fran Watson, state committeewoman, New York Right-to-Life Party.

PAUL BROWN

"Shock and outrage would be a timid expression of our reaction to the O'Connor nomination. We consider this a total and complete sellout of the Republican platform."—Paul Brown, director, Life Amendment Political Action Committee, quoted in the Baltimore Sun, July 9, 1981.

FATHER FIORE

"Apparently, Reagan has forgotten that it was the disaffected Democrats and independent ethnic, blue-collar Catholic and evangelical-fundamentalist Protestants who helped build what appeared to be the beginning of a new majority in the 1980 elections. . . . It is this very constituency that is now outraged at the O'Connor nomination."—Father Charles Fiore, president, National Pro-Life Political Action Committee, quoted in the Wanderer newspaper, July 16, 1981.

JUDIE BROWN

"We are appalled at the obvious fact that President Reagan was extremely ill-advised by members of his own staff in the final selection of Sandra Day O'Connor as his choice for next justice of the Supreme Court. . . . We are prepared to do all within our power to see to it that this nomination is stopped, because we firmly believe that her record as a state senator will ultimately be reflected in her opinions on the issue of abortion once she is seated on the court."—Mrs. Judie Brown, president, American Life Lobby, July 9, 1981.

FRAN CHILES

"As a member of the social issues subcommittee of the 1980 Republican platform committee, I strongly oppose the appointment of Sandra O'Connor to the U.S. Supreme Court. Her record on issues such as ERA, abortion on demand and others does not live up to the platform. I am deeply concerned about this matter."—Fran Chiles, Republican national committeewoman from Texas.

RANDY ENGEL

"The U.S. Supreme Court doesn't need another antilife millstone around its neck in the form of Sandra O'Connor, especially with two of abortion's handmaidens—infanticide and euthanasia—knocking at America's judicial door."—Randy Engel, national director, U.S. Coalition for Life.

WEYRICH

"Perhaps most disturbing to those of us who have been in the conservative trenches for many years has been the attitude of some of the President's closest advisers. On the evening news the day of the O'Connor nomination, a 'high White House official' was reported as saying the nomination would give the President a chance to separate himself from the 'rightwing nuts.' The organizations now being undermined by some of Reagan's aides were working their

hearts out for Reagan in 1976 and 1980 when some of the President's current aides were working against him. Many of the grass-roots conservatives so blithely dismissed by White House aides supported Ronald Reagan when he was being called a 'rightwing nut.'

"The handling of the O'Connor nomination has harmed the conservative coalition which elected Ronald Reagan and a Republican Senate in 1980. And that political reality has implications for the 1982 congressional elections."—Paul Weyrich, director, Committee for the Survival of a Free Congress, writing in The Review of the News, July 29, 1981.

BILLINGS

"Based on information we have received to date, we will oppose the nomination of Judge O'Connor. We believe that President Reagan has been misled concerning her activism on social issues such as abortion and the proposed Equal Rights Amendment."—William Billings, acting president, National Christian Action Coalition, July 9, 1981.

PRO-LIFE PAC

Peter B. Gemma Jr., executive director of the National Pro-Life Political Action Committee, said today that the nomination of Sandra O'Connor to the Supreme Court is a "slap in the face to all pro-lifers." He says: "Every senator should be aware of the fact that our future support will be tempered by this confirmation vote. We want to send a message to the Senate and to the White House that Right-to-Life support cannot be taken for granted."—Press release, July 8, 1981.

EVANGELICALS

Robert Dugan, director of public affairs for the National Association of Evangelicals, applauded Reagan's appointment of a woman to the court. . . . But he expressed "deep misgivings about Judge O'Connor's views on abortion."—The Washington Post, July 17, 1981.

TRUEMAN

"I regret that because of Judge O'Connor's apparent position on the issue of abortion, which seems similar to Justice Potter Stewart's whom she replaces, we cannot expect a positive change from the high court on life-related matters. However, I hope and believe that the political furor raised by Right-to-Life as a result of this unfortunate appointment will influence the President to be more sensitive to the abortion issue so that he will, in the future, appoint judges who respect innocent human life to the Supreme Court and throughout the federal system." Patrick Trueman, general counsel/executive director, Americans United for Life.

SENATOR JEPSEN

"The President has consistently stated his strong support for the rights of the unborn, both in his active involvement in drafting the Republican platform and his most recent support for the Hyde language in the continuing appropriations resolution. Therefore, I am puzzled by the nomination of a person who apparently does not reflect that commitment."—Sen. Roger Jepsen (R-Iowa), quoted in Human Events, July 18, 1981.

CHRISTIAN VOICE

"We are extremely concerned over the nomination of Judge O'Connor. Her past positions on the abortion issue indicate that she does not meet the requirements of the Republican Party platform or the campaign primises of President Reagan to appoint a pro-life justice. . . . We are sick and tired of hearing from people who say they are personally opposed to abortion but continue to act to the contrary. Judge O'Connor must make it crystal clear that as a Supreme Court justice, she would make every possible effort to protect the life of the unborn."—Rev. Robert Grant, chairman, Christian Voice, July 15, 1981.

CONNIE MARSHNER

"I hope Sandra O'Connor is not what she appears to be right now. If this nomination is what it appears to be, then by nominating her, the administration has said to the profamily movement: 'Goodbye. We don't need you. We don't care about you.' In the campaign last fall, millions of lifelong Democrats voted for Reagan because he offered a clear alternative on the abortion issue. If Sandra O'Connor supports the Roe vs. Wade decision, Reagan will have turned his back on his most enthusiastic supporters."—Connie Marshner, chairman, National Profamily Coalition, legislative director, CSFC, Inc., and editor, Family Protection Report.

PROFESSOR WITHERSPOON

"All persons who are genuinely committed to restoring legal protection for the lives of unborn children under our Constitution should vigorously oppose the nomination of Judge Sandra Day O'Connor."—University of Texas law professor Joseph Witherspoon, writing in the National Right To Life News.

"I don't think there's any problem."—Presidential counselor Edwin Meese III, quoted in the Washington Post, July 9, 1981.

METRIC CONVERSION BOARD MERITS SUPPORT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. McCLORY. Mr. Speaker, the Daily Courier News, published in Elgin, Ill., in my congressional district, has produced an illuminating and persuasive editorial in support of our Nation's conversion to the metric system of weights and measures.

Mr. Speaker, this issue should cease to be controversial as we view the wisdom of a general conversion to the metric system which could benefit our society as a whole and particularly the business community. Mr. Speaker, I have visited a large number of industries in my congressional district during this and earlier district work periods, and during each visit I have inquired as to the feasibility of converting to metric standards. It is my observation that the conversion can take place relatively easy and inexpensively in most cases. Foreign markets require the production of goods according to metric measurements. It follows that we can increase our foreign trade, bring out Nation into conformity with every other industrialized nation of the world, and bring uniformity to our system of measurements from which every segment of our society can benefit.

Mr. Speaker, I am pleased to attach the Courier News editorial entitled "Time to Get Started on Metric Conversion," as follows:

Time to Get Started on Metric Conversion

A decade ago, the National Bureau of Standards recommended that America convert from the English system of weights and measures, to become "predominantly metric" by 1981.

Despite the Metric Act of 1975, which promotes voluntary metric conversion, most Americans continue to use yards, pounds, quarts and Fahrenheit degrees, while the rest of the world uses meters, grams, liters and Celsius degrees.

We believe that American measurements should become dominantly metric.

Voluntary efforts have largely failed. Although General Motors plans to be fully metric by next year, and California gasoline is now sold in liters, evidence of the nonmetric system abounds, from supermarket shelves to shipping boxes.

The U.S. Metric Board, established by the 1975 Metric Act, is powerless to push the metric system forward, because it cannot do more than "educate, inform and assist parties who make a voluntary decision to convert," according to its first president, Louis E. Polk. Partial conversion creates the crippling problem of some industries using metric and some English measurements.

The Reagan "new beginning" offers an opportunity for this country to convert, once and for all, to the metric system.

The arguments for conversion are compelling. Scientific developments and technological advances are measured metrically. International trade is based on the metric system. American products which are not metric cannot be easily sold abroad, and foreign metric machinery is not easy to employ here. Once learned, the decimal-based metric system is simpler to use in transactions than the more cumbersome, non-decimal English system.

Most important, we are isolating ourselves from the rest of the world by sticking to the English system which even the English are abandoning.

Conversion is expensive. It involves retooling of machines, rewriting regulations, reducation, and a host of difficulties. Some unions and industries oppose it, because it would take away de facto protectionist barriers based on equipment size. Folklorists argue that doing away with the pound and foot will rob our culture of character.

But the economic, technological and social benefits of metric conversion far outweigh the problems. A fully metric America would enjoy increased world trade, greater access to discoveries, and more efficient transactions.

We urge the president to seize the initiative from his tax and budget victories, to present Congress with a program of guidelines—and deadlines—for conversion to the metric system.

Economic incentives, rather than mandatory rules, would be the Reagan approach. But the aim must be to phase in the metric system, on all levels, along a definite timetable. The examples of conversion in Britain and Canada should be used to indemnify businesses hurt by conversion.

Progress toward the goal of a "predominantly metric" America should be measured in meters, not inches.

THE CONFLICT IN LEBANON

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES
Wednesday. September 9, 1981

 Mr. HAMILTON. Mr. Speaker, I am inserting my foreign affairs newsletter for September 1981, into the Congres-SIONAL RECORD:

THE CONFLICT IN LEBANON

During the past six years, Lebanon has resembled a battlefield more than a nation.

Communal and political tensions among Christians. Muslims, and Druze have plagued Lebanon since the 1800's. present crisis combines these tensions with the involvement of three non-Lebanese actors, each of which pursues its own interests, upsets a fragile sectarian balance, and weakens the central government. Syria has had some 22,000 troops in Lebanon since 1976. It seeks to ensure that Lebanon will remain responsive to its concern for security and its political interests. Israel, which also has a concern for security, wants to protect its northern border. It has ties with Colonel Haddad, a former Lebanese army officer who commands a Christian enclave along the Israeli border, and it has ties as well with the Lebanese Front, a largely Maronite Catholic group which controls areas north and east of the capital city of Beirut. Some 400,000 Palestinians, mainly refugees, are also present in Lebanon. Among them are thousands of armed guerrillas who regularly provoke Israel's intervention.

Peace can come to Lebanon with the resolution of three key problems. First, the central government must regain authority in the nation. Today, its authority hardly extends outside parts of Beirut. Second, the Lebanese political system must be modified because it no longer reflects demographic and sectarian realities. The National Pact of 1943 enables the Christians, who represent about 35 percent of the Lebanese population, to have disproportionate influence in the country even though Muslims and Druze constitute an absolute majority. Third, Lebanon's future depends on a solution to the Arab-Israeli conflict, one which addresses the problem of the Palestinians and thereby eliminates the need for Israeli and Syrian intervention. Unfortunately. none of these problems will be solved soon.

As the conflict in Lebanon now stands, there are three potentially explosive fronts. Beirut has been racked by factional strife since 1976. East Beirut is controlled by the Lebanese Front, but in West Beirut the Palestine Liberation Organization (PLO) has a major military presence. The few fixed points of access into the city are patrolled by the Lebanese and Syrian militaries. The continued division of Beirut symbolizes the threat of partition that hangs over the entire country. The battle in southern Lebanon between Israelis and Palestinians has dragged on since 1978. Thousands of Lebanese have been left dead, injured, or homeless, and Israeli casualties have also been significant. The continuing presence of a Nations peacekeeping (UNIFIL) has diminished but not eradicated the violence, and Colonel Haddad's enclave has not proved to be an effective buffer between Israel and Lebanon. A third front has opened up around Zahlah, a town on the main road between Lebanon and Syria. Skirmishes between Lebanese Front and Syrian forces broke out there in 1980, but the fighting soon flared into a dangerous Syrian-Israeli confrontation.

Most Lebanese today despair of the conflict in their country and lament that their destiny is in non-Lebanese hands. They want to regain control of their country and bring about the disengagement of Syrian and Israeli forces. They seek reconciliation in their nation through a stronger central government and army. Unless these goals are achieved to a certain extent, the presidential election scheduled in 1982 may be impossible. If it were, the political crisis could grow worse and make the chance of reuniting the country even more remote.

The United States has always argued for the territorial integrity, independence, national sovereignty, and unity of Lebanon. It has opposed partition. More than \$200 million in military and economic assistance has helped strengthen the central government and army. Beyond rhetorical and financial support, however, concerted diplomatic efforts are needed to meet Lebanon's many problems. These efforts should build on Lebanon's strong currency, its resilient economy, and its entrepreneurial class. Ambassador Philip Habib's recent mission to Lebanon sought relief of the siege of Zahlah, installation of the Lebanese army and gendarmerie there, and removal of Syrian missiles from the area. This mission could serve as the catalyst for an effort of greater scope to help achieve the goals the Lebanese people desire.

American diplomacy should: support the Lebanese central government with additional political, military, and economic assistance; explore the creation of a wider buffer zone between opposing forces and the expansion of UNIFIL's operations; attempt to reduce the flow of weapons into the country; help the central government bring the Palestinian militia under control; and aim to foster conditions that will allow the non-Lebanese actors to withdraw. Furthermore, American diplomacy must recognize that Colonel Qaddafi of Libya and some factions of the PLO will try to disrupt such initia-

One hopeful sign for Lebanon is the Baytal-Din initiative of Saudi Arabia, Syria, Kuwait, and Lebanon. So far, it has achieved modest success by reducing hostilities.

As Lebanese political groups of all persuasions meet today, their mood favors national reconciliation. The task of the United States is to set in motion the process that will permit Lebanese Christians, Muslims, and Druze alike to reclaim their own land.

TRIBUTE TO SIX BOY SCOUTS

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. NELLIGAN. Mr. Speaker, I join my colleagues today in honoring six Boy Scouts from Luzerne County in the 11th District of Pennsylvania, which I am privileged to represent. These six Scouts from Troop 352 of West Pittston, Pa., have recently received the highest Scouting award, the coveted Eagle Scout Award.

Morgan C. Williams, 18, the son of John and Beverly Williams, is a recent graduate of Scranton Preparatory School, where, in addition to his Scouting activities, he has been active in sports.

Ronald J. Pollard, 18, the son of Mr. and Mrs. Warren E. Pollard, will be a senior at Wyoming Area High School this year, and is a member of the Key Club in the West Pittston area.

John D. Marko, 18, the son of Mr. and Mrs. John Marko, has been active in band and chorus activities while a student at Wyoming Area High School, from which he was recently graduated.

Jeffrey B. Sheridan, 18, also a recent graduate of Wyoming Area, is the son of Eugene C. and the late Margaret Baird Sheridan. Besides his activities in music programs, he was recently commended by the borough council for his efforts on behalf of the community

Joseph C. Valenti, 19, the son of Mr. and Mrs. Michael Valenti, was graduated from Wyoming Area in 1980 and is currently attending Luzerne County Community College, where he is majoring in criminal justice.

Richard Mariette, 18, the son of Mr. and Mrs. Jean C. Mariette, is a recent graduate of Wyoming Area High School and is presently working toward the Bronze Scouting Award.

I commend the troop's Scout leaders, Bill Goldsworthy and Dom Aritz, for spurring these young men on to such outstanding achievements, and I join parents, friends, and members of the community of West Pittston in wishing these young men equal success in their future endeavors.

SMALL ISSUE INDUSTRIAL REVENUE BONDS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. RANGEL. Mr. Speaker, the Ways and Means Oversight Subcommittee recently conducted a review of the numerous and complex issues surrounding small issue industrial revenue bonds (IRB's). As a result, the subcommittee adopted recommendations for legislative change and submitted these recommendations to the Ways and Means Committee for consideration. At the request of the subcommittee, I am introducing legislation which reflects the substance of the subcommittee's recommendations.

In April of this year, the Ways and Means Oversight Subcommittee held hearings on small issue IRB's. The testimony presented to the subcommittee during 3 days of public hearings, as well as the extensive research undertaken by the Congressional Budget Office at the request of the subcommittee, indicates that there has been a

EXTENSIONS OF REMARKS

significant increase both in the volume and diversity of small issue IRB's. While the subcommittee believes that in many cases IRB's are used with discretion under narrowly drawn State public purpose requirements, there, nonetheless, is a need to clarify the Federal guidelines with respect to both the volume and intended purpose of IRB financing. Clearly some abuse have occurred. In some cases, IRB's have been issued indiscriminately, and even excessively. To the extent this has occurred, there have been unwarranted Federal revenue losses.

Mr. Speaker, today I am introducing this legislation in an attempt to responsibly address the expended use and volume of IRB financing. I believe this legislation strikes a reasonable balance between the Federal Government's responsibility to assure that the IRB program is used to advance public purposes at minimal cost to the Treasury, and the States need to have a flexible financing mechanism that will assist them in their effort to stimulate economic development.

In all likelihood the full Ways and Means Committee will address the subject of small issue IRB financing and review the subcommittee's proposal. Accordingly, I invite each Member to support this legislation and welcome comments and suggestions with regard to the proper use of this taxexempt bond financing tool in the future.

The full text of this legislation follows:

A bill to amend section 103 of the Internal Revenue Code of 1954 with respect to the small issue exemption

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) SPECIAL RULES RELATING TO SMALL ISSUE EXEMPTION OF SUBSECTION (b)(6).-(1) STATE REPORTING REQUIREMENTS

"(A) In GENERAL.-Not later than February 15 of calendar year 1983 and calendar year 1984, each State shall submit to the Secrea report containing such information as the Secretary may by regulations require with respect to small issue industrial development bonds of such State (or any political subdivision thereof) which were issued during the preceding calendar year.

"(B) GOVERNOR REQUIRED REPORT.-Any report required to be submit-

ted under subparagraph (A)—
"(i) shall be submitted by the Governor of the State (or any department or agency of the State designated by the Governor for purposes of this paragraph), and

"(ii) shall be in such form as the Secretary

shall by regulations prescribe.

"(C) SMALL ISSUE INDUSTRIAL DEVELOPMENT BONDS.—For purposes of this paragraph, the term 'small issue industrial development bond' means any industrial development bond (as defined in subsection (b)(2)) to which paragraph (1) of subsection (b) does not apply solely by reason of paragraph (6) thereof.

"(2) Public Hearing Requirements.-Paragraph (6) of subsection (b) shall not apply

to any issue of obligations unless—
"(A) the issuing entity has conducted a public hearing regarding such issue before approving such issue;

(B) the issuing entity has made (and published a statement of) the following find-

"(i) the issue will not create an unjustified competitive disadvantage to existing businesses in the area,

"(ii) the issue will stimulate the local economy

"(iii) the issue will result in the creation (or retention) of a significant number of jobs, and

"(iv) the project being financed with the issue would not have been undertaken with-

out tax-exempt financing; and "(C) the issuing entity has submitted to the Governor of the State (or any department or agency of the State designated by the Governor for purposes of this paragraph) a certification that the requirements of this paragraph have been met with re-

spect to the issue.

"(3) Targeting commercial-type projects TO ECONOMICALLY DISTRESSED AREAS

"(A) TARGETING.-Paragraph (6) of subsection (b) shall not apply to any issue if a significant portion of the proceeds of such issue is to be used (directly or indirectly) to provide commercial-type property unless such property is used predominantly in an economically distressed area.

"(B) PROJECT MAY BE LOCATED IN ADJACENT AREA UNDER CERTAIN CIRCUMSTANCES.-The requirement of subparagraph (A) that the property be used predominantly in an economically distressed area shall not apply if the Secretary and the Secretary of Housing and Urban Development determine-

(i) that there is no suitable site for the property within the economically distressed

area

"(ii) that the property will be located directly adjacent to such area, and

"(iii) that the property will substantially contribute to the economic development of such area.

"(4) DEFINITION OF COMMERCIAL-TYPE PROP-ERTY

"(A) In GENERAL.-For purposes of this subsection, the term 'commercial-type property' means any property used in an activity classified in one of the following Standard Industrial Classification codes:

"(i) division F—wholesale trade, "(ii) division G—retail trade,

"(iii) division H-financial, insurance, real

"(iv) division I-services (except group no. 805 (nursing and personal care facilities) and group no. 806 (hospitals)), and

'(v) activities at central administrative offices (within the meaning of appendix A).

"(B) RULES FOR APPLYING CLASSIFICATION codes.-For purposes of subparagraph (A), classifications shall be made in the same manner as they are made under the most recent edition of the Standard Industrial Classification Manual published by the Federal Government before the date 90 days before the date of the issue.

"(5) ECONOMICALLY DISTRESSED AREA DE-

FINED.

"(A) In general.—For purposes of this subsection, the term 'economically distressed area' means an area composed of one or more contiguous census tracts, enumeration districts, or block groups-

"(i) which are located in the same city or county.

"(ii) which have a population of at least 2,500.

"(iii) in which at least 70 percent of the families have incomes below 80 percent of the median income for the State in which such area is located, and

"(iv) in which at least 30 percent of the families have incomes below the national

poverty level.

"(B) INFORMATION USED.—Determinations under subparagraph (A) shall be made on the basis of the most recent decennial census for which data are available before the date 90 days before the date of the issue

"(6) PROCEEDS NOT TO BE USED TO RELOCATE ACTIVITIES FROM ONE STATE TO ANOTHER. Paragraph (6) of subsection (b) shall not apply to obligations where any part of the proceeds is intended to facilitate the relocation of a business activity from one State to another

"(7) PROCEEDS MAY NOT BE USED TO FINANCE PURCHASE OF FARMLAND .- Paragraph (6) of subsection (b) shall not apply to any issue if a significant portion of the proceeds of such issue is to be used (directly or indirectly) to finance

"(A) the acquisition of land which is to be used primarily for farming purposes, or

"(B) the acquisition of other real property to be used primarily for farming purposes if such acquisition is in connection with an acquisition described in subparagraph (A).

For purposes of this paragraph, the term farming purposes' has the meaning given to such term by section 6420(c)(3)."

(b) Paragraph (6) of section 103(b) of such Code (relating to exemption for small issues) is amended by adding at the end thereof the following new subparagraph:

"(K) TERMINATION.—This paragraph shall not apply to any obligation issued after December 31, 1983."

(c) The amendments made by this section shall apply to obligations issued after December 31, 1981.

SEC. 2. (a) The Secretary of the Treasury shall conduct a study on the use of small issue industrial development bonds.

(b) Not later than July 1, 1983, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives a report on the study conducted under subsection (a) (together with such legislative recommendations as he may deem apropriate).

(c) For purposes of this section, the term "small issue industrial development bond" means any industrial development bond (within the meaning of section 103(b)(2) of Internal Revenue Code of 1954) to which paragraph (1) of section 103(b) of such Code does not apply solely by reason of paragraph (6) of such section.

EXPLANATION OF ABSENCE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. GREEN. Mr. Speaker, I rise to explain why I was paired against the motion to suspend the rules and pass H.R. 4242, the so-called tax package, on Tuesday, August 4, 1981.

First, why did I pair instead of being present to vote? Longstanding family plans had taken me to Maine on the preceding weekend and to northern New Hampshire on Monday, August 3, 1981. I had nonetheless made plans to return to Washington by getting up before dawn on Tuesday, driving to Montpelier, Vt., catching a 7:15 a.m. Precision Airlines flight from Montpelier to Boston, and then catching a 9:10 a.m. Delta Airlines flight to Washington. However, with the onset of the air traffic controllers' strike, Precision Airlines canceled all its flights, and my staff, on checking Delta and the other airlines, advised me that, even if I could get to Boston some other way, there was no assurance that a flight would be available that could get me to Washington in time. Accordingly, I arranged for a pair.

Second, why did I oppose the motion? I had supported the tax package when it passed the House on Friday, July 30. However, I do so only after unsuccessfully opposing the rule under which the tax package was considered by the House, because it denied us a separate vote on tax breaks for the oil industry.

The effect of the motion to suspend the rules was identical. Under normal House procedures for considering conference reports it would have been possible to have a separate vote on the oil provisions, and to have instructed the House conferees to agree to the Senate position on those provisions, which provided for substantially less in the way of tax breaks for the oil industry than did either the House bill or the conference report. The motion to suspend the rules made that effort impossible.

In summary, I supported the basic tax package, but opposed the oil industry tax breaks that were added to it in Congress. However, the motion to suspend the rules and pass H.R. 4242 carried, and thus the tax package passed with the oil tax breaks.

INTERVIEWS WITH MEESE, OTHERS MAKE CLEAR PRESI-DENT UNINFORMED ON O'CON-NOR RECORD

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. McDONALD. Mr. Speaker, one of the saddest aspects on the nomination of Mrs. O'Connor to the Supreme Court has been the apparent misinformation and incomplete information given to President Reagan. If the President had chosen her after being made aware of her complete record, then so be it, but the evidence is mounting that he acted without full

knowledge of her record, particularly in the State legislature. In this connection, I am inserting an article that appeared in Conservative Digest for August 1981, for the edification of my colleagues.

CONSERVATIVE DIGEST ARTICLE STATES PRESI-DENT UNINFORMED ON O'CONNOR RECORD

In a speech in Chicago the day he announced his intention to nominate Sandra Day O'Connor to the Supreme Court, President Reagan said that he had done this after "examining her whole record in public life." But, there is compelling evidence that there is important information about Mrs. O'Connor which the President did not know. The following data was revealed in CD interviews with: presidential counselor Edwin Meese; a senior presidential aide who requested anonymity; counselor to the Attorney General Kenneth Starr; and Tom DeCair, director of public information for the Justice Department.

Meese says the text of the 1970 abortionon-demand bill voted for by Mrs. O'Connor was "not seen" by the President. This bill appears to have been, he says, "a therapeutic abortion act and a lot of legislators, even Ronald Reagan as governor, did that at the time without it being apparent what problem it was."

This is not correct. The bill Mrs. O'Connor supported was a radical departure from the restrictive abortion laws in effect in most states in 1970.

Messe says the 1973 family planning bill supported by Mrs. O'Connor "had nothing to do with abortion." He says "no," he never saw this bill and it wasn't read "because we didn't have it."

Meese says "yeah," Mrs. O'Connor was asked her views on the Supreme Court's 1973 Roe vs. Wade decision legalizing abortion on demand. Did she say it was good or bad law? Meese: "Uh, I don't think she was asked in those terms." White House press spokesman David Gergen says Mrs. O'Connor was not asked about Roe vs. Wade.

Prior to her being chosen, or after, was Mrs. O'Connor asked if she favored any kind of legal protection for the unborn? Meese: "I think there was a hesitation to ask how she would rule on a particular case. I'm not sure she was asked in the form you put this question."

Later in this interview, Meese says, when asked if he feels it is improper or injudicious to ask Mrs. O'Connor about her own past rulings or past rulings of the Supreme Court, "not particularly, no. I don't."

Meese says Mrs. O'Connor's views on abortion, the family and other social issues were "generally known" but they didn't affect the President's decision "because of her basic personal attitudes."

An anonymous senior aide says that it is "entirely possible" that the only negative information received about Mrs. O'Connor's record supporting legalized abortion was "sent in by the people concerned about these votes."

Like Meese, this senior aide was unsure about what the 1973 family planning bill allowed, saying that some people thought it authorized only the distribution of sex education information. Did you see the text of this bill? Senior aide: "Oh no, we didn't. We didn't go back and dig up the actual piece of legislation. The President didn't choose to do this. He could have but didn't."

Regarding Mrs. O'Connor's acknowledgement that in 1974 she voted against urging Congress to constitutionally protect the

lives of the unborn, the question is asked: And this didn't bother the President? Senior aide: "Well, I suppose not, because they discussed it."

Has Mrs. O'Connor said anything indicating she favors any kind of legal protection for the unborn? Senior aide: "Not that I'm aware of."

Was Mrs. O'Connor asked if she shares the President's view that there should be a Human Life Amendment to the Constitution? Senior aide: "No, she wasn't asked about specific issues at all on a whole range of subjects."(1)

Counselor to the Attorney General Kenneth Starr says he made no effort to check out Mrs. O'Connor's statement that she never had any disputes or controversies with national pro-life leader Dr. Carolyn Gerster, who lives in Arizona. Why did he make no such effort? He refuses to say. In fact, Dr. Gerster and Mrs. O'Connor had several disagreements about abortion.

Starr says the record is "not all that clear" and "a bit murkier than some are suggesting" as regards Mrs. O'Connor's 1970 vote for an abortion-on-demand law. False. The April 30, 1970, Arizona Republic reports that Mrs. O'Connor voted for this bill.

Would you say Mrs. O'Connor is antiabortion and pro-life in the way the President and the 1980 GOP platform are? Long pause. Starr: "I don't know if I can deal with that question on those terms." Starr declines to use "shorthand" to describe her views saying that he thinks such phraseology "impedes and doesn't advance the inquiry."

Doesn't it feel strange to have people like NOW's Eleanor Smeal and Sen. Howard Metzenbaum gushing over your Supreme Court nominee? Starr: "I think it's to be expected that the head of NOW would gush over a woman." You think she would have gushed if the nominee had been Phyllis Schlafly? Starr: "I don't know. Maybe not as effusively."

Justice Department public information director Tom DeCair says "no," all of the information in the July 7 Starr memo was not "entirely" known about prior to the President's choice of Mrs. O'Connor.

DeCair says, regarding Mrs. O'Connor's positions on family-related issues, that "no," information on "all of these things" hadn't been developed because there are "no records" on how she voted in subcommittees and caucuses. Talks with her colleagues and her political opponents and the reading of newspapers would, of course, have developed this information.

At the daily White House news briefing on July 7, 1981, presidential press spokesman Larry Speakes told reporters:

"What we're saying is that we would encourage you to look very, very thoroughly into her votes in the state legislature. . . . I would encourage you to look very closely at the record of the votes in the Arizona legislature."

Good advice. Too bad the President's men didn't follow it when they checked out Mrs. O'Connor.

CONSERVATION—LET THE BUYER BEWARE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. LaFALCE. Mr. Speaker, on July 24, the General Accounting Office released a report entitled "Consumer Products Advertised To Save Energy-Let the Buyer Beware." The report noted that the American consumer still faces serious obstacles to making cost-efficient purchases on the conservation marketplace. As the conservation movement has grown in response to rising energy prices and our desire to remove the OPEC stranglehold from our Nation's energy supplies and our economy, conservation applications have flooded the marketplace. However, the level of information needed to make rational choices among competing products is available to only the most information hungry consumer.

The GAO report concludes that the obligation to inform consumers about the best mix of conservation applications is one that must be shared among the Federal Government, State, and local governments, the industry, and consumers themselves. Indeed, government has not only an obligation but an interest in insuring the most efficient use of our conservation dollars. Grants and tax credits for conservation investments in the home and commercial and industrial buildings give us all a stake in seeing that these dollars are spent wisely and efficiently.

Mr. Speaker, the GAO report is a timely reminder of the need for continued cooperation among the public and private sectors. As the Congress considers budget cuts and regulatory reforms aimed at streamlining the Federal Government, we must not lose sight of the positive role that Government must play in conjunction with industry and the public. For the benefit of our colleagues, I insert in the Record the summary of the GAO study:

CONSUMER PRODUCTS ADVERTISED TO SAVE ENERGY—LET THE BUYER BEWARE

DIGEST

In efforts to reduce energy costs—and in response to government encouragement, including tax credits—consumers spend bilions of dollars each year on energy-saving products. However, consumers face problems with advertisements designed to induce them to purchase such products. Accordingly, GAO conducted a review to look at the types of products and claims in the marketplace, evaluate the potential of energy-saving claims to mislead consumers, and assess the effectiveness of Federal and State efforts to protect consumers from inaccurate or misleading claims.

GAO noted hundreds of advertisements having questionable energy-saving claims.

The ads (1) appeared to exaggerate a product's capabilities, (2) did not disclose material facts affecting the product's performance, or (3) made performance claims which consumers could not compare with competing brands because of the lack of standard, generally accepted measures of energy savings. Consumers cannot easily determine the

Consumers cannot easily determine the accuracy of energy-saving claims because sellers generally are not responsive to consumer's requests for information to support the claims; the data that sellers provide consumers to support claims are often inaccurate, not relevant, or highly technical and therefore difficult for most consumers to understand or evaluate; and consumers often cannot learn through experience and switch to more effective products because (1) the energy savings are not always measurable even after purchase and (2) the purchases are often costly and are made infrequently.

FEDERAL CONSUMER PROTECTION EFFORTS

The Congress mandated that the Federal Trade Commission (FTC), the primary Federal consumer protection agency, take specific actions to prevent unfair and deceptive acts and practices relating to energy conservation. During fiscal years 1978 through 1980, FTC spent about \$1 million annually on a program designed to determine whether energy-saving claims were accurate, sufficiently informative, and based on standard, generally accepted measures of energy savings so that product brands can be compared.

Among FTC's accomplishments are two regulations aimed to make sure that sellers of home insulation and appliances provide consumers with comparable and accurate information on their products' energy efficiency or annual operating cost. In addition, FTC has, to varying degrees, acted to stop questionable claims being made by obtaining consent orders, requiring sellers to substantiate questionable claims, and conducting investigations. FTC also attempted to minimize some consumer problems by publishing guides and distributing factsheets to consumers and consumer groups alerting them about energy-saving claims for some products

While FTC has made progress in accomplishing its objectives, it was not able to rapidly reduce consumers' problems with energy-saving claims because staff assigned to energy cases also worked on higher priority, nonenergy cases; staff was unable to give attention to all the many small, widely dispersed companies making inaccurate or misleading claims; and FTC had to rely on existing test reports and no-cost or low-cost technical support which was not always readily available.

Furthermore, FTC experienced difficulties assuring that claims were comparable and meaningful to consumers, because testing or advertising standards that would provide a common base for the claims had not been developed. FTC was working with several industry groups to develop voluntary standards.

Through enforcement of its mail fraud statutes, in fiscal year 1980 the Postal Inspection Service established a priority program to take action against sellers misrepresenting energy-saving products through the mails; however, it has limited its efforts primarily to stopping inaccurate claims for automotive retrofit devices.

STATE AND LOCAL CONSUMER PROTECTION AGENCIES' EFFORTS

Numerous State and local agencies also try to protect consumers from unfair or deceptive trade practices. The primary law enforcement agency for preventing inaccurate or misleading claims is the State attorney general's office. The district attorney's office is also involved, but to a more limited extent.

Both the State attorney general's and district attorney's offices have eliminated some inaccurate or misleading energy claims, but those efforts have generally been limited.

Lack of resources, limited coordination, and the need for testing and expert testimony are the main factors limiting State and local consumer protection agencies' efforts regarding inaccurate or misleading energy-saving claims. As a result, State and local consumer protection agencies have not been able to significantly or rapidly reduce such claims.

FTC and the Department of Energy (DOE) have promoted various activities to foster information sharing among Federal, State, and local consumer protection agencies. The most substantial is a DOE-funded, 2-year, \$200,000 clearinghouse to promote the exchange of needed technical and product information.

CONCLUSIONS AND RECOMMENDATIONS

Consumers can contribute to the Nation's interest to conserve energy by investing in products that reduce energy use. GAO believes that continued government efforts are needed to protect consumers from being misled by advertisements making energy-saving claims. Therefore, FTC should continue to work with industry groups to develop guidelines for performance testing and advertising. In the meantime, GAO recommends that FTC alert consumers by publishing additional factsheets about some of the difficulties with claims and ads.

GAO also recommends that the Secretary, DOE, work with the information clearing-house to improve the sharing of technical and product information. Until these agencies take the recommended actions and energy-saving claims become more accurate, meaningful, and comparable, GAO believes that the best advice for consumers is "let the buyer beware."

FTC'S COMMENTS

FTC said that GAO overstates the problems consumers are having in evaluating energy-saving claims for products because GAO failed to distinguish between "fraudulent" and "legitimate" products. GAO believes that any products' claims having questionable accuracy, being potentially misleading, or lacking comparability may cause consumer problems. FTC did not specifically comment on GAO's recommendation.

DOE'S COMMENTS

DOE acknowledged that its grantee is extending its outreach efforts and will be working with FTC staff to overcome their concerns about public disclosure of information they provide to the information clearinghouse. DOE also commented that industry and supporting government efforts, designed to improve the availability and accuracy of information on energy-related products, are important supplements to Federal consumer protection efforts.

HIGH INTEREST RATES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, September 2, 1981, into the Congressional Record:

HIGH INTEREST RATES

Interest rates are at their highest level since the Panic of 1873, and almost everyone is feeling the pain. The prime rate (the rate charged by commercial banks for shortterm loans extended to their very best customers) stands at 20.5% today, three times the annual average of 6.84% five years ago. A farmer or small businessman pays the prime rate plus two to four percentage points to borrow money for his operations. Would-be homeowners are staggered by 17% rates for mortgages. Banks pay 16% to 18% or higher to attract deposits. There is no indication that high interest rates will fall anytime soon.

There can be no question that high interest rates wreak havoc in the economy. They stymie construction, stop families from purchasing homes, cause savings and loan institutions to run into the red, depress the automobile industry, and make economic life miserable for farmers, businessmen, and nearly everyone else. Hoosiers mention high interest rates at each and every stop I make in southern Indiana. Their deep concern and the obvious impact of high interest rates suggest to me that the nation's economy will not tolerate the strain much longer

without plunging into recession.

Interest rates are really the price of money. They are set not by the President or the Congress, as many people believe, but by the interaction between the demand for money and credit and the supply of money and credit. Since the supply of money is controlled by the Federal Reserve System, the nation's central bank, the actions of that agency have a major effect on interest rates. However, anything that affects either the demand for or the supply of money will cause interest rates to fluctuate.

Several factors are pushing up the level of interest rates today. Inflation and the expectation that it will continue prompt lenders to ask for higher interest rates on the loans they make. Such rates are necessary in an inflationary economy to insulate the

lenders from loss

The budget deficit of the federal government and the pessimism that people feel about it form another important set of factors. Despite President Reagan's promise of a balanced budget by 1984, the deficit is going to stay very high. The President sees a deficit of \$42.5 billion next year and \$22.9 billion in 1983, but most observers think that the figures will be substantially higher. Yet the more money the government borrows to finance the deficits, the less money there is for the private sector and the higher the cost of borrowing.

Still another factor behind the high interest rates is the policy of tight money (the policy of slowing the growth of the supply of money, which keeps interest rates higher than they would otherwise be). The Secretary of the Treasury has said that tight money is an integral part of the fight against inflation, and virtually everyone agrees that consistently slow growth in the

supply of money will trim inflation in the long run. Tight money is probably the most common weapon against inflation in use among western governments today. In the short run, however, the high interest rates that follow tight money actually add to inflation by raising the cost of items bought on credit. Another basic problem with such a policy is that while the cure it works is only gradual, the economic pain it brings is immediate and sharp. As long as tight money alone is being used to combat inflation, there will be upward pressure on interest rates. In Mr. Reagan's economic program, there is a clear and strong tension between tight money and the demand for money in an economy which the President wants to grow rapidly. The large budget deficits combine with tight money to hamper economic growth.

I am frequently asked what the Congress can do about high interest rates. Although it does not control interest rates directly, the Congress can help get them to come down by balancing the federal budget. A balanced budget would contribute to lower interest rates in two ways. First, it would get the government out of private capital mar-If the government were out of those markets, there would be less competition for funds and interest rates would fall. Second. balanced budget would signal both the Federal Reserve System and private capital markets that the government was using the budget to fight inflation, not to worsen it. Slow growth in the supply of money would no longer result in record-breaking interest rates. Furthermore, the Federal Reserve could even allow the supply of money to grow somewhat more rapidly without risking a new round of increases in wages and prices. The markets would be less inclined to expect that inflation would continue. Some downward pressure would be brought to bear on interest rates

The present economic program depends on a fiscal policy which is loose (the deficit is large) and a money policy which is tight (the supply of money is growing slowly and interest rates are high). The difficulty with such a program is that it throws onto money policy the entire burden of the fight against inflation. In my opinion, the approach of the President is exactly the reverse of the approach we should be using. What is needed is a fundamental shift in the mix of fiscal and money policies. Our goal should be to tighten fiscal policy (balance the budget) so that money policy can be relaxed (the supply of money can, if necessary be expanded somewhat more rapidly). One important result of such a shift would be a decline in the interest rates which are proving to be so harmful to the

economy.

JAMES EUGENE "JIM" PRATER

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. DUNCAN. Mr. Speaker, of all the joys that are known to man there is a special pride in the knowledge that one lives a full life. A life of adventure and opportunities which are grasped with vigor, and treasured throughout the years. After a century of hard work and joyous adventures James Eugene "Jim" Prater has many treasures and continues to live a full

Jim Prater's life ranges from the mountains of east Tennessee to the cattle lands of Oklahoma. His has been a journey boys used to dream of, from the wilds of the Indian territory to the modern industrialization of the South. Along the way Prater has not only collected memories, but also left them. This is what endears him to the people of Blount County.

How else could one explain the fervor with which the citizens have prepared to celebrate his centenary. Jim Prater will be honored by these east Tennessee residents, Friday at the George Washington Masonic Lodge in Louisville, for his life and contributions to the community.

He grew up along the banks of the Tennessee with "a hand in the river. There his family farmed and operated a ferry which carried many across the water. As a boy he would sometimes take a passenger across in his own small boat for a 10 cent fare. Lowe's Ferry was across the river and 2 miles from the birthplace of Civil War hero Adm. David Farragut. Prater recalls the dedication of the birthsite by another war hero, Adm. George Dewey, who was Farragut's protege.

At 20 he began his travels to the West. He began in St. Louis, Mo., as a pipefitter with another Blount countian. He worked for \$45 a week with the pay in a combination of \$2.50 gold pieces and \$1 bills. He moved on working as a wholesale grocer in Paris, Tex., and spending time in Dodge and Bonham, Tex., and Hugo, Okla.

At the time Oklahoma was still the Indian territory. It was there Prater began his affiliation with the Masons, membership he has kept active to this day. He settled down to managing 40,000 acre cattle ranch near the Red River. Despite the further opportunities which awaited him, he returned to Tennessee because of his wife's ill health.

Prater went to work for Alcoa in Tennessee, a plant which stands for the beginnings of southern industrialization. During his 18-year tenure there he hired John Harper of Louisville, Tenn., a man destined to become the president of the Aluminum Co. of America. He also managed the plant's four cafeterias for a time overseeing the dietary needs of the workers.

His own prescription for good health and longevity includes a large breakfast featuring steak or roast beef, a hearty lunch, and a light supper. He avoids alcohol, but succumbs to the temptation of sweets. Visitors to his home are sometimes able to partake of his delicious cream candies, which they often receive as gifts.

Citizenship is another of Jim Prater's assets. He has participated in every election since records have been

kept. Though he calls himself a Democrat, his first vote was cast for a Republican candidate for sheriff in Blount County. Given the politics of east Tennessee he has found himself in the same position many other times, because the Democrats in Blount County do not get enough candidates running.

Prater also enjoys music, particularly of his own making. He has played the piano, bass violin, guitar, and drums. He studied voice at Murfreesboro and sung professionally. An orchestra Prater directed was featured at one of the popular spas near Blount County at the turn of the century.

He still entertains guests with his violin, playing renditions of "Moonlight and Roses," "Cruising Down the River on a Sunday Afternoon," and "Let Me Call You Sweetheart," a tribute to his late wife. He still calls Effie Mae Wood Prater, sweetheart. She shared 56 years of adventurous life with him. They often hunted and fished together after returning to Tennessee. Though she died 20 years ago, Prater makes certain there are always flowers on her grave.

It is impossible to capsulize 100 years of a full life. There are so many incidents and memories surrounding the past and always the inescapable possibilities of the future only one man can explain it. As Jim Prater sums it up he leaves a model for his lessers. "I live for God," he says, "and thank God, I'm a gentleman."

NUCLEAR NONPROLIFERATION A SERIOUS CONCERN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. LAGOMARSINO. Mr. Speaker, nuclear nonproliferation remains a serious concern for this administration and this Congress. The President has described the basis for his policy, and I welcome his approach. Two newspapers in my district published identical editorials recently on nuclear nonproliferation which I want to share with my colleagues. This editorial appeared in the July 29 Oxnard Press-Courier and the July 30 Santa Maria Times.

[From the Oxnard Press-Courier, July 29 1981]

Non-Proliferation Track

The United States must assume a more positive role in international efforts to control the spread of nuclear weapons.

But how?

President Carter was as dedicated to nuclear non-proliferation as any president could be, but his policy initiatives in that area got nowhere.

Now, President Reagan has issued a policy statement on non-proliferation and it appears to correct the major mistake in the Carter approach. Carter attacked the problem by limiting the export of U.S. nuclear technology and materials and urging other nuclear-exporting countries to do the same. The failure of this initiative was evident even before the June 7 Israeli raid on an Iraqi reactor brought the non-proliferation issue to the fore

Reagan's statement restores an earlier perspective to American policy—one that acknowledges that the United States can best contribute to safeguards and controls by being a "reliable supplier" of technology and fuel for nuclear power programs.

By going back on promises to share its nuclear technology with other countries, the United States only encourages them to try to develop that technology on their ownand with it the capability of making bombs.

While reaffirming U.S. support of the nuclear non-proliferation treaty and other international safeguard programs, Reagan puts new emphasis on creating conditions that would reduce the motivation for countries to go their own way with nuclear development. This is a broad and ambitious goal, but it recognizes that insecurity about future energy supplies is what motivates countries to try to develop independent nuclear power programs, and that military insecurity motivates some of them to arm themselves with nuclear weapons.

The Reagan policy puts the United States back on a more promising track. It is said to have been greeted with approval at the Ottawa summit. It remains, however, a statement of guidelines and objectives rather than a summary of how the United States will proceed on specific issues on the

nonproliferation agenda.

The statement promises to bring pressure on countries whose nuclear programs make them a "proliferation risk," but administration officials have declined to identify any countries now held to be in that category. It calls for strengthening the inspection and safeguard program of the International Atomic Energy Agency, but does not point to the weaknesses in that program that need to be addressed.

The world is flirting with catastrophe if the proliferation of nuclear weapons continues unchecked. There are now six nations known to possess atomic bombs. Nine others are believed to have the capability of producing them. Another 16 may join that category by 1990.

President Reagan says he has told the State Department to give "priority attention" to the proliferation problem, and well it should

should.

[From the Santa Maria Times, July 30, 1981]

THE PRESIDENT'S APPROACH

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MORE REASONS WHY THE UNITED STATES SHOULD LEAVE THE UNITED NATIONS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. McDONALD. Mr. Speaker, several recent events have raised questions in the minds of many Americans concerning our continued participation in the United Nations. The first was the recent revelation that the United Nations Department of Public Information paid 15 top foreign newspapers to run items favorable to the United Nations. The second has been the drive by UNESCO to prevent the press from operating freely in many parts of the world. These two items should convince any fair-minded American that it is not in America's best interest to remain in this organi-

zation. Alice Widener wrote up this sad state of affairs in her publication U.S.A. for May 31, 1981. Her article should be carefully read by any taxpayer that believes the United Nations is our best hope for peace. The article

AT LONG LAST-PROPAGANDA SCANDAL REVEALS TRUTH ABOUT UNITED NATIONS (By Alice Widener)

As a rule, when the New York Times breaks a front page story about a scandal involving a major national or international institution, the broadcasting networks and prominent liberals, American and foreign, hit the fan about it. In the case of the biggest scandal ever reported about the United Nations, however—a scandal revealed by the New York Times, May 28, 1981-dead silence has reigned over the airwaves. The Washington Post, usually so keen on denouncing venality in the press or ment, carried only a short U.N. official defense tucked away next day on page 28.

The revolting fact is that the United Na-tions Department of Public Information paid 15 top foreign newspapers, including Le Monde, the international Leftists' Parisian darling, to publish propaganda articles advocating economic, social and political pro-posals spawned at the U.N. that would pauperize advanced nations in favor of the thereby hurting every backward ones. American's pocketbook and injuring national sovereignty and security. The U.N.subsidized articles were run by client newspapers as straight news and research material, not as advertisements. Each article was prepared from a special point of view by a United Nations staff member.

A \$1,250,000 slush fund for the propaganda operation was given to the U.N. Department of Public Information by Ryoichi Sasakawa, a Japanese multi-millionaire whom the New York Times describes as "an influential conservative businessman who has supported the United Nations before. His help was solicited by Genischi Akatani, a former U.N. Under Secretary General for Public Information." The Times' description of Mr. Sasakawa is inadequate, to say the least. On June 4, 1979, Barron's National Business & Financial Weekly reported on Mr. Sasakawa's present connection with Hardwicke Companies, Inc. in our country and provided information on his "unusual" background. Before 1941, he helped the running tide of militarism in Japan and formed a political party favoring Japanese military expansion into Southeast Asia. "Di World War II," reported Barron's, "During sakawa's political party participated in the looting of countries occupied by Japan." The United States occupation authorities arrested Sasakawa as a suspected war criminal and he spent three years in a Japanese

Evidently Mr. Sasakawa is only doing what comes naturally in subsidizing the proposal advanced by some U.N. member states "a new international economic social order" which would loot the wealthy countries for the alleged benefit of the poor ones. The New York Times says the new order would effect "an enormous transfer of goods and services from rich to poor through the erection of commodity cartels, the printing of money by the International Monetary Fund, big increases in aid and similar devices." In one form or another among U.N. members, the proposal for a new order has been discussed since 1945, always under Socialist/Communist sponsor-

ship. In 1956, Leslie Gould, highly regarded financial editor of the New York Journal-American, pointed out that at the IMF the Communist countries have "full access to confidential financial information on western countries.

The New York Times reports that Bhaskar P. Menon of the U.N. Department for Economic Information, and author of a subsidized propaganda article in foreign newspapers, describes the proposed new order as "decolonization of the world economy." Exactly 20 years ago, U.S. Senator George D. Aiken described the Socialist/ Communist proposal as "colonialism-in-reto exploit American taxpayers, and he warned "too many members of the United Nations ignore the fact that every dollar we contribute to raising the standards of developing nations has to be earned or borrowed by us. The fact that we have gone so heavily in debt to help them does not seem to make much of an impression on some of them." Sen. Aiken knew what he was talking about; he was U.S. Delegate to the U.N.

As early as 1951, Dr. Hans W. Singer, special adviser to the U.N. Secretary General on economic development, advised the Pakistan Government not to exert their own efforts for development but to borrow money for it from abroad. "Supposing you borrow a hundred million dollars from the United States now to undertake a certain project and you repay the money over the next 30 years-well, it is possible that a dollar in 30 years time in the United States will only buy half of what it buys now. But that is not your worry; that is the risk of the people who have lent you the money. That is their risk.'

It is now exactly 30 years since Dr. Singer sang his siren song in Lahore, Pakistan. The U.S. dollar buys not half but less than a third of what it bought in 1951, and our country has accumulated more than a trillion dollar national debt on which we American taxpayers pay annual interest of more than \$60 billion.

A dedicated Marxist, Dr. Singer was quite a prophet. In 1956, he told a women's group at the U.N., "We must do all possible to get extension in Congress of U.S. foreign aid. We should try to get ten years plus, and then nobody will ever be able to follow anything because so many people will be involved. If a long range plan is established, the United States couldn't stop."

As predicted, the United States wouldn't and then couldn't stop its inflationary forboth bilateral and through the United Nations. Most Americans have been blindly idealistic supporters of the United Nations as "the last best hope for peace," having been made to feel guilty because we didn't join the League of Nations after World War I and because we developed the atom bomb to end World War II. Thinking about peace, democracy and human rights, the very last thing Americans thought about was money. The few farsighted realists who tried to warn us about the economic perils of U.S. membership in the U.N. were either ignored or branded by liberals as warmongers, racists and isolationists.
On April 14, 1981, the Journal of Com-

merce in New York reported that the socalled "developing" nations' debt to the advanced western nations will soar to \$500 billion, most of which could not be repaid. publication interviewed Secretary General Gamani Corea of the U.N. Conference on Trade and Development. A staunch advocate of the proposed new international

economic and social order, Mr. Corea who hails from Sri Lanka (formerly Ceylon) urges creation of international commodity cartels and price fixing, both contrary to American principles and practices of free trade and free enterprise.
As early as May 1954, Preston Hotchkis,

U.S. delegate to the U.N. Economic and Social Council, warned publicly, "Watch out for the United Nations because what it does

can affect your pocketbook!"

U.N. membership has grown from the original 51 member states in 1945 to the present 154, several of the latter being merely small islands with scant population, but each with a vote equal to ours in the U.N. General Assembly. In 1949, the regular administrative annual budget, which members are assessed, was \$43 million. Today that budget is approximately \$1.1 billion, of which the United States is assessed 25% or approximately \$250 million annually. These sums do not include funds for any of the huge amounts spent by the U.N. specialized agencies and other operations. The total U.N. annual expenditure is \$2.5 billion. For the regular administrative budget, the Soviet Union is assessed less than half of what we pay, that is, only 11.3%. China [People's Republic of] is nearing the 2-year expiration date for payment of arrears in assessments and risks being ousted from the General Assembly according to financial provisions in the U.N. Char-

More and more at the United Nations its main financial supporter, the United States, is becoming a minority of one. Besides being used by the U.N. to undermine U.S. sovereignty, our 25% financial support of the U.N. is being used to undermine our way of life and national security, and also to enable the United Nations to violate the very principles upon which the international organization was founded.

How cynically this violation is taking place is exemplified in the current U.N. propaganda scandal. Article 100 in Chapter XV of the U.N. Charter deals with the U.N. Secretariat, the international civil servants staffing and administering the organization who are paid out of its own budget. Article 100 states that the U.N. Secretary General and the staff "shall not seek or receive instructions" from any government or authority external to the Organization, and that each member of the U.N. undertakes "to respect the exclusively international character" of the Secretary General's and staff's responsibilities and "not seek to influence them in the discharge of their responsibil-

The acceptance of a \$1.25 million "gift" from a single individual by the U.N. Department of Public Information to further a special proposal advanced by only a single group of U.N. member states is a clear violation of the letter and spirit of the U.N. Charter. However generous or well-intentioned or something else is Mr. Sasakawa, he is undeniably external to the United Nations Organization. It is an act of unspeakable corruption, in my judgment, for the U.N. Department of Public Information to solicit funds to suborn the press in an action designed to influence authorities external to the U.N. in behalf of political, social and economic schemes hatched by some members of the U.N. to further their own interests as against other member states' inter-

The American Newspaper Publishers Association and other professional groups dedicated to a free press have been bitterly

critical of proposals recently put forth in Paris by UNESCO (United Nations Educational, Scientific and Cultural Organization) to set up restrictive international controls over the press and licensing of its journalists, controls proposed by Socialist, Communist and many Third World nations. Obviously, the U.N. Department of Public Information itself has become a vehicle for venal influence in the press. The 15 important newspapers which carried the Sasakawa-subsidized "new order" propaganda are: Le Paris-\$48,000; Asahi Shimbun, Tokyo-\$48,000; La Stampa, Turin-\$40,000; Pais, Madrid-\$24,000; Politika, Belgrade-\$32,000; Zycie Warszawy, Warsaw \$40,000; Magyar Nemzet, Budapest-\$24,000; El Moudjahid, Algiers—\$24,000; Le Soleil, Dakar—\$16,000; Excelsior, Mexico—\$24,000; Indian Express, New Delhi-\$40,000; Kahan Newspapers, Teheran-\$16,000; Dawn, Kara-\$16,000; Franfurter Rundschau, Frankfurt-\$24,000; Die Presse, Vienna-\$16,000.

In connection with all the foregoing, it must be borne in mind that the proposed "New International Economic and Social Order" has not been enacted by the United Nations and is therefore not an official U.N. covenant or treaty or officially adopted resolution of the General Assembly.

To the great credit of Walter Fontura, editor, Jornal do Brasil, he refused the U.N. propaganda subsidy and tried but failed to persuade other editors not to accept it.

It appears that Le Monde (which many Frenchmen in a play on words call "L'Immonde" meaning unclean and foul) is the newspaper most deeply involved, directly and indirectly, in the U.N. propaganda scandal, though it is a favorite source of West European quotation by our major wire services, liberal press and magazines such as Newsweek and Time. Project coordinator of the Sasakawa-subsidized U.N. operation at an annual salary of \$69,600 is former Le Monde diplomatic correspondent Jean Schwoebel. Le Monde's present boss, Jacques Fauvet, told the New York Times "no reason" to refuse the subsidy he saw money. The initial \$1.25 million has been spent but Mr. Schwoebel is asking the U.N. Department of Information to seek \$200,000 from the U.N. General Assembly as seed money to attract additional contributions for the propaganda operations, saying that Algeria, Venezuela and Kuwait are prospective donors. The United States and Britain are strongly opposed to such action. The New York Times says all this "raises fresh questions of influence."

The whole U.N. propaganda scandal raises not only questions of influence at the United Nations but also the question of whether U.S. participation in the U.N. can now be a useful tool of American diplomacy and foreign policy. Things now are far diferent from what they were in 1945 when it was agreed under the Charter that the five permanent members of the U.N. Security Council, its principal peace-keeping body, should be China, Britain, France, the United States and Soviet Union. Among the five at that time there was only one socialist member—the Soviet Union. Today there are three—China, France and the Soviet Union.

Today U.N. Secretary General Kurt Waldheim himself is involved in the U.N. propaganda scandal and declares that the Sasakawa-financed distribution of U.N. articles helps "to foster a better understanding of the vital objectives of the new international economic order." What he deems "vital" is deadly to American free enterprise and American principles of freedom. Already the

Reagan Administration has been forced to reconsider U.S. participation in the U.N.proposed Law of the Sea Treaty and to cast a lone "no" vote at the World Health Organization.

For many years, some Americans have urged, "Get the U.S. out of the U.N. and the U.N. out of the U.S.A." Perhaps the time has come to do so.

DEATH OF SHELDON POLLACK

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. GREEN. Mr. Speaker, I was shocked and saddened by the July 28 death of Sheldon Pollack. Most recently, Sheldon served as executive director of New York Citizens for Balanced Transportation, a group with which I have worked closely in supporting the construction of a new highway in New York which promises to revitalize the west side of Manhattan.

Indeed, throughout his career, Sheldon Pollack demonstrated an intense and active commitment to the betterment of life in New York City and in urban areas across the country. As director of information for the Regional Planning Association, a private research group which makes recommendations on transportation, housing and recreation for New York, New Jersey, and Connecticut, he was instrumental in creating Gateway National Recreation Area, the first urban national park in the United States. Sheldon and a handful of others conceived of this urban dimension to what has traditionally been a benefit available to those who live in less populated areas, and convinced others-including the Congress-of its significance. The urban seashore park which he envisioned now occupies 26,000 acres within New York's metropolitan area. It includes beaches, wildlife reserves, wetlands, and grasslands, and is visited by about 10 million people per year. Similar urban parks have opened in Chicago, San Francisco, Atlanta, and Cleveland in recent years.

I knew Sheldon Pollack personally for a number of years, and will miss not only his friendship, but also his enthusiastic commitment to civic affairs.

WE REMEMBER EMMA WEBB

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. PICKLE. Mr. Speaker, last month, we in central Texas unfortunately lost a dear friend and a unique lady. Mrs. Emma Webb of Elgin, Tex.,

died in her sleep last month, having lived a full, successful life.

As the first woman lawyer in Bastrop County, Tex., licensed in 1923, Mrs. Webb blazed the trail of women's rights and the sense of civic responsibility decades ahead of almost everyone else. She was one of the first and most ardent supporters of Lyndon B. Johnson. As her Congressman, I have enjoyed a very special understanding, love, and respect for this most unusual lady. She was as dedicated to her country as she was kind to her friends. So I submit into the Record an obituary of Mrs. Emma Webb from the Bastrop County Times of August 13, 1981.

EMMA WEBB REMEMBERED

(By Katherine Reynolds)

Emma Webb is gone. Elgin's well-known lawyer, historian and civic leader died in her sleep in the early hours of Aug. 3 at the home of her son Jackson Webb, and his wife, Zoe.

She was not yet 90 years old, but she had tallied up enough experiences and good works to fill several long lifetimes.

Born in Bible Grove, Ill., Emma and her family came to Texas when her father, John L. Stullken accepted a teaching post at Blinn College in Brenham. She received some early schooling there and later lied about her age so she could begin teaching public school in Dime Box, Knobbs and Lincoln in Lee County. Emma was still in her teens when she started teaching, and many of her students were older than she. She attended summer sessions at the University of Texas, then taught for one year in the Elgin Public School.

While teaching in Elgin, Emma Stullken met Charles W. Webb, an established lawyer and civic leader and also a member of the Elgin School Board. He and Emma carried on a very proper, but "secret" romance. In a diary, Emma mentioned that "Mr. Webb pursued" her with great ardor through letters delivered by her younge brother. Their relationship was kept secret because at that time a romance between a school board member and a young teacher was considered scandalous. Emma Stullken married Webb in 1917.

Webb encouraged Emma to study law, a subject in which she was already interested. She attended the University of Texas Law School, and was a Class of 1923 member. She never graduated, lacking just one half a semester toward her degree. Her son, Jackson, was ill and she left school to care for him. However, she passed the state bar examination on March 5, 1923 and became her husband's law partner in Elgin in April, 1923. Emma Webb was Bastrop County's first woman lawyer.

"She wasn't one to ask for any privileges as a woman lawyer," recalls her son, Jackson S. Webb. "She just quietly went about her business, doing her work. If she saw something that had to be done, she just did it."

A member of the Bastrop County Bar Association, the Texas State Bar and the National American Jurisprudence Society, she also served as president of the county association for six years.

She had been identified with Elgin's civic, cultural and religious activities ever since her arrival in the community.

Emma taught Sunday school for many years and sang in her church choir. She was

an elected member of the Elgin School Trustees and served as the board secretary and school tax collector.

She helped organize and was the first president of the Elgin School Band Boosters Club

Emma Webb was a lifetime member of the New Century Club; was a founder of the Elgin Memorial Park Association; helped organize the Bastrop County Federation of Women's Clubs; served one term as president of the Elgin American Legion Auxiliary; was an active member of the Order of the Eastern Star, receiving an Honorary Membership in that organization several years ago, commemorating her continuous 50 years of active membership in the Order.

Mrs. Webb had long been interested in people and events of historical significance. She wrote many articles for the Elgin Courier, as well as numerous booklets, especially pertaining to the history of the Elgin Methodist Church.

In 1959, the Elgin Chamber of Commerce named her the town's "Outstanding Citizen" and presented her with a bronze plaque at its annual banquet.

She was a charter member of the Bastrop County State Historical Committee and with others under the leadership of Mrs. W. E. Maynard, the committee's efforts to publish a History of Bastrop County were realized in 1972.

She was a primary contributor to the first published history of Elgin 1872-1972, compiled for the town's centennial year by the Elgin Historical Committee.

Mrs. Webb was also a longtime member of the Bastrop County Historical Society. She counted it "her loss" when she failed to attend any of the meetings.

Her full-time law practice and civic activities caused her to declare that she "never had a dull moment."

Her son, Jack Webb, said she had a "mind for detail, and was very thorough." But, "I don't know how she kept things straight, because she wasn't very organized," he said. Webb added that Emma had an "unusually close" mother-daughter-in-law relationship with his wife, Zoe. They were "real buddies," he said, and in recent years Emma depended on Zoe to "keep tract" of things for her.

Zoe called Emma a "remarkable lady; a real doer, not just a joiner" in her many or-

Mrs. Webb and her husband worked in close partnership until his death in 1961. Growing up, Jack Webb recalled his parents were at the office every day except Sunday. "But in her off hours she was always available for whatever my needs were." Sunday was the day for church, family and visitors. During World War II, their house was always open to soldiers and their families.

Inspired by patriotism during the war, Emma very nearly joined the WACS, but was persuaded to "stay home and do what she could here" after receiving a letter from son Jack, who was in the service. "She didn't want anyone doing the battling for her," he said.

She was an ardent supporter of Lyndon Baines Johnson. She spent the last 10 months of her life working on a study of LBJ's "grassroots campaigns" in Bastrop County, which was the outgrowth of interviews with her by historians from the LBJ Library in Austin.

Her family described her last day as "very pleasant." After a traditional Sunday dinner at Jack and Zoe's home, along with Jack's older brother, Charles Wallace Webb, and his family, they all visited friends in Bastrop. Emma was alert when Zoe checked on her about 4 a.m. Monday to administer medication. When the family rose for the day however Emma had passed on

day, however, Emma had passed on.
Funeral services were held Wednesday,
August 5 at the First United Methodist
Church in Elgin, with Reverend Jesse Long
officiating. Burial was in Elgin Cemetery
following the service.

"It was a victorious service," said Jack Webb. "It wasn't somber at all," in keeping with her long and productive life. Two hymns were sung, "A Mighty Fortress Is Our God" and "Oh For a Thousand Tongues To Sing Thy Great Redeeming Praise," grand and majestic music for a great woman.

Survivors include two sons, Jackson S. and Charles Wallace Webb; two sisters, Florence Stullken of Round Rock and Helen Bratton of Austin; eight grandchildren, five greatgrandchildren, and five great-grandchildren

MERGERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 26, 1981, into the Congressional Record:

MERGERS

The policy of the Reagan Administration toward the recent spate of corporate mergers has become clear. When asked whether he was concerned about the takeovers, the Chairman of the Council of Economic Advisors, Murray Weidenbaum, replied, "No, private enterprise is private enterprise." Attorney General William French Smith has anounced that this administration does not believe bigness is bad. He has also said that such a view is misguided and mistaken. The assistant attorney general for antitrust has underway a project to loosen the restrictions on mergers. Several antitrust suits have been dropped. Without doubt, the direction of the President's antitrust policy is very hospitable to mergers.

There can be no question that mergers in the United States have become more common during the past few years. There were 41 acquisitions of \$100-million firms in 1977, 80 in 1978, 83 in 1979, and 94 in 1980. There were six acquisitions of \$500-million firms in 1978 and 16 in 1979. This year, we have seen deals worth billions of dollars. Even the biggest companies can no longer avoid the frenzy of mergers. The transaction between Du Pont and Conoco so widely reported in the media merged the four-teenth and fifteenth largest industrial firms in the country.

in the country.

The extent of corporate concentration in American industry is noteworthy. Recent congressional hearings and federal studies indicate that 90% of all net profits are controlled by a mere 2% of all corporations. In 142 industries, the four largest firms have more than half the market. From 1947 to 1972, the 200 largest manufacturers in the nation increased their share of all sales from 36% to 52%. Part of the concern about mergers is due to the concentration that already exists in the economy.

The significance of these figures is certainly open to question. Economists differ

on the degree of concentration of economic power they reflect. Economists also differ on the seriousness of the problem they pose. Some economic thinkers see real dangers in these statistics, but others say that things are not quite so bad. Virtually all agree, however, that any marked movement toward monopoly in this country would be a threat to our free enterprise system. It has long been the view of non-socialist economists that monopoly can undermine and destroy such a system. It was Adam Smith himself who said that monopolistic prices are "the highest which can be got."

Questions arise as to the good that is brought about by mergers. Are more jobs created? Are better products developed? Are high prices reduced? Does productivity go up and efficiency increase because of mergers? Is a conglomerate more innovative than the smaller businesses it absorbs? Is the cash used to acquire huge companies diverted from the purchase of new equipment, the replacement of old equipment, or added investment in research and development? Does the large amount of time and effort expended by top managers in complicated mergers deflect their attention from other pressing needs of their companies? about the large amount of time and effort expended by legal staffs? How do mergers affect small businessmen? What kind of political power can be exercised by the economic giants created through mergers? Does increased corporate wealth inevitably vest political power in fewer hands? Even if these questions cannot be answered in a general way, it is important that they be asked.

My own view is that there is nothing inherently wrong with mergers. They are not necessarily unhealthy or sinister. There certainly are good reasons why businesses must be big to compete in a global economy. The trend toward larger and larger firms, however, causes me to worry. The reasons for it are not entirely apparent to me, especially when buyers must use borrowed funds to make acquisitions. I am inclined to think that the United States is not really solving its major economic problems through mergers. I agree with a recent editorial of The Wall Street Journal, which stated that "the concentration of increasing political power in the hands of remote corporate chieftains worrisome development in a democracy." Most Hoosiers with whom I speak are uneasy about the concentration of powerwhether economic or political, whether in the private or public sector. I share their misgivings.

I must acknowledge that I have a hard time determining whether the concentration of economic power is a threat to our society. On the one hand, I do not think it can be shown that the more a conglomerate expands, the less it cares for the common good. On the other hand, it seems to me that the social, political, and economic benefits and consequences of mergers are vague—even unknown. So when corporations choose to grow, but not from within by developing new products or improving plant and equipment, I conclude that their behavior is a matter of interest to the public. As such, it bears scrutiny and careful analysis.

Our antitrust policy should not lead us automatically to disapprove of mergers. It should prompt us instead to assess mergers with an eye on the greater national goals of prosperity, efficiency, and broad dispersal of economic power. A strict "hands-off" policy of government may cause us to lose sight of these goals. Worse still, it may result in a

dramatic loss of public confidence in our system of free enterprise.

A VILLAGE CALLED THE BRONX

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. BINGHAM. Mr. Speaker: As a Bronxite and a Representative of the Bronx in Congress, I have often ruminated over the special qualities which make the Bronx unique and worth fighting for. In the New York Times of August 15, 1981, Susan Thaler beautifully describes the Bronx as it once was and, in many ways, still is. I am pleased to commend Ms. Thaler's reminiscence to my colleagues and to other readers of the Congressional RECORD.

[From the New York Times, Aug. 15, 1981] A VILLAGE CALLED THE BRONX

(By Susan Thaler)

GLEN ROCK, N.J.—They say that home is where the heart is. But you won't find my heart anywhere among the sad wrecked buildings that line the street where I once lived. My heart is with the Bronx of memory, a Bronx that even then we knew was just a stepping stone to Bigger and Better.

Even before the early 1960's when the influx of minority groups to our neighborhood spurred what must surely have been one of the more rapid episodes of white flight in the history of urban breakdown, our folks were preoccupied with Getting

Mothers spent whole afternoons sitting outside on folding chairs (this was pre-lib. when it was possible to do such things without guilt) having conversations that went something like this:

"We drove out to Merrick last week to

"Oh, yeah? Did you find anything?"

"Well, we saw some possibilities. A very nice Cape with an expandable attic on a corner lot."

Yeah? So-when are you moving already?"

(Pause.) "So, we'll see."

Most of this amounted to wishful thinking. A fortunate few might actually make it to a garden apartment in Flushing or Bayside, but for those of us whose dreams could not stretch even as far as Queens, we could always hope for this: A sunny, roomy four with a sunken living room in one of those sedate buildings on the Grand Concourse.

While Davidson Avenue was never exactly the Concourse, at least it was part of what we referred to with (misguided) pride as the West Bronx, as distinguished from the East Bronx, where all our poorer relatives lived. Between McCombs Road and Tremont Avenue, we were situated just enough west of Jerome Avenue that we could turn a deaf ear to the rumblings of the elevated Woodlawn-Jerome Avenue line, the comings and goings of which laced our nights and days with numbing consistency.

What our parents failed to recognize in their eagerness to lead us on to greener pastures was that life in the Bronx had its advantages. Not just the superficial kind, such as the proximity of Yankee Stadium to our living rooms. What we had and what we took for granted was a sense of community that buoyed our lives like an invisible spirit. When you were born in the Bronx, you belonged not only to your parents but to the neighborhood as well.

Consider: There were 60 families in our buildings. Most had children. Therefore, on any given day, one could find upward of 50 children on the sidewalk in front of our building, ranging in age from infancy onward. Our building was one of many on the block, but because it had a commodious courtyard with spiked railings around it that was useful for games such as iron tag, kids from up and down the block congregated there.

The noise we made drove the older tenants to stuff their ears with cotton, especially in spring and summer, when the crash of steel wheels against pitted concrete echoed raucously in the air. (No prissy polyurethane wheels for us; the noise our skates made was half the fun.)

The selection of playmates being limitless, we were never beggars and were free to choose our friends from day to day. Our mothers, too, had a wide circle of confidantes. Since we were, by and large, of the same ethnic heritage (Jewish) and stratum (aspiring upwardly mobile), our needs, desires and frustrations were often common knowledge. Just as everyone knew the layout of everyone else's apartment, so they knew, to a sometimes unnerving degree, what went on inside that apartment. Pretensions fizzled under that kind of intimacy. If for no other reason than that they had no place else to go, our neighbors were always there. Money problems, the loss of a job, an unwanted pregnancy-nothing could be withheld for long.

Crises came and went. When the throat of a child in apartment B-60 almost closed during a diphtheria attack, every mother in the building wrung her hands in worry; they put themselves on call, lending thermometers, hot water bottles, consolation, until the doctor arrived. When the girl in B-41 fell out of her crib onto the makeshift vaporizor, a pot filled with boiling water, and scalded her arm, a cadre of women was on the scene to distract the other siblings, to soothe the hysterical mother and child, to and this is important-assuage feelings of guilt: "It wasn't your fault; how could you know she was going to fall out of the crib? You couldn't watch her every second!"

Now here we are, most of us, reaping the dreams sown by our parents. We have reached Bigger and Better. The suburbs we live in have well-defined property lines. Neighbors are people to whom one waves when one carries out the trash, people whose privacy must be preserved at all cost.

The cost to some of us is considerable. Where is that company of women in whose relaxed reciprocity we might exercise our Bronx-bred need for "yenting," not to mention the leisure time this would necessitate?

Our children, who cannot miss what they never had, cannot understand what was so great about living there, in a slum. What do they know, these kids whose heads are into electronic invaders from space and other substitutes for human interaction, what do they know of the exhilaration of games such as ring-a-lievio, captain, double-Dutch salt-and-pepper, skelly, potsy and a hundred other creations of our own imaginings?

While some of us already have begun to dribble back, there are not enough yet to turn the tide. Most often, we aim for Manhattan or Brooklyn when we flee the isolation of the suburban dream gone sour because, physically, we have no other option. One cannot live in an empty shell.

Perhaps someday those dead Bronx streets will resound again with the shouts of "Ready or not, here I come!" One day some smart developer will tap the vast areas waiting to be reclaimed. If I am still able to tote a folding chair to the sidewalk when that happens, save a place for me, if not on Davidson Avenue, then maybe in a sunny four with a sunken living room on the Grand Concourse.

U.S.S.R. FOOD PICTURE GROWS GRIMMER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

 Mr. McDONALD. Mr. Speaker, indications are growing that the food situation in the Soviet Union is very serious this year. As mentioned earlier, there are reports of rationing in Irkutsk-see page E2923 of June 11, 1981, CONGRESSIONAL RECORD. There has also been discussion of the role of the private plots this year as well as urging more horse breeding, not only to save fuel, but for eating purposes. Pravda took note of the situation in an unusual way as reported by Soviet World Outlook for August 1981. A similar editorial appeared in Latvia on July 23 and was probably sent to all the outlying republics from Moscow. Talk of saving bread has not been heard since before the big wheat sale by President Nixon. I commend this item to the attention of my colleagues.

REGIME CALLS FOR SAVING BREAD

A July 16 Pravda editorial has called for nationwide conservation of bread, an unusual move underscoring the tightness of the current Soviet grain situation. The move also helps explain Soviet willingness to negotiate for grain purchase from the U.S. despite earlier boasts that the U.S. grain embargo had not seriously affected the USSR and had been made up by Soviet purchases from other suppliers. According to the operational passage of the editorial:

Ensuring the economical and rational use of bread and baked goods is a nationwide concern and the task is to see that it is closely watched and monitored by party. soviet, trade union, and Komsomol organization."

While citing bread's low price as the reason behind its wasteful use, the editorial takes great care to assure the population that no increase in price and availability is contemplated:

'Cheap bread, within everyone's means, is one of socialism's great gains. Implementing party's policy on maintaining stable retail prices for staple goods is in the interests of broad strata of the population; the state will in the future continue to maintain retail prices of bread and baked goods at a constant level, despite increasing production (It might be noted that in lieu of raising bread prices in times of stringency, the regime does not uncommonly adulterate the quality.)

Nevertheless the regime's realization of the sensitivity of its action is reflected in its repetition of the lines from Brezhnev's book, "The Virgin Lands":

"Bread has always been a most important product, the yardstick of all our values. Even in our age of great scientific and technical achievements, it is the people's staff of life."

The editorial seeks to suggest that this call for conservation merely involves using an abundant supply of bread with greater efficiency. Areas of inefficiency targeted in the editorial include baking industry enterprises who bake large loaves at the expense of smaller varieties. While this nominally improves the enterprise's labor productivity, it presumably leads to waste at the consumer end where unused portions go stale. Also noted is the use of bread as feed for livestock in cases where fodder concentrates meant for use on personal plots are instead channeled to the nation's kolkhozes and sovkhozes.

However, availability problems are alluded to in another Pravda editorial on July 22, which said:

"The targets for crops as a whole are far from fulfilled by all oblasts, krays and republics. Hence, the shortage in certain types of groats and flour products."

Publication of the Pravda editorial appears to support other indications that the USSR is facing its third poor harvest in a

The USSR Central Statistical Administration in its report on 6-month economic performance that was published in Pravda on July 25 shows a substantial reduction in the total area sown from 217.3 million hectares in 1979 and 1980 to 214.7 hectares in 1981. This includes a drop back to 1979 levels in the area sown with grain and pulse crops; from 126.6 million hectares in 1980 to 126.4 million hectares in 1981.

Weather conditions appear to be bad and in some areas becoming worse. A July 22 Pravda editorial states: "Because of the heat and, in some places, the rain and the cold, the crops have turned out stunted, sparse and lodged."

Taking into account these factors, the U.S. Department of Agriculture has now revised its estimate for the USSR's 1981 grain harvest down from the 200 million tons in July to a figure of 185 million tons in August. This would mean a harvest below the 189 million tons reached in 1980, a widely acknowledged poor harvest year.

It would also mean a bad beginning for Soviet agriculture in efforts to attain the 238-243 average annual grain production target set for the sector in the current 11th 5-Year Plan. It is in this context that the existing grains supply agreement between the U.S. and the USSR has been renewed for another year. Concluded in August, the agreement will permit the Soviet Union to import up to 6-8 million tons of U.S. beginning October 1, 1981.

There are some indications of difficulties being experienced in other food staples. Potatoes were especially hard hit by weather conditions in 1980. The USSR Central Statistical Administration reports that the area sown with potatoes dropped from 7 million hectares in 1979 to 6.9 million hectares in 1980: and the yield declined from 130 to 96 centners per hectare (one centner is equivalent to 50 kilograms). It remains to be seen how well they fare in 1981.

EXTEND VOTING RIGHTS ACT IN ALL AREAS WHERE DIS-CRIMINATION PERSISTS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

 Mr. McCLORY. Mr. Speaker, a recent editorial in the Elgin, Ill., Daily Courier News argues for extension of the Voting Rights Act with amendments under active consideration by many members of the House Judiciary Committee.

The editorial argues that the new version of the act, allowing States to bail out of coverage if they have had a clean record on voting rights for 10 years, would satisfy those States which have been following Federal standards in their election practices without remaining under the thumb of the Justice Department in managing their electoral affairs.

Mr. Speaker, I share the sentiments expressed in the editorial and hope that the voting rights act extension will be approved as revised by these perceptive and fair-minded members of the House Judiciary Committee.

I commend to the attention of my colleagues the full text of the Daily Courier News editorial of August 18, 1981, as follows:

[From the Daily Courier News, Aug. 18, 1981]

VOTING RIGHTS ACT MOVES TOWARD RENEWAL

President Reagan has let it be known he supports an extension of the 1965 Voting Rights Act, which will expire next year unless renewed by the 97th Congress. This should put to rest any notion that Mr. Reagan plans to lead a retreat from the major civil rights achievements of the last two decades.

The Voting Rights Act has had a significant effect in opening up the political process in Southern states where state and local election laws had been keeping blacks from becoming voters and winning elective office. In spite of that progress, however, there appears to be no justification for abandoning the Act which makes the U.S. Justice Department a watchdog in areas with a history of discription projections.

of discrimination in election practices.

A consensus is building in Congress around proposals to extend the Act for another 10 years, but on terms recognizing that the problem of discriminatory election laws is not as widespread as it was in 1965. The House Judiciary Committee recently completed a rewrite of the controversial Section 5, which has required that nine states and portions of 13 other states get Justice Department approval for any changes in their election laws.

The new version would allow states to "bail out" of coverage by the Act if they have had a clean record on voting rights for 10 years. This would satisfy those states which have been following federal standards in their election practices, but, under the law as it is now written, remain under the thumb of the Justice Department in managing their electoral affairs.

A state which has abolished literacy tests and other subterfuges that keep minorities

out of the electoral system, and has shown for 10 years that it is fully recognizing the right of all citizens to vote, deserves to be cut loose from federal supervision. Those which have continued to arouse complaints of unfair voting practices do not.

The House Committee's proposed revisions of Section 5 would concentrate federal enforcement in areas where it is still needed, and remove it in cases where state and local officials can be left on their own. That's a fair basis for extending the Voting Rights Act, and we trust Congress will move along those lines.

GOD AND MAN AT YALE REVISITED

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. HYDE. Mr. Speaker, the president of Yale University recently lectured his freshman class on the evils of the Moral Majority.

Tha anomaly of liberal churchmen expressing distemper at conservative churchman seeking equal access to the political process is superbly discussed by columnist William F. Buckley Jr., and I commend his logic and insight to my colleagues:

[From the Washington Post, Sept. 8, 1981]

YALE AND THE MORAL MAJORITY (By William F. Buckley, Jr.)

Well now, that was a close one. The 1,267 members of the freshman class of Yale University have been warned against the Moral Majority by President A. Bartlett Giamatti. And what a speech it was: Dr. Jerry Falwell, head of the Moral Majority, is said to be quite a fulminator himself. He ought to go to Yale. To study under Bart Giamatti. Learn a thing or two about how one fulminates in the big league.

What's going on? To be lectured against the perils of the Moral Majority on entering Yale is on the order of being lectured on the danger of bedbugs on entering a brothel. What is it that exercised Giamatti, a man of great urbanity who has some lovely and incisive things to say about many issues, as witness his forthcoming book of essays?

Well, he says the Moral Majority are "peddlery of coercion" and that they have made "a radical assault" on pluralism, civil rights and religious and political freedoms in the United States. How so?

Because they are "angry at change, rigid in the application of chauvinistic slogans, absolutistic in morality." Thus, "they threaten through political pressure or public denunciation whoever dares to disagree with their authoritarian positions." Moreover, "they presume to know what God alone knows, which is when human life begins."

Enough.

On the latter point: how is it that the president of a distinguished and cosmopolitan university tells us that God alone knows when human life begins? If you penetrate this rhetorical formulation, you have a dimly obscured invitation to nescience.

"God alone knows" is the safest way to say, "That is unknowable." Because inasmuch as God is not invited to teach a regular course at Yale, Giamatti is saying in effect that the search for the answer ("When does life begin?") should be abandoned-because no one can tell. Why not? If you grant the metaphorical extravagancies (Life Begins at 40) you can indeed ask scientists to make sound judgments on when life begins. Or moralists. Or theologians. And in any case, the question is ultimately decided by civic action. But civic action is regularly informed by theological insights.

Thus we had for many years a group known as Clergy and Laity Concerned. They used to be Concerned About Vietnam, but lately they are just Concerned. That concern regularly focuses on the sins of everywho wants America to be strong militarily or wants to develop nuclear energy. These people are very big on denunication, and it is interesting that Giamatti hasn't gone after them. Is it really his position that people reading the Bible are not free to enjoin its messages? Its messages as they

Giamatti said he had no quarrel with the values of the Moral Majority, defined in the paraphrase of The New York Times as "love of country, a regard for the sanctity of life, the importance of the family and high standards of personal conduct." But "the point is," said the president of Yale, "the rest of us hold to ideas of family, country, belief in God, in different ways. The right to differ, and to see things differently, is our concern." Well, so is it the concern of the Moral Majority, isn't it? They are saying that certain values should govern Americans. Aren't we free to disagree? And why should they not say so, believing such values to be true? It is quaintly interesting that there isn't a single tenet of the Moral Majority (so far as I know) that hasn't officially been held by Yale University over a century or more of its life, and more or less unofficially since then. So what on earth is exciting Giamatti?

That the Moral Majority are "angry at change"? But anger was officially cultivated, by Yale among other institutions, quite recently in the matter of such things as civil rights and the Vietnam War. "And God said to Jonah, 'Doest thou well to be angry?' And he said, 'I do well to be angry, even unto death.' "Giamatti should lecture the kids against the dangers of gonorrhea and Gnosticism, and let the Moral Majority alone.

THE DRAFT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 9, 1981, into the Congressional Record:

THE DRAFT

One of the most difficult questions for a public official to answer is: are we going to have a draft? The question comes up very frequently in any group and invariably in a young group. My quick answer to it is: Probably not in the short term, but the odds are higher in the long term. The answer calls for elaboration

Most politicians, including this one, would prefer not to have a draft. It is the ultimate example of government intrusion into the lives of citizens. On the other hand, most politicians, this one included again, are com-

mitted to the idea that the nation must be defended against all adversaries. There are circumstances in which the draft would be indispensable to the well-being of the nation.

The All-Volunteer Force came into being after the Vietnam War, for understandable reasons. During the war, draftees bore the brunt of the fighting. About 83 percent of all infantrymen were draftees, and nearly 25 percent of all draftees were killed or wound-ed. The All-Volunteer Force, however, certainly has not measured up to expectations. The educational levels of the volunteers have fallen, increasing numbers of recruits have displayed low mental aptitude on tests, and black Americans, who now make up about 33 percent of the Army, are carrying too large a share of the burden of military service. Today's Army, for example, is a cross section of black America plus the poorest and least educated whites.

Military planners cite other problems from which the All-Volunteer Force suffers. One is low morale. They point out that in order to attract recruits, discipline has been relaxed. They also claim that recruits have been discontented because their hopes for vocational education, travel, good pay, and personal growth have not been satisfied. Another substantial problem with the All-Volunteer Force is the decline in the size and readiness of the reserve units that back it up. Without strong reserves, the ranks of All-Volunteer Force would be quickly depleted in a major war. In addition, the expense of the All-Volunteer Force may mean that the country eventually may not be able to afford it. There is also real doubt that voluntary recruitment can provide all the manpower the armed services will need in the years ahead. The Army, the Navy, and the Air Force are all slated for expansion under President Reagan's defense budget, so some 250,000 extra recruits will be sought. Yet the pool of 18-year-olds in the general population is expected to drop almost 20 percent between 1977 and 1987.

The impact all these problems have on the fighting capability of the All-Volunteer Force is not entirely clear, but there is presently a heated dispute as to whether the problems, serious or not, can ever be solved

without recourse to the draft.

The draft would have problems as well. A large bureaucracy would have to be created to administer it. It probably would not save much money since training costs would rise with draftees serving only a two-year term. The pay of draftees probably would not be much less than that of current volunteers. I doubt that Congress would cut pay sharply because such an action would only add to the burden the draft would place on the young. The draft would not help us meet the most urgent manpower requirement— the retention of the highly skilled personnel who are now leaving the armed services at a rapid rate. In short, the draft is no panacea for the many ailments of the All-Volunteer Force.

The greatest disadvantage of the draftits inherent unfairness-is apparent to all who study it. How do we determine who will serve when not all serve? If, for example, the Pentagon were to continue to recruit volunteer at 90 percent of the present rate. less than one young man in 100 would have to be drafted. This inherent lack of fairness means that the major obstacle to the draft is really a political one. My judgement is the nation would demand fairness without qualification in any draft it would approve. The "fairness question"

have to be answered convincingly or the draft would lose all popular support and political feasibility. It is no accident that many of those who argue for the draft do so on the basis of the weakness of the All-Volunteer Force, not the strength of the draft.

I believe that it is premature to call the All-Volunteer Force a failure. We must stay with it until it has been given every opportunity to work well. This certainly means that we should provide sufficient economic incentives for recruits, and pay in particular must not be allowed to lag. In addition, educational and housing benefits must be enhanced, funds must be available to keep the All-Volunteer Force prepared for combat, recruiting must be more aggressive, and manpower must be used more efficiently. As things stand today, authorized levels of manpower are being sustained, and the All-Volunteer Force still has a chance to succeed. No one would suggest that it will be easy to meet the requirements of the All-Volunteer Force, but the drawbacks of the draft, with its cumbersome bureaucracy, its inherent unfairness, and its intrusion into the lives of citizens make it imperative that we do our best to keep the All-Volunteer Force going. I am not enthusiastic about the All-Volunteer Force, except when I think about the alternative.

We should recognize, of course, that the All-Volunteer Force is essentially a peacetime service. In the event of war, the draft vould be necessary.

THE FACTS BEHIND THE "WATT QUOTATION"

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. LUNGREN. Mr. Speaker, Interior Secretary James Watt has again been the subject of recent front page media coverage. As with other controversies surrounding Secretary Watt. this most recent accusation is based on distorted and supurious information.

The controversy actually centers on an issue that should be constitutionally irrelevant: Secretary Watt's religious convictions. Outside this irrelevancy, however, the facts upon which the accusation that Secretary Watt opposes resource preservation due to the imminence of the Coming" were based on misinterpreted and distorted congressional testimony. This fact was clearly documented in a recent Evans and Novak op-ed piece which is worthy of my colleagues' careful attention.

As Evans and Novak stress in their insightful article, it is the inability to predict the religious future that requires the Interior Secretary to be a prudent manager of our natural resources. Thus far, Secretary Watt has attempted to carry through on this commitment by balancing the interests of economic well-being and energy production with environmental protecThe Evans and Novak article follows:

(From the Washington Post, Aug. 21, 1981)
(By Rowland Evans and Robert Novak)
That Watt "Quotation"

Portrayal of Interior Secretary James Watt as a religious fanatic intent on despoiling the land, based on congressional testimony taken out of context, has penetrated political folklore so deeply that "Doones-burn" now accents it as fact.

bury" now accepts it as fact.

In the Aug. 16 Sunday strip, "Doonesbury's" oil magnate, asked by his wife whether Watt's resource development policy isn't "very shortsighted," replies: "Hell, yes. But the man believes Jesus is due any minute! Who am I to say he's wrong?" Indeed, the slander that Watt favors pillaging America because of Christ's imminent second coming is Washington's conventional wisdom.

That's no accident. The well-financed environmentalist lobby has marked Jim Watt for destruction. Since his environmental views are identical to Ronald Reagan's, the way to separate them is ridicule. If Watt is transformed from an intense conservative into a madman, the environmentalist lobby has hopes that the president's advisers will toss him overboard for Reagan's sake.

Watt himself gave his enemies their opening in his first days as secretary at a Feb. 5 House Interior Committee meeting. Democratic Rep. James Weaver of Oregon asked Watt whether "you agree that we should save some of our * * * scenic resources for our children, not just gobble them up all at once?"

The alleged response to this question has become the main club for flogging Watt. What he actually answered was this: "Absolutely. That is the delicate balance the secretary of the interior must have to be steward for the natural resources for this generation as well as future generations."

eration as well as future generations."

Then, after a pause, Watt uttered words that have haunted him: "I do not know how many future generations we can count on before the Lord returns. Whatever it is, we have to manage with a skill to have the resources needed for future generations."

By any fair interpretation, Watt was not saying that Christ's imminent coming made resource preservation unnecessary, but, on the contrary, that the inability to predict its occurrence makes it all the more necessary for human managers to protect the Earth. In any event, there was no commotion at the hearings. Weaver merely told a long-winded biblical joke, "seeing [that] the secretary brought up the Lord."

But by spring, Watt's "I do not know how many future generations, etc." was being widely reported as his answer to Weaver's original question—without repeating what came before or after. The caricature was embroidered in article in the May issue of Audubon magazine contending that Watt agrees with this dubious biblical paraphrase: "The Earth was put here by the Lord for His people to subdue and to use for profitable purposes on their way to the hereafter." There is nothing in Watt's often cantankerous rhetoric that suggests this.

When Watt appeared before the House Interior Committee July 16, Jim Weaver was ready with more than biblical jokes. He misquoted Watt as telling the committee in February "the Lord could come at any time," then asked: "Are you approaching the environmental issue of surface mining * * * [with] 'Why worry, the Lord's return is imminent?"

Stunned, Watt replied he had taken an oath to enforce all laws, the Surface Mining Act included. Weaver insisted on determining whether "the imminent return of the Lord is having anything to do with this." Watt protested that "my religious freedom is guaranteed under the First Amendment." When Weaver persisted, Republicans raised a point of order. "This is not a hearing on religion," shouted Rep. Donald Young of Alaska.

Committee Chairman Morris Udall told us he thought Weaver's comments "in poor taste" and that "my instinct" was to uphold Young's point of order. But since Watt first raised the religion question, he let Weaver proceed. Udall later privately apologized to Watt. But on July 21, Watt informed Udall he would not have time for the massive Central Arizona water project pushed by Udall if he had to resist hostile questioning condoned by the Interior Committee chairman—an implied threat given national attention this week by The Washington Post.

Watt has himself to blame for proclaiming his belief in the Second Coming, shared by millions of American Christians, during his early weeks in office. Wisely, he no longer discusses religion. But that prevents any response to the lunatic stereotype now perpetuated by "Doonesbury."

"Sooner or later," one leading environmentalist told us, "Ed Meese will see this guy is hurting Reagan politically and get rid of him." In fact, presidential counselor Edwin Meese III and Ronald Reagan, westerners who have been fighting for the same cause as long as Watt, encourage him to be even tougher in attacking the environmentalist lobby. That's why Watt's enemies changed the topic from environmental policy to the Second Coming.

WHO PROMOTED WOMEN INTO COMBAT

SENDING MILITARY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

Mr. McDONALD, Mr. Speaker, the trend continues of placing women in positions where they will be in combat continues, the United States Code notwithstanding. The 82d Airborne Division, the cutting edge of our Rapid Deployment Force is already short hundreds of paratroopers. However, unknown to the general public, the shortage is even greater as there are many women in the division, wearing paratrooper wings, who will never be dropped into a combat zone. Therefore, our combat strength is even weaker than it appears. There are even some women wearing the Green Beret of the Special Forces. The result is a weakening of combat readiness. Phyllis Schlafly recently issued a statement on who has been pushing to get our women into combat and interestingly enough turned up the fact that the present Supreme Court nominee Judge Sandra O'Connor is part of this effort. Mrs. Schlafly's statement on the Defense Advisory Committee

on Women in the Services (DACOWITS) follows:

WHO PROMOTED SENDING WOMEN INTO MILITARY COMPAT

One of the biggest mysteries in the politics of national defense in recent years has been the peculiar push to assign women to serve in military combat. It is very difficult to find anyone who favors it; no country in the world does it; nothing in history or reason or logic supports it.

Yet the existence of an orchestrated campaign to achieve this objective (the repeal of 10 U.S.C. 6015 and 8549) was obvious when the House Armed Services Committee, Military Personnel Subcommittee, held four days of hearings on that proposal on November 13-16, 1979. Based on the massive evidence against women in combat, the effort to repeal the male-only combat laws was quietly dropped.

Diligent research has just uncovered where the original idea came from: a little-known federal body called DACOWITS—the Defense Advisory Committee on Women in the Services. This is a group of 30 civilians, mostly women, each appointed by the Secretary of Defense for a three year term, "to assist and to advise the Secretary of Defense on policies and matters relating to women in the Services."

An examination of the minutes of the DACOWITS meetings shows that this group, throughout the decade of the 1970s, carried on a steady barrage of pressure against the Armed Services in behalf of full sex-integration even to the assignment of women to military combat. Here is the official record:

DACOWITS Recommendation of April 6-10, 1975: "#9. That the Department of Defense initiate an amendment of Title 10, U.S.C. Section 6015 to remove the total prohibition against assignment of women to vessels other than hospital or transport vessels thereby allowing assignment of persons (male or female) to vessels and aircraft in accordance with individual qualifications of the person to be assigned and the particular mission to be performed (Utilization)"

DACOWITS Recommendation of October 5-9, 1975: "#5. That the Department of Defense direct the Department of the Navy to initiate a legislative proposal to revise or repeal Sec. 6015. Title 10, U.S. Code, to provide women of the Navy and Marine Corps access and assignment to vessels and aircraft under the jurisdiction of the Department of the Navy. (Utilization) #6. That the Department of Defense direct the Air Force to initiate an amendment or repeal of Sec. 8549, Title 10 U.S. Code, so as to permit assignment of women to aircraft. (Utilization)"

DACOWITS Recommendation of April 21-25, 1976: "That the Office of the Secretary of Defense direct the Department of the Navy to initiate legislation to revise or repeal U.S.C. 6015, so as to provide women of the Navy and Marine Corps access and assignment to vessels and aircraft under the jurisdiction of the Department of the Navy; and that OSC direct the Department of the Air Force to initiate amendment or repeal of 10 U.S.C. 8549, so as to permit assignment of women to aircraft. (Utilization)"

DACOWITS Recommendation of November 14-18, 1976: "#8. That laws now preventing women from serving their country in combat and combat related or support positions be repealed. Rationale: Self-explanatory." This recommendation resulted in wire service news stories headlined: "Combat

Role for Women Urged; DACOWITS Seeks Law Change."

The Word "Utilization" after the above recommendations means that they came from the "Utilization Subcommittee." Here is how the proceedings of that Subcommittee, which met four times during the April 6-10, 1975 DACOWITS meeting, reveal the author of the recommendation to put women in combat:

"Judge O'Connor initiated discussion of Title 10, U.S.C., Sec. 6015 relating to the Navy's prohibition against assignment of women to vessels other than hospital or transport vessels. . . This resulted in the following motion by Judge O'Connor, seconded by Dean Heyse, and agreed upon by all present: That the Department of Defense initiate amendment of Title 10, U.S.C., Sec. 6015 so as to remove the total prohibition against assignment of persons (male and female) to vessels and aircraft in accordance with the qualifications of the person to be assigned and the particular mission to be performed."

Judge Sandra O'Connor was appointed to a three-year term on DACOWITS in 1974 and became the principal sponsor of the effort to repeal the laws that exempt women from military combat. Those are the same two laws (10 U.S.C. 6015 and 8549) which the majority of the Supreme Court ruled on June 25, 1981 justify the exemption of women from the military draft. The Court treated the exclusion of women from military combat as fundamental to our civilized society. Sandra O'Connor is simply out of step.

WORLD GATHERING OF JEWISH HOLOCAUST SURVIVORS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. BINGHAM. Mr. Speaker, between June 14 and June 18, 1981, a historic conference was held in Israel known as the World Gathering of Jewish Holocaust Survivors.

This unique conference was held under the patronage of the Prime Minister of Israel and had the support of leaders throughout the world.

It brought together thousands of persons who survived the terror and human degradation of the Nazi concentration camps.

This conference was conceived, developed, and chaired by Ernest W. Michel, who serves as executive vice president and campaign director of the United Jewish Appeal/Federation of Jewish Philanthropies Campaign of New York.

I am privileged to insert in the RECORD Mr. Michel's eloquent remarks which opened and closed this historic event. It is important that my colleagues in this body and the public be given the opportunity to absorb and to understand the meaning of this important gathering and the message brought forth by the thousands in attendance. It is our responsibility to insure that the rest of the world never

forgets the tragedies perpetrated during the Holocaust by the Nazis.

Mr. Michel's remarks follow:

OPENING REMARKS AT YAD VASHEM

Mr. President, Guests, Distinguished Rabbis, World Leaders, Fellow Survivors from all over the world—My name is Ernest Michel, Auschwitz #104995, born in Germany, and now a citizen of the United States.

Like many of you, I had a dream. Mine was born in the darkness of Auschwitz, nourished by our liberation, and, finally, brought to life 4 years ago when a few of us met in Kibbutz Netzer Sereni.

The dream was, that one day—if we lived—we, the survivors of one of the greatest tragedies in all of human history, would come and stand together to remind a world that would rather forget, not to let another Holocaust happen—to Jews or non-Jews. Once is enough.

I remember vividly my arrival in Auschwitz on a grey winter evening in 1943, after endless days in a cattle car. The SS in their long leather coats, elegant, tall, clean shaven. I remember jumping out of the car—hungry—frightened—whips lashing down.

Then the line moving slowly forward until we came face to face with Dr. Mengele—the Angel of Death—and his thumb went up and down:

Up-You live. Down-You die.

I was a young boy then. I did not know what was happening. How can any human being imagine that he would be forced into a stark chamber, naked, and that he would breathe gas—in agony—until he was dead.

How could you imagine that?

What had I done?
And so, we dreamt. Would we live? Would the day of freedom ever come? That day did come and today we are here. That dream has become a reality, as we meet in the land of Israel, in the City of Jerusalem, the Land of our Forefathers—at this holy place of remembrance called Yad Vashem.

We are the largest number of survivors ever assembled in one place since our liberation 36 years ago. We have come with our children and grandchildren. We come from 23 countries: from four continents. We come from hundreds of cities. We speak different languages. We are citizens of different countries. We are Ashkenazim and Sephardim.

We note with regret the absence of survivors from the Eastern Bloc countries. We invited them here but they were not permitted to join us. Our thoughts are with them and we will not forget them.

All of us are united by an indivisible bond, a bond forged in the death camps of Nazi Germany, the ghettos of Poland, the forests where we fought, and the places where a few caring non-Jews kept us in hiding and saved our lives.

This is a reunion of a special group of people for which there is no parallel anywhere.

Here we are, 5,000 strong, standing together in the land created out of the ashes of our parents, families, friends—those known and those unknown—6,000,000 of them. Killed because they were Jews.

Since they have no graves where we can mourn, we have brought to Israel—in their memory—a piece of rock, a stone. Here is mine—It is a simple stone. On it are written the names of the immediate members of my family who perished. We brought these rocks from all over the world. Eventually they will be built here—at Yad Vashem—

into a monument so that our children and theirs, too, can have a place to mourn.

So here we are, all of us survivors, who came to Israel, sharing memories of a horrifying past, carrying the evidence on our bodies, but proudly standing together to tell a world: We have survived!

We want to stand together once more before time runs out, united in freedom as we were in slavery. We want to meet friends and, perhaps, even lost family.

We want to see in each other's eyes and in the eyes of our children the proof of our survival and the joy that comes from being alive and free.

If we succeed, simply by the great number of us here, to impress upon a world the horrors we have seen—and survived—If we succeed once again in stirring the conscience of mankind—If only that—Then our Gathering will have been worthwhile.

But there is more than that. We survivors want to tell those who try to re-write history and deny that the Holocaust ever happened:

Our eyes have seen; Our ears have heard.

Our nostrils were filled with the acrid fumes from the gas chambers drifting over our camp. Day after day. Week after week. Year after year.

These hands have carried more corpses than I care to remember. Friends, Families. So don't tell us it never happened. We

were there. To deny us that part of our lives negates our very existence. We are the living witnesses and we will continue to speak out until the last survivor is no more. After that, only faces on films and our recorded voices will be left to tell future generations.

This World Gathering could only take place here in Israel—nowhere else. This land was the prayer on the lips of our forefathers for generations—in exile, during pogroms, during the years of wandering. It is the focal point of our being. It is an indelible part of our existence. It is part of our lives. Israel's existence is the vindication of our suffering.

We may come from all corners of the globe but we all have family here. We speak different languages but we all pray in Hebrew.

It is therefore totally appropriate that this reunion, this gathering, begin here at Yad Vashem, this holy place of remembrance, the place of night and fog, where the names of those we loved are enshrined forever.

forever.

And it is equally appropriate that on Thursday we conclude our gathering at a place of majesty and glory—the holy Western Wall, dating back to the time of the Second Temple.

That night—standing before that symbol of Jewish faith and hope—we shall pass on the legacy of the Holocaust to the next generation.

My fellow survivors,

Touched by the madness of our nightmare, we have tried to live normal lives, scarred by the acid of barbarous hatred, we have tried to give love to our children. Forgotten by a silent world, we have tried to avoid cynicism and despair.

Despite all we have known, we affirm life—despite the most ferocious of efforts to steal it from us. While we shall never forget, we will not live with hate. We assert faith and can hug and embrace each other goodbye.

We came to this place in a great burst of love for one another and for the ideals in which we believe-our Jewishness, our Israel, our ancient heritage.

When the final shofar of that closing ceremony sounds, we shall return home and most of us will never meet again.

But we will leave with gratitude in our hearts for the miracle of our survival, for that of the Jewish people, and for the rebirth of the Jewish land. Go, my friendsgo-knowing that history will tell our story

CLOSING REMARKS AT KOTEL

Honored rabbis, leaders of the Government of Israel, fellow survivors from throughout the world. I would like to acknowledge, among the outstanding personalities present, the leaders of two of the largest Jewish communities in the world who have come to the gathering with the greatest number of participants.

First, the chief rabbi of France, Rene Samuel Sirat and the honorable Greville Janner, chairman of the Board of Deputees of British Jews.

We have received many letters and telegrams from all over the world which will become part of the archives. Among them, telegrams from Nissim Gaon, president of the World Sephardi Federation.

Today marks the final day of this historic world gathering-an event we bequeath to

our future generations.

For us, this gathering represents the realization of our most fervent dream. It was an outpouring of love, of joy-a celebration of

Most of you will probably agree that this gathering could not have taken place 10 or 20 years ago. It took time for wounds to heal enough for us to meet. This is why this event took almost 40 years to come into being, and that is why we shall never meet as one group again.

Purpose. We have an obligation to fulfill. During the years in the camps, I remember-as you do-that overpowering will-to

survive, to live—another day.

And so, in words, however inadequate, we must continue to tell the story. That obligation is ours today. Tomorrow it will fall to our children, then to theirs. That is Jewish tradition, that is Jewish responsibility.

We owe it to those who are no longer with

We owe it to ourselves.

We owe it to the Jewish people.

something constructive has Already emerged from this gathering. Represented here were almost 1,000 members of the second generation-our children and grandchildren. I am pleased to announce that they have formed here in Jerusalem a second generation international network whose major purpose will be to carry on the memory of the holocaust.

The first conference will be held within 14

months. We are proud of you.

Like you, I will never forget this week, the seeking, the finding, the first look of recognition: Aren't you? Weren't you? Block 14? Kommando 35? From the Ghetto? The embrace—the touch—God, how good

it felt to see each other, to be together-the tears, the smiles, the memories, the stories.

I met a man from Atlanta.

Will you forget the posters on the wall in the village?

Do you know this one? . . . Anyone from

Lodz?... Anyone from Kassel?

It will take a while to climb down from the emotional high of this unforgettable and unrepeatable week. As long as I live the faces of these four days will be indelibly

etched in my memory, when our tears turned to laughter and our sadness to joy. When we first met on Monday at Yad Vashem our senses were filled with the burning memories of the past.

Tonight our eyes are filled with joy. Our ears have heard the laughter

Thank God, thank God, for letting us have this day.

AGRICULTURAL EXPORTS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 19, 1981, into the Congressional Record:

AGRICULTURAL EXPORTS

The United States is the world's leading supplier of agricultural products. We have 46 percent of the world's trade in wheat, 73 percent of the market in feed grains, and 84 percent of the trade in soybeans. Despite the embargo on shipment of grain to the Soviet Union, agricultural exports reached \$40.5 billion last year—the eleventh consecutive record—up 27 percent from the previous year. This year we should reach \$46 billion. The growth, of course, has not been entirely due to inflation. While the dollars brought in by agricultural exports have in-creased more than sixfold during the past decade, the physical tonnage of exports has more than doubled. More than one of every four dollars earned by American farmers

comes from sales abroad.

Today, we use 138 million acres—about one acre of cropland in every three-just to produce for export. American farmers export two-thirds of their wheat, two-thirds of their rice, half of their soybeans, three-fifths of their cotton, and more than one-third of their corn. In 1980, 36 percent of our agricultural exports went to Japan, Canada, and the countries of Western Europe, 21 percent went to China, the Soviet Union, and the countries of Eastern Europe, and 17 percent went to Latin America. Indiana ranks eighth in the nation in exports of all commodities, fourth in exports of feed grains, and fifth in exports of

sovbeans. In the 1980's, agricultural exports are expected to be just as important as they were in the 1970's. Experts say that the days of overproduction and surpluses are gone, and that we are entering a new period in which we will have to lift output if we are to meet an increasingly delicate balance between supply and demand worldwide. Key factors underlying the anticipated demand for our agricultural exports include the constant increase in the world's population, the widespread desire for better diets, and the limited ability of foreign countries to expand their production of food significantly. By the end of the century, demand is expected to double for wheat and triple for rice. Exports of corn should increase from 60 to 80 percent, and exports of soybeans should at least double. Since the consumption of food in the rest of the world will grow faster than foreign output of food, the widening gap will have to be filled by food from the United States and a handful of other nations, such as Canada, Australia, New Zealand, and Argentina.

Given the importance of agricultural exports to the United States-and to Indiana and the Ninth District in particularmust try our best to increase them. There are several general guidelines we should follow to help us serve the markets that will be opening to us in the years ahead. Here are ten suggestions:

We should resist monetary policies that favor high interest rates: High interest rates push up the value of the dollar in relation to other currencies, which in turn makes our exports cost more and our competitors' cost less

We should expand our export credit programs: Though only 5 percent of our agri-cultural exports are backed by these programs, they make it easier to export to less likely customers, such as those nations with limited experience in trade.

We must use these programs to improve the "infrastructure" of importing countries: Inadequate receiving, handling, and storage facilities cut demand for our agricultural products in many nations, so we should help these nations make the needed improvements.

We must improve our own infrastructure. Our marketing and transport facilities are sometimes stretched to the limit today, so they will have to be improved if agricultural products are to be delivered on schedule and in good condition.

We should fight against protectionism. Protectionism threatens any major expansion of our agricultural exports because other nations may raise barriers against us if we raise barriers against them.

We should redirect our effort to develop markets. Promotional activities should be 'targeted" to countries such as Algeria, Morocco, China, Brazil, and Chile, which will our most probable customers in the 1980's.

We must continue to negotiate bilateral agreements to supply food to other countries. Bilateral agreements make trade more predictable and protect our farmers and consumers from the potentially severe ef-fects of sudden bursts of demand.

We must insulate our farmers from the ill effects of embargoes. Embargoes hurt our farmers financially and damage our reputation as a reliable supplier, but we can partially offset these effects by hiking price supports automatically when food is embar-

We should encourage competition among agricultural exporters. Since four large companies conduct the bulk of world trade in grains, there is ample opportunity for competitive co-ops and trading companies to get involved in export programs.

We should cut excessive and expensive regulations. Agricultural exports could be increased if we deregulated trade by, for example, clarifying provisions of the Foreign Corrupt Practices Act and reducing taxes on American salesmen who reside abroad.

WHY DOES SPOTLIGHT ATTACK THE REAL ANTI-COMMUNISTS?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. McDONALD. Mr. Speaker, Liberty Lobby and its publication, Spotlight, claim to be patriotic and anti-Communist. If in fact they are what they claim, why do they spend their

time attacking the conservative anti-Communists while at the same time they collaborate with the strange leftist cult headed by Lyndon LaRouche?

Perhaps the common thread binding the interests of Liberty Lobby to the LaRouche group is that they both support the Palestine Liberation Organization, the Soviet Union's favorite terrorist puppet movement, and that both organizations are anti-Semitic.

Spotlight for September 7, 1981, carried a three-page attack on this Congressman; Robert Welch, the founder of the John Birch Society; John Rees, the Washington editor of the Review of the News; and Herbert Romerstein, a congressional staffer. Robert Welch needs no defense; he was fighting communism long before the Spotlight editors discovered direct mail fundraising. However, a few of the Liberty Lobby/Spotlight distortions deserve correction.

Interestingly enough, much of the Spotlight article appears to have been lifted from the writings of the La Rouche cult. That cult uses a variety of organizational names including the National Caucus of Labor Committees, the U.S. Labor Party, and the National Democratic Policy Committee. The attacks by LaRouche's leftists draw heavily on such pro-Communist sources as Philip Agee's Counter-Spy magazine, the National Lawyers Guild, and the Nation.

These attacks from Liberty Lobby and Spotlight are continuing and remain wildly inaccurate. In the Spotlight edition dated September 14, for example, it is claimed that there is a relationship between my office and muckraking columnist Jack Anderson. My colleagues by now are well aware of how Anderson and I feel about each other, and how inane is such an allegation.

The charges against this Congressman and Mr. Robert Welch by Spotlight attack center around our support for John Rees, a journalist who has for some 15 years exposed terrorist and subversive threats to America, and in doing so has become one of the leading experts in this field. The information published by Spotlight about Mr. Rees is highly inaccurate. What is particularly interesting is that the Spotlight material consists of the same errors of fact found in the attacks published by the overtly leftist LaRouche group. As any teacher can tell you, when two students come up with the same error in a paper, one of them is copying.

For example, here is how La-Rouche's Executive Intelligence Review publication reported the fact that author Grace Metalious left her fortune to John Rees:

Subject is named in Metalious's will. However, he relinquished any claim when it was discovered the estate owed \$200,000 to the government.

The same story in Spotlight:

Rees was named sole heir to her estate, but renounced his legacy quickly when he learned it consisted of approximately \$200,000 in debts.

Spotlight's copying of the LaRouche material is obvious, but more importantly, both Liberty Lobby and the LaRouche cult preferred to publish a major distortion rather than publish the truth which is a matter of easily checkable public record. The facts are that the Metalious estate was assessed on February 26, 1964, at over \$1,000,000 and that 4 days after he found he had been named heir, John Rees signed legal documents renouncing all claims to the fortune in favor of the Metalious children. His concept of morality required that he give the fortune to the Metalious children.

These facts were widely reported by American newspapers and magazines. But LaRouche's Communists chose to print a lie and Spotlight chose to copy

and republish the same lie.

Both the LaRouche group, which admits it is a Communist organization, and Liberty Lobby's Spotlight attack the role John Rees played in Newark, N.J., in 1967 and 1968 against the Communist-instigated rioting. In fact they seem both fascinated and alarmed by the success of John Rees in calming the community tensions that led to rioting, loss of human life, and millions of dollars in property damage.

The Spotlight story, based on the version of events compiled by La Rouche's leftists, accuses Rees of being a "public ally of left-wing dissident groups." In fact, in Newark John Rees was well known as a consultant to the Police Department and close friend of Police Commissioner Dominick Spina who aided in stopping the rioting being promoted by Communistled agitators.

A careful reading of the LaRouche material indicates that their complaint against Rees was that he was attempting to "pacify" the situation—in other words, end the rioting. This is the substance of an article attacking John Rees in the newspaper of Lyndon LaRouche, New Solidarity, January 8, 1973, entitled "The 1967 Riot and the Police-Baraka Deal."

In their attack, the LaRouche leftists charged that the efforts to end the rioting by gaining the support of all Newark community spokesmen and leaders were "mainly pursued by the local police authorities and by the anti-Communist cranks of the House Un-American Activities Committee" and consisted of the fabrication and dissemination of what they termed "Communist conspiracy theories."

What this amounts to is that John Rees and Herbert Romerstein, then an investigator for the House Committee on Un-American Activities, was able to organize a radio program during which the Newark Police Department; the leader of one of the white groups, Anthony Imperiale; and the leader of a black militant group, LeRoi Jones—now known as Imamu Amiri Baraka—urged the rioters to stop rioting, and said that the violence only benefited the white Marxists from the Students for a Democratic Society led by Tom Hayden, who had come into Newark to instigate the violence.

At that time, 1967 and 1968, Lyndon LaRouche's Communist cult was part of the Students for a Democratic Society and used the name the "SDS Labor Committees." I can understand why LaRouche's leftists hate Rees and Romerstein. They spoiled their riots. But why should Liberty Lobby, which claims to be both patriotic and anti-Communist, jump in on LaRouche's side?

Both Spotlight and the LaRouche Executive Intelligence Review report some confused and particularly strange story alleging some kind of relationship between John Rees and the Hanafi Muslim terrorists who staged armed takeovers of three buildings in Washington in 1977, killing a young college reporter and holding hundreds of people hostage at gunpoint. Rees' only connection with the Hanafi terrorists is that as a journalist he wrote an article about the incident.

The LaRouche allegation had some elements that the Spotlight crowd was too embarrassed to report. LaRouche's Communists complained, however, that this Congressman "cited this incident as the raison d'etre for imposing drastic internal security measures upon the U.S. population."

This Congressman indeed pointed to the Hanafi Muslim terrorist action as one of the reasons we need to reestablish our internal security defenses. The Metropolitan Police once had an informant in the Hanafi Muslim movement. The Hanafi group had a history of involvement in violence. When the police intelligence program in Washington, D.C., was destroyed, that informant was pulled out of the Hanafi group. Had he been allowed to remain in place, the Hanafis would have been arrested before the violence took place and the deaths and injuries and trauma suffered by innocent people would have been prevented.

I can well understand why the Communists of LaRouche's U.S. Labor Party are upset by my calls for increases in our internal security defenses. But if Spotlight is supposed to be anti-Communist, I do not know why they are upset.

So we come to the truth about John Rees. He is a journalist and has been a journalist for many years. He has always gone after solid news stories, and especially the news behind the news relating to politics, foreign policy, terrorism, and subversion, John

Rees realized that in order to write accurately and perceptively about the violence-oriented subversive and revolutionary groups, a journalist needed to be acquainted both with the rank and file and with leaders. For 10 years he was able to attend meetings of the most anti-American radical groups. As a journalist, he reported on those activities in his newsletter. Information Digest, and in segments of the mass media including CBS News, Human Events, the Review of the News, National Review, and other publications.

John Rees has always understood

that a journalist also has responsibilities under the law to society. When he observed activities or obtained documents showing evidence of law breaking or of threats to our internal security, he made that information available to the appropriate U.S. Government agencies. He has done that since 1967, when he first started writing about the violence-prone extremist and foreign-dominated subversive organizations in America. In fact, in 1967, following the Newark riots, John Rees came to Capitol Hill and provided evidence on the Newark riots as a journalist evewitness. This was followed in 1968 by his testimony in a secret session of the House Committee on Un-American Activities on the Communists and subversive involvement in the riots at the Democratic Party National Convention in Chicago.

John Rees is not, as the LaRouche Communists and Liberty Lobby's selfstyled conservative anti-Communists have charged, an intelligence agent for the Israeli Mossad, the British, for the Soviet KGB, or for any other foreign intelligence agency. The truth is so simple the Communist left and their anti-Semitic pseudo-conservative allies cannot accept it. But the truth remains that John Rees is simply a good journalist who has done a valuable service in alerting the American people and the American Government to the threats against our security from terrorist, subversive, totalitarian, and extremist organizations. John Rees deserves commendations and accolades from Americans, not the vituperative smears and innuendos originated by Lyndon LaRouche's minions and repeated by Liberty Lobby's Spotlight.

Both Spotlight and the LaRouche publications also attack Herbert Romerstein, former minority chief investigator for the House Committee on Internal Security and a longtime congressional staffer. He is presently a professional staff member of the House Intelligence Committee. While the LaRouchians smear Herbert Romerstein of being an agent of Israeli intelligence, Liberty Lobby's Spotlight copyists translate that as an "agent of the Anti-Defamation League."

The truth is that Herbert Romerstein, a conservative American, is not connected with the ADL and never has been. Neither has he been involved with Mossad or any other for-

eign intelligence agency.

In fact, Mr. Romerstein has been granted some of the highest security clearances of the U.S. Government. Those clearances were granted to him after extensive, full field investigations by the Federal Bureau of Investigation, and under no circumstances could be granted to someone connected with any foreign intelligence serv-

Spotlight copies a LaRouche charge that Mr. Romerstein somehow is anti-American Legion. The truth is that he has written about Soviet Union's support for terrorism in the American Legion magazine. He has also written recent pamphlet about U.S.S.R.'s backing for international terrorism, which is presently being distributed and which I highly recommend to all my colleagues in this Con-

Herbert Romerstein's consistent work against Soviet-support international terrorism undoubtedly is one of the reasons the LaRouchians attack him. Soviet support for international terrorism is one of the facts La Rouche's leftists work very hard to

Both Spotlight and the LaRouche magazine make the point that Romerstein was once a Communist. That is no secret. From the age of 15 to 17 he was. But at age 19, Herbert Romerstein was the first witness to testify before the Senate Subcommittee on Internal Security and reveal the Communist plans to subvert American youth. Furthermore, for the past 30 years, Herbert Romerstein has worked closely with the Federal Bureau of Investigation, the House Committee on Internal Security, and other U.S. Government intelligence agencies in investigating the activities of the Communists in the United States and throughout the world.

After investigating Communist activities for the State of New York, Romerstein became an investigator for the House Committee on Un-American Activities. He was later promoted to minority chief investigator of the House Internal Security Committee. He is very highly regarded as an expert on Communist activities and had frequently testified before various congressional and administrative

bodies on the subject.

An interesting charge by the LaRouchian leftists which Spotlight avoided using was that Romerstein was, "used as a spokesman at World Youth Festivals under programs organized by World Federalist and CIA Director Cord Myer."

The facts are that the World Youth Festivals in question were Communist youth operations held in Vienna in 1959 and in Helsinki in 1962. Cord

Meyer, who was never the Director of CIA, but a CIA official, organized a group of students from the leftist National Students Association to attend the festivals. Herbert Romerstein's role was something quite dramatically different, and was described by Joseph Keeley in his biography of Alfred Kohlberg called "The China Lobby Man." I would like to point out that the late Alfred Kohlberg was a longtime active anti-Communist and also a founder of the American Jewish League Against Communism.

As Joseph Keeley wrote:

Recently many Americans were shocked to learn that our Central Intelligence Agency had subsidized the left-wing Nation-Student Association to the extent of \$3,000,000, and that some of this money had been used to send American college students to international student gatherings. An interesting footnote to this is provided by another of Alfred Kohlberg's ventures into international relations this time by means of an informal organization informally established.

In 1959 he was approached by Herbert Romerstein, who had done some work for him previously. A huge international Communist. rally called the Seventh World Youth Festival was scheduled to be held in Vienna in the summer of that year and Romerstein got the idea of attending with a small group. The gathering was the first of its kind ever to be held outside the Iron Curtain and this gave non-Communists chance to participate.

Kohlberg liked the idea and took the initiative in raising a fund of approximately \$10,000 to send Romerstein and seven others to Vienna. When the festival opened, approximately 17,000 people were present. Of these roughly 400 were Americans, and of the American group approximately a hundred were "sponsored" by the U.S. Government, presumably by the CIA. However, it is doubtful that the entire delegation of government-sponsored U.S. students provided as much anti-Communist propaganda as the handful subsidized by Kohlberg.

One of Romerstein's projects was to have 2,000 pamphlets printed en route in Germany, addressed to the youths attending the festival. These pamphlets, printed in German English, Chinese, and Russian, contained a heavy charge of the usual Communist clichés, as camouflage. But in addition they stressed something that was anathema to the Reds-freedom. The pamphlets exhorted the youths attending the festival to fight for freedom for all peoples, including Hungarians and Tibetans. the commisars running the festival learned of the hoax they were furious. Indignantly the hand-picked "United States delegation" (not those sponsored by the U.S. Government) condemned the pamphlets in a statement to the press. One revealing sentence of this declared: "From whom and with what authority do the authors and disseminators [sic] of this particular piece of ill-meaning literature speak?"

A small riot took place when the big parade of August 2nd was about to begin. Kohlberg's delegates at that point unfurled banners reading "Remember Hungary," "Remember Tibet." and "What About Soviet Imperialism?" This was too much for the comrades. The New York Times of August 3rd told how the small group was

beaten up. Charles W. Wiley, one of them, was knocked to the ground by Communist "enforcers" and his wife Katina, seven months pregnant, was cut and bruised. Thanks to the prompt action of Austrian policemen there were no serious injuries, and the little band was rescued from the furious Reds.

As for the larger group from America, present under government auspices, their activities were considerably more genteel and refined, as befitted ladies and gentlemen of liberal persuasion. They caused the Communists no trouble at all. One of the Kohlberg group told me with amusement of their attitude.

"They made it plain that they deplored our actions, which they insisted were undignified and not the proper way to build friendship and understanding."

The Communist leaders made a more realistic appraisal of the propaganda deficit that had been incurred. In a New York Times story dated October 26, 1959, under the headline "Reds Displeased With Red Fete," several reasons were given for their failure. A special eleven-member evaluating committee, comprised of top Communist Party officials, leveled strong criticism at the festival committee for their "underestimation of the effectiveness of opposition groups and individuals, both in their influence on delegates and in their criticism of the Communist aims of the festival.

At the time of those two Communist World Youth Festivals, Herbert Romerstein was not working with the CIA, which had organized a leftist American youth representation at the festivals. On the contrary, Herbert Romerstein was a very active member of the conservative American students group that fought effectively against the Communists.

And so, again, I can understand why the Communist totalitarian followers of Lyndon LaRouche hate Herbert Romerstein, one of the most articulate and effective enemies of communism in this country. But why does Liberty Lobby, which says it is patriotic and anti-Communist, tell such lies about him?

These examples are typical of the sorts of charges and smears leveled against John Rees and Herbert Romerstein and other anti-Communists. It would take a book to examine, analyze, and refute all of them. But all are equally inaccurate, distorted, and untrue

These articles appearing in the publications of the leftist LaRouche clique and in Liberty Lobby's Spotlight attacking this Congressman and other active anti-Communists make clear a strange relationship between the supposedly anti-Communist Liberty Lobby and the Communist National Caucus of Labor Committees/U.S. Labor Party/National Democratic Policy Committee.

In one of the publications of the LaRouche clique called the New Democratic Policy Committee Bulletin, and subtitled "LaRouche Challenges 'Spike Hoax,'" LaRouche describes the relationship between his organization and the Soviet KGB. LaRouche said:

Once Soviet circles judged that my associates and I were tied to top circles of the U.S. intelligence community, both KGB other Soviet agencies began dropping messages for U.S. intelligence community information into our laps. We became, in that sense, like the spooks' letter-box drop, the proverbial hole in the third oak tree from the corner. Since all of our electronic and mail communications have been under total surveillance of the National Security Agency, any message we received was automatically delivered immediately to both relevant and irrelevant elements of the U.S. intelligence community within minutes or hours, without any further effort on our This activity supplemented our own intelligence evaluations work which was routinely made available to the intelligence community through the relevant publications of my associates and myself.

Despite its many glaring inaccuracies, LaRouche's statement raises some interesting questions.

First though, the inaccuracies include the allegation that the National Security Agency was monitoring La-Rouche's communications. This is clearly untrue. No U.S. Government agency has monitored any of the La-Rouche organization's communications or any other of the activites of the LaRouchians since the FBI closed their case on the group in 1976. I believe that the FBI erred in closing its investigation of this violence-prone radical crackpot group.

The other inaccuracy is that somehow the U.S. intelligence agencies take seriously the "intelligence information" provided by this crackpot extremist group. They most assuredly do not

But what appears to be true is that the KGB has fed information to the LaRouche clique, and that that KGB disinformation found its way into the propaganda publications of the National Caucus of Labor Committees/U.S. Labor Party.

Analysis of the LaRouche/U.S.

Analysis of the LaRouche/U.S. Labor Party publications indicates that on almost every major international issue, the LaRouche clique comes out on the Soviet side of the discussion.

Furthermore, LaRouche's admission that there is a close relationship between the LaRouchians and the KGB has been confirmed by other sources, including other leaders of the LaRouche cult who have boasted of their close relationships with persons in the Soviet U.N. mission. A substantial percentage of the Soviet U.N. mission personnel are KGB officers.

If Liberty Lobby and its publication, Spotlight, intend to continue to claim to be anti-Communist, it is incumbent for them to explain why they ally themselves with Lyndon LaRouche's Communists, and why they spend their time attacking those on the front line of the fight against America's Communist enemies.

Over the years, Liberty Lobby has attacked many of the most active anti-Communists and conservatives in America, including Rev. Jerry Falwell, founder of the Moral Majority, and many distinguished men and women now serving in President Reagan's Cabinet.

In fact, it is clear that Liberty Lobby is not really anti-Communist. It is an anti-Semitic organization pretending to be patriotic. In fact the leaders of Liberty Lobby target as their enemies all anti-Communists who stand up against terrorism carried out by the Palestine Liberation Organization (PLO) and the lunatic regime in Libya.

In sum Liberty Lobby is a fraud, an organization so captive of its pathological hatreds that it prefers to ally itself with the Communists against those who defend America against its enemies.

IN RECOGNITION OF CHRISTOPHER BIERBAUM

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

Mr. ROBERTS of South Dakota.
 Mr. Speaker, on September 13, 1981,
 Christopher John Bierbaum of Beresford, S. Dak., will receive the highest honor bestowed by the Boy Scouts of America—the elevation to Eagle Scout.

This award, and enduring symbol of dedication and commitment to the values revered by the Boy Scouts, will long remain a source of pride to Christopher and his family. In recognition of his efforts, I trust that my colleagues in the House of Representatives will join me in congratulating Christopher for securing this high honor.

This accomplishment represents the finest tradition of the youth of South Dakota, and I am proud to honor Christopher Bierbaum here today.

INTEREST RATES HINDERING ECONOMIC RECOVERY

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. DREIER. Mr. Speaker, excessively high interest rates is the one factor currently standing in the way of American economic recovery. During the recent district work period, I had the opportunity to meet with numerous constituents—most of whom expressed their deep concern over the present level of interest rates. As a new member of the Banking Committee, I feel it is imperative that Con-

gress utilize sound economic principles in addressing this crucial problem.

One lasting legacy of the Carter administration has been a devastatingly high rate of inflation. For the most part, this inflation has been fueled by the Federal Government's policy of deficit spending.

In order to finance this deficit, the Government has entered the private capital market and has borrowed, at high-interest rates, money that would otherwise be available to private businesses and individuals. The Government has also financed this multibillion-dollar debt by selling Treasury notes to the Federal Reserve. This sleight-of-hand creation of dollars has only served to push the inflation rate higher and higher.

In order to cope with this dangerous inflation, the Federal Reserve Board has settled on a policy of high interest rates. Yet, these high interest rates are strangling American business. The housing industry has been particularly hard hit by these excessive rates. Recently released figures show that for a third consecutive month, California homebuilding has continued to decline.

In July, homebuilding in the State of California declined nearly 12 percent from the already depressed levels of June. But this figure tells only part of the story. For businesses such as furniture, appliance, and textile concerns also suffer from this downward spiral in housing starts.

Similar examples of economic distress can be seen in the U.S. auto industry. Lack of available loans has deterred major domestic manufacturers from borrowing the capital necessary to modernize plants and expand production. This retooling and revitalization is badly needed if our industries are to compete with their foreign counterparts.

Mr. Speaker, the message is clear: Excessive interest rates must be adjusted to reasonable levels. If this problem is not adequately and forthrightly addressed, then America will be condemned to suffer several more years of economic stagnation.

A SPECIAL TRIBUTE TO ROY WILKINS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. STOKES. Mr. Speaker, many of my colleagues will be paying tribute to the late Roy Wilkins, former executive director of the National Association for the Advancement of Colored People in the coming days. As we listen to these tributes, remembrances and send our condolences to his wife, Aminda Wilson, I think that it would be appropriate also to insert in the RECORD, an article which appeared in the Washington Post today on this great human being.

Mr. Speaker, the newspaper article which I am referring to is touching and unique because it captures a different perspective on not only the civil rights achievements and the public's image of Roy Wilkins but also provides a commentary on his life as the patriarch of the Wilkins family. The article was written by Mr. Wilkins' nephew, Roger Wilkins.

Mr. Speaker, Roger Wilkins ably communicates in the article the warmth and compassion of Roy Wilkins as not only the leader and shepherd of the civil rights movement but also projects him in that same role as a mentor and family leader. Moreover, Mr. Speaker, the article illuminates the inspirational virtues of this great human being not only for those of us who weighed our children's futures in this Nation on his strength in the struggle for civil rights but also for that same kind of strength and courage he provided his family.

At this time, Mr. Speaker, as Members of this body so appropriately continue their tributes to Roy Wilkins, I would like to insert in the RECORD, the article which appeared in the Washington Post entitled, "The Joy and Power—Remembering Roy Wilkins' Stubborn Struggle":

THE JOY AND THE POWER—REMEMBERING ROY WILKINS' STUBBORN STRUGGLE

(By Roger Wilkins)

There is a picture downstairs in the family room in our house of a tall, black man holding a little black baby. It was taken about 49 years ago on the day when my Uncle Roy and I were getting acquainted.

My mother, father and I lived in Kansas City then and Uncle Roy had just gone to New York to work for the great black scholar W. E. B. DuBois, at the NAACP magazine, The Crisis. During those years, my father, Uncle Roy's younger brother, was very sick and my uncle would come from New York to visit us as often as he could. He was the tallest and handsomest man I knew and he would hang his pants on the closet door. I thought that was wonderful and so when I got tall enough, to my mother's dismay, I, too, would hang my pants on the closet door.

Roy Wilkins wasn't famous in those days, and when he came to Kansas City for my father's funeral 40 years ago, he was just my kind uncle from New York. He took care of both Grandpa and me at the funeral and when they read thanatopsis for Daddy, he touched my hand while Grandpa was crying. I didn't cry because Uncle Roy had told me that little men weren't supposed to do that.

As the years passed and my uncle became more prominent, I saw him through a double lens. He was the closest thing I had to my father, so I would watch him closely for hints of what my father might have been. And then when I grew up and went to the Justice Department, working on the northern urban riots, though he still hung his pants on the closet door, he was also my senior colleague in the civil rights move-

ment. He didn't want the world to think that he had created me and I didn't want the world to think I had a special pipeline to him. In fact, he hadn't and I didn't, but we kept our distance so the appearance would match the reality.

would match the reality.

But there would be Christmas dinners when Uncle Roy would carve the turkey and slice the ham and Aunt Minnie would tell my children and me wonderful stories about my father and grandfather. Uncle Roy and I would talk baseball. He was a Dodger fan long before Jackie Robinson came into the league and he would use those long, graceful hands of his to show me how Pee Wee Reese used to lay down a bunt.

Those long, graceful hands almost got him killed once. Thurgood Marshall told me that in the 1930's, when he and Uncle Roy disguised themselves as sharecroppers and went to Mississippi to investigate conditions there, a white storekeeper in a little town noticed those hands and knew they were not a field man's hands.

"Come on, Roy, let's get the hell out of here," Justice Marshall recalls saying.

So the two of them escaped, but Thurgood says they had been there long enough to get what they were after anyway. Before he went to the NAACP, Uncle Roy

Before he went to the NAACP, Uncle Roy edited a black weekly paper in Kansas City. He always loved the English language and through his years at the NAACP he kept an old battered Underwood next to his desk on which he would compose elegant statements and send or take them out to do the battle for justice to which his life was committed. He did other things in the movement, of course. He marched in demonstrations, he orchestrated the March on Washington in 1963, he met in rooms from battered shacks in Alabama to the Oval Office on Pennsylvania Avenue to help shape strategies to secure more justice for Americans.

But it was the word he loved and used with joy and power in his life's fight.

In the 1960's, people in the Kennedy administration would tell me that he was the civil rights professional on whom they relied. After that, he and Lyndon Johnson grew to love each other. They were men of the same generation, and both of moderate origins. Those associations enabled Uncle Roy to translate the turbulence in the streets into visions of the future that were comprehensible to Washington policymakers. In that way, Uncle Roy and Martin Luther King were closer partners than either of them ever acknowledged. They had different ways of pursuing freedom, you see, because Martin usually fought with the masses behind him on the streets, and Uncle usually fought behind closed doors. They didn't always understand each other's way.

Uncle's hand was large in the Civil Rights Act of 1964, the Voting Rights Act of 1965 and the Fair Housing Act of 1968. And so was Martin's. They were opposite sides of an honorable coin. And they did support each other. I ran into Uncle Roy one day in the mid-1960's at the shuttle terminal at La Guardia Airport. "Where you going?" I asked. "Down to see [J. Edgarl Hoover," he replied, "to try to get him off of Martin's back." A couple of weeks later I saw Martin at a meeting where young militants were calling my uncle an "Uncle Tom" because of his fierce belief in integration.

"Tell Roy I'm with him," Martin said.
Uncle Roy won a lot of honors, the greatst of which was the love and the trust of

est of which was the love and the trust of the people in the NAACP who could afford only to pay \$2 for their memberships. Some of my most vivid memories of him were in airports with redcaps shaking his hand thanking him earnestly for the work he was doing. He loved that because he had once been a redcap himself.

He always had time for the longest local NAACP chapter meetings and then for the last person in the room who wanted to talk to him after that. When I was a kid in Harlem, he would sometimes take me to nearby meetings and when I would come home hours later, I would tell my mother: "Uncle Roy stayed to talk to the last old lady again.

And he was stubborn. Once when he was down at the LBJ Ranch, near the end of the president's life. Uncle Roy decided that he was tired and started up to bed. President Johnson told him it wasn't time to go to bed because the late news hadn't come on yet.

"Mr. President," Uncle Roy replied, "nobody has told me what time to go to bed since my mother died, and that was a long time ago." And then he went to bed with the same dogged stubbornness which he had brought to the civil rights struggle.

We were very different, Uncle and I, but we loved each other very much. Now he has gone to his final rest and the family is gathering. So it is time for me to get my pants down from the closet door and go.

ANTITRUST CHIEF'S VISION: NO PLACE FOR SMALL BUSINESS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. BEDELL, Mr. Speaker, I wish to call my colleagues' attention to the August 1981 issue of Dun's Review, a monthly publication for business managers. The magazine features an article entitled, "Big Shift in Antitrust Policy," an interview with William Baxter, the new assistant attorney general in charge of antitrust enforce-

As the enormity of the DuPont-Conoco merger sinks in, and as the latest list of corporate takeover announcements continues to grow, there are many who are wondering what the Justice Department's top antitrust official thinks about all this. Apparently, he thinks the increasing concentration of control of industrial assets and economic power is just fine.

Mr. Baxter does not beat around the bush. He very candidly states that he would not be disturbed by evidence of a marked trend toward greater aggregate concentration in our economy. In fact, he goes so far as to say he would see nothing wrong with greater aggreconcentration of ownership throughout the world. These are his exact words:

There is nothing written in the sky that says that the world would not be a perfectly satisfactory place if there were only 100 companies, provided each one had only 1 percent of every product and service market.

Well, maybe Mr. Baxter would be content to find himself in a world

where there are more national governments than there are business enterprises, but I know many people who would not be happy in such a place. The millions of small businessmen in America probably would not find it very satisfactory living in a world with only 100 companies controlling all commerce and industry, for there would be no place for small business in such a world. And I doubt that most American consumers would be very happy living in a society where entrepreneurs and local businessmen have been completely displaced by multinational corporations.

Conglomerate mergers apparently do not cause Mr. Baxter to lay awake nights. Neither, apparently, number of questionable vertical relationships between producers, distributors, and consumers. Here is another quote from the interview in Dun's:

Vertical structuring of the economy through long-term supply contracts, exclusive dealing arrangements, territorial re-strictions, the selling of products in bundles, often promotes efficiency.

What kind of efficiency is he promoting? The kind in which we have 100 companies dividing up the world into 100 equal shares? Perhaps Mr. Baxter forgets that the British Crown tried doing something similar with royal charters to do business in the New World. The American Revolution and Adam Smith's treatise "On the Wealth of Nations" both appeared in 1776 to prove the error of such concepts.

Elsewhere in his interview with Dun's, Mr. Baxter states:

I have no concerns about vertical mergers

On August 26, testifying before the Judiciary Committee's Subcommittee on Monopolies and Commercial Law, the Justice Department's antitrust chief reiterated his belief that his agency should not concern itself with vertical mergers between suppliers. distributors, and/or users of the same product. The next witness that day was David Clanton, Acting Chairman of the Federal Trade Commission. Mr. Clanton took quite a different position, saying his agency feels that the Federal antitrust laws clearly give the Government a responsibility to monitor vertical merger activity. This difference of opinion serves to underscore the wisdom of having an independent Federal Trade Commission with antitrust enforcement powers.

Mr. Speaker, Dun's Review labeled Mr. Baxter's comments as being provocative. They certainly are. The new assistant attorney general for antitrust has outlined some very radical departures from the antitrust enforcement policies of at least the last three administrations. And he had signaled his willingness to accept a vision of the future that I find very troubling.

As a member of the Small Business Committee's Subcommittee on Antitrust. I intend to keep a careful watch on antitrust enforcement-or lack of it-by the new administration. I do not believe the thousands of small businessmen in my district would tolerate it if I sat idly by while we are brought to the point where 100 Governmentsized businesses control all the economic activity in the world.

TRIBUTE TO LILLIAN JANIS OF CLEVELAND, OHIO

HON. MARY ROSE OAKAR

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Ms. OAKAR. Mr. Speaker, recently, one of Greater Cleveland's finest citizens, Lillian Janis, has passed away. Lillian was a source of inspiration and love not only to her family, but to all who knew here. She was a personal role model for me. The following article gives a capsule view of her many interests and concerns. All of us will miss her very much.

LILLIAN FIEDLER JANIS, STARTED LABOR MOVEMENT CAREER AS GIRL

As a girl of 12, Lillian Fiedler Janis started her labor union activity by walking through the snow in Passaic, N.J., to solicit funds for striking coal miners.

She continued her work for union causes as an adult, and during almost six years as a Shaker Heights council member worked for other causes as well.

Mrs. Janis, 68, died yesterday morning in her Shaker Heights home. She had been ill with cancer for 14 months.

She resigned her council seat in June because of her illness. In March she had been elected vice mayor.

Mrs. Janis did not finish high school and in the Depression years of the 1930s was a member of the Young People's Socialist League.

She was an organizer for the Bakery Workers Union as well as the International Ladies Garment Workers Union early in her life. She met her future husband, Sam Janis, on a bakery workers picket line in Elizabeth, N.J.

He had been fired as a presser in a dry cleaning plant for trying to organize a

She was named an honorary member of both the Baker's and Carpenter's unions many years ago.

While on council, Mrs. Janis' special areas of interest included establishing a program for older persons and for the after-school care of children. She also was chairman of the building inspection committee.

In the early 1970s, Mrs. Janis was a volunteer remedial reading tutor in the Cleveland school system.

In 1971, Mrs. Janis received the New Frontier Award from the Cleveland chapter of the Americans for Democratic Action (ADA) for her work as vice chairman of the Cleveland Grape Boycott Committee and as a union organizer. She was also cited as a "champion of society's underdogs."
Also in 1971, the Cleveland AFL-CIO Fed-

eration of Labor Union Counselor Associa-

tion presented its top community award to Mr. and Mrs. Janis for their union work and her participation in the Cleveland peace movement.

Mrs. Janis received an award last year from the Ohio Coalition of Labor Union

She was on the national board of ADA and was a member of the Ohio Committee for the Passage of the Equal Rights Amendment.

She was a member of the county Demo-

cratic committee for six years.

She is survived by her husband who retired in 1978 as regional director and international vice president of the International Ladies' Garment Workers Union; sons, Robert Geneslaw of Killsdale, N.J., and David, of Helena, Mont.; daughter, Barbara of Mayfield Heights, and two grandchildren.

BOTHA THE BITER

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

 Mr. STARK. Mr. Speaker, the other day I came across an article in the Economist that I found very timely, and I thought I would share it with my colleagues.

We can all agree that the issue of South Africa, its apartheid policy, and its increased activity in Angola are of great concern. I think you will also agree, after reading this article, that the Reagan administration's policy of neutrality, is not neutrality at all.

[From the Economist, Sept. 5, 1981]

BOTHA THE BITER

The Soviet and South African governments were delighted by the American use of the veto in the United Nations security council on Monday against a formal con-demnation of the South African armed forces' incursions into Angola. Although the motion was foolishly worded, this veto has infuriated many of the three quarters of the people of the world who are humilated by white South Africa's racial policies. It has strenghened Mr. Pieter Botha and his South African cabinet in the belief that they can count on American protection. It has obliged the friends and allies of the United States to stand apart from it.

These are heavy prices to pay. They include some practical prices in third world. An internationally acceptable settlement in Namibia-one that might have got the Cubans out of Angola-will now be harder to get. Next time America needs the help of a third party, as it needed Algeria's to get its hostages out of Iran, some of the necessary trust may be found no longer to exist. Support at the UN for resolutions condemning Russia-as, for instance, after the invasion of Afghanistan-may not be so forthcoming in future. America has forfeited, at least for a time, some influence in guiding economic development in black Africa and in moderating its extremists. By spitting into the wind of change it has encouraged the Qaddafis of the continent. The colonel was saying some more extraordinary things this week.

NEUTRAL ON WHOSE SIDE?

Mr. Chester Crocker, America's assistant secretary of state for African affairs, ex-

plained the policy by saying that the Reagan administration aims to remain neutral as between the South African government and the black African ones. There are dangers in giving Mr. Botha's government the impression that the United States is not so much "neutral" as neutral on South Africa's side (see page 29). The Americans have made a mistake in assuming that the South African government's response to gentle handling would be to show a corresponding restraint. Instead of seizing Mr. Reagan's outstretched hand, Mr. Botha has to all intents and purposes bitten it. In recent weeks, beside the deep thrust into Angola, there have been smaller but significant South African incursions into other blackruled neighbour states, including for the first time into Lesotho.

As previous reports had said that there might be anything up to 20,000 Cuban troops in Angola, anything up to 5,000 East Germans there, several thousand Russian technical advisers and several hundred Russian soldiers, it is not surprising that the South Africans appear to have captured one Russian warrant officer. Everybody knew that Angola had imported far too many foreign communists. The effects of tougher South African military policies could have destabilising effects on neighbouring blackruled states and increase Russia's chances of putting in more of the same. The free world's interests are the opposite of that.

There are increasing signs that the South African government (not explicitly, perhaps not consciously, but inherently) does not share the American and European concern for the stability of the southern African region. To a greater degree it may share Russia's interest in destabilising it. Given the premises that shape thinking in Pretoria, it is quite logical for people there to suppose that the thing to do now is to draw those Cubans and Russians into combat, and thus hope to ensure that the western world will be forced to rally round Mr. Botha's flag.

NOBODY'S ALLIES

White South Africans need to be disabused of that hope. In a speech in Johannesburg this week Mr. Edward Heath was doing some of the disabusing. He rightly said that, but for white South Africa's racial "we would be natural partners, wedded in common cause against the communist onslaught in southern Africa itself and around the world". However, "unless and until the dismantlement of apartheid is assured, it would be a grave mistake for South Africa to base her strategy on the assumption that when the chips are down the west will stand with her".

The Americans have for several years shared with the four other members of the western "contact group"-Britain, Canada, France and West Germany-the common purpose of bringing Namibia to real inde-pendence, in a way that will not make it more likely that a great many white South Africans will eventually be murdered in their beds. In return for their search for these safeguards, the allies seek to prod South Africa's white rulers faster forward from their present racial policies.

It has been agreed that this pressure in Namibia and on South Africa's internal policy can at present best be exercised very quietly, instead of with much noise. Quietness is not made easier when South Africa's armed forces are locked in loud combat with those of an independent African country, deep inside that country's territory, and when the echoes of this fighting are thun-

dering around startled capitals across the world.

There are many double standards in the condemnations of Mr. Botha's government. A lot of other undemocratic leaders do indecent tribal things to their peoples, and the world plays Olympic sports with them. But America and western Europe cannot afford to appear to be getting into bed with a macho South Africa, especially at a time when America has a right-wing administra-The penalty for such an association would not merely be paid in the rest of Africa and the United Nations, but also in the allies' internal cohesion. The revulsion against South Africa explodes all the way from the playing fields of New Zealand, through the streets of Harlem and Brixton. to university campuses and to congregations of sober, decent, liberal people everywhere. By its long-drawn-out folly, white South Africa has made its society into the polecat of the world. One does not cuddle up close to a polecat when it is baring its teeth.

AWACS SALE IS A CAPITULATION TO BLACKMAIL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. OTTINGER. Mr. Speaker, the administration's decision to sell Saudi Arabia five airborne warning and control systems (AWACS) and other sophisticated weapons to Saudi Arabia is a tragic capitulation to blackmail, a threat to our national security, and a breach of Ronald Reagan's explicit promise to the American people that he would not sell weapons to Arab nations who might threaten the existence of Israel.

Last year, in an interview with the Jewish Telegraphic Agency, candidate Ronald Reagan promised:

A Reagan administration will, by legislative proposal and executive actions, bolster Israel's security against all forms of aggression. Specifically, a Reagan administration will not continue to ship massive quantities of sophisticated armaments to so-called 'moderate" Arab States who, in fact, might directly threaten Israel's existence once they are in possession of such arms.

Yet President Reagan wants to send Saudi Arabia weapons with capabilities far in excess of any possible defensive need. President Reagan wants to send Saudi Arabia the AWACS, the most sophisticated airborne radar system in the world. What is worse is that President Reagan is going back on his word less than 6 months after the Saudis called for a holy war against Israel.

Either candidate Reagan intentionally misled the public or President Reagan has forgotten his own commitment in a dangerous attempt to ap-

pease the OPEC oil cartel.

Indeed, this is not the only promise to be broken with respect to this proposal. The sale of sophisticated offensive components for F-15 aircraft, which President Reagan is including in the AWACS package, is in direct violation of an expressed commitment to Congress at the time the F-15 sale was approved that they would not be given these offensive capabilities.

Mr. Speaker, it is clear that this sale directly contradicts U.S. interests, and rewards intransigence rather than encourages moderation. The Saudis have steadfastly refused to cooperate in effectuating the Camp David accords, and publicly declare repeatedly that Israel is a greater threat to their security than the Soviet Union. The sale of AWACS will enable the Saudis to monitor all of Israel's military move-ments, and such information in the hands of Israel's enemies will bring a new and insidious dimension to any future Arab-Israeli conflict. Further-more, should Saudi Arabia have an Iran-style revolution, the danger of AWACS technology being transferred to the Soviets is considerable.

I urge my colleagues to reject this dangerous proposal, and to join me in cosponsoring a resolution of disapproval to block this sale.

A MODERN PIONEER

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. VANDER JAGT. Mr. Speaker, for the past 72 years, Mrs. Alice Wood, of Muskegon, Mich., has carved an unforgettable niche in the minds of her family and friends. At a young age of 72 years, she still scrambles across the roof of her home to prevent and mend damage of winter storms. She stockpiles enough wood to heat a small city and puts to shame those of us winded by a set of tennis or a climb up a flight of stairs. Mrs. Wood, all 5 feet and 90 pounds of her, flies the American flag every day of the year, weather permitting. She is a modern day pioneer woman who still relies on venison, squirrel, and her garden for food.

For the benefit of my colleagues, I would like to share the following delightful story, written by Ms. Zoe-Ann Ayers and printed in the July 1981 edition of Oasis, a publication of the Social Security Administration, about her first encounter with Mrs. Wood. The story is about the antics and habits of a truly spirited American

pioneer.

A Breath of Spring (By Zoe-Ann Ayers)

A come-in card prompted a visit to the DO by a wee sprightly woman. She threw her arms around me, told me how good it was to see me and then whispered, "Aren't you gaining a bit of weight?" She was right, darn it.

Alice Wood is, at age 72, the most alive

and self-reliant person I know.

I first met Alice when she and her husband, Bill, came into the office on a SSI

problem. His first words were, "Make her stay off the roof." Needless to say, I wasn't sure what was happening, or what wall they were coming off. It turned out that she had been on the roof, putting up metal flashing so the snow would not back up and cause ice damage. His concern was that she would hurt herself, hers was that "it had to be done, and he isn't steady enough." Their concern for one another evolved over 53 years of marriage.

In the course of the conversation, it developed that they cut all their own wood for heating the house—well over 11 cords annually. (For the uninitiated, a cord of wood is 4 feet by 4 feet by 8 feet, which is a considerable amount, especially when the couple involved were 70 and 77 at the time.)

I next saw Alice a year or so later, after Bill had died. She came into the DO for an SSI redetermination. (Alice receives SSI since her Social Security benefit of \$209.10 is low enough to make her eligible. She worked at a crate factory in Hesperia for 20 years. Bill had worked at Teledyne Motors in Muskegon but retired before the company instituted a pension plan.) Before leaving the office she said, "Come see me, anytime. I would love to have you." I soon took her up on her invitation.

You can readily spot Alice's farm—the one with a U.S. flag flying every day. The flagpole is made of two pieces of pipe joined together, and it has a wee tilt to it.

Her homestead is on 85 acres, containing both timber and open sandy areas. The house, when purchased 42 years ago, was in need of a roof, windows and walls, which she and Bill installed themselves. It is a small home, modern in that it has electricity and indoor plumbing. And it is filled with wall-to-wall plants, cats, dogs, and love. I was greeted with a big hug, her three dogs barking wildly, coffee and homemade apple pie (which, of course, I was too polite to refuse).

The furniture is basic yard sale and auction purchases that, with her daughter's help, have been stripped and reworked. (Alice's daughter and three grandchildren live 30 miles away, and she talks to them daily by phone.) Her davenport and chairs have been refinished and upholstered after installing springs from old car seats. She has a gun cabinet that emerged as beautiful white oak after the dirt and old paint were removed. It didn't have a door, so Alice took an old storm door apart and cut it down to fit. It is a fine piece of craftsmanship.

Outside, I looked at the woodpile that she was working on for next year. Her basement is half full of wood, and the pile outside must be 4 feet high and 12 by 16 feet square. I lifted, or attempted to, a piece of oak that had been hauled in the day before, and it weighed around 40-50 pounds. (I failed to mention that Alice is 5 feet tall and weighs about 90 pounds.) She cuts wood with a chain saw, which she handles like a professional.

Alice gardens and cans most of her food. I was taken on a tour of her garden, where she is talking of putting in asparagus—8½ acres worth, more or less. This sounded like a lot of work to me, but she said, "I always like working outside. Guess you can tell by the way my house looks."

She is given venison if some of the family "gets their deer," and friends bring her fish. When she receives an occasional lake trout, she puts it up in half-pint jars for an imitation oyster stew. "I can't afford oysters, but you can't tell the difference." A gun rests in a rack over the table. "I love squirrel. In

fact, that gun is always loaded so if I spot one, well...." She asked if I hunted, which I do, and she gave me the highest compliment a farmer can give—permission to hunt on her property. When I departed that day, she insisted I take along canned vension, chicken and frozen sucker.

Alice inquired if I liked wine, and when I answered in the affirmative, she reached behind a cabinet and brought out a bottle of dandelion wine, homemade from "an old recipe my relatives brought over from France." I also sampled the grape wine her daughter made and marveled at the life she leads, what with dining on venison, fish, fresh vegetables, wine, and apple pie and enjoying good friends and good health.

I wonder if this is the stereotype you have of SSI recipients? I know that my ideas have been changed.

IL PROGRESSO 100TH ANNIVERSARY CELEBRATION

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. GUARINI. Mr. Speaker, Il Progresso, the leading Italian language newspaper in America, marks its 100th anniversary today with the printing of a special 100 page issue. This commemorative edition marks a century of the highest quality service

to the Italo-American community.

From its initial start in 1880 serving the growing community of Italian immigrants Il Progresso has grown to a national readership of 200,000. In 1928 this fine paper took a dynamic turn when it was purchased by Generoso Pope. Generoso Pope and his son Fortune Pope were responsible for publishing Il Progresso for the next 52 years, a period which saw the newspaper's influence grow in responsibility and the shaping of events.

During this period Il Progresso worked hard to extend the understanding between Italy and America. It worked to break down the barriers of discrimination, and Il Progresso helped foster an identity of the community. During this period Italian Americans became prouder of their heritage.

Today Il Progresso continues to change with the times. Under its new publisher, I. P. Publications, and its excellent general manager and managing director, Carlo Scarsini and its editor, Andrea Mantineo, Il Progresso is shaping new plans for moving ahead during its second 100 years.

Mr. Speaker, I want to make all Americans aware of the service rendered by this outstanding newspaper. To Il Progresso: You have given your best for 100 years, my best goes to you for another 100 years of service.

Thank you Mr. Speaker.

VIEWPOINT ON PRESIDENT'S ECONOMIC RECOVERY PRO-GRAM

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. BONKER. Mr. Speaker, when Congress took up the President's economic recovery program, many of us were subjected to a rash of calls and letters from inside and outside our congressional districts to support the the GOP bill.

Taking stock of constituent views on important issues is basic to holding public office in a democracy, but assessing those views can prove to be a difficult and illusive matter. Ultimately, we must vote in a manner that is consistent with our judgment of what is right for our district and the Nation as a whole. As an author and a historian, John F. Kennedy wrote extensively about the subject. In his book, "Profiles in Courage," the former President selected Congressmen who took courageous but unpopular positions which led to their political demise only to be reversed later on.

A thoughtful constituent in a letter to the Daily Olympian, commented on my recent vote against the President's tax bill. Because he expressed a viewpoint that many of us share, I am asking that it be inserted at this point in the Congressional Record.

[From the Daily Olympian, Aug. 10, 1981] He Has Praise For Congressman Bonker's Vote On Tax Cut

Editor, the Olympian: I would like to congratulate congressman Don Bonker for recently voting against the president's tax proposal. His decision, despite numerous constituent requests to the contrary, shows extreme political courage.

Bonker, by voting against the apparent will of his constituents, was actually performing his congressional duties in a proper and rational manner. The average constituent does not have the technical expertise required to make specific recommendations on complicated tax proposals. That is why we vote for a congressman—to make the difficult and technical decisions on a myriad of complicated bills before congress.

It appears that the president is attempting to circumvent the power and authority of congress by luring the average American to support him on a specific, complicated piece of legislation. We elected Bonker to represent us and we must trust him to make the proper decision. I believe that Bonker, along with myself, feels that the president's tax cut proposal will not create the positive economic climate that he envisions. The people are only responding to a simplistic, unproven and sugar-coated tax proposal that could further endanger our fragile economy.

What frightens me is that the public, along with Congress, is being lured into a false, overinflated sense of optimism over such an unsound financial tax cut proposal. In the past we have had deficit budgets

because of an overzealous commitment toward social programs. Now the Reagan

economic proposal involves continual federal deficits because of an extreme commitment to defense spending; and to intensify the deficit, the president is suggesting a significant tax cut proposal without substantial incentives for Americans to save and/or invest.

We need lower taxes, but we also need a balanced budget. The Reagan economic plan will insure continual deficit spending by the federal government, and I believe it is for this reason Bonker voted against the President's proposal.

I have voted for a congressman to support and represent me in Congress and to analyze any proposal from the President. I know that many people were swept up by the persuasive charm of the president's tax cut proposal. I am glad that Bonker does not vote on pure emotion, but rather on sound, rational judgment. I believe that Bonker was truly listening to the concerns of all his constituents.

DENNIS MICHAELS,
Olympia.

LEGISLATION TO ALLOW SUIT FOR WILDCAT STRIKE

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. HARTNETT. Mr. Speaker, today I am introducing legislation that would correct a blatant legal inequity derived from previous congressional action. This same legislation has also been sponsored in the Senate by the distinguished senior Senator from South Carolina, Senator STROM THURMOND.

Recently the U.S. Supreme Court—under section 301(b) of the Labor Management Relations Act—ruled that an employee may not sue his employees for damages arising out of an intentional breach of a collective bargaining agreement by those employees. In other words, when individual employees participate in a wildcat strike in contravention of a no-strike clause contained in a valid contract, they cannot be sued for damages due to their breach of that contract.

The Court stated that section 301(b) of the Labor Management Relations Act, as passed by Congress, only allows suits against the union itself for contract violations, and the union cannot be held accountable for the damages incurred because of a wildcat strike unless the union authorizes or supports the strike. The Court's interpretation was clearly based on what is perceived as the clear intent of Congress.

The result of this law is that an employee may sue the employer for breach of the contract, but the employer may not sue an individual worker for a union-sponsored breach of contract, nor may the employer sue the union members for breaches that the union has not condoned

The bill which I am introducing will correct this inequity in the current

law by allowing a suit for money damages to be brought against individual officers and members of a labor organization when those individuals, acting in a nonunion capacity and not in behalf of a labor organization, violate a no-strike clause in a collective-bargaining agreement.

There is a definite need to have illegal wildcat strikers made responsible for the consequences of their actions. All other individuals face the possibility of personal liability for damanges caused by their intentional acts. Why should individual union employees be exempt from bearing the responsibilities of their actions? Chief Justice Burger in his dissent opinion on this same Supreme Court decision questioned whether Congress intended to authorize this exemption. Justice Burger stated:

It seems to me that, by now, the American labor movement has matured sufficiently so that neither unions nor their members need this kind of paternalistic protection for admittedly illegal acts—a protection contrary to fundamental, centuries-old concepts of individual accountability. The stability of unions and the harmony of industrial relations will be enhanced, not impaired, by applying to union members the same standards of accountability that govern all other individuals in society * * * I submit that if union members understand that where they breach a contract without the approval of their union, individual liability will follow, we will very likely see fewer unauthorized strikes, for union authority will be enhanced and greater industrial harmony will likely result.

I agree with Chief Justice Burger's comments, and urge my colleagues to carefully review this legal injustice.

SOVIETS UNDERCUT PEACE IN LEBANON

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. KEMP. Mr. Speaker, when we adjourned for recess last month, violence in southern Lebanon was held in check under a shaky ceasefire agreement. Today, that agreement is still in effect, but I fear it is in danger. For there has been no recess in the concerted covert efforts of the Soviet Union to arm terrorist elements in Lebanon for a resurgence and continuation of the violence our diplomatic efforts have sought to defuse.

The following article by nationally syndicated columnist Jack Anderson intelligently documents some of the arms traffic and contacts between the Soviets and the PLO. It is a fresh reminder of the extensive involvement of the Soviet Union in all facets of international terrorism, and of the Soviets' interest in promoting instability and turmoil in the Middle East. And it

is a clear warning that a just resolution of the crisis in Lebanon will never be achieved until Soviet backed foreign elements are forced to withdraw from Lebanon, and to restore to the Lebanese people the sovereign rights and peaceful life they have so long and so wrongfully been denied.

SOVIETS FEEDING WEAPONS TO LEBANON PLO

(By Jack Anderson)

The Kremlin is too busy with its problems in Afghanistan and Poland to risk meddling directly in Lebanon, but intelligence sources have compiled evidence that the Russians have been quietly doing what they can to undermine the fragile ceasefire arranged last July by the special American envoy Philip Habib.

If the Soviets can't ensure victory in southern Lebanon by their client, the Palestine Liberation Organization, they at least intend to see that the PLO is strong enough to hold its own if and when the bitter factional fighting resumes in Lebanon—as most experts gloomily predict it will eventually. So the Russians are approving—if not encouraging—shipments of Soviet arms to the PLO by their Arab allies.

Here's what's been happening since the

ceasefire took effect on July 24:

At least five transport planes originating in Libya have flown to Damascus, Syria, carrying some 40 tons of arms and ammunition. Intelligence sources believe the Syrians then delivered the Soviet-made munitions to the Palestinians in southern Lebanon

In early August, a freighter loaded with arms sailed from Tripoli directly to an undisclosed port in southern Lebanon. A number of ports in the area are believed to

be under the PLO's control.

In the past few weeks, five transport planes carrying munitions flew from South Yemen to Damascus. The weapons were believed to be destined for the PLO in Lebanon.

The shipment of arms to Palestinian forces in southern Lebanon has been made possible by the presence of PLO units in the South Lebanon areas nominally under control of the United Nations Interim Force in Lebanon (UNIFIL). At a recent closed-door briefing for Congress, representatives of the Israeli Defense Forces estimated that there are more than 600 Palestinians operating in the UNIFIL area. One State Dept. official put the figure at more than 1,000.

While there is no solid evidence that the Soviets are actively encouraging their Arab clients to rearm the PLO in southern Lebanon, one State Dept. analyst told my associate Lucette Lagnado that "they are not doing anything to stop the shipments," as

they easily could.

The Soviets seem determined to strengthen their ties to the PLO. The organization's leader, Yasir Arafat, is expected to travel to Moscow again soon. The PLO's "Voice of Palestine" radio recently claimed that the Russians were on the verge of granting the Palestinians full diplomatic status, with their own mission in Moscow. State Dept. officials are not sure the Kremlin will go that far yet, but do believe the Soviets will grant the PLO diplomatic recognition soon.

Meanwhile, the U.S. has resumed arms shipments to Israel, which is, of course, the mainstay of the anti-PLO forces in southern Lebanon. One purpose, apparently, is to let the PLO and other Arab friends of the Soviet Union know that no matter how strong their Russian arms make them feel, they should not delude themselves into

thinking they can break the truce with impunity.

The Reagan administration is determined to make its hard-won ceasefire work. One way to do this would be to strengthen the 6,000-man UN peacekeeping force that has been in Lebanon since 1978.

The shaky situation in southern Lebanon is sure to be high on the agenda when Israeli Prime Minister Menachem Begin arrives in Washington tomorrow for talks with high U.S. officials.

COMPUTER SCIENTISTS PETI-TION SOVIET UNION FOR RE-VERSAL OF BRAILOVSKY VER-DICT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

 Mr. SOLARZ. Mr. Speaker, I would like to call to the attention of my colleagues action that was taken by the Committee of Concerned Scientists, Inc., to pressure the Soviet Union to release Dr. Viktor Brailovsky.

Dr. Brailovsky, a leader of the emigration movement and cofounder of the Moscow Sunday Scientific Seminar was charged with "defaming the Soviet state" and was sentenced to a 5year sentence of internal exile. During the IEEE Computer Conference on Pattern Recognition and Image Processing in Texas this August, some 40 scientists drafted a petition calling for Brailovsky's sentence to be changed from internal to external exile. They appealed to Academician A. P. Aleksandrov, president of the Soviet Academy of Sciences to reverse the Brailovsky verdict.

These concerned scientists hope that their petition protest will influence the Soviets to change Brailovsky's sentence. Dr. Brailovsky, an outstanding cyberneticist, has made tremendous contributions to the computer sciences. A reversal of Brailovsky's verdict would be appreciated by men and women of free will around the world.

I sincerely hope that my fellow colleagues will join me in condemning the Soviet treatment of Dr. Brailovsky and in supporting this effort and others to protect human rights and to advance the cause of science.

Mr. Speaker, I ask that the text of the petition drafted by the Committee of Concerned Scientists, Inc., be reprinted in today's Record.

Activities at the conference were reported to the Committee of Concerned Scientists, an independent organization representing 4,000 American scientists dedicated to the advancement of human rights and scientific freedom of their colleagues throughout the world.

TEXT OF PETITION

Academician A. P. Aleksandrov, President, Academy of Sciences of the U.S.S.R., Leninsky Prospekt 14, Moscow B-71, RSFSR, U.S.S.R.

We the undersigned participants in the IEEE Computer Society Conference on Pattern Recognition and Image Processing, meeting in Dallas, Texas, August 3-5, are deeply dismayed that our esteemed colleague Viktor Brailovsky has been sentenced to five years internal exile. For seeking to exercise his legal right to emigrate, for advocating the right of his fellow Jews "to choose one's country of residence," and for leading the Moscow Sunday Scientific Seminar to overcome the professional isolation imposed on colleagues excluded from official science, Dr. Brailovsky has been adjudged guilty of defaming the Soviet state.

We understand that none of Dr. Brailovsky's activities violated Soviet law. He is being punished for upholding the right to emigrate and for implementing the "free flow of ideas," endorsed by your Government in a succession of international agreements.

Accordingly, we ask that you intervene with the authorities to release Dr. Brailovsky, whose frail health will be further endangered by the rigors of internal exile. Humanitarian considerations dictate that his sentence be changed from internal exile to external exile. Such action will earn the respect of scores of American scientists.

TWO HUNDRED PEACEFUL, FRIENDSHIP

YEARS OF UNBROKEN

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. VANDER JAGT. Mr. Speaker. on September 3, 1609, Henry Hudson, sailing in the Half Moon up the Hudson River almost to what is today known as Albany, N.Y., initiated, unofficially and coincidentally, a thriving, prosperous alliance between the Netherlands and the United States. In 1776. the Netherlands became the first nation to salute and officially recognize the flag of a fledgling new nation, the United States of America. Just 6 years later, the second President of the United States, John Adams, signed the Treaty of Amity and Commerce with the Netherlands, thus beginning officially an international relationship between our two countries which flourishes even today.

During 1982, the United States and the Netherlands will celebrate 200 years of peaceful and unbroken alliance. In countless ways, the Netherlands has contributed to the social, cultural, and economic climate of the United States. During the two decades following the American Revolution, 60 Dutch Americans served in the U.S. Congress. Presidents Martin Van Buren, our 8th President; Theodore Roosevelt, our 26th President; and Franklin D. Roosevelt, our 32d Presidents.

dent, can trace their family lineage to Dutch families.

To further the celebration of 200 years of peaceful relations, I am introducing a resolution authorizing the striking of commemorative medals. The striking of the bicentennial anniversary medals will accompany a commemorative stamp, to be offered by both Governments, as well as cultural events throughout the coming year.

TOUGH MINDEDNESS, PLEASE
*** ANSWER TO A LIBERAL RIDDLE

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

Mr. BROYHILL. Mr. Speaker, one of my constituents, Howard Sitler of Taylorsville, N.C., recently shared with me a column, "Tough Mindedness, Please * * * Answer to a Liberal Riddle." Mr. Sitler said the editorial was the best he ever expected to see in the Charlotte Observer. I quite agree, although the author, publisher Rolfe Neill, has written a number of editorial columns of equal intelligence and common sense.

Under leave to extend my remarks, I commend the reading of this masterpiece to my colleagues, and I am pleased to reprint it.

Tough Mindedness, Please * * * Answer to

A LIBERAL RIDDLE (By Rolfe Neill)

You have to be tough to care. Nobody has a corner on compassion, especially those

Can America absorb these thoughts? Act on them? Will the press at last become an instrument of enlarged understanding?

This Sabbath morning no one can answer with certainty. All you can say for sure is that we are a divided nation. Those fed up with 50 years of budget folly are eager to begin correction. The other side, by label called liberal, says Reagonomics is the true

Liberals claim the high ground of morality and concern for the less fortunate. Any person insisting his government spend no more than it takes in is written off as uncar-

Caring folks are to be found everywhere, irrespective of politics. But caring people known as conservative have the rougher time in our society. Theirs is not a defect of philosophy. The logic of sound budgets is unassailable, but for any detractors we have a half century of malpractice by which to refute them.

PRESS IS LIBERAL

So if the message of caring conservatives is not at fault, what is the difficulty? A substantial problem lies with the method of transmission. These people depend on the newspapers, magazines and TV/radio to make their voices heard. But the majority of the working press has a liberal cant.

Bias shows in small ways such as frequent ly referring to Sen. Jesse Helms as "ultra-conservative." The same writers would never refer to Sen. Teddy Kennedy as "ultra-liberal." What's needed in this instance is to drop any characterization, report the action and let the reader apply his own label.

More fundamentally, the working press does not understand numbers very well. There is nothing sexy in them. Arithmetic was harder for us in school than English. So, the press does a poor job of explaining economic stories. Yet, today nearly every story is economic.

There is not any way we could have gotten into our budgetary morass or Social Security maelstrom if the press were writing lucidly about these subjects over the years. We have failed in communication.

ANGRY READERS

The angriest letters I get concern my periodic suggestions to set Social Security straight. The writers are beneficiaries who feel an entitlement. They misunderstand the system that provides for them. They are ignorant of the consequences of continuing our present course. They believe they are getting back what they paid in.

Their outrage should be directed at two

groups

Their politicians who have flimflammed them for decades saying there is a free lunch

Their press which has inadequately reported the consequences of their politicians' actions.

There are legitimate philosophical differences over the role of government. But obfuscation occurs when the quarrel centers over who is the more compassionate. Nobody can be compassionate when the cupboard is bare. Every temple, church and social agency will tell you that in the end charity is limited by the bank account.

ASK ANY PARENT

Tough mindedness is a key ingredient of caring. Ask any parent who ever disciplined a child. Or any spouse who dealt with an alcoholic or other problem of abuse. To care properly for someone requires more than indulgence. Discipline is essential.

Every compassionate government program is threatened today by accumulated excesses of fiscal profligacy. There is no wayrepeat no way-that we can get right in a hurry. Too much must be done. So reacquiring balance will demand a much longer term view than today's American has been taught to consider.

The demands on us, if we wish to retain a government that some day can expand the horizons of the disadvantaged, will not be popular. The demands are self-denial, living on a smaller scale, putting off acquisitions and receiving less from Uncle Sam.

In other words, you have to be tough to

GAS DEREGULATION NOT IN PUBLIC INTEREST

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. DINGELL. Mr. Speaker, at a time when the administration is trying to control inflation by slashing the budgets of important social programs, giving tax breaks to the wealthy and reducing the size of bureaucracy, it is apparently considering a proposal to immediately deregulate natural gas,

which according to the President's own Council of Economic Advisers would give gas producers a windfall of some \$40 billion in profits. Not only would immediate deregulation of natural gas cause substantial sacrifice by consumers who are already hard pressed by higher energy costs, but it would be downright inflationary.

Decontrol of natural gas in 1981 or 1982 is wrong. The existing law, the Natural Gas Policy Act, gradually decontrols natural gas prices each year until 1985. This phased procedure is correct, especially when the alternative of immediate deregulation of natural gas would increase prices to all gas consumers by as much as 50 to 100 percent of the current price.

Carefully phrased proof that immediate deregulation of natural gas is not in the public interest is found in an article which appeared in the August 5 issue of the Washington Star, which I insert into the Congressional Record. GAS DEREGULATION NOT IN PUBLIC INTEREST

(By Paul E. Reichardt)

national debate continues whether producer prices for most or all of the nation's supplies of natural gas should be quickly deregulated. A critically important factor seems to have been ignored by those who argue philosophically in favor of immediate, complete decontrol of natural gas wellhead prices. To consider that missing aspect of the controversy, two questions must be answered: what is really in the best interest of the country's gas consumers, and what federal actions are needed to accomplish that objective?

A fundamental principle of utility rate regulation for decades provides an answer for the first question. The public interest is best served by having adequate supplies of energy available for consumers at the lowest price that will allow replacement of those supplies at a pace sufficient to meet users'

The answer to the second question is even clearer. The Natural Gas Policy Act passed by the Congress nearly three years ago has worked well in protecting the public interest. Under its provisions, more gas is available now to markets such as the Washington area, and the dramatically increased rate of exploration for new gas supplies promises growing future additions to the nation's natural gas supply base. Neither congressional nor administrative action is needed to improve on the current outlook for adequate gas supplies at prices which, while higher than in past years, are still lower than the cost of alternative fuels.

Those who propose to change completely the results of 18 months of careful congressional consideration that led up to the enactment of the 1978 law put forth several arguments to support their viewpoint.

One such justification is the claim that immediate gas price deregulation would result in greatly increased drilling, and thus

greater gas supplies.

The fact is, though, that drilling and production activities for both oil and gas are now proceeding as fast as possible, with every available drilling crew and rig being pressed into service. Last year, more gas wells were completed than in any previous year, and if the pace of the first part of 1981 holds up for the entire year, new records should be set for both gas and oil wells this

Another rationale of total deregulation advocates is that if the gradual price decon-trol provisions of the Natural Gas Policy Act are allowed to remain unchanged until controls on roughly half of the nation's gas supplies are removed by 1985, the difference between gas and alternate fuel prices at that time will be so great that a sudden price "spike" will burden consumers with an even greater overnight increase in their gas bills than deregulation now would cause.

This argument assumes that gas shortages will exist in 1985, with buyers bidding up the prices for newly-deregulated gas supplies and that prices of such competing energy sources as fuel oil and electric power will continue to rise sharply between now and 1985. Neither assumption is supported by recent developments in the worldwide and domestic energy markets.

Complete deregulation of all old and new gas prices now would impose substantialand quite probably unnecessary-economic burdens on all gas consumers, particularly those with low or fixed incomes. Under total deregulation, home gas bills could rise by anywhere from 50 to 100 percent, and no gas distribution company wants that any more than its customers do.

SUPPORT GROWS FOR ENTER-ZONES AS STATES PRISE ENACT THEIR OWN BILLS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. KEMP. Mr. Speaker, in the 3 months since Representative Bob GARCIA and I reintroduced the Urban Jobs and Enterprise Zone Act, we have seen interest in and support for our legislation grow quickly. The bill now has 75 cosponsors, from both parties. The administration has reaffirmed its commitment to the enactment of enterprise zone legislation in this Congress. And, perhaps most gratifying of all, several States have enacted enterprise zone bills of their own.

The Buffalo Courier-Express, in an editorial published August 4, reviewed the progress of State enterprise zone legislation and urged Congress to move forward quickly to enact a national bill. I commend their informative editorial to the attention of all my colleagues

The article follows:

THE "EZ" WAY

The urban "enterprise zone" conceptfor short-has caught on so quickly that localities across the country are jumping the gun on pending federal legislation and passing "EZ" bills of their own.

Enterprise Zones are not an American innovation. The idea of stimulating economic renewal in depressed urban areas by encouraging local entrepreneurs through tax and regulatory relief was unveiled before the British Parliament in 1978 by Sir Geoffrey Howe, now Chancellor of the Exchequer in Margaret Thatcher's Conservative government. It was transported to the United States the next year by Dr. Stuart M

Butler, an economist and urban policy specialist for the Heritage Foundation. Several implementing bills were introduced in Congress, notably one sponsored by Rep. Jack Kemp, a conservative Republican from Hamburg, and Rep. Robert Garcia, a liberal Democrat from the South Bronx.

The British Parliament created 11 experimental EZ's last November, but Dr. Butler says Sir Geoffrey's vision of "mini-Hong Kongs with bustling small businesses and innovative entrepreneurs" in decaying central cities has somehow gone awry. Several of the sites chosen are in sparsely settled outskirts of cities; one of them on an old industrial park seven miles from the nearest town. Dr. Butler says civil service bureaucrats diluted the daring of the original proposal and the zones threaten to become tax havens for existing businesses, shifting jobs

around but not creating them.
Dr. Butler supports Kemp-Garcia, which says has been fashioned to avoid the British pitfalls. The bill also is supported by President Reagan, President Vernon Jordan of the National Urban League, the NAACP, the National Urban Coalition, and many other urban and business groups. However, it is opposed by the AFL-CIO leadership which attacks the basic concept as aiding "profitable firms" rather than targeting aid more precisely to the poor.

Meanwhile, EZ devotees-impatient to get started and dubious over having their programs controlled from Washington—are pressing ahead at the local level. Eight states already have adopted EZ bills or neighborhood assistance programs with similar business incentives, according to the American Legislative Exchange Council. Connecticut's law offers not only tax incentives and regulatory relief, but \$1,000 grants for each new job created. Florida's benefits include credits against corporate income tax equal to 25 percent of an employe's wages, and a 100 percent 10-year credit for company school taxes. Illinois suspended all zoning and building code requirements, rent controls and licensing rules for companies locating in EZs-and tacked on a \$1,000 state income tax exemption and a break on sales taxes. (An earlier draft would have dropped minimum wage rules and added a right-to-work clause, but these were deleted under pressure from organized labor.) Other states with EZ laws are Delaware, Indiana,

Maryland, Oregon and Pennsylvania.

We support the Enterprise Zone concept and have urged passage of Kemp-Garcia this year to get on with the business of stimdepressed city neighborhoods through the private sector. It would appear, however, that EZs are here to stay no matter what happens in Washington, D.C. And that is encouraging.

INADEQUATE RESERVE FOR RE-PAIRS IN CO-OP AND CONDO-MINIUM CONVERSION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. ROSENTHAL. Mr. Speaker, I want to call to the attention of my colleagues an article which appeared in New York Magazine dated September 1981. This article addresses the problems resulting from the purchase of condominium or cooperative apartments where the converter provides an inadequate reserve fund for repairs. In the ongoing investigation conducted by the Subcommittee on Commerce. Consumer and Monetary Affairs, which I chair, this problem has been noted repeatedly, especially in the conversion of older buildings from rental to co-op or condo status. Very few States require adequate disclosure of the condition of buildings being converted. New York has one of the best laws, but problems still persist.

The article follows:

Repairs Rack Co-Ops With Inadequate NEST EGGS

Some New York Co-Op owners who were lured into buying by attractively low prices aren't feeling so euphoric these days.

The problem: So-called reserve funds, the building accounts that are supposed to pay for major repairs, are coming up short, leaving apartment owners holding big bills.

"There are several buildings in difficulty." said real-estate lawyer Martin Stamler.

In one Riverside Drive co-op, for example, the \$100,000 reserve fund fell short of paying to repair the leaking roof, and apartment owners were assessed up to \$4,000 each.

Stamler said residents of another Upper West Side co-op are so far in debt from replacing the building's roof, boiler, and plumbing that they are considering having the co-op file for voluntary bankruptcy.

"If they can do that before their creditors foreclose, they can avoid losing their building," Stamler said. He wouldn't identify the

Most of the buildings in trouble were left with low reserve funds by co-op sponsors who tried to keep down the prices of apartments they were selling.

Though the number of shaky co-ops is small, experts said it's likely to increase.

Landlords of many smaller, dilapidated buildings are said to be trying to push through co-op conversion plans, rather than refinance mortgages under the high interest rates prevailing today.

"Many of these buildings have ridiculously low reserve funds," said Robert Dryfoos. an Upper East Side councilman.

Dryfoos is co-sponsoring city legislation that, among other things, would set a minimum size for reserve funds in buildings going co-op. The proposed minimum: 3 percent of the total selling price of all the apartments in the building.

RESERVES ON INSTITUTION MONEY FUNDS WOULD HURT BANK TRUST DEPARTMENTS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. VENTO. Mr. Speaker, as a member of the House Banking Committee, I have followed very closely the recent efforts of the banking and thrift industries, both here in Washington and in numerous State legislatures, to place restrictions on money market mutual funds.

I would like to take this opportunity to point out to my colleagues that one particular class of money market so-called institutional funds. the provides an important and funds highly beneficial service to thousands of bank trust departments across the country. These institutional funds invest the trust assets held by those trust departments at a lower cost and greater efficiency than if the trust departments were to make their own investment decisions.

A fellow Minnesotan and former Director of the Savings Bond Division of the U.S. Treasury, Glen R. Johnson, is the president of a number of institutional funds in the federated group. Mr. Johnson recently submitted a statement to the Senate Banking Committee in which he explained the importance of the function performed by the institutional money market funds in greater detail. His statement was reprinted in the American Banker, and I recommend it to my colleagues.

The statement follows:

[From the American Banker, May 26, 1981] RESERVES ON INSTITUTION MONEY FUNDS WOULD HURT BANK TRUST DEPARTMENTS

(A top executive of the Federated Group of mutual funds says imposing reserve requirements on institutional money market funds would have an adverse impact on the trust departments that use them. Glen R. Johnson, president of several of the money funds, told Congress recently that the public would suffer from what he called unnecessary Federal regulation. He submitted the following statement to the Senate Banking, Housing and Urban Affairs Committee, which is holding hearings on the money funds.)

Federated currently has 14 MMF's in all, with total assets of approximately \$14 bil-

Over 75 percent of our assets are institutional funds, specifically designed to serve bank trust departments and other institutional investors.

I want to begin my remarks by telling you about a program that we at Federated, in cooperation with the Investment Company Institute and the Independent Bankers Association of America, pioneered to invest our funds' assets in the financial institutions of the cities and towns of America. Charges have circulated widely that money market funds invest only in the top 100 banks—thus concentrate assets in a few financial centers. This could leave little capital for banks in smaller cities and towns where productive, basic economic activity must take place.

We resolved to do something about this. Under Federal regulations which reward creativity and efficiency, we designed a purchase plan for \$100,000 certificates of deposit—those of small- and medium-size banks—that responds to the capital requirements of these financial institutions. So far we have concluded agreements with four banks in various parts of the country to act as coordinating agents to facilitate these purchases.

This program has been very successful. To date, we have placed almost \$70 million in 150 small- and medium-sized banks in this country. These results represent important first steps in this program. We have worked long and hard with banks in many states which are interested in this program.

Very briefly, the program works as follows:

First, our MMF's determine the total size of their desired investment and notify the coordinating agent. Interest rates are matched to the Federal Reserve composite for 90-day certificates of deposit. The coordinating agent canvasses smaller banks in its state which may wish to issue certificates of deposit with the required characteristics. The coordinating agent then provides us with a list of participating issuing banks. The issuing banks mail their certificates of deposit to a designated custodian bank (usually the coordinating agent), which notifies us of their receipt and of the total amount of money to be deposited by us on the settlement day. On the settlement day, the MMF's wire the money to the custodian, which debits the funds' accounts and credits the accounts of the issuing banks. At maturity the custodian credits the MMF's accounts with principal and interest, debits the accounts of the issuing banks, marks the CDs paid and returns them to the issuing

Since the FDIC deposit insurance ceiling is \$100,000 each of our MMFs can purchase only one such CD from each issuing bank at any one time. However, 10 of our MMFs currently can purchase these small bank CDs, so that we can invest up to \$1 million in each institution.

The Independent State Bank of Minnesota, the first banker's bank of its kind, working closely with other banks, will be coordinating offerings for us in additional states in the very near future. Negotiations are also continuing with a number of other prospective coordinating agent banks.

Several other MMFs have begun similar programs of their own. Still more will be amending their prospectuses in the near future to permit such purchases. This program, as it expands and as industry participation increases, will greatly assist smaller financial institutions in meeting demands for housing, small business and agricultural loans.

Incidentally, Federated MMFs are among the largest investors in short-term issues of the Federal Farm Credit Banks and also invest heavily in Federal Home Loan Banks discount notes.

I want to conclude my presentation with a few comments about proposals for more Federal regulation of money market funds especially our institutional funds. These views are generally representative of the view of other institutional funds.

We oppose additional Federal regulation of our funds. Our unique role in facilitating investments by bank trust departments is of significant value to these trust departments. We operate efficiently and effectively. We enable our clients, especially those very many small trust departments throughout this country, to earn a fair return that keeps pace with inflation.

I would like to describe briefly how our institutional funds operate. I think it will become clear then why restrictions on return or reserve requirements would be counterproductive and unnecessary.

The portfolios of our institutional funds are limited to the types of instruments in which trust departments themselves may invest under fiduciary law. For example, Money Market Trust confines its portfolio to certificates of deposits of banks. The Trust for Short-Term Government Securities limits its portfolio to U.S. Government securities. The Trust for U.S. Treasury Obligations invests only in direct obligations of

the United States, and Federated Master Trust limits its portfolio to commercial paper and masternotes rated A-1 or P-1 by highly qualified rating services.

Our customers can choose an investment that suits their criteria for yield and safety. At the same time, they can invest trust cash in the chosen investment without regard to the size of the trust estate.

We provide our investors with professional management of their trust accounts. The cost is substantially lower than what they would pay to hire staff and purchase equipment needed to make investment decisions.

Our institutional investors move money into and out of our MMFs as required by changing conditions in the financial market-place. Bank trust officers in particular are under a fiduciary obligation with respect to the monies they control. Telephone redemptions by wire help us help them meet these obligations. In fact, we are now planning to place computer terminals at our client banks, so they may make on-line inquiries and place purchase and redemption orders from their own offices instantaneously.

Now consider what impact a reserve requirement imposed on our institutional funds will have on our bank trust clients. On top of legal and regulatory requirements, an additional burden would be imposed in the form of a reduced yield. Contrary to claims I have heard that reserve requirements on MMFs will help depository institutions, the simple fact is that reserve requirements on institutional funds will hurt by exacting a double penalty. In this day and age, I believe it is scandalous to promote government regulation, especially where we know in advance that regulation will create economic inefficiencies.

There is precedent for the special consideration which must be given to institutional funds. The Federal Reserve Board recognized the unique nature of institutional MMFs in the special credit restraint program, which it instituted in March 1980, under the Credit Control Act of 1969. The Federal Reserve Board's initial regulations required all MMFs to maintain a special deposit with the Federal Reserve equal to 15% of the increase in their total assets after March 15, 1980. However, funds managed by banks and trust companies for the collective investment of trust assets were exempted from such reserve requirements.

Shortly thereafter, Federated requested that the Federal Reserve Board amend its regulations to grant similar exemption for institutional MMFs because they are used almost exclusively by bank trust departments for investing trust cash incidental to the management of trust assets. On March 28, 1980, the Federal Reserve Board did amend the regulations-extending this exemption to the assets of MMFs representing shares held by banks and other fiduciaries investing funds that would be eligible for collective investment by a bank. change was enacted, in part, to allow small banks to use institutional MMFs in lieu of operating their own short-term investment funds and to avoid a double reserve requirement.

Let me stress, we don't depend on thirdparty checks for our success. Our major interest in government regulation is preserving the distinction between banks and investment companies. There are sound historical reasons for keeping these two very different businesses separate. These reasons are as important today as they were in the 1930s. Investment companies are fully regulated by the Securities and Exchange Commission. Many details of operation are completely prescribed by that commission. In addition, key information for investors must be divulged. It must be public knowledge.

We believe it is inappropriate to apply banking regulations to the securities and investment business, especially regulations such as reserve requirements. It is absolutely essential to a discussion of reserve requirements that you be always aware that investment companies, such as our money market mutual funds, do not create money through multiplier effect. We do not make loans. We do not offer checking accounts to the public. We have no desire to engage in the depository business

Federated has worked hard to develop reliable cash management systems which permit timely and economical investment of trust department cash at competitive yields. Restrictions on institutional MMFs such as ours would, by impeding our ability to provide important services to our client banks, burden a multitude of bank trust departments and their trust beneficiaries. The public would suffer again as a result of unnecessary Federal regulation. We oppose

such restrictions.

INDUSTRIAL REVENUE BONDS CAN BE THE MOST POWERFUL ECONOMIC DEVELOPMENT IN-CENTIVE TO STATE AND LOCAL GOVERNMENTS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. MOAKLEY. Mr. Speaker, recent reports by the press have highlighted the abuses which are occurring with industrial development bonds. While swift action is needed to curtail these abuses, we must use due care and caution to insure that benefits from the responsible use of IRB's continue.

Robert E. Patterson, executive director of the Massachusetts Industrial Finance Agency recently stated in economic development commentary that attention has not been paid to the critical role of IRB's in the growth of smaller companies and the redevelopment of many urban areas. Bob Patterson notes the special significance of this development in times of high and volatile interest rates.

I urge my colleagues to read Mr. Patterson's excellent article which not only explains the present debate, but outlines the progressive way in which Massachusetts has administered the program. The article and accompany-

ing tables follow.

INDUSTRIAL REVENUE BONDS-A COST-BENEFIT ASSESSMENT

(By Robert E. Patterson)

Industrial revenue bonds have been subjected to a lot of harsh criticism lately. Stories are told and retold about how IRBs finance fast food chains, regional shopping malls, even topless bars. Newspapers cite billions of dollars in federal tax revenues lost because of IRBs.

The media have paid little attention, however, to the critical role of IRBs in the growth of smaller companies and the redevelopment of many urban areas. This role has been especially important during the past two years of the highest and most volatile interest rates in the nation's history. By cushioning the inflation-induced shock of escalating interest rates on expanding smaller companies and real estate developments, IRBs have enabled these projects to

go forward.

Yet, because recent publicity has focused on foregone federal tax revenues and the sensational uses of IRBs for controversial commercial developments, Congress is now searching for ways to control IRBs. The House Ways and Means Subcommittee Oversight asked the Congressional Budget Office to prepare a report on IRBs, which was issued last April. The Subcommittee held hearings only two weeks later and has been considering a number of measures to limit the IRB program.

But before draconian restrictions are enacted, the IRB debate should be put in perspective. There is more to this issue than has been reported in articles with such catchy titles as "The Burger Bond" and "Topless and Tax Free."

INCREASING IRB VOLUME

An IRB is a tax-exempt bond issued by a state, county or local governmental authority to help private employers invest in fixed assets such as plant and equipment. Current federal law requires that the bond's proceeds be used for land or depreciable assets by a trade or business. Because of the bond's tax-exempt status, the lender, typically a bank, can lower the interest rate on the loan, usually to 60 to 75 percent of the prime lending rate.

No firm is eligible for IRB financing if its capital expenditures in the community exceed \$10 million for three years before and three years following issuance of the bond. This capital expenditure limit-originally set at \$5 million when it was adopted by Congress in 1968-was designed to focus IRBs, on smaller companies and projects.

It is true that the volume of IRBs nationwide has risen sharply in recent years. The doubling of IRB volume in a single yearfrom \$3.5 billion in 1978 to \$7.1 billion in 1979-is not at all surprising, What is surprising is that the volume did not increase even more, given the fact that in 1978 Congress (a) doubled the capital expenditure limit for eligible companies from \$5 million to \$10 million and (b) granted a special \$20 million limit for projects assisted with an Urban Development Action Grant.

Moreover, the increase in IRB volume must be considered against the inflationary pressures of recent years. The tremendous rise in interest rates, for example, has had its harshest effect on real estate develop-ment and highly leveraged smaller companies, which naturally turned in desperation to IRBs to finance their growth.

Furthermore, inflation has vastly reduced the window of eligibility for IRBs. In fact, although Congress raised the capital ex-penditure limit from \$5 million to \$10 mil-lion, today \$10 million will buy less plant and equipment than \$5 million did in 1968. For example, the widely advertised 1980 volume of \$8.4 billion is equivalent to only \$3.7 billion in constant 1968 dollars!

In large measure it is inflation, not overzealous state and local development officials, that is responsible for the nationwide increase in IRBs.

COST OF IRRS

Most newspaper accounts carried the Congressional Budget Office's projections of the cost of industrial revenue bonds to the federal government as \$2.9 billion to \$4.4 billion for fiscal year 1986. Overlooked in the media, although clearly noted in the CBO report, was another projection: if all IRBs were eliminated on July 1, 1981, the net revenue gain to the federal Treasury would be only \$.2 billion in 1982, rising slowly to \$.7 billion in 1986 (see Table 1).

The CBO report also stated a number of other important, although often overlooked, facts:

Despite fears that IRBs have substantially raised the cost of borrowing for state and local governments, in recent years the relative difference between tax-exempt and taxable interest rates has actually widened to 40 percent from the historic 30 percent.

TABLE 1.—REVENUE GAINS RESULTING FROM ELIMINATION OF SMALL ISSUE IRB'S

[In billions of dollars]

Fiscal year	Gross revenue gain ¹	Feedback ²	Net revenue gain	
1981	0.0 0.3 0.7 1.1 1.4 1.8	0.0 0.1 0.2 0.5 0.9	0.0 0.2 0.5 0.6 0.5	

¹ Effective July 1, 1981. Applies only to new issues after that date.
² Feedback — Federal revenue loss caused by decreased investment as a result of elimination of IRB's.

Source: Congressional Budget Office. Small Issue industrial Revenue Bonds Washington, D.C., 1981.

In other words, tax-exempt interest rates have not risen as rapidly as taxable rates in spite of the inflation of recent years. It is hard to believe, therefore, that IRBs have had a serious negative effect on state and municipal borrowing, particularly since the projects financed by IRBs add to state and local tax revenues.

IRBs are used overwhelmingly by smaller companies. The CBO reported that over 90 percent of all firms using IRBs in 1978 and 1979 were not listed on any national or regional stock exchange. These companies, therefore, depended on local lenders for their borrowed capital. For some 8,000 IRBs issued in those two years, the CBO noted that only 7 percent were for "Fortune 1000" firms.

In other words, the restriction adopted in 1968 to limit IRBs to smaller companies has done exactly that. In 1967, the average bond issue was \$7.8 million, leading to the 1968 reform. In 1980, the average IRB was \$1.3 million-one-sixth the size of the average 1967 bond, despite the doubling of prices during that period.

By the CBO's own estimate, if the law overning IRBs does not change in the next five years, IRBs issued in 1986 will create over \$4 billion of additional Gross National Product (see Table 2). This increased GNP will include \$2.2 billion in additional private wages and salaries-enough to employ 150,000 people at \$15,000 a year.

TABLE 2.— IRB-GENERATED INCREASES IN INVESTMENT, GNP. INCOME AND FEDERAL REVENUE

[In billions of dollars]

			ST VA	Taxable in	ncomes	
Year ¹	Investment	GNP	Wages and salaries	Nonwage income	Corporate profits	Federal revenues ²²
1981	0.02 0.23 0.69 1.24 1.75 1.78	0.03 0.38 1.21 2.36 3.61 4.28	0.02 0.19 0.62 1.21 1.84 2.20	0.00 0.07 0.23 0.43 0.65 0.77	0.00 0.04 0.11 0.22 0.34 0.40	0.0 0.0 0.2 0.5 0.8 1.1

¹ Calendar years ² Fiscal years.

If the 1986 cost of IRBs to the federal taxpayer, again by the CBO's estimates, is \$700 million, then the CBO's numbers make IRBs the federal government's cheapest employment-producing program, at less than \$5,000 per job.

Nor is the CBO report the only word on the cost of IRBs. A recent study by University of Chicago Business School economist Roger Kormendi, sponsored by the Massa-chusetts Industrial Finance Agency and the Small Business Foundation of America, concluded that the CBO's revenue loss estimates are six times greater than the actual

loss to the federal government.

Kormendi based his conclusions and his testimony before the Oversight Subcommit-tee on assumptions about the behavior of lenders that seem more realistic than those used by the CBO. Both the Treasury and CBO assume that if IRBs were eliminated, lenders would replace tax-exempt IRBs with taxable loans. But Kormendi reasoned that lenders would not substitute taxable income for tax-exempt income because the combination of inflation and high taxes would destroy their capital.

For example, a lender in the 50-percent tax bracket who earned 15-percent interest in 1980 paid half that interest to the federal government, for a net return (ignoring state and local taxes) of 7.5 percent. Since inflation in 1980 was 12.8 percent, however, the lender actually lost 5.3 percent of his cap-

To at least keep even with inflation, Kormendi noted, investors would continue to put their funds into investments that are taxed at lower marginal tax rates-equity, real estate or "collectables," for examplerather than into investments yielding taxable income. In reality, therefore, the Treasury loses little revenue when IRB volume increases since most IRB investors are drawn from alternate investments on which they would pay little or no income tax in any event

In addition, if IRBs were eliminated and borrowers forced to pay higher interest rates, then borrowers would have increased deductions for these higher interest costs. Thus, the federal government would be gaining more revenue because of increased taxes on lenders while simultaneously losing revenue because of increased deductions for borrowers' higher interest costs. Even the CBO admitted that such an effect is real but declined to estimate its impact.

The net effect of these adjustments, according to Kormendi, is a gross loss to the federal Treasury of about one-sixth the magnitude estimated by the CBO. When the CBO's own estimates of increased federal revenues from private investment stimulated by IRBs are added to Kormendi's estithe IRB program may actually produce revenue gains for the Treasury.

Although this result might seem surprising, it is hardly an outrageous idea. The same conclusion was reached in a 1980 study of IRBs by Dr. Norman Ture, then a private consultant and currently Under Secretary of the Treasury for Tax Policy.

THE CONTROVERSY

If the cost to the federal government is not the issue, what then is all the fuss about? The controversy reflects an aura of widespread abuse combined with the longstanding opposition of some Congressional and Treasury staff to tax-exempt bonds generally. Recent efforts to stamp out the tax-exemption have included the taxable bond option for all state and municipal bonds, and last year, the successful attempt to nearly eliminate mortgage revenue bonds for single-family housing.

This year's attack on industrial revenue bonds has been aided by ample publicity of a few sensational projects, such as a country club, one go-go bar and a few national retail chains such as McDonald's and K-Mart. Indeed, it is the lack of a true consensus on the appropriate use of industrial revenue bonds that has given the opponents of taxexempt bonds the opportunity to build a full head of steam which threatens to re-

strict or eliminate IRBs.

State and local development officials are often at odds over the appropriate use of IRBs. Most share a general view that small issue industrial revenue bonds should be used by smaller industrial enterprises financing plant and equipment to add jobs and increase employee efficiency. While the CBO report indicates that most IRBs, even in recent years, have in fact been used for this type of project, it also points out that there has been a recent increase in IRBs for commercial real estate development projects. It is these commercial projects that are

creating the trouble.

In many localities, IRBs are being used to finance regional shopping malls and other suburban real estate projects that pose difficult choices for established downtown merchants. Either they can remain downtown while retail traffic is being drawn to the new mall by a powerful anchor store (to whom the developer has in some cases literally given away the store), or they can follow their customers to the mall and pay dramatically increased rents. In most cases, merchants cannot stop these malls on the basis of zoning or other land use control laws, so the IRB provides a focus for attacking the mall.

In Massachusetts and many other states, this type of real estate development is not eligible for IRB assistance. Commercial properties in Massachusetts receive such assistance only if they will contribute to the revitalization of a distressed commercial center. Focusing commercial IRBs on city and town centers has become a very important link in the state's expressed policy of its downtowns. Massachusetts reviving adopted this Commercial Area Revitalization District program for commercial IRBs the executive and legislative because branches recognized in 1978 that such a use IRBs would reinforce an important public purpose for the state.

The public purpose for which IRBs of all types are issued is at the heart of the IRB controversy. State and local officials concerned with economic development, particularly urban development, simply must become more involved in determining the appropriate public purpose of IRBs, espe-

cially for commercial projects.

When one considers that the \$8.4 billion of IRBs issued in 1980 is exactly twice the FY82 proposed Community Development Block Grant appropriation (including the UDAG program), it becomes obvious that IRBs are too critical an incentive to be taken for granted. Appropriately targeted, IRBs can be a state's most powerful and flexible tool. Left untargeted, commercial IRBs threaten to destroy the entire pro-

POSSIBLE RESTRICTIONS

Without appropriate targeting, sooner or later the opponents of tax-exempt financing will succeed. Congress will eventually force states to target or will impose its own restrictions. No one federal definition of "distress" will satisfy everyone, but federally imposed limits are inevitable unless states prove themselves willing to tighten their public purpose requirements.

Particularly dangerous is the proposal to force states to better articulate public purpose by placing a dollar limitation on the IRBs a state can issue in a given year. This proposal has broad appeal at the federal level because it is simple, it sidesteps diffi-cult choices, and it was recently used to nearly eliminate mortgage revenue bonds. Despite its simplicity, however, this type of restriction could be devastating.

For example, limiting IRBs to \$50 per capita in each state would favor states with growing populations. Some 16 states would be forced to reduce their 1980 levels of IRBs; the 10 states that stand to lose the most are listed in Table 3. If such a restriction were enacted, firms that were unable to obtain IRB financing because a state had reached its limit could turn to another state for low-interest financing. Frostbelt states, which issued two-thirds of all IRBs in 1979 and which are already suffering from loss of industry and population, could ill afford such a disincentive.

In addition to accelerating the movement of business away from distressed areas of the country, a state cap on IRBs would pit big business against small business, and suburban areas against rural areas. Many states

Source: Congressional Budget Office, Small Issue Industrial Revenue Bonds, Washington, D.C. 1981.

would need special legislation merely to continue issuing IRBs, and the political pressures would be a nightmare.

Before Congress adopts a state cap or any other major limitation, it should carefully examine the likely consequences of such actions. It is hard to understand the rush to limit IRBs when an analysis of the CBO's position shows that eliminating all commercial IRBs would save only \$40 million to \$50 million in FY82—hardly a significant amount in a budget of \$695 billion.

THE MASSACHUSETTS EXPERIENCE

In Massachusetts, IRBs have helped smaller companies to own their own plants. The bonds have provided a way for small firms to finance these facilities on reasonable terms at a time when thrift institutions have been pushed out of the market and commercial banks have moved to floating rates and shorter maturities. Unlike larger corporations and developers, smaller companies generally do not have easy access to the country's large institutional long-term lenders.

The Massachusetts Industrial Finance Agency (MIFA), an independent state agency that administers IRBs for the Commonwealth of Massachusetts and provides loan guarantees for small companies, has assisted more than 600 firms in its first two years of operation. Over half these companies had annual sales under \$5 million, and three-fourths had sales under \$20 million.

The Hub Mail Company is typical of the many firms that have indicated how essential MIFA's financial assistance was to their expansion. A direct mail service company, Hub employed some 200 workers, earning an average of \$7 per hour, in an old multi-story building in downtown Boston. When its lease expired two years ago, the company wanted to purchase more efficient space in the city close to its labor supply. After an extensive search, Hub Mail settled on two vacant buildings in Columbia Point, a particularly distressed area of the city.

In his testimony to the Oversight Committee, Hub Mail President Walter S. Bernheimer II described the plight of his company: "Unfortunately, Hub Mail, like many smaller companies, was undercapitalized. We lacked sufficient internal funds to finance the expansion. As inflation drove interest rates higher and higher (and this was only the spring of 1979), and since we could only put down a modest down payment, all the lenders we approached declined to finance the acquisition of the Columbia Point facility with a conventional long-term mortage."

The IRB loan and a long guarantee from MIFA enabled Hub Mail to hire 45 additional employees in a depressed urban setting that is accessible to public transportation. According to Bernheimer, "It is not at all an understatement to say that none of this would have happened without industrial revenue bonds."

TABLE 3.—EFFECTS OF \$50 PER CAPITA IRB STATE CAP

STIMMADY

The country clearly needs a larger dose of savings and investment in productive assets. Although the causes of our national economic condition are complex, it is not difficult to understand why Americans are spending rather than saving their money. Their response to inflation has been completely rational, spending on goods for consumption and favoring investments that are untaxed or taxed at low marginal rates. When people believe they can achieve an after-tax rate of return on their money that is likely to exceed inflation, they will return to saving and investing in the future of this country's productive enterprises. IRBs and the tax-exempt market generally have provided investors an opportunity to invest and hope to stay even with inflation.

Given the importance of IRBs to economic development, the CBO's prognosis should be carefully considered before the program is severely restricted:

"If the Congress eliminated tax exemption on all small issue IRBs, some investments might not go forward. Others might move ahead, but changes in the amount and timing of investment would result. Smaller firms would be the ones most affected. Moreover, investment in distressed urban areas might decline because of the large number of UDAG projects that also receive IRB financing."

Is this a result that we can afford?

		In millions of dollars				
State	1980 population	IRB's issued 1980	IRB's per capita 1980	IRB issues under \$50 per capita State cap	Loss compared with 1980 IRB's	Percentage loss
Pennsylvania Minnesota Mississippi Oklahoma Wyoning New Jersey Indiana Ohio Rhode Island Massachusetts	11,866,700 4,077,100 2,520,600 3,025,300 470,800 7,364,200 5,490,200 10,797,400 947,200 5,737,000	\$1,639.1 396.0 239.3 276.3 37.2 578.0 386.1 724.2 63.1 369.2	\$138.1 97.1 94.9 91.3 79.0 78.5 70.3 67.0 66.6 64.4	\$593.3 203.9 126.0 151.3 23.5 368.2 274.5 539.9 47.4 286.9	-\$1,045.8 -192.1 -113.3 -125.0 -13.7 -209.8 -111.6 -184.3 -15.7 -82.3	64 44 4 4 3 3 3 2 2 2 2 2 2

Source: Population data from U.S. Bureau of Census of Population: 1980, all other data from Congressional Budget Office.

BUDGET COMMITTEE EARLY WARNING REPORTS

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. JONES of Oklahoma. Speaker, the week the House of Representatives is scheduled to vote on two appropriation bills that provide spending for fiscal year 1982-Commerce, State, Justice, Judiciary, and Transportation. I have asked the staff of the Budget Committee to continue the briefings that have been provided in the past to members of the Budget Committee and the House. The following materials factually compare the total amount of spending and credit provided in these bills with the targets for such spending and credit that resulted from congressional approval of the first budget resolution for fiscal year 1982. I intend to insert into the Congressional Record these staff analyses, and analyses of all other appropriations, entitlement, or revenue bills as they are scheduled for floor action. It is my hope to provide these "Early Warnings" to interested Members every Monday. I believe that it is very important for the House to have information that compares such bills to the budget resolution—achievement of the resolution spending targets is not likely to occur unless the Members are clearly aware of the budget impact of their votes.

EARLY WARNING—HOUSE BUDGET COMMITTEE H.R. 4169, FISCAL YEAR 1982 DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICI-ARY, AND RELATED AGENCIES

This bill is on target for discretionary spending.

Staff analysis

Committee: Appropriations. Subcommittee: Commerce, Justice, State, Judiciary. Chairman: Mr. Smith (Iowa).

Ranking minority member: Mr. O'Brien (Illinois).

Scheduled: Wednesday, September 9, 1981.

I. Description of bill

This bill provides funds for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for fiscal year 1982.

The bill as a whole is equal to the 302(b) target for this subcommittee on budget authority and \$18 million below in outlays (the sum of lines 5 and 12 below). If amounts assumed in the Budget Resolution but not yet considered are added, and mandatory programs are "fully funded", the subcommittee could be over its targets by \$129 million in budget authority and \$101 million in outlays (the sum of lines 7 and 14).

II. Comparison with target for discretionary appropriations action

Pursuant to the Budget Act and HBC scorekeeping, the subcommittee has two targets: one for discretionary programs and one for mandatory programs. Since the Ap-

propriations Committee is bound by existing entitlement law, it generally cannot effectively change the amounts required for the funding of mandatory programs. Its target for discretionary programs is therefore the main focus for this Early Warning report. Further, if the conference report on this appropriation bill exceeds the target for discretionary budget authority, the bill will be subject to the "delayed enrollment" provision of Section 305 of the fiscal year 1982 First Budget Resolution. As shown on line 7 below, the bill plus discretionary amounts not yet considered is equal to its 302(b) target for discretionary budget authority and under its outlay target by \$253 million in outlays.

III. Summary table

	Budget authority	Outlays
The amounts shown below are only for discretionary 1982 spending in this bill: 1. Discretionary amounts in bill	8,592	6,600
3. Total action to date	8,592 8,592	6,604 6,853
Over(+)/under(-) Amounts assumed but not yet considered		-253
7. Over(+)/under(-) The amounts shown below are only for mandatory appropriations included in this bill:		-253
8. Mandatory amounts in bill	163	156 3,157
10. Total	163 163	3,313 3,078
12. Over(+)/under(-)	129	+235 124
14. Over(+)/under(-)	+129	+359

IV. Explanation of over/under

Despite the fact that the House Budget Committee is unable to give a definitive answer to the question of where a particular bill is over or under its 302(b) allocation, it does compare the items in a bill to the assumptions contained in the Budget Resolution. It is important to note that the line item assumptions in the Budget Resolution are not binding on a committee. A list of the major areas where this bill differs from the Budget Resolution follows:

Department of State's conduct of foreign affairs is below Resolution assumptions by \$64 million in budget authority and \$29 million in outlays.

International Communications Agency radio facilities is below Resolution assumptions by \$56 million in budget authority.

Economic Development Administration (EDA) assistance program is above Resolution assumptions by \$157 million in budget authority and \$3 million in outlays.

Small Business Administration (SBA) disaster relief fund is above Resolution assumptions by \$87 million in budget authority and \$25 million in outlays.

Payment to the Legal Services Corporation is above Resolution assumptions by \$141 million in budget authority and \$107 million in outlays.

Office of Justice Assistance Research and Statistics is above Resolution assumptions by \$74 million in budget authority and \$14 million in outlays.

Amounts assumed in the Budget Resolution but not yet considered (line 13) consists entirely of funding for the October 1 pay raise. It is this item which causes the mandatory total to be exceeded; the target

seems not to make an allowance for this pay

V. Comparison with the President

This bill is below the President's requests for discretionary items in the bill by \$5 million in budget authority and \$251 million in outlays.

VI. Credit

The Budget Resolution contains non-binding targets for credit program amounts. This is the First year that there has been a credit scorekeeping system. There is no 302(a) and 302(b) allocation for credit program limitations. For comparative purposes only, the table below shows the bill and First Budget Resolution assumptions.

[In millions of dollars]

	Direct loan obligations	Primary guarantee commit- ments	Secondary guarantee commit- ments
Credit program limits in the bill Programs assumed to be limited in the resolution but not acted upon	30	38	
in bill	11,008	15,725	
3. Credit programs not subject to limit.	1794	-295	
Total in bill Budget Resolution assumptions	1,832 1,280	5,468 7,169	
6. Over (+)/Under(-)	+552	-1,701	

¹ Committee report language provided a rationale for increasing or decreasing estimates of credit programs not subject to limit.

The Commerce-Justice-State Subcommittee included no credit limitations in this bill. All of the differences in this subcommittee allocation from the Budget Resolution involve SBA programs. Comments on the differences included in the report are summarized below:

Disaster loan fund is estimated to support \$734 million in new direct loans from \$87 million in new capital appropriated, repayments, carryover, and sale of assets. the resolution included a proposed limitation of \$440 million for disaster loans.

Pollution control equipment contract guarantees were increased by the Omnibus Budget Reconciliation act of 1981 to \$250 million, an amount above both the President's budget and the amount currently authorized for the program.

Business loan and investment fund guarantees are assumed in the report language to be at the level requested by the President. The report states that limitation "language is not necessary since these levels are consistent with the revised authorization for SBA for fiscal year 1982 contained in the Omnibus Budget Reconciliation Act of 1981 as passed by the House."

Surety bond guarantees are assumed in the report to be at \$1.2 billion. Again, the committee did not include a limitation since the program level was consistent with the revised authorization in the Omnibus Reconciliation Act of 1981.

VII. Amendments

None known at this time.

VIII. Definitions of terms in summary table, section III

Line 1. Discretionary amounts in bill: discretionary FY 1982 appropriations in H.R. 4169.

Line 2. Prior action: the FY 1982 budget authority and outlays for this subcommittee that were appropriated in prior bills.

Line 3. Total action to date: line 1 plus line 2.

Line 4. 302(b) target: the target for discretionary appropriations for this subcommittee set by the Appropriations Committee pursuant to the Budget Act.

Line 5. Over $(+)/\overline{U}$ nder (-): line 3 minus line 4.

Line 6. Amounts assumed but not yet considered: these are amounts assumed in the fiscal year 1982 Budget Resolution for which funding has been deferred by the Appropriations Committee, probably until next Spring's supplemental appropriation bill.

Line 7. Over (+)/Under (-): line 5 plus line 6.

Line 8. Mandatory amounts in bill: funding for mandatory programs (entitlements).

Line 9. Prior action: outlays from budget authority enacted for years prior to fiscal year 1982, plus any permanents assigned to

the Appropriations Committee.

Line 10. Total: line 8 plus line 9.

Line 11. 302(b) target: the target for mandatory amounts for this subcommittee set by the Appropriations Committee. The target set by the Appropriations Committee includes the effect of assumed authorizing legislation that would change the level of mandatory programs.

Line 12. Over (+)/Under (-): line 10 minus line 11.

Line 13. Supplemental amounts needed: amounts for any new entitlement legislation assumed in the Budget Resolution, for the October 1 pay raise, and to fund mandatory items in the bill at the level estimated in the

Budget Resolution.

Line 14. Over (+)/Under (-): line 12 plus

EARLY WARNING HOUSE BUDGET COMMITTEE H.R. 4209, FISCAL YEAR 1982 DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

This bill is under its targets for discretionary spending.

Staff analysis

Committee: Appropriations. Subcommittee: Transportation. Chairman: Mr. Benjamin (Indiana).

Ranking Minority Member: Mr. Coughlin (Pennsylvania).

Scheduled: Wednesday, September 9, 1981.

I. Description of bill

This bill provides funds for the Department of Transportation and related agencies for fiscal year 1982.

The bill as a whole is under the 302(b) targets for this subcommittee by \$734 million in budget authority and \$42 million in outlays (the sum of lines 5 and 12 below). If amounts assumed in the Budget Resolution but not yet considered are added, and mandatory programs are fully funded, the subcommittee could be under its targets by \$675 million in budget authority and \$15 million in outlays (the sum of lines 7 and 14).

II. Comparison with target for discretionary appropriations action

Pursuant to the Budget Act and HBC scorekeeping the subcommittee has two targets: one for discretionary programs and one for mandatory programs. Since the Appropriations Committee is bound by existing entitlement law, it generally cannot effectively change the amounts required for the funding of mandatory programs. Their target for discretionary programs is therefore the main focus for this Early Warning report. Further, if the conference report on this appropriation bill exceeds the target for discretionary budget authority, the bill will be subject to the "delayed enrollment"

provision of Section 305 of the fiscal year 1982 First Budget Resolution. As shown on line 7 below, the bill plus discretionary amounts not yet considered is below its 302(b) target for discretionary action \$734 million in budget authority and \$149 million in outlays.

III. Summary table

He millions of dollars?

the page in Town a 18th	Budget authority	Outlays
The amounts shown below are only for discretionary 1982 spending in this bill. 1. Discretionary amounts in bill. 2. Prior action.	10,598	6,561
3. Total action to date	10,598 11,332	6,561 6,710
Over(+)/Under(-) Amounts assumed but not yet considered	—734	149
7. Over(+)/Under(-)	-734	-149
8. Mandatory amounts in bill	337 166	332 13,200
10. Total	503 503	13,532 13,425
12. Over(+)/Under(-)	59	+ 107 57
14. Over(+)/Under(-)	+59	+164

IV. Explanation of over/under

Despite the fact that the House Budget Committee is unable to give a definitive answer to the question of where a particular bill is over or under its 302(b) allocation, it does compare the items in a bill to the assumptions contained in the Budget Resolution. It is important to note the line-item assumptions in the Budget Resolution are not binding on a committee. Although within the totals requested by the Administration and assumed in the Budget Resolution for this bill, the bill makes several changes among funding priorities including:

Reduction of \$119 million in budget authority and an increase of \$40 million in outlays for Federal Railroad Administration

rail service assistance program.

A reduction of \$420 million in budget authority and \$320 million in outlays for the purchase of Consolidated Rail Corporation (ConRail) securities. The Committee has not received a budget request nor does it recommend additional funding to support the operation of ConRail; the Committee anticipates that \$242 million of the \$485 million appropriated for operating expenses in fiscal year 1981 will be sufficient to finance operations through fiscal year 1982.

An increase of \$97 million in budget authority and \$152 million in outlays for AMTRAK.

An increase of \$36 million in budget authority and \$385 million in outlays for Urban Mass Transportation Administration

An increase of \$200 million in budget authority and \$33 million in outlays for interstate highway transfer grants.

A decrease of \$215 million in budget authority and \$32 million in outlays for the Appalachian highway system which is maintained in the Energy and Water Appropria-

A decrease of \$96 million in budget authority and \$21 million in outlays for the facilities and equipment aviation account.

For mandatory items, the bill plus assumed "full funding" of mandatory items would be over its budget authority target only because the target seems not to make an allowance for the civilian agencies pay raise that will become effective this October.

V. Comparison with the President (discretionary amounts only)

This bill is below the President's requests for discretionary items in the bill by \$7 million in budget authority and over by \$12 million in outlays.

VI. Credit

The Budget Resolution contains only nonbinding targets for credit program amounts. This is the first year that there has been a credit scorekeeping system. There is no 302(a) and 302(b) allocation for credit program annual limits. For comparative purposes only, the table below shows the bill and the First Budget Resolution assumptions.

(In millions of dollars)

organis franchischer in 1	Direct loan obligations	Primary guarantee commit- ments	Secondary guarantee commit- ments
Credit program limits in the bill Programs assumed to be limited in the resolution but not acted upon in bill.		445	3
Credit programs not subject to limit.	291	-291	
4. Total in bill	291 291	154 129	3
6. Over(+)/under(-)		+25	

The Transportation Subcommittee total limitations proposed for guarantee programs (in this bill) exceed the Budget Resolution by \$25 million. The Transportation Subcommittee set limitations for guarantee programs that differed from the resolution as follows:

Aircraft purchase loan guarantees are limited to \$125 million, \$75 million above the resolution, but a 50 percent cut from the 1981 level. The Committee expressed concern that an abrupt termination of the program would adversely affect carriers which had made investments based on the availability of guarantees

Railroad rehabilitation and improvement financing fund guarantees are limited to \$270 million, \$50 million below the resolution. The Committee noted that the largest pending loan guarantee application had been withdrawn.

VII. Amendments

None are certain to be offered.

VIII. Definitions of terms in summary table, section III

Line 1. Discretionary amounts in bill: discretionary fiscal year 1982 appropriations in HR 4209

Line 2. Prior action: the fiscal year 1982 budget authority and outlays for this subcommittee that were appropriated in prior

Line 3. Total action to date: line 1 plus line 2.

Line 4. 302(b) target: the target for discretionary appropriations for this subcommittee set by the Appropriations Committee pursuant to the Budget Act.

Line 5. Over (+)/Under (-): line 3 minus line 4.

Line 6. Amounts assumed but not yet considered: these are amounts assumed in the fiscal year 1982 Budget Resolution for which funding has been deferred by the Appropriations Committee, probably until next Spring's supplemental appropriation

Line 7. Over (+)/Under (-): line 5 plus line 6.

Line 8. Mandatory amounts in bill: funding for mandatory programs (entitlements).

Line 9. Prior action: outlays from budget authority enacted for years prior to fiscal year 1982, plus any permanents assigned to the Appropriations Committee.

Line 10. Total: line 8 plus line 9.

Line 11. 302(b) target: the target for mandatory amounts for this subcommittee set by the Appropriations Committee. target set by the Appropriations Committee includes the effect of assumed authorizing legislation that would change the level of mandatory programs.

Line 12. Over (+)/Under (-): line 10 minus line 11.

Line 13. Supplemental amounts needed: amounts for any new entitlements legislation assumed in the Budget Resolution, for the October 1 pay raise, and to fund mandatory items in the bill at the level estimated in the Budget Resolution.

Line 14. Over (+)/Under (-): line 12 plus 13.

1982 APPROPRIATIONS BILLS-ACTION TO DATE, AS OF SEPTEMBER 7, 1981

Annual Control of the	BW	House action		Senate	Senate action		Conference action agreed to		
Appropriation bill Bill num		Reported	Passed	Reported	Passed	House	Senate	Date approved	Public law
riculture	H.R. 97-4119	July 9	July 27					Con In Page 198	A STATE OF
mmerce-State-Justice	H.R. 97-4169	July 16	,						
fense									
trict of Columbia									
rgy-water	H.R. 97-4144	July 14	. July 24						
eign operations			14.01	L.L. 00					
ising and urban development	H.R. 97-4034	June 25	July 21	July 23	July 31				
or UCW	n.n. 91-4033	Julie 23	July 22	. July 23		***************************************			
islative	HR 97-4120	July 9					100 000 000 000 000 000 000 000 000 000		
tary Construction	H.R. 97-4241	July 22							
nsportation	H.R. 97-4209	July 17							475
asury-Postal	H.R. 97-4121	July 9				A STATE OF THE STA			7 18 370

1982 APPROPRIATIONS BILLS-ACTION TO DATE, AS OF SEPTEMBER 7, 1981-Continued

			House action		Senate action		Conference action agreed to		6.	Carlotte
Appropriation bill	Bill number	Reported	Passed	Reported	Passed	House	Senate	Date approved	Public law	
HHS urgent supplemental	H.J. Res. 97-308	July 23	July 23	July 23	. July 23	July 23	July 23	July 23	W	

LEGAL SERVICES FUNDING

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

Mr. MOORE. Mr. Speaker, today I voted against the amendment by the gentleman from Wisconsin (Mr. SEN-SENBRENNER) to delete \$241 million from H.R. 4169 thereby denying any funds for the Legal Services Corporation for the fiscal year beginning October 1, 1981. In doing so, I want to have it clearly made known that I do not necessarily support the Legal Services Corporation. I do believe it is the reponsibility of Government to provide basic legal advice and service to indigent Americans who otherwise would not receive it due to inability to

On June 18, I voted for H.R. 3480 as a means to authorize the identical amount appropriated today for the Legal Services Corporation. On page E3062 of the Congressional Record of that date, I submitted remarks consistent with these to include a statement of support for Legal Services functions under block grant formula as had been anticipated at that time. Events which followed did not find funds for the Corporation being Legal Services transferred to a block grant during the budget reconciliation process ultimately producing Public Law 97-35 as a means to achieve some \$130 billion in budget savings over the next 3 years.

As the functions of the Legal Service Corporation were not folded into a block grant, this gives us a situation today of having the Legal Services Corporation as the only available conduit of Government aid for basic legal service for the indigent. If such aid is not provided here, it is not provided at all. I cannot agree with voting for this amendment under this situation. I will join in the pursuit of delivery of legal services under a block grant formula when given the opportunity to do so, but for the moment this choice is not available.

> ROLL BACK MEDICARE DEDUCTIBLE INCREASE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. WEISS. Mr. Speaker, in recent years, skyrocketing health care costs

have exacted painful sacrifices from elderly and disabled Americans, Today I am introducing legislation which help ease the devastating impact that rising medical costs have on this vulnerable group of citizens. This legislation would roll back the increases in medicare deductible payments that were enacted under reconciliation and maintain the deductible amounts authorized under current

Reconciliation Act-recently The signed into law by President Reaganwill slash Federal spending by about \$35 billion in fiscal year 1982. Older Americans, disabled persons, and the poor will be among the major victims of these heavyhanded cuts.

In fact, the vast majority of elderly families will be affected in one way or another by the cutbacks in the Recon-

ciliation Act.

One of the major casualties is medicare, which provides valuable protection for about 28 million older and disabled Americans. The Reconciliation Act will reduce medicare outlays by an estimated \$1.2 billion in fiscal year 1982, including a \$400 million cutback in benefits.

The most severe reduction for older Americans is the change in the formula for the part A hospitalization deductible-the front-end charge that the patient must meet from his or her own resources, private health insurance or otherwise. The effect is to increase the deductible from \$204 to a projected \$256 in January 1982. Under prior law, this charge would have risen to \$228.

This 25-percent boost in the part A deductible will affect an estimated 7 million aged and disabled persons. It is likely to hit those the hardest who can least afford this spiraling cost.

This change will have other spillover effects because hospital charges for long-term stays and skilled nursing payments are pegged to the hospital deductible.

For example, the daily charge for qualifying skilled nursing care will increase from \$25.50 to an estimated \$32 for patients who are in nursing homes from 21 to 100 days.

Patients are now subject to a \$51 daily coinsurance charge if they are hospitalized from 61 to 90 days. The Reconciliation Act raises this amount to \$64. In addition, it will boost the daily coinsurance charge for medicare beneficiaries who must draw upon their 60-day lifetime reserve, from \$102 to \$128 a day.

The sharp increase in the part A deductible may force needy older and disabled Americans to play a dangerous game of Russian roulette with their health. Many may postpone essential hospital care until their illness reaches a critical or crisis stage. And then, the treatment may be ineffective or too late.

These individuals need and deserve all the help they can receive. My bill would help considerably by rolling back the part A deductible to \$228. This would provide welcome relief for aged and disabled Americans because their purchasing power is being eroded by rising prices and other cutbacks in the Reconciliation Act.

Ideally speaking, I would prefer to roll back the part A deductible to a much lower level. But this is simply not attainable, given the composition of the 97th Congress. My proposal, though, is legislatively feasible, and it would help to ease the mounting health care costs for medicare beneficiaries.

The Reconciliation Act also boosts the part B deductible charge by 25 percent in 1982, from \$60 to \$75. This change alone will cut medicare benefits by \$120 million in fiscal year 1982 and \$210 million in 1983.

Part B covers primarily physician services for the aged and disabled. However, other important services are reimbursed, including home health care, physical therapy, speech theroccupational therapy, medical supplies and equipment.

An estimated 19 million aged and disabled persons will be affected by the jump in the part B deductible. Quite often, the elderly and disabled must meet this increased charge from their own resources. Those with private health insurance coverage will almost assuredly be subject to rising premium charges to cover the major cutbacks in the Reconciliation Act.

The net impact is that older Americans and disabled persons stand to lose either way-whether they pay more from their own pocketbooks or indirectly for private health insurance premiums.

Medicare provides essential protection for older Americans. However, it still covers only about 44 percent of their health care expenditures because of gaps in coverage, deductibles, and coinsurance charges. Medicare's coverage will dwindle further when the cutbacks in the Reconciliation Act become fully effective.

The time has come to draw the line on shifting health care costs to the aged and disabled. These individuals oftentimes have limited resources to absorb these added expenditures. When they are piled on top of other cutbacks, the effect can be devastating.

My bill will help to soften the blow from spiraling health care costs by providing relief to millions of already beleaguered aged and disabled per-

Mr. Speaker, I urge prompt and favorable consideration of this measure. In addition, I ask unanimous consent that the text of this bill be printed following my remarks.

H.R. 4447

A bill to amend title XVIII of the Social Security Act to eliminate increases in the medicare part A deductible and coinsurance amounts and the increase in the medicare part B deductible amount effected by the Omnibus Budget Reconciliation Act of 1981

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Medicare Deductible Rollback Act".

ROLLBACK OF INCREASE IN MEDICARE PART A
DEDUCTIBLE AND COINSURANCE

SEC. 2. (a) Section 1813(b)(2) of the Social Security Act (42 U.S.C. 1395e(b)(2)), as amended by section 2132(a) of the Omnibus Budget Reconciliation Act of 1981, is amended by striking out "\$45" and inserting in lieu thereof "\$40".

(b) The amendment made by subsection (a) shall apply to inpatient hospital services and post-hospital extended care services furnished in calendar years beginning with calendar year 1982.

ROLLBACK OF INCREASE IN MEDICARE PART B DEDUCTIBLE

SEC. 3. (a) If this Act is enacted before January 1, 1982, section 2134 of the Omnibus Budget Reconciliation Act of 1981 is re-

(b)(1) If this Act is enacted on or after January 1, 1982, section 1833(b) of the Social Security Act (42 U.S.C. 13951(b)), as amended by section 2134(a) of the Omnibus Budget Reconciliation Act of 1981, is amended by striking out "\$75" and inserting in lieu thereof "\$60".

(2) The amendment made by paragraph (1) shall take effect on January 1, 1982, and shall apply to the deductible for calendar years beginning with 1982.

PERSONAL EXPLANATION

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. SAVAGE. Mr. Speaker, because pressing official business prevented me from voting today, I wish to take this opportunity to go on record in opposition to several particularly onerous amendments that were offered to H.R. 4169, the Commerce, State, Justice De-

partments appropriations bill for fiscal year 1982.

The Mottl amendment sought to hamstring Justice Department efforts to attack racial discrimination in local housing practices. Fortunately, this blatant attempt to return to the dark era of Jim Crowism was defeated.

Unfortunately, the Walker of Pennsylvania amendment, which seeks to prohibit use of funds to prevent implementation of voluntary school prayer, passed. However, the constitutionality of this amendment is highly questionable, and I would welcome a challenge of it in Federal court.

The Sensenbrenner amendment, which for all intents and purposes sought to eliminate the Legal Services Corporation, was defeated. It is good to know that some element of compassion still exists in this body.

However, had I been able to be present on the House floor today, I would have raised my voice in opposition to and voted against these amendments, for they all represent a retreat to the past.

THERESA S. KOLDIN

HON, STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. SOLARZ. Mr. Speaker, this afternoon in Brooklyn an outstanding member of the Manhattan Beach community, Mrs. Theresa S. Koldin, is being honored at a bonds for Israel luncheon because of the work she has done in behalf of Jewish causes.

I regret very much that I am unable to be present at this celebration of the contributions Theresa Koldin has made during her 45 years as a community activist in Manhattan Beach.

Mrs. Koldin is one of those remarkable women who has been a participant in community affairs her entire life. One of her earliest memories is marching with her mother in a suffragette parade. She graduated from Adelphi University and then obtained a master's degree at Columbia University. Mrs. Koldin pursued her career working professionally as a psychologist, married and raised two daughters, and yet always had time for philanthropic, civic, and political activities whether they focused on local or international issues.

As a founding member of the United Jewish Appeal's Manhattan Beach women's division, Tess Koldin has served as an active member of their board, and helped make their special gifts program a huge success.

As a psychologist concerned about developing human potential, Mrs. Koldin became active in the Organization for Rehabilitation Through Training and founded the Midwood

chapter of Women's American ORT. This progressive organization provides training and rehabilitation services worldwide to lift people from poverty and desperation by offering job and life skills.

I have also had the unique good fortune to get to know Tess Koldin, not only as an informed and articulate community activist, but as a warm, gracious and sensitive. devoted mother-for she is my mother-in-law. She is truly a valiant woman who never ceases to amaze me with the breadth of her knowledge and understanding and her tremendous human compassion. Over the years, she has been a source of inspiration, strength, and guidance to me and to all her family. Throughout her long and productive life she has provided an example of dedication, courage, and commitment to her fellow man that few of us could ever hope to surpass. She has enriched her family and her community by her generosity, her practicality, and her determination to make things happen.

Many people upon meeting this remarkable woman for the first time think that her activism and her interest in politics developed after I became an assemblyman and a Member of Congress, but in fact her own contributions and activities in politics and support of Israel predate my own.

Her interest and commitment to helping others and improving conditions led Tess to contribute thousands of hours as a volunteer in Hadassah, B'nai B'rith, the American Jewish Congress, and the League of Women Voters, as well as the United Jewish Appeal and Women's American ORT. Her alma mater, Adelphi University, has relied on her for years as an active member of its Brooklyn board. And where there was an issue in the community, or someone in need, Tess Koldin was always there.

I am pleased and proud to have this opportunity today to pay tribute to Theresa Koldin who symbolizes to me what one talented and determined person can accomplish when she sets her mind to the task. May the light of her example and the warmth of her love continue to brighten the lives of all of us who know her.

INTRODUCTORY STATEMENT ON AMENDMENTS TO THE URBAN HOMESTEADING PROGRAM

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. LUKEN. Mr. Speaker, today I am introducing legislation that will amend the Housing and Community Development Act of 1974, urban homesteading program to redirect this pro-

gram to provide housing to the low- to moderate-income groups, the truly

needy in our society

When the urban homesteading program was first implemented as a demonstration project in 1974, it was the intent of the law to help revitalize blighted neighborhoods in decaying urban areas by expediting occupancy of abandoned houses. The belief was that a homeowner, rather than a renter or absentee owner, has the in-centive to keep up the house and neighborhood and that once a homesteader fixes up an abandoned house others will become interested in further improving the neighborhood.

The overall intentions of this program are laudable, but in the actual operation of this program one glaring inequity has arisen. The Congress intended local bodies to run urban homesteading programs with freedom and flexibility under broad Federal guidelines. But the requirements are so loose that the Federal Government does not mandate any income limitations on those participants in the program. This omission in the law has resulted in allowing people who could well afford to conventionally finance the buying of a home on the open market to participate in the homestead program. Today, with the recent budget cuts, we must better utilize the remaining Federal money to help the poor and truly needy find housing. We should not be funding a program to help the rich buy homes.

My amendment to the Housing Act would set an income limitation on all those participating in the homesteading program so that only those in the low- to moderate-income groups can receive homes. The homesteaders will be given priority to apply for low interest rehabilitation loans under sec-

tion 312 of the Housing Act.

I urge my colleagues to join me as cosponsors of this worthwhile piece of legislation.

H.R. -

A bill to restrict the urban homesteading program to families with low or moderate incomes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section \$10(b)(1) of the Housing and Community Development Act of 1974 is amended by striking out "an individual or a family" and inserting in lieu thereof "any moderate-income individual or or low-

(b) Section 810(g) of such Act is amended by adding the following new paragraph at

the end thereof:
"(3) The Secretary may not approve any program under paragraph (1) or (2) if the program authorizes any conveyance of residential property to an individual or a family other than a low- or moderate-income indi-

vidual or family."
(c) Section 810 of such Act is amended by adding the following new subsection at the

end thereof:

"(i) For purposes of this section, the term 'low- or moderate-income individual or EXTENSIONS OF REMARKS

family' means any individual or family whose income does not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for small and larger families.".

GRISHAM NOTES HISPANIC HERITAGE WEEK

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. GRISHAM. Mr. Speaker, September 16 marks the 171st anniversary of "el grito de Dolores," a time when Mexico proclaimed its independence from Spanish colonial rule, ending forever the reign of foreign tyranny in the Western Hemisphere. In recognition of this important date, and in conjunction with the celebration of National Hispanic Heritage Week, I rise in tribute to the many remarkable contributions Hispanic Americans have made to this Nation.

The Hispanic culture is as colorful and varied as that of America itself. The Hispanic American population, grown to over 15 million in the past 5 years, continues to increase at a rate of over 1 million a year. Americans are just beginning to realize the social, economic, and political gains that have been achieved by members of the His-

panic American community.

But there is still much to be done. We must constantly strive to increase awareness so that conditions will be improved for all Americans. At the same time we must recognize the many contributions Hispanics have made to the development of this country and work to preserve the ethnic origins and traditions which distinguish the Hispanic culture from other

The Hispanic presence is felt all throughout the United States. The fine Mexican architecture, with its adobe walls and rich design, has international appeal. The strong pride represented in outdoor murals signals all that can be accomplished. Los Angeles Dodger Fernando Valenzuela, businessman and former Republican candidate for president, Benjamin Fernandez, Mayor Henry Cisneros of San Antonio, Robert Goizueta, chairman of the Coca-Cola Co., professional golfer Nancy Lopez-Melton, television personalities Ricardo Montalban and Geraldo Rivera, all represent what is new and bright on the horizon for Hispanic Americans.

As the country continues to grow economically, socially and culturally, Hispanics will be a major part of that growth. I join with all Americans in celebrating the proud heritage and culture of the Hispanic American. Its historic past is only shadowed by the prospects of an ever brightening

future.

TWO STATESMEN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

Mr. GILMAN. Mr. Speaker, this morning I had the honor to be present at the White House when two great statesmen, President Ronald Reagan and Israeli Prime Minister Menachem Begin, met for the first time.

As these leaders begin their deliberations on the trouble-plagued Middle East, we all share the hope that the talks will be fruitful and will result in renewed movement toward a lasting

peace in that region.

Our Nation has an important role to play, as the state of Israel's best friend, and, as Mr. Begin described the President, as "the defender of freedom throughout the world.'

These summit sessions, which I am certain will be productive and friendly, were initiated with a warm welcoming ceremony on the south lawn of the White House this morning.

Mr. Speaker, so that my colleagues can share the thoughts expressed at this historic meeting, I request permission that at this point in the RECORD there be inserted President Reagan's warm greetings and Prime Minister Begin's gracious response.

REMARKS OF THE PRESIDENT AND PRIME MIN-ISTER MENACHEM BEGIN AT ARRIVAL CERE-

The PRESIDENT. Prime Minister Begin, on behalf of the American people, Nancy and I are honored and delighted to welcome you and all those accompanying you.

We're proud to stand beside you this morning, joining a tradition of hospitality for Israel observed by our presidents for more than three decades. Your visit is testimony to the warm friendships, mutual respect, and shared values that bind our people. Today and tomorrow, we'll have an opportunity to meet, to come to know each other, and to discuss in detail the vital issues of peace and security that concern both our countries.

I welcome this chance to further strengthen the unbreakable ties between the United States and Israel and to assure you of our commitment to Israel's security and well-

Israel and America may be thousands of miles apart but we are philosophical neighbors sharing a strong commitment to democracy and the rule of law. What we hold in common are the bonds of trust and friendship-qualities that in our eyes make Israel a great nation. No people have fought longer, struggled harder, or sacrificed more than yours in order to survive, to grow, and to live in freedom.

The United States and Israel share similar beginnings as nations of immigrants, yearning to live in freedom and to fulfill the dreams of our forefathers. We have both sought to establish societies of law, to live in peace, and to develop the full potential of our lands. We share a devotion to democratic institutions, responsible to the wills of our citizens. Our peoples embrace common

ideals of self improvement through hard work and individual initiative. Together, we seek peace for all people. In partnership, we're determined to defend liberty and safeguard the security of our citizens. We know Israelis live in constant peril. But Israel will have our help. She will remain strong and secure and her special character of spirit, genus and faith will prevail.

The prophet Ezekiel spoke of a new age when "land that was desolate has become like the garden of Eden and waste and ruined cities are now inhabited." We saw how miraculously you transformed and made the desert bloom. We see how, despite dangers everyday, your families continue working together to build a better place to live and to prosper in peace and freedom.

Our dream, our challenge, and, yes, our mission, is to make the golden age of peace, prosperity, and brotherhood a living reality in all countries of the Middle East. Let us remember that whether we be Christian or Jew or Moslem, we are all children of Abraham. We are all children of the same God.

Mr. Prime Minister, you come at a time of testing and of hope. The challenges we face are great with the forces of aggression, lawlessness, and tyranny intent on exploiting weakness. They seek to undo the work of generations of our people, to put out a light that we've been tending for these past 6,000 years. But we understand their designs and we're determined to oppose them. Working with all our friends in the Middle East, we seek to reinforce the security of the entire region. As we consult about these problems, rest assured that the security of Israel is a principal objective of this administration and that we regard Israel as an ally in our search for regional stability.

Equally important in our discussions is the commitment of our two countries to advance the cause of peace. Mr. Prime Minister, your strong leadership, great imagination and skilled statesmanship have been indispensable in reaching the milestones of the past few years on the road toward a just and durable peace in the Middle East.

You and the members of your coalition have earned our respect and admiration. Many cynics said Israel would never make peace with Egypt, but you did. Then they said you would not honor your commitment to return the Sinai to Egypt, but you have. Now they say you cannot go forward to work out a just and durable peace with all your neighbors, we know you will.

I look forward to receiving the benefit of your views and advice on the great tasks that remain before us. I'm confident that the United States and Israel will continue their close partnership as difficult negotiations toward peace are pursued. Let me also thank you, Mr. Prime Minister, for helping our special ambassador, Philip Habib, to arrange a cessation of hostilities across your border with Lebanon. Still another considered step for peace and one well taken.

Prime Minister Begin, I know your entire life has been dedicated to security and the well-being of your people. It wasn't always easy. From your earliest days you were acquainted with hunger and sorrow, but as you've written you rarely wept. On one occasion, you did—the night when your beloved state of Israel was proclaimed. You cried that night, you said, because "truly there are tears of salvation as well as tears of grief."

With the help of God and us working together, perhaps one day for all the people in the Middle East, there will be no more tears of grief, only tears of salvation. Shalom,

Shalom; to him that is far off and to him that is near. And again, Mr. Prime Minister, welcome to America. (Applause.)

Prime Minister Begin. Mr. President, my colleagues and I are grateful to you and to Mrs. Reagan for your kind invitation, for having given us the opportunity to discuss with you and your advisors international problems, bilateral issues, the danger to freedom resulting from Soviet expansionist policy in our region and its periphery and elsewhere. And the defense of human liberty, which is the essence of our lives, demotive of our efforts, the reason of our labors.

Our generation, Mr. President, lived through two world wars, with all the sacrifices, the casualties, the misery involved. But the two wars also created and left after them regrettably two illusions. In the early 20s the saying went around the world that was the war to end all the wars. It was not so to be. Only 25 years later another world war broke out, the most horrifying of all in the annals of mankind. Not only were the sacrifices in tens of millions of human beings, but also with atrocities unheard of in history. Ultimately, mankind crushed the darkest tyranny which ever arose to enslave the human soul and then people believed that it is the end of tyranny of man over man. It was not to be.

After May 1945 there were 56 so-called local wars in a period of 36 years alone. In other words, blood-letting and enslavement are going on. Country after country is being taken over by totalitarianism. In nearly 80 years, eight countries were so taken over either by proxy or directly. So, it is obvious that liberty is in danger and all free women and men should stand together to defend it and to assure its future for all generations to come. But the free one-its democracy was proved time and again-true democracy. It is an integral part of the free world. It is a fateful and, through each democratic regime, a stable ally of the United States. We shall stand together and Israel will give its share in defending human liberty.

Mr. President, out of those 56 local wars, five were thrust upon little Israel since its inception. We waged them out of necessity to defend our people and to save its existence and to sustain our independence. This is the simple reason why we not only want peace but we yearn for peace. And therefore, as you rightly said Mr. President, the price of great sacrifices and admittedly undertaken those are very serious risks. We made peace. We signed a peace treaty on this very lawn with our southern neighbor. But we strive to sign peace treaties and make peace forever on all our borders with all our neighbors. And with God's help this noble aim will be achieved too.

Mr. President, thank you for your heartwarming remarks about my people and my country and touching words about my life, which is only one of the uncountable thousands and millions who have suffered and fought and resisted. And so, after a long night, the rise of the sun, the day. I am one of them because this is our generation. But your appreciation of our motives, our efforts, our sacrifices is very dear to all of us because, Mr. President, we see in you not only the President of the United States, but also the defender of freedom throughout the world.

May I, Mr. President, extend to you on behalf of the people and government of Israel our invitation to come and visit our country and its capital, Jerusalem. Then we hope that we shall be able to reciprocate the wonderful hospitality, indeed, in the spirit of all Abraham, whom you mentioned, which was accorded to my colleagues and to myself. Be assured, Mr. President, the people of Israel will receive you, not only with utmost respect, but with deep cordiality

Thank you.

AFL-CIO CALLS SCRUTINIZIING BUDGET

FOR DEFENSE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. FRANK. Mr. Speaker, the AFL-CIO has long been a joint supporter of a strong national defense. It is for this reason that their unhappiness at the way in which the Reagan administration is approaching the question of defense spending deserves serious attention. At its August 5 meeting, the AFL-CIO Executive Council adopted a very thoughtful resolution pointing out some of the financial dangers in the President's defense spending proposals. I think that this very thoughtful statement should be widely read and I ask that it be printed here.

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON DEFENSE SPENDING

At its February 1981 meeting, the Executive Council stated that "the AFL-CIO remains steadfast in its support for a strong national defense—not as a source of jobs but as a necessary precondition to the survival of democratic institutions, including free trade unions, which are threatened by totalitarian expansionism."

Our support for national defense is not, however, to be taken as a blank check for the Pentagon.

We have consistently opposed the definition of our defense needs in purely dollar terms. Weapons, ready manpower, logistical support, and intelligent strategy—not dollars—are the elements of military strength.

Thus, in past years, the AFL-CIO opposed cuts in the defense budget by fixed dollar amounts or percentages without regard for which weapons would be cut or strategies changed. Similarly, we are not convinced that vast increases in defense spending will in themselves substantially strengthen the U.S. military position. Our standard of judgment is not how much money will be spent but what that money will buy relative to our security needs.

The Reagan Administration has put the cart before the horse. It has asked for huge increases in defense spending without having resolved important issues of strategy or decided what weapons systems are required to implement that strategy. Additional billions have been committed to the Pentagon, but no decisions have been made on deployment of the MX missile, on the B-1 bomber, or on other major defense questions.

The Administration proposes to raise defense spending (in constant 1972 dollars) from \$72.5 billion in 1980 to \$116.4 billion in 1986. Non-defense spending would be reduced from \$222.4 billion to \$201.6 billion in the same period.

The consensus for a stronger defense effort is more fragile than the Administration supposes. By increasing defense spending at the expense of vital social programs, the Administration risks the creation of new anti-defense constituencies among workers the poor, minorities and the elderly. Popular support for a strong defense and foreign policy cannot be sustained by unjust social and economic policies which generate social tension, class conflict and political polarization. Nor will such policies produce the eco-nomic strength required for military strength.

Even in prosperous times, wasteful spending, huge cost overruns, and poor management of defense resources are indefensible. They are intolerable at a time when the defense burden is being shifted more and more

to workers and the poor. AFL-CIO Executive Council calls upon the Congress to subject the Administration's defense budget to the closest scrutiny If as the Administration says. cannot solve our social problems by throwing money at them, then clearly, we cannot solve our defense problems that way either.

A TRIBUTE TO ED POWELL, PLA-CENTIA'S CITY ADMINISTRA-

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

Mr. PATTERSON. Mr. Speaker, it is with great pleasure that I invite my colleagues to join me in honoring Mr. Ed Powell, an outstanding, dedicated public servant who, after serving as city administrator of Placentia for 14

years, is now retiring.

Ed is a veteran of World War II, having served in the U.S. Marine Corps. He graduated from Indiana State University, where he earned a bachelors degree in English. Ed then became assistant coach of Indiana University's basketball team, a team on which he had played under coach John Wooden, who set the pace for the most winning teams. A few years later he joined Coach Wooden at UCLA, serving as assistant coach for the renowned Bruin team.

Ed earned a master's degree in public administration from the University of Southern California, after which he began a career in public service. He was an administrative intern with the city of Inglewood, assistant city manager for the city of Downey, and city manager for the city of Irwindale. Ed assumed his position as city administrator of Placentia on September 3, 1967. During his service there, Placentia has grown from a city of 20,000 to 35,000. Prior to my service in Congress, I worked with Ed Powell when I was city attorney of Placentia.

Ed Powell is a man whose innovation and progressive thought are reflected through his accomplishments in Placentia. In 1972, Placentia was presented with an All-American City Award. Ed was a leader in emphasizing park

development in Placentia, he advocated a 40-hour workweek for firefighters, and initiated the city's teen commissioner program. Placentia acquired a new civic center complex and a modernized police department under Ed's leadership. Both are monuments which commemorate the excellence with which Ed so devotedly served Placentia

In addition to his professional activities Ed has been an active volunteer in many civic organizations. A member of the Orange County City Managers Association for many years, he once served as president of that organization. He has belonged to the International City Managers Association from whom he received the ICMA management innovation award in 1977, for advances in fire productivity. Ed has also served on the human resources committee for the League of California Cities

Henrietta, Ed's wife of 40 years, has also served the Placentia community. Affectionately known as "Hank", Henrietta has participated in the Placentia Meals on Wheels program; has been a member of the Placentia Roundtable; and has affiliated with the local senior citizens club.

Ed Powell's dedicated service has touched the lives of many people including mine, both within and without the city of Placentia, and his contributions will truly be missed.

Mr. Speaker, it is a privilege to ask my colleagues to rise with me in commending an extraordinary public servant-a man who has inspired so many of us-Ed, we thank you.

WE CAN'T IGNORE SOVIET DRIVE FOR ARMS SUPREMACY

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

. Mr. HOPKINS. Mr. Speaker, one of my constituents, Mr. Basil D. Childress of Lexington, Ky., recently wrote an article published in the Lexington Leader setting forth his views on the threat of ignoring the Soviet Unions' clear intention of obtaining a coercive strategic advantage over the United

As a member of the Armed Services Committee, I share Mr. Childress' concern and strongly urge all my colleagues to read his well-reasoned analysis of what is without a doubt, the major problems facing our Nation today.

WE CAN'T IGNORE SOVIET DRIVE FOR ARMS SUPREMACY

(By Basil D. Childress)

The necessity for public understanding of our present-day defense needs is crucial to meeting the challenges we face. One of the most important challenges is the nuclear

arms question, but there is a very real lack of understanding about what is necessary to avoid nuclear war.

In order to understand our situation, we must review the thinking which today dominates the Western military mind. There are three salient ideas important in grasping the problem of nuclear weaponry

The first of these is that military power not only has actual operational value, but it also has coercive value if used by an aggressor, or deterrent value if used by a defender. Both the coercive value and deterrent value of military power are based on the idea of perceived threat and find expression in a nation's diplomatic efforts.

The second point is implied by the first. that an aggressor can place another nation in so vulnerable a position, whether perceived or actual, that it surrenders without a shot being fired. Indeed, the aggressor would consider the above ideal.

Finally, any nation's purpose in war is to force the enemy to conform to one's will. whatever that may be, which implies the possibility of limited goals and means.

The deterrent value was demonstrated in 1962, when Kennedy used our tremendous nuclear advantage of that period to force the removal of the Soviet missile base in Cuba. Ominously, however, the then first secretary of foreign affairs, Vasily Kuznetzov, told his American host, "You Americans will never be able to do this again.

The unprecedented, ongoing Soviet buildarms categories must be understood within this context. This is especially true when one considers the new nuclear policy we adopted in the mid '60s, which came to be known as Mutual Assured Destruction (MAD). The idea was that, if the Soviets were allowed to pull even with us (parity), each side retaining the ability to inflict unacceptable levels of civilian casualties, the Russians would allow the status quo developed to stand.

On this theoretical base Robert S. McNamara as secretary of war, administered the unilateral disarmament of much of our strategic capability. It was felt at the time that we could thus spend less on defense and still

deter the Russians.

The Russians, though, have ignored our ill-founded theorizing and have continued in an unrelenting drive for supremacy. Their level of spending alone, since the lessening of our capability, conclusively proves the Russians have no interest in parity.

Even if the Russians were interested in parity, the concept of Mutual Assured Destruction is fatally flawed. It assumes what is unacceptable loss for us is the same for the Russians. This is difficult to imagine, since the known Russian dead from political assassination, famine and war since 1914 alone approaches 70 million. Our war dead since 1776 barely reaches 1 million.

MAD assumes all-out attack. It is based on terror, an activity we find so reprehensible when practiced by organizations such as the PLO. It is militarily valueless since our only option in case of limited attack would not be primarily to destroy Soviet capability for further attack, but the slaughter of Russian civilians. This kind of pointless killing not only is never militarily valid, but is outright immoral and as such should not be part of U.S. defense strategy.

If we recognize the bankruptcy of MAD, we will be free from its folly and be finally able to face the challenge of true Soviet

strategy.

The apparent Soviet strategy referred to is coercive in nature and is based on the sure knowledge that we can count. It involves obtaining the ability to destroy in an initial attack enough of our counterblow capability, so that what we are able to launch against them would still leave them with

some capability for a final blow.

To the militarily naive, the above is nonsense. They feel that there is no such thing as a limited attack, because even a limited attack would destroy civilization. They miss the point, that "the button" would never be pushed, since any nation put in the above situation would surrender rather than commit collective suicide.

This is not to say that ever-increasing levels of expensive arms are necessary to maintain a nuclear stalemate. It is to that higher levels of spending have resulted from the Russian drive for supremacy.

The Reagan defense budget's huge increases illustrate this administration's perception of our situation. That budget, however, should emphasize the force mix and weapon systems solutions available to neutralize the approaching Soviet threat, rather than driving now for long-term supe-

riority.
Outright superiority is today neither economically nor politically feasible. When we regain it, what remains to us is parity. But parity must be redefined in terms of our determination to prevent the Russians from obtaining the coercive ability of a strategic

advantage.

We must shake ourselves from our naivete and understand the nature of the challenge. For too long we have left our futures in the hands of the experts who gave us MAD. However immoral we may consider it, the problem is a military one and must be so dealt with. If we ignore it, the very real probability is our quick surrender, or at the least a long inexorable descent into Soviet domination.

Someone once said that the price of freedom is eternal vigilance. If that is true, we are dangerously close to being accused of

not being very vigilant.

COAL EXPORT MEETING WITH ADMINISTRATION'S COAL IN-TERAGENCY WORKING GROUP

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. RAHALL. Mr. Speaker, it is reassuring to note that the Reagan administration has recognized the importance of coal exports in reducing this Nation's balance-of-payments deficit and for providing an element of energy security to our allies. Recently, the Department of Commerce unveiled a coal export policy which includes the promise that the administration will engage in an active coal export promotion program in addition to providing foreign investment assistance. To provide the impetus for reaching the goals of the coal export policy, the administration has formed the Coal Interagency Working Group, chaired by Commerce Assistant Secretary for Trade Development William Morris. Participants in the working group include representatives from various Federal agencies with an interest in coal and the Nation's seaports.

EXTENSIONS OF REMARKS

In light of this highly commendable action, on behalf of the Congressional Coal Group I have called a meeting with Assistant Secretary Morris and members of the Coal Interagency Working Group to discuss coal export and related issues such as port dredging proposals with interested Members of Congress. Today, I sent invitations to members of the Subcommittee on Water Resources, Subcommittee on Merchant Marine, Subcommittee on Energy and Water Development, the chairmen of the Congressional Port Caucus, Congressional Shipyard Coalition, and the Congressional Export Task Force in this regard.

I would like to take this opportunity to invite any other Members with an interest in this subject to attend the meeting, which will be held on October 7. Please contact my office for ad-

ditional information.

EFFECTIVE ANTICRIME LEGISLATION INTRODUCED

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

. Ms. FIEDLER. Mr. Speaker, I am proud today to introduce a package of six pieces of legislation that I believe will help in the fight against crime in our country. As we all know, the vast majority of crime legislation is handled by the various State legislatures. However, after months of research, I have discovered a number of areas in which Congress can help.

In a recent newsletter, I asked the people of my district what they thought the most important problem is facing our community. The overwhelming answer was "crime". In fact, Mr. Speaker, over one-third of all the thousands of people who responded

gave this answer.

The six bills I am introducing today deal with six specific problems. They

BILL NO. 1-THE EXCLUSIONARY RULE

Problem: The fourth amendment to the U.S. Constitution protects Americans from unreasonable search and seizure by the police. Until 1961, neither Congress nor the U.S. Supreme Court told the states how to enforce that right.

In 1961, the U.S. Supreme Court ruled that in all state court trials, if evidence of a crime was obtained by an unreasonable search it could not be admitted into evidence against the criminal. The theory behind this rule was that the policeman would be deterred from intentionally seizing evidence unreasonably if he was punished by having the evidence kept out of court.

However, in recent years, the overwhelming number of searches determined to be "unreasonable" have not been intentional. In other words, the policeman thought he was obeying the law. As a result, it makes no sense to use the exclusion of evidence as a deterrent because unintended acts cannot

be deterred.

Not only is the exclusionary rule not accomplishing its goal, but it only helps criminals because it provides no redress to innocent victims of police misconduct. The rule acts only to throw out valid evidence of criminal conduct.

Solution: This bill eliminates the exclusionary rule in state court trials as a means of protecting the public's right to be free from unreasonable searches. In place of the rule, this bill creates a right for money damages for both innocent and guilty victims of

such violations.

The bill will gradate the size of the award based on whether the violation was in good faith or was willful. It also allows less damages if the person searched was convicted of the crime than if he was innocent of any crime.

This approach to protecting the public from unreasonable searches is followed throughout the free world. The United States is the only country that has an exclusionary rule on the books.

BILL NO. 2-HOLDING FEDERAL PAROLE OFFICIALS LIABLE FOR GROSS NEGLIGENCE

Problem: Under existing law, if a prisoner is released on parole and commits further violent crimes, the new victims have no cause of action against the parole authorities even if they should have known of the potential danger of the parolee's release.

Solution: This bill creates a cause of action allowing aggrieved parties to sue the government for the gross negligence of parole authorities in the release of danger-

ous criminals.

(Background material): The U.S. Department of Justice conducted a study of federal parolees during the 1970s. The study tracked the records of hundreds of randomly chosen federal prisoners following their release on parole. It found that 62.5% were arrested at least once during their parole for either a new crime or a parole violation. 41% were arrested more than once.

In that same study, it was shown that within 5 years 48% of the youth parolees had committed sufficiently serious offenses to require recommitment. For adults the

rate was 40%.

There are between 7,500 and 8,500 federal prisoners on parole every year. This means that every year federal parole authorities are releasing approximately 3,500 dangerous criminals who, statistically, will go out and commit new and violent crimes again.

In the March 27, 1981 Washington Post, it was reported that 26 prisoners in Maryland operating on a work-release program were indicted on 61 charges of murder, rape, armed robbery and narcotics violations committed while on release under the program.

BILL NO. 3-DENIAL OF BAIL

Problem: Under existing law, inmates in state prisons, already convicted of a crime, may be granted bail by federal judges as soon as the inmate appeals his conviction in federal court.

Solution: This bill will outlaw the granting of bail to any inmate in a state prison, even if he is appealing his state conviction in the federal courts.

BILL NO. 4-PRESUMPTION THAT PLEA BARGAINS WERE VALID

Problem: Under existing law, a convicted criminal can go into federal court years after he has plead guilty to a crime state court. He can then claim that his guilty plea was forced and not voluntary. This is the case even if the state court trial record shows that the criminal entered his

plea bargain in open court, with the full advice of counsel after being told all of his rights.

As a result, the state is required to go into federal court and defend the validity of the original plea bargain. Although these claims by criminals are rarely successful, they are made all the time and require the expenditure of taxpayer's money to pay for the lawyers, judges, courtroom time, etc. In other words, the state is required to prove the validity of a plea bargain that is manifestly valid based on official court records.

Solution: This bill will establish that if a

Solution: This bill will establish that if a plea bargain has been entered on the record with all the requirements of law having been expressly complied with, that record will constitute conclusive evidence of a proper plea bargain.

BILL NO. 5-LIMITS FEDERAL COURT INQUIRY

INTO STATE PRISONS

Problem: Under existing law, a single federal judge can determine, based on his own set of standards, that a state must change the physical conditions in their prisons. This can cost the taxpayers of a state untold millions of dollars or allow for the premature release of hardened criminals.

Solution: This bill limits the authority of federal judges to make such determinations in two ways: (1) it requires that all the issues raised by a state prison inmate be first presented to that state's courts before being admissable in federal court and, (2) it requires the federal judge to defer to the judgment of the state court so long as the state court provided a fair hearing for the prisoner.

(Statistical background): Petitions filed by state inmates in the federal district courts is increasing. In the last five years they have increased by over 90%. As of June, 1980 (last complete records) state prison inmate filings comprise 11.6% of all civil filings in the federal trial courts across the country.

(Example): Last month a federal judge in Arkansas ordered the release of 25 convicted felons, including murderers, because the federal judge was not satisfied with the physical conditions in the state prison.

BILL NO. 6—TIGHTENING FEDERAL WRIT REVIEW PROCEDURES

Problem: The federal writ of Habeas Corpus was created by Congress in 1867. At that time, the law allowed a person being held in a state prison without being charged the right to go into federal court to get released from the illegal detention.

Over the years, however, the federal courts have expanded the issues that could be considered under a federal writ of Habeas Corpus. In other words, instead of merely checking to see if the inmate had been properly charged by state officials, the federal courts started using the writ process as a vehicle for reviewing the entire state criminal trial process. This has created great friction between states and the federal courts.

As a result, in 1966 Congress amended the 1867 act in an effort to stop the federal courts from overstepping their proper role. In that act Congress laid out specific limitations on what the federal courts could review.

However, since 1966 many federal judges have again attempted to overstep their Congressionally-limited scope of review. By using hypertechnical procedural tricks the federal courts have attempted to substitute their judgment for that of the state courts in state criminal trials.

Solution: This bill tightens the conditions under which the federal courts may over-

rule valid state court decisions. It requires state inmates to raise every complaint in the state courts before raising them in the federal courts.

The bill also requires the federal court to wait until the state court has made a ruling on the merits of the inmate's claims before reviewing the case.

As a further protection of the integrity of the state court system, this bill requires the federal courts to honor state court procedures. In other words, a federal judge would not be able to overturn a valid state conviction just because the federal judge disagrees with the procedures duly enacted by a state legislature for the administration of state trials and appeals.

Additionally, Mr. Speaker, I am announcing my cosponsorship of two additional pieces of legislation introduced by colleagues that also deal with the growing problem of crime. The problems they address are:

Problem: Under existing federal law, a criminal who uses a firearm during the commission of a crime may never serve a day in prison. At the discretion of the court, such a violent convicted criminal may get off with probation.

Solution: H.R. 27 takes that discretion out of the hands of federal judges. Rather, this bill requires an automatic minimum prison term of 5 years for any criminal convicted of using a firearm during the Commission of a crime. This sentence must be added to any other sentence given for the crime. A second firearms conviction would be a minimum ten year additional sentence.

Problem: Under existing federal law bail is available to defendants even if they are a clear and present danger to the community. The only condition that must be met before granting bail is to assure the presence of the defendant at his trial. As a result, clearly dangerous criminals are being released into the community every day.

An example is the case of Christopher Boyce, the convicted Russian spy who escaped from federal prison 2 years ago and has just been recaptured. The federal judge who arraigned him last week set ball for him.

Solution: H.R. 4362 establishes more sensible criteria: (1) it permits detention of a person arrested while free on bail, probation, or parole for a period of 10 days to permit the appropriate court, probation or parole recommitment process to take place; (2) it provides for detention of an arrested person if a judicial officer concludes that no conditions will reasonably assure their appearance in court or to protect the community: (3) it requires a hearing to inquire into possible flight and community safety in all cases involving a crime of violence, an offense punishable by life in prison or the death penalty and in certain narcotic offenses; (4) provides that in making bail decisions judges must consider the nature and circumstances of the offense, the weight of evidence against the defendant, the history of the defendant and the nature and seriousness of the danger to a person or the community that would be posed by release; (5) provides for the enforcement of subpoenas of material witnesses.

Mr. Speaker, the people of our country are demanding freedom from preying criminals who make them fear for their safety even in their own homes. I think this package of legislation is a start toward giving people that free-

dom from fear. I urge my colleagues to join with me in supporting this legislation to get and keep criminals off the streets.

JOBS FOR WHOM?

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. HAWKINS. Mr. Speaker, President Reagan has constantly talked about jobs. "The best social program is a job; 13 million new jobs by 1986. Jobs, jobs, and more jobs." How can he reconcile this rhetoric with the catastrophe going on in the black community?

The official unemployment rate for black teenagers is over 50 percent and undoubtedly, the actual rate in our hardest hit communities is even higher; 300,000 CETA workers are in the process of losing their posts. Construction and manufacturing firms are laying workers off right and left. There is a do-nothing urban policy concensus in the White House. All this and the worst effects of the budget cuts are yet to come. I fear, as does the cabbie in William Raspberry's Post column this morning, that the administration really does not know where it is going. And that bodes ill for all of

> Jobs: Which Way Is Up? (By William Raspberry)

"Boy, that Reagan is really putting it to us now," the cabbie said. "I suppose you saw the report the other day that unemployment is up again."

"Sure, I saw the report," I told him, "but I'm not sure I see what you are so excited about. After all, the overall jobless rate was only up two-tenths of a percent—from 7 percent to 7.2. That's not good, of course, but I hardly see how you could describe that as putting it to the American worker."

"I didn't say he was putting it to the American worker," the cabbie shot back. "I said he was putting it to us. As you may have noticed, I'm black. And unless my bifocals need changing again. I believe you are, too.

"That 7.2 percent is for them white folks. For us, unemployment went up from 13and-change to 15 percent."

I conceded his point and admitted the trend was not good.

"Not good!" he screamed. "It's a damn disaster, is what it is. And did you see the numbers for black teenagers? Over 50 percent, I tell you, that man's economic program is just about to wipe us out."

"The trouble with people like you is that you have no patience," I told him. "You shouldn't be that upset about a temporary increase—a blip on the screen, so to speak. That is only a natural consequence of the president's efforts to squeeze the fat out of the economy. The long-term result will be a much healthier economy."

"Healthier for who?" the cabbie demanded

"Whom," I corrected.

A TRIBUTE TO GEORGE ARTHUR ANDERSON

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

"And when people really start feeling the pinch of all the cuts Reagan is making in food stamps and job training and medical care and so forth, it's not going to be healthy for any of us. I mean, folks aren't going to just sit there and quietly starve to death."

"Look I told him "if you want to criticize

'Okay, Mr. Intellectual, whom. Well, I can

tell you it's not healthier for my nephew

who lost his CETA job last week. It's not healthier for my mother, not when she

stands to have her Social Security cut back. It's not healthier for my brother-in-law

who's been looking for a job for six months

now and is already into me for \$400.

"Look, I told him, "if you want to criticize Reagan because you're still in love with JFK, then go right ahead. But if you want to understand something about supply-side economics, I'd be happy to explain it to you."

"What's to explain?" the cabbie yelled.
"More people are out of work, especially my
people. Business is stagnating even for
white folks, Interest rates are so high I
can't even afford to replace this brokendown cab. Don't you read your own newspaper?"

"As a matter of fact, I do," I said calmly.
"If you read it instead of just going off about one or two little negatives, you'd understand what the long-term payoff really

"Didn't you read the president's Labor Day statement? I've got it right here. Listen: 'Our goal in this program is: jobs, jobs and more jobs. I see the creation of 3 million more jobs by 1986, in addition to the 10 million already expected. I see an era in which wage earners will be taking home more money in real dollars and an era in which fewer of us will be looking for work.' That's what the man said."

"And did he say where all those millions of jobs are coming from?" the cabbie asked. "Well, it was only a short statement," I said.

"Did he say anything at all to show that his supply-side mumbo jumbo is working?" the cabble persisted.

"Well, let me see," I said, scanning the presidential statement. "Oh, yes, here it is: 'Our policy has been and will continue to be: What is good for the American worker is good for America.'"

"Is cutting back on school lunches and medical care good for the American worker?" the cabbie wanted to know.

"Well, not directly, at least," I conceded.

"Is a 20 percent prime good for the American worker?"

"Of course not," I said.

"Is it good for the American worker when 7½ million American workers are not working?"

"Come on, man, what's your point?"

"My point," the cabbie said, "is that as far as I can see, the president's program isn't working very well for the American worker or for America either."

"You're being misled by short-term indications," I assured him.

"Well, let me ask you this, good buddy. If I told you I was taking you to 39th Street and the short-term indications, as you call them, showed you I was passing 24th Street and then 23rd and 22nd, what would you think?"

"Why, I'd think you didn't know where you were going," I told him.

"You know, you're not quite as dumb as I thought," the cabble said.

• Mr. GINN. Mr. Speaker, it is with great sadness that I note the death on August 23 of George Anderson of St. Simons, Ga. George contributed more than three decades of his life to innovative forestry practices and environmental responsibility in managing the pine woods of southern Georgia. George was manager of forest improvement for the Brunswick Pulp &

Paper Co., in Brunswick, Ga.

George's start with Brunswick, as a field forester in 1948, marked the beginning of a remarkable career. At the time of his death, George was the manager of Brunswick's Forest Improvement department. There, he directed a major research program for more effective management of Brunswick's forest lands, including work on site preparation, plantation density control, forest genetics, forest nursery maintenance and development, forest fertilization, and hardwood management.

A number of professional achievements are reflected in George's career. In 1967, he helped organize a program of cooperative research in forest fertilization. This cooperative program between industry, the University of Florida, and U.S. Forest Service has led the way to improved techniques for fertilization and growth of southern pines. In 1979, Brunswick received national recognition for a program, initiated by George, to help small Georgia landowners reforest and manage their lands.

George Anderson always believed that any system used to improve forest productivity should not be damaging to the environment. In the past, he has testified before congressional committees, sharing with us his expert knowledge of forestry practices. He has expanded our understanding of forestry by spending countless hours on field trips showing Brunswick operations to House and Senate Members and aides.

Although he was born in Illinois, and educated in forestry in Colorado and North Carolina, we in south Georgia claim George as one of our own. Our sympathy goes out to his widow Maytrude, and his daughters Barbara and Christine.

Cicero, citing the Roman poet Caecilius Statius in 149 B.C., stated that, "He plants trees to benefit another generation." George Anderson has undoubtedly benefited future generations through his life and work.

ADAM SMITH AT THE GREAT WALL

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. GREEN. Mr. Speaker, Donald M. Blinken, chairman of the State University of New York board of trustees recently visited the People's Republic of China as a guest of that country's academy of sciences, the Academia Sinica. I am very pleased to have this opportunity to share Mr. Blinken's observations of China with my colleagues.

Finding Milton Friedman at the Great Wall exemplified for Mr. Blinken the paradoxes that characterize today's China. China is in midst of a period of great change; and cultural, academic, and scientific exchange programs with American institutions are among the most important vehicles of this upheaval. Mr. Blinken believes that:

Some leavening of central planning, of an omnipotent state role in decisionmaking of all kinds, combined with an increasing if limited measure of personal choice and reward based on merit, is bound to follow as a consequence of academic exchange with the West.

I am sure my colleagues will be very interested in Donald M. Blinken's comments, and ask that they be printed below.

Adam Smith At The Great Wall (By Donald M. Blinken)

Climbing resolutely up the Great Wall of China last month, we encountered Milton Friedman, valiantly chugging by us in the opposite direction. The presence of this symbol of free choice paying cultural homage to centuries of highly centralized autocratic planning, put into focus the overwhelming impression we gained of China; there are more questions than answers and paradoxes abound.

What does seem clear, though, is that China's current thrust toward pragmatism and openness, important elements of which are its exchange programs with American universities and scientific institutions, will profoundly change the attitudes of its political leaders and scholars.

It is not difficult to see why. Since 1949, China, has, by any measure, lost ground, its political and social turmoil aggravated by doubling of its population in the past 30 years. The value of technology, consumer goods, services of all kinds as we in the West understand them, was almost totally discounted.

The new Chinese leadership, which seems above all to be pragmatic, recognizes that it must leapfrog events by focusing boldly on those areas of high technology and science which will enable the country to achieve large-scale, complex projects if further convulsions are to be avoided. Such scientific and technological advances require Western "know-how," both in theory and in practice. It is quite logical, therefore, that the Chinese recognize the great potential value which exchange programs with our universi-

ties offer in playing catch-up. Even as their own institutions are shaking off the disastrous effects of the cultural revolution (this year, for the first time since 1963-64, students are completing four uninterrupted years of academic work) they must dip into their relatively scarce supply of scholars and experts in order to sample as quickly as possible what the West has to offer intellectually. Their visits to American institutions of higher education-our universities, teaching hospitals, liberal arts or specialized col--give them an opportunity to swallow the latest technology in large gulps, with a view towards digesting it and carrying it back to China. At the same time, the Chinese are very anxious to re-establish personal and institutional contacts, after almost 30 years of isolation.

Even more important, they are just beginning to understand that their real problem lies not so much in mastering some of the advances in science and technology which disappeared from their view from 1949 to 1976, but in applying what they learn to the basic problems of everyday life. The Chinese are becoming more aware that the ability to design and build atomic weapons or advanced computers will, by itself, achieve little unless they can bring the practical applications of this technology to everyday industrial, commercial, and personal life. Precisely because institutions like the State University of New York are so diversified and so goal-oriented in many aspects of their research and public service activities, the Chinese scholars visiting our campuses find the experience particularly valuable.

But, one may ask, while of obvious value to the People's Republic, what benefits accrue to us? The Chinese visiting our campuses are focusing on the sciences and technology, disciplines whose very tangible areas of knowledge and technique can be applied on the return to their homeland. American scholars in China, on the other hand, are often engaged in more scholarly and humanistic pursuits—important for the advancement of knowledge and understanding, but less readily quantifiable in practical

I think the value to us is both considerable and profound. In the first place, these exchanges will facilitate the broadening of our contacts and understanding with the leaders of a country of more than one billion people. They will provide us with the chance to meet China's leading scholars after a hiatus of 30 years. They will create an opportunity, which we hope to expand, for our scholars to visit and work in the People's Republic of China.

Taking a broader view, these exchanges will ultimately contribute to the betterment of mankind through our sharing of science and technology with an increasingly significant segment of the world's population. And, they will help us to revive a long and fundamentally friendly history of United States-Chinese relations, which may have a very beneficial influence on China's understanding of how the world really works and the role China can play as part of that world.

For if Adam Smith's "invisible hand" is not yet evident at the Chin Emperior's Great Wall, some leavening of central planning, of an omnipotent state role in decision making of all kinds, combined with an increasing if limited measure of personal choice and reward based on merit, is bound to follow as a consequence of academic exchange with the West. But, how much the new China can absorb and what it will come

to be, remains one of the unanswered questions.

Donald M. Blinken was named Chairman of the State University of New York Board of Trustees by Governor Hugh L. Carey on June 5, 1978. Mr. Blinken, who was orignally appointed to the SUNY Board in September 1976, is Senior Vice President and Chairman of the Executive Committee of E. M. Warburg, Pincus & Co. Inc., investment bankers. He joined the firm in 1959 after five years as Vice President of Steins Stores Inc. of New York City. Mr. Blinken served as President of the Board of Directors of the Brooklyn Academy of Music from 1971 to 1976 and currently is a member of the Commentary magazine publishing committee, a member of the Mark Rothko Foundation, Co-chairman of the Concerned Citizens for Arts in New York State, and a former trustee of the Institute of Man and Science in Rensselaerville.

Chairman of the SUNY Board of Trustees Donald M. Blinken and Mrs. Blinken recently visited the People's Republic of China as guests of that country's academy of sciences, the Academia Sinica. Dr. Frederick F. Kao, professor of physiology at the University's Downstate Medical Center, accompanied the Blinkens on their journey.

IMPORTS MUST BE CURTAILED

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. HUBBARD. Mr. Speaker, Mrs. Jessie Allred, of 1137 Wilford Street, Apartment 2, Mayfield, Ky., my hometown, recently sent me an editorial published by the Mayfield Messenger. The Messenger's editorial writer points out how the excessive importation of foreign products into this country is stifling American production in Mayfield and throughout the Nation. I feel the editorial is one which should be shared with my colleagues and I wish to do so at this time. The editorial follows:

There is no doubt that imports are destroying jobs at a rate that is absolutely unacceptable for a healthy economy. This paper cannot understand why any legislator would permit such a large imbalance of trade with foreign countries of hundreds of products which flood our market place and cause the demise of small and large businesses alike.

This editorial asks why, when our economy is suffering, and while there have been wholesale layoffs in the automobile and allied industries, that the Administration, the House, and the Senate are insensitive to this situation. All it will take is to put a quota on products or demand parity with any country.

The main offender is Japan, whose government subsidizes their industries and dumps some \$13 billion in cars and hundreds of electronic products into the United States every year. Voluntarism on their part while commendable is hardly the proper manner to approach so vital a matter. Just stop it or demand that we sell to them as

much as they sell to us and do this in every country where the inbalance is so great. One out of every 5 workers in the U.S. is employed because of the automotive industry. Many workers here in Mayfield are not working because imports of clothing and automobiles. It is past time when we can continue to buy foreign made products. It is time for businesses to know where their products are coming from. The public should look at the labels and try where possible to buy U.S. made products.

Those who defend an "open and free market" note that it is a two way street and when we act to restrict imports, we could be jeopardizing jobs here in this nation. We are not suggesting absolute parity with every country, but primarily Japan, which spends virtually nothing on their own defense, while we maintain a vast arsenal for their defense costing us billions of dollars.

They take the money they save and help their industries undersell us. All the advantages are going to them while unemployment in this country is excessive, especially here where we could be furnishing tires for American made vehicles and enhance the sales and profits of our largest industry, General Tire and Rubber Company.

This is the largest plant of General Tire and if demand increases, we could expect it to reap the benefits. Consequently, this would mean more unemployed put back to work.

It is no secret that foreign labor has the reputation for less work stoppages, higher productivity, and generally lower rates of pay per hour. These are problems that can be solved in this country with negotiations that take into consideration both labor and management needs.

Labor must make wages necessary for them to have a decent living standard. Management must have the prerogatives to manage. In these times of double-digit inflation, where the survival of plants and jobs are at stake, it is imperative that any adversary situation be avoided and that negotiations be made in a positive, intelligent manner reflecting the responsibilities of both parties.

We believe this can be done and that circumstances have dictated here and across the nation that everyone give their best effort to whatever job they have. Otherwise, we can expect worse conditions than now exist.

A good attitude and a new appreciation of the necessity of higher productivity would do wonders for this nation. We are optimistic that the economy will improve, but it depends upon every individual having an appreciation of the free enterprise system.

The present Administration is on the right track by curtailing costly regulations, lowering taxes, seeking to balance the budget, eliminating an intolerable bureaucracy, and seeking to turn government back to the people.

Government exists because we created it. It needs at every level to recognize that to be an elected representative requires an understanding that government is our servant and not our master.

Please write to the President, Representative Hubbard and to Senators Ford and Huddleston asking relief from the burden of imports. It is in your interest to do so and their responsibility to stop it now.

AN ACT OF CYNICISM

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

. Mr. HAWKINS. Mr. Speaker, an often used but frequently unfounded charge levied against politicians of all stripes is that of being hypocritical cynics. However, as the Post points out in an editorial this morning, the recent decision to halve the amount of personal possessions allowed to be owned by a welfare recipient is the ultimate act of cynicism. While the rich have been bestowed with a tremendous amount of congressional largesse this year, the poor have suffered programmatic cuts and tax increases. And now, the decision to limit to \$1,000 the amount of personal possessions owned by a welfare family. Surely we are a better people than is shown by this cynical act. The text of the editorial follows:

AN ACT OF CYNICISM

Two thousand dollars worth of possessions not counting your living quarters, essential household goods and car, if you have one, does not exactly represent a royal patrimony. You could maybe have a couple of real luxury items for that or an accumulation (though not a very large one) of things that could be given up without doing harm to your health, safety or sanity. But basically \$2,000 doesn't buy an awful lot of anything these days. Still, to the self-denying, spartan-living members of the U.S. Congress and the Reagan administration it seems a rich and princely sum indeed, far too rich and princely for a welfare family-yecch! a welfare family-to possess. So it is that the government in its wisdom has decided to reduce from \$2,000 to \$1,000 the worth of personal property outside the necessities that a person may have and still qualify for welfare.

A lot of the trimming back on domestic social programs that has occurred over the past several months has been warranted. Some of it has been questionable. This particular initiative, however, taking place as it has in the Age of the Senate Steam Room and under the Sign of Harper's Bazaar, is disgusting. We suppose that if you persist in viewing all welfare recipients as variations on the spectacular cheaters and "welfare queens" who are periodically uncovered, it makes sense. But if you believe that welfare recipients are something other than a class of criminals and subhumans who need to be punished, believe that they are in fact much what we otherwise describe as "people"-people who would like to keep their families together and to enjoy a dignified, productive relationship to societythen you will see this punitive, degrading act for what it is.

The economics of the effort are a joke. What is the merit of a one-shot gain that comes from disposing of those assets a welfare recipient has in excess of \$1,000 in value, when the present limit is \$2,000? What is the effect to be on those numerous people who go on and off welfare as their job opportunities and fortunes change with the changing economic times? If you want help for a few months, you'd better sell off

that second thousand dollars worth of inessential goods. Are we not trying to strengthen the stability and self-confidence of the people who are on welfare, to enlarge and protect the stake they feel they have in the society as a whole—to bring them into the normal middle-class economic order in which most of us live? Do you do this by ensuring that anything they have acquired beyond \$1,000 worth must be sold off before they get help?

The Congress that was so solicitous of inherited wealth, making sure this summer that the estate tax laws would be revised so as to ensure that family acquisitions could passed on from one generation to another, seems not to have any idea at all that a few permanently held, valuable possessions might have a beneficial effect on a welfare family far in excess of any good to be had by making it sell these things. The Congress that went to such lengths to guarantee that the independent oilmen should have the greatest capital gains blessings the government could provide them is worried that a welfare recipient might have, at \$2,000 worth just to darn many assets. It sounds as though they really just want to make sure that these people never get any sense, however dim, that things for them, materially, can get better. It is bad economics and wretched social policy. Our guess is that they know it too, that we are dealing here not with mindlessness, but with sheer cynicism.

REFUGEES AND REASON

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

 Mr. FRANK, Mr. Speaker, the subject of American refugee policy, particularly with reference to people from Southeast Asia, has been a controversial one. Several Members of this body and other public figures have spoken out in favor of restricting the entry of the Southeast Asian exiles to America. I was very pleased to read a recent editorial in the Wall Street Journal expressing strongly the view that America continues to have an obligation to those who were the victims of the war in Indochina. Mr. Speaker, I do not think we should begrudge to those unfortunate people the chance to join the tens of millions of earlier immigrants who have come to this country and helped it grow and prosper. I am very pleased that the Wall Street Journal has spoken out so forcefully on this important issue and I wish to share its views with the membership.

[From the Wall Street Journal, Aug. 24, 1981]

REFUGEES AND REASON

Two years after the great exodus of refugees from Communist Indochina reached its height, a huge number of Indochinese—particularly Vietnamese—are still trying to escape to the U.S. and other Free World havens, and they'll probably continue trying to do so for years. This is the conclusion of a major review of the situation by a special State Department advisory group.

Meanwhile, we're hearing from a growing gaggle of Congressmen, immigration bureaucrats and Third World ideologues that the U.S. is admitting too many refugees. These critics claim the U.S., boasting of its wealth and freedom, is exerting more of a "pull" on the Indochinese than the Communist regime, with its dictatorship and economic failure, is exerting a "push." The result, they say, is that we're not really seeing "refugees" now but "economic migrants," who shouldn't be allowed in under the law.

Senator Huddleston, for example, is pushing for an investigation of whether any "economic migrants" are slipping into the U.S. under the refugee program. If they are, he wants to see the progam curtailed or closed down. And a group of House Judiciary Committee members, junketing in Asia, said in Bangkok the other day it would recommend tightening up on refugee laws and predicted Congress would scrutinize administration policy.

The law defines a refugee as someone outside his country of nationality who is unwilling or unable to return "because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion . . ." The State Department notes that a large number leaving Indochina clearly face persecution if they return. But it notes that others, in interviews, "manifest a desire for an improved station in life, and fled primarily because of the economic or social conditions" back home.

The State Department's panel—led by Marshall Green, a former Assistant Secretary of State for Asia—recommended in effect that the 225,000 Indochina refugees now festering in camps be presumed to be proper refugees. But it also contended more generally that a proper refugee policy "must distinguish between those who fled out of a fear of persecution * * * as against those who seek to emigrate to ameliorate living conditions."

It seems to us that what a proper refugee policy really ought to do is take cognizance of the fact that economic persecution is just as bad as any other type of persecution, and it's one of the specialties of the type of Communist government that's running Indochina these days. Being denied the right to profit from your work strikes us as no less oppressive than being denied the right to pray or speak. And if Indochina's refugees are fleeing so they can get to a place where they can keep the fruits of their labors, we ought to write a law that is generous toward them.

America has special obligations in Indochina, obligations going far beyond any we might have toward refugees from trouble, oppression and poverty in other parts of the world. The U.S. shares in the responsibility for Indochina's plight. America asked for and won the faith of millions in Vietnam, Cambodia and Laos. It failed them in war. But it need not fail them in defeat, and is faced now with the opportunity of demonstrating the nobility that has been all along in its cause.

TRIBUTE TO RABBI SAMUEL I. PORRATH

HON, JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

 Mr. LaFALCE. Mr. Speaker, I rise to pay tribute to a truly outstanding citizen and public servant whom I proudly represent in Congress, Dr. Samuel I.

Rabbi Porrath is celebrating his 50th anniversary in the Rabbinate on the Niagara Frontier. He will be honored at a banquet September 13, 1981, sponsored by Temple Beth El of Greater Buffalo and Temple Beth Israel of Niagara Falls. I ask my coleagues today to join me in honoring this most respected member of our community.

There is reason for celebration. Rabbi Porrath has had a distinguished career and a significant impact upon the lives of so many, both through his religious and secular teachings and involvement. The words of the prophet Jeremiah have special meaning when applied to Rabbi Porrath: "He shall be as a tree planted by the water, and that spreadeth out her roots by the River."

Rabbi Porrath was born in Jerusalem and is a 16th generation rabbi. He is proud of his heritage and delights in sharing stories about his rabbi family with his congregants. They are stories about his roots that have influenced the thinking and activities of many in our community and throughout the

Nation.

Mr. Speaker, Rabbi Porrath possesses a special warmth and vitality. Throughout his 50 years as a rabbi, as a Hebrew and Bible scholar, he has shared that vitality from the pulpit, from the lecturn, in writing, and through travel. His congregants are honoring him because he has so positively influenced their lives, by spreading out his roots and because they are so proud of his accomplishments in the rabbinate.

Mr. Speaker, all of us have reason to be proud of Rabbi Porrath. He is one of those individuals who seeks new horizons and creative involvement to

better serve society.

He is a founder and former trustee of Niagara County Community College as well as the founder of the innovative Institute of Transportation Travel and Tourism at Niagara University. His curriculum for a new career program in executive and managerial skills has been copied in many colleges and universities throughout the country.

Rabbi Porrath has been a motivating force in numerous local and national organizations and is the recipient of many awards and citations for his civic work, including the Niagara Falls Rainbow Award. He has been a leader in the community for furthering interfaith and interracial relationships and, as such, has been the recipient of the B'nai B'rith Interfaith Award.

Mr. Speaker, I know my colleagues join me in extending the heartiest congratulations to Rabbi Porrath on this special occasion. Rabbi Porrath has led the way for so many. He is an in-

spiration to all of us.

Again, quoting Jeremiah, "Stand ye in the ways, and see, and ask for the old paths, where is the good way, and walk therein." Rabbi Porrath brings us the treasures of the "old paths," has pointed so many to the "good way," and has influenced all he has met to "walk therein."

MONETARISM-BROKEN RUDDER OF REAGANOMICS

HON, BRUCE VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Wednesday, September 9, 1981

• Mr. VENTO. Mr. Speaker, on May 12, 1981, I placed in the Record a statement discussing the need for more economic information about capital needs. Recently, the Wall Street Journal published an article entitled "Monetarism—Broken Rudder of Reaganomics" that again highlights our need to know more facts so that money and credit can be directed efficiently to productive purposes. I recommend the article to my colleagues.

It was written by Eugene Birnbaum of Intercontinental Casualty Insurance Co., a senior fellow with the Wharton EFA world economic program and Philip Braverman, vice president and monetary economist for the Chase Manhattan Bank. While gentlemen credit two the Reagan economic program and the tight money policy of the Federal Reserve for some moderation of the inflation, which I feel is of questionable validity, the main import of their article is a dire warning against rigid adherence to a pure monetarist approach I believe this article deserves our close study.

They say, concerning the money supply instability affecting not only our economy but European economies as well.

The cornerstone assumption of monetarism is that as money goes, so goes the economy. If that ever was an accurate assessment, recent experience refutes it. . .

Changes in the money growth rates have had anything but a stable relationship with corresponding changes in economic activity. This relationship gyrates wildly as shown in the quarter-to-quarter data covering more than a decade. . .

Money supply instability is an outgrowth of shifting seasonal patterns and changing depositor and borrower preferences, which are strongly influenced by continuous structural changes in the global financial environment. These changes set off Fed interventions to stabilize the money supply, which pummel the money and bond markets, foreign exchange markets, equities markets and commodities markets. The monetarist obsession with stabilizing only money growth is a prescription for destabilizing the economy.

Strict monetarist policies based on assumptions that inflation is possible only with spurts in money supply, they suggest, are futile and potentially dangerous also because the quantity of money relative to total economic activity has declined significantly. At the turn of the century the money supply was 40 percent of the GNP. Now it is 15 percent. They conclude that effective control of monetary aggregates. while theoretically possible, is not practicable. They reason that injecting or withdrawing reserves from the banking system according strictly to the dictates of monetarist theory would produce uncertainty that could lead to wholesale calling of loans and financial panic.

A major dilemma, according to these authors, arises by the pursuit of monetarism. They write as follows:

Whenever interest rates are allowed to weaken, the foreign exchange value of the dollar declines, thereby lessening the restraint on U.S. product prices and sowing the seeds for renewed inflation. On the other hand, if the sharply lower inflation rate is maintained through a combination of such exceptionally high real interest rates and a strong dollar, the formula may ultimately crush the economy—just as a strong pound sterling combined with high interest rates inevitably brought major problems to Britain—a la Thatcher.

Monetarism, which places its sole confidence in stabilizing the growth of some esoteric monetary aggregate to the exclusion of other concerns, is a prescription for calamity.

We are witnessing its consequences virtually everywhere in the Western world. It would be unfortunate if monetarist orthodoxy poisoned the Reagan administration's otherwise strong economic policies.

Mr. Speaker, there is another dilemma these authors do not discuss, and that is the inflationary impact that is likely to arise from the additional "incentives" President Reagan's tax legislation provides for wealthy individuals and giant corporations. Some of the funds from these incentives will no doubt add to productivity. But I fear that most of the funds will merely fuel speculative activity and unnecessary spending in much the same manner as we have witnessed in recent merger activity. Mergers concentrate economic power and will neither create jobs nor increase productivity.

In an economy so short of available credit that it cannot meet its essential capital needs, this waste cannot be permitted to continue. It is a farce when officials of the Federal Reserve and Treasury Department testify, as they did recently before Congress.

that only the free market can determine who should have access to credit. The simple fact is that the free market did not limit the money supply. The Federal Reserve, composed of officials and bureaucrats just like any other Government agency, took the action causing the present crisis. Now, as always in the past, tight money has denied credit to small business, agriculture, State and local government, and homebuilders and home buyers. The Federal Reserve made the tight money decision with full approval of the Reagan administration. That, I submit, is allocation of credit. American genius and American creativity should be able to find a better way to choose.

I ask consent to have my remarks and a copy of the Birnbaum and Braverman article reprinted in the RECORD.

[From the Wall Street Journal, July 23, 1981]

MONETARISM—BROKEN RUDDER OF REAGANOMICS

(By Eugene A. Birnbaum and Philip Braverman)

A near unanimity seems to exist among many commentators that the pronounced moderation of inflation now evident has nothing to do with the Reagan administration. We take exception to this view.

The turnaround in inflation is first of all attributable to the market's favorable response to the reordering of priorities that made countering inflation paramount; this confidence is especially apparent in the foreign exchange markets.

The dollar's rise against foreign currencies is a powerful inhibition against raising the domestic prices of all goods. The sharpened competitiveness of foreign goods strikes across the board, and the vulnerability of U.S. companies to such competition may even stimulate greater productivity.

The second powerful blow against inflation was Mr. Reagan's decontrol of oil prices. Suddenly U.S. consumers joined foreigners everywhere who had to pay more marks, francs, yen or lire to purchase the same \$34 barrel of oil. The resulting global conservation and supply-side impetus contributed greatly to the oil glut and recent decrease in the dollar price of oil.

U.S. economic policy management is not home free, however. A stern adherence to the theories of monetarism can be the undoing of the administration's effort to kill inflation without driving the economy into deep recession.

MONETARISTS' IMPLICIT FAITH

The assumptions of monetarists are heroic. The size of the federal budget deficit or the attendant credit expansion is irrelevant in their view because no speedup of inflation is possible without a companion spurt of money growth. Monetarists also have implicit faith that the Fed can control the growth of the money supply. Though the Fed's focus on the money supply has produced historically high short- and long-term interest rates, these are grudgingly tolerated in the holy war against money growth.

The cornerstone assumption of monetarism is that as money goes, so goes the economy. If that ever was an accurate assessment, recent experience refutes it.

In the first quarter of this year there was a 0.8% annual rate of decline in the much watched and monetarist-preferred M1-B measure of the money supply. Yet during that quarter GNP surged forward at an astounding 19% clip. At the same time the Fed, concerned over the lack of significant money growth, increased reserves through the open market sufficiently to depress the federal funds rate from 19%-plus at the turn of the year to under 14% by late March. Like a bevy of ducklings trailing their mother, other money market rates followed obediently downstream.

The Fed reversed course in April and May, marching the funds rate back toward the 19%-plus area, carrying other short-term rates with it. Why? Because money growth accelerated to a 16.9% annual rate in April, even though the economy had by this time turned sluggish.

Since then, market rates have continued to gyrate, not only in response to what the Fed was doing, but in anticipation of what might come next from a Fed subjected to a relentless barrage of monetarist criticism in and outside the administration. The money supply numbers have recently spurted again, and there's no telling the direction of the next stumble.

Changes in the money growth rates have had anything but a stable relationship with corresponding changes in economic activity. This relationship gyrates wildly as shown in the quarter-to-quarter data covering more than a decade.

Money supply instability is an outgrowth of shifting seasonal patterns and changing depositor and borrower preferences, which are strongly influenced by continuous structural changes in the global financial environment. These changes set off Fed interventions to stabilize the money supply, which pummel the money and bond markets, foreign exchange markets, equities markets and commodities markets. The monetarist obsession with stabilizing only money growth is a prescription for destabilizing the economy.

lizing the economy.

The monetarists cite reams of historical data to support the central tenet of their faith, that to control money growth is to control the economy. However such observations refer largely to earlier centuries when capital markets were in their infancy and, as a growing supplement to specie, banks became the primary source of money and credit.

The landmark study by Milton Friedman and Anna Schwartz, "A Monetary History of the United States: 1867-1960," found a relatively stable relationship between the growth of the so-called broadly defined money supply and the gross national product.

But a stream of recent financial innovation has encouraged the proliferation and substitution of near-money, credit, or merely assured access to credit, for money. The high degree of liquidity in credit lines, RPs, money funds, jumbo-CDs, Treasury securities nearing maturity, commercial paper, Eurodollars and bankers acceptance is self-evident. Each of these instruments can be readily exchanged for cash.

No wonder any of the officially designated money supply measurements can stagnate even as economic growth may be accelerating rapidly. Conversely, just let concern develop about the safety or liquidity of some near-money substitute, and the official money supply numbers will balloon, even in a period of economic decline.

The declining importance of the quantity of money relative to the economy is also ap-

parent in the reduction of the ratio of the money supply to the GNP. At the turn of the century this ratio was 40%. It is only about 15% now.

The various money supply measures can and do move in opposite directions, with respect to each other and with respect to nominal GNP. When Fed policy is predicated on countering "aberrant" money growth, the result is the chaotic gyrations we are witnessing in every market. The monetarist policy approach to guiding the economy, depending as it does on tenuous linkages, is like trying to walk a dog with a leash a block long.

The truth is that effective control of the monetary aggregates is achievable in theory, but not in practice. In theory the Fed could indeed inject or withdraw reserves from the banking system with no holds barred and on an unswerving course. The problem is that this would produce much uncertainty over the availability of reserves. A misstep could lead to a wholesale calling in of loans and a spiraling descent to financial panic.

This is why every week the Fed understandably acts in such a way as to fully accommodate the reserve requirements of the banking system (whatever these may be). The Fed can never refuse to provide the required reserves unless it would deliberately risk setting off a spiraling contraction of credit. So it contents itself with choosing between channels—open market operations or the Federal Reserve discount window—to supply the requisite reserves.

The more reserves provided through the open market, the lower the federal funds rate will be and the less the banks will need to resort to the discount window. Conversely, holding back on reserves through the open market pushes up the funds rate to a level where banks move to the discount window.

The point is this: The Fed does not control the quantity of bank reserves—monetarist prattling to the contrary notwithstanding. Rather it controls the level of the funds rate by its choices of the channel through which to meet predetermined bank reserve needs.

It is of course thought that higher interest-rate levels eventually dampen the economy, slowing borrowing and lending sufficiently to achieve longer term moneygrowth goals. But the Fed has been forced to use dramatic increases and decreases in interest rates in the attempt to achieve such money growth objectives.

To reemphasize a critical distinction: Money growth-goals are one thing, but economic performance is another. In the 1930s the Fed tried to get the banks to lend but found that piling up excess bank reserves was like pushing on a string. In the current era we have the opposite condition: Since reserve needs must be met, trying to restrain, excess money growth by actions which force up the funds rate is about as effective as pulling on a limp noodle.

COSTS CAN BE PASSED ALONG

The underlying conventional theory holds that higher interest rates are deflationary, since they increase costs that may prove difficult to pass along. However, just as banks can keep lending in the knowledge that reserve needs will always be met, borrowers take a similar view of higher interest rates; they assume those costs can usually be passed along and so are not dissuaded from borrowing until rates are at astronomical levels.

That brings us back to where this article began: We are witnessing a sharp restraint on U.S. inflation, as the strong dollar allows the extraordinarily high interest rate levels to bite. The pursuit of monetarism, however has brought policy to a major dilemma.

er, has brought policy to a major dilemma. Whenever interest rates are allowed to weaken, the foreign exchange value of the dollar declines, thereby lessening the restraint on U.S. product prices and sowing the seeds for renewed inflation. On the other hand, if the sharply lower inflation rate is maintained through a combination of such exceptionally high real interest rates and a strong dollar, the formula may ultimately crush the economy—just as a strong pound sterling combined with high interest rates inevitably brought major problems to Britain—a la Thatcher.

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Monetarism, which places its sole confidence in stabilizing the growth of some esoteric monetary aggregate to the exclusion of other concerns, is a prescription for calami-

We are witnessing its consequences virtually everywhere in the Western world. It would be unfortunate if monetarist orthodoxy poisoned the Reagan administration's otherwise strong economic policies.

LEGISLATION TO PROMOTE EPIDEMIOLOGICAL RESEARCH

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

• Mr. MOFFETT. Mr. Speaker, I am today introducing legislation to improve the ability of the National Institute for Occupational Safety and Health (NIOSH) to root out the causes of illnesses contracted by workers. Our colleagues Representatives Ford, Scheuer, Downey, and Walgren are joining in this effort.

Last year, the House Commerce Subcommittee on Oversight and Investigations produced an excellent report titled "Data Transfer Restrictions Impede Epidemiological Research." The report described, with the utmost detail and care, the problems which frustrate scientific researchers who attempt to discover the root causes of occupation-related diseases.

Our former colleague, Bob Eckhardt,

wrote at that time:

All of us have been touched directly or indirectly by the harsh reality of occupational disease—cancer, respiratory illness, birth defects. All of us ask questions: How did this happen? What was the cause? How can this human tragedy be avoided in the future? Unfortunately, many of these questions cannot be answered fully at the present time.

The report which Bob and our subcommittee produced disclosed that the Internal Revenue Code barred the release of certain critical information to the National Institute of Occupational Safety and Health. And, if these restrictions were modified—in a manner which was consistent with the 1974 Privacy Act—health research and disease prevention would be immeasurably enhanced.

Our amendment to the Internal Revenue Code to authorize the Social Security Administration to disclose to NIOSH the information needed to further this research. Let me again quote the subcommittee report to describe how such an amendment would be helpful:

Assume that NIOSH determines that there is an unusually high incidence of bladder cancer in County A. NIOSH also learns that several of the bladder cancer victims have been previously employed by Plant X, and the agency concludes that they should evaluate whether occupational factors at Plant X might be related to the increase in cancer incidence.

Although all of the cancer victims might have also worked at Plant Y, NIOSH re-searchers might not readily identify this common factor under current methods of epidemiological research. This is because the agency could not rapidly receive the detailed employment histories available under the proposed amendment. Rather such employment histories would only be available after months of research (and possibly not even at that point). Without the proposed amendment, employment histories can only be acquired by conducting lengthy interviews with next of kin or by obtaining Social Security records from the Administrator, trustee or executor of an estate. This amendment is crucial if we are to supplement information from animal studies with sound epidemiological research.

This important research information should be available to NIOSH.

Our proposed amendment to the Internal Revenue Code would provide for complete compensation to the Social Security Administration. Thus, the information transfer would not deplete the funds in the social security trust funds in any way. Also, no additional Government bureauracy would be created by this legislation.

The protection of worker health is still a priority in the United States. By discovering the causes of occupational illnesses, we can make our workplaces safer and more productive at the same time. The amendment we are offering has been recommended only after thorough oversight and investigation by the House Energy and Commerce Committee.

I urge our colleagues to cosponsor and support passage of this legislation.

MILITARY WASTE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 9, 1981

• Mr. ASPIN. Mr. Speaker, if the Reagan administration is seriously looking for areas of waste in the military, it does not have to look far. I suggest OMB Director Dave Stockman just look at his plate the next time he dines at the Pentagon. A lunch built around a pastrami sandwich in the pri-

vate dining room operated for the top

officials of the Defense Department costs taxpayers \$12.

There are five private dining rooms operated in the Pentagon, one each for the three service chiefs, one for the Office of the Chairman of the Joint Chiefs of Staff and one for the Office of the Secretary of Defense. Those five dining rooms were subsidized last year to the tune of \$1,438,322, according to figures given me by the Pentagon in response to my questions.

If we single out the Defense Secretary's dining room, we find the kind of appalling disdain for the value of a dollar that ought to goad any administration into action. The dining room is clearly overstaffed and run with no concern for cost. The worst part, of course, is that the taxpayer is expected to pick up the tab for 81 percent of the cost of the lunches served there.

This private dining room is open to only 100 "selected senior level members" of Defense Secretary Caspar Weinberger's staff. The dining room charges no membership fees. Its a la carte prices include such charges as 55 cents for soup, \$3.55 for a Delmonico steak, \$2 for a hot pastrami sandwich on rye and 50 cents for ice cream. Diners pay an average of \$2.87 for each meal.

The charges cover the cost of buying the foodstuffs. But the wages for the 19 service men and women who staff the place, as well as utilities, maintenance and most other costs are paid for with Government money.

The following figures were supplied to me by the Pentagon in response to specific questions.

DATA ON SECRETARY OF DEFENSE MESS—FISCAL YEAR 1980

[Meals served in fiscal year 1980 = 26,004]

THE CHARGE THE STATE	Total cost	Cost/meal
Military personnel pay	\$278,860 34,728	
Total appropriated funds	313,588 74,739	\$12.06 2.87
Totals	388,327	14.93

I think \$14.93 for a hot pastrami sandwich is a wee bit steep—no matter who you get to dine with. But in this case, the one getting stiffed is not the diner but the taxpayer, who does not even get a glance at the decor of this private dining room.

The total cost of the dining room is not much when you consider the total defense budget this coming year will be \$222 billion. It is the aura of wastefulness right at the heart of the Nation's largest Federal agency that is so disturbing. I do not blame Mr. Weinberger. He did not open this dining room. It has been around many years and he just inherited it. But he does

have the authority to do something about it.

In keeping with the stated goals of the administration, all officials should be turning their backs on decades of wastefulness and generating a new spirit of concern for the value of the dollar. What better place for the Secretary of Defense to begin than at his own dining table. Let us clear the mess from the Defense Secretary's messhall; let us have a new ambience, an ambience of parsimony rather than prodigality, of economy rather than extravagance, of savings rather than subsidy. That is what the public wants.

WARREN-SHERMAN PROJECT

HON. ED WEBER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

. Mr. WEBER of Ohio. Mr. Speaker, today I wish to focus attention on the need our country has to create new jobs. The concept of urban enterprise zones has been suggested as a partial solution to the problem of unemployment. Through the promotion of areas with special incentives to encourage private businesses to create jobs in our urban centers, relief can be provided for the people who suffer most because of unemployment. The August 1981 unemployment figures show that 7.2 percent of the citizens of this country are out of work and that 45.7 percent of the minority teenagers are unable to find a job. In 1978, the people of the Toledotrust Corp. in Toledo, Ohio, along with other busistarted work on a project called Warren-Sherman. This project is an attempt to make the concept of urban enterprise zones work. Over the past 3 years much progress has been made and a major step forward will occur this fall when Magnetic Peripherals, Inc., in conjunction with Scott High School, will start a job training program which provides 90 part-time jobs in a new electronics assembly plant. Efforts such as this must be encouraged by the Congress.

I submit for publication in the RECORD testimony Mr. George Haigh, chairman of the Toledo Economic Planning Council, gave before a subcommittee hearing on the subject of urban enterprise zones in July and letters from both myself and Governor James Rhodes of Ohio to President Reagan in support of the Warren-Sherman project:

STATEMENT OF GEORGE W. HAIGH, CHAIRMAN, TOLEDO ECONOMIC PLANNING COUNCIL

Mr. Chairman and members of the committee, I am George W. Haigh, chairman of the Toledo Economic Planning Council. I appear before the Subcommittee in support of S. 1310, the proposed Urban Jobs and Enterprise Zone Act, and the Warren-Sherman

urban redevelopment project in Toledo, Ohio, a project consistent with the intent and qualifications set forth in S. 1310. I appear in this matter on behalf of the Toledo Economic Planning Council (TEPC); the city of Toledo, which has given strong est support to the project; the community and neighborhood within which it is located and offering hope to those persons living there; the corporations which have located in the area and created additional jobs by doing so; and the Toledo Trust Company, the principal financial supporter of the project, of which I am also president and

chief executive officer.

The subcommittee is to be commended for beginning prompt Congressional hearings on an idea which should become a reality at the earliest possible date. Much is already known about the urban enterprise concept. Competing proposals have been examined in the adversarial context of conferences and academic studies. The Administration, Congress, has more than one concept under consideration. There have been several projects, like Warren-Sherman, which have yielded evidence on what works. Urban redevelopment could be slowed by any inexplicable delay in Congress setting forth the policy and statutory framework for future urban development.

Warren-Sherman project, Toledo's successful effort to revitalize its most distressed inner-city neighborhood, provides an excellent model for demonstrating how a city's private and public sectors can join forces to solve urban problems. This project has as its goal the restoration of economic and social stability to a neighborhood that is characterized by high unemployment, poverty and welfare dependency, blighted housing and other indicators of urban decay. Today, Warren-Sherman is well on its way to becoming an attractive and viable neighborhood because of a unique combination of factors.

COMPREHENSIVE REDEVELOPMENT

Perhaps the most important of these factors is the comprehensive nature of the approach. Previous experience project throughout the country clearly demonstrat ed the futility of one-dimensional attempts to deal with urban development problems. It was recognized at the inception of the project that the ability to effectively coordinate economic, social and physical improvements was a prime requisite of success. Consequently, the project has been oriented toward viable solutions to a wide range of problems, and addresses job creation and job training, enterprise development, redevelopment of commercial services, health care, day care, recreation, and other social support services. Job creation was of immediate concern, since little impact would be expected from other efforts without employment opportunities for the neighborhood residents. Jobs would have to be closely matched with the abilities of the residents, and job training programs were developed for those without skills. Support for the development of small businesses was designed into the project. It was obvious that significant improvement of the housing stock would be a major need, and the project includes development of substantial new market-rate housing, as well as new subsidized housing and extensive rehabilitation. The neighborhood has no local convenience of commercial services, and this is being remedied by development of a neighborhood shopping center and a commercial development. Health care, day care, and other social services are also being dramatically

improved. Essentially, the Warren-Sherman project addresses the need to deal with all of the major problems facing the neighborhood. For example, jobs without improved housing, commercial redevelopment, and social services would lead to further abandonment and blight even if it were initially possible to attract jobs into the neighborhood without these improvements. On the other hand, improvements in social physical characteristics of the neighborhood without providing mainstream economic participation for the residents is unlikely to lead to a viable neighborhood. While the coordination of this effort is difficult, any approach less comprehensive in scope would not be successful.

TRIAD OF INTERESTS

A second major factor contributing to the success of the project is the unique triad of interests which are working together to bring the plans to fruition. These are the private sector, the public sector and a nonprofit developer. The private sector involvement is led to Toledo Trust, the City's largest financial institution, which has been instrumental in obtaining private sector support, investment, and job commitments, and arranging financing for various project components. The bank's willingness to take a lead role and its excellent contacts throughout the business community have been extremely important. Also participating from the private sector are several Toledo corporations which have made commitments to establish light manufacturing facilities in the neighborhood and provide jobs for neighborhood residents. These include Owens-Illinois, Libbey-Owens-Ford, and Sheller-Globe Corporation. Their commitments, along with others now being actively pursued, will provide the employment base for a redeveloped community. Finally, important private sector actor has been City Venture Corporation, a for-profit marketer of private sector expertise in urban development. One of City Venture's major stock-holders, Control Data Corporation is making a substantial neighborhood investment in developing a Business and Technology Center, a small business incubator, and is also under contract to provide unique job training to neighborhood residents. The public sector is represented by the City of Toledo and its Department of Community Development, who have taken responsibility for all public improvements including housing, land acquisition, and street and utility upgrading. The City's strong support for this project, led by the Mayor and the Community Development Director, has ensured that available public sector resources have been directed to the project. The state of Ohio is becoming actively involved in the project and is expected to provide support for several project components. Governor Rhodes recently expressed his strong endorsement of the Warren-Sherman project and its conceptual approach to urban development in letter to President Reagan, and Congressman Weber from Toledo's 9th District, and has taken an active interest in furthering the project. The third partner in the triad is the Toledo Economic Planning Council, a non-profit development corporation, which has served as overall project sponsor and is acting as developer of the 23 acre Warren-Sherman Industrial Park. This organization has served as an important project facilitator by providing a bridge between the public and private sectors who are jointly represented on its Board of Directors. The cooperation of all these participants has been one of the key ingredients to the project's success which has resulted in over \$30 million of private investment and an estimated 1,500 jobs within 5 years.

NEIGHBORHOOD INVOLVEMENT

The third major factor is the unique way in which residents of the neighborhood have participated in the project. One of the primary concerns in planning the project was to ensure that the benefits accrued to current residents. It was important not to create a situation in which residents would not be able to obtain the new jobs or afford the new housing in the neighborhood. Conneighborhood residents, under the leadership of a strong neighborhood organization, have been extensively involved in the project since its inception. In a continuing series of neighborhood meetings, residents have participated in establishing project goals, planning the project elements, and are taking part in implementing the various components. Early and continuing participation by the residents has not only ensured their acceptance and support but has improved project concept through utilization of their suggestions and desires.

THE ROLE OF THE FEDERAL GOVERNMENT

The combination of the above three major factors provides perhaps the best available model for redeveloping inner-city neighbor-Warren-Sherman approach The should be duplicated and, in fact, is being used in two other Toledo neighborhoods at Every major city in the United present. States has at least one neighborhood similar to Warren-Sherman and the elements necessary to follow the Warren-Sherman approach. Cities, by providing leadership, commitment, local planning, and vision, can establish most of the basic conditions necessary to redevelop their inner-city neighborhoods. However, many cities do not have the resources to undertake basic public improvements.

Therefore, the Federal role is crucial. Tax incentives, economic development block grant programs, and targeted job training will provide important assistance in creating possible environments for the attraction of private investment to inner-city neighborhoods. In order to ensure the success of these programs, it is suggested that they would function most effectively if the key components of the Warren-Sherman approach were present. A comprehensive redevelopment effort will ensure maximum impact from each project element; strong partnership between the public and private sector will maximize response to development opportunities; and effective participation by neighborhood residents will assist in creating project concepts that are feasible and accepted.

The proposed Urban Jobs and Enterprise Zone Act will be a key component in maximizing the benefits from the Warren-Sherman project. The tax incentives contained in the Act will ensure a rapid and significant response by Toledo's business community to the opportunities now existing in Warren-Sherman. As successful as the project has been to date, incentives such as those contained in the Enterprise Zone Concept are still necessary to overcome initial resistance and provide a sound future basis for healthy private sector growth. Warren-Sherman, because of the preparatory work now nearing completion, will, in fact, provide a very useful model to demonstrate the positive impacts of tax incentives on urban development.

Using the Warren-Sherman model, other cities and states could program proposed

economic development block grant funds to provide public improvements, organize effective partnerships, and utilize the tax incentives contained in the Urban Jobs and Enterprise Zone Act to attract private investment to inner-city neighborhoods.

While my comments have been necessarily brief. I am appending a more completed description of the project for your examination. Please feel free to call on Toledo if there is any way in which we can be of as-

Thank you.

HOUSE OF REPRESENTATIVES, Washington, D.C., July 10, 1981.

THE PRESIDENT, The White House Washington, D.C.

DEAR MR. PRESIDENT: I wholeheartedly support the concept of urban enterprise zones as a means of urban neighborhood revitalization.

The Warren-Sherman Project in Toledo, Ohio is a shining example of successful application of the theories and principles of urban enterprise zones. Because Toledo's public and private sectors have worked together to make this project succeed, it stands as a model for cities wishing to undertake a similar program.

Until recently, Warren-Sherman was con-dered "a hopless case." The population of this 300-acre area faced more than 30 percent unemployment, severely limited job opportunities, high crime rate, low-level formal education, and property deterioration due to arson and vandalism. Of the 3,500 residents, 90 percent were Black and 40 percent earned less than \$5,000 per year.

There seemed no way out.
The formation of the Toledo Economic Planning Council, consisting of private and public sector representatives, established the bridge that was needed in order to allow the entire community to work efficiently to solve the problem of Warren-Sherman. It hasn't been easy. The work has been arduous and the workers dedicated; as much has been learned through our mistakes as our

The people living and working in Warren-Sherman were skeptical at first about the depth of community commitment to the revitalization of their neighborhood. But as work continues and there is steady progress in rebuilding and job development, relations between Warren-Sherman residents and the entire Toledo community continue to improve.

The Warren-Sherman Project would be an excellent model for other cities as they attempt similar programs. After urban enterprise zone legislation is enacted Warren-Sherman, if selected, would be several steps ahead of other selected sites and could provide valuable guidance and experience. I am proud of what has been accomplished in this once-blighted neighborhood.

Sincerely.

ED WEBER, Member of Congress.

STATE OF OHIO, OFFICE OF THE GOVERNOR, Columbus, Ohio, July 2, 1981.

Hon. RONALD W. REAGAN, President of the United States. The White House, Washington, D.C.

DEAR MR. PRESIDENT: You have made the economic recovery of the Nation your highest immediate domestic priority, and the people of Ohio support your effort. It is most encouraging that the recovery plan in-

cludes a clear-cut plan to return the residents of inner cities to the mainstream of America's economy. I refer, of course, specifically to your intention to create jobs for urban area residents through the establishment of enterprise zones.

Consistent with your philosophy of government, Ohio's private sector has never abandoned its commitment to create jobs. The private and public sectors in Ohio have worked closely together to foster the cli-mate required for creating jobs for its citizens. Partnership with the private sector is a must to insure success for a governmental venture aimed at improving the economic status of a specific group of residents. I want to mention to you an example of cooperation that shows what can be accomplished in urban redevelopment

This is the story of Toledo's Warren-Sherman neighborhood, a 100-year old section that is home for 3,500 people. Until recently, this neighborhood was a mirror image of decaying areas found in cities throughout

America.

Warren-Sherman is an area of 300 acres, adjacent to Toledo's downtown. Of its 3,500 residents, 90 percent are black and 40 percent earn less than \$5,000 a year. The jobless rate in this area surpassed 30 percent, with job opportunities very limited. Forty percent of the residents had not finished high school and crime was rampant. In short, there was little hope that conditions would improve, and there was less hope that anyone outside the area really cared.

Some people, however, did care, A few at first, and then many joined after a well-defined, workable program to help Warren-Sherman emerge. Through the leadership of Toledo Trust, a Toledo Trustcorp bank, support of the private and public sectors at all levels was harnessed. The basic concept was simple: banks are members of their communities, they are not institutions set apart. They have a very real stake in everything that happens in their cities and neighborhoods. So, too, do the businesses which, in the absence of a healthy economic environment, consider locating elsewhere.

The Toledo Economic Planning Council was formed to focus the community's commitment, and the private sector stepped forward with its contribution. Today, Owens-Illinois Inc., Libbey-Owens-Ford and Control Data Corp., have agreed to build facilities in the Warren-Sherman area, creating new jobs where they are needed the most. Toledo Trust has invested \$5 million in loans and investments in the neighborhood.

Warren-Sherman is a story that the Nation should hear. It wasn't easy, but the results are worth the hard work, Warren-Sherman exemplifies what can be accomplished in America's urban areas; helping the most disadvantaged help themselves to become productive members of society. Warren-Sherman need not be an isolated success story. Its experience can be the model for other cities, showing that urban enterprise zones are the building blocks needed to restore economic health.

Warren-Sherman can play an important role in proving that the enterprise zone is not only a concept, but is a reality. Warren-Sherman can be the showcase to which you can point in urging Congress to enact enabling legislation. Warren-Sherman can also be the one zone that has sufficiently progressed so it can be a reference point to other cities that decide to use this approach to fight economic blight.

I therefore not only support the urban enterprise zones proposal not being finalized

by your office, but urge the inclusion of the Warren-Sherman project among the zones selected by your administration. Warren-Sherman can be the ongoing model upon which others can look for help and guidance.

Sincerely.

JAMES A. RHODES, Governor.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee-of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional RECORD on Monday and Wednesday of

each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 10, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 11

9:30 a.m.

Finance Taxation and Debt Management Subcom-

To hold hearings on proposed extension of the temporary limit on the public debt.

2221 Dirksen Building

10:00 a.m.

Appropriations

Energy and Water Development Subcommittee

Business meeting, to mark up H.R. 4144, appropriating funds for fiscal year 1982 for energy and water development programs.

1114 Dirksen Building

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To hold hearings on S. 1542, prohibiting a company operating a common carrier railroad from holding Federal coal leases unless the coal is used for railroad purposes.

3110 Dirksen Building

Environment and Public Works

Business meeting, to mark up an original bill authorizing funds for the municipal wastewater treatment con-struction grants programs of the Clean Water Act.

4200 Dirksen Building

To continue hearings on the prospective nomination of Sandra D. O'Connor, of

Arizona, to be an Associate Justice of the Supreme Court.

1202 Dirksen Building

SEPTEMBER 14

9:30 a.m.

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To hold hearings to explore the existence of problems relating to the recruitment and retention of Federal senior executives

3302 Dirksen Building

10:00 a.m.

Energy and Natural Resources

To hold hearings on the nominations of William A. Vaughan, of Michigan, to be Assistant Secretary of Energy for Environmental Protection, Safety, and Emergency Preparedness; Rayburn D. Hanzlik, of California, to be Administrator of the Economic Regulatory Administration; Dallas L. Peck, of Virginia, to be Director of the Geological Survey; Guy W. Fiske, of Missouri, to be Under Secretary of Energy; and Robert C. Horton, of Colorado, to be Director of the Bureau of Mines.

3110 Dirksen Building

1:30 p.m. Judiciary

Criminal Law Subcommittee

To hold hearings on S. 1434, eliminating the bar of the act of state doctrine to adjudication on the merits in certain cases in U.S. courts

2228 Dirksen Building

2:00 p.m.

Appropriations

Business meeting, to continue markup of H.R. 4119, appropriating funds for fiscal year 1982 for the Department of Agriculture and related agencies, and H.R. 4120, appropriating funds for fiscal year 1982 for the Legislative Branch of the Federal Government. 1114 Dirksen Building

Energy and Natural Resources Business meeting, to consider the nominations of William A. Vaughan, of Michigan, to be Assistant Secretary of Energy for Environmental Protection, Safety, and Emergency Preparedness, Rayburn D. Hanzlik, of California, to be Administrator of the Economic Regulatory Administration, Dallas L. Peck, of Virginia, to be Director of the Geological Survey, Guy W. Fiske, of Missouri, to be Under Secretary of Energy, and Robert C. Horton, of Colorado, to be Director of the Bureau of Mines.

3110 Dirksen Building

Foreign Relations

To hold hearings on the nominations of Dominick L. Dicarlo, of New York, to be Assistant Secretary of State for International Narcotics Matters, William C. Sherman, of Virginia, to be the Deputy Representative in the Security Council of the United Nations, with the rank of Ambassador, and Ben J. Wattenberg, of the District of Columbia, to be a Member of the Board for International Broadcasting.

4221 Dirksen Building

5110 Dirksen Building

Joint Economic Agriculture and Transportation Subcommittee

To hold hearings on the importance of agriculture in the U.S. economy.

SEPTEMBER 15

9:30 a.m.

Governmental Affairs

Business meeting, to resume markup of S. 1080, to improve and modify the Federal regulatory process.

3302 Dirksen Building

Judiciary

Business meeting, to consider pending calendar business

2228 Dirksen Building

Labor and Human Resources

To hold hearings on the nomination of John R. Van de Water, of California, to be a Member of the National Labor Relations Board.

4232 Dirksen Building

10:00 a.m.

Appropriations

Business meeting, to mark up H.R. 4121, appropriating funds for fiscal year 1982 for the Department of the Treasury, U.S. Postal Service, Executive Office of the President, and certain independent agencies.

1114 Dirksen Building

To hold hearings on the proposed second concurrent resolution revising the Congressional Budget for the Federal Government for fiscal years 1982. 1983, and 1984.

6202 Dirksen Building

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To hold hearings on S. 1516, to provide for the exploration and development of geothermal resources.

3110 Dirksen Building

Finance

Business meeting, to mark up public debt limit and debt collection propos-

2221 Dirksen Building.

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

Joint Economic

Agriculture and Transportation Subcommittee

To continue hearings on the importance of agriculture in the U.S. economy. 5110 Dirksen Building

SEPTEMBER 16

9:00 a.m.

Foreign Relations

International Economic Policy Subcommittee

To hold hearings on East/West economic relations.

4221 Dirksen Building

Select on Intelligence

Closed briefing on intelligence matters. Room S-407, Capitol

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To resume hearings on State implementation of Federal standards of the Clean Air Act.

224 Russell Building

Judiciary

Constitution Subcommittee

To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the pro-

tection of certain confidential information from the disclosure requirements of the Freedom of Information

2228 Dirksen Building

*Veterans' Affairs Business meeting, to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces, and S. 266 and amendment No. 62 of S. 636 (Veterans' Administration Health Care Amendments), measures implementing procedures and guide-lines for the interagency sharing of health resources between the Depart-ment of Defense and the Veterans' Administration.

412 Russell Building

10:00 a.m. Budget

o continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Energy and Natural Resources

Business meeting, to consider pending calendar business

3110 Dirksen Building

2:00 p.m. Budget

continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Governmental Affairs

Business meeting, to continue markup of S. 1080, to improve and modify the Federal regulatory process.
3302 Dirksen Building

Special on Aging
To hold hearings on social security reform and retirement income policy 6226 Dirksen Building

SEPTEMBER 17

9:30 a.m.

Governmental Affairs

Federal Expenditures, Rules Subcommittee Research, and

To hold hearings on S. 719, requiring the disclosure of Federal agency use of consultants.

3302 Dirksen Building

Judiciary

Constitution Subcommittee

To hold hearings on proposed legislation to establish a Commission to plan and develop a program to commemorate the bicentennial of the U.S. Constitution.

318 Russell Building

9:45 a.m.

Foreign Relations

To hold hearings on U.S. foreign policy and the current situation in the Persian Gulf.

4221 Dirksen Building

10:00 a.m. Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Energy and Natural Resources Energy and Mineral Resources Subcommittee

To hold hearings on S. 1457, S. 651, S. 466, and S. 383, bills providing for the

EXTENSIONS OF REMARKS

reinstatement and validation of certain U.S. oil and gas leases. 3110 Dirksen Building

2:00 p.m. Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Energy and Natural Resources Energy and Mineral Resources Subcommittee

To hold hearings on S. 1575, proposed Combined Hydrocarbon Leasing Act. 3110 Dirksen Building

Judiciary Constitution Subcommittee

To hold hearings on proposed legislation to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.

2228 Dirksen Building

3:00 p.m.

Governmental Affairs

To hold hearings on the nomination of Charles A. Bowsher, of Maryland, to be Comptroller General of the United States.

3302 Dirksen Building

SEPTEMBER 18

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of Robert P. Paganelli, of New York, to be Ambassador to the Syrian Arab Republic, David E. Zweifel, of Maryland, to be Ambassador to the Yeman Arab Republic, Michael H. Nelin, of Maryland, to be Ambassador to the Democratic and Popular Republic of Algeria, and other pending nominations 4221 Dirksen Building

SEPTEMBER 21

9:30 a.m.

Commerce, Science, and Transportation Merchant Marine Subcommittee

To hold hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.

235 Russell Building

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of George S. Vest, of Maryland, to be the Representative to the European Communities, with the rank and status of Ambassador, Jack F. Matlock, Jr., of Florida, to be Ambassador to the Czechoslovak Socialist Republic, John E. Dolibois, of Ohio, to be Ambassador to Luxembourg, and Raymond C. Ewing, of Virginia, to be Ambassador to the Republic of Cyprus.

4221 Dirksen Building

2:00 p.m. Judiciary

Juvenile Justice Subcommittee

To hold hearings to examine the impact of media on juveniles.

2228 Dirksen Building

SEPTEMBER 22

9:00 a.m.

Office of Technology Assessment The Board to hold a general business meeting.

Room S-138, Capitol

9:30 a.m.

Commerce, Science, and Transportation Business, Trade and Tourism Subcommit-

To hold hearings on the State Department's plan to implement a visa waiver program for foreigners who are required to apply for American visas. 235 Russell Building

10:00 a.m.

Governmental Affairs

To hold hearings on S. 1417, establishing a Commission to recommend policies and standards to reduce the risk of criminal assaults against the President, and review the criminal laws relating to the safety of the President. 3302 Dirksen Building.

Select on Indian Affairs To hold hearings on S. 503, providing for the purchase, sale and exchange of lands by the Devils Lake Sioux Tribe of the Devils Lake Sioux Reservation, North Dakota.

5302 Dirksen Building

10:30 a.m.

Governmental Affairs

Governmental Efficiency and the District of Columbia Subcommittee

To resume hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.

Room to be announced

11:00 a.m.

Veterans' Affairs

To hold hearings on fiscal year 1982 legislative recommendations of the American Legion

318 Russell Building

Governmental Affairs

To hold hearings on the nominations of Charles M. Girard, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, and Bruce Chapman, of Washington, to be Director of the Census.

3302 Dirksen Building

Judiciary

Criminal Law Subcommittee

To hold hearings on S. 904 and S. 907, to provide penalties for the assassination, kidnaping, and assault of Presidential, and Vice Presidential staff members 2228 Dirksen Building

Labor and Human Resources

To hold hearings on the nominations of Gary L. Jones, of Virginia, to be Deputy Under Secretary for Planning and Budget, Department of Education, Edward A. Curran, of Maryland, to be Director of the National Institute of Education, and Jean Tufts, of New Hampshire, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Educa-

4232 Dirksen Building

SEPTEMBER 23

9:00 a.m.

Select on Intelligence

Closed business meeting.

Room S-407, Capitol

9:30 a.m.

Commerce, Science, and Transportation Merchant Marine Subcommittee

To resume hearings on S. 1593 and S 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.

235 Russell Building

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To hold hearings on proposed legislation to apply the medicare tax to Federal employees and to increase the Government contribution to the Federal employees health benefit program.

1318 Dirksen Building

Judiciary

Constitution Subcommittee

To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential infor-mation from the disclosure require-ments of the Freedom of Information Act.

5110 Dirksen Building

Small Business

To hold hearings to examine the impact of high interest rates on small business, and on their future credit needs. 424 Russell Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Governmental Affairs

Governmental Efficiency and the District of Columbia Subcommittee

To continue hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.

Room to be announced

Judiciary

Separation of Powers Subcommittee

To hold hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.

2228 Dirksen Building

Labor and Human Resources

Investigations and General Oversight Sub-

To hold oversight hearings on the activities of the Occupational Safety and Health Administration.

4232 Dirksen Building

SEPTEMBER 24

9:30 a.m.

Commerce, Science, and Transportation

Merchant Marine Subcommittee

To continue hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.

235 Russell Building

Small Business

To continue hearings on the impact of high interest rates on business and to examine the current credit needs of business.

424 Russell Building

10:00 a.m.

Foreign Relations

To hold hearings on the proposed Convention with Canada with Respect to Taxes on Income and Capital (Ex. T, 96th Cong., 2d sess.). 4221 Dirksen Building

Judiciary

Separation of Powers Subcommittee

To continue hearings on S. 481, restor-ing the right of voluntary prayer in public schools and to promote the separation of powers.
2228 Dirksen Building

EXTENSIONS OF REMARKS

Labor and Human Resources

Investigations and General Oversight Subcommittee

To continue oversight hearings on the activities of the Occupational Safety and Health Administration.

4232 Dirksen Building

2:00 p.m.

Foreign Relations

To hold hearings on pending tax treaties.

4221 Dirksen Building

SEPTEMBER 25

9:30 a.m. Finance

Taxation and Debt Management Subcommittee

To hold hearings on miscellaneous tax proposals.

2221 Dirksen Building

1:00 p.m. Judiciary

Juvenile Justice Subcommittee

To hold hearings to examine media response of its impact on juveniles. 2228 Dirksen Building

SEPTEMBER 28

9:00 a.m.

Select on Indian Affairs

To hold hearings on S. 874, providing for additional protection of steelhead trout as a game fish.

S-207, Capitol

9:30 a.m.

Foreign Relations

International Economic Policy Subcommittee

To hold hearings on international investment policy.

4221 Dirksen Building

Labor and Human Resources

Aging, Family, and Human Services Sub-

committee

To resume oversight hearings on the role of the Federal Government in family planning programs of Title X of the Public Health Services Act.

4232 Dirksen Building

SEPTEMBER 29

9:30 a.m.

Veterans' Affairs

Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans, and H. Con. Res. 76, expressing the sense of Congress that the Secretary of the Army provide for a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during the rescue attempt in Iran.

412 Russell Building

10:00 a.m.

Governmental Affairs

To hold hearings on proposed legislation to extend certain provisions of the Inspector General Act of 1981 to the Departments of Justice, Defense, and Treasury.

3302 Dirksen Building

SEPTEMBER 30

Commerce, Science, and Transportation To hold joint oversight hearings with the House Committee on Science and Technology on Federal patent policy. 235 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Judiciary

Separation of Powers Subcommittee

To resume hearings on S. 528, to prohibit a Federal court from ordering any student to be assigned or transported to a public school other than that which is nearest to the student's residence.

2228 Dirksen Building

2:00 p.m.

Judiciary

Criminal Law Subcommittee

To hold hearings on S. 101 and S. 751, bills to eliminate and establish an alternative to the exclusionary rule in Federal criminal proceedings.

2228 Dirksen Building

OCTOBER 1

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 234, to encourage the establishment of home health care programs and to provide expanded coverage of home health services under the medicare and medicaid programs.

4232 Dirksen Building

OCTOBER 5

9:30 a.m.

Judiciary

Constitution Subcommittee

To resume hearings on proposed legisla-tion limiting the jurisdiction of the lower Federal courts in certain cases involving abortion.

2228 Dirksen Building

Labor and Human Resources

Labor Subcommittee

To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employ-

4232 Dirksen Building

OCTOBER 14

9:30 a.m.

Judiciary

Constitution Subcommittee

To resume hearings on proposed legisla-tion limiting the jurisdiction of the lower Federal courts in certain cases involving abortion.

2228 Dirksen Building

OCTOBER 15

9:30 a.m.

Judiciary

Constitution Subcommittee

To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential infor-mation from the disclosure require-ments of the Freedom of Information

2228 Dirksen Building

OCTOBER 20

9:00 a.m.

Labor and Human Resources

To hold oversight hearings on the implementation of the Comprehensive Employment Training Act (CETA). 4232 Dirksen Building

Commerce, Science, and Transportation Business, Trade, and Tourism Subcommittee

To hold hearings on S. 1233, establishing a service industries development program in the Department of Commerce.

235 Russell Building

OCTOBER 21

10:00 a.m.

Commerce, Science, and Transportation Business, Trade, and Tourism Subcommit-

To continue hearings on S. 1233, establishing a service industries development program in the Department of Commerce.

235 Russell Building

EXTENSIONS OF REMARKS

Labor and Human Resources Alcoholism and Drug Abuse Subcommit-

To hold hearings to examine the impact of marijuana on youth, focusing on the areas of health and education. 4232 Dirksen Building

OCTOBER 22

9:30 a.m.

Labor and Human Resources To hold oversight hearings on activities relating to affirmative action of the Office of Federal Contract Compliance

Programs, Department of Labor. 4232 Dirksen Building

OCTOBER 27

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 1483, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

Energy and Natural Resources

Energy and Mineral Resources Subcom-

To hold oversight hearings on America's role in the world coal export market. 3110 Dirksen Building OCTOBER 28

9:30 a.m. Labor and Human Resources

Labor Subcommittee

To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources Energy and Mineral Resources Subcom-

mittee To continue oversight hearings on America's role in the world coal export market.

3110 Dirksen Building

CANCELLATIONS

SEPTEMBER 10

9:30 a.m.

Special on Aging

To hold hearings to examine employment incentives and benefits for older Americans.

6226 Dirksen Building

HOUSE OF REPRESENTATIVES—Thursday, September 10, 1981

The House met at 10 a.m.

The Reverend W. Terry Schoener, Woods Memorial Presbyterian Church, Severna Park, Md., offered the following prayer:

Holy God, You rule over the affairs of every person and every government. And so, we present ourselves before You as the first act of this reconvening Congress. You know how each Member of this Congress will be expected to decide on matters of peace and weaponry, economy and national purpose, care of our young and old, even your deepest secret: When is life human, all the while subjected to opinions and pressures, unknown to most people, until sometimes what is truly right is no longer clear. So we ask for some compelling sense of your presence.

For we are children of this age: No less than others we can be beguiled by power, self-interest, and the narrow perspective of some whom we serve. Invade these Chambers, our offices, our luncheons, our hearts so that whether we legislate or preach, we may strive to be ambassadors of hope and peace.

We bow before You not only as children of this age, but as children of the founders of this Nation. We, with those founders, are genuinely seeking to create here, and share with the world, a social system that honors all Your children. Help each of us to advance this human enterprise which is inspired by Your promised kingdom.

We come not just as children of this age nor just as children of the founders, we come as Your children vaguely realizing that our family is not party, race, ideology; our family is every one of Your children, each cherished and sought. So our first act of this Congress is not to legislate, nor even to pray for ourselves. We lift to You our people.

Our people who sent us here and our people who fight us; our people who have much to give and our people who are dependent; our people from our district or State, and our people in different parts of our Nation, culture, world. Bless them, Father; and use us to bless them.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE REVEREND DR. W. TERRY SCHOENER

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, I am happy to welcome to the Halls of Congress, the Reverend Dr. W. Terry Schoener of the Woods Memorial Presbyterian Church, Severna Park, Md., where we greeted him with pleasure in July 1979.

Born in Pittsburgh, Pa., Dr. Schoener was educated in the public schools there. He is a graduate of Muskingum College in Ohio, and earned his master of divinity and doctor of ministry at the Pittsburgh Theological Seminary. He came to us at Woods from the Presbyterian Church in Warren, Ohio.

He is married to the former Brenda Hall, who is a teacher in the Anne Arundel County public school system. They have three children: Hallé, 16; Matthew, 14; and Brad, 13.

Since 1979, Dr. Schoener has developed innovative programs for families and community involvement. This summer, through the youth program at the church, he introduced several of our young people to the pleasures of weekend sailing on the Chesapeake Bay in his boat, his favorite recreation. He also finds time for long-distance running and tennis. Working closely with the director, he has a day to day involvement in the church's already strong program for older people. Again, welcome, Dr. Schoener.

FARM SELLOUT NO WAY TO IMPROVE ECONOMY

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, the American farmer is taking it on the chin. No other industry is affected as severely by disastrously high interest rates. In the case of grain farmers, prices are relatively similar to what they were 10 years ago, not even taking inflation into account. What other sector in America could maintain itself under such conditions? It is no surprise, therefore, that farmers are being forced out of business in record numbers.

What is the remedy? The administration seems to accept high interest rates without question. The administration is proposing, to put it kindly, a wishy-washy farm bill which in no way

addresses the problems farmers now face.

In fact, Secretary Block was recently reported to have stated that the highest priority of the administration farm bill was to reduce Federal expenditures for agriculture; rather than to preserve the family farm and strengthen the farm economy.

The House has an obligation to produce meaningful farm legislation that will insure the continued viability of American agriculture to produce food fiber to meet not only minimum needs, but those of hungry people throughout the world.

All of us, not just Members from farm States, have a stake in the vitality of American agriculture. We cannot afford to destroy this most significant sector of our economy in the guise of the President's economic recovery programs or in fear of a veto threat.

PEOPLE SHOULD TAKE THEIR COMPLAINTS TO WHITE HOUSE

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, every one of us has at one time or another been on the receiving end of a letterwriting campaign. The most recent—and probably the best orchestrated—was the campaign generated by the White House in support of the President's tax bill.

Well, I am now seeing the early signs of the next flurry of letters. In the past few weeks, I have been contacted by the business community in my district on the subject of high interest rates. The letters are coming from the credit-sensitive industries and I bet if I did a cross match I would find that they were coming from many of the same individuals who were so anxious for me to vote for the President's tax legislation.

Those letters may be coming to my attention, but I believe the business community will soon begin to understand where the source of this problem is.

It is the President who has failed to assure the financial markets that his supply-side theories can work. And it is the President who made the grandiose promises—he promised to balance the budget, cut taxes massively, increase defense spending, and reduce inflation while holding the line on unemployment. It is understandable that

[☐] This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

[•] This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the President's promises are beginning to ring hollow on Wall Street.

The President cannot adequately defend his policies to his natural constituency. And lacking assurance, the financial markets are reacting predictably—real interest rates are much higher than they should be, even taking into account the effects of a tight monetary policy.

The President was warned that the economic assumptions he used to justify his recovery program were faulty. And now that things have taken a turn for the worse, his aides are tripping all over themselves looking for ways to correct these mistakes before they threaten the success of the entire

recovery program.

This keystone cops routine will continue to affect interest rates—housing starts will continue to decline, auto sales will not pick up, more savings and loans could falter. And the letters to our offices will increase.

But I am confident that the people who are victimized by this situation will begin to make the right connections. They will soon understand where to take their complaints—not to the Congress, but to the man in the White House.

LACK OF LEADERSHIP ON U.S. REFUGEE POLICY

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, I am deeply concerned about the seeming indifference in the administration toward the formulation and implementation of U.S. immigration and refugee policy.

To cite but a few examples of many

available:

At the State Department, no U.S. coordinator for refugee affairs has been appointed, and there is no permanent Director of the Office of Refugee Programs.

At the Department of Health and Human Services, the Office of Refugee Resettlement has been relegated to a suboffice within the Social Security Administration, despite the clear congressional intent that this office should be a visible and accountable office reporting directly to the Secretary of Health and Human Services.

Likewise, guidelines and regulations governing the U.S. refugee resettlement program have yet to be issued by this office and reports required under the Refugee Act have not been sub-

mitted.

At the Justice Department, a Commissioner for the Immigration and Naturalization Service has still not been appointed and this long-term vacancy has seriously impeded immigration and refugee policymaking in that Department.

This casualness and indifference in the administration to one of the most pressing problems facing America and the world today underscores the real need for Congress to take an active part in the development of U.S. refugee policy for the coming year.

I am hopeful that the administration's proposal on the numbers and categories of refugees to be admitted during the next fiscal year will be submitted promptly so that the full Judiciary Committee, and my Subcommittee on Immigration, Refugees and International Law will be able to play the substantive consultative role contemplated by the 1980 Refugee Act.

HIGH INTEREST RATES

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, before coming to Congress, I was a home-builder. There is one factor I would like to point out to my colleagues and that is the fact that the No. 1 economic factor, for the supply side economics

to work is interest rates.

With high interest rates, the supply side economics will not work. I fear that the Reagan-Stockman economic package has backed us into what I call a quicksand economy. Any way we wiggle now, we are going to have higher deficits and also higher interest rates. There is not a cattleman I know that can borrow money and have a mama cow operation with 20-percent interest rates.

As a former homebuilder and land developer, I know for a fact that you cannot build more houses and leave them sitting with 20-percent interest rates.

I repeat, with high interest rates, supply side economics will not work. Unless something is changed, I predict that we will see 25-percent interest rates in the next 6 months and I think we will see a collapse of many businesses.

For the cattlemen, farmers, and small businessmen throughout this country, the highest inflation any of

them can have is bankruptcy.

Mr. Speaker, when some of the interest rates being charged today are higher than the Baltimore Orioles' team batting average, I get worried. And since I am not a big baseball fan, it is not the team I am worried about, but the spectators—both in urban ball-parks and rural America—who are bearing the brunt in terms of higher debt load, higher consumer prices, and dwindling housing stock.

Wall Street is plainly concerned that our economy is about to strike out. That same concern was voiced by our constituents back home during the August district work period. Even some of our colleagues from the other side of the aisle are getting worried about interest rates and the rapidly rising deficit.

I am urging my colleagues to join me in cosponsoring H.R. 2333, the Federal Reserve Act Amendments of 1981. This legislation would change the makeup of the Federal Reserve Board, providing that no less than three members shall come from the agricultural sector, the industrial sector, the commercial sector, or financial institutions with assets of less than \$150 million, but more important, the passage of the bill will get the attention of the Federal Reserve Board.

This legislation is not a cureall. But at least it would guarantee that some members of the Federal Reserve Board would have firsthand knowledge of the problems faced by small businesses, farmers, and the small borrowers

Meanwhile, it is the bottom of the ninth, and the Reagan team and the Federal Reserve Board at bat, with no runs, no hits, but a whole bunch of errors in the economic prediction for the economy.

PRESIDENT'S ECONOMIC RECOVERY PROGRAM IS A FAILURE

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, I join with the gentleman from Oklahoma and my other colleagues in protesting the intolerably high level interest rates that are plaguing the country.

We should make no mistake about where the current administration stands on this issue. On June 13, Treasury Secretary Regan stated that you cannot get inflation under control without having high interest rates.

This policy has been particularly damaging to the Third District in Washington State, which I represent. This area is heavily dependent on the wood products industry and home building industry.

Mr. Speaker, I have just returned from a tour of my district and I found that in every single county unemployment is up in the double-digit levels. In fact, in many of the wood-producing counties unemployment is averaging over 14 percent, and goes up to 25 percent in one particular county.

In the past 2 years, because of mill closures that have come about because of the housing slump, over 10,000 working people have been put out of their jobs.

We have just passed the President's economic recovery program, but there is nothing in that program that will bring down the high level of interest rates. Indeed, there is nothing in that program that will take inflationary

pressures off interest rates.

Mr. Speaker, in this respect, as it relates to the housing industry, the wood products industry and the persistently high level rates of interest that we are experiencing nationwide, I would have to say that the President's economic recovery program is a failure.

□ 1015

INTEREST RATES

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, for months, the President has asked the American people to take it on faith that his budget and tax policies would magically reduce inflationary expectations, and bring interest rates down from their current usurious levels.

What the President forgot to tell the American people during his campaign to sell his personal brand of economic theology was that achieving balanced budgets requires more than economic assumptions, and a media blitz.

As many economists warned, the President's spending and tax programs are now on a collision course, with his tight monetary policies. The prime interest rate is hovering around 20 percent and the Federal Government faces a \$50 to \$70 billion deficit. The President speaks of reducing social security benefits. This would place the burden of the President's austerity plan on those who can least afford it, the old and infirm.

the old and infirm.
Social security, Mr. Speaker, is not the cause of the high interest rates in America.

FALL GUY FOR HIGH INTEREST RATES

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, I find it very interesting that the President and the leaders of his party in the Congress are now beginning a search for a fall guy to blame for soaring interest rates and the hostility of the financial community to their economic strategy.

In the spirit of bipartisanship, I want to help them out.

They need look no further than at their own legislative agenda.

Less than 2 months ago, some of us stood on this floor and argued against the \$750 billion tax cut on the grounds it would fuel inflation, boost interest rates, and discourage productive investment. Today, the accuracy of that prediction is displayed in the financial pages of every newspaper in the country.

try.

Less than 2 months ago, some of us stood on this floor and argued to cut

\$8 billion in waste, fraud, and abuse from the military budget. Republican leaders themselves had admitted there were \$25 billion in needless spending in that budget. But almost every member of that party opposed the modest \$8 billion cut.

Either they were playing politics 2 months ago when they opposed a military budget reduction which their own budget analysts called modest, or they are playing politics today.

In the meantime, they have rammed through an irresponsible tax bill, and they are trying to pin the blame for a \$65 billion deficit on middle-income people, social security recipients, educators, and nutrition programs.

I hope that neither the Democratic majority in this House, nor the American people, permit this duplicity to continue much longer.

REALITY HAS SET IN TO THE REAGAN ECONOMIC PLAN

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, this past month President Reagan has met reality at about the rate of \$1 billion a

The change in the budget deficit forecasts are indeed sobering. This Reagan economic plan must go down as one of the most glaring economic errors in the history of any administration

The Reagan budget, rubberstamped by a euphoric Republican Senate and accommodating House, now is a shamble; one of the biggest economic gambles in history is holding a very weak hand.

Interest rates and monetary policy, credit availability, admittedly too restrictive for the past 2 years, when they have failed to throttle inflation, and even added to it, are today being attacked from all sides.

It is interesting that when Reagan and the Republican Members had a chance to do something about the Federal Government economic impact that they sought political expediency—exhorbitant special interest tax cuts and wasteful and outlandish increases in military spending, with devastating cuts in social programs.

Now that Reagan has put in place all these policies, the Republicans are ringing their hands over high interest rates, budget deficits, and the state of the economy.

Amazing that our Republican colleagues now propose to grant the President, the Reagan administration that has so badly misread the needs of our economy, autocratic powers such as impoundment.

A better solution would be for this Congress to begin its role as deliberative and balancing power in economic decisionmaking.

It should be clear that the demand stimulus of the Reagan tax cut and military spending will directly result in a restrictive monetary policy, something the Democrats have been saying the past 8 months.

Change is still possible in this economic scenario, but it will be a significant challenge and take a willingness by the Federal Government to play a positive role in the economy by channeling credit, paring back wasteful military spending, and a cooperative Government involvement with the private sector in fighting inflation.

REPAIRS FOR SUPPLY SIDE ECONOMICS

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, I have been reading the newspapers accounts of the repairs that are now necessary for "supply side economics" policies to work in this country. Supply side economics really does represent a puzzle with pieces that do not fit.

First, we have a fiscal policy in this country called supply side economics that requires steady economic growth of over 4 percent for 5 straight years.

On the second hand, we have a monetary policy that attempts to retard economic growth through high interest rates.

It is destined for failure—a fiscal policy that requires economic growth, coupled with a monetary policy designed to retard economic growth. It is a policy that does not make any economic sense.

It is destined for failure. The unfortunate part of it is that there are probably going to be hundreds of thousands of small businesses who are going to be part of that failure as well.

People talk about a tight money policy. Well, we do have high interest rates, but it does not represent tight money for everybody. Du Pont and Mobil, they can surely get money. Newspaper accounts tell us of their credit lines of billions of dollars for acquisition purposes; so it is not tight money for everybody.

Du Pont and Mobil can get money, but mom and pop businesses cannot.

It reminds me of the old Ray Charles refrain, "Them that's got is them that gets and I ain't got nothing lately." That is true of the fiscal policy that has been adopted by the administration and it is true of the monetary policy as well.

OVER HALF OF MEMBERS OF HOUSE HAVE SIGNED RESOLU-TION DISAPPROVING SALE OF AWACS TO SAUDI ARABIA

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, a conresolution introduced gressional before the August recess disapproving the sale of AWACS and offensive F-15 equipment to Saudi Arabia has been signed by over one-half of the Members of the House. Why has such a resolution received such resounding bipartisan support when the administration is strongly urging congressional

approval of the sale?

It is because the majority of the Members of the House are concerned that our most advanced reconnaissance system would be compromised and potentially fall into the hands of those with strong anti-U.S. interests. It is because the sale of AWACS will not lessen the internal threats to Saudi stability, and we fear that we will be forced to learn again the painful lesson of Iran, only with more of American security at stake. It is because the sale of AWACS to Saudi Arabia will be ineffective in countering the Soviet threat in the Middle East. It is because the history of arms sales to the Saudis demonstrates that such sales will not elicit Saudi moderation on oil pricing, nor on the Arab-Israeli conflict. And it is because the sale of AWACS will undeniably threaten our closest ally against Soviet aggression in the Middle East, the State of Israel.

Two hundred and fifty-two Members of the House of Representatives have thus far declared that they do not believe that the sale of AWACS to Saudi Arabia is in the best interest of the United States, in Israel's best interest, or in the best interest of those who truly desire peace in the Middle East. The administration would be well advised to listen to the views of the 252

Members of Congress.

WHO STARTED DEFICIT FINANC-ING AND CAUSED HIGH INTER-EST RATES?

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend

his remarks.)

Mr. ROUSSELOT. Mr. Speaker, I am fascinated sitting here today and listening to all this whining from my Democrat colleagues who are complaining about high interest rates and also the fact that the budget is out of balance and that we have so much deficit spending.

Who do you think created that deficit spending? The big liberal spenders who are up here today whining about the big deficit and the resulting high

leadership that for years have been spending, spending, spending.

Now, let me remind my colleagues that Mr. Reagan's program does not go into effect until October 1. They are up here claiming that the President is responsible for the economic mess-which in reality he inherited. As the President so accurately pointed out this week: The program for economic recovery "isn't working" yet. That is because it does not start for another 21 days. It would therefore appear to me, Mr. Speaker, that those liberals who are responsible for the continued deficit spending for the last several years, are trying to hide from the responsibilities of their past actions. What fascinates me is that they would attempt to do this some 3 weeks before the positive steps of the President's program even begin. Maybe they did not understand that the fiscal year begins October 1; so a little patience is necessary.

None of us like high interest rates, but 30 percent of the marketplace is absorbed by deficit financing from the Federal Treasury. Let the record show, as it does, that the deficit financing was created by the liberal Democrat leadership for the last 10

AGRICULTURE SECRETARY BLOCK SHOULD IMMEDIATELY ANNOUNCE DETAILS OF THE WHEAT SET-ASIDE PROGRAM

(Mr. WHITTAKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTAKER. Mr. Speaker, I would like to bring to the attention of my colleagues in the House that today I have requested that Agriculture Secretary John Block immediately announce the details of the 15-percent wheat set-aside that he announced last

Currently the USDA is estimating a carryover surplus of over 1 billion bushels from the record 1981 crop, and the set-aside will help to prevent further stockpiling and depressing of prices.

Unless Secretary Block announces the details of his program now, the program will be too late to help. Many of the wheat farmers in Kansas have already begun to plant their 1982 crop, and in a matter of a few days, it could be too late for many of this Nation's farmers to participate in the program. The result will then be more surplus wheat, lower prices, and the need for even more production controls at greater expense to the Federal Treasury.

If we act now, we can prevent a future crisis. I urge my colleagues to join me in asking Secretary Block to

interest rates. The Democrat liberal immediately announce the details of his plan.

> CHANGES NEEDED IN OUR IMMI-GRATION AND REFUGEE POLICY

> (Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

> Mr. McCOLLUM. Mr. Speaker, there are many important issues facing this body and our country at this time, social security, the Voting Rights Act, the failure of our criminal justice system; but aside from national defense and the economy, which have to be the two singly most important issues, I believe that the third most important issue facing us today is the great need to make some changes in our immigration and refugee policy in this country before it continues to the point where we cannot correct the chaos that is there today.

There is no particular institution or agency in this Government that is more underfunded, more overworked, more understaffed, than the Immigration and Naturalization Service.

I join my distinguished colleague, the gentleman from Kentucky, who a few moments ago asked the President and asked the administration to move in an area that Congress cannot move in and move swiftly to appoint a new Commissioner of the Immigration and Naturalization Service, a permanent one, and a coordinator of refugee affairs. We need to move on in that area and we need the support of this administration now to do so.

A PAPER MONETARY SYSTEM LEADS TO HIGHER INTEREST RATES

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, great concern is now being expressed over the persistent high interest rates-and rightfully so. High interest rates are typical of a failing currency. Paper currency that is deliberately and steadily depreciated by expanding its supply will always command a high interest rate.

The rule of supply and demand operates for money just as it does for wheat and corn. When money loses its value, as it has dramatically under the totally managed fiat system of the past 10 years, interest rates must rise to compensate for the loss. Anticipation of further depreciation of the currency will amplify this.

Credit controls and controls on interest rates, no matter how well intended, will not work any better than price controls on oil and gasoline, which caused the gasoline lines to form in 1979.

Fiat money historically has always caused high interest rates.

Sound money, money of intrinsic value such as gold, historically always produced low interest rates-traditionally 3-4 percent.

Continuing with the paper monetary system that we have today will lead to yet higher interest rates regardless of public expressions of displeasure. High interest rates and inflation go hand in hand and are a result of the monetary policy of the past 50 years. High interest rates are not in themselves a fiscal or budgetary problem. Only a currency of real value, such as gold, will lower interest rates and restore order to the financial markets.

□ 1030

GIVE REAGANOMICS A CHANCE

(Mr. JEFFRIES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JEFFRIES. Mr. Speaker, even though President Reagan has only been in office 71/2 months, his critics have already sent the bloodhounds after him. Sure we still have high interest rates, but the tax cuts are part of the solution, and they do not even go into effect until October 1. Many of the most beneficial tax cut provisions designed to induce investment, savings, and production will not begin until next year, and many will not be totally phased in for 5 years. As the tax cuts and new income become available for use by the private sector, the bidding for money in the credit markets will slacken, thus forcing interest rates downward.

Tax cuts are not enough, however. The Reagan administration must continue to ask Congress to slash away at the Federal budget and the growing deficit. I sincerely hope President Reagan will come before Congress again and ask for still further reductions in the budget, because only then will the public believe we are all serious about restoring the economy, and that the passage of the budget and tax bills was not simply a one-shot item meant for show.

PRESENT ECONOMIC PROGRAM INITIATED BY DEMOCRATS

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, we heard several interesting comments from the emerging Democratic Party minority here on the House floor this morning. It seemed to me that as they defined the economic situation, they were very good at defining disaster, but very confused about where the cause was

One spokesman, for instance, indicated that the economic program has failed. He thought it was the Reagan economic program. The economic program that has failed is the one that the Democrats put into effect this time last year in this House. Yes; it has failed.

We have high interest rates as a result of that particular program. There was talk here about record high interest rates. The interest rates are not as high now as they were during the Carter administration.

What we are suffering from now is a hangover from those policies, from those record high interest rates.

I think it is about time, Mr. Speaker, that we end the confusion on this issue and realize that we have a real problem in this country, but it is a problem not created by the Reagan administration but created by the Democratic Party, the past administration, and in this Congress. My fear is that the Democratic Party spokesmen that were on this floor today hope that by predicting failure they will help create failure, and that is a tragedy for a supposedly responsible political party.

THE NEED FOR THE VOTING RIGHTS ACT

(Mr. GARCIA asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, the right to vote is inherent to the democratic process. Since 1965 the Voting Rights Act has made sure that this is true.

The Voting Rights Act of 1965 is now being considered for extension. I am proud to say that I am a cosponsor of the bill that would extend this historically significant act.

The argument against the Voting Rights Act is made most vocally by those States that have had the worst history of discrimination, and it is these same States that now claim that they are being unjustly treated. Some of the arguments against the act say it is unfairly directed against the South. This is not true. My State, New York, three boroughs-Manhattan, Brooklyn, and the Bronx-that are covered by the act.

On September 8, 1981, a special Federal court stopped all citywide primary elections scheduled for Thursday in the city of New York. This was the result of a dispute over reapportion-ment of New York City's voting districts. The court's decision came after the city's failure to provide adequate information to the U.S. Department of Justice as to how they drew up the new districts.

The point is that the debate over the Voting Rights Act is not a North-

South problem. The act is designed to assure that all Americans are guaranteed the right to vote. It is an issue that should be of concern to all Ameri-

APPOINTMENT OF MEMBERS TO ATTEND THE FUNERAL OF THE LATE HONORABLE WIL-LIAM R. COTTER

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to House Resolution 206, the Chair appoints as members of the Funeral Committee of the late William R. Cotter the following Members on the part of the House:

Mr. McKinney of Connecticut:

Mr. O'NEILL of Massachusetts:

Mr. Foley of Washington;

Mr. Moffett of Connecticut: Mr. RATCHFORD of Connecticut:

Mr. DENARDIS of Connecticut;

Mr. Gejdenson of Connecticut;

Mr. Boland of Massachusetts;

Mr. Conte of Massachusetts:

Mr. ROSTENKOWSKI of Illinois:

Mr. ST GERMAIN of Rhode Island;

Mr. PICKLE of Texas;

Mr. Duncan of Tennessee:

Mr. ALEXANDER of Arkansas:

Mr. ROUSSELOT of California: Mr. Moakley of Massachusetts:

Mr. STARK of California;

Mr. Murtha of Pennsylvania;

Mr. Early of Massachusetts;

Mr. Russo of Illinois:

Mr. SCHULZE of Pennsylvania: Mr. FOWLER of Georgia;

Mr. Anthony of Arkansas:

Mr. Donnelly of Massachusetts:

Mr. GUARINI of New Jersey;

Mr. Shannon of Massachusetts: and

Mr. DE Lugo of the Virgin Islands.

GENERAL LEAVE

Mr. BENJAMIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 4209) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1982, and for other purposes, and that I may be permitted to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DEPARTMENT OF TRANSPORTA-TION AND RELATED AGENCIES APPROPRIATIONS, 1982

Mr. BENJAMIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4209) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1982, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania (Mr. Coughlin) myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. BEN-

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were-yeas 367, nays 3, answered "present" 2, not voting 61, as follows:

[Roll No. 195]

YEAS-367 Addabbo Fiedler Clinger Fields Akaka Coats Albosta Coelho Findley Alexander Coleman Fish Flippo Foglietta Anderson Collins (TX) Annunzio Conable Foley Ford (MI) Applegate Conte Archer Ashbrook Corcoran Coughlin Ford (TN) Aspin Atkinson Courter Fountain Coyne, James Coyne, William AuCoin Badham Frank Frenzel Craig Crane, Daniel D'Amours Bafalis Frost Bailey (MO) Fuqua Daniel, Dan Daniel, R. W. Bailey (PA) Garcia Gaydos Barnard Gejdenson Gephardt Bedell Daub Gibbons Davis de la Garza Benedict Ginn Benjamin Deckard Bennett Glickman Bereuter Bethune Derrick Gonzalez Derwinski Goodling Bevill Biaggi Dickinson Gore Donnelly Gradison Bingham Dorgan Gramm Dornan Blanchard Gray Bliley Dowdy Green Gregg Boland Downey Bolling Dreier Grisham Duncan Guarini Boner Dunn Gunderson Bonker Dwyer Bouquard Dymally Hall (OH) Dyson Early Eckart Hall, Sam Bowen Brinkley Hamilton Hammerschmidt Brodhead Broomfield Brown (CA) Edwards (AL) Edwards (CA) Hance Hansen (ID) Brown (CO) Edwards (OK) Hansen (UT) Harkin Brown (OH) Broyhill Emerson Emery English Hartnett Hatcher Burgener Erlenborn Butler Hawkins Byron Evans (DE) Heckler Campbell Evans (GA) Hefner Carman Evans (IN) Hendon Hertel Carney Fazio Chappie Hightower Cheney Fenwick Ferraro Hillis Clausen

Hollenbeck Mitchell (NY) Sharp Holt Moakley Molinari Hopkins Shaw Mollohan Shelby Montgomery Shumway Howard Hoyer Hubbard Shuster Siljander Moore Moorhead Huckaby Morrison Simon Mottl Hughes Skeen Skelton Smith (AL) Murphy Hutto Murtha Smith (IA) Smith (NE) Myers Jacobs Napier Jeffords Natcher Smith (NJ) Smith (OR) Jeffries Neal Nelligan Smith (PA) Jenkins Johnston Nelson Snowe Nichols Jones (OK) Jones (TN) Nowak Solarz Solomon Kastenmeier O'Brien Oberstar Obey Kazen Spence St Germain Kemp Oxley Panetta Stangeland Stanton Kildee Kogovsek Parris Staton Stenholm Pashayan LaFalce Lagomarsino Patman Stokes Stratton Patterson Lantos Paul Studds Leach Stump Leath Perkins Swift LeBoutillier Petri Synar Peyser Tauke Lehman Pickle Tauzin Taylor Porter Leland Lent Price Thomas Levitas Pritchard Traxler Lewis Loeffler Pursell Trible Quillen Udall Long (LA) Vander Jagt Rahall Long (MD) Vento Lott Ratchford Volkmer Lowry (WA) Regula Walgren Lujan Luken Walker Reuss Richmond Wampler Rinaldo Ritter Watkins Weber (MN) Lundine Lungren Roberts (KS) Roberts (SD) Weber (OH) Markey White Whitehurst Robinson Marks Marriott Rodino Whitley Whittaker Martin (IL) Martin (NC) Roemer Martin (NY) Whitten Rogers Rosenthal Williams (MT) Matsui Rostenkowski Williams (OH) Mattox Mavroules Roth Wilson Winn Mazzoli Roukema McCollum Rousselot Wirth Roybal Wolf McCurdy McDade McDonald Rudd Wolpe Russo Wortley Sabo McEwen Sawyer Scheuer McGrath Yates McHugh Yatron Mica Michel Young (FL) Schroeder Schulze Young (MO) Miller (CA) Miller (OH) Schumer Zahlocki Seiberling Sensenbrenner Shamansky Mineta Minish

NAYS-3

Clay Evans (IA) Mitchell (MD)

ANSWERED "PRESENT"-2

Ottinger Schneider

NOT VOTING-61

Andrews Daschle Goldwater Hall, Ralph Dellums Anthony Beard Beilenson DeNardis Dicks Heftel Holland Dingell Ireland Boggs Jones (NC) Breaux Dixon Dougherty Kindness Livingston Brooks Burton, John Edgar Burton, Phillip Erdahl Lowery (CA) Chappell Chisholm Ertel Marlenee Fascell Fithian McClory McCloskey Collins (IL) Conyers Crane, Philip Crockett McKinney Forsythe Mikulski Moffett Danielson Gingrich Oakar

Rhodes Rose Santini

Savage Stark Washington Waxman Weaver

Wright Young (AK)

□ 1045

So the motion was agreed to. The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill. H.R. 4209, with Mr. GEPHARDT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Indiana (Mr. BENJAMIN) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. Coughlin) will be recognized for 30

The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore. (Mr. MURTHA) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENT OF TRANSPORTA-TION AND RELATED AGENCIES APPROPRIATIONS, 1982

The Committee resumed its sitting. The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Chairman, I yield myself such time as I may con-

Mr. Chairman, we submit for your consideration and for the consideration of the Committee the bill, H.R. 4209, the Department of Transportation and related agencies appropriation bill for fiscal year 1982.

I am joined in this endeavor by my good friends and colleagues on the subcommittee, including the gentleman from Florida (Mr. LEHMAN), the gentleman from Minnesota (Mr. Sabo). the gentleman from Oregon (Mr. AUCOIN), the gentleman from Pennsylvania (Mr. Gray), the gentleman from Massachusetts (Mr. CONTE), the gentleman from Alabama (Mr. wards), and the gentleman from Michigan (Mr. Pursell).

I want to make special mention of my respect for our friend, the gentleman from Pennsylvania (Mr. Coughlin). His views have been perceptive and thoughtful. I know the subcommittee has greatly benefited from his wisdom and his participation, and I personally have appreciated both his counsel and his ability to present alternative viewpoints.

TRANSPORTATION AND ECONOMIC DEVELOPMENT Mr. Chairman, with the host of budgetary issues confronting this body concerning such important matters as social security, defense, food stamps, or taxes, many of us tend to underestimate the importance of some of the other areas supported by the taxpayers; including transportation. I suspect that one of the reasons we sometimes take transportation for granted is that the public-private partnership that has existed to develop our transportation system has worked so well. We have indeed developed a transportation system that is second to noneour highway and air transport systems are the envy of the world; our rail freight system is highly developed and provides efficient service to hundreds of thousands of shippers; transit systems currently exist in 279 urban areas around the country. Our transportation network is unmatched anywhere in the world.

The importance of our transportation system to the national defense and the American economy cannot be overstated. We can build all the planes and tanks the generals ever dreamed of, but if we don't have the system to move them where they are needed quickly and efficiently, their utility is greatly restricted. We can double our steel or agricultural output, but this will do little good if we are not able to get those products and goods to the market. If you doubt this, I invite you to think back to the last time the major highways in your State were closed due to weather, or when transit service was halted in our large cities of New York, Boston, Washington, D.C., or Chicago. Inadequate transportation can have disastrous economic effects.

But, like any other capital investment, our transportation facilities must be adequately preserved and upgraded if they are to continue to serve their purpose. The committee has been concerned that our transportation needs have not received the attention they deserve. For instance, recent reports indicate that we are failing to adequately replenish our national investment in highways. On the interstate system, pavement needs changed from 4 percent of the mileage requiring major rehabilitation in 1975 to 10 percent needing resurfacing in 1978. Similarly, the percentage of deficient bridges on the interstate increased from 4 percent in 1975 to 13 percent in 1978. These trends will continue to worsen as the interstate system ages.

Presently, 2,000 miles of interstate pavement reach their 20-year "design life" every year.

For aviation, the FAA is projecting that air travel will double in the next 10 years, placing heavy new demands on our airports and air traffic control systems. In the transit area, there is already a deficiency in transit capacity to meet projected ridership needs without considering the potential added demand that future energy shortfalls will have on transit use. For railroads, Federal regulatory policies have severely impaired the financial health of our national rail freight industry and it will take continued action to nurse that industry back to financial health.

The committee, however, also recognizes the need to reduce Federal Government spending to curb the inflation which large deficits have helped produce. The recommendations in this bill are consistent with that objective. The committee has tempered its desire to improve our national transportation system and has reduced the new budget authority in this bill to a level which is nearly \$1.7 billion, approximately 13 percent, below the amount recommended for similar programs in fiscal year 1981. Under less stringent fiscal conditions, some items which have been deleted might have been approved.

The committee cautions, however, that a continuous failure to adequately maintain and upgrade our transportation system will impede future industrial and economic development. Inadequate and higher cost transportation can increase the cost of production. It can also limit the ability of producers to market their products, thereby reducing competition. These factors result in higher prices being paid by consumers. If the problems are not promptly and adequately addressed, the costs to recover in future years will be significantly greater. For instance, if a highway segment that requires repaving is exposed to just one extra winter season, it could require complete reconstruction-a far more costly proposition. Ignoring these problems may postpone the day of reckoning, but it cannot prevent that day from coming.

SUMMARY OF THE BILL

Mr. Chairman, the bill before you contains \$11.101 billion in new budget authority. Compared to the President's proposals, the bill is \$1,905,000 under the budget. It is also \$567,867,765 lower in budget authority than the subcommittee's 1982 allocation under section 302 of the Budget Act.

OFFICE OF THE SECRETARY

For the functions of the Office of the Secretary of Transportation, the bill contains \$43,457,000, a decrease of \$3,538,690 from the current level and a decrease of \$5,993,000 compared to the budget. In a year when the Secretary has proposed substantial reductions in most of the operating administrations within the Department of Transportation, the committee believes the Secretary must also take his fair share of cuts within his immediate office. The administration's budget request proposed to cut back funding for the Department as a whole by 9.7 percent while increasing funding for the Office of the Secretary by 5.2 percent. We believe it is wholly inappropriate to fund the Secretary's office at this level when we are cutting back the people in the field who are on the front lines doing the job that the American people have asked them to do. Under the committee's recommendation, funding for the Department will be reduced by 9.5 percent and the Secretary's office will be reduced by 7.5 percent. Besides being more consistent with the recommended levels for the entire Department, we believe this level will actually serve to enhance the quality of the Secretary's immediate staff support by eliminating unnecessary functions which drain valuable time from the Secretary's key staff advisers.

COAST GUARD

Moving to the Coast Guard, let me remind my colleagues of the 1962 Coast Guard roles and missions study performed by the Secretary of the Treasury which was an example of how comprehensive and thorough analyses can be used as a basis for important policy decisions. Much of what came out of that study has been implemented. Since the 1960's, however, the Coast Guard has assumed many additional responsibilities in environmental protection, fisheries and law enforcement, and Outer Continental Shelf management which have been stacked on top of growing workloads in other, more traditional areas of responsibility. For instance, there are over 150 specific statutory provisions which authorize or require the Coast Guard to promulgate regulations. Last year, we directed the Department to conduct a new roles and missions review to sort out those programs which might be eliminated or transferred to other public or private organizations, as well as those activities which can and should remain in the Coast Guard. The Department has indicated that this study will be completed by the first quarter of 1982, and it is our intent to use this as the basis for making our budgetary decisions in the years ahead.

For fiscal year 1982, the bill contains \$1,402,898,000 for operating expenses, which is the same as the budget request and \$65.7 million over the fiscal year 1981 level. Approximately \$44 million of the recommended increase over fiscal year 1981 is to cover the added cost of inflation. The remaining

part of the increase is associated primarily with upgrading training, improving the housing for Coast Guard personnel, providing additional equipment maintenance and operating two new medium endurance cutters. For acquisition, construction, and improvements, we are recommending \$391 million. This will continue the procurement programs for medium endurance cutters, medium-range surveillance aircraft, and short-range helicopters. It will also provide funds for a buoy tender upgrading, patrol boat renovation, and shore facility rehabilitation. The bill includes \$17.5 million for the alteration of five bridges that are unreasonable obstructions to waterborne commerce and \$29.73 million for research, development, test and evaluation. We have deleted \$9 million from the \$288 million request for retired pay in anticipation of legislation to convert cost-of-living adjustments to a single annual adjustment. For Reserve training, the supply fund, and the offshore oil pollution compensation fund, we have approved the full budget requests or made some small reductions. FEDERAL AVIATION ADMINISTRATION

The largest single appropriation in the bill is \$2,406,200,000 for the operation of our national air traffic control system and for the execution of the aviation regulatory, research, and financial assistance programs. I know many of you are interested in the air traffic controller situation. According to the FAA, a total of 11,438 termination notices have been sent out. Approximately 1,000 new controller personnel have already been hired or reemployed and an additional 819 military controllers are currently assisting the FAA. We have, of course, been assured by DOT officials that our air transportation system is operating safely.

In addition, the bill includes appropriations of \$19 million for facilities, engineering, and development; \$353.57 million for facilities and equipment; \$80 million for research, engineering, and development; and \$69,493,000 for the operation and capital improvements at Dulles and National airports. For the grants-in-aid for airport development, we are recommending a \$650 million limitation on obligations, and for new aircraft purchase loan guarantees the bill includes a \$175 million ceiling.

FEDERAL HIGHWAY ADMINISTRATION

Under the Federal Highway Administration, the bill includes a limitation on contract authority obligations for the Federal-aid highways program of \$8.2 billion during fiscal year 1982. This is \$50 million more than the level proposed in the Budget and \$550 million less than the current limitation of \$8.75 billion.

The bill also contains \$400 million for highway projects substituted for interstate highway segments. This

amount is \$200 million more than the budget request. We believe that this increased funding level is required to keep up with realistic estimates of inflation in highway construction costs and to make a meaningful reduction in the large balance of unfunded authority under this program. That balance, as of December 31, 1980, was over \$5.4 billion, and, according to estimates of the Federal Highway Administration, may rise to as much as \$13.7 billion by the end of 1983. We believe that higher funding levels must be provided for this program if we are to avoid making this a permanent grant program.

The bill also includes appropriations for motor carrier safety, highway safety research and development, highway beautification, railroad-highway crossings demonstration projects, and territorial highways. General operating expenses of FHWA would be limited to \$200.4 million in fiscal year 1982, a reduction of \$12.6 million from the budget request.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

For the National Highway Traffic Safety Administration, the bill includes \$85,876,000 for operations and research which is the same as the fiscal year 1981 level.

The administration has been quick to blame the safety programs and regulations of the National Highway Safety Administration for Traffic many of the financial ills plaguing our auto industry. Even though we doubt that NHTSA is the real villain in this story, we hesitate to recommend additional funding for an agency whose mission has not been clearly articulated by the new administration. The administration has simply not adequately explained how it plans to manage the programs and responsibilities of this agency in a consistent fashion with its rhetoric extolling the evils of auto safety regulation and the necessity for transferring Federal governmental functions to State and local jurisdictions. Until we can be assured that the taxpayers dollars will be used effectively, we cannot recommend higher funding levels for this pro-

With respect to those highway safety programs financed with contract authority, we are recommending a limitation on obligations of \$77 million, which is the amount requested in the budget. This is a reduction of more than \$73 million from the fiscal year 1981 level and reflects the widely held belief that many eligible items in this program are not effective in reducing highway accidents and injuries.

FEDERAL RAILROAD ADMINISTRATION

Mr. Chairman, for the Federal Railroad Administration, major recommendations include \$26,904,000 for railroad safety, \$34 million for research and development, \$15,624,000

for rail service assistance, \$200 million for the Northeast corridor improvement project, and a limitation on loan guarantees under section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 of \$770 million.

The committee does not, at this time, recommend additional funding to purchase redeemable preference shares from railroads to finance the rehabilitation of rail facilities. We are not convinced that the benefits from this program justify continuing the high spending levels of past years, and have asked the Department to conduct a comprehensive review of this program to document how effective past section 505 investments have been. The committee plans to consider future preference share funding requests after it has reviewed the results of this study, and if sufficient funds are authorized.

The bill would also provide \$544 million for Amtrak which, together with \$166 million in previous appropriations for fiscal year 1982 and \$25 million in estimated carryover funds, would provide a total of \$735 million for fiscal year 1982. This \$735 million program level is consistent with the omnibus budget reconciliation bill and would be allocated in accordance with that bill as well; that is \$625 million for operating expenses, \$100 million for capital grants and \$10 million for labor protection. We understand that Amtrak has estimated that it can operate nearly all of its existing system under this funding level.

URBAN MASS TRANSPORTATION ADMINISTRATION

Under the committee recommendations, a total program level of \$4.036 billion would be provided for the activities of the Urban Mass Transportation Administration for fiscal year 1982. This is \$56.85 million more than the President's request, but it is \$170.4 million less than the amounts provided for similar activities for fiscal year 1981. Under this recommendation, \$1.48 billion would be provided for the section 5 "urban formula" program which provides subsidies to our transit authorities around the country to operate their systems. This is \$25 million more than last year's level. The bill also provides \$1.786 billion for urban discretionary grants to buy buses; extend and modernize existing rail transit systems; continue construction of new rail transit systems in Miami, Atlanta, Buffalo, and Portland; and continue the construction of transit malls, intermodal terminals, and joint development projects. The bill also continues the fiscal year 1981 funding level of \$72.5 million for the nonurban formula program in fiscal year 1982. This program is designed to assist in the development of public transportation in small communities and rural areas. In addition, we estimate that \$25 million in carryover funds will be available for this program in fiscal year 1982 making a total of \$97.5 million available in 1982.

The bill also includes \$600 million for transit projects which have been substituted for interstate highway segments. As I stated earlier, we are concerned about the unfunded balance in this program which is currently hovering at \$5.5 billion. Without significant appropriations to draw down this balance, interstate transfers will become a permanent fixture in our budget, which was not the intent of Congress.

The bill also includes \$97.3 million for the research and administrative expenses of UMTA.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

The bill includes \$29,837,000 for the Research and Special Programs Administration, which includes the materials transportation bureau, the transportation systems center and grants to States for natural gas pipeline safety. The amount recommended is \$210,000 less than the budget request.

OFFICE OF INSPECTOR GENERAL

For the Office of Inspector General, the bill contains an appropriation of \$14,826,000 and an additional \$9,454,000 by transfer, for a total of \$24,280,000 in fiscal year 1982. This is the amount requested in the President's budget.

TITLE II-RELATED AGENCIES

Title II of the bill contains \$653,721,000 for seven transportation related agencies and commissions. This is \$18,258,000 below the budget request and \$579,133 million below last year's level. The reasons for this significant reduction largely stem from recent legislation to deregulate our airlines, railroads and motor carriers which has lessened the need for oversight from our Federal regulatory agencies.

More specifically, the committee is recommending \$2,070,000 for the Architectural and Transportation Barriers Compliance Board; \$19.125 million for the National Transportation Safety Board; \$87.28 million for the Civil Aeronautics Board; \$74.15 million for the Interstate Commerce Commission; \$418.51 million for the Panama Canal Commission; \$1 million for administrative expenses of the U.S. Railway Association; and \$51,586,000 for the Washington Metropolitan Transit Authority. I want to make special mention of one of the committee's recommendations.

The bill includes \$74.15 million for the salaries and expenses of the Interstate Commerce Commission. This would provide for a staffing level of 1,500 positions, which is 100 positions less than the President's request.

The committee was actually presented with two ICC budget proposals for fiscal year 1982—the official budget submission, which requested funds for

1,600 positions and an alternative proposal authorized by one of the five Commissioners requesting funds for 1,000 positions. The alternative package was based on the premise that major efficiencies could be achieved through structural realinement and elimination of functions that are now nonessential because of deregulation.

The Congress and the Commission have emphasized the importance of reducing harmful, artificial barriers to competition in the trucking and railroad industries, but that same rigor has not been applied to overhauling the structure and functions of the Commission itself. Testimony before the committee pointed out several instances of bureaucratic duplication, inefficiency, and misplaced priorities which thwart the goals of deregulation as intended by Congress. The committee's recommendation provides for a leaner, trimmer ICC which will force better definition of the lines of authority within the Commission, more efficient use of personnel, and a realinement of Commission priorities in line with the goals of deregulation. The committee is satisfied that all of the ICC's statutory obligations can be met at this budget level.

Mr. Chairman, the bill before you is the product of our very able subcommittee. The bill was reported by the full Appropriations Committee on July 17. The committee held 27 days of hearings and received testimony from 10 Members of Congress, 141 officials from the executive branch and 95 interested individuals and representatives of groups and organizations. The committee printed 8 volumes of hearings, numbering 6,218 pages.

Mr. Chairman, I believe we are bringing a balanced and carefully considered bill to the committee today and I ask for its favorable consideration and approval.

□ 1100

Mr. COUGHLIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to begin my remarks by complimenting the distinguished chairman of the subcommittee, the gentleman from Indiana, Mr. Adam Benjamin, Jr., on the very splendid job he has done with this bill.

Although this is his maiden voyage in bringing a regular transportation appropriation bill to the floor, one certainly would not know it, due to the very fair way he has treated all Members during the hearings, due to the extensive leadership he has shown in crafting this bill, and due to his vast knowledge of transportation planning and funding. It has been a real pleasure to work with him.

Since this is also my maiden voyage as ranking minority member of this particular subcommittee, let me pause to recognize the distinguished ranking minority member of the full committee, the gentleman from Massachusetts, Mr. Silvio Conte. He preceded me as the ranking minority member of this subcommittee. His knowledge of transportation problems has been invaluable as he continues to serve on the subcommittee and he certainly has been very helpful to me.

All members of this subcommittee, the gentleman from Alabama, Mr. Jack Edwards, the gentleman from Michigan, Mr. Carl Pursell, the gentleman from Florida, Mr. William Lehman, the gentleman from Minnesota, Mr. Marty Sabo, the gentleman from Oregon, Mr. Les Aucoin, and the gentleman from Pennsylvania, Mr. Bill Gray, have had a hand in crafting this bill, and the bill is the better for it.

Let me also thank the staff: Tom Kingfield, Greg Dahlberg, Jeni Leasor, and Betsy Stark for the majority, and Kenny Kraft and Greg Dole for the minority, for the work they have done on the bill.

This is not an easy bill, Mr. Chairman. I suppose one could refer to it as a transferral bill. There are lots of pulls and tugs involved in any appropriation bill of this magnitude, and the chairman has done an admirable job of accommodating these pulls and tugs.

The administration, under the strong leadership of Secretary of Transportation Drew Lewis, proposed dramatic changes in the area of transportation, and most of those changes have indeed been accommodated in the bill. A number were not accommodated in the bill; they were threshed out in committee, and I am sure my colleagues will be pleased to know that I do not intend to rethresh them out here on the floor. However I do feel obliged to call attention to some of the differences between the bill coming before us and the administration's proposals.

In the area of interstate transfer grants for highways, the subcommittee added \$200 million. Now, in fact, there is a huge backlog in this area, and it is an area in which States feel, since they have forgone some interstate highway funds in one area, that they are entitled to them in another, and the additional \$200 million was put in to address that question.

In the highway trust fund area, the \$8.2 billion limitation on the highway trust fund is within the reconciliation provisions, but we did exclude from that limitation emergency bridge projects, which could add some \$200 million in outlays to the bill over and above the administration's request.

In the aviation area we increased spending from the airport and airways trust fund by some \$200 million, and we are in fact about \$50 million over the reconciliation figure in that area.

This will also have both a budgetary and an inflationary effect.

In the area of urban mass transportation, the administration proposed the elimination of new starts on people movers and on light rail. There were some projects such as Miami and Detroit which represented previous commitments and which are continued. There are others such as Los Angeles and Indianapolis which are the first installments on things which could end up being very, very expensive.

There are two areas I would call attention to in which we have reduced funding in a way that I think is deleterious. First, the U.S. Railway Association has had its funding reduced from \$29 million last year to only \$1 million this year. Obviously it cannot function that way, and I would hope this will be rectified.

The Federal Railroad Administration has had it funding reduced from \$8 million to \$4 million. It is unlikely it can operate at that funding level, and again I would hope that will be reconciled.

Overall, Mr. Chairman, the bill is within our section 302 allocation. It is \$1.9 million under the budget request, it is \$1.7 million less than the fiscal year 1981 budget, and I certainly urge support for the bill by Members on both sides of the aisle.

Mr. Chairman, at this time I yield to the distinguished subcommittee chairman for a colloquy in which he wishes to engage.

Mr. BENJAMIN. Mr. Chairman, I thank the gentleman for yielding.

In the conference report on the Department of Transportation and related agencies appropriation bill for fiscal year 1981, specific guidance was given to UMTA on how it should resolve any problems arising from the imposition of a State or local "Buy America" law and the "Buy America" provision in section 401 of Public Law 95-599, the Surface Transportation Assistance Act of 1978. I would include those pages, 16 and 17, as a part of these remarks, as follows:

Amendment No. 43: Deletes language proposed by the House and inserts language proposed by the Senate regarding the "Buy America" provisions of section 401 of Public Law 95-599.

The conference agreement includes language which requires that UMTA apply the Buy America domestic preference provisions of Section 401 of Public Law 95-599 to grants awarded in fiscal year 1981 which use funds appropriated by this Act. The purpose of this provision is to ensure that appropriations that are authorized by statutes enacted after Public Law 95-599 are administered in a manner that provides incentives to manufacture in the United States and to employ United States workers. At a time when inflation and unemployment are presenting problems here in the United States, the conference language ensures that domestic companies and domestic jobs will be protected when capital grants are awarded for any highway or transit project.

The conferees believe that Section 401 of Public Law 95-599 provides uniform, national domestic preference requirements for transit equipment and construction supplies purchased with UMTA funds. Thus, the conference agreement language which is intended to ensure that no highway or transit funds be made available unless such funds are obligated pursuant to the provisions of Section 401 of Public Law 95-599. Under Section 401 only American-made materials are to be used in highway and transit projects unless one of four exceptions apply—public interest, unavailability, and two exceptions for unreasonable cost. The conferees believe these should be the only exceptions.

Over the past several years, many states have enacted domestic preference legislation related to procurements using state funds. A problem might arise in the case of joint state-Federal participation in a project, such as UMTA-funded procurement, where a state will wish to impose its domes tic preference law. If a contract bid does not fall within the scope of any of the excep-tions cited in Section 401 of Public Law 95-599, then the grantee should not be denied UMTA financial assistance simply because of the imposition of a state domestic preference law. The conferees do not intend the "state domestic preference law" to include so-called "buy-state laws" which repreferences for products manufactured in a particular state or subdivision and any such state laws shall not prevail over Federal law. On the other hand, if the imposition of a state domestic preference law causes the contract bid to fall within the scope of any or all of the exceptions cited in Section 401 of Public Law 95-599, then UMTA financial assistance could be denied because state statutes are undoubtedly subject to Federal law prescribing the "Buy America" exceptions of public interest, unavailability and unreasonable cost,

In addition to implementation of Section 401 of Public Law 95-599, the conferees direct UMTA to explore additional regulatory approaches to enhance domestic protections, including, but not limited to, measures to encourage the use of American steel and high technology assemblies in any foreign-made components that are incorporated into United States products. UMTA should cooperate with other Federal agencies to lessen the opportunity for unfair trade practices in transit procurements. UMTA should also monitor the implementation of state preference provisions to determine if it would be in the national interest to apply at the Federal level any provisions that states apply to their self-funded proj-

Mr. Chairman, UMTA issued its final "Buy America" requirements on January 19, 1981, in the Federal Register, volume 46, No. 12, pages 5808-29. On page 5808 the regulation states:

We have received specific guidance from the Congress in the resolution of this issue for the current fiscal year which ends on September 30, 1981 . . The guidance that applies to all of these non-Federal preference laws after September 30, 1981 will depend on the future instructions from the Congress.

It is through these remarks today that we are instructing UMTA that the guidance given on pages 16 and 17 of House Report No. 98-1400, dated September 25, 1980, with respect to

Buy American is to be continued and applicable during the fiscal year beginning October 1, 1981, and ending September 30, 1982.

Mr. Chairman, I ask the gentleman from Pennsylvania (Mr. COUGHLIN), the distinguished ranking minority member of the Transportation Appropriations Subcommittee, if he would join me in this observation.

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman from Indiana (Mr. Benjamin) and wholeheartedly endorse his remarks.

In fact, we had a situation in Philadelphia where the Southeastern Pennsylvania Transit Authority was going to apply the Pennsylvania Buy America law as a contract condition. UMTA told the Southeastern Pennsylvania Transit Authority that if this occurred, UMTA would withdraw funding. With UMTA funding as the bulk of the financing, SEPTA gave in, putting itself in technical violation of Pennsylvania State law. UMTA's regulation covering this situation was not founded on congressional mandate or intent. It was this type of regulatory overkill that led us to take the action we did in last year's appropriation bill and to continue it for the fiscal year, 1981-82. Hopefully, the Surface Transportation Assistance Act will be reauthorized during this Congress and the issue can be resolved in that bill. However, until that time we must take steps to insure that funds spent are reasonably and fairly spent in behalf of our economy and our workers.

Mr. BENJAMIN. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. Coughlin) for his concurrence in this matter. At a time when Federal dollars are so scarce, I share his view that it is our duty to reasonably and fairly insure that our economy and our workers get a fair share of those dollars.

Mr. COUGHLIN. Mr. Chairman, I reserve the balance of my time.

Mr. BENJAMIN. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. Lehman), a member of the subcommittee.

Mr. LEHMAN. Mr. Chairman, I rise in strong support of H.R. 4209, the Department of Transportation and related agencies appropriation bill for fiscal year 1982.

I would like to say at the outset that it has been a great privilege to work this year with our very able subcommittee chairman, the gentleman from Indiana, Mr. Adam Benjamin Jr., and with our capable ranking minority leader, the gentleman from Pennsylvania, Mr. Larry Coughlin. Our chairman has done a masterful job of putting together a bill in a difficult budgetary climate. I would also like to note that our subcommittee has worked well together to form a bipartisan bill

which deserves the support of every House Member.

This is a good bill. Our chairman has already explained the major provisions, so I will not belabor them, but I would like to make a couple of comments.

First, this bill balances the need for Federal spending restraint—it contains nearly \$1,700 million less than was made available for similar activities in fiscal year 1981-with the need for continued Federal investments in our transportation network. Nation's Many of us have doubts about how long we can skimp on transportation investments without damaging our Nation's ability to move people and goods, in service of both the economy and the national defense. Our committee's report addresses this issue more fully.

Second, on a more parochial level, the bill continues to meet Federal commitments to south Florida, particularly in continuing support for the rapid transit program in Dade County, which is vital to our area's continued economic health. The urban mass transportation sections of the bill contain \$70 million for the heavy rail line, as agreed in the full funding contract between UMTA and Dade County, and \$26 million for the downtown circulator, to carry out Federal commitments going back to Transportation Secretary Coleman.

Mr. Chairman, I urge my colleagues to support this bill.

□ 1115

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. Mr. Chairman, I want to thank the gentleman from Pennsylvania (Mr. Coughlin) for yielding. I would ask the gentleman from Indiana (Mr. BENJAMIN) if I might have his attention very briefly for the purpose of engaging in a colloquy concerning the priority primary program. That particular program, Mr. Chairman, in my judgment, is an outstanding example of a Federal program designed to target funds to a critical national highway problem.

While the \$125 million set-aside still falls far short of what is desirable, it is sufficient to insure significant accomplishments in those States that are seriously committed to completing work on priority primary routes. Illinois is clearly ready and willing to obligate on the order of \$50 million in priority primary funding in fiscal year 1982. The State is seriously committed to completing its routes and will fully obligate its allocation.

I should like to ask the gentleman from Indiana (Mr. BENJAMIN) if he would agree that it would be reasonable and appropriate for Illinois to receive a substantial amount of fiscal year 1982 priority primary funding,

given its past performance and clear commitment to future progress on its

two priority primary routes.

Mr. BENJAMIN. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Yes, I agree that Illinois has clearly demonstrated a commitment to constructing its priority primary routes and is ready and willing to obligate large sums in fiscal year 1982. Consequently I feel that Illinois should be considered for a substantial portion of the fiscal year 1982 priority primary funds, and I would trust the Department of Transportation would act accordingly.

Mr. MADIGAN. I want to thank the gentleman for his answer and again thank the gentleman from Pennsylvania (Mr. Coughlin) for yielding.

Mr. BENJAMIN. Mr. Chairman, I yield 6 minutes to the gentleman from Massachusetts (Mr. Studds).

Mr. STUDDS. Mr. Chairman, intend to offer an amendment which would provide the Coast Guard with an additional \$84 million in fiscal 1982. enough money-perhaps-to keep pace with inflation.

As chairman of the Subcommittee on Coast Guard and Navigation, I would not be doing my job if I did not take this floor today to issue a warning to all those in this Chamber whose constituents expect the Coast Guard to be there when needed; whether for law enforcement, search and rescue, maintaining aids to navigation, or cleaning up oil spills. The Coast Guard is in deep trouble and unless Congress does something about it, beginning today, the slogan which traditionally has characterized the Coast Guard—"Always Prepared"—will become little more than an ironic joke.

Over the past decade legislation required to prevent and clean up spills of oil and hazardous substances, to regulate foreign fishing within 200 miles of our coast, to prevent the smuggling of drugs, and to recover the oil, minerals, and energy found in the sea has burdened the Coast Guard with a plethora of new and complicated duties with which they are demonstrably unprepared to deal.

Consider, for example, that: The number of Coast Guard cutters has declined from 339 to 246 in the past decade;

The entire fleet of Coast Guard vessels averages more than 27 years in age; the cutter Cuyahoga, which sank in 1978 at the cost of 11 lives, was 52 years old:

Many Coast Guard vessels would be unable to meet the safety or manning standards imposed by the Coast Guard itself on merchant ships;

The average Coast Guard enlistee now has less than 2 years experience; reenlistment rates have declined by one-half since 1976:

A recent General Accounting Office study found that "The Coast Guard's responsibilities have increased without a commensurate growth in its resources;"

The Coast Guard estimates it must nearly double in size by 1990 to meet its responsibilities mandated by law: and

An OMB initiated study found that: Adequate maintenance has not been performed, personnel are undertrained for required tasks, people are required to work excessive overtime, and large numbers of experienced personnel are leaving.

You should remember that Coast Guard personnel must be capable of handling a variety of tasks in a competent, professional manner. Enforcement of the 200-mile fishing limit against foreign fishing boats requires people who are part policemen, part diplomats, part linguists, part accountants, part marine biologists, and fulltime sailors. But there is not enough time-and not enough money-to give Coast Guard recruits the training they need, and there exist too few incentives to keep new recruits around long enough to develop needed skills.

For those concerned with our Nation's defense, let me remind you that the Coast Guard is one of the five branches of the armed services of the United States, and our oldest seagoing armed force. From skirmishes with the ships of pre-Napoleonic France until the war in Vietnam, the Coast Guard has been involved in every war and nearly every other significant military action in U.S. history. Just 6 months ago, a joint Navy-Coast Guard Board identified three new and five expanded wartime missions for the Coast Guard. Last March when the Vice Chief of Naval Operations testified before our subcommittee he said:

I hope this presentation here, which is rather a first for the United States Navy and the Coast Guard, will be a precursor of other discussions we are going to have with responsible committees for the Armed Services in Congress to recognize that we do need the Coast Guard desperately.

We do want them to receive their fair share of the real growth for defense, which is our primary concern . . . We expect them to be there. We expect them to carry out certain wartime functions and the more units we have of the Coast Guard, the more flexibility the President is going to have. We are going to need every ship.

But Coast Guard ships are being held in port because they are often unsafe to sail. Unlike the other armed services, the Coast Guard budget has been reduced in real terms; its civilian personnel cut, and planned procurement of new equipment shelved.

The amendment I am offering is extremely modest. It recognizes the most urgent needs of the moment, but does not address the basic Coast Guard problems, which require a quantum leap in funding over the next few years. In cooperation with the subcommittee's ranking minority member, DON YOUNG, our subcommittee is undertaking this year a comprehensive review of all the roles and missions of the Coast Guard. We intend to give serious attention to proposals aimed at charging user fees for some of the services provided by the Coast Guard, and we are looking for ways to reduce the number of duties which are placed on the agency by law. Obviously, we have reached a time of critical change for the Coast Guard, a time during which the Nation itself, speaking through the Congress, is being asked to redefine the Coast Guard and its missions, and to decide whether we are truly serious about having a Coast Guard at all.

This is clearly not a partisan issue. Representative Young, Senators Packwood and Stevens, and numerous other Republicans have spoken out repeatedly this year in behalf of additional funds for the Coast Guard.

Let me remind you that the money I am proposing here will be used simply to allow the Coast Guard to stand still, to tread water, to cope with the rising cost of fuel, the lifeblood of its missions, and to meet its most basic and most urgent maintenance, acquisition, and training needs.

I, for one, am tired of stories about Coast Guard vessels so decrepit they cannot be put to sea; I am tired of stories about Coast Guardmen being killed when their 52-year-old-vessel sinks; let us all remember, in closing, that it was only a year ago that the Coast Guard plucked hundreds of frightened tourists from a burning cruise ship in near-Arctic waters off the Alaskan coast. It will be to no one's advantage if the next time the alarm bell sounds, the distress call emanates from the Coast Guard, itself

Mr. COUGHLIN. Mr. Chairman, I have no further request for time and yield back the balance of my time.

Mr. BENJAMIN. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. Anderson), chairman of the Surface Transportation Subcommittee.

Mr. ANDERSON. Mr. Chairman, I want to thank Chairman Benjamin for yielding.

I would like to congratulate the gentleman from Indiana for his efforts this year, his first, in producing what can generally be regarded as a fine piece of legislation during what we can all agree are trying times. At this particular point in our consideration of the bill, though, I would request the attention of our colleagues as we address a particular problem—a serious problem—that several of us have, not with the legislation itself, but with parts of the committee report, 97–186, accompanying the bill.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield for a question?

The report accompanying this Department of Transportation appropriations bill directs that priority consideration be given to funding certain projects under the priority primary program. What is your understanding of the effect of these designations in the aforesaid report?

Mr. ANDERSON. I thank the gentleman for asking. We are certainly pleased that the Appropriations Committee has decided to let us know which projects they think should be accorded priority consideration when we deliberate on our highway legislation. However, the designation of the four projects in House Report No. 97-186 must certainly not be accorded the force and effect of that legislative history which is, from time to time, developed for the priority primary program by the Public Works and Transportation Committee.

Mr. CLAUSEN. If the gentleman will yield to me, is it your understanding that the Appropriations Committee has jurisdiction to designate specific transportation projects such as the ones contained in the priority primary program?

Mr. ANDERSON. I thank the gentleman from California, the ranking minority member on the House Public Works and Transportation Committee. As you know, the jurisdiction for designating specific projects within the priority primary program rests, in the House, solely with the Public Works Committee, as this is a contract authority program. All such programs have been traditionally recognized to be under the exclusive jurisdiction of the Public Works Committee.

Mr. HOWARD. If the gentleman will yield. Let me say that, clearly, any reading of the law will confirm the statement just made by the gentleman from California. The Public Works and Transportation Committee has exclusive jurisdiction in the House of Representatives over the creation of contract authority for the Federal-aid highway program-which is to say that the Public Works Committee has jurisdiction over both the authorization of Federal-aid highway funds and creation of budget authority which permits the obligation of Federal-aid highway funds. Therefore, the Public Works Committee has sole responsibility in the House for setting priorities for the Federal-aid highway program, and for the program's direction. The Appropriations Committee should not be involved in these activities.

Mr. SHUSTER. I would certainly concur with the gentleman's assessment of the situation, and say that, not only should the Appropriations Committee not be involved in these activities, but that they have no authority to be involved with these activities. But let me point out to my colleagues that not only are projects listed in the

report under the priority primary program, but that 10 bridge projects are also mentioned, with language that they receive priority consideration in receiving discretionary bridge rehabilitation and replacement funds. The report also recommends that two highways be considered for emergency relief funds. What is the understanding of my colleagues on the effects of these listings?

Mr. CLAUSEN. If the gentleman will yield, these are interesting listings indeed. But, again, the force and effect of this report language pertaining to the discretionary bridge and emergency relief programs is similar to the language concerning the priority primary program. To reiterate, the designation of Federal-aid highway projects funded with contract authority rests solely, in the House, with the Public Works and Transportation Committee. The Subcommittee on Surface Transportation, and the House Public Works and Transportation Committee will, I am certain, be glad to give due consideration to those recommendations of our Appropriations Committee which are contained in House Report No. 97-186. But until those projects are designated by the Public Works and Transportation Committee, they should not be accorded any weight regarding the legislative history.

Mr. HOWARD. I concur with the statement of my colleague, the gentleman from California. The Federal-aid highway program would be better served if four different committees had not involved themselves naming projects and setting priorities for the priority primary and discrebridge programs. To the tionary extent that this occurs, these programs become more difficult to administer. Priority primary and discretionary bridge projects have been added with absolutely no regard to the availability of Federal funds.

Mr. ANDERSON. If the gentleman will yield. The whole purpose of Public Works Committee contract authority programs is to insure for the grantee that the full faith and credit of the U.S. Government will be available to satisfy the contractual obligation inherent in the ability to obligate contract authority funds. Unlike other programs, the role of the Appropriations Committee is simply to provide liquidating funds necessary to fulfill the Government's contractual commitment. For this reason, the authorizing committee is granted full jurisdiction over the law and legislative history involving projects to be funded through such programs.

Mr. HOWARD. The gentleman is correct. If the recommendations made in this committee report are heeded by the administration—and I believe they should not be—these programs

will be burdened with far too many projects, and a level of funding which was once sufficient but which would now certainly be woefully inadequate. For this very reason, the Public Works and Transportation Committee turned down many requests this year to add additional priority primary and discretionary bridge projects as part of our committee's consideration of H.R. 3210, the committee's 1-year highway bill. We felt it would be irresponsible and certainly not in the best interests of these programs, or the Nation, to add additional projects at this time. The Public Works Committee may have to consider major program reforms, and perhaps even the drastic measure of eliminating these programs altogether when it takes up a multiyear highway bill next year.

Mr. CLAUSEN. I agree with the chairman in everything he has said, and would only reiterate his point that adding new discretionary projects at this point in time is simply bad public

policy.
Mr. ANDERSON. The addition of projects suggested for designation in the committee report would serve to greatly dilute funds available under these programs for those truly priority projects which have been designat-

ed in past years.

SHUSTER. The chairman Mr. makes an excellent point when he talks about diluting funds available for already designated projects. That is why, this year, recognizing this very problem, I withdrew my request to have a project in my own State designated as priority primary.

Mr. ANDERSON. The gentleman from Pennsylvania, as a knowledgeable member of our committee, and one who has long worked on these matters, was cognizant of the problem, and indeed, was very statesmanlike in

withdrawing his request.

Ms. FERRARO. Mr. Chairman, I rise in support of the bill, and I ask unanimous consent to revise and

extend my remarks.

Mr. Chairman, I would first like to commend the members of the Appropriations Committee, and especially Subcommittee Chairman BENJAMIN, for the work they have done. But I would like to address particularly one matter of major concern to me.

One of the issues that is addressed in the commmittee's report on this bill is the Federal Aviation Administration's proposals to reorganize its regional office structure. On June 12, the FAA had announced plans to consolidate its regional offices, resulting in a reduction from 11 to 6 offices. One of the offices scheduled to be closed was the eastern regional office. which is located at John F. Kennedy Airport in New York, which by the way is the center of operations for airports in the entire middle Atlantic region, including six major hubs.

Many of us whose districts would be affected protested the planned reorganization on the basis that it would impair the FAA's ability to carry out its functions, and would also as severely disrupt the lives of hundreds of agency employees.

Responding to our concerns, Chairman Benjamin took the lead in putting language in the committee report to have the FAA report to the committee on the cost-savings to be achieved by any reorganization before putting

the plan into effect.

I was extremely pleased when last week the FAA announced that it had abandoned its plans to close the regional office in New York as well as the offices in Chicago and Los Angeles, which had also been scheduled to be closed.

I want to thank Chairman BENJAMIN for his assistance in this effort to keep these regional offices open and to insure the efficient performance of

the FAA's functions.

Mr. YOUNG of Alaska. Mr. Chairman, I rise today in support of the amendment offered by Representative STUDDS, chairman of the Coast Guard and Navigation Subcommittee. Although this amendment represents an increase in the amounts reported by the Appropriations Committee, I believe it represents fiscal restraint in that much more may be needed for the Coast Guard to be adequately prepared for its military, enforcement, and safety operations, as well as upgrading its vessels and equipment and adequately training its personnel.

The committee on which Chairman STUDDS and I sit has worked hard this year to arrive at a budget to fully fund the U.S. Coast Guard. This multimission agency is essential to the navigational safety and commerce, as well as the security of our Nation because of the number of maritime functions it performs while being one of our vital military branches. To be adequately prepared for its military enforcement and safety operations the vessels and equipment of the Coast Guard need severe upgrading and additional training will be required for its personnel. This was the focus of the Coast Guard and Navigation Subcommittee this year in its hearings on the Coast Guard budget.

years legislation has heaped additional responsibilities on the Coast Guard. The budget, however, has simply not kept pace with the additional duties. This coupled with inflation and unwarranted administrative budget cuts

As many of us know, during recent

of the past, have taken their toll on the effectiveness of the Coast Guard. Upgrading the Coast Guard results in many-fold returns to this country. That is, the Coast Guard by improving the performance of this military role simultaneously upgrades the perform-

ance of its valuable peacetime missions

and vice versa. Further, full funding will assure the availability and continuance of the Coast Guard as a flexible and responsive agency. The recent experience with the Cuban refugee exodus, which required an agency which could render a humanitarian service as well as professionally bring to bear law enforcement capabilities, indicates the value of the Coast Guard. Numerous Government reports dramatically demonstrate this need for additional funding.

As the Representative for Alaska, I am concerned with the adverse effects fisheries enforcement and on search and rescue efforts. As you may know, the State of Alaska has a larger coastline and Outer Continental Shelf area than the rest of the United States. Therefore, Alaska has had and will continue to have an ever-recurring need for Coast Guard coverage off its vast coastline. I have been greatly concerned regarding adequate search and rescue coverage in the Gulf of Alaska. The recent rescue of passengers on the cruise liner, Prinsendam, dramatically underscores the potential perils in this region. In addition, increased shipping has occurred to and from the Port of Valdez generated by the Alaskan pipeline. This is not to mention the numerous smaller fishing vessels which operate in this area producing a vital source of protein for the United States. Quick, responsive search and rescue in this region is a matter of life and death. Without adequate funding these pressing issues cannot be addressed.

As the ranking minority member of the Coast Guard and Navigation Subcommittee. I am concerned with the effects that shortages of funds would have throughout the Nation. The functions performed by the Coast Guard are by no means isolated in one section of the country. Coast Guard functions facilitate waterborne commerce and other activities in every region of the United States along the east, west, and gulf coasts as well as the Great Lakes and the extensive inland waterway system. The detrimental consequences of not adequately funding the Coast Guard therefore cannot be taken lightly. One continuing concern of mine is the ability of the Coast Guard to purchase fuel which is the lifeblood of its essential lifesaving, safety, and enforcement missions. This was of particular concern to us in our hearings and we believe is addressed in the amendment offered by Mr. STUDDS. In addition, needed operating capital and research items of primary importance are covered.

Mr. Chairman, we have heard a number of arguments that cutbacks can be made in the Coast Guard. I can assure you that I view nonessential functions and activities in a dim light. In this regard the Coast Guard and Navigation Subcommittee is undertaking an extensive series of oversight hearings this year which has not been done in quite some time. Therefore, changes in future recommendations by our subcommittee will be made where necessary and justified. For the time being, however, I believe it is necessary for us to approve funding at a level which will permit the Coast Guard to perform its current missions which are so essential to the seafarers of this Nation.

Therefore, I strongly urge adoption

of this amendment.

Mr. SAVAGE. Mr. Chairman, I support passage of H.R. 4209, the transportation and related agencies appropriations bill for fiscal year 1982.

While my support for passage of this legislation was not without reservation, I do believe that, given the prevailing climate around here, this bill is just about the best that someone of my persuasion could reasonably expect.

However, I do want to make a few observations about transportation funding in the context of budget developments of the last few months.

If history has taught us anything about transportation, it is that Government involvement in and support of transportation are key elements of economic growth and a better way of life for all who live in this country. Therefore, it is essential that we have continued—and increased, Federal participation in helping transportation if we ever are to have the economic ren-

aissance Reagan talks about.

It is highly disturbing to know that many of our Nation's highways, bridges, and public transit systems are deteriorating at an alarming rate. For instance, my hometown of Chicago is now in the throes of a mass transit financial crisis. Many other urban areas-not just in the Northeast-Midwest regions, are, or soon will be, facing similar transit-financing problems. And what does Reagan do? He gives localities the shift-shaft. While seeking to return authority to States and localities, he puts them on notice that they cannot expect future financial assistance in certain areas to help meet their budgetary obligations.

Make no mistake about it: I am both aware and supportive of the need to curb Government waste in spending and to curb inflation. But, I am also aware that the failure to upgrade and maintain our transportation system, which is the lifeline of our economy, may halt economic and industrial de-

velopment.

In its committee report, the House Committee on Appropriations states that in its zeal to reduce Federal spending to curb inflation—presumably which large deficits helped to produce—the committee "* * * tempered its desire to improve our nation-

al transportation system," and "* * * reduced the budget authority in the accompanying bill to a level that is nearly \$1.7 billion, approximately 13 percent, below the amount recommended for similar programs in fiscal year 1981."

I am not certain that this is something that the committee should be proud of. It should be clear that improved and lower cost transportation provides enhanced competition and economic growth. We need to rededicate ourselves to the sound proposition that the Federal Government should have more than simply a diminishing role in transportation policy and financing.

• Mr. CONTE. Mr. Chairman, I rise in support of the committee bill for the Department of Transportation and related agencies appropriations for fiscal year 1982. The bill provides \$11.101 billion in new budget authority for the programs of the Department of Transportation and related agencies. This represents an amount \$1.905 million below the President's request and \$1.678 billion below the total amount appropriated for these programs for fiscal year 1981.

Funding levels for some of the major programs are: \$1.555 billion, together with \$220 million of carryover funds and \$11 million derived by transfer, for the urban discretionary grants pro-gram of the Urban Mass Transportation Administration; a general provision providing for obligations of not to exceed \$8.2 billion for Federal-aid highways; \$1.480 billion for urban mass transportation formula grants; total funding level of \$735 million for continued Amtrak service; \$391 million for the capital acquisition, construction, and improvement programs of the Coast Guard; and approval of the budget request of \$200 million for the Northeast corridor improvement proj-

Mr. Chairman, without the ability to move goods and people cheaply and quickly, the industrial development of our United States would have been impossible. This requirement of efficient mobility is essential if our Nation is to continue to function effectively and prosper. It is clear that our highways, bridges, railroads, waterways, and airports constitute the infrastructure of the American economy. It is imperative that we consider the status of this deteriorating infrastructure. Recent GAO reports indicate that we are not paying adequate attention to our highways and bridges. The committee, however, clearly recognizes the need to reduce Federal spending in an effort to control the high rates of inflation and interest which our economy is experiencing.

The funds in this bill provide for not only the daily transportation needs of our Nation's travelers on the high-

ways, rails, and airways, but also provide for our national defense needs. The Department of Transportation Act declares that the Department should "develop and recommend * * national transportation policies and programs with the full and appropriate consideration of the needs of * * * national defense." This declaration is the genesis for a number of specific grant assistance or regulatory programs within the Department, including the Coast Guard, Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration, and Research and Special Program Administration. There is a direct and continuing relationship between the requirements of our national defense system and the planning and provision of those transportation services and facilities which are the concern and responsibility of the Department of Transportation.

I urge you to support the committee bill which provides a balanced approach for the maintenance and further construction of our Nation's transportation system, a system which is required if we are to maintain our

national security posture.

Mr. BENJAMIN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to House Resolution 187, title I is considered as having been read and open to amendment at any point.

Are there any points of order against title I?

Are there any amendments to title I?

AMENDMENTS OFFERED BY MR. BENJAMIN

Mr. BENJAMIN. Mr. Chairman, I offer three amendments to title I. I ask unanimous consent that the amendments be considered en bloc, that they be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from

Indiana?

There was no objection.

The portion of title I to which the amendment on page 6, line 16, relates is as follows:

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development and for establishment of air navigation facilities, and carrying out the provisions of the Airport and Airway Development Act, as amended, or other provisions of law authorizing obligation of funds for similar programs of airport and airway development or improvement; purchase of four passenger motor vehicles for replacement only and purchase and repair of skis and snowshoes, \$2,406,200,000 of which not to exceed \$900,000,000 shall be derived from the Airport and Airway Trust

Fund and, in addition, \$3,400,000 from unobligated balances in the appropriations for "Civil supersonic aircraft development", "Civil supersonic aircraft development ter-mination", and "Research and development": Provided, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities: Provided further, That none of these funds shall be available for new applicants for the second career training program: Provided further, That not to exceed \$1,027,275,000 shall be available for all activities funded under this heading except personnel compensation and benefits for the following subactivities: Operation of air route traffic control centers, Operation of airport traffic control towers, Operation of flight service stations and field maintenance.

The amendments are as follows:

Amendments offered by Mr. Benjamin: On page 3, after line 2, insert the following:

COMMUTER RAIL SERVICE

For necessary expenses to carry out the commuter rail activities authorized by section 601(d) of the Rail Passenger Service Act (45 U.S.C. 601), as amended, \$20,000,000 and for necessary expenses to carry out section 1139(b) of Public Law 97-35, \$2,000,000.

On page 6, line 16, strike out \$2,406,200,000 and insert in lieu thereof \$2,306,200,000 and strike out \$900,000,000 and insert in lieu thereof \$850,000,000 and on page 7, line 2, strike out the colon and all that follows down to and including the word "maintenance" on line 8.

On page 20, after line 3, insert the follow-

RAILROAD RESTRUCTURING ASSISTANCE

The Secretary of Transportation is hereby authorized to expend proceeds from the sale of fund anticipation notes to the Secretary of the Treasury and any other moneys deposited in the Railroad Rehabilitation and Improvement Fund pursuant to sections 502, 505-507 and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, and section 803 of Public Law 95-620, for the St. Louis Terminal restructuring project, in amounts not to exceed \$50,000,000.

INVESTMENT IN FUND ANTICIPATION NOTES

For the Secretary of the Treasury for acquisition, in accordance with section 509 of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, and section 803 of Public Law 95-620, of fund anticipation notes, \$50,000,000.

Mr. BENJAMIN. Mr. Chairman, these three amendments are simply designed to update our bill to account for several major actions which have happened since our bill was reported out of committee.

As you know, our bill was reported July 17 of this year. Since then, we have had the air traffic controller strike and the passage of the omnibus reconciliation bill.

The first amendment in this package would reduce the operations appropriation of the Federal Aviation Administration by \$100 million. This reflects the fact that more than 11,000 termination notices have been sent out by the FAA as a result of the air traffic controller strike.

The savings in FAA operating costs resulting from this action should amount to more than \$400 million in fiscal year 1982. However, this savings will be reduced by the added costs associated with training an increased number of new controllers. We have attempted to obtain a precise figure from FAA on how many new controllers they plan to hire during the upcoming year. To date, we have not received any specific information on this matter.

We, of course, want to provide the FAA with sufficient funds to safely operate and maintain our air transportation as well as to increase the system's capacity to the level that existed prior to the strike. If the Department or the FAA believes that additional funds will be needed to accomplish this during fiscal year 1982, we will consider these requirements in connection with any supplemental request that is submitted. Our estimate, however, is that a minimum of \$100 million should be saved as a result of the reduction in FAA employment.

The remaining two amendments would provide \$20 million in commuter rail subsidies for the Regional Transit Authority in Chicago, \$2 million to start up the newly authorized Amtrak Commuter Services Corporation, and \$50 million to purchase redeemable preference shares for the rail restructuring project in East St. Louis, Ill. Both of these amendments are consistent with new authorizations contained in the omnibus reconciliation bill.

In toto, these amendments would save an additional \$28 million from the bill that is presently before us, and I urge their passage.

Mr. COUGHLIN. Mr. Chairman, I rise in support of the amendments.

Mr. Chairman, it is indeed difficult to estimate the exact amount of money that will be saved as a result of the strike of the air controllers. It is difficult, because we do not know the costs exactly of training new controllers, and we do not know the costs of continuing to operate our air traffic system. I think that the amendments that have been proposed by the chairman are reasonable amendments and that we can anticipate some savings. I hope that the committee will adopt the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Indiana (Mr. Benjamin).

The amendments were agreed to. AMENDMENTS OFFERED BY MR. STUDDS

Mr. STUDDS. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The portion of title I to which the amendments relate is as follows:

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed eight passenger motor vehicles, for replacement only; and recreation and welfare, \$1,402,898,000, of which \$244,073 shall be applied to Capehart Housing debt reduction: Provided, That the number of aircraft on hand at any one time shall not exceed one hundred and seventy-nine exclusive of planes and parts stored to meet future attrition: Provided further, That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: Provided further, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 103 except to the extent fees are collected from yacht owners and credited to this appropriation, and, notwithstanding any other law, the Secretary may prescribe fees to recover the expenses of yacht documentation

Acquisition, Construction, and Improvements

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; to remain available until September 30, 1986, \$391,000,000.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, \$17,500,000, to remain available until expended.

RETIRED PAY

For retired pay including the payment of obligations therefore otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, \$279,000,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services, \$50,900,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for basic and applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, \$29,730,000, to remain available until expended: Provided, That there may be credited to this appropriation, funds received from State and local governments, other public authorities, private sources and foreign countries for expenses incurred for research, development, testing and evaluation.

OFFSHORE OIL POLLUTION COMPENSATION FUND

For necessary expenses to carry out the provisions of title III of the Outer Continental Shelf Lands Act Amendments of 1978 (Public Law 95-372), \$9,550,000, to be derived from the Offshore Oil Pollution Compensation Fund and to remain available until expended. In addition, the Secretary of Transportation is authorized to issue to the Secretary of the Treasury, to meet the obligations of the Fund, notes or other obligations of the Fund, notes or other obligations.

gations pursuant to section 302 of the Amendments in such amounts and at such times as may be necessary.

COAST GUARD SUPPLY FUND

To increase the capital of the Coast Guard Supply Fund, \$1,500,000, to remain available until expended.

DEEPWATER PORT LIABILITY FUND

For necessary expenses to carry out the provisions of section 18 of the Deepwater Port Act of 1974 (Public Law 93-627), \$5,000,000 to be derived from the Deepwater Port Liability Fund and to remain available until expended. In addition, the Secretary of Transportation is authorized to issue, and the Secretary of the Treasury is authorized to purchase, without fiscal year limitation, notes or other obligations pursuant to section 18(f)(3) of the Act in such amounts and at such times as may be necessary to meet the obligations of the Fund.

The Clerk read as follows:

Amendments offered by Mr. STUDDS: On page 3, line 9, strike "\$1,402,898,000" and insert in lieu thereof "\$1,450,000,000".
On page 4, line 3, strike "391,000,000" and

On page 4, line 3, strike "391,000,000" and insert in lieu thereof "\$425,000,000".

On page 4, line 24, strike "\$29,730,000"

On page 4, line 24, strike "\$29,730,000" and insert in lieu thereof "\$33,000,000".

Mr. STUDDS. Mr. Chairman, these are the amendments to which I referred in my remarks in general debate. Taken together, they increase funding for the U.S. Coast Guard by some \$84 million. And in so doing, let me point out, although it would increase the spending for the Coast Guard by approximately \$75 million over the President's budget request, would keep funding for this vital agency roughly—roughly—even with inflation. It would just about hold the

Let me, if I can, portray to my colleagues the urgency for this modest amendment. First of all, the U.S. Coast Guard is in very, very serious trouble. The average Coast Guard cutter is 27 years old. The average naval vessel is 14 years old. The number of Coast Guard cutters has declined in the past 10 years from 339 to 246.

As an example, the cutter Cuyahoga, which sank 3 years ago, costing 11 Coast Guard lives, was 52 years old.

Increasingly, scheduled Coast Guard patrols have been canceled throughout this country due to severe maintenance problems. The Coast Guard is able to meet only 20 percent of its goal for intercepting the smuggling of drugs into the United States, and its goal is to stop 75 percent of it.

Coast Guard search and rescue missions—and I would ask my colleagues to listen to this—have become steadily less successful proportionately in saving property, which we can put a dollar figure on, and in saving human lives, which no one would want to put a dollar figure on.

The average Coast Guard enlistee has less than 2 years of service. On May 1, of this year, the Coast Guard shut down all marine environmental patrols in this Nation, it shut down 90 percent of its Pacific area drug enforcement, it shut down 20 percent of its Pacific area fisheries enforcement, and it shut down 60 percent of its Atlantic fisheries enforcement because it had run out of fuel and could not afford any more fuel through the end of this fiscal year at the end of this month.

Second, I make the point that the missions of the Coast Guard are both important and they are cost effective, something that one cannot say about all components of this Government of ours.

Coast Guard search and rescue efforts save 6,000 lives a year. And I defy anyone to attempt to put a dollar figure on that.

In addition to that, the value of property saved by the Coast Guard is equal to the entire operating budget of that agency for each of the past 2 years.

I ask you how many agencies of the Federal Government can state that, in property alone saved which otherwise would have been lost. The Coast Guard has met its operating budget in each of these 2 years.

The Coast Guard annually seizes, for example, an amount of marihuana equal in value to the entire operating budget of the agency.

Coast Guard law enforcement prevents the theft of our fisheries resources by foreign fishery vessels.

Coast Guard aids to navigation and commercial vessels safety programs prevents an enormous amount of damage to life, to property, and to the environment every year.

The Coast Guard has played an active role in every foreign war and in almost every significant military operation in the history of the United States. More and more the oceans are becoming the scene of military, diplomatic, and economic competition, and Coast Guard skills will grow steadily more vital in future years.

Third, let me make the point that as the duties imposed by the Coast Guard by this Congress are increasing, the resources given to the Coast Guard by this Congress to fulfill those duties are shrinking.

Point: The administration's immigration policy apparently will not require the use of Coast Guard cutters to halt illegal immigration from Haiti. A Navy-Coast Guard task force recently identified three new military missions and five expanded military roles for the Coast Guard. Expanded oil drilling operations in the Arctic and on the Outer Continental Shelf throughout the United States, deep seabed mining and the likely expansion of ocean dumping will require new Coast Guard resources.

The administration's budget request for the Coast Guard is less than 6 percent over the figures for last year, which is to say less than enough to keep pace even with inflation.

The administration has ordered a reduction in civilian personnel amounting to a 14-percent cut over 3 years. The GAO reported last year that the Coast Guard's responsibilities have increased without a commensurate growth in its resources.

Mr. WILSON, Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Texas.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(On request of Mr. Wilson and by unanimous consent, Mr. Studds was allowed to proceed for 5 additional minutes.)

Mr. WILSON. Mr. Chairman, I want to associate myself with the gentleman's amendments and compliment him on them.

Does the gentleman agree—he touched on it briefly—that certainly in the case of illegal aliens, the Coast Guard's reduced role and preventing illegal aliens from entering the country and, once they get here, certainly cost more than the gentleman's amendments would do?

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Mr. STUDDS. I could not agree with the gentleman more. If the Coast Guard had a dollar for each speech about the problems of illegal aliens which has been given in this body, it would have less of a problem.

Let me say a word about the substance of the amendment. The amendment before us would increase Coast Guard funding by \$84 million over that approved by the Appropriations Committee in the bill before us. That is \$78 million more than the administration's request. The new level would be that approved by the Merchant Marine and Fisheries Committee in the 1982 Coast Guard authorization bill, which is on the calendar of the House at this moment and it is our judgment it is the minimum amount necessary for the Coast Guard to function during 1982 at a level equal to that of the past year.

No more, no new funds, simply to keep us even with inflation. The added funds would be used for new personnel in order to permit performance of long overdue maintenance and training activities, which would otherwise require cutbacks in normal operating missions, such as law enforcement, and search and rescue. It would also be used to make a small dent in the Coast Guard's billion dollar backlog of deferred equipment, procurement, and maintenance projects.

I would ask my colleagues, particularly those in great numbers who have given speeches in the past few months about the problem of Haitian and

Cuban refugees, about the problem of illegal immigration in this country, about the problem of how we interdict the illegal drug trade coming into this country, about the loss of human lives at sea, about the increasing threats to the sanctity of the marine environment because of the extension of offshore drilling activities, to give some thought to how very hollow those speeches are going to sound if those problems continue to grow precisely because we have refused to put even a minimum amount of resources where our speeches were.

Remember, I plead with the Members, that the Coast Guard cannot save lives, it cannot arrest drug smugglers, it cannot halt illegal immigration, it cannot maintain aids to navigation, it cannot clean up oil spills, and it cannot maintain military readiness essential to the defense posture of this country and keep an eye on foreign fishermen if it cannot buy fuel, if it cannot operate safely, and if it cannot

train its personnel.

Let me plead with my colleagues, the amendment before us is modest in the extreme. It is my hope and that of the members of the Subcommittee on the Coast Guard that in the coming fiscal year, in the following year, we can come to the Members with a comprehensive review of all of the missions of the Coast Guard and with some very serious proposals with respect to whether or not we wish to have a U.S. Coast Guard.

In the meantime, I plead with the Members to support an amendment, as modest as this, so that at the very least we will not be going further backward with an agency which is perhaps as popular and as constructive and as useful as any component of the

Federal Government.

Mr. LOWRY of Washington. Mr. Chairman, will the gentleman yield? Mr. STUDDS. I yield to the gentle-

man from Washington.

Mr. LOWRY of Washington. I thank

the gentleman for yielding.

As a member of the subcommittee of the gentleman in the well, I rise in strong support of this amendment. I believe every member of our subcommittee, after looking at the responsibilities of the Coast Guard, and the drastic underfunding, believes this amendment is a necessity if we are to provide for the vital economic and defense interests of this Nation.

I compliment the gentleman and urge the adoption of his amendment.

Mr. STUDDS. I thank the gentle-

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the

gentleman for yielding.

Mr. Chairman, the Coast Guard has

fellow Americans, and nowhere in the United States has its impact been greater than in my State of Florida.

We could fill this Chamber many times over with people from my State whose lives have been touched by the Coast Guard. In fact, Mr. Speaker, there are 6,000 people throughout the Nation who are alive today because of the Coast Guard's emergency actions last year alone.

Saving lives is only one of many Coast Guard responsibilities. Few people realize that the Coast Guard is our first defense against an enemy attack on our country's shorelines. The Guard also plays an active role in our Nation's defense away from the coasts. It has been involved in every foreign war and most of the significant military conflicts in our Nation's history. And, as you know from recent developments in the Mediterranean, the seas are becoming the scene of more and more military conflicts. which the Coast Guard must continue to prepare for. Realizing the importance of the Coast Guard, the Navy has identified five expanded military roles for the Guard. And a Navy-Coast Guard task force recently identified three new military missions for it.

The Guard is, however, being asked to carry out these newly expanded duties with seriously outdated equipment. The average Coast Guard ship is 27 years old. Not only is the equipment obsolete, it is also becoming unsafe for our guardsmen who man

the vessels.

The amendment my colleague from Massachusetts is offering will add \$84 million to the Coast Guard appropriation to allow for long overdue maintenance and training activities which would otherwise require cutbacks. The increase would also be used to make headway in the Coast Guard's billion dollar backlog of deferred equipment procurement.

Mr. Chairman, the Coast Guard is a vital national resource that is being allowed to fall apart before our eyes. At a time when we are placing a national priority on the combating of our Nation's drug problem, the Coast Guard has been forced to reduce some drug interdiction efforts because it cannot afford to buy fuel for its ships and aircraft.

And while the Guard has had to curtail this vital mission, the administration has recently released an immigration and refugee policy that requires the Coast Guard to stop refugee ships at sea, without providing additional resources to carry out this activity.

Mr. Chairman, you know my record on budgetary restraint. We must continue to carefully examine the areas in the budget where spending can be reduced. However, at a time when we are being asked to approve a \$3.2 billion replenishment for the International repeatedly come to the rescue of our Development Association, we are being

asked to trim back one of the most important and efficent agencies we fund, the U.S. Coast Guard. The amend-ment before us is necessary to the United States and should be adopted.

Mr. SHAW. Mr. Chairman, will the

gentleman yield?

Mr. STUDDS. I yield to the gentleman from Florida.

Mr. SHAW. I thank the gentleman for yielding.

I would also like to extend my expression of support to the amendment that is being offered by the gentleman from Massachusetts and the chairman of the Subcommittee on the Coast Guard.

I would like to, if I may for just a moment, express the problems that we have in Florida, as I believe that the chairman has very adequately and precisely expressed an overview of the problems that the Coast Guard has in operating under a financial hardship.

In Florida, right now, we have a crisis. We have a war going on in the Caribbean, one that we are not even winning, one we are not even funding. We are undermanned. We are outgunned. We are outequipped. Our first line of defense in south Florida in protecting our borders and protecting the Caribbean is the U.S. Coast Guard.

We have added to it the awesome responsibility of trying to curb or stem the flow of drugs into this country.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. STUDDS) has expired.

(At the request of Mr. Shaw and by unanimous consent, Mr. Studds was allowed to proceed for 5 additional minutes.)

Mr. SHAW. If the gentleman will yield further, the Coast Guard has now been charged with the additional responsibility of curbing an even more insidious type of smuggling, and that is the smuggling of people into our country.

This administration has, I believe, come out with a program that will bear fruit and will produce good results; that is the program of interdiction at sea. This administration has voiced that it is going to depend upon the Coast Guard in order to perform this most difficult function, and I might say dangerous function, and one that is going to take extraordinary care, because we are dealing with human lives.

I am hopeful that this interdiction will start shortly. It is long overdue. But we cannot continue to put more and more responsibilities upon the U.S. Coast Guard without funding it. They are not only a law enforcement arm of this country of ours but they are also a military arm, one that we have sorely neglected.

It is sheer folly to expect more and more from the U.S. Coast Guard without additional funding.

Mr. STUDDS. I thank the gentleman for his remarks.

Mrs. SCHNEIDER. Mr. Chairman,

will the gentleman yield?

Mr. STUDDS. I yield to the gentle-woman from Rhode Island (Mrs. SCHNEIDER).

Mrs. SCHNEIDER. I thank the gen-

tleman for yielding.

I rise in support of the amendment offered by the gentleman from Massachusetts.

The amendment, as has already been indicated, would merely increase the appropriations for the Coast Guard by a very modest sum of \$84 million to meet the authorization approved already by the Committee on Merchant Marine and Fisheries on which I serve.

The Committee on Merchant Marine and Fisheries had very far-reaching and careful studies of the difficult conditions that the Coast Guard is currently facing, particularly in regard to its increasing responsibilities in the area of fisheries, in the area of saving peoples' lives, and also in narcotics enforcement.

So I urge my colleagues to join me in support of this amendment and to recognize that the costs are minimal but the benefits will be far reaching.

Mr. STUDDS. I thank the gentle-

woman for her comments.

Mr. DE LUGO. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentle-man from the Virgin Islands.

Mr. DE LUGO. I thank the gentle-

man for yielding.

As a former member of the subcommittee, I rise in support of the amendment offered to the fiscal year 1982 transportation appropriations bill by my distinguished colleague and chairman of the Coast Guard Subcommittee, GERRY STUDDS, that increases the appropriation for the U.S. Coast Guard by \$84 million. As a former member of the Coast Guard Subcommittee I have had the pleasure to work closely with Chairman STUDDS on issues of importance to the Service and I commend him for offering this amendment that will insure that the important and vital services offered by the Coast Guard across the Nation will not be seriously impaired.

For nearly 200 years the Coast Guard has served this Nation through the performance of a variety of maritime enforcement and safety-related missions. For the people of the U.S. Virgin Islands, the presence of a wellequipped Coast Guard is absolutely vital. As you know, the seas off the islands of St. Croix, St. Thomas, and St. John, can often be very treacherous. This often makes it a matter of life and death that the Coast Guard be capable of conducting search and rescue

operations.

In addition to safeguarding life and property that might be imperiled on the high seas, the Coast Guard performs other functions of equal importance, particularly in the area of national security. Among them are: Providing protection against terrorist operations in ports and harbors, conducting coastal intelligence and surveil-lance, directing commercial vessel safety, and providing ship-to-shore communication services. These and other important functions served by the Coast Guard need our support and should not suffer any more than their fair share of budget cuts.

Mr. Chairman, during the hearings on this bill the Commandant of the Coast Guard admitted that the administration's budget request "barely held the line" against inflation, and was no-"quantum leap" near the needed for the Service to perform all of its missions satisfactorily. adoption of the Studds amendment will restore much of that money and will help the Coast Guard to carry out its historical functions. Therefore, I urge my colleagues to support the STUDDS amendment.

Mr. STUDDS. I thank the gentle-

In conclusion, let me point out while feel certain that the committee will feel constrained to oppose the amendment in defense, as committees always are, of their own bill, let me point out that the amendment would raise us to the figure authorized in the bill from the Subcommittee on Coast Guard Committee on Merchant and the Marine.

For those who are a bit nervous at the prospect of additional Federal funding, no matter how worthy the cause, let me quote from Senator PACKWOOD:

We get more bang per buck out of the Coast Guard than almost any other branch of the Government, military, or civilian. I am going to do the best I can to significantly increase your budget.

The Senate, may I say, has passed a Coast Guard authorizing bill of \$162 million above that proposed by the administration, whereas the amendment before us in its almost embarrassing modesty is only one-half of that, \$78 million more than that proposed by the administration, less than half the increase already approved by the U.S. Senate.

It seems to me under those circumstances the very least this body can do is say to the U.S. Coast Guard: "If we are to continue to impose upon you increased legislative responsibilities and mandates, we are going to have to have sufficient respect for you and ourselves and for the intelligence of the people of this country to give you minimal resources needed to do the

I would urge the support of the amendment.

Mr. BENJAMIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I regret that I have to oppose this amendment, because I believe the Coast Guard is one of our finest and most cost effective Government agencies. However, in new budget authority this bill, as reported by the committee, is \$1.9 million below the President's request. According to the Congressional Budget Office, the bill is slightly above-about \$3 million-the President's budget. If this amendment is agreed to, the bill would be over the budget and, quite frankly, I am not sure the President would sign it. If this happens, nobody benefits.

In addition, I believe the committee has been more than fair to the Coast Guard, both this year and in past years. In fact, over the past 6 years the total appropriations recommended by the committee for the Coast Guard have exceeded those requested by the President. The amount contained in this year's bill also represents a significant increase over the funding provided in previous years. For example, in fiscal year 1977-just 5 years ago-the Congress appropriated \$1.3 billion for the Coast Guard. This year's bill includes nearly \$2.2 billion, an increase of \$900 million or about 70 percent in just 5 years. The increase we are recommending over fiscal year 1981 is \$146 million

Let us examine how the Coast Guard was affected by this year's budget reductions. For operating expenses and acquisition, construction, and improvements the Carter budget included \$1.787 billion. This was reduced to \$1.778 billion by the Reagan budget, a reduction of only \$9 million. For these two appropriations, we are recommending a total of \$1.794 billion, which is \$16 million more than the Reagan budget request and \$7 million more than the original Carter budget. To put this in its proper perspective, I should point out that the other programs within the Department of Transportation have been reduced by approximately 20 percent from the levels proposed in the original January budget.

However, the Coast Guard has been increased. More specifically, in terms of the A.C. & I. account, the bill that we have before us prior to the amendment being offered is \$16 million over budget. In research it is at the budget. In operating expenses, it is at the budget.

We have also directed the Department to conduct a new roles and mission review to sort out those programs which might be eliminated or transferred to other public or private activities as well as those activities which can and should remain in the Coast Guard.

The Department has indicated that this study will be completed by the first quarter of 1982 and it is our

intent to use this as the basis for making our budgetary decisions for

fiscal year 1983 and beyond.

As I have mentioned, I believe the Coast Guard is an important component of our Nation's transportation system. But so are the Federal Highway Administration, the Urban Mass Transportation Administration, and all the other DOT operating administrations. I do not think we should be adding more funds to the Coast Guard when the committee has already added funds. This is particularly true when all the other transportation programs have been significantly reduced.

Now, as I urge this amendment to be defeated, I recall some of the personalities who advocate its adoption. I remind the Members that many of them voted for Gramm-Latta I and

Gramm-Latta II.

The constraint that we have placed on this subcommittee is to live within the framework of those actions which have been hailed by many of the Members. If we adopt this amendment, it will place us about \$55 million over the budget.

In addition, the request made by this amendment alludes to an authorization bill that was reported out of the Committee on Merchant Marine and Fisheries but never adopted by this

body.

I ask my colleagues not to bust this bill. There was no attempt by this amendment to take funds out of any other transportation agency, only to add \$84 million, and we do not have \$84 million additional funds.

I ask that the amendment be defeat-

ed.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in reluctant opposition to the amendment.

The distinguished chairman of the subcommittee has very correctly stated the proposition that we have before us.

I have great, great admiration for the Coast Guard. I have great sympathy for the need to increase funding for the Coast Guard as time goes on and, in fact, this subcommittee did substantially increase the funding for the Coast Guard over the budget request.

I have concern about the problem of drug running into the United States, and that is one of the Coast Guard's main missions, and it is an important mission.

I serve on the Select Committee on Narcotics Abuse and Control and it is an increasingly serious problem.

But as with so many other things, at some point we have to say that is all we have, that is all we can spend, that is all that there is in the budget.

There are so many other good programs that we would like to add money to. This is a good program. We

would like to add money to this. But at some point we have to say that is where we are, that is all we can spend, that is all we can do.

And as the distinguished chairman of the subcommittee has pointed out, if we adopt this amendment, we will bust the budget.

□ 1200

We will bust the section 302 allocation and this bill will be much more likely to be subject to a veto than it already is.

So I would urge my colleagues not to tempt fate, not to start a string of amendments that will bust the budget, by adopting this amendment. I hope the amendment will be opposed.

Mr. SHAW. Mr. Chairman, will the

gentleman yield?

Mr. COUGHLIN. I would be happy to yield.

Mr. SHAW. Mr. Chairman, I would like to point out as a fellow member of the subcommittee actively involved with the hearings on this that the responsibility of the Coast Guard has been expanded by the stated intention of this administration since such time as we had hearings.

I think it is important in this particular aspect to reexamine what this is going to do to our Coast Guard budget. We are right now in this country spending tens of millions of dollars to support and to process and to attempt to deport the illegal aliens that have come into just south Florida. With interdiction at sea, turning these people around before they get into the territorial waters of the United States, in my opinion will in itself come out with a great benefit in dollars to this country, dollars saved from having to care for these people once they reach our shores illegally. I think this interdiction at sea is going to be of greater expense to the Coast Guard. It is going to require the diversion of existing equipment and personnel from much needed areas in order to take about this new very difficult process.

This I do not think was contemplated by any of us in the subcommittee hearings. Because of this, I think it is most important that we adjust at this particular juncture and support the amendment and increase the budget.

Mr. COUGHLIN. I appreciate the gentleman's feelings on this and I appreciate the seriousness of the problem of illegal aliens.

I appreciate the mission of the Coast Guard in that connection; but as I said earlier in my remarks, we can say that of so many other things that come before this House.

I still hope the amendment will be opposed.

Mr. HUGHES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Studds amendment. I do so

reluctantly, because I am mindful of the straitjacket in which the able chairman of the subcommittee and ranking minority member find themselves as a result of Gramm-Latta I, II, and what have you.

I have listened quite attentively to those who have suggested that we just have so much money. I agree with that. It is a matter of ordering and reordering priorities; but if you think in terms of the new functions that we have given to the Coast Guard over the last several months, as my colleague, the gentleman from Florida, just referred to, we can understand how they have been stretched so thin that they have gotten to the point where they cannot do a decent job on anything that is within their jurisdiction.

That is what has happened in the area of law enforcement, whether you talk about drug interdiction, whether you are trying to deal with the flow of illegal immigrants in this country in the southeastern part of the country, whether you are talking about environmental constraints that they have to enforce, whether you are talking about air and sea rescue. They have had to cease many of these operations because they do not have enough fuel.

When you think that the entire Coast Guard budget is less than one aircraft carrier, you have got to begin to wonder where our priorities are.

Now, the Coast Guard believes that they interdict about 15 percent of the drug smugglers trying to slip marihuana and other forms of controlled substances into this country, 15 percent.

They had to stop their drug interdiction efforts on the Pacific coast because they did not have enough fuel under the existing budget to maintain their operations.

Just within the past month the Attorney General's task force reported back their recommendations. Among their most major recommendations was a recommendation that we beef up the resources of the Coast Guard. Well, this does not represent beefing up the resources. This represents a retreat.

Now, I say to my able colleague, the gentleman from Indiana, I understand the gentleman's problem. I cannot begin to tell the gentleman how the priorities within the gentleman's committee's jurisdiction should be reordered; but there is something wrong with our priorities when we do not have enough money for the first line of defense for this country, the Coast Guard.

You know, they have been a stepchild, really, of the budget process. There has been some suggestion that we ought to move them perhaps out of the Department of Transportation because they do not get the recognition they deserve. I had my subcommittee on crime in Florida and I listened to law enforcement officer after law enforcement officer testify before our committee in Florida and tell us how things were hopeless in the State of Florida in trying to combat drug interdiction, drug smuggling, the war that is taking place in that part of the country, and the Coast Guard happens to be the major component of our law enforcement efforts. They are hamstrung. Their hands are tied because they have inadequate resources to do a half decent job.

I just hope my colleagues support this modest amendment. It restores \$84 million of that approved by the Appropriations Committee, \$78 million more than was requested by the administration's budget request. It represents what was reported out of our Coast Guard Subcommittee as a minimum amount of funding for this next fiscal year.

I urge my colleagues to support this modest amendment.

Mr. SNYDER. Mr. Chairman, I rise in opposition to the amendment proposed by the gentleman from Massachusetts

Last year, I urged my colleagues to find cost-effective methods of providing essential services and to seize upon every reasonable opportunity to reduce the cost of Government. Apparently, that plea went unnoticed by the gentleman and by others who would support his amendment.

Permit me to bring to your attention some facts which might otherwise be overlooked. For those Coast Guard budget categories which fall within the jurisdiction of the Committee on Merchant Marine and Fisheries, the amounts appropriated under H.R. 4209 exceed the President's fiscal year 1982 authorization request by \$16 million. While such a recommendation by this or any other Congress may not be entirely noteworthy, it is important to highlight the President's original request, for it demonstrates the extent and reasonableness of his commitment to Coast Guard operations for the next fiscal year.

At a time when, as the Members are well aware, many if not most Federal agencies' budget requests were slashed to the bare bones, President Reagan's fiscal year 1982 request for Coast Guard operating expenses, acquisition, construction and improvements, and research and development totaled \$277.4 million above the previous administration's fiscal year 1981 request. I submit that those are substantial increases. Yet, in these fiscally pressing times, the gentleman from Massachuwould ask for an additional \$84,372,000 above those amounts. I find this generosity overwhelming and unjustified, particularly in light of other ongoing examinations and reex-

aminations of Coast Guard missions and performance.

The administration is currently conducting the Coast Guard roles and missions study, due for completion early in 1982. I do not think anyone honestly believes that no change in the Coast Guard's statutory responsibilities, operations, or funding requirements will be the net study output. The central theme is clear: change is in order. At the same time, I am convinced that there are no preconceptions built into the study. In light of these uncertainties, the administration's requested increase in fiscal year 1982 Coast Guard budget authorization is all the more reasonable and adequate. To add an additional \$84.7 million on top of the Appropriations Committee's \$16 million increase, as the gentleman's amendment would do, is simply unwarranted.

I might remind my colleagues of one other highly significant point: The gentleman's amendment is designed to bring the Coast Guard portion of DOT appropriations up to the levels contained in the Coast Guard authorization bill, H.R. 2559, which has been reported to the House but still awaits a rule for consideration. If we adopt this amendment and H.R. 2559, the additional \$100 million-plus is dollars which, by the terms of the Omnibus Reconciliation Act of 1981, must come out of some other transportation-related program or programs. Are my colleagues prepared to take that action? Which program do you want to cut—mass transit, Federal highway aid, the airport and airway development program? It seems much more logical to keep Coast Guard appropriations at or near the President's re-

We have all been asked, and have agreed, to sacrifice some of our personal interests to the overall need for fiscal restraint and economic recovery. And, I am pleased that this Congress has responded in such unselfish fashion. There is no sacrifice in rejecting amendment of the gentleman from Massachusetts. Coast Guard programs are not being cut for fiscal year 1982; they have been proposed for funding at levels above the fiscal year 1981 authorization. Voting against this amendment will keep those increases intact, and without engaging in wildeyed spending. I urge my colleagues to vote "no" on the gentleman's proposal.

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. Most assuredly.

Mr. STUDDS. Let me just point out to the gentleman that inflation in the past year ran I believe at roughly the level, plus or minus, of 12 percent.

The gentleman is entirely correct. The administration has requested more funds for fiscal year 1982 than for fiscal year 1981; but the point is that they requested 6 percent more

funds, half of that necessary to keep even with inflation; so in real dollars it is not an increase. It is a decrease.

Mr. DAVIS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to support the amendment and commend the chairman of the Subcommittee on the Coast Guard of the Merchant Marine and Fisheries Committee, the gentleman from Massachusetts.

I want to make a comment before addressing the amendment before us, to both the ranking member on the Committee on Merchant Marine and Fisheries and to the subcommittee chairman of the Appropriations Committee in regard to their comments about those of us who supported the Gramm-Latta proposal; that in supporting this amendment or any other amendment we would be busting the budget.

I do not know about the rest of the Members, but when I voted for the Gramm-Latta proposal, I also indicated to many people that this did not mean that at the appropriate time, on any particular appropriations bill, that would not support an amendment that I felt had some merit. I think that if you will look at my record from here on, I will probably be voting to cut the budget in many more instances than I would be voting to increase the budget; but I do not think that we should ignore an amendment's merits because we will in one individual case be spending more money than the budget resolution calls for, and not give each amendment its opportunity for consideration.

When we talk about the Coast Guard, I know most of us talk about the oceans and what the Coast Guard does in regard to protecting our shores on the oceans. I happen to come from Michigan, a Great Lakes State, and the Coast Guard plays an extremely important role in the Great Lakes and in my particular area the Coast Guard is relied upon very heavily. In many instances during the past year, as a matter of fact during the past 2 years, we have had to deal with circumstances where the Coast Guard has indicated they are going to close one of our facilities.

One such facility is in Grand Marais, Mich., on Lake Superior, where the Edmond Fitzgerald went down and we think we have reached a compromise in that area; but we are asking them now to leave a vessel there so that the auxiliary will have the means to assist those people in need and the Coast Guard, of course, is telling us that they want to move the vessel out of that area, when it becomes auxiliary operated.

I do not think it is in the best interests of the people in this country who need the Coast Guard's services to lower the level of support that the

Coast Guard Subcommittee, of which I am a member, granted in our authorization bill.

There are many instances in which I have had to deal with the Coast Guard involving services on the Great Lakes where their response is that because of budget constraints we have to do this, we have to pull this vessel out, we are going to have to close this facility. I know that if they had the funds available, they would not want to close those particular facilities.

Therefore, I think this is an appropriate amendment and although it does go beyond the amount of dollars in the budget resolution, I believe that it is a worthwhile amendment and I intend to support it.

□ 1215

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of

Mr. Chairman, I rise in support of the amendment to the appropriations for the Coast Guard offered by the gentleman from Massachusetts (Mr. STUDDS), the present chairman of the Subcommittee on Coast Guard and Navigation.

I, as the prior chairman of that subcommittee for the past three Congresses, have been very close to the many aspects of Coast Guard operations and am well-versed and knowledgeable of the needs of this service.

Coast Guard missions are important to the public at large. Their service is probably the most cost-effective service our Government has to offer. Their activities touch all of us—from the Great Lakes to the Gulf of Mexico—from the east coast to the west coast and Alaska—and all of the thousands of waterways in our inland navigational system.

Time and time again, we hear of calls for Coast Guard assistance. More and more duties are being imposed upon this small service organization, while Coast Guard resources keep shrinking. This simply cannot continue. We must provide them with the tools they need to do the job we expect them to do.

The subcommittee always goes to great extremes to review all aspects of Coast Guard needs. This year, they have even delved further—and they have come up with a reasonable figure consistent with overall budgetary considerations.

I feel that the least the appropriations procedure should do is to recognize the work and effort of the authorization process.

Therefore, I fully support the efforts of the present chairman of the Subcommittee on Coast Guard and Navigation—and request the additional support of all other Members.

Mr. Chairman, frankly, I think the amount of money involved here is not extraordinary when you consider the service the Coast Guard performs. I think the case has been made on the facts. I would like to isolate just one segment of the many, many Coast Guard missions and ask the Members to assess the value of that performance.

The Coast Guard never, up until a few years ago, focused attention on drug interdiction. It was not their traditional mission; at least that is what they contended.

We placed a special emphasis on this mission, and they responded. Let me give you some figures.

Previously they had confiscated one vessel and some 40,000 or 50,000 pounds of contraband. Over a short period they went from 1 vessel to 180 vessels, with millions and millions of tons of contraband seized.

If we were to embark on a drug interdiction program by itself, as a separate issue, this House would vote for it. This House would vote for more than \$84 million, because we know the nature and the gravity of that problem. We know about the popular political appeal of going home and saying that, "I have voted for money to fight the drug problem," even if it was necessary to create an entire new program. This was not necessary. The Coast Guard responded in heroic fashion, and the statistics so indicate.

Frankly, more money should be provided, and given directly to that program area. The \$84 million that the gentleman's amendment contains, frankly, is very, very modest indeed.

Now, aside from the drug issue, the Coast Guard is a service that has been an absolute team player with every administration. They do not make inordinate requests. They take it out of hide. They have done that, notwithstanding the inflationary spiral.

The difficulty is that they have no more hide and they will be required to cut down on any number of missions. The one mission you can be sure they will cut down on, of necessity and not because they desire to, will be the drug interdiction program.

I congratulate the chairman, because I know how he feels about it, and I know he is responding to a grave need. He is fundamentally very conservative with dollars. When he offers this amendment, he is offering an opportunity for Members to do right by the Coast Guard and their law enforcement efforts. In the end you will do right to the whole drug interdiction effort in our country.

You can point with satisfaction and pride when you go home and say, "Yes, this is what we have done to help the Coast Guard," They are one of the major forces in interdicting drugs, and you can point to that record with pride.

I understand the fiscal responsibilities and the fiscal considerations here. However, holding the line intrac-

tably, simply because you want to hold the line, is not in my judgment a judicious consideration.

I say hold the line, but when a case is made, undeniably and consistent with the sentiment of the House, then there should be a relaxation. Again, I request your support for this amendment, an amendment that is in the public interest.

Mr. DUNN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

I wonder if I could have the attention of the gentleman from Massachusetts to ask the gentleman a couple of questions, please, sir.

The administration originally proposed user fees. My question is: Did the subcommittee take a look at this as an alternative proposal for funding; and second, would that have addressed the cash crunch which the gentleman is trying to address here, and would it do it in a more effective manner?

Mr. STUDDS. If the gentleman would yield, let me say that the administration did transmit to us late in the legislative year a bill providing for user fees for some Coast Guard services. We took a look at that bill, and I think the gentleman would concur with us, if he had done likewise, setting aside for the moment the question of whether or not user fees constitutes a wise approach to funding some of the Coast Guard's missions, that the draft legislation submitted by the administration was certainly not the way to do it. It was an open ended, unthoughtout piece of legislation which would simply have authorized the Secretary of Transportation to promulgate whatever regulations he chose to provide for user fees. No one had thought out which functions of the Coast Guard might or might not be appropriately funded in this way, or how one would go about assessing them.

When we asked them what thought were facetious questions like. 'Are you going to station somebody on every aid to navigation and buoy and take the numbers of vessels going around them and send them a bill," or "Are you going to ask the captain of a sinking vessel for his credit rating prior to determining whether or not you are going to rescue him," obviously not. But nobody was sure what they were going to do. And the burden, incidentally, may I say, for what they apparently have in mind would fall not so much on the private yachtsman, which might be a relatively easier thing to justify, as it would on commercial fishermen who, as the gentleman I am sure knows, are hard up against it for a variety of reasons throughout the country, and on commercial shipping.

The fact of the matter is, I sat down with the Secretary of Transportation. He agreed with me that it had not been carefully thought out, that the legislation had not yet been properly drafted and we have agreed to work with him in the future on whatever legislation the administration may subsequently send us.

Let me say one other thing, if the gentleman will continue to yield.

The administration's view of user fees apparently is not a way to provide additional funding for the Coast Guard but, at least as far as we are able to understand it, it is a way to allow them to spend even less on the Coast Guard and to make up for it by user fees imposed on what they consider to be the beneficiaries of Coast Guard services.

So there are a lot of different questions, legislative and philosophical and financial, raised by the proposal, and we have pledged in our subcommittee to take a very careful look at that in the coming year.

Mr. DUNN. I was not rising in support of any particular piece of legislation from the administration, but merely to say that the subcommittee, I guess, if they are not going to be able to do it this year, in the future will they do it so we do not find ourselves in the same predicament?

Mr. STUDDS. I will say to the gentleman, as chairman of the authorizing subcommittee, it is my intention and that of the subcommittee to look with great care at any proposals from the administration or elsewhere with respect to the possibility of imposing user fees for some services provided by the Coast Guard. I think the gentleman will agree there are some very serious philosophical questions with respect to whether or not the kinds of services provided by the Coast Guard ought most appropriately to be funded by the general revenues of the United States, or at least in some instances to be at least shared by those who primarily benefit from the services. I recognize the legitimacy of those questions and I can promise the gentleman and Members of the House we will look at them with great care.

Mr. DUNN. I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gen-Massachusetts tleman from STUDDS).

The question was taken; and on a division (demanded by Mr. BENJAMIN) there were-ayes 19, noes 12.

RECORDED VOTE

Mr. BENJAMIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were-ayes 129, noes 260, not voting 44, as follows:

[Roll No. 196] AYES-129

Addabbo Forsythe Akaka Frank Fuqua Gejdenson Anderson Badham Rafalis Gibbons Ginn Barnes Gonzalez Bennett Guarini Biaggi Hall, Ralph Blanchard Hall, Sam Boggs Bolling Hartnett Hatcher Heckler Hertel Bonker Hollenbeck Breaux Horton Howard Brodhead Burton, John Hoyer Hubbard Carney Clausen Hughes Hunter Conte Hutto Conyers Coyne, James Jenkins LaFalce D'Amours Davis de la Garza Lehman Lent Livingston Dellums Long (MD) Lowry (WA) Markey Donnelly Dornan Dougherty Martin (NC) Dwver Mavroules McCollum Early McDonald Edwards (CA) McEwen Emery Evans (GA) Fascell Mikulski

Ferraro

Foglietta

Ford (MI)

Miller (CA) Minish NOES-260

Weber (OH)

Young (FL) Zeferetti

Gradison

Gramm

Green

Gregg

Grisham

Gunderson

Hagedorn

Hall (OH)

Hamilton

Harkin

Hawkins

Hendon

Huckaby

Hiler

Holt Hopkins

Hyde

Jacobs Jeffries

Kazen

Kildee

Kogovsek

Kramer

Lantos Latta

Leach Leath

Leland

Levitas

Loeffler

Long (LA)

Lowery (CA)

Lewis

Lott

Johnston

Jones (OK)

Jones (TN)

Kastenmeier

Lagomarsino

LeBoutillier

Hightower

Hammerschmidt Hance Hansen (ID)

Hansen (UT)

Whitley

Wilson

Matsui

McGrath

Mica

McKinney

Crane, Daniel Alexander Crockett Daniel, Dan Annunzio Daniel, R. W. Anthony Applegate Danielson Archer Dannemeyer Daschle Ashbrook Daub Deckard Atkinson AuCoin Bailey (MO) Derrick Derwinski Dickinson Barnard Dicks Beard Dingell Bedell Dorgan Benedict Dowdy Benjamin Dreier Duncan Bereuter Bethune Dunn Edwards (AL) Bevill Bliley Edwards (OK) Boland English Erlenborn Evans (DE) Boner Bouguard Brinkley Broomfield Evans (IA) Evans (IN) Brown (CA) Fary Brown (CO) Fazio Broyhill Fenwick Fiedler Fields Butler Findley Byron Campbell Fish Carman Flippo Chappie Ford (TN) Chisholm Fountain Clinger Fowler Frenzel Coelho Coleman Frost Garcia Collins (TX) Conable Gaydos Gephardt Corcoran Coughlin Gingrich Courter Glickman Coyne, William Goodling

Gore

Lundine Lungren Madigan Moakley Moffett Marks Mottl Marriott Nelson Martin (IL) Nowak Martin (NY) O'Brien Mattox Oakar Mazzoli Oberstar McClory Parris McCurdy Patman McDade Patterson McHugh Peyser Pritchard Michel Miller (OH) Railsback Ratchford Mineta Mitchell (MD) Richmond Molinari Rodino Mollohan Roe Montgomery Rosenthal Moore Roth Roybal Moorhead Morrison Sawyer Murphy Scheuer Schneider Murtha Myers Seiberling Napier Shannon Natcher Shaw Siljander Neal Nelligan Smith (NJ) Smith (PA) Nichols Obey Ottinger Stark Oxley Studds Panetta Swift Pashayan Thomas Paul Udall Vander Jagt Pease

Perkins Solarz Petri Pickle Solomon Spence Porter Stangeland Stanton Price Pursell Staton Stenholm Quillen Rahall Stokes Stratton Rangel Regula Stump Reuss Rinaldo Tauke Ritter Tauzin Roberts (KS) Roberts (SD) Taylor Traxler Robinson Trible Vento Roemer Rogers Volkmer Rostenkowski Walgren Walker Wampler Roukema Rousselot Rudd Watkins Weber (MN) Russo White Whitehurst Sabo Schroeder Schulze Whittaker Schumer Whitten Sensenbrenner Williams (MT) Williams (OH) Shamansky Shelby Wirth Shumway Shuster Wolpe Wortley Simon Skeen Smith (AL) Wylie Yates Smith (IA) Yatron Young (MO) Smith (NE) Smith (OR) Zahlocki Snyder NOT VOTING-44

Andrews Ertel Mitchell (NY) Beilenson Fithian Pepper Rhodes Brooks Florio Brown (OH) Gilman Rose Santini Burton, Phillip Goldwater Chappell Hefner Cheney Collins (IL) Skelton Heftel Holland St Germain Crane, Philip Ireland Washington DeNardis Jeffords Waxman Dixon Dymally Jones (NC) Weaver Wright Kemp Edgar Kindness Wyden Young (AK) Emerson Marlenee Erdahl McCloskey

□ 1230

The Clerk announced the following pairs:

On this vote:

Mr. Pepper for, with Mrs. Collins of Illinois against.

Mr. Dixon for, with Mr. Cheney against. Mr. Florio for, with Mr. Kindness against. Mr. Young of Alaska for, with Mr. Marlenee against.

Mr. Gilman for, with Mr. Rhodes against. Mr. Mitchell of New York for, with Mr. Emerson against.

Mr. DeNardis for, with Mr. Philip M. Crane against.

BLANCHARD. Messrs. SEIBER-LING, and GINN changed their votes from "no" to "aye."

So the amendments were rejected. The result of the vote nounced as above recorded.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The portion of title I to which the amendment relates is as follows:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Transportation, including

not to exceed \$27,000 for allocation within the Department of official reception and representation expenses as the Secretary may determine, \$36,207,000: Provided, That none of the funds in this Act shall be available for the execution of the sale or transference of any Government-owned securities of the Consolidated Rail Corporation without the prior approval of the House and Senate Committees on Appropriations.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Page 2, line 9, strike out "\$36,207,000" and insert in lieu thereof "\$35,193,204"

Mr. DINGELL. Mr. Chairman, this amendment would save about \$1 million. It would cut the Office of the Secretary of Transportation by about \$1 million or a little more. It would bring the funds appropriated to the Office of the Secretary down to the levels agreed to in the reconciliation package which passed the House.

If we do not make this cut, in the words of my good friend and colleague from Pennsylvania, Mr. Coughlin, who spoke in great concern about the previous amendment, we would be engaging in busting the budget, disregarding the reconciliation package, and in expending more, in this instance on behalf on the part of the Department of Transportation, than was approved in the reconciliation package. Now, I had some difficulties with the reconciliation package, as all of my colleagues here did, but one thing is very clear; if the reconciliation process, the budget process are to have meaning, they must be adhered to.

□ 1245

Mr. Chairman, if the committee is to carry out its responsibilities in accordwith the budget process, we should see to it that the committee does not increase the levels appropriated above those levels which are fixed in the appropriation process. That is the only function of this amendment, that is, to reduce the expenditures of the Office of the Secretary of Transportation down to the levels which were included in the reconciliation process.

Now, by way of support of the amendment, I would like to read from the report of the committee at page 7, at the bottom of that page and the top of the next page, which says as follows:

In connection with these position reductions, the Committee notes information contained in a 1979 DOT study showing that the size of the Secretary's policy office is three times larger than the average size of comparable offices in 10 other major Departments. The Committee is not convinced by arguments of the Department that this office has significantly more diverse responsibilities than other cabinet-level policy offices. The Committee is also disappointed in the past performance of this office in providing effective policy oversight, guidance and advice. The Committee, therefore, strongly recommends that any necessary therefore, staffing reductions be made primarily in the

office of the assistant secretary for policy and international affairs.

Mr. Chairman, the figure to which this amendment would reduce the Secretary's budget is equal to the level which was fixed in the reconciliation conference by conferees from the Committee on Energy and Commerce in the House, the Committee on Merchant Marine and Fisheries in the House, and the Committee on Public Works and Transportation in the and by conferees from the House Senate Commerce Committee. So we are not engaged here in fiscal irresponsibility in reducing this level down to levels which were fixed by the reconciliation conference report.

The authorized amount was found adequate by the committees which considered this matter to enable the Secretary to fully discharge his responsibilities. The amount of the reduction is a mere 2.8 percent as a reduction from the amount appropriated to the Office of the Secretary in fiscal year 1981, and it is only \$1 million or just a hair more than the amount provided in the bill before us today.

In these times of fiscal austerity and diminished availability of Federal resources, all Americans, including Cabinet officials, should be called upon to share equally in the sacrifice and to economize in order to reduce Federal spending and combat inflation.

I would point out to my colleagues that it has been coming to light in the last day or so that we are probably going to have a budgetary deficit by reason of the reconciliation package and tax cut of something between \$60 billion and \$90 billion. I am only asking a cut of a little over \$1 million, and that cut is only to conform the appropriation bill now before us to the reconciliation conference report which was agreed on a little while back.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DIN-GELL) has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 1 additional minute.)

Mr. DINGELL. Mr. Chairman, in a time when we are contemplating cuts for social security recipients, when we contemplating termination moneys for conservation and water pollution grants to the States, and when we are contemplating massive cuts to the poor, the unfortunate, the aged, and the sick, I believe that staying within the budget with regard to the appropriations and keeping the appropriations in conformity with the reconciliation package is just good fiscal responsibility and just good fiscal discipline by this body, and I, therefore, urge my colleagues to support this modest amendment conforming the appropriation bill to the reconciliation package.

Mr. BENJAMIN. Mr. Chairman, will

the gentleman yield?

Mr. DINGELL. I yield to my good friend, the gentleman from Indiana.

Mr. BENJAMIN. Mr. Chairman, I thank the gentleman for yielding.

I would just point out that the committee has already made the cuts in keeping with the report language that the gentleman shared with us. The committee has cut \$3.5 million from the budget request.

Mr. DINGELL. Mr. Chairman, I commend the committee for that, and I commend the gentleman from Indi-

ana.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DIN-GELL) has again expired.

(On request of Mr. Benjamin, and by unanimous consent, Mr. DINGELL was allowed to proceed for 1 additional minute.)

Mr. BENJAMIN. Mr. Chairman, will the gentleman yield further?

Mr. DINGELL. I am glad to yield to

my dear friend again.

Mr. BENJAMIN. Mr. Chairman, I thank the gentleman for again yielding, and I would point out that the decrease from the budget request is nearly \$3.6 million in this bill. It would provide no increase over the fiscal year 1981 appropriation.

Mr. DINGELL, Mr. Chairman, I commend the gentleman for that, and I yield back the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the distinguished gentleman from Michigan (Mr. DIN-GELL) cited the committee report on the Office of the Secretary, and it cited the past performance of the Office of the Secretary. Of course, we now have a new Secretary, and I think we have a different kind of performance and, I am sure we will have a different kind of performance in the future.

In any administration the Office of the Secretary has always been given the highest priority in terms of providing the Secretary with the tools and the staff that he or she needs to perform the duties of that office. The No. 1 priority in any department is the Office of the Secretary. We certainly know that we have a Secretary who is attempting to effect very major changes in the field of transportation. We have a Secretary who has certainly proved to be a dynamic Secretary and a busy Secretary, and I think to hamstring the Secretary of Transportation in this way by denying him the funds that he needs to operate that Office would be a very bad thing to do.

Mr. Chairman, I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Reuss

Mr. DINGELL. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

Evidently CHAIRMAN. The quorum is not present.

Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 197]

Gregg

Grisham

Guarini

Gunderson

Hagedorn

Hall (OH)

Hall, Sam

Hamilton

Hance

Harkin

Hartnett

Hatcher

Hawkins

Heckler

Hendon

Hiler

Hillis

Holt.

Hightower

Hollenbeck

Hopkins

Howard

Hubbard

Huckaby

Hughes

Hutto

Hyde

Jacobs

Jeffords

Jeffries

Jenkins

Kazen Kildee

Kindness

Kogovsek

LaFalce

Lantos

Latta

Leach

Leath

Lehman

Leland

Levitas

Loeffler

Lewis Livingston

Long (LA)

Long (MD)

Lent

Lott

Lujan

Luken

Lundine

Lungren

Gramm

Gray

Green

Danielson

Daschle

Dannemeyer

Johnston

Jones (OK)

Jones (TN)

Hoyer

Hall, Ralph

Daub Addabbo Akaka de la Garza Albosta Alexander Deckard Anderson Annunzio Dellums Derrick Anthony Derwinski Dickinson Applegate Ashbrook Dicks Dingell Aspin Atkinson Donnelly Dorgan AuCoin Badham Dornan Dowdy Bafalis Bailey (MO) Downey Bailey (PA) Barnard Dreier Duncan Dunn Barnes Beard Dymally Bedell Benedict Dyson Benjamin Eckart Edwards (AL) Edwards (CA) Bennett Bereuter Edwards (OK) Bethune Bevill Emerson Bingham Emery Blanchard English Erlenborn Bliley Evans (DE) Evans (GA) Boland Evans (IA) Bolling Evans (IN) Boner Bonior Fascell Bonker Fenwick Bouquard Ferraro Bowen Fiedler Brinkley Fields Findley Brown (CA) Brown (CO) Fish Fithian Broyhill Flippo Foglietta Burgener Butler Foley Ford (MI) Byron Campbell Ford (TN) Carman Forsythe Carney Fountain Chappie Clausen Fowler Frank Clay Frenzel Clinger Fuqua Coats Coelho Coleman Garcia Gaydos Gejdenson Collins (TX) Gephardt Conable Gibbons Conte Gilman Corcoran Coughlin Gingrich Coyne, James Coyne, William Glickman Gonzalez Craig Crane, Daniel Goodling Gore Daniel, Dan Daniel, R. W. Gradison

Madigan Markey Marks Marriott Martin (II.) Martin (NC) Martin (NY) Matsui Mattox Mavroules Mazzoli McClory McCollum McCurdy McDade McDonald McEwen McGrath McHugh McKinney Michel Mikulski Miller (OH) Minish Moakley Molinari Mollohan Montgomery Moore Moorhead Morrison Mott1 Murphy Murtha Hammerschmidt Myers Napier Hansen (ID) Natcher Hansen (UT) Nelligan Nelson Nichols O'Brien Oberstar Ottinger Oxley Panetta Parris Pashayan Patman Patterson Paul Kastenmeier Lagomarsino LeBoutillier Akaka

Perkins Petri Pickle Porter Price Pritchard Pursell Quillen Rahall Rangel Ratchford Regula Reuss Richmond Rinaldo Ritter Roberts (KS) Roberts (SD) Robinson Rodino Roe Roemer Rogers Rosenthal Rostenkowski Roth Roukema Rousselot Roybal Rudd Russo Sawver Schneider Schulze Schumer Seiberling Sensenbrenner Shamansky Sharp Shaw Shelby Shumway Shuster Siljander Simon Skeen Smith (AL) Smith (IA) Smith (N.I)

Smith (OR) Snowe Snyder Solarz Solomon Spence St Germain Stanton Staton Stenholm Stokes Stratton Studds Stump Swift Synar Tauke Tauzin Taylor Thomas Traxler Trible Vander Jagt Vento Volkmer Walgren Walker Wampler Watkins Weber (MN) Weber (OH) White Whitehurst Whitley Whittaker Whitten Williams (MT) Williams (OH) Wilson Winn Wirth Wolf Wolpe Wortley Yates Yatron Young (FL) Young (MO) Zablocki Zeferetti

Evans (GA) Evans (IN)

Fary Fields

Fithian

Foley Ford (MI)

Ford (TN)

Fountain

Frank

Frost

Fugua

Garcia

Geidenson

Gephardt

Glickman

Gonzalez

Gramm

Gore

Gray

Gregg

Guarini

Hall (OH)

Hall, Sam

Hamilton

Hance

Harkin

Hartnett

Hatcher

Hendon

Holt

Hopkins

Howard

Hubbard

Huckaby

Hughes

Jeffries

Jenkins

Johnston

Jones (OK)

Hutto

Hoyer

Hightower

Hall Ralph

Hansen (ID)

Hansen (UT)

Gibbons

Flippo

Jones (TN) Kazen Kildee Lantos Latta Leath LeBoutillier Lent Long (LA) Lowry (WA) Lujan Luken Lundine Lungren Markey Matsui Mattox Mavroules Mazzoli McCurdy McDonald McHugh Mica Mikulski Miller (CA) Miller (OH) Minish Moakley Moffett Mollohan Montgomery Moore Moorhead Mottl Napier Natcher Nichols Oberstar Ottinger Pashavan Patman Patterson Paul Perkins Petri Pickle Price Pritchard

Ratchford

Davis

Deckard

Dornan

Duncan

Emerson

Fascell

Fenwick

Ferraro

Fiedler

Findley

Foglietta

Forsythe

Frenzel Gaydos

Gingrich

Goodling Gradison

Grisham

Gunderson

Hagedorn

Hawkins

Heckler

Hollenbeck

Hillis

Hyde

Green

Fish

Fazio

Erlenborn

Evans (DE) Evans (IA)

Dunn

Derwinski

Dougherty

NOES-172

Roberts (KS) Roberts (SD) Rodino Roe Roemer Rosenthal Rostenkowski Rousselot Roybal Russo Seiberling Sensenbrenner Shamansky Sharp Shumway Siliander Smith (IA) Smith (NJ) Smith (OR) Smith (PA) Snowe Solarz Solomon St Germain Stenholm Stump Swift Synar Tauzin Taylor Traxler Volkmer Watkins Weber (MN) Weiss White Whitley Whittaker Williams (MT) Williams (OH) Wilson Wolpe

□ 1300

The CHAIRMAN. Three hundred and sixty-four Members have answered to their names, a quorum is Committee and the will present. resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Michigan (Mr. DINGELL) for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were-ayes 209, noes 172, not voting 52, as follows:

[Roll No. 198] AYES-209

de la Garza Brinkley Brown (CA) Brown (CO) Alexander Dellums Derrick Dicks Annunzio Anthony Byron Carney Dingell Ashbrook AuCoin Donnelly Chappie Clay Dorgan Bedell Coats Coelho Bennett Dowdy Bingham Collins (TX) Blanchard Dreier Dwyer Conyers Bolling Corcoran Crane, Daniel Dyson Early Boner Bonior D'Amours Eckart Edwards (OK) Daniel, Dan Bouquard Danielson **Emery English** Bowen Breaux Daschle

Addabbo Albosta Anderson Applegate Archer Aspin Atkinson Badham Bafalis Bailey (MO) Bailey (PA) Barnard Barnes Beard Benedict Benjamin Bereuter Bethune Bevill Bliley Boggs Boland Broomfield Broyhill Burgener Butler Campbell Carman Clausen Clinger Coleman Conable Conte Coughlin Coyne, James Coyne, William Craig Daniel, R. W. Dannemeyer

Daub

Kastenmeier Kindnes Kogovsek LaFalce Lagomarsino Leach Lehman Edwards (AL) Edwards (CA) Leland Levitas Lewis Livingston Loeffler Lott Lowery (CA) Madigan Marks Marriott Martin (IL) Martin (NC) Martin (NY) McClory McCollum McDade McEwen McGrath McKinney Michel Mineta Molinari Morrison Murphy Murtha Myers Nelligan Hammerschmidt Nelson

O'Brien

Oxley

Zahlocki

Zeferetti

Sawyer

Schneider Trible Peyser Schulze Vander Jagt Pursell Schumer Vento Quillen Rahall Shaw Walgren Shelby Walker Railshack Shuster Wampler Weber (OH) Rangel Simon Regula Richmond Skeen Smith (AL) Whitehurst Whitten Rinaldo Smith (NE) Wirth Wolf Ritter Snyder Stangeland Robinson Wortley Wylie Rogers Stanton Yatron Staton Young (FL) Roukema Stratton Studds Young (MO) Rudd Sabo Tauke

NOT VOTING-52

Thomas

Andrews Edgar Nowak Beilenson Erdahl Obey Biaggi Pepper Brodhead Florio Rhodes Brooks Brown (OH) Goldwater Rose Hefner Santini Burton, John Burton, Phillip Savage Schroeder Holland Chappell Skelton Horton Cheney Chisholm Hunter Udall Washington Ireland Collins (IL) Jones (NC) Waxman Courter Crane, Philip Kemp Long (MD) Marlenee Weaver Wright Wyden Crockett **DeNardis** McCloskey Young (AK) Mitchell (MD) Dixon Dymally Mitchell (NY)

□ 1315

Mrs. MARTIN of Illinois and Mr. DUNN changed their votes from "aye" to "no."

Messrs. JEFFRIES, MICA, WINN, D'AMOURS, NAPIER, and AKAKA changed their votes from "no" "aye."

So the amendment was agreed to. The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MR. STUDDS Mr. STUDDS. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. STUDDS: On page 3, line 9, strike "\$1,402,898,000" and insert in its place "\$1,409,086,000".

Page 38, after line 15, insert the following new section:

Sec. 322. None of the funds appropriated by this Act may be used to reduce the number of civilian employees of the Coast Guard below that level existing at the end of Fiscal Year 1981.

Mr. STUDDS. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc, notwithstanding the fact that one part appears at the end of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. STUDDS. Mr. Chairman, this amendment represents what I hope the Committee will agree is a minimum fall-back position, given the rejection of the amendment which I offered earlier today.

The amendment would \$6.188 million, thereby bringing the committee bill precisely to the level requested by the Reagan administration and, in the process, would forestall any further cuts in civilian personnel, as currently contemplated in the coming fiscal year by the administration.

Mr. BENJAMIN. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the chairman of the subcommittee.

Mr. BENJAMIN. Mr. Chairman, we would find the amendment acceptable to us. The gentleman's explanation is absolutely correct. We feel that the amendment ought to be placed in the bill, and we would indicate that this side supports the amendment

Mr. STUDDS. I thank the distin-

guished Chairman.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the ranking minority member of the subcommittee, the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, we have no objection to the amendment. and I think it is a well taken amend-

Ms. MIKULSKI. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentlewoman from Maryland.

Ms. MIKULSKI. Mr. Chairman, I would like to associate myself with remarks made earlier today by the gentleman from Massachusetts, the chairman of the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries, regarding the fiscal year 1982 appropriations for the U.S. Coast Guard. I would also like to voice my strong support for the Studds amendments to H.R. 4209.

The U.S. Coast Guard is currently facing an expansion of its statutory responsibilities and simultaneously a move to cut its budget and the number of people needed to carry out those responsibilities. We cannot logically expect the Coast Guard to discharge its duties safely and competently by reducing their already inadequate resources. At present, we have a Coast Guard of brave men and women who are asked to provide aids to navigation, to conduct search and rescue missions, to interdict drug traffic, and to enforce our immigration laws, among numerous other tasks. We are asking them to take on these often very dangerous duties with old ships, many dating back to World War II, and aircraft and shore facilities that need replacing. In addition, the Coast Guard has been directed to reduce its civilian complement of employees. This directive has had a particularly serious impact on my district in Baltimore, Md., in which many of the furloughed employees of the Curtis Bay, Md., Coast Guard yard live.

As a Member of Congress who represents an important and busy port, I know the vital mission that the Coast Guard fulfills. It is sheer folly for us to expect the Coast Guard to live up

to its motto of semper paratus, always prepared, if we are not prepared to provide adequate levels of funding and personnel

Mr. STUDDS. I thank the gentlewoman for her comments.

Does the gentlewoman from New Jersey (Mrs. Fenwick) wish me to yield to her?

Mrs. FENWICK. Mr. Chairman, I hope that this Committee will have a recorded vote on this measure. That is all I rose to say, that we make sure, in spending \$6 million, we have a recorded vote, as we did on the \$1 million that we just voted on.

Mr. STUDDS. Mr. Chairman, let me just remind the gentlewoman that the amendments, which have now been accepted by both the majority and the minority members of the managing subcommittee, simply restore the funding in the bill to the level requested by the President.

Mrs. FENWICK. Mr. Chairman, I thank my colleagues for his explanation. But it was precisely the agreement between the majority and the minority that caused me to make this request.

Mr. STUDDS. Mr. Chairman, I understand the gentlewoman's philosophical reservations, as a matter of general principle; but in this case they are unneeded.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Massachusetts STUDDS).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mrs. FENWICK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were-ayes 283, noes 98, not voting 52, as follows:

[Roll No. 1991 AYES-283

Addabbo Akaka Albosta Alexander Anderson Annunzio Anthony Applegate Archer Aspin Atkinson AuCoin Bafalis Bailey (PA) Barnard Barnes Beard Bedell Benjamin Bennett Bevill Blanchard Boggs Boland Bonker Bouquard

Bowen

Breaux Dellums Brinkley Broomfield Brown (CA) Burton, John Byron Campbell Carman Carney Chappie Clausen Clay Clinger Coelho Coleman Conte Convers Coughlin Courter Coyne, James Coyne, William D'Amours Daniel, Dan Daniel, R. W. Danielson Daschle Daub Davis de la Garza Fazio

Derrick Dickinson Dicks Dingell Donnelly Dorgan Dornan Dougherty Dowdy Downey Duncan Dunn Dwyer Dymally Dyson Early Eckart Edwards (AL) Edwards (CA) Emery English Erlenborn Evans (DE) Evans (GA) Evans (IN) Fary Fascell

Long (LA) Long (MD)

Lowry (WA)

Lott

Luken

Lundine

Marriott

Martin (IL)

Martin (NC) Martin (NY)

Markey

Marks

Matsui

Mattox

Mavroules

McCollum

McDonald

McEwen

McGrath

McHugh

Mikulski

Mineta

Minish

Moffett Mollohan

Morrison

Murphy

Murtha

Natcher

Nelligan

Nelson

Nichols

Nowak

Oakar

O'Brien

Oberstar

Ottinger

Panetta

Pashayan

Patterson

Patman

Perkins

Petri

Peyser Pickle

Price

Pursell Rahall

Rangel

Lungren

Pritchard

Railsback

Ratchford

Parris

Napier

Neal

Mottl

Montgomery

McKinney

Miller (CA)

McCurdy

McClory

Fiedler Fithian Flippo Foglietta Foley Ford (TN) Forsythe Fowler Frank Frost Fuqua Garcia Geidenson Gibbons Gilman Gingrich Ginn Gonzalez Gore Grav Green Guarini Gunderson Hall, Ralph Hall, Sam Hamilton Hansen (ID) Hansen (UT) Harkin Hartnett Hatcher Hawkins Heckler Hertel Hightower Hollenbeck Howard Hoyer Hubbard Huckaby Hughes Hunter Hutto Hyde Jenkins Jones (OK) Jones (TN) Kazen Kildee Kogovsek LaFalce Lagomarsino Lantos Leath LeBoutillier Lehman Leland Lent Levitas Livingston

Reuss Richmond Rinaldo Rodino Roe Rosenthal Rostenkowski Roth Roybal Rudd Russo Sabo Sawyer Scheuer Schneider Schumer Seiberling Shamansky Shannon Shaw Shelby Siljander Smith (IA) Smith (NE) Smith (NJ) Smith (PA) Snowe Snyder Mitchell (MD) Moakley Solarz Spence St Germain Stanton Stark Staton Stratton Studds Swift Synar Tauke Tauzin Thomas Trible Udall Vander Jagt Vento Volkmer Walgren Weiss White Whitehurst. Whitley Whitten Williams (MT)

Williams (OH)

Wilson

Wirth

Wolpe

Yatron

Zeferetti

Young (FL)

Young (MO) Zablocki

Wolf

NOES-98

Badham Bailey (MO) Benedict Bereuter Bethune Bliley Brown (CO) Broyhill Burgener Butler Cheney Coats Collins (TX) Conable Corcoran Craig Crane, Daniel Dannemeyer Deckard Derwinski Edwards (OK) Emerson Evans (IA) Fields Findley

Madigan Fountain Mazzoli Miller (OH) Gephardt Molinari Goodling Moore Gradison Moorhead Gramm Myers Obey Gregg Grisham Oxley Hagedorn Paul Hance Hendon Porter Quillen Hiller Hillis Regula Ritter Hopkins Jeffords Roberts (KS) Roberts (SD) **Jeffries** Robinson Johnston Roemer Kastenmeier Rogers Kindness Roukema Kramer Rousselot Schulze Latta Lewis Loeffler Sensenbrenner Shumway Shuster Lowery (CA) Luian Skeen

Smith (AL)

Smith (OR) Solomon Stangeland Stenholm Stokes Stump

Taylor Wampler Washington Weber (MN) Weber (OH)

Whittaker Winn Wortley Yates

NOT VOTING-52

Andrews Erdahl Mitchell (NY) Ashbrook Ertel Pepper Beilenson Florio Rhodes Ford (MI) Biaggi Rose Bolling Goldwater Hall (OH) Santini Bonior Savage Hammerschmidt Schroeder Brodhead Brooks Hefner Sharp Brown (OH) Burton, Phillip Skelton Heftel Holland Traxler Chappell Watkins Waxman Chisholm Ireland Collins (IL) Jones (NC) Weaver Wright Crane, Philip Kemp Wyden Leach Young (AK) DeNardis Marlenee McCloskey Dixon Edgar Michel

□ 1330

The Clerk announced the following pairs:

On this vote:

Mr. Mitchell of New York for, with Mr. Philip M. Crane against.

Mr. Young of Alaska for, with Mr. Erdahl

Mr. LELAND changed his vote from "no" to "aye."

So the amendments were agreed to. The result of the vote was announced as above recorded.

Mr. NOWAK. Mr. Chairman, I move

to strike the last word.

Mr. Chairman, the Appropriations Committee is to be commended for its effort in producing a workable bill within current stringent budgetary constraints. I would like to give special recognition to the distinguished chairman of the subcommittee, ADAM BEN-JAMIN, under whose excellent leadership this bill has been successfully brought to the House floor. Several years ago, in concert with some of my other colleagues in the Public Works and Transportation Committee I created a discretionary program to help the States finance highway projects of unusually high cost or which require long periods of time for construction. Over the years a number of worthwhile projects in several States have been identified by legislative intent and are being funded through the discretionary priority primary program. One such project with a long legislative history-cited in Report No. 95-1485-Route 219 in New York. I note with some concern that the committee report "directs that priority consideration be given to allocating fiscal year 1982 priority primary funds" to three new projects in Illinois and Texas. I am certain that it is not the intent of Congress to accord these new projects higher priority than the uncompleted projects with a long legislative history. would specifically cite the construction of a 6.5-mile section of Route 219 which runs together with Route 17 southwest of Salamanca as an example of the type of project which was intended to be financed with discretionary priority primary funds.

I ask the gentleman, am I correct in assuming that this project should be accorded the same consideration as the new projects cited in committee Report 97-186?

Mr. BENJAMIN. Mr. Chairman, will the gentleman yield?

Mr. NOWAK. I yield to the gentleman from Indiana.

Mr. BENJAMIN. I thank the gentleman for yielding.

I appreciate the gentleman's concern with our choice of report language.

Let me clarify that language by agreeing with you that it is not our intent to provide the newly cited projects any higher priority in the allocation of fiscal year 1982 funds for the discretionary priority primary program than for any other project with prior legislative history under this program.

Mr. NOWAK. I thank the gentleman.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. NOWAK. I yield to the gentle-man from New Jersey.

Mr. HOWARD. I thank the gentleman for yielding.

I would like to state for the record once again that we had an extensive colloquy on this very subject earlier in the day in debate on this and we felt it was not in any way the prerogative of Appropriations Committee to highlight certain projects over any others. This colloquy, in which the gentleman has engaged, should itself be accorded no weight with respect to the priorities the Department should recognize, because it has already been stated that recommendations by the Appropriations Committee regard to priority privacy projects are inappropriate. The priority primary program involves spending authority for specific projects, the jurisdiction for which lies within the Committee on Public Works and Transportation.

Mr. NOWAK. I appreciate the comments by the gentleman and yield back the balance of my time.

□ 1345

Mr. BEREUTER. Mr. Chairman. I move to strike the last word.

Mr. Chairman, I would like to take this opportunity to call to the attention of the committee a bridge which is located partially in my district and partially in that of the gentleman from Iowa (Mr. HARKIN). The Nebraska City Bridge, located on Nebraska Route 2 crossing the Missouri River, was built in 1929, and is now too narrow and in such a state of disrepair that it will soon become necessary to limit traffic on the bridge to one lane or, worse yet, to close the bridge entirely. The inconvenience and economic loss to the surrounding area should the bridge be closed would be devastating. Transportation officials from both Nebraska and Iowa have designated the replacement of this structure as a top priority and have asked me to seek assistance from the Secretary of Transportation in obtaining funding through the Secretary's discretionary bridge fund. Some preliminary planning for a replacement structure has been completed, and the estimated cost of replacement is \$17.9 million; thus the minimum cost criteria for consideration under section 144 of the Federal Aid Highway Act will be met.

I do have a question for the distinguished gentleman from Indiana, if the gentleman is willing to respond. Mr. Chairman, am I correct in assuming that the replacement of this type of obsolete bridge would be an appropriate use of the funds appropriated for the Secretary's discretionary bridge fund?

Mr. BENJAMIN. Mr. Chairman, will

the gentleman yield?

Mr. BEREUTER. I would yield to

the gentleman.

Mr. BENJAMIN. I thank the gentleman from Nebraska for his diligence in bringing this matter to the attention of the committee. I understand the nature of the problems created by this obsolete bridge, and I would say to the gentleman that, assuming that his cost figures are accurate, the replacement of this structure using the Secretary's discretionary bridge funds would be an appropriate use of those funds.

Mr. HOWARD. Mr. Chairman, will

the gentleman yield?

Mr. BEREUTER. I would be pleased to yield to the gentleman from New

Jersey.

Mr. HOWARD. I would just like to say that in view of the past colloquy that we have had, that I do agree with the statement just made by the gentleman from Indiana, the chairman of the subcommittee (Mr. Benjamin). This bridge could, of course, be legally eligible for discretionary funds, but a colloquy on this measure is an inappropriate point to discuss these types of contract authority projects.

of contract authority projects.

Mr. BEREUTER. I understand the
thrust of Mr. Howard's previous com-

ments.

Mr. COUGHLIN. Mr. Chairman, will

the gentleman yield?

Mr. BEREUTER. I would be pleased to yield to our distinguished colleague, the gentleman from Pennsylvania.

Mr. COUGHLIN. I want to commend the gentleman for his efforts on behalf of this bridge. It certainly is a very appropriate use of the Secretary's discretionary bridge funds. I think the gentleman has done an excellent job.

Mr. BEREUTER. I thank the gentleman from Pennsylvania and I thank the gentleman from Indiana for their

help and cooperation.

AMENDMENT OFFERED BY MR. OBERSTAR Mr. OBERSTAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBERSTAR: Page 14, line 24, strike out the period and insert in lieu thereof a colon and the following: "Provided further: That of the funds appropriated under this heading, \$1,000,000 shall be available only for the operation of the National Driver Register.".

Mr. OBERSTAR. Mr. Chairman, the purpose of this amendment is basically to prevent the dismantling of a very effective and essential transportation safety program, the National Driver Register, which was initiated some 20 years ago by our present colleague in this House, the gentleman from Arizona (Mr. Rhodes), who was the original author and guiding inspiration behind the program to identify individuals with unsafe driving records.

Since 1960 when the program was initiated, some 250 million driver information requests have been processed by the National Driver Register. Every year some 250,000 persons who have been issued licenses in several States, despite having had a license removed by one State for moving violations or for other infractions of State law, have been identified and countless accidents that might have been caused by such unsafe drivers have

been prevented.

Now, what I am proposing to do in this amendment is to assure adequate financial resources for the National Driver Register so that it can continue to operate in a responsible and effective fashion. Currently, 47 States participate in the National Driver Register. The Carter administration operated the program at a level of \$1½ million and that amount was in the Carter budget request to the Congress for this year. That amount was cut by nearly \$1 million by the budget process and by the Appropriations Committee.

I am not adding any funds with this amendment. I am merely requesting that, within the amount this committee proposes to be appropriated, an additional amount of \$455,000 be focused on the National Driver Register. This is merely earmarking to assure that this program can continue to operate.

I will not go into the many details of tragic accidents, of lives that have been lost in accidents caused by drivers who could have and should have been caught by an effective National Driver Register. That story can await

telling another day.

I will not go into any great detail on the legislation I have introduced and which will be considered by the Public Works Committee to streamline and upgrade the National Driver Register, putting it on a real-time computer basis. That will be the subject of later legislation.

It would be a mistake to end this program now. Even the administration

is currently reassessing its own position. Ray Peck, the new Administrator of NHTSA, stated publicly that the Register is and should be a Federal responsibility.

OMB's contention that the Register is not effective is inaccurate. Last year the States made over 25 million requests resulting in 269,000 identifications of drivers who have had their licenses revoked or suspended. Denial of a driver's license remains one of the most effective ways to keep problem drivers off the roads. The cost to society, if one can place a value on human death and injury, was close to \$50 billion last year. This is 2,400 times the amount currently spent on the NDR. Elimination of the program is not justified by any criterion. In fact, on a cost/benefit basis, it deserves to be continued.

Legislation that I and the gentleman from Arizona introduced in February 1981, would make the NDR a more effective and responsive system. I agree with the administration that the NDR should be upgraded and streamlined. My bill, H.R. 2052, would change the existing Register index system to a pointer system, which data would remain with the States. Currently, all information processing at the Register is done by mail. Obviously, this tends to make the present Register ineffective. H.R. 2052 would computerize the Register and thus quicken response time, provide greater accessibility to records, and increase the usability of data. And I have made sure that my proposal was drafted to comply with stringent privacy laws already on the books. The bill has 25 cosponsors and as many Republicans as Democrats are cosponsors.

This amendment and the concept of the NDR is supported by the American Trucking Institute, the American Automobile Association, the American Association of Motor Vehicle Administrators, the NTSB's Bureau of Motor Carrier Safety, and the National Safety Council. I have also received numerous letters of support from State highway and law enforcement officials.

Just for now, I think it is important to keep the present system functioning effectively. It has saved lives and, given the thrust of Transportation Secretary Drew Lewis' program of focusing transportation safety programs on the driver. I think the administration would be well advised to accept the amendment that I am offering and to concentrate this additional money on making the National Driver Register effective.

I urge adoption of the amendment.

AMENDMENT OFFERED BY MR. COUGHLIN TO THE
AMENDMENT OFFERED BY MR. OBERSTAR

Mr. COUGHLIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. COUGHLIN to the amendment offered by Mr. OBERSTAR: After "\$1,000,000" insert the following: "and 16 permanent positions".

Mr. COUGHLIN. Mr. Chairman, I am offering this amendment to the amendment offered by the gentleman from Minnesota, which I understand is acceptable to both the gentleman from Minnesota and to the chairman of the subcommittee.

Mr. Chairman, just very briefly, I have been informed that the earmarking of the money could not be administered unless they also have the positions to go with it, and this would provide the positions.

vide the positions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Coughlin) to the amendment offered by the gentleman from Minnesota (Mr. Oberstar).

The amendment to the amendment was agreed to.

Mr. BENJAMIN. Mr. Chairman, I rise in support of the amendment as amended.

Mr. Chairman, I believe the gentleman from Minnesota shares our concern that the National Driver Register [NDR] as it is presently configured is not as effective as it should be. Our view is that it ought to be eliminated if it is not improved.

We have followed with interest the gentleman's bill which would authorize a new NDR system based on updated technology. We believe that a new system which: first, meets the provisions of the Privacy Act; second, is principally funded by the States; and third, provides reasonable assurance that those States will participate in a new NDR would be effective.

I would urge that such a system be given favorable consideration by the authorizing committee. In the meantime, we are willing to recommend that the existing system be continued another year to provide for a smooth transition. However, we are not willing to fund the current system ad infinitum. Unless a new authorization is forthcoming, we could not guarantee committee support for the program beyond fiscal year 1982.

Consequently, I would ask that the committee of the House join with the gentleman from Minnesota and support the amendment as amended.

Mr. OBERSTAR. Mr. Chairman, would the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the chairman of the subcommittee for his statement and for his support. I think the gentleman has stated a very sound position.

The National Driver Registration should be upgraded, should be streamlined and modernized. I hope that through the Public Works and Transportation Committee and their work on the highway legislation that we will be able to accomplish that in a relatively short period of time.

In the meantime, the gentleman's acceptance of the amendment will mean this program can continue to function.

I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Oberstar), as amended.

The amendment, as amended, was agreed to.

Mr. WEISS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, many of the Members of this body and Americans across the country saw pictures in their newspapers and on television this week of President Reagan presenting a symbolic 5-foot Federal check to the mayor of the city of New York in the amount of \$85 million. What many people may not realize is that that \$85 million, when and if it is ever actually paid by a real check will be only the first down payment on a 4-mile length of interstate highway in New York City called Westway. The total cost will be somewhere in excess of \$2.3 billion and perhaps as much as \$5 billion by the time construction would be completed in some 10 years.

Many people in the city of New York, have been urging the mayor of the city of New York and the Governor of the State of New York to apply under the interstate transfer grant program for a trade-in of those moneys for mass transit purposes. Imagine, spending \$2.3 billion to \$5 billion for 4 miles of highway; never in history has such extravagance been proposed.

My reason for taking the well at this point is simply to alert the Members that should this matter proceed, and it is still in the courts at this point, we will be presenting more information about this project.

I have no criticism of the committees involved, nor, indeed, of the administration. The administration and the President have made it very clear that they are subject to the desires of the mayor and the Governor of the city and State of New York, since under the law they are the ones who can make the application for a tradein.

It is important to note, however, that the highway trust fund from which this particular highway would be funded has run a deficit for the last 2 years. These are the first deficits in history.

The highway trust fund currently has some \$11.5 billion committed for interstate highway projects across the country. It has a current balance of about \$10.1 billion, so that it is questionable as to where that money will be coming from to pay for this and all

the other interstate highway programs without an increase in the gasoline taxes.

It is also instructive to point out that the mass transit system of the city of New York is in a very serious condition and that the money would be best spent by trading in the interstate highway funds for mass transit improvements.

Again, given the time of fiscal austerity that we are in, given the tremendous shortage of moneys and the cutbacks in all areas, I want to alert my colleagues to the fact that we will be presenting information as we go along as to the proper and appropriate utilization of these moneys, rather than the squandering which would take place if the present plans go through.

The CHAIRMAN. Are there further amendments to title I?

Hearing none, the Clerk will read. The Clerk read as follows:

OPERATIONS AND RESEARCH

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety and functions under the Motor Vehicle Information and Cost Savings Act (Public Law 92-513, as amended), \$85,876,000, of which \$27,185,300 shall be derived from the Highway Trust Fund: Provided, That not to exceed \$39,664,700 shall remain available until expended, of which \$12,512,000 shall be derived from the Highway Trust Fund: Provided further, That, of the funds appropriated under this heading \$10,500,000 shall be available only for activities at the Transportation Systems Center.

PARLIAMENTARY INQUIRY

Mr. SNYDER. Mr. Chairman, I have a parliamentary inquiry. Are we on the Panama Canal section? The gentleman from Kentucky (Mr. Hubbard) wants to offer an amendment.

The CHAIRMAN. The Chair will recognize the gentleman.

Mr. SNYDER. I thought I heard the Clerk read "Panama Canal."

□ 1400

AMENDMENTS OFFERED BY MR. HUBBARD

Mr. HUBBARD. Mr. Chairman, I offer amendments relating to those provisions of the bill which make appropriations for the Panama Canal Commission. I ask unanimous consent that these amendments be considered out of order and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The portion of the bill to which the amendments relate is as follows:

PANAMA CANAL COMMISSION

OPERATING EXPENSES

For operating expenses necessary for the Panama Canal Commission, including hire of passenger motor vehicles and aircraft; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); official reception and representation expenses of the

Board; operation of guide services; residence for the administrator; contingencies of the administrator; not to exceed \$25,000 for official reception and representation expenses of the administrator; and to employ services as authorized by law (5 U.S.C. 3109); maintaining, improving, and altering facilities of other United States Government agencies in the Republic of Panama and facilities of the Government of the Republic of Panama for Panama Canal Commission use; and payment of liabilities of the Panama Canal Company and Canal Zone Government that were pending on September 30, 1979, or that have accrued thereafter, including accounts payable for capital projects, \$398,744,000, to be derived from the Panama Canal Commission Fund: Provided, That there may be credited to this appropriation, funds re-ceived from the Panama Canal Commission's capital outlay account for expenses incurred for supplies and services provided for capital projects and funds received from officers and employees of the Commission and/or commercial insurors of Commission employees for payment to other United States Government agencies for expenditures made for services provided to Commission employees and their dependents by such other agencies: Provided further, That to the extent that the resources of the Fund are not adequate to provide the amount of budget authority provided above, the Commission may incur obligations in advance of adequate receipts in the Fund.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered By Mr. HUBBARD: On page 27, lines 6 and 7, strike out the words "official reception and representation expenses of the Board"

On page 27, line 10, strike out the words

"of the Administrator"

On page 27, line 20, after the comma following the word Provided," insert the following: "That of the funds appropriated by this section:

"(1) not more than \$272,000 shall be avail-

able for operation of guide services

'(2) not more than \$60,000 shall be available for the maintenance of a residence for the Administrator, including staffing, as authorized by section 5913 of title 5, United States Code;

"(3) not more than \$25,000 shall be available for disbursement by the Administrator for employee recreation and community

projects;

"(4) not more than \$520,000 shall be available for procurement of expert and consultant services as provided by section 3109 of

title 5, United States Code:

not more than \$3,724,000 shall be available for maintenance and alteration of facilities of the Government of the Republic of Panama, used by the Commission, of which the United States retains use pursuant to the Panama Canal Treaty of 1977 and related agreements; and

(6) not more than \$50,000 shall be available for expenses of the supervisory Board established pursuant to section 1102 of Public Law 96-70 (93 Stat. 456), including travel and transportation expenses under section 5703 of title 5, United States Code:

Provided further,"

On page 28, line 3, change the colon to a period and strike out the remainder of line 3

and all of lines 4 through 7.

On page 28, line 20, after the comma following the words "Provided, That" insert the following: "of the sums referred to in

this paragraph, not more than the following amounts shall be available for the following purposes

'(1) for transit projects, \$13,764,000; "(2) for general support projects,

\$3,252,000:

"(3) for utilities projects, \$1,870,000; and "(4) for quarters improvement projects: \$880,000: Provided further:'

On page 28, line 22, change the colon to a period and strike out the remainder of line 22 and all of lines 23 and 24.

On page 29 strike out lines 1 and 2 in their entirety.

Mr. BENJAMIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HUBBARD. Mr. Chairman, my amendments would bring the appropriations bill H.R. 4209, into conformity with certain limitations provided in the Panama Canal authorization bill. That bill, H.R. 2596, was reported by the Merchant Marine and Fisheries Committee on May 19, and is expected to come to the floor later this month. I have the honor of serving as chairman of the Subcommittee on Panama Canal and Outer Continental Shelf.

First, let me make clear that my amendments in no way increase spending above the amount approved by the Appropriations Committee in H.R.

4209.

My amendments do several things.

First, our authorization bill lists several specific categories of spending and then sets dollar limits for each category. Today's appropriations bill does not coincide with these provisions of the authorization bill. In some cases, the committee report accompanying H.R. 4209 mentions these categories, but even here the dollar limits are not always the same as those in the authorization bill. And, of course, report recommendations do not have the same force as specific statutory language. My amendments would incorporate into the appropriation bill the same spending limits and categories approved by the Merchant Marine and Fisheries Committee.

Briefly, the categories and limits in

my amendments are:

In operating expenses:

For guide services, \$272,000;

For maintenance and staffing the Administrator's residence, \$60,000;

For employee recreation, \$25,000; For consultant services, \$520,000:

For official reception and representation expenses, \$25,000 (this would include entertainment);

For expenses of the Supervisory

Board, \$50,000; and

For improvements for employee housing, \$3,724,000 (these are housing units that have been transferred to the Government of Panama, but

which our country may use to house the decreasing number of American citizens employed at the canal).

In capital outlays:

For transit projects, \$13,764,000;

general support projects, \$3,252,000:

For utilities projects, \$1,870,000; and For quarters improvement projects, \$880,000.

Next, my amendments delete wording which would let the Supervisory Board spend unlimited money from the Commission's general operating budget for entertainment; this would be over and above the existing lineitem account for reception and representation, which has traditionally been designed to cover entertainment.

Finally, my amendments also delete two provisos which would allow the Commission to incur obligations in advance of receipts from the Panama Canal Commission fund. These provisos would have the effect of exempting the Commission from the Anti-Deficiency Act, although the act is not referred to by name or by citation. These provisos would render inoperative that part of the 1979 Panama Canal Act which limits appropriations to the amount of canal revenues derived from operation of the canal and paid into the U.S. Treasury. My amendment will make sure that the canal's operations are financed solely by funds generated by tolls and other collected revenues, instead of being subsidized by tax moneys. Incidentally, during the authorization process, our committee was supplied a draft authorization bill containing the two provisos in question, but we overwhelmingly rejected them when we approved H.R. 2956.

Mr. Chairman, I believe Members on both sides of the aisle will find these amendments worthy of support. I know there was bipartisan support for them when the Merchant Marine and Fisheries Committee incorporated them in the authorization bill. There is precedent for accepting them in the appropriations bill because last year this House adopted by voice vote a very similar amendment which I offered under nearly identical circumstances. I recommend that we adopt these amendments to conform the appropriations bill with the authorizations bill. By doing so we preserve the close congressional oversight we contemplated and endorsed in 1979 when we enacted the statutes implementing the Panama Canal Treaties.

Mr. SNYDER. Mr. Chairman, will

the gentleman yield?

Mr. HUBBARD. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I rise in support of the amendment by the distinguished gentleman from Kentucky, Mr. HUBBARD, the chairman of the Panama Canal/OCS Subcommittee of the Merchant Marine and Fisheries Committee.

The question we face in considering this amendment is, are we or are we not going to insist on financial responsibility and accountability in the expenditure of appropriated funds. This is particularly crucial because of the strategic economic and military importance of the Panama Canal.

These are the same questions, however, we have faced this entire Congress—through the entire budget process we have responded to the economic crisis this country faces and to our constituents in requesting frugal and

responsible fiscal activity.

The differences between H.R. 4209 and the amendment under consideration is not the dollar amount for the total appropriation, but the manner in which the funds are appropriated. The amendment requires strict accountability for the expenditure of appropriated funds. That is, the amendment provides limitations to administrative expenditures in seven categories, and limitations on four categories of capital expenditures. In addition, the amendment prohibits the Panama Canal Commission from incurring any debts that have not been specifically authorized by Congress by requiring compliance with the Anti-Deficiency

H.R. 4209 simply appropriates funds in three categories of administrative expenses, one area of capital expenditure, and exempts the Commission from the Anti-Deficiency Act without even amending that act. In other words, H.R. 4209 allows funds to be shifted to any category of expenditure at the whim of the Administrator of the Commission and allows him to incur debts prior to the approval of Congress.

Mr. Chairman, these are the very issues that were highly contested this year during the markup of the 1982 Panama Canal Authorization, H.R. 2596. This authorization bill contains language almost identical to the amendment under consideration.

Last year we faced a similar situation with H.R. 7831, the 1981 appropriation bill which offered a lump-sum appropriation. However, an amendment was also offered by my colleague from Kentucky, the chairman of the Panama Canal/OCS Subcommittee, Mr. Hubbard, that required line item limitations on expenditures.

It appears obvious that last year's and this year's authorization bill more accurately reflect this year's congressional, Presidential, and public budgetary philosophy than does the appropriation bill we are considering today.

During consideration of the Panama Canal authorization this year by the Merchant Marine and Fisheries Committee the argument was put forward that by exempting the Commission from the Anti-Deficiency Act, it would allow any excess profits accrued during this fiscal year to be expended on canal activities rather than being turned over to the Panamanian Government as called for by Public Law 96-70.

That is a fallacious argument since the testimony of the Administrator of the Panama Canal Commission, General McCullough, and the monthly reports of the Panama Canal activities clearly show that our concern is not what to do with any excess profits, but rather how we can limit the deficit that is obviously going to occur.

It was also argued that there should be no \$25,000 limitation on entertainment expenses by the Commission. The fact is the GAO report requested by Chairman Jones and being held up by the Commission will show that the Commission has already overspent its entertainment budget for this year. I would like to point out that H.R. 4209 contains a limitation on entertainment for the Administrator of \$25,000 but has an open-ended authority for entertainment for the Commission. The amendment by my colleague from Kentucky contains the same language as the authorization bill and limits the total expenditure for entertainment to \$25,000.

Another argument against line item limitations was that \$60,000 was not enough money for the Administrator's residence. You will find this very interesting in that the request of the Commission was \$127,000. It would appear that this figure alone explains one of the reasons that line item limitations are necessary since this year's budget request for roughly the same items for the Vice President's residence was \$125,000. I would also like to point out that the GAO report I have just referred to will show that the actual expenditure for the Administrator's residence in 1980 was well over \$200,000.

I feel that H.R. 4209 was reported in disregard for the authorization process since it represents the view of the small minority of the authorizing committee, and was reported a full 2 months after the authorization bill was reported by the House Merchant Marine and Fisheries Committee.

Mr. Chairman, article 3 of the Panama Canal Treaty calls for, among other things, the creation of the Panama Canal Commission with a board of nine members—five Americans and four Panamanians—to supervise the operations of the canal in accordance with the laws of the United States. The fruit of the efforts of Congress was Public Law 96-70, the law implementing the Panama Canal Treaty.

In fulfilling our responsibilities under the treaty, we have attempted to keep track of the expenditures of the Commission, the activities of the Supervisory Board, and the activities of the Administrator. Unfortunately, we have not met with a great deal of success, which is a major reason for the need for this amendment.

It is of the utmost importance that Congress, as well as this administration, maintain a close watch on the activities of the Panama Canal Commission not only to fulfill our oversight responsibilities, but because of the potentially volatile situation in that part of the world.

It is my belief that the amendment offered by the gentleman from Kentucky (Mr. Hubbard) will accomplish these goals.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. HUBBARD. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, as ranking minority member of the Panama Canal/OCS Subcommittee, I rise in support of the amendment offered by the distinguished chairman of the Merchant Marine and Fisheries Committee, Mr. Jones. The purpose of the amendment is to conform the Panama Canal Commission funding language in the Department of Transportation Appropriation bill, H.R. 4209, with that in the 1982 Panama Canal Authorization bill, H.R. 2596, reported by our committee on May 19, 1981.

The conference report on last year's Department of Transportation Appropriation (Public Law 96-400) specified the appropriate authorizing committees should review the matter of the Panama Canal Commission's incurring obligations in advance of receipts in the Panama Canal Commission Fund.

The Panama Canal/OCS Subcommittee did review this matter this year. We overwhelmingly rejected allowing the incurrence of obligations in advance of receipts in the Commission Fund because it violates the Antideficiency Act which applies to all Government agencies. Our committee's support for spending accountability is reflected in H.R. 2596, the fiscal year 1982 Panama Canal Commission authorization which is awaiting House floor action.

Moreover, the Merchant Marine and Fisheries Committee's approach is supported by a recent GAO report of August 5, 1981 (ID-81-57) which found the Commission in near violation of the Antideficiency Act. For example, GAO found travel expenses alone increased over 240 percent above the preceding 12-month period in the first 6 months of fiscal year 1981.

Thus, it is deeply disturbing that the Panama Canal Commission Appropriation provided in H.R. 4209 before us today not only provides great latitude in spending, but it runs counter to the Antideficiency Act by providing the Commission may incur obligations in advance of adequate receipts in the Fund.

Obviously we need spending limits, and adoption of the Jones amendment will provide them.

It would incorporate in the appropriation bill the same seven specific limitations on spending for operating expenses as are found in H.R. 2596. It would also specify four areas for capital spending. Each of those \$11 limits is consistent with the budget and consistent with the dollar amounts included in testimony by the Administrator of the Panama Canal Commission before our subcommittee. It would also assure compliance with the Anti-deficiency Act.

Without the Jones amendment, this appropriation amounts to a blank check representing total abdication of Congress responsibility to oversee the Canal and assure it is operated at no additional expense to the U.S. taxpayer.

The language in H.R. 4209 as reported runs totally counter to the will of the Committee on Merchant Marine and Fisheries which has primary jurisdiction over the activities of the Panama Canal Commission.

I urge my colleagues on both sides of the aisle to vote for the Jones amendment. It is an amendment to assure accountability and spending restraint. It merits this body's support.

Thank you.

Mr. BENJAMIN. Mr. Chairman, will the gentleman yield?

Mr. HUBBARD. I yield to the gentleman from Indiana.

Mr. BENJAMIN. Mr. Chairman, this side will accept the gentleman's amendments. As he so clearly said, they basically relate to placing the language which is in our committee report within the scope of the bill. It does not change the figures and follows the current law. More importantly, it does the same thing that we did in the fiscal year 1981 Appropriations Act. We would have no objections to the amendments.

Mr. COUGHLIN. Mr. Chairman, will

the gentleman yield?

Mr. HUBBARD. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, we have no objection to the amendments on this side, and we will accept them.

Mr. HUBBARD. Mr. Chairman, I learned years ago as an attorney in the courtroom that when you had your case won, you best not argue it too much longer.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kentucky (Mr. Hubbard). The amendments were agreed to.

AMENDMENT OFFERED BY MR. BENJAMIN

Mr. BENJAMIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Benjamin: On page 29, line 8, strike out "\$1,000,000" and insert in lieu thereof "\$13,000,000".

Mr. BENJAMIN. Mr. Chairman, this amendment is very simple. It changes the USRA appropriation from \$1 to \$13 million. The original appropriation was set at the reconciliation level that was passed by the House. When the reconciliation bill emerged from conference and there were certain things done for the continuation of Conrail. that figure became \$13 million. As a consequence, we ask that the USRA appropriation be the same as provided in the Reconciliation Act so that the USRA may discharge its duties under the procedures of that act. There is room within the budget pursuant to the earlier amendments that would accommodate this.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BENJAMIN. I yield to the gen-

tleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I enthusiastically support the chairman in this. Certainly it is necessary to enable the USRA to carry out its

duties.
Mr. BENJAMIN. I thank the gentle-

I yield back the balance of my time. The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. Benjamin).

The amendment was agreed to.
The CHAIRMAN. The Clerk will

The Clerk read as follows:
UNITED STATES RAILWAY
ASSOCIATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses to enable the United States Railway Association to carry out its functions under the Regional Rail Reorganization Act of 1973, as amended, \$1,000,000, of which not to exceed \$1,000 may be available for official reception and representation expenses.

SEC. 304. None of the funds provided under this Act shall be available for the planning or execution of programs, the total obligations for which are in excess of \$77,000,000 in fiscal year 1982 for "State and Community Highway Safety": Provided, That none of the funds under State and Community Highway Safety shall be used for construction, rehabilitation or remodeling costs or for office furnishings and fixtures for State, local, or private buildings or structures.

AMENDMENT OFFERED BY MR. HOWARD Mr. HOWARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Howard: Page 30, line 12, strike out "\$77,000,000" and insert in lieu therof "\$100,000,000".

Mr. HOWARD. Mr. Chairman, section 304 of the bill would limit fiscal year 1982 funding for State and community highway safety to \$77 million. This section impacts on a provision of the Omnibus Budget Reconciliation Act which created contract authority for the National Highway Traffic Safety Administration to administer section 402 of the Highway Safety Act. Section 1107 of the Reconciliation Act

created \$100 million in contract authority for each of the next 3 fiscal years including \$20 million per year 55-mile-per-hour enforcement. This is a form of spending authority which is under the primary jurisdiction of the Committee on Public Works and Transportation, because the contractual obligations are supported by the highway trust fund. Section 1107 also imposes a limitation on obligations of \$100 million on the NHTSA expenditure of these funds during fiscal year 1982, fiscal year 1983, and fiscal year 1984. The Committee on Public Works and Transportation included this provision in the reconciliation package in full compliance with the Gramm-Latta requirements.

My amendment simply strikes out the \$77 million amount in the bill and substitutes the Gramm-Latta amount of \$100 million. Although this would increase next year's obligational authority by \$23 million, the Members should be aware that other transportation programs were cut drastically in the Gramm-Latta process to make room for these levels. As the Members may know, this Member is not a leading advocate of reconciliation. Notwithstanding that fact, the Committee on Public Works and Transportation achieved the fullest substantive compliance with reconciliation directives.

As the committee which has preeminent jurisdiction over highway safety contract authority, and, which has made the other cuts that allow for this \$100 million, the Committee on Public Works and Transportation considers this a simple conforming amendment. Because of the nature of the language in section 1107(b) of the Reconciliation Act, the limitation in that subsection would probably take precedence over the language in this appropriation bill. That is why this represents a conforming amendment, and should not generate any significant controversy. Although section 304 would be a subsequent enactment to section 1107 of the Reconciliation Act, subsection (b)'s obligation limitation language begins with the phrase "Notwithstanding any other provision of law," would then produce the result of having the Reconciliation Act provision take precedence over this appropriation measure with regard to the limitation of NHTSA highway safety obligations.

Mr. Chairman, this may be considered as outlay money, but we would like to state that it is only an obligation ceiling and it is only an obligation ceiling involving highway trust fund money. So it would not in any way indicate additional taxpayer money which must be collected in order to provide for better safety on our highways. It is money that has been collected, is being collected, by the people

who use the highways, who deserve to emphasize have these safety provisions, and it is money that will come from the high-

way trust fund.

In meeting the reconciliation requirements, in fact going beyond them, Mr. Chairman, we were forced to cut highway safety programs in this Nation by a higher percentage than anything else in transportation-\$100 million was in the Democratic Reconciliation Act. It was in the Republican reconciliation bill which was supported by the President and the adminis-

All we are asking is to have this conforming amendment to comply with

that. I would like to state that in support of this amendment, I have heard from many States and I have heard from the head of the chiefs of police, I have heard from the safety representatives of the States, I have heard from the Governors of many States, to name just a few, not only from the safest State in the Nation, my own State of Jersey, but from New York, Maryland, Iowa, Ohio, North Carolina, New Hampshire, Utah, Alaska, Louisiana, Maine, Massachusetts, Wyoming, Missouri, Kansas, Oklahoma, Delaware, California, and Michigan, just to name a few, and I certainly hope that the committee and the chairman will

accept this conforming amendment. I would be very happy to yield to the gentleman from Indiana (Mr. BENJA-

MIN) if he so desires.

Mr. BENJAMIN. I thank the gentleman from New Jersey for yielding. The gentleman is quite right. There

was considerable testimony during the time that we entertained public witnesses in support of this program. The \$77 million in the House bill was the level requested by the President. However, through the process of reconciliation the amount was increased to \$100 million.

As the gentleman has stated, it is no increase in budget authority. moneys do come from the trust fund which is supported by the highway users, not the general fund.

This side is supportive of the gentleman's proposal and would accept it.

Mr. HOWARD. I thank the gentle-

man very much.

Mr. Chairman, I would like to state that the head of the State police of my own State of New Jersey, which is the safest State in the Nation, says they would not have been able to save the lives that they have without this limited Federal input. To be able to help them save lives in my own State, and in other States, I just hope that the amendment is agreed to.

I yield back the balance of my time. Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of

Mr. Chairman, I rise in support of this amendment. I think we should

that this amendment simply conforms to the provisions regarding the obligation ceiling for the State and community highway safety programs to the levels established in the Omnibus Reconciliation Act. That is all this does. To say at this point that we want to reduce the funding for highway safety, which already was approved in reconciliation, I believe would be a step in the wrong direction.

We have just completed, Mr. Chairman, this Labor Day weekend. We are told that the number of fatalities, highway deaths, over this recent weekend is probably, when the count is finally tallied, going to exceed 700 people. Indeed, that is a figure higher than previous Labor Day weekends. We are told further, on an annual basis, when you look at the annual fatalities on the Nation's highways, we see it creeping up beyond the 50,000 death level, approaching over the next few years, based on the trend back to that all-time high, 56,000 deaths. It seems to me that so long as we are within budget-and I emphasize thatso long as we are within budget, as we are here, we should not further strip funding for highway safety. It is the wrong time, it is the wrong program to further cut. So long as we are within budget, recognizing the fatalities, recognizing 2 million Americans will be seriously injured this year in highway accidents, it seems to me that we should make every effort possible to preserve funding for highway safety.

We are talking about saving lives. We are talking about stopping accidents. For that reason, and because this is within budget, I would urge the support of this amendment.

Mrs. FENWICK. Mr. Chairman, will

the gentleman yield?

Mr. SHUSTER. I would be happy to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. What do they use the money for? Am I correctly informed that not one penny of this goes for salaries; that it is all for

equipment? Is that correct? Mr. SHUSTER. I cannot say that not one penny goes for salaries. But the vast bulk, if not all, goes to provide for promoting highway safety at the State and at the community level. Now, I believe some of the funding, I would say in all probability, does go to State police.

Mrs. FENWICK. You mean for salaries?

Mr. SHUSTER. I would yield to my friend, the gentleman from New

Mr. HOWARD. Under the existing law, funds could go for salaries. Of course, a significant amount does go for items other than salaries. As I understand it, the administration has come out-which I assume the gentlewoman is talking to-with the idea that that ought to be a State responsibility. That is the administration's position. So I would presume that they would want none of this money to go for salaries. It is not legally prohibited at this time. I understand that it is the position of the administration to try to avoid paying salaries. Obviously, these funds will have to support salaries.

Mrs. FENWICK. I see. There is nothing about that in the bill.

Mr. HOWARD. No, it is not in the

Mrs. FENWICK. I would like to clarify my understanding of it. As I understood the \$100 million, \$20 million was going to go to enforce the 55-mile-anhour speed limit.

□ 1415

Mr. HOWARD. I would like to speak to that also. As the gentlewoman knows, as the author of that I am very, very much supportive of it. The legislation which was written by the full committee, title XI of the Omnibus Reconciliation Act, does have the \$100 million and does provide that \$20 million of that go for 55. However, of the \$77 million we are talking about now, we want to raise to the \$100 million, \$62 million of that is past years' money which would not be subject to the \$20 million set-aside for 55 enforcement.

I myself would hope that at least an equal proportion of what we have would go for 55, but as I say, \$62 million of it being past years' money would not be mandated for 55.

Mrs. FENWICK. I have two more questions, if the gentleman would yield. One, what happens to the rest of it, the rest of the money if you have \$20 million-

Mr. HOWARD. They have informational programs, educational programs, so many programs. I am not certain where each one will go, but even starting with elementary school programs of education on how to teach young children how to cross the street and when not to cross the street, has to do with highway safety. So, there are a great number of programs that have been most effective. and of course we do have a limited Federal input, but that is felt to be very important at this time. This program on highway safety, which has been so effective, has been cut from \$225 million to an overall reconciliation figure of \$110 million.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mrs. Fenwick and by unanimous consent, Mr. Shuster was allowed to proceed for 1 additional

Mrs. FENWICK. But the gentleman says that this comes out of the highway trust funds?

Mr. HOWARD. Yes.

Mrs. FENWICK. Does that mean, in other words, this will not be an extra expense on the American public?

Mr. HOWARD. I am glad the gentlewoman from New Jersey brings that up. This is highway trust fund money. It is money continually being collected from the users of the highways. It will in no way require additional taxing of the people of the United States.

Mrs. FENWICK. I thank my col-

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. I do so with great reluctance in opposing the amendment sponsored by my distinguished friend and colleague from New Jersey and by my very distinguished friend and colleague from Pennsylvania, but I do amendment oppose the grounds.

First, there is a tendency to say that if you are spending highway trust fund money or increasing obligational ceilings, you are not really spending money because the money is there. However, this involves outlays, the very problems about which OMB is concerned, the President is concerned, and we are concerned. No matter how you look at it, this extra money, we have to go out and borrow it. We borrow at high interest rates, increasing inflation, and so there is money involved here in the form of outlays.

Mr. SHUSTER. Mr. Chairman, will

my friend yield on that point?

Mr. COUGHLIN. I yield. Mr. SHUSTER. I am sure my dear friend and colleague from Pennsylvania knows that in the highway trust fund there is a balance today of over \$12 billion, and while it is true that that balance of \$12 billion can be used to help fund the deficit out of the general fund, indeed that money there is precisely, legally dedicated and committed to programs such as these. So, this is not a matter of having to go out and borrow money for this program. There are \$12 billion in the trust fund.

Mr. COUGHLIN. The gentleman makes my point very exactly. Yes, there are \$12 billion earmarked in the trust fund, but that is not cash in the bank. We still have to go out and borrow the money every time we make an outlay that is in excess of revenues coming into the Federal Government overall. So, there is no question about the fact that this affects outlays and

creates additional outlays.

The second basic objection I have to this amendment is that a substantial part of it does go for the 55-mile-anhour speed limit enforcement. It seems to me that if the law says that the speed limit is 55 miles an hour, that the States and communities should enforce that law. It is the law of the land. They enforce other laws and they do not require such funds for it. I feel that program is not one that

should be funded by the Federal Government. The States should enforce the laws themselves.

Mr. ANDERSON. Mr. Chairman, I move to strike the requisite number of

words.

Mr. Chairman, I rise in strong support of the amendment offered by my friend and colleague, the gentleman from New Jersey. I do so because I believe that the promotion of highway safety is a valid, vital, and necessary Federal undertaking; one that should be supported; and one that should be supported with a sufficient amount of funding.

One might conceivably ask, "What is a sufficient amount." I do not enjoy the trite games of those who attempt to place a price tag on the value of human life. But I do note that the highway death toll in this country reached about 53,000 last year. This constitutes the greatest amount of roadway carnage that has occurred in a single year since 1973. And for the fourth straight year, in 1980 the amount of deaths per 100 million vehicle miles increased. Based on current trends, each person born this year can expect to be involved in a crash every 10 years. One in sixty will be killed, and 1 in 20 will be seriously injured.

How is it proposed that we react to these tragic figures? And let me say, these are more than just figures. If you could read the letters from the families of people who lost loved ones in traffic accidents, you would see and feel the anguish behind these tragic

totals

And yet, it has been proposed that funding for the NHTSA section 402 program be slashed from \$225 million to \$77 million. As part of the reconcilliation conference report, we convinced our Senate colleague to increase the budget figure to \$100 million, with \$20 million set aside for 55 enforcement. To do this, frankly, we had to trade away things from other programs under our committee's jurisdiction that we will not get back. But it was that important to us that some semblance of reason be maintained with respect to this important program. So, as I say, we had a \$100 million obligation ceiling imposed on section 402. I am not claiming this as a victory which must be protected today, though. It is not a victory when 53,000 people die on the roads, and an important highway safety program is cut by more than half.

What I am asking, is that we all stand together, collectively and as individuals, and say that 53,000 people dead is enough. And that \$77 million is

not enough.

There are those who question the merits of the section 402 program. Like any Government program, it is not perfect. And though we know it can never be made perfect, we are working to improve it. The types of projects funded under this program will be more greatly restricted in the future.

But let me say this; section 402 has been successful in the past. In 1966, when the Highway Safety Act was enacted, the fatality rate per 100 million miles was 5.48. Although the rate has increased the past few years, since the benchmark year of 1966 we have seen a marked decline. During hearings of the Surface Transportation Subcommittee earlier this year, we were told that, had the 1966 level remained static, there would have been 30,000 more deaths in 1979 than there actually were. Let me repeat that; 30,000 deaths were prevented in 1 year alone. And it is suggested that the funding for this program be cut by two-thirds. We are saying today; don't let this happen.

To be sure, the program will be cut. I have already played a part in acquiescing to that. If the amendment which is on the floor is adopted, funding levels in the reconciliation bill will be restored, and I remind you once again that those levels already constitute a tremendous cut; from \$225 million to \$100 million. We do not need to cut that level any further. We do need to try and protect the health, the safety, and the very lives of our friends, our loved ones, our constituents, and total strangers who travel on the Nation's highways. The section 402 has been proven to do this; saving 30,000 lives a year.

So, at a time when the highway death rate is going up, I ask all our colleagues' support for this amendment.

Mr. CLAUSEN. Mr. Chairman. I move to strike the requisite number of words, and I rise to support the amendment.

Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from New Jersey (Mr. Howard). As has been stated by previous speaker in support of the amendment, we need to remind our-selves that the highway safety program, as Mr. Anderson stated, was cut more than 50 precent.

Again, placing emphasis on what my friend from Pennsylvania (Mr. Shuster) has stated, this amendment simply conforms to the provisions regarding the obligational ceiling for the State and community highway safety programs to the levels established in the Omnibus Reconciliation Act of 1981. So, the substantial provision has already been agreed to by the conferees, both the House Public Works Committee as well as the Senate Environmental and Public Works Committee, and we can add to that the Senate Commerce Committee, during that very extensive and comprehensive reconciliation process.

So, in order to maintain consistency I strongly urge the adoption of this amendment, and urge that it be accepted by my colleagues.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. Howard). The amendment was agreed to.

Mr. ERTEL. Mr. Chairman, I move

to strike the last word.

Mr. Chairman, I rise to enter into a colloquy with the chairman of the Transportation Subcommittee, gentleman from Indiana (Mr. BENJA-MIN).

Mr. Chairman, I want to call to the committee's attention a serious bridge problem in my congressional districtactually, my district and Congressman SHUSTER'S district. The bridge connects our two districts. I refer specifically to the Bainbridge Street Bridge, designated by the Pennsylvania Department of Transportation as Northumberland County, L. R. 25, STA.

The Bainbridge Street Bridge was constructed in 1928 and today is functionally inadequate and unsafe. It is too narrow and does not have enough lanes to satisfy either the present or future traffic needs. The Pennsylvania Department of Transportation reports that the bridge's condition was associated with no fewer than 15 accidents 1978 through 1980.

The Pennsylvania Department of Transportation reports that there are section losses from corrosion in excess of 25 percent on the bottom flange angles, the angles attached to the girder web to support the edge of the deck and slabs and the lower portion of the girder web. From a structural point of view, this is a severe condi-

The Pennsylvania Department of Transportation also reports that most of the transverse web stiffeners and floorbeam attachment brackets have sustained traffic damage and are bent. The reinforced concrete deck is transversely cracked and spalling, patching is a continued need. The reinforced concrete sidewalk is heavily spalled and is deteriorating rapidly. Underscour is a problem during periods of abnormally high flows in the Susquehanna River. The floods associated with Agnes in 1972 and Eloise in 1975 cause severe underscouring. Finally, Pennsylvania Department of Transportation reports that the Bainbridge Street Bridge problems has resulted in a loss of industry from the Sunbury, Pa. area.

Mr. chairman, a letter from the Pennsylvania Department of Transportation dated September 3 notes

Even if the planning for the new bridge gets underway very soon, * * * it will be up to 8 years until the new bridge can be opened to traffic. During this period, the existing bridge's inadequacies and deficiencies will become more and more severe and intol-

The cost to replace the existing bridge is estimated at \$16.5 million.

Mr. BENJAMIN I understand the Bainbridge Street Bridge has a sufficiency rating of less than 50 and has been submitted by the Pennsylvania Department of Transportation for consideration by the Secretary of Transportation under the discretionary bridge program.

Mr. ERTEL. That is correct. The sufficiency rating is 47 and the Governor has submitted the bridge as a candidate for discretionary planning. Unfortunately, the subcommittee already had completed its deliberations when the Bainbridge Street request was made by the State to the Secretary of Transportation.

Mr. BENJAMIN. The discretionary bridge program was established to provide additional assistance to States with major bridge problems and Pennsylvania certainly faces serious bridge problems. The authorizing committee, of which you are a member, also recommended that discretionary funding be reserved for major bridge projectsfor those costing more than \$10 million. The Bainbridge Street Bridge qualifies in this regard and I certainly would urge the Secretary of Transportation to give this bridge priority consideration.

□ 1430

Mr. ERTEL. Mr. Chairman, I thank the subcommittee chairman for his consideration and for his colloguy, and I yield back the balance of my time.

Mr. ANDERSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to enter into a colloquy with the chairman of the Appropriations Subcommittee on Transportation, if I may.

Aside from my already-stated concern about the level of funding for the Nation's highway safety program, I am also alarmed by the apparent reluctance of the administration and the committee to commit funds for the bicycle safety and pedestrian safety programs.

The committee report suggests that about 80 percent of the amount be allocated among four safety programs, leaving only 10.4 percent for other eligible areas. The Senate Commerce Committee, upon looking into this matter, has recommended that bicycle safety and pedestrian safety programs be accorded priority status along with the four programs mentioned in the committee report.

Based upon information with which I have been provided, the Senate Commerce Committee action appears to make sense. A study prepared by Department of Transportation officials, and reported in Traffic Quarterly, would indicate that in a ranking of the cost effectiveness of highway safety cycle and pedestrian safety programs

countermeasures, bicycle and pedestrian safety programs are among the most cost effective, far exceeding the effectiveness of alcohol safety and emergency medical service programs.

And yet, I have been told State highway safety officials are hearing from NHTSA that bicycle and pedestrian safety programs would not be funded in fiscal year 1982 and so should be dropped from State plans. I am most distressed at hearing this.

I am distressed because I know that of the 53,000 highway deaths last year, 9,800 resulted from collisions with pedestrians and another 1,300 from collisions with bicycles and other pedaled vehicles.

My purpose in rising, then, is simply to point out that there is a body of support in the House for the funding of bicycle and pedestrian safety programs by NHTSA, and that I for one would be most disappointed if some such funding is not forthcoming.

The reconciliation bill which has been signed into law calls upon the administration to study the cost effectiveness of the various highway safety standards and to begin funding those which fare best under their study, pending possible review by Congress. We must wait until that study is completed before any conclusions reached as to the advisability of which programs are funded, and I am afraid that the committee is a bit premature in reaching their own conclusions.

Mr. Chairman, I would like to have the gentleman comment on that at this time.

Mr. BENJAMIN. Mr. Chairman, if the gentleman will yield, there are all types of Federal and State programs on pedestrian safety independent of Federal programs.

Mr. ANDERSON. I refer to bicycle and pedestrian programs.

Mr. BENJAMIN. And the information we received is that \$45 million per year is available from the regular Federal highway funds for these projects. So there is money in the bill, but the determination must be made by the States and local communities.

The gentleman's committee actually chastised this subcommittee earlier in the proceedings today for attempting to determine where the money is to be placed. So, consequently in these larger funds there is money for both bicycle and pedestrian use and for safety programs, and it is not the intent of this subcommittee to go further other than to say that we share the gentleman's concern, but it is not our intent to specify what the States and local communities will decide to do with these funds, including the 402 funds.

Mr. ANDERSON. But, Mr. Chairman, as I stated, State highway officials are hearing from NHTSA that bi-

will not be funded in fiscal year 1982, and so they are saying that these should be dropped from the State plans. Is that the chain of events?

Mr. BENJAMIN. Mr. Chairman, we can check on that. That direction has not come out of this subcommittee. We have been very receptive to them and have helped in the very larger scale programs, but we have not made assigned categories by saying this is available in the overall funding of safety programs.

We would agree with the gentleman's contention that this should be a high priority. We are not aware of whatever thought process has been developed or has been suggested to someone that there not be funding in 1982, and we do not believe that is true. We did not certainly make the directives ourselves.

Mr. ANDERSON. Mr. Chairman, I thank the gentleman from Indiana (Mr. BENJAMIN).

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 310. (a) Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs for fiscal year 1982 shall not exceed \$8,200,000,000. This limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, or projects covered under section 147 of the Surface Transportation Assistance Act of 1978, or any ongoing emergency project for replacement or rehabilitation of a bridge the Federal share of the costs of which is obligated at the discretion of the Secretary under section 144 of title 23. No obligation constraints shall be placed upon any ongoing emergency project carried our under section 125 of title 23, United States Code, or section 147 of the Surface Transportation Assistance Act of 1978 of upon any ongoing emergency project for replacement or rehabilitation of bridge the Federal share of the costs of which is obligated at the discretion of the

Secretary under section 144 of title 23.

(b) For fiscal year 1982, the Secretary of Transportation shall distribute the limitation imposed by subsection (a) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to each State for fiscal year 1982 bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocat-

ed to all the States for such fiscal year.

(c) During the period October 1 through December 31, 1981, no State shall obligate more than 35 per centum of the amount distributed to such State under subsection (b). and the total of all State obligations during such period shall exceed 25 per centum of the total amount distributed to all States under such subsection.

(d) Notwithstanding subsections (b) and

(c), the Secretary shall—
(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction have been apportioned or allocated to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1982, revise a distribu-tion of the funds made available under subsection (b) if a State will not obligate the amount distributed during fiscal year 1982 and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during fiscal year 1982; and

(3) not distribute amounts authorized for administrative expenses and forest high-

AMENDMENT OFFERED BY MR. BENJAMIN

Mr. BENJAMIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Benjamin: On page 33, strike out line 4 and all that follows through line 4 on page 35 and insert in lieu thereof:

SEC. 310. (a) Notwithstanding any other provision of law, the total of all obligations Federal-aid highways and highway safety construction programs for fiscal year 1982 shall not exceed \$8,200,000,000. This limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, or projects covered under section 147 of the Surface Transportation Assistance Act of 1978. No obligation constraints shall be placed upon any ongoing emergency project carried out under section 125 of title 23, United States Code, or section 147 of the Surface Transportation Assistance Act of 1978.

(b) For fiscal year 1982, the Secretary of Transportation shall distribute the limitation imposed by subsection (a) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to each State for such fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to all the States for such fiscal

(c) During the period October 1 through December 31, 1981, no State shall obligate more than 35 per centum of the amount distributed to such State under subsection (b). and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection.

(d) Notwithstanding subsections (b) and

(c), the Secretary shall—
(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United

States Code; (2) after August 1, 1982, revise a distribution of the funds made available under subsection (b) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year; and

(3) not distribute amounts authorized for administrative expenses and forest high-

BENJAMIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BENJAMIN. Mr. Chairman, this amendment simply conforms the limitation on obligations for Federal-aid highways and highway safety construction programs for fiscal year 1982 to the budget reconciliation bill. It makes no change in the \$8.2 billion level included in the committee bill. only in the distribution formula contained in the reported committee bill.

Very simply, Mr. Chairman, it conforms section 310 precisely to the rec-

onciliation bill.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I certainly support the distinguished subcommittee chairman in the amendment, and I think it is a good amendment. It is acceptable to this side.

Mr. BENJAMIN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. BENJAMIN).

The amendment was agreed to. The CHAIRMAN. The Clerk will

The Clerk read as follows:

SEC. 321. The weeks of June 13 through July 4, 1982, are designated as "National Clean-up and Flag-up America's Highways Weeks", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this period with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. ERTEL

Mr. ERTEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ERTEL: Page 38 after line 15 insert the following new sec-

SEC. 322. None of the funds provided in the Act to any Department or Agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such Department or Agency, excluding those positions from this provision which serve dual roles pertaining to a security or law enforcement function.

SEC. 323. Except for security mission automobiles, none of the funds provided in this Act to any Department or Agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

Mr. ERTEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD, since I have provided copies at both tables.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ERTEL. Mr. Chairman, this is the same amendment I have offered on all the other appropriation bills. It merely stops the practice of having services provided private-type to people within the respective departments by persons such as cooks, chauffeurs, or personal servants.

More importantly than that, the amendment contains the language that the automobiles which would be obtained by that agency would have to have an average EPA estimated mileage of 22 miles per gallon, and that qualifies a great number of American cars. It will cut down on the cost of fuel and will help them to be more economical and cost saving for the Government.

Mr. Chairman, my understanding is that the chairman of the subcommittee will accept the amendment.

Mr. BENJAMIN. Mr. Chairman, if the gentleman will yield, the erudite gentleman from Pennsylvania (Mr. ERTEL) has been so persuasive that we will accept those provisions numbered 322 and 323 dealing with personal services, and EPA estimated mileage for automobiles to be purchased by the U.S. Government.

Mr. ERTEL. Mr. Chairman, I thank the gentleman.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I am happy to yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I feel sure that amendments of this sort make good press, but I am concerned about the fact that they somehow imply that the various officials of the Government have all these kinds of servants and cooks and all these kinds of things, and I feel quite sure they do not.

Does the gentleman have any evidence specifically that any officials have these kinds of servants, chauffeurs, or what have you, that are not connected with security?

Mr. ERTEL. Yes, Mr. Chairman, I do have such evidence. I have put evidence in the RECORD previously.

I have outlined the cost of drivers in the Department of Transportation and the fact that there are five personnel that served as mess stewards at the cost of over \$100,000 for the Secretary of Transportation.

I have evidence of other people. For instance, the Treasury Department pays a driver approximately \$16,000. The expense for the car is \$4,197, and there are dining room salaries of \$22,000.

I can go through a whole list of every department in the Government, and part of that includes the Transportation Department.

Mr. Chairman, I think it appropriate that we put this kind of amendment in the bill. It shows people that we are serious about cutting frills.

Mr. COUGHLIN. May I ask. Mr. Chairman, do the drivers relate to personal security?

Mr. ERTEL. If they are for personal security, then, of course, they are not chauffeurs. They are not personal servants nor are they cooks. They would be security personnel, and they would not fall in this category.

Mr. COUGHLIN. And I presume a mess employee would not be personal cook either?

Mr. ERTEL. If the mess employee were there for the personal use of the Secretary; yes, he would.

Mr. COUGHLIN. That would be a

personal cook?

Mr. ERTEL. It is the same thing. If it is for the personal use of the Secretary of the Department of Transportation, yes.

Mr. COUGHLIN. Neither this administration nor other administrations that I have heard of have had a personal cook

Mr. ERTEL. On the contrary, years ago the Secretary of then HEW, Mr. Joseph Califano, had a personal cook on his payroll, and I had that removed at that time. I offered an amendment, and the Secretary called me and sent me a letter to assure me that that would not be done any more. So it was corrected.

Mr. COUGHLIN. Mr. Chairman, let me make a further inquiry, if I may.

The definition of a passenger automobile, as defined by 15 U.S.C. 2001 is a car with a capacity of 10 or fewer people, and as I would understand it, this would prohibit the Department from acquiring a van, for example, that got less than 22 miles per gallon. Is that correct?

Mr. ERTEL. No; on the contrary, vans are specifically defined, and vans would not be covered by the prohibition of vehicles because they would carry over 10. They are stated by definition, as are pickup trucks.

Mr. COUGHLIN. The definition in 15 U.S.C. 2001 which the gentleman cited includes as a passenger vehicle any vehicle with a capacity of 10 or less, which would include a van.

Mr. ERTEL. If the gentleman would go further in that section, he would find that they define what a van is specifically

Mr. COUGHLIN. As I read it from the 1981 gas mileage table from EPA, there would not be an American-made van that would be able to be purchased by DOT under this amend-

Mr. ERTEL. A van is defined as a vehicle that can carry 10 or more people. Mr. COUGHLIN. A van carrying 10

or less people could not be purchased? Mr. ERTEL. I do not know of any van that would qualify in that regard. A van is not covered under this

Mr. COUGHLIN. Or a vehicle that would carry 10 or fewer people?

Mr. ERTEL. That type vehicle is covered under this, if it is primarily for carrying people. For instance, they have pickup trucks which carry people and which carry fewer than 10 people. They may have a club cab pickup truck, but it is primarily for things other than the moving of people. That is excluded, and we can go through all the exclusions. This would also exclude a van.

□ 1445

Mr. COUGHLIN. I would oppose the amendment, of course.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WILSON Mr. WILSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wilson: Page 38, line 16:

Sec. 324. No funds appropriated by this Act shall be used to pay any salary or other expense for the purpose of putting into effect or enforcing any rule or order which requires any reduction in the total daily number of flights by (a) air carriers except air taxis, or (b) air taxis, at Washington National Airport below the number operated on July 31, 1981; except that this limitation shall not apply to Special Federal Aviation Regulation 44, amendments thereto or orders issued thereunder.

Mr. WILSON, Mr. Chairman, perhaps the chairman of the subcommittee would want to accept this amend-

No, the gentleman says he does not want to accept the amendment.

Mr. Chairman, this amendment is very simple. It simply freezes the amount of slots that are now presently allotted at National Airport.

There are many reasons for this amendment to be passed. One is that it will prevent passenger inconvenience: it will prevent reduction of service to many cities in the United States. the cities of Milwaukee, for instance, Louisville, Philadelphia, Boston, Pittsburgh, and Chicago.

But more than anything else, if this amendment is not passed it will reduce competition. If the amendment is not adopted it will provide Eastern Airlines with a virtual monopoly at National Airport.

The proposed rules have a clear bias. have a clear bias in favor of Eastern. They are exempt from the hourly flight limitations with the ability to put on a second shuttle from New York. Everyone in this chamber who has ever taken the shuttle knows that since New York Air has been competing with Eastern that not only has New York Air provided excellent service at much lower prices to New York and to Boston from Washington, but also the Eastern shuttle has substantially improved, simply because of the law of the marketplace and because of the discipline of competition.

This is a very narrow amendment. It prevents reduction in service. It prevents reduction in competition. It does not in any way inhibit the Department of Transportation from any noise limitation efforts that it might make or any improvement in access or incentive for Dulles Airport.

I believe this amendment is strongly in the national interest. I believe this amendment is in the interest of fairness and I believe it should be adopted.

Mr. BENJAMIN. Mr. Chairman, I rise in opposition to the amendment.

For over 10 years the Department of Transportation has been working on a policy for National and Dulles Airports. It is time to resolve this issue and provide the Washington area with safe and efficient airport facilities.

The lack of a definitive policy on air carrier slots is impeding the ability of the National Airport scheduling committee in allocating slots. There is also a need to address the issue of aircraft noise and to achieve a better balance of the air traffic between National and Dulles. Once a definitive policy is implemented, it will then be possible to move forward with the badly needed improvements to the airport facilities at National.

Mr. Chairman, I believe the policy proposed by the Secretary of Transportation is a sound one. It doesn't provide everything for anybody, but it does provide a balanced and fair approach to the competing interests of the airlines, their passengers, the local community, and Members of Congress.

The policy provides for 37 air carrier operations per hour between 7 a.m. and 9:59 p.m. This compares with the current level of 40 per hour. The policy also would increase the present perimeter of 650 miles for nonstop service to 1,000 miles and establish noise limitations. The proposed noise levels would permit only relatively quiet aircraft to operate during the nighttime hours. In the future, these levels would be reduced to bring about a change in the fleet mix serving the airport. This phased-in reduction should permit sufficient time for the airlines to take the actions necessary to assure an adequate fleet capable of meeting the noise standard.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

the gentleman yield?

Mr. BENJAMIN. I am happy to yield to the gentleman.

Mr. WILSON. The gentleman does acknowledge that my amendment does not affect any kind of noise abate-

Mr. BENJAMIN. Yes, I acknowledge the gentleman's point.

Mr. Chairman, it is time to face the fact that National Airport is an over-crowded facility. There are too many planes, too many people and too much

ground congestion. The airport is already being used beyond the design capacity of its terminal and roadways. A 1977 study identified large portions of the public space within the terminal, as well as the curbside and traffic circle area, as inadequate to serve the number of people using those facilities. And, unless these problems are addressed now, the situation will continue to deteriorate. Estimates provided by the FAA indicate that, unless some airport policy changes are made, in just a few years-4 years-there will be more than 19 million passengers at National Airport. This is about a 30percent increase over the current level. So, if you think National is crowded now, just wait a few years, and if nothing is done it will be intolerable.

Mr. Chairman, I believe the Secretary has proposed a responsible and fair policy for National and Dulles Airports. The alternative is continued growth and congestion, which is not in the best interest of the Government, the airlines or the users of this facility

Ten years is long enough to consider an airport policy. It is time to move forward to implement the policy and make the necessary improvements so that we have two airports worthy of our Nation's Capital.

I might reflect that whatever we do will certainly effect usage of the Baltimore-Washington International Airport.

I would also indicate to the Members of the House that it was this bill in fiscal year 1981 that served as the device preventing the previous Secretary from resolving this problem. It was indicated in that bill that nothing could be done until April 26 on the basis that we would have further hearings. We have had ample opportunity every year since I have been in the Congress, since 1977, and we are never going to get any closer to resolution because everybody wants everything out of Washington National Airport.

Someone has to call the shots. This Secretary has been courageous enough to do so. We ought to support him.

Mr. BENJAMIN. Mr. Chairman, I ask unanimous consent that the debate on this particular amendment be limited to 1 hour with half of that time given to the gentleman from Texas (Mr. Wilson) and the other half given to the gentleman from Pennsylvania (Mr. Coughlin).

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. Ferraro).

Ms. FERRARO. Mr. Chairman, I rise in support of the amendment and I ask unanimous consent to revise and extend my remarks.

Mr. Chairman, one of the major issues that has been raised in opposition to this amendment is the need to control aviation noise at National Airport. That being the case, and given my consistent record of strong support for stronger antinoise guidelines, I would like to try to clear the air, so to speak, on the noise issue.

The amendment before us does not veto the entire DOT National Airport policy described by the distinguished chairman. The policy DOT has proposed contains several specific provisions establishing limits on noise at National Airport. The Wilson amendment does not affect those provisions—much to the dismay, I am sure, of my good friend the gentleman from Kentucky, with whom I have so frequently disagreed in the past on noise questions.

The reason Gene Snyder and Gerry Ferraro agree on this amendment is that it is not a noise amendment. DOT's own environmental impact statement of the National Airport policy stated clearly that the slot reduction scheme would have, and I am quoting, "no significant impact" on noise levels at the airport. And this amendment affects only the slot reductions. So it is simply inaccurate to label this a noise issue.

Now let me talk about certain provisions of the slot reduction plan, which, I should point out, were not included in the National Airport policy proposed by the Carter administration, which I supported.

I do not oppose slot reduction per se. Concerns that have been raised regarding safety and air and ground congestion at National justify firm steps to control the traffic load. Measures to shift some of the traffic to Dulles, which is shamefully underutilized, are long past due.

So what is my objection?

The slot reduction scheme that has been hatched by DOT is anticompetitive, anticonsumer, and antideregulation.

DOT's plans call for ending ATC operations at National, under which airlines can operate more flights than they have slots simply by getting clearance from the air traffic control system. This so-called loophole has been crucial to the market entry and the growth of new airlines which, in the finest spirit of deregulation, have brought needed competition, and reduced fares, to the airline industry.

The DOT plan, by closing the ATC rule and leaving open the extra sections rule, benefits larger, established carriers, one in particular, threatens to cripple newer carriers, and thereby undermines the procompetitive effects of deregulation causing a return to monopoly routes and higher fares.

I ask you, when you cast your vote on this amendment, to base your decision on the facts, and not on the rhetoric. It's easy to say this amendment is pronoise and procongestion, but I think close analysis of the issue shows this just is not so. I urge a vote for the amendment, for competition in the airline industry, and for the consumer. Mr. COUGHLIN. Mr. Chairman, I

yield 5 minutes to the gentleman from

Virginia (Mr. Wolf). Mr. WOLF. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Texas.

CONGESTION

Unless prompt action is taken, National Airport will soon clog with passengers, cars, and airplanes. The genamendment would mean tleman's delays, holding patterns, traffic snarls, congestion, noise, and mounting hassle at Washington National. If agreed to, the amendment before us would prevent the Federal Aviation Administration (FAA) from containing National's growth. The result would be an aluminum sky over some of Washington's most urban population centers.

SAFETY

In addition to the anxiety and frustration caused by congested conditions at National, overcrowding there only serves to increase the risks inherent in a facility that was designed to accommodate roughly 6 million passengers annually on DC-3's and now is the principle Washington area airport providing over 14.5 million passengers each year with jet services.

National Airport has the shortest main jet runway in America. Its twisting, turning, downriver approach is difficult and only one approach has instrument landing capability. Uncontrolled growth in the number of flights at National would only reduce

the margin for error.

Given the conditions at National, the excellent safety record to date is a tribute to the pilots who fly into District of Columbia Airport. The more we overtax National Airport, the more there is reason for concern.

KEEP NATIONAL VIABLE AND OPEN

Some airline lobbyists and a few Members would have you think that the Department of Transportation's proposed policy would close National Airport. It would not. I would never support such an idea. I represent the district that is home for both Dulles and National. Both are vitally important to Virginia's 10th District. I could no more support a plan to drastically curtail National Airport than I could one that ignores the problems there.

One of the concerns addressed by the proposed policy is noise. Both visitors-your constituents-and residents find their enjoyment of our Capital diminished by the intrusive roar of jet planes. The plan before FAA would respond to this concern by encouraging the use of quieter planes here when they become available. It also addressed the frequency of overflights.

SLOTS

The policy proposed would reduce the number of flights each day slightly, but those reductions would be quite modest and are offset by permitting an increase in the number of passengers that may be served at National thus encouraging the use of quieter, more efficient airplanes. In spite of what some airline lobbyists have argued, no discussion about how to meet those reductions have been made. Many airline lobbyists have threatened widespread service cuts to stampede the House into opposing the proposed policy which is the result of effort by at least three Secretarys of Transportation. You may be sure, if a route is profitable, the airlines will work to keep it.

ABOUT THE POLICY

The policy that has been proposed is a balanced and reasonable one. It permits annual passenger volume at National to grow to an additional 1.5 million passengers. It would encourage the use of quieter planes 5 years from now when they are available. It would make ground access to Dulles much convenient. It would cause more future air travel growth to occur either at Dulles or Baltimore-Washington International Airports.

A PLAN IS NEEDED NOW

DOT has spent 10 years writing a policy to prepare for the future air travel needs of the Washington area. It is past time that a plan for the future of National and Dulles be approved. The airlines need to know how to plan for the increased air travel that is expected here.

ATC STRIKE-AN OPPORTUNITY

The air controllers strike has provided a unique opportunity to implement a policy for these airports. The 25 percent cutback in operations at National far exceeds any changes resulting from the proposed DOT rule. If implemented now, the policy would provide for growth in operations from present depressed levels. It may be easier now than ever to put a responsible policy in place.

DOT RULEMAKING IS NOT COMPLETED

The amendment before the committee would stop the DOT proposed policy before the plan is finalized. All interested parties have had ample opportunity to comment on the plan and a final rule is expected soon.

ONE-YEAR REVIEW

It is important to recognize that the proposed policy provides for a review after a 1-year-trial period. If improvements are needed, there will be an opportunity to make them.

Earlier this week over 100 community, civic, and political leaders joined me in trying to underscore the fact that the Washington community is united in the view that the problems

the policy addresses must be solved, that a responsible policy is needed now, and that such a policy must be given an opportunity to work.

MEMBERS PART OF COMMUNITY

As Members, we are occasionally maligned for being perceived as voting our self-interests on issues such as this. The 137 Members who signed a letter in general support of this policy in my view represent proof that Members of this body recognize that they are an important part of this community and will vote in the interest of this area when, as here, it is the right thing to do.

I strongly urge you demonstrate your willingness to be a good Washington neighbor and vote no on this amendment.

Mr. WILSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. GREEN).

Mr. GREEN. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the gentleman's amendment. I have joined in sponsoring this amendment because I share his concern that the proposed Metropolitan Washington Airport's policy will have a substantial adverse effect on competition in the airline industry and on airline services and fares.

Let me start with a brief discussion with the environmental issue. I think the opponents of this amendment simply have to face up to the fact that supplemental environmental impact statement prepared to accompany the policy and prepared by DOT, which is proposing this policy, specifically admits that elimination of the ATC authority, that is, the authority to fly when the air controllers say they have some space, will produce, and I quote, "no significant change in contour areas or population impacted upon implementation."

So the suggestion that this policy is going to be some sort of panacea for people in the National Airport flight path, I think, has been knocked into a cocked hat by DOT's own admission.

I think the basic question we get to is whether we really believe in the deregulation policies that this Congress and this administration have enunciated as our basis policy for the air-

I would submit to the House that the proposed regulations are basically anticompetitive and in violation of the free competition policy and that they, therefore, fly in the face of what this Congress has chosen to do by way of regulation of the airline industry.

I would also point out that the Department of Transportation has proposed this policy without knowing the economic impact. So that the Department itself has to admit that it simply has not done the homework on what the competitive impacts of this policy would be.

Now, why do I say that the impacts are anticompetitive? That is because the policy, very plainly, favors one type of air service over other competitive types of air service. The fact of the matter is this policy says if you have a shuttle-type service and you run extra sections in order to take care of the additional crowds that show up at the gates, that extra section does not count against the number of slots you get under this policy. So a shuttletype operator-and we know there is basically one using this airport-is free to have all of the extra sections that the traffic will generate. And this "Go ahead and do it, policy says, create all of the noise you want with your extra sections, we are favoring that kind of operation."

But to someone who wants to compete with the shuttle-type of operation by offering a different type of service, a scheduled service, and wants to use the so-called ATC space that is available-and it generally can be used to run a scheduled type of service, a competitive service that operates a different way with advance regulationsthis policy says, "We are going to throw every roadblock we can in your way because we are not going to allow you to have those ATC slots, even though your opposition, your competitor, can have all of the space they need for the extra traffic, and we will not count that against them.'

I say that that is basically anticompetitive. It is no place for the Department of Transportation to be overriding what Congress has done and saying, "We are going to favor one type of service over a competitive type of service."

That is basically what we in Congress have to face today. The Department of Transportation has admitted in its environmental impact statement that this is not going to solve the noise problem at National. But it is going to have a major competitive impact. Many of the smaller airlines which have begun operating since we voted in favor of deregulation are going to be put out of business or badly throttled back if this policy is allowed to take effect.

I urge all of you to support the policy of competition in the air lanes. We voted for that. I think this administration, in general, has been dedicated to the competitive approach. Today we have a chance to put up or shut up on competition, and I urge you to support free competition and free enterprise by supporting the Wilson-Green amendment.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to my colleague. Mr. WILSON. Mr. Chairman, the gentleman is a frequent passenger, I

presume, on the air routes between New York and Washington.

Mr. GREEN. All too frequently.

Mr. WILSON. Has the gentleman found that the service on the Eastern shuttle has improved since New York Air has been in business?

Mr. GREEN. I would have to say that I think everyone has been a lot more friendly at Eastern since the competitive service began.

Mr. WILSON. Will the gentleman describe what has happened to the

fares?

Mr. GREEN. The fares have come down. We even had a GTR rate which allows those traveling on Government business a lower rate on both lines with the effect being to save the Government a great deal of money. I very much fear that the Government would lose those savings if we destroy the competition on this route.

The CHAIRMAN. The time of the gentleman from New York (Mr.

GREEN) has expired.

Mr. WILSON. I yield 2 additional minutes to the gentleman from New York.

The CHAIRMAN. Without objection, the gentleman from New York (Mr. Green) is allowed to proceed for 2 additional minutes.

There was no objection.

Mr. WILSON. The gentleman is aware that this same thing has occurred with the routes that Air Florida flies, with the routes that People Express flies, a decade ago with Pacific Airways, is the gentleman not?

Mr. GREEN. I am generally aware, although I am not as familar with these routes as the La Guardia-to-Na-

tional route.

Mr. WILSON. The gentleman is also aware that this good competitive service is being made available to Cleveland and Detroit now?

Mr. GREEN. I am very much aware of this new service.

Mr. WILSON. And soon to be made available to Chicago, in all probability.

Mr. GREEN. Yes. And I would again emphasize the enormous savings to the Government from having a Government travel rate on these flights as a result of the introduction of competition. It is an enormous savings for the Government.

Mr. WILSON. Is the gentleman further aware that if the amendment does not pass, almost half of the air traffic at National Airport will be one airline?

Mr. GREEN. I was not aware of the exact statistics, but it is plain that if one airline is allowed to have all of the extra sections and the others are not, the airline with extra sections could achieve an even more dominant position.

Mr. WILSON. Almost 45 percent. Mr. COUGHLIN. Mr. Chairman, will the gentleman yield? Mr. GREEN. I yield to my colleague, the gentleman from Pennsylvania.

Mr. COUGHLIN. Is the gentleman aware that, of course, New York Air can get slots just like any other airline can and can get extra sections just like any other airline can and it would not eliminate competition?

Mr. GREEN. I would point out to the gentleman that what the Department of Transportation is doing is saying, "You, New York Air, if you want to compete with the shuttle service, you have to operate a shuttle service."

Of course, they cannot compete head-to-head with the very well established service of a large competitor, a competitor which has pioneered the shuttle service and has larger airplanes and more equipment. But I do not think it is the place of the Department of Transportation and this Congress to say, "You have got to compete on Eastern's terms." That is exactly what I am objecting to. They are offering a different kind of service, lower fares, and pioneered the GTR rate. They are giving a scheduled service and they cannot get the extra slots for that service.

Mr. COUGHLIN. If the gentleman will yield, they would have the same veto right on the allocation committee that any other airline would have.

Mr. GREEN. The basic fact is this system that the Department of Transportation is proposing to implement says to the shuttle service, "You can have unlimited extra sections," and no one else, no other kind of service gets that privilege.

Mr. COUGHLIN. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana (Mr. Livingston).

Mr. LIVINGSTON. I thank the gentleman for yielding.

Mr. Chairman, it has been 10 or 11 years since the Federal Government began studying the various issues related to the safe and efficient operation of Washington's airports. Since that time, proposed plans for their operation has been postponed for various reasons. Today the gentleman from Texas asks us to again delay settling the issue.

Now, I rise in basic opposition to the gentleman's amendment. But in looking at it more carefully, I understand that it really only pertains to the slot issue; is that correct?

Mr. WILSON. That is correct.

Mr. LIVINGSTON. Might I inquire whether the gentleman's proposal or amendment would relate to the grandfathering clause involved in the overall plan, or whether it would relate to the attempt to include New Orleans, Kansas City, and Miami within the group of cities entitled to direct flights to Washington National?

Mr. WILSON. It does not relate in any way to do that. And I would be

the last to inconvenience the people in New Orleans.

Mr. LIVINGSTON. I appreciate the gentleman's comments, and I am sure he understands that my reason for rising in attempted opposition to his amendment is parochially motivated, since indeed New Orleans has been trying to get some kind of direct flight to Washington, D.C., for about the last 10 years, and rather unsuccessfully, I might add. But I also understand, from the gentleman from Virginia (Mr. Wolf), that he has spoken with the Secretary of Transportation and that he has an understanding that in fact, if this amendment is passed, there may be an adverse consequence to New Orleans' ambition.

Mr. WOLF. If the gentleman will yield, I have spoken with the people of the Department of Transportation and FAA, and they have said that if the Wilson amendment is adopted, in essence there will be no way to enforce the policy, there will be no way to have a cap on passengers, and it would gut the whole policy. So for all practical purposes, it kills the policy; therefore, you will not be able to fly from Washington Airport, National Airport, to New Orleans; that is correct.

Mr. LIVINGSTON. Is the gentleman saying that the Secretary of Transportation has proposed a rather balanced plan, and that if one integral part of that plan fails, then the entire plan fails?

Mr. WOLF. That is correct, yes.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from Kentucky.

Mr. SNYDER. I noticed that the gentleman from Virginia said that he spoke to some folks at the Department of Transportation. I do not know who the folks are.

But let me suggest to the gentleman that I spoke to the Secretary this morning, because I have published in the Record some amendments which would cause you problems on the perimeter, and I explained to him that I was not going to offer those, I was going to support the Wilson amendment which dealt only with the slot allocation.

While I did not know to ask him this question that the gentleman from Virginia has raised, he certainly did not say to me, "Well, now, if that passes, I am going to scuttle the whole program." And I think he would have logically said that. That was not some folks down there; that was the Secretary.

Let me just say to the gentleman that if you want service from National to New Orleans, you got a lot better chance with 640 air carrier slots a day than you have with 555, and that is the difference.

□ 1515

Mr. LIVINGSTON. I appreciate the gentleman's comments, but I did intend to make a statement in general opposition to the amendment. I hope the gentleman understands that my opposition is to some degree limited to my special issue.

I personally believe it is time to implement a plan. However, before doing so it is important to explain some of the issues that are frequently misunderstood, that form the basis of the

proposal.

The first is the slots issue. Many of my colleagues have been told that if the plan is implemented, service between their hometowns and Washington National will be discontinued because of the reallocation of slots.

But, airlines, historically, have never used all their available slots. For example, I studied FAA records on slot usage at National for the months May, June, and July this year and found that airlines failed to use an average of 68 slots per day. Extrapolated for the entire year, the figures mean over 23,000 slots would go unfilled. Moreover, under the proposed plan the perimeter for flights arriving nonstop at Washington National has been expanded from 650 to 1,000 miles, a change that gives access to a number of cities for the first time.

Second is the noise issue. In my opinion it is very difficult to argue against reducing aircraft noise in the metropolitan area. Anyone living here, particularly those in northern Virginia and parts of the District, are blasted aircraft takeoffs and landings almost every 40 seconds. The plan establishes a stricter timetable for the reduction of aircraft noise, thus requiring airlines using Washington National in 1986 to use the new generation of ultraquiet, fuel efficient aircraft. In this respect the plan actually acts as a financial incentive for airlines to convert to the fuel efficient models that will be so important for economical operations as jet fuel costs continue to rapidly escalate.

The plan is not perfect, but it is as close to workable as possible after 10 years of effort. It would be a tragic mistake to approve another delay in the implementation of the plan. In short, the plan does all the things everyone would like to see accomplished at our airports: reduce noise levels, improve safety, and economize airport operations.

Let us give the plan a chance.

I urge my colleagues to vote down the Wilson amendment.

Mr. WILSON. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. Mr. Chairman, I rise in support of the gentleman's amendment and urge my colleagues to do the same. As he indicated, it would preclude the Department of Transportation from using any funds in this bill to implement any rule to reduce the number of commercial flights at National Airport.

I want to state at the outset that the amendment will not preclude DOT from taking whatever actions are necessary in the interests of safety. As my colleagues are aware, DOT has been forced to curtail operations at National and other airports as a result of the PATCO strike and this amendment would continue to allow the Department to respond to this situation. However, once the air traffic control system could accommodate flights at National as it did before the strike, the Secretary would be precluded from reducing commercial operations below the prestrike level.

The proposed National Airport policy, issued by the DOT on July 8, 1981, would radically change the way in which this airport will be used in the future. As proposed, it would: First, reduce available air carriers slots by nearly 20 percent; second, impose unreasonable and restrictive noise regulations for future airport operations which would, by 1986, ban virtually all air carrier turbojet aircraft currently using the airport; third, set a ceiling of 16 million passengers per year; and fourth, extend the existing nonstop perimeter from 650 to 1,000 miles.

Among other things, the proposed rules would reduce the daily number of available air carrier slots from approximately 697 (640 hourly plus 42 additional flights based on air traffic conditions, plus 15 extra sections) to 570 (555 hourly plus 15 sections)—a net reduction of 127 or 18.2 pecent.

Such a change would mean that all cities currently receiving nonstop service to National would be in jeopardy of losing that service. While it is difficult to predict which of these cities will lose the most, it goes without saying that the reductions will be severe and widespread and that they will also extend to cities being served by commuter airlines. Therefore, if you represent a district which receives nonstop service out of National Airport today, both you and your constituents will be far worse off if this policy is adopted.

If you have been told that all of these flights will automatically be transferred to Dulles, I suggest that you not rely on this happening. Many airlines losing slots at National will merely move their airplanes to other markets where the profit potential is higher than for flights which will require passengers to suffer through a 45-minute to 1-hour drive between Dulles and the city.

In addition to the proposed slot reductions, the DOT plan would unfairly discriminate against certain carriers by eliminating the rule which permits additional operations, provided they can be safely accommodated by air

traffic control. Many airlines take advantage of this rule, including various commuters, New York Air, Northwest

Airlines, and Air Florida.

Unfortunately, the policy would eliminate this option while at the same time continue to allow extra sections to be operated without regard to the number of slots allocated. The effect of this proposal on Washington-New York flights, for example, is to preclude New York Air from conducting much of its service while allowing Eastern to continue operating extra sections as part of its shuttle. I suggest to my colleagues that this is a clear case of discrimination since all extra flights are not being treated in the same fashion.

I want to emphasize that this amendment deals only with reducing air carrier and commuter flights. It is totally silent on such issues as the 1986 noise regulations and the proposal to increase the nonstop perimeter to 1.000 miles. While I do not personally favor either of these other proposals, the amendment would in no way preclude DOT from taking action on these matters in accordance with its

proposed policy.

I would also suggest to my colleagues that DOT made up its mind on these proposals a long time ago and has repeatedly attempted to minimize public participation in the rulemaking process. As evidence of this, I offer the

following: First, the proposed policy would impose these changes on National's operations without the benefit of a regulatory flexibility analysis, which is generally required by 5 U.S.C. 603 and 604, to assess the policy's impact on small entities. DOT did not perform this analysis but merely stated in the NPRM that the impact on small entities would be insignificant without stating the reasons for its conclusion.

The law clearly requires that either a flexibility analysis should be prepared or reasons should be given why one was not necessary. Neither has

ever been done.

Second, DOT originally stated in the NPRM that it would prepare a regulatory impact analysis within a year after the final rules were issued. This analysis, which is required by Executive Order No. 12291 for major rules, requires a thorough evaluation of the potential advantages, disadvantages and viable alternatives to the proposed rules and should be subject to public comment. Obviously, DOT wanted to railroad these proposals through and was quite content to prepare the impact analysis after the rules were adopted-thus minimizing public participation. Needless to say, criticism of this action soon followed.

DOT's response to this criticism was to change its mind and conduct a preliminary regulatory impact analysis. They only released this analysis on

August 26, a mere 5 days before the closing of the public comment period on the entire policy. Moreover, this document was only placed in the public docket and did not receive general dissemination. I suggest to my colleagues that if this doesn't indicate the Department's disdain for the public's role in the rulemaking process, then I don't know what does.

I submit to you that a vote in opposition to this amendment would be tantamount to telling the DOT to do whatever is convenient for them-notwithstanding other legitimate factors which they do not want to consider.

I would urge my colleagues to send a message to DOT-that we in Congress have had enough of this type of rulemaking and that we expect the executive branch to follow the President's guidelines in proposing and implementing new rules.

Today it is National Airport, tomorrow it will be something else unless we require the type of thorough analysis and public comment that the public deserves on these issues.

For the foregoing reasons, Mr. Chairman, I urge my colleagues to

support the amendment.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. SNYDER) has expired.

Mr. WILSON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Kentucky.

Mr. Chairman, will the gentleman vield?

Mr. SNYDER. I yield to the gentleman from Texas.

Mr. WILSON. First of all, I would like to commend the gentleman on his very scholarly presentation. He is certainly better prepared on the subject than I am.

Mr. SNYDER. I thank the gentle-

Mr. WILSON. I go back again to the competition question.

Is there any doubt in the gentleman's mind that if this amendment does not pass that it will give an overwhelming commercial advantage to Eastern Airlines?

Mr. SNYDER. They already have one. My best calculation would be that they would probably run somewhere between 45 and 48 percent of the business into National.

Mr. WILSON. The entire business?

Mr. SNYDER. Yes. Mr. WILSON. Does the gentleman also agree it would be impossible to compete with them on the Washington-New York shuttle run?

Mr. SNYDER, There is no question about that. We are doing away with air traffic control permissions in, and currently there are scheduled 42 of those, most of which are New York Air, Northwest, Air Florida commuter. Those would no longer be permitted.

Mr. WILSON. Does the gentleman also agree without the New YorkWashington business that probably that New York Air could not serve Boston and Detroit and Cleveland and the other cities?

Mr. SNYDER. That of course would be a management decision that New York Air would have to make, but I understand they also serve Louisville. I might say, which is not in my district, but in the district of the gentleman from Kentucky (Mr. Mazzoli), an airport I use most of the time.

My understanding is that the majority of their revenue currently is coming from this flight and that they would be financially constrained and probably would have to go out of business.

Mr. WILSON. I thank the gentle-

Mr. COUGHLIN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. PARRIS).

Mr. PARRIS. Mr. Chairman, I have respect for the gentleman from Texas, even though he is showing exceptionally misguided judgment on this particular issue.

I have genuine affection for the gentleman from Kentucky.

I would like to just point out a couple of quick things in my limited time here this afternoon.

We have heard the suggestion on the floor today that this amendment is a compromise. It is not a compromise. It is not a retreat. This is a surrender. We are not talking about the question of the competition of New York Air versus Eastern Airlines. We are talking about the safety of an important airline aviation facility that is located a mile and a half from here.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. PARRIS. I will yield when I have finished my statement

Mr. SNYDER. I would like to tell the gentleman about safety.

Mr. PARRIS. I think this is a vote not on the question of airline competition, it is not a vote on consumer affairs, it is simply not accurate to suggest that the commuter airlines are not in favor of this policy.

Let me read to the Members in part a letter of July 29 from Mr. Henson, who says:

I am chairman of the group of commuter air carriers that operate at National Airport. Our group has testified that we support the Washington Metropolitan Airport policy. We feel that without implementa-tion of the policy, environmental and traffic congestion at National Airport will increase. We urge you not to support any amendment to reduce it . .

I could submit, Mr. Chairman, that we should amend the amendment of the gentleman from Texas (Mr. WILSON) to say, not the limit of flights proposed on July 13. Let us have the flights that were in existence on August 3, the day the air traffic controllers' strike started. That would

reduce the traffic at National Airport

to 50 percent.

That would go very well in my district. We could say let us reduce traffic to what it is today. That would reduce the number of flights 25 percent, which would go pretty well in my district.

Of course, that is not responsible, but I submit to the Members, Mr. Chairman, that the implementation of this policy will have little, if any, effect on the Members of Congress and it will certainly not, as some of the opponents of the policy have suggested, keep Members from flying out of National as they do now.

Let me make two points if I might. First, this is a 1-year policy; 1 year. With the airline traffic controllers' strike on, we will not even reach the degree of traffic that we are talking

about in the 1-year policy.

Second, to suggest that the Secretary of the Department of Transportation would take some kind of action that would bankrupt the airline industry of this Nation is absurd. The policy is not even yet final. It will be subject to continuing review, fine tuning, to meet some of the obligations that we have bandied around today.

Let me simply suggest that the level of commercial flights will remain exactly the same with some slight adjustment for major air carriers being offset by an increase in badly needed

commuter flights.

The noise limitation being proposed will not, as some people claim, cause undue hardship on the airlines or force them to abandon needed equipment. The equipment proposed by this policy is already being developed by the airlines. It will be in operation by 1986 whether or not this policy is implemented. All we are doing is assuring that that equipment will be used in the Nation's Capital.

Let me paraphrase an excellent "Dear Colleague" letter that was circulated this morning by the gentleman from Indiana, who is a recognized expert in this area, and the gentleman from Pennsylvania, both of whom have done yeoman work on this sub-

ject, and it says in part:

While portions of the policy may cause individual concerns, the regulatory process is the proper channel for such expression. The transportation appropriations bill is not the proper place in which to debate or amend the policy of the operation of National Airport

Second, what is done at National Airport about noise is being watched by communities everywhere. If Congress approves the efforts to gut this policy, we will be telling noise-affected communities around the Nation that Congress is not serious about reducing the airport noise, that given the opportunity, we will make a very bad problem considerably worse.

Let me just submit to my colleagues that in the interest of safety I would hope that my colleagues will permit this policy to be implemented before tragedy occurs.

I suggest to the Members that National Airport is crammed to the point of being unacceptable from the standpoint of passenger operations, airline convenience, traffic congestion, noise, you name it. It is over there.

□ 1530

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. PARRIS. I would be happy to yield to the gentleman.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WILSON. I yield 3 additional minutes to the gentleman.

The gentleman did not mean to infer to the House that my amendment in any way restricts noise abatement, did he?

Mr. PARRIS. I am not sure I understand the purport of the question.

Mr. WILSON. The gentleman did not mean to infer that my amendment would affect any sort of noise abatement restrictions that the Department of Transportation might decide to apply, or any new equipment or access to Dulles?

Mr. PARRIS. I am frank to submit to the gentleman that I think there is an intention on the part of the Department of Transportation here to implement in 1986, I might add, 5 years down the road, a new standard, if you will, for airline equipment in this Nation.

Mr. WILSON. But this amendment does not affect that?

Mr. PARRIS. The amendment of the gentleman does not affect it any more than the policy would; but the policy will implement it and require it; so to the extent that the gentleman's amendment eliminates the policy, which it will, it is reducing the possibility of quieter airplanes being utilized in the transportation network of this Nation.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. PARRIS. I would be glad to yield to the gentleman from Kentucky.

Mr. SNYDER. I appreciate the gentleman yielding.

Let me say that all they are doing is just violating the noise rules that we voted on a year ago last Christmas for the whole United States, which the committee report said was the final word and there would be no further legislation

Let me address the issue of safety, because I think if there is anything unsafe about National Airport, then I think we ought to close her down, without making any bones about it; but let me just finish now. National Airport has a better safety record than does Dulles. There has been one air carrier fatality at National Airport

in the year 1959. A Bolivian fighter took off from Bolling Air Force Base across the river, which no longer has the eastern end approach and let me suggest to the gentleman that when TWA went into the mountain, that was because that was where the airport was.

Mr. PARRIS. Let me reclaim my time. I have no interest in debating the question of a Bolivian aircraft.

Mr. SNYDER. I know the gentlemen does not, because the gentleman is wrong.

Mr. PARRIS. I have no interest in debating an aircraft incident that occurred when I was in law school at George Washington University 25 years ago.

Mr. SNYDER. The gentleman brought up the question of safety.

Mr. PARRIS. Let me simply suggest that I have been a pilot, I have been an Air Force pilot. I have flown airplanes all my life. I invite the gentleman to go into an instrument approach on a back ILS approach at National Airport and if you do not have sweat on your hands, you do not know what you are doing. That is the lousiest airport in the world.

There is some problem about going in with existing equipment and if we do not do something about National Airport, there is going to be a tragedy.

I sincerely hope that there is not a person in this Chamber or anybody listening in their office who is going to be on an airplane that is not going to make the end of that runway. That is what we are talking about.

This is not a consumer issue. We are talking about what are we going to do with that situation. We had better address it finally when we have got a Secretary of Transportation who has the guts to put a policy together that we are now debating. That is the question here.

Mr. WILSON. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. Frank).

Mr. FRANK. Mr. Chairman, I was pleased that the debate was clarified in these last few minutes. I am a supporter of a strong national uniform policy regulating and restricting noise. If legislation were to come back in that would impose uniform national standards in that regard, I would be supportive of it. I do not regard that as a significant issue in this particular debate.

I think what we are seeing piecemeal that worries me is a retreat from the notion that we ought to have free competition in the airline industry. We see this with regard unfortunately to what is happening with the controllers' strike and we see it here.

I do believe that it is important that we encourage as much as we can the recent trends in the airline industry which have taken advantage of deregulation to provide to air passengers both a broader range of choice and a more economical form of airline travel.

I believe that this kind of restriction and if we are talking about precedent, it seems to me it is the type of precedent that inevitably will be followed elsewhere, is going to lead to a kind of reregulation, except that it is not going to be public interest oriented reregulation to the extent that that exists. It is going to be kind of a private interest reregulation in which the airline consumers are going to be the sufferers.

Now, I am not a pilot and I cannot debate with the gentleman from Virginia about safety. As the gentleman from Texas noted during that discussion, the safety question is being raised by the controllers. We may reach a point if enough public issues are debated about airlines that we will have a reinvigorated Amtrak by scaring the hell out of the American people so that no one will ever want to get on a plane at all; but I have to say that it does seem to me when we talk about the kind of restrictions that are being proposed here, the major impact is going to be and I think a large part of the impetus is, in fact, anticompetitive and it is a reimposition of regulation that I do not think is correct.

So I would hope that we would adopt the amendment of the gentleman from Texas and not impose this specific set of restrictions here just for National Airport, which is already restricted in many ways in terms of night flights, and I do not quarrel with that. It is already clearly much more restrictive in terms of noise, in terms of regard for the people in the nearby area than any other major airport that I am familiar with. I do know that the Logan Airport in Boston, for instance, the nearby neighbors would love to trade tomorrow for the set of restrictions that are imposed on National Airport, with the kind of restrictions that exist they would be very happy to live with; so I do not feel as one who has supported the demands of people who live near airports with some environmental concerns, I do not feel the least inconsistent. I think we already have a very protective situation here.

I would hope that the amendment would be adopted and that we could continue our competitive efforts.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I would be happy to yield to the gentleman from Louisiana.

Mr. ROEMER. I thank the gentleman from Massachusetts.

Let me just get it clear by asking a question. I thought I heard the gentleman say, but I want to make sure it is on the record properly, that the gentleman now supports deregulation in

such competitive markets and the free enterprise system; is that correct?

Mr. FRANK. Oh, I have been supporting competition and deregulation in the airline industry specifically and in general in a number of areas, yes. I am glad to clarify that for the gentleman from Louisiana.

Mr. ROEMER. It was that "in general" phrase that I wanted to make sure the gentleman was born again.

Mr. FRANK. No; I do not believe that I have been born again; but I think in this case I was simply feeling immaculate from the beginning. The fact is that deregulation and an increase in competition has always been a goal of mine and I think it ought to be applied here.

Mr. ROEMER. Very good. I appreciate the gentleman's statement.

Mr. WILSON. Mr. Chairman, would the gentleman yield?

Mr. FRANK. I would be glad to yield to the gentleman from Texas.

Mr. WILSON. Would the gentleman describe to the Chamber the effects of New York Air service between Boston and Washington with this competition?

Mr. FRANK. Clearly the imposition of that service has led to a reduction in fares.

Now, I have to say, I wish New York Air would show a little bit more compassion and a little bit more fairness toward its employees. I do not approve of the union relations that they have followed; but on the other hand, it is clear and the numbers make it very clear that the introduction of New York Air into the situation has led to lower fares, not only their own lower fares, but lower competitive fares. I do not doubt that if they were to disappear, that the fares would find their way back to the prior level.

Mr. WILSON. In other words, if New York Air is squeezed out of National, the gentleman feels fairly certain that the fares would return to their previous heights?

Mr. FRANK. I do not see any reason, I would say to the gentleman from Texas, why they would not. The fares were at a certain level. New York Air entered and reduced the fares. The fares were reduced. I would think it would be a fairly logical guess that the fares would then go back up if New York Air left. It may be that the other airlines would have decided this is a better thing to do; but I do not see any reason to expect that; so I think it is a fairly sure bet that the fares would resume their former heights if New York Air were to be removed from the scene.

Mr. WILSON. I thank the gentleman.

Mr. COUGHLIN. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. Barnes).

Mr. BARNES. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in very strong opposition to the amendment offered by my friend, the gentleman from Texas. For over a decade, those of us here in the Washington area have worked to fashion a policy to plan for the future of our area's airports. We now have a carefully drawn policy, a fair and balanced proposal, pending at the Department of Transportation, and I urge all my colleagues to give this plan a chance. I urge our colleagues to give this plan their support and to oppose this amendment.

Earlier this week, Mr. Chairman, each Member of the House received a letter in the mail on the subject. The letter called upon Members of Congress to recognize the serious problems that exist with respect to congestion safety, and noise affecting our region's airports. The letter was signed by the Governors of Maryland and Virginia, the Mayor of the District of Columbia, area Congressmen, county executives, county council members, dozens of other local officials, and a host of businessmen and citizen representatives, and it was entitled, "A Letter From Your Washington Neighbors."

The purpose on this collective effort was to show the depth of the Washington community's concern over this issue, a concern that is felt by the 2 to 3 million of your "Washington Neighbors" and to ask that we here in Congress give this plan a change to work.

Now, I am sure that most Members of the House are familiar with the problems that we are talking about. National Airport is clearly being used far beyond its designed capacity, and the problems of congestion there simply have been growing worse every year. While the airport debate, as has been noted, does have an excellent safety record, more than a few observers, including a lot of pilots, like our colleague, the gentleman from Virginia, have noted that we cannot just keep on adding additional air traffic to what is already a terribly crowded facility, without eventually raising some extremely serious safety implications and without endangering passengers who fly in and out of that facility.

I would hope that each Member of his body would give very careful consideration to the wisdom of uncontrolled growth at National Airport in the light of these very serious safety considerations.

Very briefly, what this proposed policy that is now pending at the DOT will do is three things: First, it sets a ceiling on passenger traffic at 16 million passengers annually. Now, that allows for growth at National Airport, up from the 14.5 million passengers which were going in and out of National before the PATCO strike.

Second, it tells the airlines that by the year 1986, they have to begin using quieter aircraft. Third, it calls for a very modest reduction in flight slots at National.

The policy does not call for reduction in flights at National. What it does do is send a signal to the airlines which says, "For purposes of your furture growth in the Washington air traffic, once we reach the ceiling of 16 million passengers, which we are nowhere close to yet, let us start using our capacity out at Dulles and at BWI."

I want to emphasize the fact that this policy is carefully drawn. It is balanced. It is a compromise. Many of my constituents would have preferred a much stricter approach, one that would have cut back significantly on National's traffic. Instead, what we have is a policy which looks toward the future growth in air travel, directing that growth to our region's other airports without seriously affecting the status quo at National, which so many of our colleagues are concerned about.

It is important to note also that there is a provision in this policy calling for a careful review 1 year after its implementation. If serious problems arise during that first year, and I do not believe that those problems will occur, they can be addressed at that time.

Mr. Chairman, over 135 Members of this House have signed a letter to Secretary of Transportation Drew Lewis, stating that they are "encouraged by the direction" of this proposed policy. While each Member of the House may not agree in every detail with the proposal, it seems to me important to note that this is not simply a parochial Washington area concern. It is encouraging to see that so many Members of the House from all over the country have recognized that very serious problems do exist and that there is a need to address those problems in a responsible manner, as the Department of Transportation has done.

In summary, the proposal is a very modest one. It does not call for drastic cutbacks at National, as some of our colleagues have been misinformed, but instead it strikes a careful balance among all the affected interests. And, I might add, any changes occurring at National as a result of this policy would simply be a needle in the haystack compared to the effects of the PATCO strike.

The plan that has been drawn up provides for an efficient, rational, and, most importantly, a safe future for our area's airports. The plan is a good one. I hope all our colleagues will support it and I strongly urge your opposition to this amendment, which would gut a good proposal.

Mr. WILSON. Mr. Chairman, I yield the remaining time to the gentleman from Kentucky (Mr. SNYDER). Mr. SNYDER. Mr. Chairman, I thank the gentleman for yielding. I do not believe I need 3 minutes.

I want to read to the Members, those who are here and may be listening on TV, some excerpts from the FAA preliminary regulatory analysis on this policy. This is not what those of us who oppose the policy say. This is what they say:

National Airport air carrier delays may be described as average among major U.S. airports.—page 17.

Some of the passenger demand which cannot be met at National when they reduce the flights will be transferred to Dulles or BWI and some of the demands simply will not be met at all.—page 43 and page 44.

Next:

The average passenger is assumed to incur a total added cost of \$15 when using Dulles or BWI instead of National.—page 45.

Some cancelled operations may be expected to eliminate service to communities currently providing relatively low demand and receiving minimum service. Passengers losing this may find no alternative to the nation's capitol.—page 49.

□ 1545

In regard to the 16 million passenger cap, it involves a gradual decrease in the air carrier quota to about 30 operations per hour by 1990—Page 50.

Some communities must suffer a reduction in service at National—Page 54.

Passengers are expected to experience significant added costs, primarily because of increased airport access costs. Total costs per passenger may increase from about \$2.3 million cost the first year to \$48.1 million in 1990.

That is from page 63.

There are the economics on the situation, directly from FAA's preliminary regulatory analysis, which dictate and demand that on behalf of the consumer and the constituents of this country, regardless of whether they fly from or into National, that the Wilson amendment ought to be adopted.

Mr. Chairman, I yield back to the gentleman from Texas (Mr. Wilson) such time as I have not consumed.

The CHAIRMAN. The gentleman from Kentucky (Mr. SNYDER) yields back 1 minute.

Mr. COUGHLIN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, let us be very clear about what this amendment does. It guts the administration's attempt to solve the problems of noise and congestion and safety at Washington National Airport. It guts it.

I have just gotten off the telephone with Secretary Drew Lewis, and as he correctly points out, if there is no change in the slot allocation, and no closing of the loophole for the ATC landings, there is no policy. No policy.

You know, this problem of National Airport is not a new problem. It is one that has been with us from administration through administration. At some point in the game this Congress

has got to come to grips with it. The administration has courageously and Secretary Lewis has courageously proposed an even and a balanced policy, a policy that is as fair as it can be, to all parties in the problem.

This is not a parochial problem that just involves Washington. It involves all parts of the country. And this is not an Appropriations Committee problem. If you are going to address how to handle National Airport, it should be done through the regulatory process or through the authorization process if that is necessary, as has been done by the administration. It should not be handled by a rider on an appropriations bill.

This amendment would not close the loopholes which allow flights to come into National Airport without slots. This amendment would then, if there were no policy, knock out the expansion of the perimeters. And let me say, my colleagues, that there are more red herrings flying around about this policy than there are herrings in the flords of Norway. Let me just cite a few of them.

It is said that this policy will reduce the number of passengers served by National. That is the claim. But the fact is that the proposed cap on passengers is 16 million persons per year, and National today serves only 15 million persons per year. We would get an additional 1 million people that could be served by National. It does not reduce the number of passengers.

There is a claim that the policy will eliminate some 127 air carrier flights a day, severely inconveniencing air travelers. The fact is that the slots that would be eliminated in most cases are late-at-night slots that are not even used. In reality, the policy basically maintains the status quo of regular landing slots, including those in peak hours.

It is said that the increase in the nonstop perimeter from 650 miles to 1,000 miles will effectively reduce service from cities presently served by National. But the fact is that new nonstop flights from the 1,000-mile cities would involve an estimated less than 10 of the 550 available daily slots, because they now come in on one-stop flights—there maybe would be 10 additional nonstop flights.

It is claimed that the policy would effectively reduce commuter access to National, and that is not true because the administration is presently negotiating additional commuter slots particularly for quiet aircraft such as the Dash-7.

It is claimed that the noise limits in this policy mean that no equipment presently serving National could land there in 1986. The fact is that even current aircraft, to say nothing of the new, quieter aircraft, could, with a load factor of 100 percent, fly the 1,000 miles if they simply adjust the fuel so they are not carrying a lot of extra fuel around that they do not need anyway, for matters of safety or

otherwise

This policy is not going to terminate service to other parts of the country where that service is economically feasible. This policy is not going to eliminate competition. New York Air would have the same right as everybody else to an allocation of slots, the same right as everybody else to additional portions, additional sections on their flights. There would be no change in the method of allocating slots. They still would be allocated by the industry themselves, with each certified carrier having a veto. They would be entitled to slots, and they veto everybody else if they do not get those slots. The last airline that came in, for example, asked for 24 slots and got 18. That is not too bad.

The policy is a rational, reasonable attempt to solve a problem that has been festering and festering and fes-

If we do not have the guts in this Congress that they have in the Department of Transportation to do something about the problem, get the monkey off our backs once and for all, then we are making a very foolish mistake. I hope the amendment will be defeated.

I reserve the balance of my time. Mr. PARRIS. Mr. Chairman, will the

gentleman yield?

Mr. COUGHLIN. I would be happy to yield to the gentleman from Virginia.

Mr. PARRIS, Mr. Chairman, I think the gentleman made a very important point. I would like to pursue it with him, if I might, just for a moment.

As it relates to the noise standards in the proposed policy, I understood you to say that should a commercial airliner take off with enough fuel to go the 1,000 miles on a one-way trip to its destination, that it could, in fact, today, with existing equipment, meet those noise standards, but that the problem that exists today is that that airliner carries enough fuel to go 1,000 miles to its destination, take off and return to Washington, and it therefore requires additional power for takeoff, which affects the noise decibels, that sort of thing, which violates the policy.

Mr. COUGHLIN. The gentleman is absolutely correct. In addition, it wastes energy by carrying all that excess fuel around.

Mr. PARRIS. I thank the gentleman

for yielding

Mr. COUGHLIN. I yield to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. I thank my colleague for yielding.

I rise in opposition to the amendment. I talked to the gentleman from Texas a little bit this morning. But it just strikes me that the Secretary's proposal is a reasonable reduction in flights. It is the only real way we are going to commence to get Dulles Airport, the finest, the safest, actually the best airport in the world, to be used. Granted, there may be a little inconvenience to some of us, but I think that it would be inappropriate to pass this amendment.

Mr. COUGHLIN. I yield to the gentlewoman from Louisiana, Mrs. Boggs. Mrs. BOGGS. I thank the gentle-

man for yielding.

Mr. Chairman, I rise in opposition to the amendment which disrupts the carefully balanced and constructed Washington Metropolitan airports policy.

A careful review of the entire DOT policy proposal shows clearly that a comprehensive and professional analysis was undertaken by the Department on this complex issue to provide a well-balanced solution to a host of complex interrelated issues. The key element of the proposal is its balance. However, this balance will most certainly be adversely affected if the cornerstone of the policy, the slot reduction program, is altered.

Department has succinctly The stated that it is essential that all elements of the policy be implemented together-that there will be no substantial investment in National's redevelopment with its future unresolved. The policy was developed as a package because it is the only way to overcome the continuing controversy over National's future. The environmental impact statement that was prepared under a court order addressed the policy as a whole, not in fragments.

With other members of the Louisiana delegation, I have worked long and diligently on behalf of the policy. We welcomed the announcement of the original approval of the airports policy in August 1980 as the culmination of many long years of effort to rectify inequities in regulations. The subsequent postponements were very disappointing, and an amendment which would damage the long-sought agreements would be costly unwise. Under the policy before us, the people of my State will be allowed. at last, the quality of air service to which they are entitled between the Nation's Capital and Louisiana.

This morning's editorial in the Washington Post calls for reason and rationality in our approach to this major airport policy. I hope that all here will consider carefully the impact of their vote. We cannot have a partial policy-it is all or nothing. I urge the adoption of the policy without amend-

Mr. COUGHLIN. I yield to the gentleman from Nebraska (Mr. BEREU-

Mr. BEREUTER. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment and am very supportive of the statement that the gentleman from Pennsylvania had just made.

In regard to the four cities that are often cited as illustrations of being within the 1,000-mile perimeter but outside the 650-mile perimeter, my understanding is that these are illustrative only. It provides no assurance that there would be nonstop flights to these cities, nor should it be thought to be that this would be an exclusive list.

Is that your understanding?

Mr. COUGHLIN. The gentleman is absolutely correct. The list is illustrative only. Some of those might end up not having nonstop flights. Nonstop flights might come from other cities than the ones that are used for illustrative purposes.

Mr. BEREUTER. My understanding also is that this is likely to have no more than 10 slots assigned to it, as

the gentleman has indicated.

I commend him for the leadership he has provided on this issue and thank him for yielding.

Mr. COUGHLIN. I urge the defeat of the amendment and reserve the bal-

ance of my time.

• Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment. The new policy proposed by the Secretary of Transportation, Drew Lewis, regarding Washington's National Airport is designed to assure the maximum safety of air operations in the Washington area, reduce noise and congestion at National Airport, and encourage the greater use of Dulles International Airport. We must not allow this long overdue plan to be sidetracked by a few special interest groups.

Mr. Chairman, this proposed policy was announced by the Secretary on July 8. It represents an important step toward safe, frequent, and more convenient air service to and from the Washington area. In developing the plan, safety, as always, was given the

highest priority.

This policy attempts to balance the competing interests of the airlines, their passengers, Congress, and the residents of the Washington area. It is a better, more equitable plan than any other one sent to the Congress since I have been here.

Secretary Lewis has spent countless hours developing this responsible, balanced, and comprehensive proposal for the future of Washington's two federally owned airports. The administration has ordered a regulatory review of the policy to occur during the first year of its operation.

For too long now, we have watched the skyways over National Airport become congested with bigger and bigger air carriers of travelers. Concurrent with that activity has been the

dramatic mushrooming of ground transportation. The hustle and bustle of passengers rushing to catch their flights is unnerving. Only the most agile of passengers are able to dodge the traffic and leap over luggage stacked up at the curbs.

This is not a necessary experience for air travelers; their safety in the air and on the ground need not be jeopardized. This is particularly true when we have available to this community a beautiful, safe, and shamefully underutilized airport at Dulles.

There is no earthly reason to subject the public, both the residents in the area and the passenger, to this unnecessary treatment.

I urge you to support the Secretary's well thought-out and balanced approach to our communities' airport needs and vote against this amendment

• Mr. KEMP. Mr. Chairman, I am in strong support of the amendment. It is a carefully drawn limitation on the ability of the Department of Transportation to implement a policy of unwarranted reduction in certain flights at National Airport.

The amendment is needed to redress some of the inequities in the proposed Washington National Airport policy.

Included as part of the proposed reduction in flights at National Airport is the elimination of the authority now utilized by several carriers, including Air Florida, Altair, Northwest, and New York Air to schedule operations in excess of their slot allocations pursuant to air traffic control approval. The scheduling flexibility provided by the ATC or conditional reservation provision has been essential to the ability of low-fare carriers to operate high frequency service at slot-con-strained airports like National, and to thereby introduce the first real measure of competition into many heavily traveled air markets.

Yet while the policy would eliminate ATC authority, it would continue the "extra section rule," whereby extra sections of scheduled flights are not counted against a carrier's slot allocation. Traditionally only one carrier, Eastern Airlines—which holds more slots at National than any other carrier serving that airport—has regularly and routinely conducted extra section operations. In 1980 alone, Eastern conducted in excess of 10,000 extra section operations.

It is inequitable and anticompetitive to deny to all carriers except one the scheduling flexibility that both the extra section rule and the ATC provision provide. And it is simply no answer to say that any carrier can fly extra sections the way Eastern does. In any event, business decisions about what kind of service to offer should be left to the carriers, and not dictated by the Federal Government.

In addition, if the proposed policy's reduction in flights is implemented, it will have an adverse effect on competition. The further restrictions on access to National Airport proposed in the policy, coupled with the elimination of the ATC authority, will make it impossible for new entrants like New York Air, Air Florida, and Altair to offer the competitive services to which the public has thus far responded so favorably. With the curtailment of these competitive services, fares will inevitably rise to or surpass their previous levels, and passengers will have fewer service options from which to choose. Although the policy ostensibly includes a commitment to the principles of the Deregulation Act, it is difficult to reconcile this commitment with the elimination of competition and higher fares that the policy will undoubtedly produce.

• Mr. BIAGGI. Mr. Chairman, I rise to lend my full support to the amendment offered by my colleague from Texas to prohibit any funds from the fiscal year 1982 Department of Transportation bill from being used to implement the administration's ill conceived and faulty National Airport plan.

A number of reasons for supporting this amendment, or more appropriately for opposing the administration's plan, have been articulated here today. Let us dwell on a couple. The first has to do with the impact of the administration's plan on air travel between Washington and New York.

The advent of New York Air's service between Washington and New York has improved air travel between these two important cities. New York Air has been able to offer regularly scheduled flights between National and LaGuardia Airports at a price anywhere between 15 and 50 percent cheaper than that provided by Eastern Air Lines and their air shuttle. The result has been cheaper service for the consumer and better competition in the airline industry. As one of my colleagues pointed out earlier in debate, New York Air's initiative has actually improved Eastern's service and has forced them to lower fares as

In 1978, Congress approved an airline deregulation plan. One of its foremost objectives was to foster greater competition in the largely noncompetitive airline industry. The airline traveler ofttimes was at the complete mercy of one airline to transport them between cities, no matter what the cost or quality of service. The practical realities of airline deregulation have varied from place to place in this Nation. The record is not without some blemishes. However, as it pertains to the heavily traveled New York-to-Washington air route, it has provided more service and lower prices as witnessed by New York Air.

What the administration is proposing with their National Airport plan is a backdoor and backhanded proposal to circumvent and thwart the most laudable objectives of airline deregulation, namely competition in the industry. If airline flights are reduced by as much as 15 and 20 percent as the administration proposes, when the time comes to divide up the available slots at National Airport an airline such as New York Air with newly granted space at National, would most likely be turned away, leaving Eastern with an unhealthy monopoly on the New York-to-Washington route.

As one who has commuted between New York and Washington steadily for the past 13 years, I feel very strongly that competition has been a good development for the airline industry and especially on the route between New York and Washington. We are a nation who believes in the free enterprise system-the "little guy" if you will, should get a fair shake. We have a classic "little guy," "big guy" case before us with this amendment. A vote for the Wilson amendment is a vote for the benefits of competition in the airline industry. It is a vote for convenience for thousands of air travelers on a daily basis. It is even a vote for productivity, for when one considers how much more time the average person would have to spend in the commuting process if they had to fly to Dulles, this would lead to more unproductive traveling time and less time actually working in the city of Washington. This would go for public and private sector employees.

Finally, let me observe a most relevant fact. National Airport has a better safety record than does Dulles Airport. In fact National Airport is one of the safest airports in the Nation. Why therefore must we tamper with something that is obviously working well for those it serves? The logic of the administration's National Airport plan escapes me and because of that I urge it be rejected by virtue of a vote in favor of the Wilson amendment.

The CHAIRMAN. The gentleman from Pennsylvania has 3 additional minutes.

Mr. WILSON. I have no further requests for time, Mr. Chairman.

Mr. COUGHLIN. I have no further requests for time. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WILSON).

The question was taken; and the chairman announced that the noes appeard to have it.

RECORDED VOTE

Mr. WILSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were-ayes 204, noes 188. answered "present" 1, not voting 40. as follows:

[Roll No. 200]

AYES-204 Addabbo Gilman Oberstar Akaka Albosta Ginn Obev Gonzalez Ottinger Alexander Gore Patman Paul Annunzio Gramm Pepper Perkins Anthony Gray Green Archer Peyser Pickle Ashbrook Guarini Hall (OH) Aspin Bailey (PA) Hall, Ralph Hall, Sam Price Quillen Barnard Hammerschmidt Rangel Ratchford Bingham Hance Hansen (ID) Hartnett Blanchard Regula Rinaldo Boland Hawkins Rodino Boner Bonior Heckler Roe Heftel Rogers Bouquard Rosenthal Bowen Broomfield Hendon Rostenkowski Brown (CA) Hightower Roth Hollenbeck Roukema Carney Chisholm Hopkins Roybal Horton Rudd Clay Coelho Collins (TX) Howard Hubbard Russo Sabo Ireland Sawyer Scheuer Jacobs Courter Daniel, R. W. Jenkins Schumer Jones (OK) Sensenbrenner Danielson de la Garza Jones (TN) Shannon Kastenmeier Dellums Simon Smith (PA) Derrick Kazen Derwinski Kemp Snowe Dicks LaFalce Snyder Dingell Donnelly Leath LeBoutillier Solarz Solomon Dorgan Leland Spence Levitas St Germain Dowdy Loeffler Markey Downey Stangeland Stanton Duncan Dwyer Dymally Marlenee Stark Martin (NC) Staton Mattox Mayroules Early Stenholm Edwards (OK) Stokes Mazzoli McCurdy Stratton English Evans (GA) Studds Evans (IN) McDonald Stump Fary Fascell McHugh Synar Taylor McKinney Fenwick Mica Traxler Miller (CA) Vento Ferraro Fields Minish Volkmer Mitchell (NY) Wampler Fish Moakley Moffett Fithian Washington Watkins Flippo Weber (OH) Molinari Ford (MI) Montgomery Weiss Mottl Ford (TN White Whitehurst Murphy Fountain Whitley Williams (OH) Murtha Fowler Myers Napier Frank Wilson Frenzel Frost Natcher Yates Young (FL) Neal Fugua Garcia Gejdenson Young (MO) Zablocki Nelson Nowak

NOES-188

Oakar

Gibbons

Zeferetti

Bonker Conte Anderson Atkinson AuCoin Breaux Brinkley Corcoran Coughlin Coyne, James Coyne, William Badham Brodhead Bailey (MO) Brown (CO) Broyhill Craig Barnes D'Amours Burgener Beard Butler Daniel, Dan Bedell Dannemeyer Benedict Byron Benjamin Carman Daschle Daub Bennett Chappie Cheney Bereuter Davis Deckard Bethune Clausen DeNardis Dickinson Clinger Bevill Bliley Coats Coleman Conable Dornan Boggs Bolling Dougherty

Dreier Dunn Rahall Railsback Lee Lehman Dyson Eckart Lent Livingston Reuss Ritter Roberts (KS) Edwards (AL) Long (LA) Long (MD) Roberts (SD) Emerson Emery Erlenborn Lott Robinson Lowery (CA) Roemer Rousselot Ertel Lowry (WA) Evans (DE) Schneider Lujan Evans (IA) Luken Schroeder Lundine Fiedler Lungren Seiberling Sharp Findley Madigan Foglietta Marks Shaw Forsythe Marriott Shelby Gephardt Glickman Martin (IL) Shumway Martin (NY) Shuster Goodling Matsui Siliander McClory Gradison Skeen McCollum Smith (AL) Smith (IA) Grisham McDade McEwen McGrath Smith (NE) Smith (NJ) Gunderson Hagedorn Michel Mikulski Hamilton Smith (OR) Hansen (UT) Swift Harkin Miller (OH) Tauke Hatcher Mineta Tauzin Mitchell (MD) Thomas Hillis Mollohan Trible Udall Holt Moore Vander Jagt Hoyer Huckaby Moorhead Morrison Walgren Walker Weber (MN) Whittaker Hughes Nelligan Nichols Hunter Hutto O'Brien Whitten Hyde Oxley Williams (MT) Jeffords Jeffries Panetta Winn Parris Kildee Pashayan Wirth Wolf Patterson Kindness Wolpe Wortley Pease Petri Kogovsek Kramer Lagomarsino Wylie Pritchard Yatron Lantos Pursell Leach

ANSWERED "PRESENT"-1

Johnston

NOT VOTING-40

Andrews	Dixon	Rhodes
Applegate	Edgar	Richmond
Bafalis	Edwards (CA)	Rose
Beilenson	Erdahl	Santini
Brooks	Florio	Savage
Brown (OH)	Gaydos	Shamansky
Burton, John	Gingrich	Skelton
Burton, Phillip	Goldwater	Waxman
Campbell	Hefner	Weaver
Chappell	Holland	Wright
Collins (IL)	Jones (NC)	Wyden
Crane, Daniel	Latta	Young (AK)
Crane, Philip	Lewis	
Crockett	McCloskev	

□ 1610

The Clerk announced the following

On this vote:

Mr. Richmond for, with Mr. Edwards of California against

Mr. Chappell for, with Mr. Young of Alaska against.

Mr. Dixon for, with Mr. Lewis against. Mr. Shamansky for, with Mr. Philip M. Crane against.

Mr. Florio for, with Mr. Daniel B. Crane

Mr. Erdahl for, with Mr. Latta against.

DREIER EMERSON Messrs. WHITTEN, and THOMAS changed their votes from "aye" to "no."

So the amendment was agreed to. The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. JOHNSTON. I desire to state for the RECORD that on the last vote I

voted "present" because of a financial interest in the outcome of the vote.

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS, Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Levitas: Page 38, after line 15, insert the following:

Sec. 326. None of the funds appropriated by this act shall be used to implement, administer, or enforce Order 81-5-27 of the Civil Aeronautics Board or any other order of the Civil Aeronautics Board which prohibits or has the effect of prohibiting any U.S. air carrier from participating in the International Air Transport Association's North Atlantic Traffic Conference under its existing articles and provisions.

Mr. LEVITAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LEVITAS. Mr. Chairman, the purpose of this amendment is to postpone or to prohibit the implementation for the period of this appropriation of a show cause order which the CAB has issued that will become effec-tive on September 15 and would have the effect of precluding U.S.-flag carriers from participating in the North Atlantic Conference sponsored by the International Air Transport Association.

The International Air Transport Association is a conference of air carriers that convenes to have discussions and propose rates and other agreements with respect to air transportation over the North Atlantic. If the show cause order goes into effect, it will have the consequence of precluding American-flag carriers from participating in the conference and yet would let the foreign-flag carriers participate.

Mr. Chairman, the consequence would be to place American-flag carriers at a disadvantage. They are already at a disadvantage in competing with foreign carriers which are subsidized by their own governments against losses, whereas American-flag carriers are required to show a profit. This would now let the Europeans participate in the North Atlantic rate conference and yet preclude Americanflag carriers from doing so.

I believe in and have supported open competition and deregulation in this country, but when we are talking about international competition, we do not have control over what foreign carriers do and, therefore, we should not place our own carriers at a competitive disadvantage. Therefore, I think that this amendment is necessary in order to assure that Americanflag carriers which desire to participate in IATA's North Atlantic Conference be allowed to do so.

□ 1620

One last point. On August 20 of this year President Reagan wrote to the Chairman of the CAB and asked the CAB if they would extend or postpone the effective date of the show cause order beyond September 15 in order to give it as a gesture of cooperation with foreign governments who have cooperated with us during the air controllers' strike. There has been no formal response or acknowledgement up to this point by the CAB.

The effect of my amendment would accomplish what the President has asked the CAB to do, which is postpone the effective date of the particular show cause order. At the proper time, when we are in the House, I will ask unanimous consent to insert President Reagan's letter in the Record.

The letter follows:

PRESIDENT REAGAN'S LETTER TO CAB CHAIRMAN ON SHOW CAUSE DECISION

THE WHITE HOUSE, Washington August 20, 1981.

Hon. Marvin S. Cohen, Chairman, Civil Aeronautics Board, Washington, D.C.

Dear Mr. Chairman: As you know, the Administration has, in the aftermath of the recent illegal strike by the Professional Air Traffic Controllers Organization, undertaken a major effort to restore to full capacity the nation's domestic and international air transportation system. Your cooperation in increasing the regulatory flexibility available to the airline industry during this period has been greatly appreciated.

Foreign governments have played a significant role in assisting our efforts to maintain international air transportation, particularly with respect to unauthorized actions by foreign air traffic controllers apparently intended to express sympathy for the PATCO strike. Because unchecked actions by foreign controllers could seriously disrupt air commerce to and from the United States, the continued cooperation of our aviation partners abroad is essential. Therefore, it is especially important during this period that the United States demonstrate its continued support for an international aviation system founded on comity and reciprocity, and its sensitivity to foreign government concerns.

One source of foreign concern, as you are aware, is the Board's recent decision in the LATA Show Cause Proceeding, Presently scheduled to become effective September 15, 1981. I am not expressing any view on the merits of the important and complex issues involved in this proceeding, to which the Board has devoted considerable energy and attention. However, in light of the present situation, I consider it essential that the United States take every reasonable step to reassure the international aviation community of our willingness to address matters of common concern in a cooperative manner.

Accordingly, I have determined that it would be appropriate and in the best interest of our foreign policy that the Board extend the effective date of its decision in the IATA Show Cause Proceeding beyond September 15, so that our continuing efforts to maintain foreign government cooperation as we rebuild our air traffic control system

will not be adversely affected. I urge the Board to take this action promptly.

Sincerely, Ronald Reagan

Mr. BENJAMIN. Mr. Chairman, will the gentleman yield? Mr. LEVITAS. I am happy to yield

Mr. LEVITAS. I am happy to yield to my distinguished chairman.

Mr. BENJAMIN. We on this side have examined the amendment by the distinguished member of the Georgia delegation (Mr. Levitas). We find it is only fair and equitable to the American-flag carriers in international operations. We support the amendment and ask its acceptance.

Mr. LEVITAS. I thank the gentle-

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I will be happy to yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, to the extent that I understand the amendment, and I think I understand the amendment, I have no objection to it.

Mr. LEVITAS. I thank the gentleman from Pennsylvania and yield back the balance of my time.

the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Levitas).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WALKER
Mr. WALKER. Mr. Chairman, I
offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 38, after line 15, insert the following new section:

"Sec. 322. None of the funds provided in this Act shall be used to rehire Federal air traffic controllers engaged in a strike in violation of Federal law."

Mr. COUGHLIN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman reserves a point of order against the amendment.

Mr. WALKER. Mr. Chairman, I would ask the gentleman if he would care to speak to his point of order at the present time, before I make my presentation on the amendment. I would appreciate it if the gentleman would raise the point of order.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. COUGHLIN) can reserve his point of order until after the gentleman's initial statement

Mr. WALKER. Mr. Chairman, this speaks to one of the issues that is most on the minds of the American people where the American people have made clear their opinion. By the overwhelming majority, the American people have endorsed the administration's position with regard to the air traffic controllers' strike that is presently underway in this country.

derway in this country.

The administration has made very clear its position with regard to this

kind of illegal action against the public trust. It has said that there will be no amnesty, and it has said that we go from here and rebuild the system.

Yet, Mr. Chairman, that vital rebuilding of the system is being frustrated by reports that negotiations might take place in the future, that something might happen in the future that would change the status of all of this. So we really cannot get down to the work of really getting that system rebuilt in as quick and orderly a fashion as possible.

So, therefore, Mr. Chairman, what this amendment does is makes clear the congressional intent that what we are saying, in a very blunt way, is that illegally striking controllers cannot be rehired. In other words, we are backing up the position that this administration has taken.

This does not prevent the Department from taking back those people who were kept away from their jobs by harassment, by illness, or some other administratively determinable problem. In those kinds of cases there is a procedure which does not require rehiring, as this amendment makes a clear distinction. The withdrawal of a notice of termination, which is involved in the case where people were harassed or something like that, is not a rehiring action and so, therefore, this would not affect those people in any way whatsoever.

Also, Mr. Chairman, it does not impact adversely on safety in any way. We have just completed hearings in the Government Operations Committee Subcommittee on Government Activities and Transportation in which we are being told that the curtailed system we are now operating under is safe. It may, indeed, be even safer than the system we had prior to August 3.

So there is no problem with regard to safety involved in this particular amendment.

What the amendment does is make absolutely plain that Congress will not countenance illegal strikes against the public interest. The operative language in this amendment regards a violation in Federal law. To support this amendment is to put this House on record in favor of violation of Federal law. I do not think we want to do that. We will not permit the funds that we appropriate in this House to go to those who have violated the public trust.

That is what this amendment says. That is what this amendment is all about.

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. Cough-LIN) insist on his point of order?

Mr. COUGHLIN. Mr. Chairman, I do.

Mr. Chairman, I make a point of order that the amendment offered by

the gentleman from Pennsylvania is legislation on an appropriation bill, contrary to clause 2 of rule XXI.

I make the further point of order that it places additional duties on officers of the Government or implicitly requires them to make investigations, compile data or otherwise make determinations not otherwise required by law.

Mr. Chairman, chapter 26 of the Deschler's procedure, section 11.2 states:

Where an amendment, in the guise of a limitation, imposes additional determinations and duties on an executive, it may be ruled out as legislation on a general appropriation bill.

Section 11.19 of chapter 26 states:

It is not in order on a general appropriation bill to condition the availability of funds to an executive agency upon the submission by that agency of reports not required by existing law.

It is clear, Mr. Chairman, that the amendment of the gentleman from Pennsylvania requires additional duties and, therefore, is subject to a point of order.

Mr. WALKER. Mr. Chairman, I would like to speak to the point of order if I could.

The CHAIRMAN. The gentleman from Pennsylvania is recognized to speak in opposition to the point of order.

Mr. WALKER. I thank the Chairman.

Mr. Chairman, this particular amendment is not in violation of the rules of the House. It is a mere limitation on the expediture of funds. It does not involve any additional duties on behalf of the Department of Transportation in any administrative fashion whatsoever and so, therefore, is in perfect compliance with the rules of this House regarding limitation amendments of this type.

The CHAIRMAN. Are there Members who wish to be heard on the point of order?

Mr. ECKART. Mr. Chairman, I would like to speak in support of the point of order.

I would like to draw to the Chair's attention that, in fact, other duties may be incumbent as a result of this point of order in the amendment raised by virtue of the fact that it would require a self-standing judicial determination to be made if, in fact, the strike was a violation of Federal laws, separate judicial determination that has not been made. Therefore, there is a contingency contained in this amendment which I believe would place it within the grounds of the point of order raised by the gentleman from Pennsylvania (Mr. Coughlin) and, therefore, the point of order should be well taken by the Chair.

Mr. HYDE. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The gentleman from Illinois (Mr. Hyde) will be recognized for that purpose.

Mr. HYDE. I would like to suggest that it does impose additional duties on the Federal Government to determine who is on strike and who is not and who has been harassed or intimidated or for whatever reason. It just is not readily apparent when someone is not appearing for work the reason therefor and, therefore, I submit it is legislating on appropriations.

The CHAIRMAN. If there are no further additional Members who wish to be heard, the Chair would opine that the determination required of the Federal Government by the amendment involves a set of facts that is within the knowledge of the Federal Government in that the Federal Government is under an obligation to know which of its employees have been engaged in a strike in violation of Federal laws.

The Chair would cite the precedent in Deschler's procedure, chapter 5, section 12.7, which states:

While an amendment under the guise of a limitation may not require affirmative action or additional duties on the part of federal officials, it is in order on a general appropriation bill to deny funds to a nonfederal recipient of a federal grant program unless he is in compliance with a provision of federal law; for such a requirement places no new duties on a federal official (who is already charged with responsibility for enforcing the law) but only on the non-federal grantee.

The Chair would also cite the related precedents appearing in Cannon's precedents, volume 7, sections 1661 and 1662.

For these reasons the Chair overrules the point of order.

□ 1630

Mr. LEVITAS. Mr. Chairman, I rise in opposition to the amendment because I think it will very damagingly tie the hands of the Secretary of Transportation in ways that the gentleman from Pennsylvania may not even envision at this point and will make it difficult for his fellow Pennsylvanian to carry on the outstanding work that he has done in managing this very bad situation that we find ourselves in today.

As chairman of the Subcommittee on Investigations and Oversight of the Committee on Public Works and Transportation, we have been very carefully monitoring the situation from its very inception earlier this year. I want it made very clear that I fully support the actions taken to this date by the Secretary of Transportation, Mr. Lewis. I think he has done an outstanding job.

There is no question in my mind that the controllers had some legitimate grievances that could have been addressed in the proper forum, but they were put on notice by everybody who had an opportunity to do so that they should not engage in this particular—what I consider to be—illegal strike. Therefore, I support the actions of the administration in what they have done so far.

But Mr. Lewis, at the time he took the initial action, and President Reagan at the time he made his announcement, made it very clear that there were certain individuals who might be able to prove that through harassment, through intimidation or other actions, were not voluntarily leaving their jobs or staying off the job, but really had no choice in the matter. And I can tell you, based on my own personal investigation and that of our staff up to this point. there are some real examples of harassment and intimidation and coercion. I would certainly not want to see Secretary Lewis hamstrung in the way that I think he would be under this amendment.

I would like to inquire of my friend, the gentleman from Pennsylvania, whether or not the Secretary and the administration support this amendment. I would like to be enlightened on that point.

Mr. WALKER. If the gentleman will yield, I would, first of all, ask the gentleman how he thinks that the Secretary would be in any way hamstrung by this particular amendment.

Mr. LEVITAS. The way I think he might be hamstrung is that I believe at the time new actions are going to be required to be taken, after PATCO is decertified, when they are going to have to consider the applications of the individuals who have been able to claim legitimately intimidation and harassment, that he may be precluded from acting in that fashion. And I do not think the gentleman from Pennsylvania would want that. I have read the amendment very carefully. There have been people who were in fact fired, that the administration would like, I believe, based on what they have said at this point, on a case-bycase basis, to examine. And I would not want to see Secretary Lewis hamstrung in that way.

Mr. WALKER. If the gentleman will yield further, I thank the gentleman for pointing that out. However, the people to whom he refers who were intimidated and harassed, and so on, I have carefully checked out the procedures with regard to those people. It is very clear that that involves the withdrawal of the notice of termination. It would not involve rehiring the people in that sense. That is why the word "rehire" is in the amendment.

Therefore, those people can be brought back on to the job, and there would be no problem under this amendment in bringing those persons back to work. So, therefore, that does not hamstring the Secretary.

Mr. LEVITAS. Let me say this again: I am satisfied that the administration's position is clear. They have taken the action, I think quite correctly. There is not going to be any general amnesty: I am convinced of that. I am not quarreling with that. That is why I asked the gentleman the question of whether or not he has discussed this amendment with the Secretary or the administration, because I do not think it is one that would be helpful to their efforts in dealing with this very sensitive situation.

Mr. WALKER. If the gentleman will yield, my discussions with the Department of Transportation on this amendment indicated that they have no objection to the amendment.

Mr. KEMP. Mr. Chairman, will the

gentleman yield?

Mr. LEVITAS. I yield to the gentle-

man from New York.

Mr. KEMP. I thank my friend, the gentleman from Georgia, for yielding. I am strongly opposed to this amendment. Without regard to any value judgment, I think it is unfortunate that we are attempting on an appropriation bill, as the gentleman has suggested, to very tightly hamstring the options not only of the Secretary and Department of Transportation, but of the President as well. These are very sensitive discussions and very sensitive times, and I personally do not think that an appropriation bill is the proper place for this restriction.

I do not support the controller's strike, which I believe is illegal, although I do recognize that the controllers have faced very difficult and demanding working conditions. What I am objecting to is legislating permanent punishment for all the controllers and their families, when many, I believe, have been the victims of the actions of a few. At some point I hope that we will be able to temper our justice with compassion, and bring this unfortunate episode to an end. Let us not eliminate any of the President's options—especially through the inappropriate vehicle of an appropriations bill.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. LEVITAS)

has expired.

(On request of Mr. Hyde and by unanimous consent, Mr. Levitas was allowed to proceed for 2 additional minutes.)

Mr. HYDE. Mr. Chairman, will the

gentleman yield?

Mr. LEVITAS. I yield to the gentle-

man from Illinois.

Mr. HYDE. Mr. Chairman, I want to associate myself with the remarks of the gentleman. I do not think the Secretary of Transportation needs our help in this matter. It is a matter of extreme delicacy, and he is doing a fine job. I really appreciate the remarks of the gentleman and I associate myself with his remarks.

Mr. LEVITAS. I thank the gentle-

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I support the gentleman from Georgia in his remarks. I think there is one thing that has not been mentioned in this discussion so far, and that is that the airlines themselves have been losing a lot of money. A lot of people are being thrown off the job. We are having economic difficulties as a result.

The New York Times pointed out, in a sensitive editorial a week or so ago, that when the union is decertified, are we going to then continue the 2 or 3 years that may be required to get the airlines back into a 100-percent flying operation?

And it may well be that at that point the Secretary of Transportation would like to rehire some of the more competent, experienced individuals, with certain penalties, perhaps, reduced seniority, reduced pay, something of that kind.

It seems to me that the health of the American aviation industry is the basic question here, and I think the amendment of the gentleman from Pennsylvania would in fact undermine that and seriously threaten it.

Mr. LEVITAS. I thank the gentleman from New York for his observa-

tions.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I commend the gentleman. I think if the Members vote for this amendment they are essentially voting against the actions of the administration.

Drew Lewis, I can guarantee, would never want this amendment. As the gentleman from Illinois (Mr. Hyde) said, this is very sensitive. He wants to have the right to look at all of the issues, safety related issues, hiring of harassed employees back, and I think a vote for this amendment is a vote of no confidence in the way the administration has handled the situation. So I urge a no vote.

Mr. LEVITAS. I thank the gentleman for his remarks.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from California.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. Levitas) has expired.

(On request of Mr. Danielson and by unanimous consent, Mr. Levitas was allowed to proceed for 2 additional minutes.)

Mr. DANIELSON. I thank the gentleman for yielding.

Mr. Chairman, I support and endorse and associate myself with the remarks of the gentleman in the well and those who have risen in support of him.

I think that this amendment is very, very improvident at this time. The administration is having a very delicate, a very difficult job resolving the airline crisis, and we should do nothing which would interfere with their efforts in that regard.

To adopt this amendment at this time would, in my opinion, be mischievous, because it would frustrate them and it would prevent them from taking whatever necessary actions may run down the line.

I think this illustrates perfectly the importance of our rule against legislation on an appropriation bill. Apparently the call on this particular point of order was very close. Unfortunately, the point of order apparently was not well taken. However, this illustrates the vice, the mischief of putting legislation on an appropriation bill. Even though, apparently, this does not fit into our rule as a violation, this is a very good amendment to turn down. I urge all of my friends to turn it down.

□ 1640

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

A number of statements I do not think are cognizant of the fact when the Secretary addressed our subcommittee yesterday he made very plain that there will be no amnesty—he said this under oath—there will be no amnesty now or in the future for any of the striking controllers.

This amendment was prepared with that in mind.

Therefore, the language in here, the functional language regards the violation of Federal law. We cannot ignore in any of the statements that are being made here that we are talking about endorsing a violation of Federal law if in fact we turn down this amendment and it goes right along the lines of what the Secretary said under oath yesterday.

Mr. LEVITAS. I would like to respond to this. I do not agree. I totally supported the Secretary of Transportation from the very beginning and I do again here today.

Mr. CHAIRMAN. The time of the gentleman from Georgia (Mr. Levitas) has expired.

(At the request of Mr. Walker and by unanimous consent, Mr. Levitas was allowed to proceed for 1 additional minute.)

Mr. LEVITAS. I think that this amendment will show a lack of confidence in the way the Secretary has

handled this entire matter. I think the worst thing we can do is to get Congress involved in the very delicate and expert way in which the Secretary has been handling this and I think if we adopt this amendment, indeed, if we even vote on this amendment, we are sending the wrong messages to any side.

I personally wrote a letter along with 17 other Members to each controller and put them on notice as to what would happen, and the Secretary has taken the appropriate action to this point. But to tie the hands of Secretary Lewis who has responded so well and so effectively up to this point, I think, would be a very serious mistake. I think we would be destabilizing the situation as it now exists without achieving anything, and I certainly hope that we will defeat this amendment.

I realize it is being offered with all good intention, but I think it would have a very counterproductive effect and I urge its defeat.

Mr. McGRATH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this particular amendment because I, too, was at those hearings yesterday. I want to associate myself with the comments of the gentleman from Georgia. I think the administration is doing the right thing as far as the strike is concerned.

However, when I was questioning Secretary Lewis and Administrator Helms. I asked them how many people were, at that time, on August 3, were either out sick, out on leave, or out on vacation and who were willing to come back but through harassment or some other form of harassment perhaps could not get back. What would happen in this particular case?

He said each case would be taken on an individual basis and then hiring or not hiring would be forthcoming based on their judgment.

I think by passing this amendment we would be hamstringing those opportunities for Administrator Helms and Secretary Lewis to bring back the people who genuinely wanted to come back to work. So, I oppose the amendment.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. We have heard now from those on the side of the Secretary and the President who think that they have done a great job in smashing a union, imprisoning the leaders of the union, firing those members who have gone along with the majority vote, even though they had no occasion to be heard or to have their position clarified, and now we are being asked to ratify the greatest union busting act in the 20th century coming from the White House.

In fact, the President's response to the air traffic controller's strike is without parallel in the history of our country. Never before has there been such a deliberate effort to eliminate a national union. The President's firing and jailing of union members, his impounding of union funds is without justification. The President and the Department of Transportation have ignored constructive avenues for resolving the conflict and are now asking this body to join them in their irrational actions.

Just how do the Members of this body, who happen to feel that if you have a collective bargaining agreement, that makes strikes illegal, and imposes an oath that requires workers to work regardless of the unilateral nature of the contract even though it violates condition after condition, vote on this proposal?

Will we join all of those who think the Secretary and the President are doing a fine job?

I would like to suggest to my colleagues that public employee strikes are on the increase and strikes in the private sector are on the decrease, and why? Because we removed the right to strike from the collective bargaining agreements of Federal employees. The cops strike, doctors strike hospitals are closed down and teachers are out in every State in the Union, but anybody that works for the Federal Government, whether he tosses a letter or answers a phone, is violating the law because the Congress happens to be the

The idea that Government employees are different from other types of workers is without foundation. Utility companies, A.T. & T., the railroads and others provide services that are no less essential than those of air traffic controllers, postal workers, and other governmental employees. Yet employees in the private sector have the right to strike under Federal law.

Court injunctions and criminal penalties have not proved a deterrent to such strikes by State and local or Federal employees. In fact, between 1978 and 1979 the number of strikes in the public sector rose by 23 percent, the number of workers on strike grew by 30 percent and the number of working days jumped by 75 percent. The size and duration of the average strike in the private sector diminished while it increased in the public sector. We, as the protector of the public interest, must give reasoned consideration to these facts and not react in a way simi-

lar to the President. Federal employees should be protected from arbitrary governmental intervention to the same extent as their counterparts in the private sector. There is no countervailing bargaining power if a union does not have

the right to strike. In providing Federal employees with such power, we can reverse the trend toward more public sector strikes, and in the process. remove the double standard that has become so embarrassing to the Nation.

This body should understand that the Federal Government as an employer should be no more sovereign than any other employer.

So I hope that this incredibly poor amendment fails and that all of the Members who know that the negotiations are terminated, all of the Members who know that there will not be any further compromise, all of the Members who are positive that there are no meetings going on anywhere about this strike will understand that the airlines are losing millions of dollars every week and are urging the administration to do something about it.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Missouri.

Mr. CLAY. I thank the gentleman for yielding.

I understand that the motivation behind this amendment supposedly is because the airline traffic controllers are engaged in an illegal strike against the Government.

Two days before this body went into recess we passed a resolution 414 to 3. If I am not mistaken that encouraged Government workers in the country of Poland to continue their illegal strikes against the Polish Government.

Now, can the gentleman explain to me how in one instance we will reprimand and we will want to treat harshly American citizens for exercising and extending the same rights that we are encouraging Communist citizens to involve themselves in?

Will the gentleman explain that to me.

Mr. CONYERS. I refer it to the administration and I would ask for a recorded vote on this amendment.

Mr. SAM B. HALL, JR. Mr. Chair-

man, will the gentleman yield? Mr. CONYERS. I yield to the gentle-

man from Texas. Mr. SAM B. HALL, JR. I thank the

gentleman for yielding. I would point out that a few weeks

ago I had a group of these fired people in my office in Texas. While they were there I called a gentleman in the Department of Transportation who told me at that time-I am saying this with reference to the import of what this amendment can do-I was told by the Department of Transportation people that there had been designated the tower chief in each city, in this instance in Shreveport, La., who had the power and the authority upon talking with these people, if he found it so that they had not participated in any marches after they had been discharged, and if he came to the conclusion that they should be rehired, that he had the power and the authority to rehire these people. All of these applications for rehirings would be examined personally by Mr. Lewis.

Now it looks to me like if this amendment carries, that the tower chiefs who have been given this authority would no longer have any au-

thority to do anything.

Mr. CONYERS. For all that are working under the illusion that the airlines are safer than ever, I refer the gentleman to a superintendent of the professional air traffic controllers in Michigan, who quit his job because he refused to be around to take responsibility for what may happen.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite

number of words.

Mr. Chairman, I rise in opposition to

the amendment.

While I certainly respect the concern expressed by the author of the amendment, as chairman of the Committee on Post Office and Civil Service, I am a little bit distressed that we are even having this discussion.

Now, we have been through this before with the same group of people, as a matter of fact. Some of the Members will remember that about 10 years ago we had what some people called the slowdown and other people called a sickout, and some people called a strike. Air traffic controllers are civil service employees the same as people who work on the repair of our airplanes at military air bases and guard our borders and guard the President, for that matter. We have procedures in the civil service law for dealing with people who do something which in the opinion of their agency is inimical to the Federal service. They can separate them.

As has been stated here by a number of people, this is still a live matter with the administration and everyone else concerned with getting this country back on its feet, doing the very best they can not to throw gasoline on a fire and take sides in what started out basically as a disagreement between labor and management.

□ 1650

Our committee, as it did 10 years ago, and I wish the gentleman from Illinois (Mr. Derwinski) was here to join with me, will, when it is opportune to do so and not complicate the problem, hold full and complete hearings and give everyone an opportunity who has an opinion to express it. We will see if we can assist the administration in its responsibility for keeping the Government operating, fulfill the civil service laws, and, at the same time, examine the possibilities of avoiding a recurrence of this situation.

The last time this happened President Nixon was our President. I suppose if I had not told you that, I could

walk around the floor all day and ask you to tell me, "Who was the President the last time we had a strike by air traffic controllers?"

I doubt that very many people would remember. I have asked that question several times in the last few days and they do not. Do you know why? Because before it was through, President Nixon and his Secretary of Labor had worked out an arrangement whereby we ended up with the final and full termination of some 90 air traffic controllers, not the people originally fired, but case by case, as Secretary Drew Lewis has indicated he is going to deal with this and his people are going to deal with it. The Nixon administration worked their through it and we ended up with the permanent firing of some 90 people.

Now, there is a possibility that folks of good will are going to resolve this problem, and that is what we really want—a solution to the problem, not an excuse to take sides. That is one reason why we should not be meddling at this point and either loading the dice for or against anybody in the game, or tying the hands of the administration, which in this case is in the position as management to do whatever they think in their wisdom is the best to solve the matter.

We also have something else. In 1978 we passed something we called the Civil Service Reform Act, which was heralded as an attempt to modernize, update, and clarify the civil service laws of the Federal Government.

The thousands of controllers who were fired are now in the process of appeals under that law.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. FORD of Michigan was allowed to proceed for 3 additional minutes.)

Mr. FORD of Michigan. If, indeed, the Merit Systems Protection Board determines that some of these people did not participate in the strike, that they were trying to get to work and could not get there, as has been suggested, there will be a determination that they can go back to work.

Now in this amendment we are saying that we are going to step in between the administration, the due process that is afforded by the statute and the employee because we want to take sides.

I see the gentleman from Illinois. I mentioned him while he was gone.

I have just assured them, I say to the gentleman, that we are going to hold hearings when it is opportune for us to do so without causing more trouble.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield for just a brief observation?

Mr. FORD of Michigan. I yield to the gentleman from Illinois.

Mr. DERWINSKI. The gentleman is absolutely correct when he emphasizes that there is an appeals process. In the merits of many cases, these individuals will be rehired, we hope, and nothing should be done to interfere with that process, especially when they will be able to prove in certain instances that there was intimidation or pressure and they do deserve their jobs back.

I do not think anyone in fairness would want to interfere with that process that so many of them at that stage where some final maybe positive judgment will be rendered.

Mr. CONYERS. Mr. Chairman, will the gentleman yield briefly?

Mr. FORD of Michigan. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I hope that the author of this amendment, having heard the full scope of this debate, will withdraw this from the possibility of facing a record vote.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that the amendment be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BENJAMIN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GEPHARDT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4209) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1982, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. PARRIS

Mr. PARRIS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PARRIS. I am in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Parris moves to recommit the bill, H.R. 4209, to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO HAVE UNTIL SEPTEM-MIDNIGHT FRIDAY, BER 11, 1981, TO FILE CONFER-ENCE REPORT ON H.R. 4034, HOUSING AND URBAN DEVEL-OPMENT-INDEPENDENT AGEN-APPROPRIATION CIES ACT.

Mr. BENJAMIN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight Friday, September 11, to file a conference report on the bill-H.R. 4034-making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MAKING IN ORDER ON TUES-DAY, SEPTEMBER 15, 1981, OR ANY DAY THEREAFTER, CON-SIDERATION OF CONFERENCE AND REPORT ANY AMEND-MENTS IN DISAGREEMENT ON HUD APPROPRIA-H.R. 4034. **TIONS, 1982**

Mr. BENJAMIN. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Tuesday, September 15, 1981, or any day thereafter, to consider the conference report and any amendments in disagreement on the bill-H.R. 4034-making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

CONGRESSIONAL RECORD—HOUSE

There was no objection.

PERSONAL EXPLANATION

Mr. DANIELSON. Mr. Speaker, I was absent from the Chamber at the time of rollcall No. 195 at 10:36 a.m. today on the motion to go into the Committee of the Whole. If I had been present, I would have voted "yea." I was doing more important I was doing more important things and my failure to vote did not affect the outcome of the vote.

TWO NEW DEFERRALS AND RE-VISIONS TO THREE PREVIOUS-LY REPORTED DEFERRALS-MESSAGE FROM THE PRESI-DENT OF THE UNITED STATES (H. DOC. NO. 97-90)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals totaling \$6.7 million and revisions to three previously reported deferrals.

The deferrals affect programs in International Development Assistance, the Department of Health and Human Services, the Department of Transportation, the Pennsylvania Avenue Development Corporation, and the Motor Carrier Ratemaking Study Commis-

The details of each deferral are contained in the attached reports.

RONALD REAGAN THE WHITE HOUSE, September 10, 1981.

□ 1700

LEGISLATIVE PROGRAM

(Mr. KEMP asked and was given permission to address the House for 1 minute.)

Mr. KEMP. Mr. Speaker, I take this time for the purpose of inquiring as to the schedule for the balance of the week and for next week.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I would be happy to yield to the gentleman from Pennsyl-

Mr. MURTHA. As the gentleman knows, there will be a pro forma session tomorrow.

On Monday, the House will meet at noon for the purpose of considering House Concurrent Resolution 153, the Martin Luther King Statue under suspension of the rules. Following that the House will consider H.R. 3380, the

Armed Forces Pay Act of 1981, under an open rule with 2 hours of debate, general debate only. The rule has already been adopted. Any recorded votes will be postponed until Tuesday. September 15.

September 10, 1981

On Tuesday, September 15, the House will meet at noon. There are no bills scheduled on the Private Calendar or under suspension. Any recorded votes postponed from Monday, September 14, will be taken on Tuesday. Following that, the House will complete consideration of H.R. 3380, the Armed Forces Pay Act of 1981

On Wednesday and the balance of the week, September 16, 17, and 18, the House meets at 10 a.m. to consider H.R. 4241, military construction appropriations, fiscal year 1982, and H.R. 3518, State Department authorizations, under an open rule with 1 hour of debate.

The House will adjourn by 3 p.m. on Friday. Adjournment times on other days will be announced daily. Conference reports may be brought up at any time, and any further program will be announced later.

Mr. KEMP. Am I correct in understanding that there will be absolutely no votes on Friday of this week?

Mr. MURTHA. That is correct. Mr. SENSENBRENNER. Mr. Speak-

er, will the gentleman yield?

Mr. KEMP. I yield to my friend, the gentleman from Wisconsin (Mr. SEN-SENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I thank the gentleman for yielding.

I rise to inquire of the gentleman from Pennsylvania what the possibilities are of a session on Friday of next week, since I notice we have only two bills for Wednesday, Thursday, and Friday.

The SPEAKER. The Chair will report that we are expecting a Friday session on next week. We would have scheduled votes for Monday of next week because we had thought that this bill would not be completed and we would bring it over to Monday. It is anticipated, unless the business of the House is finished on Thursday, that there will be a Friday session. We hope that the Members will anticipate voting on Friday.

Mr. SENSENBRENNER. I thank the gentleman from New York, the gentleman from Pennsylvania, and the SPEAKER.

Mr. KEMP. Mr. Speaker, I yield back the balance of my time.

ADJOURNMENT FROM FRIDAY, SEPTEMBER 11, 1981, TO MONDAY NEXT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, it adjourn to meet at noon on Monday, Septem-

tion to the request of the gentleman from Pennsylvania?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from

Pennsylvania?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agreed to the following resolution:

S. RES. 208

Resolved. That the Senate has heard with profound sorrow the announcement of the death of the Honorable William R. Cotter, late a Representative from the State of Connecticut.

Resolved, That a committee be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representa-

INTEREST RATES

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, on Tuesday the Republican leader in the House and the Senate majority leader visited President Reagan. The Republican leadership in Congress reported to the President that during the August recess they had learned from their constituents record high real interest rates are the Nation's No. 1 economic problem. Although the disasterous consequences of record interest rates should have been obvious to the Republican leadership any time during the year if they had reviewed the statistics on new housing starts, auto sales, or construction permits, I am glad the Republican leaders had the opportunity during the August recess to learn about the consequences of devastating interest rates and were able to make their report to President Reagan.

Also on Tuesday, the Republican leadership attempted to lay the blame for record interest rates at the doorstep of Wall Street, the bastion of the

The SPEAKER. Is there any objec- free marketplace. It is Wall Street, the American people are now being told, which is responsible for record interest rates and the obvious and growing failure of the administration's economic policy gamble. This latest repudiation of the behavior of the marketplace is a continuation of the sniping at the marketplace begun earlier by economic administration spokesmen.

The marketplace, once the holy grail of Republican economic policies, has not responded to administration political victories in Congress as administration soothsayers had predicted and in particular interest rates have not declined rapidly as predicted unabashedly last March by OMB Director Stockman. Perhaps, Vice President BUSH will best be remembered by future historians as being right from the start for his characterization of supply-side hocus-pocus as voodoo economics.

It is not the behavior of the marketplace, as the Republican leadership has suggested, but the policy to which the marketplace is responding which is at fault. The administration's much heralded economic program is based on continued deficit spending, restrictive monetary policy, and stimulative fiscal policy. The result is record high real interest rates.

Record interest rates are destroying basic American industries. The problems of these industries are well known and have been reported in detail. Record interest rates are also destroying thousands upon thousands of small businesses, the backbone of the Nation's economy, but because these businesses are small their plight and demise have not been reported in great detail. In recent weeks I have received many letters from South Dakotans which detail the consequences of record high real interest rates on their business and other businesses in their community. Each of these letters is painful testimony to the bankruptcy of administration economic policy. For the benefit of the other Members of the House, I want to read a portion of only one of the scores of such letters I have received. The writer is a banker in Brown County and knows of the conditions of which he speaks:

During the past few months I have worked with and watched many small business and farming customers struggle for survival and attempt to "wait out" this high interest rate environment. Most of these individuals felt something had to be done so they quietly supported the Presidents' programs hoping that the situation would improve. They are now at a point they cannot just sit by and remain silent for if they do they will be out of business.

In our town of 550 population we have lost a plumbing shop, a cafe and restaurant, a repair shop, a shoe shop and have had sev eral other business establishments under pressure. This does not include the stress from high interest rates that our farming customers have experienced.

The thing that concerns me most is the possibility of our farm machinery manfacturing plant not continuing in operation. This plant under full production has about 95 employees and now is down to 25. The value of this plant is very important to the total health of our small community. They have been hit hard on both the borrowing side and also on the sales side from this high interest rate.

If you are able to work with Mr. Volcker and Secretary Regan in reducing this interest rate problem it will be a giant step in our survival as a small rural community.

Thank you for listening.

THE SUCCESS AND POSSIBLE FAILURES OF THE REAGAN ECONOMIC LEGISLATION

(Mr. ST GERMAIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ST GERMAIN. Mr. Speaker, President Reagan, Budget Director Stockman and the Republican leadership have had perhaps the most successful first 200 days of any administration in recent history. This administration has been given every legislative tool it has asked for to date to fulfill its hoped-for economic recovery. There has been much debate about the damage this plan will do to the economy, and great concern that inflation and budget deficits will swell in the next few years. There is a danger of that, but a more likely outcome is that the administration's package will have virtually no effect on the economy; that we will continue to slide sideways for the next few years.

President Reagan and Stockman asked us to gamble that, by dismantling this Nation's social support system, we would make everyone better off. This House-the Congressvoted to take that bet, and give the Reagan administration a chance to succeed. Unless the economy begins to surge forward, and all sectors share in that surge, the program will have failed. In its failure it will have imposed deplorable costs on the most vulnerable sector of our economy and most of the people of this country: those people struggling the hardest against the highest odds to make their way toward economic self-sufficiency, and the good life they see a few individuals and a few corporations so conspicuously enjoying. Continued unemployment at 7 percent or above, interest rates in the midteens to low twenties, and underutilization of our factories and shops will not compensate these people. Far more than hoping the economy deteriorates no further, the American people now expect, and deserve, an economy that improves dramatically.

I want to document, for this House and for the American people, the Reagan administration's success in fulfilling its legislative agenda for the economic recovery program. I then want to concentrate on the many problems which stand in the way of successfully implementing these programs.

Shortly after last November's election, then-Congressman David Stockman and the gentleman from New York, (Mr. Kemp.) prepared a memorandum for President-elect Reagan outlining the steps necessary for economic recovery. There were seven specific actions set forth in the memo, and all of them have been put into place by legislative action or Executive order.

they urged President-elect Reagan to set the stage for a quick turn-a-round in inflationary expectation by announcing a firm policy of balanced budgets, decreased regulation of business, slow money growth, and so forth. It was said that by promising business a new era of less Government and lower taxes that rational expectations of better times would lower interest rates, spur investment, and get the economy moving quickly. There can be no doubt that the President and his administration have tried this course of action. They have overlooked no forum in spreading the word that big business and the upper income groups will find favor with the Reagan administration.

Second, the memo urged support of at least 2 years of the Kemp-Roth personal income tax cut, some form of the 10-5-3 accelerated depreciation plan for corporations, and a 50-percent cap on the taxation of unearned income. Barely a month ago, the administration pushed through a tax bill that included all of these provisions.

Third, they urged that it was time for substantial regulatory ventilation. True to the memorandum's recommendations, President Reagan appointed a task force headed by Vice President Bush, and sent it on a regulatory search-and-destroy mission. He ordered a temporary freeze on new regulations, and has sharply curtailed or eliminated the administration of many longstanding regulations.

To further this policy, the administration has taken, or is planning to take, a series of steps geared strictly to aid big business. For instance, the administration has let it be known that recalls of cars need not be announced publicly. But these announcements are a crucial element in protecting consumers by making it clear that some cars are unreliable or hazardous. These are facts the average citizen may have no other way of knowing. True, a massive recall may hurt the image of particular cars, as in the Pinto recall, but if an auto manufacturer makes cars with severe safety defects, should it be protected from paying to correct those mistakes? The American people deserve to have full and complete information about prod-

ucts in which they invest money, and on which they depend for reliable and safe transportation.

The Bush task force recently began contributing to lessened regulation by announcing 30 regulations for review. including those which lowered the maximum amount of lead in gasoline, and regulations protecting the job rights of women and minorities on Federal contracts, In addition, it has targeted, for reconsideration, existing rules and regulations requiring drug manufacturers to provide information on side effects to consumers, and those setting construction and safety standards for mobile homes. That this administration would challenge laws designed to protect the safety of American consumers, or those which seek to insure nondiscrimination in employment and promotion, goes beyond any reasonable concern for the economic efficiency of enterprises. It is a slap in the face of most Americans, and a warm handshake for big business.

The fourth suggestion made in the Stockman-Kemp memo called for monetary policy reform. They argued that the Federal Reserve Board must be protected from criticism and political interference-except, of course, from the Reagan administration as the evidence shows-while it went about a single-minded task of reducing the rate of money growth. To date, the Fed has pursued a brutally tight money policy, leading to real interest rates currently the highest in our history. The administration indicated complete support of the Federal Reserve in hearings held before the House Banking Committee in July. Once again, the administration has received what it wished for in the fall 1980 memorandum.

The fifth suggestion was for outyear and entitlement program reductions. This resulted in the Gramm-Latta II budget cuts which used the reconcilation process, in ways never intended, to enforce cuts for 3 years into the future, based on economic presumptions about interest rates and inflation that are unduly optimistic. In July, the Congress delivered a package of cuts totaling more than \$130 billion through 1984. Cuts were made, over Democratic objections, in social security, medicare, community development, disability assistance, heating assistance, school lunches, and a vast number of other crucial social support programs. These programs were specifically targeted for reduction in the Stockman-Kemp memo.

The sixth suggestion made was to remove the price and allocation controls on petroleum products by February 1, 1981. They wrote that, unless this was done, gasoline lines and market disorder would reappear in early spring, and that this would disrupt the legislative momentum of the administration's economic programs.

They wrote "In short, if gas lines are permitted to erupt due to equivocation on revocation of controls, debilitating legislative and political distractions will be created." Thus, the President, who had the sole authority to do so, lifted all price controls in the closing days of January; in the middle of the coldest months of the year, and with great added cost to consumers.

Finally, Stockman and Kemp suggested that all social and labor policy legislation, such as repealing Davis-Bacon and the minimum wage, be put off until after the economic package was completed by Congress. Working with key Republican Senators, the administration was successful in delaying these issues, and thus, avoiding the infighting such proposals would inevitably cause.

In view of the November 1980 memo, and the ambitious seven-point program outlined therein, the Reagan administration, and the Republican leadership in Congress have effected a minor miracle in pushing through all aspects of this plan. While the attention has focused on tax cuts and budget cuts, the other five Reagan tenets were in many respects just as crucial. In short, the Reagan economic recovery program is now in place. The American people have demanded that we give the President a chance to succeed with his plan, and that has been done.

The question is: Will the Reagan program work? Predicting what the American economy will do is a hazardous enterprise at best. Time after time the economy has surprised experts with its resiliency. I will not predict that the Reagan program will send the economy into a tailspin. Our economy is too complex for it to be destroyed by any one administration. But the pain and loss visited on the low- and moderate-income families, and the elderly, by administration budget cuts demand more than simply avoiding economic disaster. Will the Reagan program bring forth the sustained economic growth that will make this country a rewarding place to live for all of its citizens, and not just the 4 percent of families who earn more than \$50,000 a year? All indications are that it will not. The goals are good, but they are contradictory, and the heightened expectations established by administration pronouncements may quicken the failure of its policies, as one yardstick after another fails to measure up to original pronouncements.

Let us take a few of the basic economic goals of the administration, and look at the problems which stand in the way of a solution. The administration has made a balanced budget into the new Holy Grail, and has set the country in pursuit of it by 1984, although we have the lowest budget def-

icit, as a percent of GNP, of any major industrialized economy. A balanced budget has gained independent importance, and will be used as a measure of administration success. Can the Reagan program lead to a balanced budget by 1984, as he has promised?

All recently elected Presidents have entered office with brave predictions of balanced budgets toward the end of their first terms, and they have been wrong. President Reagan has shown unusual resolve in pushing through cuts in social programs that total more than \$130 billion in the next 3 years, but he has combined that with massive increases in defense spending, and a tax bill, which he fought hard for, that reduces revenues by \$750 billion over the next 5 years, saving money for big business and wealthy families. Somewhere \$620 billion more will have to be cut if we are to balance the budget. That is nearly the amount spent by the Federal Government this fiscal year. The administration has asserted that \$70 billion in new cuts for 1983 and 1984 are being formulated, but that still leaves almost 90 percent of the work yet to be done.

Does the administration have the political support for cuts of that size? President Reagan has recently indicated that small cuts in the defense budget will have to be made. But those alone will not be enough, and the only programs that can provide the necessary money to cut are social security and health care. I will certainly oppose any plan to go back on our word by cutting the little money available to this Nation's elderly, and it is criminal to propose robbing our deserving citizens of basic health provi-

sions.

This massive projected deficit may be pale in comparison to that which develops when the administration's rose-colored glasses are taken from them. Already, many previous esti-mates have been erased. In November, then President-elect Reagan promised to hold fiscal year 1981 outlays to \$620 billion. Then in March, he said outlays would amount to \$655.2 billion, and in July that became \$661.2 billion. In just 8 months \$40 billion was added to the estimates: \$7 billion of which is attributable solely to higher than predicted interest rates brought about by the Reagan-dictated Federal Reserve tight money policies. At this pace there would be a cumulative error of \$240 billion in the Federal deficit by the end of President Reagan's first term.

A few weeks ago word leaked out that the administration was concerned the fiscal year 1982 deficit may rise to \$60 billion, from its \$42 billion level predicted in July. The Congressional Budget Office also predicted such an outcome. President Reagan has since denied that and sent his aides back to recalculate the deficit. According to administration spokesmen, they would

make this recalculation by deciding to adopt more optimistic assumptions about the economy this year and next. Assumptions alone will not close that gap in 1982 or any other year. In fact, with the weak economic performance every month since Mr. Reagan's inauguration, the deficit is likely to grow for 1982 rather than to drop.

Recessions inevitably increase the deficits of Government by reducing revenues and spurring outlays from programs like food stamps and unemployment insurance. If unemployment and interest rates turn out to be only 1 percentage point higher than Administration predictions, while real GNP grows at a 1-percentage-point lower rate, it would cost the Treasury nearly \$30 billion a year, according to CBO guidelines.

On top of unpredicted recession expenditures, and large revenue cuts, efforts to balance the budget are complicated by cost overruns, and supplemental appropriations. Much attention has been focused on the increased spending dictated for defense by the Reagan administration, and its inflationary pressures have been well documented. Part of these pressures come from the susceptibility of defense spending to cost overruns, particularly when faced with sole-source suppliers. In fact, for the last 3 months of 1980, there were defense budget overruns totaling \$47.6 billion. The most wellintentioned planners cannot fully anticipate such pressures.

Unexpected defense-related expenditures are only one aspect of the cost pressure problem. It is now becoming clear that cuts made by the Reagan administration budget for 1982 and beyond will have unintended side effects, such as creating higher expenditures in some entitlement programs. The Agriculture Department has recently calculated that cuts in other welfare programs may cost it \$500 million more in food stamp allocations than was originally anticipated, and this assumes that the Reagan economic recovery program works. I suspect that as the various agencies and departments review the hastily scrawled Republican Budget Act they will find numerous cases of such conflict.

A further difficulty standing between President Reagan and his balanced budget are supplemental appropriations. According to a Congressional Budget Office report just released, "In every year of the 1970's, supplemental appropriations were the final phase of the budget process." The report goes on to say that Congress approved 95 percent of the supplemental appropriations brought to it, and that they averaged more than \$23 billion a year. The greatest need for supplemental appropriations comes in programs that will spend the most if the economy does not recover as quickly as Reagan predicts. One of the great dangers of passing budgets for 3 years in advance is that our crystal ball gets more cloudy as we look further into the future, and supplemental appropriations are more likely to occur in larger doses.

The Reagan administration has made a balanced budget into a guidepost for economic recovery. Even now, Wall Street analysts argue that interest rates will not come down as long as big deficits loom in the future. Although the rules of thumb I have mentioned are not ironclad laws, and in some sense those figures are interactive and not cumulative, rough addition of the possible unanticipated deficits add up to over \$1 trillion for the course of the Reagan administration's first term, and that is without anything going seriously wrong in the national or international economy. Any emergency or disaster would, naturally, increase the possible shortfall. A \$1 trillion error would be, as President Reagan has reminded us, a 67-milehigh mistake.

Although the Reagan administration has managed to make the 1984 balanced budget a guidepost, the substantive changes which are wrought in the economy through the administration's program are more important to the American people. Can the Reagan administration hit its goals for GNP growth, inflation slowdown, and interest rate reductions? If we look at the private forecasters versus the Reagan administration, it is clear that the administration is quite a bit more optimistic than are the forecasters. Where the President sees real GNP growth of 5.2 percent in 1982, an inflation rate of 6.2 percent, and a 91-day T-Bill rate of 10.5 percent, private forecasters see 3.1 percent real GNP growth, an inflation rate of 7.8 percent, and a 91-day T-Bill rate of 12.4 percent. That is nearly a 2percentage-point difference in all major indicators.

Although OMB Director Stockman has dismissed critics of his forecasts as cynical and destructive, while Vice President Bush has alluded to the unpatriotic nature of criticisms directed at the Reagan administration's economic plan, I will indicate some of the obvious problems facing the administration in its goal of economic recovery.

Since last year's third quarter, inflation has come down dramatically. This is not through the beneficient effect of the administration's economic program, since that has not yet taken effect. Oil prices are stable, and falling in real terms, bumper harvests have kept food prices from rising, and the near collapse of many industries have kept wage settlements from spurting ahead. But we are still faced with a nugget of core inflation running at about 8 or 9 percent. With a recent monthly spurt to a 15-percent rate,

there is a wage-price spiral embedded in the economy, and no amount of promises from the Government will bring that to a grinding halt.

The prospect of massive budget deficits, real income by workers in the past, and renewed defense spending at levels greater than during the Vietnam war all combine to make the inflation prospects over the next 4 years look anything but bright. We will spend over \$1 trillion in the next 4 years on defense. The Wall Street Journal has denounced excessive defense spending saying that, as it affects inflation, it is the worst kind of Government outlay since it eats up materials and other resources that otherwise could be used to produce consumer goods. By focusing all new spending in defense areas, the Reagan administration is simply fueling the most inflation-prone sector of the economy.

Second, because of the embedded wage-cost spiral, it is estimated that 9 percent unemployment would have to be endured for 2 years to compress the core inflation rate by 3 points. In that time, this country would have lost output and real income of more than \$400 billion. Squeezing inflation out of the economy by creating recessions is wasteful, cruel, and retards the capital formation necessary to forge a true economic recovery.

Perhaps the best clue to how financial analysts view the prospect of lower inflation is to look at the interest rates in various money markets. The analysts of these markets depend upon their predictions to provide their living, so they are not likely to make altruistic or consistently wrong decisions about the future. Interest rates, especially those for longer term Treasury notes, set new records nearly every day. If these markets expected a rapid downturn in inflation, there should be strong pressure to lower interest rates on these secure Government issues. Instead, 2-year Treasury notes have been recently selling for a record 16percent interest rate.

Last November, Messrs. Stockman and Kemp told President-elect Reagan there were hair trigger conditions in the interest sensitive markets, which would cause immediate response to early economic policy signals either favorably or unfavorably. To date, they have responded to the Reagan program unfavorably. Stockman and KEMP noted, with alarm, that by yearend-1980-bank-prime-rates are likely to hit the 15- to 16-percent range. Since the Reagan administration hit town, these rates have not been below 18 percent, and have been at or above 20 percent for the last few months.

The Reagan program and the good intentions of the administration have generated no confidence that a low inflationary future will be upon us.

When we turn to predictions for economic strength, it is once more clear that there is little confidence that the administration's plan for strong GNP growth over the next 3 years will be successful. The administration is faced with an economy that has shown little strength over the last few years, and it must turn around the falling productivity before it can expect to make great strides in GNP growth. The Congressional Budget Office, in a recently released study on declining productivity in the United States explicitly said. 'Although some policy measures could prove helpful, the Government's ability to increase efficiency growth is severely limited." This is particularly true because of the scatter-shot tax cut policy adopted by the administra-

The idea of using tax cuts to stimulate investment is a sound approach to production, but tax cuts are of greatly lessened utility when the economy is running at less than 80 percent capacity, as it now is, and many companies are losing money, as they now are. Only companies with large tax liabilities, which are making money, and which are operating at near peak capacity, will be stimulated to new investments by tax cuts. Why should a company expand its productive capacity if it cannot sell all that it is currently capable of producing? How can a company take advantage of tax breaks if it is losing money, and so has no tax liability?

This is one of the fundamental flaws of the Reagan economic program—it does not treat the American economy as what it is, a fragmented, sectorally weak economy. What do its provisions do for the auto firm in Detroit, the steel mill in Gary, or the textile mill in New England? Our economy is too complex and too diverse to be equally affected by untargeting tax breaks.

Walter Heller repeatedly urged the administration to use much of the existing tax-cut margin for sharply focused investment incentives and then follow through with bigger personal tax cuts as budget cuts and ebbing inflation allow. Instead, the Reagan administration pushed through a tax cut that has just about eliminated the corporate income tax, and has locked us into large tax cuts for the next 3 years. Business savings were already running at historically high rates before the Reagan tax cuts. They stood at 14.3 percent of gross domestic corporate profit during the 1975-79 period; up from the 13.5 percent of the 1970-74 period. Savings are not the problem; it is how this money is used that poses the great difficulty. With record real interest rates in secure money markets why should businesses invest in risky, long-term capital for-mation which anticipates a demand that does not appear to be developing. The Reagan tax policy does nothing to

make capital formation a more rewarding use of earnings than would be speculation on national or international money markets, or mergers and acquisition that offer no productivity or efficiency gains to the economy.

Further questions about the success of the Reagan tax cuts come from their dependence upon higher savings rates by individuals. Secretary of the Treasury Regan predicted that individuals would save two-thirds of their refunds. This is roughly 1,600 times the current rate of personal savings and is a highly unrealistic goal, especially with the relatively minor amounts received by most taxpayers.

The other reputed effect of the personal tax cuts, is to promote more labor by encouraging people to work harder and make more money. MIT economist Robert Solow has calculated that each 1-percent increase in after-tax return to effort generates at most one-half of 1 percent of net labor increase, and probably substantially less. With such a return tax cuts can never pay for themselves.

These, and many other doubts, contribute to the lack of impact the Reagan proposal has had on interest rates. Director Stockman and Mr. KEMP noted in their November 1980 memorandum that fiscal stabilization can only be achieved by sharp improvement in the economic indicators over the next 24 months. This improvement cannot, and will not, come on the basis of the tax- and budgetcutting bills forced through this Congress by the Reagan administration. Not only does every premise of the Reagan administration plan lack credibility, the package taken together is internally inconsistent.

When we look at the fiscal policy of the administration, through its tax cuts and defense spending plans, and compare it to the monetary policy it has convinced the Federal Reserve Board to accept, the contradictions become clear. If the administration were to get its wish, and real growth of GNP came up to its predicted levels, while growth in the money supply stayed as low as the administration wishes, the velocity of money-the number of times each dollar changes hands during the year-would have to rise by between 7 and 9 percent per year. Historically, this measure has never been above 5 percent, and generally averages 3 percent. This velocity prediction runs head-on into the administration's interest-rate predictions, for it wants interest rates, which are the cost of using money, to drop at the same time that the demand for money, as measured by velocity, is rising to record levels. Unfortunately, the universe is inconveniently arranged, and increased demand cannot help but cause upward pressure on the prices of reduced supplies. The administration may be able to achieve its real GNP growth, or it may be able to achieve its slow money policy and have low interest rates, but it cannot have all three at once.

administration's economic policy is riddled with over ambitious goals, such as the predictions of real GNP growth and a balanced budget by 1984. It is further damaged by ideologically pure, but ineffectual approaches to encouraging growth, such as its scatter-shot multiyear tax cuts.

Perhaps the supply-side magic wand will be correctly waved and all of these problems and contradictions will be resolved. I sincerely hope this country's economy does recover quickly. However, I am afraid that it will not. I am afraid that the Reagan administration's policy will largely cancel itself out, and we will continue to slide sideways as we have of late-unless a natural emergency or supply shock induces severe deterioration. Perhaps to those with this administration's view of the poor, the elderly, and the less fortunate, the pain caused by dismantling social programs is justified as an end in itself. But to me, and I think to most Americans, this dismantling will only be justified if it has its intended effect and produces a better life for all citizens, and not simply those corporate executives with whom this administration primarily identifies.

Budget Director Stockman told the Joint Economic Committee earlier this year that, "I think it is so important that when the redistribution argument is raised in this debate-that we dismiss the question, we reject the question as irrevelant." Well, I do not think the redistribution argument is irrelevant, especially when the administration is playing Robin Hood in reverse, by taking from the poor and giving to the rich. I have spoken up, doubting this economic program, not because I am a Democrat and the President is a Republican, and not because I think everything we have done in the last 20 years is good; that every social program is necessary and effec-

I have spoken because I do not think that the administration's program will substantially improve the lives of all Americans, and barring that, I do not think the \$11 billion cuts in social security, the \$4 billion cut from medicare, the \$3 billion cut from student loans, or the \$5 billion cut from school lunches for our Nation's children is morally defensible. If this program does work, I will congratulate this administration and credit them with being right, but if it does not work, I will expect them to stand responsible for the pain these cuts have caused millions of Americans who truly need our help.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. FIELDS) is recognized for 5 minutes.

• Mr. FIELDS. Mr. Speaker, yesterday due to air traffic scheduling problems. I was unable to be present for a number of rollcall votes. However, had I been here I would have voted the fol-

Rollcall Vote No. 191, "aye." Rollcall Vote No. 192, "aye."
Rollcall Vote No. 193, "aye."

FRED S. SKOWRONSKI HONORED IN ILLINOIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is

recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I rise to bring the attention of my colleagues to the resolution passed by the Illinois General Assembly in appreciation of the accomplishments of Fred S. Skowronski, treasurer of the National Department of the Polish Legion of American Veterans, U.S.A. Fred resides at 5229 West Melrose Avenue, in Chicago, in the 11th Congressional District which I am honored to repre-

Mr. Skowronski was honored by the Veterans Assistance Commission of Cook County, Ill., at the 14th Annual Honoree Award Night in recognition of his many years of humane service to his fellow veterans and their families, as well as to their communities,

State, and Nation.

Both the House of Representatives and the Senate of the Illinois General Assembly passed a resolution on June 30, 1981, to congratulate Mr. Skowronski and four other veterans "who served their state and nation in military service as well as community service during peacetime," and also to congratulate "the Veterans Assistance Commission of Cook County for sponsoring the Annual Honoree Award Night to recognize outstanding veterans of Illinois.'

I extend my own congratulations to Mr. Fred S. Skowronski on these splendid accomplishments, and extend my warmest best wishes for continued service to his fellow citizens in devotion to the highest principles.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

· Mr. NEAL. Mr. Speaker, I am submitting to the House today the U.S. Export-Import Bank's proposal to provide financing to enable Transbrasil Airlines of Brazil to purchase in the United States three new Boeing 767-

200 jet aircraft valued at more than \$158 million.

The Eximbank is prepared to increase an existing direct credit to Transbrasil from \$14.3 million to \$49.2 million and to guarantee private financing of \$61.7 million to make possible the sale by the Boeing Co.

This notification from the Eximbank was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, requires that the Eximbank notify Congress of proposed loans or financial guarantees, or combinations thereof, of \$100 million or more. Unless the Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress after notification.

I am submitting for the RECORD the Eximbank notification which gives the details and terms of the proposed transaction. I would welcome any comments or questions my colleagues may have on the proposed financing.

The Eximbank material follows:

EXPORT-IMPORT BANK OF THE UNITED STATES, Washington, D.C., August 25, 1981.

Hon. STEPHEN L. NEAL,

Chairman, Subcommittee on International Trade, Investment and Monetary Policy, House Banking Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Eximbank has submitted a statement to the Speaker of the House of Representatives and the President of the Senate in accordance with the provisions of Section 2(b)(3)(i) of the Export-Import Bank Act of 1945. I am taking the liberty of providing you with a copy of this statement.

Sincerely.

NANCY S. PIGMAN. Congressional Relations Officer.

EXPORT-IMPORT BANK OF THE UNITED STATES Washington, D.C., August 24, 1981. Hon. Thomas P. O'Neill, Jr., Speaker of the House of Representatives, The Speaker's Room, U.S. Capitol, Wash-

ington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the House of Representatives with respect to the following transaction involving U.S. exports to the Federative Republic of Brazil.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to increase the amount of an existing direct credit from \$14,322,500 to \$49,212,500 and to authorize a financial guarantee of private financing in the amount of \$61,679,400 to Transbrasil S.A. Linhas Aereas (Transbrasil) to facilitate the purchase in the United States of three new Boeing 767-200 jet aircraft, related equipment and spare parts. The total U.S. export value for this transaction is estimated to be \$158,417,000.

2. Identity of the Parties

Transbrasil is a privately owned Brazilian company. Founded in 1955, Transbrasil is one of Brazil's four scheduled airlines. It operates only in Brazil. Eximbank has previously authorized two direct credits to Transbrasil, each for the purpose of financing two Boeing 727 jet aircraft. The first direct credit, authorized in 1974, will be fully repaid in October 1981. All payments under this direct credit have been made on a timely basis. The second direct credit, authorized in August 1979, has not been utilized and is being amended by this transaction to permit the purchase of new generation aircraft.

Banco Nacional do Desenvolvimento Economico, as financial agent of and for and on behalf of the National Treasury of Brazil, will, as in numerous direct credits to other Brazilian borrowers, unconditionally guarantee repayment of the Eximbank direct credit and private financing guaranteed by Eximbank.

3. Nature and use of goods and services

The principal goods to be exported from the United States at this time are three Boeing 767-200 medium-range jet aircraft, two spare engines, airframe and engine spares and ground support equipment. The airframes and related spares will be manufactured by The Boeing Company of Seattle, Washington. The engines and related spares will be manufactured by the General Electric Company of New York. These two companies will subcontract with numerous U.S. companies for major portions of the airframe and engine manufacture.

This transaction represents the introduction of a fuel efficient new generation aircraft into Transbrasil's operations. The aircraft will not be operated on routes normally served by U.S. carriers. Delivery of the first aircraft is scheduled for May 1983 and delivery of the remaining two aircraft is scheduled for June 1983. Financing for the non-U.S. components of the aircraft will be through commercial banking sources and is not included in the financing plan set out

B. EXPLANATION OF EXIMBANK FINANCING 1. Reasons

The Eximbank direct credit and financial guarantee totalling \$110,891,900 will support U.S. exports with a total value of \$158,417,000 in the face of foreign competition from A300 and A310 aircraft manufactured by Airbus Industrie. Eximbank's financing support for the export of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80 percent of the world market (which includes the United States) for commercial jet aircraft. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40 percent of the total U.S. aircraft sales. Over the next few years several foreign airlines, such as Transbrasil, will be undertaking major re-equipment programs,

and most airlines choosing a particular aircraft type will continue with future purchases of the same models to maintain fleet continuity. During these next few years there will be intense competition from foreign aircraft and engine manufacturers and they will be supported by subsidized export credit from foreign government sources. Consequently, Eximbank has recognized the need to support the sale of new generation U.S. aircraft and engines in such a competitive environment by offering financing that will enable U.S. manufacturers to maintain their position.

Transbrasil's fleet expansion plans for the 1980s have gradually taken shape over the last two years. While formulating its plans, Transbrasil considered Airbus A300 and A310 aircraft as alternatives to new generation U.S.-manufactured aircraft. The Airbus aircraft is suitable for Transbrasil's route structure, and financing through the export credit agencies of France, Germany and the United Kingdom is available to support Airbus aircraft sales. There have been two Airbus aircraft sales to two Brazilian airlines, one of which, Servicas Aereas Cruzeiro de Sul S.A., previously had an all-Boeing fleet.

Primarily to improve fuel efficiency, Transbrasil decided to purchase new generation aircraft in lieu of additional Boeing 727 aircraft. Transbrasil's modernization program calls for the acquisition of the three Boeing 767 aircraft which is the subject of this transaction and nine Boeing 757 aircraft by 1985. As new generation aircraft enter service, most of the old Boeing 727 aircraft will be retired or sold. Transbrasil's plan would increase capacity by 200 percent by 1990 while increasing fuel consumption by only 30 percent to 40 percent over 1980.

In addition, although it now appears committed to Boeing aircraft, Transbrasil cannot purchase aircraft without Brazilian government approval and, due to Brazil's foreign debt burden and balance of payments problems, financing terms are a primary consideration of the government.

The Boeing Company estimates that the export of U.S. goods will provide 1,600 manyears of employment for Boeing and its approximately 3,500 subsuppliers. Additional benefits which will flow to the United States from this transaction include sizeable follow-on exports of spare parts, ground support and other related equipment.

2. The financing plan

The financing plan for the total U.S. procurement supported by the Eximbank direct credit and financial guarantee is as follows:

THE PARTY WHEN THE PARTY WAS	Percent of U.S. costs	Amount		
Cash payment. Eximbank direct credit. Eximbank financial guarantee of private financing	15.0 31.1 38.9	\$23,762,550 49,212,500 61,679,400		

ATTACHMENT B BRAZILIAN KEY ECONOMIC INDICATORS

[Exchange rate on Mar. 30, 1981; U.S. \$1=CR \$76.151

1	Percent of U.S. costs	Amount	
Private financing not guaranteed by Eximbank	15.0	23,762,550	
Total	100.0	158,417,000	

(a) Eximbank Charges

The Eximbank direct credit will bear interest at the rate of 9.25 percent per annum, payable semiannually. Eximbank charge a commitment fee of ½ of 1 percent per annum on the undisbursed amount of the Eximbank direct credit. Eximbank will charge a guarantee commitment fee of 1/8 of percent per annum on the undisbursed amount of the private financing guaranteed by Eximbank and a guarantee fee of % of 1 percent per annum on the disbursed amount of the private financing guaranteed by Eximbank. The estimated blended rate of the Eximbank financing package is 13.2 percent per annum, assuming the private financing guaranteed by Eximbank is provided by Private Export Funding Corporation at its current rate of 16 percent per annum and that the unguaranteed private financing is provided by a commercial bank at a rate of 21 percent per annum which is 2 percent above the current offered rate for U.S. dollars in the London interbank market.

(b) Repayment Terms

Aggregate disbursements under the unguaranteed private financing, the private financing guaranteed by Eximbank and the Eximbank direct credit will be repaid by Transbrasil in 20 equal semiannual installments beginning February 6, 1984. The unguaranteed private financing will be repaid from the first installments, the private financing guaranteed by Eximbank will be repaid from the middle installments and the Eximbank direct credit will be repaid from the last installments.

Attached is certain additional information on Eximbank activity in and economic data on the country involved in this transaction.

Sincerely,

WILLIAM H. DRAPER III.

ATTACHMENT A

EXIMBANK EXPOSURE IN BRAZIL, AS OF JULY 31, 1981

[In thousands of dollars]

	Outstand- ing	Undis- bursed
Direct loans and CFF loans	978,327 192,451 3,905	234,382 112,472 20,698
Medium-term Short-term	8,780 61,660	11,277
Total for Brazil	1,245,123	378,829

	1978	1070	1980P —	Percent	
	19/8	1979		1978/79	1979/80
National accounts: GDP in current dollars (billions) 1 GDP growth in constant cruzeiros (percent)	191.1 6.0	213.0 6.4	236.7 8.0	10.9	11.1
Per capita GDP (current dollars)	1,713	1,865	1,995		10.1
Industrial production index (percent)	7.6	7.1	7.8		

BRAZILIAN KEY ECONOMIC INDICATORS-Continued

[Exchange rate on Mar. 30, 1981; U.S. \$1=CR \$76.15]

	1978	1979	10000	Pero	ent
		19/9	1980*	1978/79	1979/80
Of which extractive (percent)	6.1	9.9	12.6		
Transformation (percent)	7.6	7.0	7.6 .		
Automobiles (Insusand)	1,063	1,128	1,165	6.1	
Raw steel (million metric tons) Industrial electricity consumption, for Rio-Sao Paulo (billion Kwh)	20.6	13.9 22.6	15.2 24.1	14.7	10.3
Cement (million metric tons)	23.2	24.9	27.2	7.3	
oney and prices:	7				51,13
Money supply (MI, yearend billions cruzeiros)	462.7	803.1	1,367	73.6	70
Inflation—IGP (percent) December to December	40.8	11.2	95.3		
Inflation—INPC (percent) December to December 2	***************************************		33.3		
Exports	12.7	15.2	20.1	20.4	3
Primary products	6.0	6.5	8.5	8.3	3
Industrial products 4	22.7	8.7	11.6	31.0	3
U.S. share in percent	13.7	19.3	17.3 23.0	31.3	9
Oil/other fuels	4.5	6.7	10.2	A DA	
Intermediate goods.	4.5	6.0	7.0	31.8	1
Capital goods	3.6	3.7	4.4	5.1	1
Consumer goods ILS chars in approach	21.1	1.6	1.3	41.7	-1
U.S. share in percent	21.1	17.9	20		
rest payments (net)	-3.3	-4.2	5.0		
er service payments.	2.7	2.9	2.5		
rent account deficit.	-7.0	-10.0	-12.2		
eigh oeol (gross)	43.5	49.9	54.4 6.9	14.7	
reign reserves (gross)	11.3	3./	0.9	-18.3	-

—Preiminary
Average exchange rates: 1978 CR \$17.98—U.S. \$1; 1979 CR \$26.68—U.S. \$1; 1980 CR \$52.61—U.S. \$1.
INPC consumer price index begun September 1979.
Industrialized products category includes semimanufactured, manufactured products (including agriculture products) and reexports.

Source: Foreign Economic Trend Report, Apr. 10, 1981.

VISIT OF VICE PRESIDENT OF NIGERIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Conyers) is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, I have asked for time to discuss the appropriateness of the President of the United States to refuse to meet with the Vice President of Nigeria during his recent visit to the United States, and the generally undiplomatic treatment given to the Nigerian delegation that was with the Vice President of that country.

Vice President Ekwueme's visit represented the continuation of bilateral economic talks between the United States and Nigeria that have been in progress since 1978 when they were initiated by the previous administration. We are in the sixth round of our discussions with the Nigerians on ways to improve educational, cultural, political, and economic relations between our two countries.

The talks have involved very highlevel visits between Nigeria and the United States, signaling the fact that there must be mutual appreciation by the respective nations of the economic and political significance for the continued good relationships and the extension of peace in the world, and on the African Continent in particular.

The former Vice President of the United States, Mr. Walter Mondale, did visit Nigeria in 1980 as part of the bilateral talks and was given the diplomatic courtesies appropriate to his position as the Vice President of the United States, and the personal representative of the United States.

Although the visit of Mr. Mondale was to be to the Vice President of Nigeria, he was allowed, indeed warmly invited, to meet and discuss matters at great length with the President of Nigeria, Mr. Shagari. There was a 19-gun salute. There were courtesies, a color guard, escort, complete protection. This was consistent with the kind of protocol that is generally afforded to the heads of state.

So it seems to me that the Vice President of Nigeria should have been given at least some appropriate level of treatment and protocol suitable to

As it has been revealed to me, the Vice President of the most populous country on the continent of Africa informally requested a meeting with our President and it was declined, giving the explanation that other competing obligations prevented such a meeting.

□ 1710

But, ladies and gentlemen of the Congress, what are those other competing obligations? What was so important that the President could not meet with the Vice President of Nigeria, a country that provides us with an important and significant percentage of our fuel resources? What was more important that the President could not meet with the Vice President of a nation that has a cultural significance to 30 millions of America's population? It seems to me that the President may have misplaced his priorities, or someone in the White House did it for him.

These actions by the State Department and the administration should not be supported by this Congress, because I believe they do not represent the way that this House would have wanted the United States to represent itself to a nation and a Vice President and his delegation as important as Nigeria. This administration, the Government, must appreciate the fact that Americans are very sensitive to the general way this administration has been relating to the interests of developing nations in general, the Third World in particular, and the African Continent most especially. We think that there needs to be a very sharp and focused reminder that a 19gun salute from Nigeria to our Vice President, visiting their Vice President, who immediately agreed to a meeting with the President of Nigeria. should not run into such shabby, undiplomatic treatment as to have the Vice President of Nigeria and an incredible delegation going around virtually unescorted, virtually unprotected, on a very minimal schedule.

Now, who else was in that delega-tion? I indicate these names not because they add to the problem that I present to the Members, but because I believe that the Vice President of Nigeria's visit, alone and by himself, would have warranted a brief ceremonial meeting with the President of the United States; but he happened to have with him the Minister of Agriculture, Mr. Alhaji Ibrahim Gusau; the Minister of Commerce, Mr. Alhaji Bello Maitama Yusef; the Minister of State in Ministry of External Affairs. Chief P. O. Bolokor; the Special Adviser to President on Economic Affairs, Dr. J. S. Odama; the Special Adviser to President on Political Affairs, Prof. G. A. Odenigwe; the special assistant to the President, Mr. Alhaji Tanko Yakasai; the special assistant to the Vice President, Dr. C. C. Mbadinuju; the Ambassador of Nigeria, Chief A. Eke; the Permanent Secretary, Ministry of Agriculture, Mr. Alhaji Liman; the Permanent Secretary, Ministry of National Planning, Mr. G. P. O. Chikelu; the Permanent Secretary, Ministry of Health, Mr. Alhaji Abubakar Alhaji; the Permanent Secretary, Ministry of Education, Mr. F. Adesanoye, and other senior Government officials and representatives of the Nigerian private sector.

I say that this is probably one of the largest governmental delegations to visit the President of the United States in recent years, and when those from the Congress met with them there were no police escorts to be seen; there was no protection that was visible. It was indeed, in the parlance, a

very undiplomatic union.

I object to this, and call upon the President of the United States to formally and publicly and privately apologize to the President of Nigeria, the Vice President of Nigeria, and the distinguished members of his Cabinet and other senior Government officials and members of the private sector that joined him in that visit; in addition, and most importantly, that the President of the United States formally apologize to the American people, because it seems to me that the environment and the attitudes and the reception of these great African leaders was denigrated and was demeaned for all parties involved. For the request to briefly and ceremonially meet with the President of the United States to be dismissed out of hand was inappropriate, and there should be redress. That does in no way reflect upon the meetings that the Vice President had with the Vice President of Nigeria, because they were cordial, they were appropriate, with the protocol that accompanies the meetings of the No. 2 men of these two great nations.

But the part that it seems to me must be placed in history as objectionable and reprehensible was the failure of our President to meet even briefly with the Vice President of the largest consitutional government on the face

of the African Continent.

FRANK J. BECKER: 1899-1981

The SPEAKER pro tempore (Mr. Weiss). Under a previous order of the House, the gentleman from New York (Mr. Addabbo) is recognized for 15 minutes.

• Mr. ADDABBO. Mr. Speaker, it is with deep sadness and great personal loss that I rise today to pay tribute to long-time friend and former colleague Frank J. Becker, who recently passed away at this home at the age of 82.

I had the privilege of serving with Frank Becker in this Chamber, I found him a man deeply committed to serving his people, a man who had the ability to grasp the most difficult of issues in a matter of minutes. He served in the House from 1953 to 1965 where he earned the reputation as being an honest, sincere, hard-working public servant. We worked together on a number of matters of interest to both of us and I found his expertise invaluable. He truly loved his constituents and did his best to tend to their needs, always making sure that as their public servant the needs of the general public should never take second fiddle to the desires of a special

A genuinely nice man, friendly and well liked, Frank Becker left many friends who will miss him very much. All grieve his passing as I do, and to his wife, his son, daughter, and grand-children I offer my sincere sympathy and share with them a feeling of irreplaceable loss.

METER IS RUNNING ON HIGH INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 30 minutes.

 Mr. ALEXANDER. Mr. Speaker, during the historic debate over the 1982 budget and tax measures, the President and his supporters contended that substantial cuts in nondefense programs, coupled with a massive. long-term program of tax reduction would permit radical increases in expenditures for defense while stimulating both economic growth and personal savings and investment. Implicit in that supplyside argument was the repeatedly stated notion that inflationary expectations would be dampened and financial markets would react favorably.

It now appears that the optimistic statements were based more on wishful thinking than upon a careful examination of available economic data. In retrospect, not even the most cautious optimism was warranted, because the administration studiously ignored the need to avoid a collision between its expansionary fiscal policy and an increasingly restrictive monetary policy as practiced by the Federal Reserve Board of Governors.

Despite all the ballyhoo over budget cuts, despite the glowing rhetoric about the stimulative effects of the tax cut and despite the creativity of the OMB assumptions used to justify passage of the program, the financial markets refused to believe that deficit spending is the best way to get a handle on inflation. Contrary to the

administration's rosy expectations, between August 9 and the present date. the stock market did not leap forward in a frenzy of confidence in Reaganomics. Instead, it dropped to its lowest level in nearly 2 years. The bond market, in a desperate attempt to merely survive, kept raising its yields, locking corporate America into a burdensome, long-term debt service situathat will stifle productivity growth. But there was a bright spot for a privileged few. Money market mutual funds, which just happen to be based largely on Federal debt, experienced a growth in deposits of about \$2.75 billion per week, reaching a present total of about \$145 billion. What we are witnessing is a massive and rapid redistribution of the wealth of the Nation from the lower- and middle-income classes to the upper-income class through the mechanism of decreased domestic spending and high interest rates. But high interest rates are even more unpalatable to American business than they are to the average citizen. The President fortunately, is quite responsive to American business and he has proposed a couple of remedies. If he cannot cut Government programs by at least an additional \$15 billion (and most projections would assert the necessity for cutting at least \$30 billion) in 1982, then he proposes that the Congress give him the discretionary authority to merely impound such funds as he deems necessary to meet his projected \$42.5 billion deficit.

Additional cuts are certainly possible if House Republicans and their conservative Democratic allies are willing to vote openly for reductions in appropriations for individual programs. But the distinguished minority leader has shied away from that approach because, he implied, the political consequences for certain members of his party would be disastrous if those members were forced to openly oppose programs that benefit their constituents.

Instead, the minority leader suggests, the President should be given discretionary authority to cut spending wherever he sees fit. Such a proposal not only runs counter to the letter, the spirit, and the intent of present law but flies in the face of the constitutionally prescribed requirement that the Nation's purse strings be kept firmly in the hands of the Congress.

But such is the dilemma facing the President. His choices, as he appears to see them, are to cut the budget even further or to do the unspeakable by raising taxes.

Like so many decisions and policies put forward by the President and his followers, his approach to the problem is simplistic. There are some choices beyond these two draconian alterna-

The first, and probably most desirable, solution would be to find ways to increase revenues by closing loopholes and increasing excise taxes and user fees. Or better yet, seek the deferral of the implementation of the tax program for the outyears of 1983 and 1984, making implementation contingent upon achievement of realistic economic objectives in inflation, interest rates, unemployment, revenues, and economic growth.

Barring a willingness on the President's part to abandon his catch-22 monetary policies, the fiscal and Nation is facing an economic disaster. When Dave Stockman exclaimed that the Nation is on the brink of "an economic Dunkirk" last winter, who would have thought he was referring to the effects of Reaganomics? But that is precisely the situation in which the Nation has found itself. Interest rates have been ratcheted upward by the Federal Reserve as each new part of the President's program has been

put in place.

Usurious interest rates are creating a condition in the housing industry that will be chronically depressed for many years to come. Small business failures are reaching epidemic scale. Farmers caught in a credit-cost-price squeeze which could drive hundreds of thousands of them from the land. The automobile industry is faced with the prospect of undergoing a severe contraction that will send shock waves through the whole economy. State and local governments, unable to sell their lower-yield tax-free bonds, are going to seed. Community banks and thrift institutions which provide the preponderance of consumer credit, could approach the threshold of insolvency if the trend is not reversed.

One way of reversing the trend is to make the Federal Reserve's policies more accommodative of the President's fiscal policies. Clearly, an easing of the Fed's monetarist policies would have an adverse impact on inflation. But I suggest that high interest rates themselves, create a measure of inflation by driving up capital costs for the productive sector-costs which are ultimately passed along to the consumer-and by adding to the size of Federal deficits through increased interest payments on the Federal debt.

There is a tradeoff between fiscal and monetary policy which must be calculated in a way that recognizes the direction of greatest benefit-or in the present case, the direction of least damage. In other words, an easier monetary policy will permit a tighter

fiscal policy.

Yesterday, I introduced House Joint Resolution 319 which will put the President on notice that the high interest rates resulting from his huge inflationary deficit and the Fed's incompatible policy of inhibiting the growth of the money supply to fight inflation are unacceptable to the Congress.

The resolution directs the President to undertake immediate consultations with the Fed in four principal areas:

First. Easing Reserve requirements on member institutions to make more funds available to capital hungry markets.

Second. Changing Open Market Committee practices which cause unwarranted reductions in the money supply, driving interest rates up.

Third. Modifying the criteria for set-

ting the discount rate.

Fourth. Prevention of the diversion substantial reservation of amounts of available credit and capital for financing corporate mergers and acquisitions to insure that borrowers from the productive sector have sufficient financing for needed expansion and productivity growth improvements.

Finally, the resolution calls for effecting substantial reductions in interest rates within 90 days and directs the President to report the results of consultations to the Congress

within 30 days after adoption.

I urge speedy committee and floor action on this needed measure and I solicit the support of those Members who believe, as I do, that the meter is running on high interest rates and that unless the President acts now to find a remedy-short term though it may be-the Congress will be compelled to take other remedial action which is sure to have unforetold and longer range effects.

LEGISLATION INTRODUCED TO REQUIRE INDEPENDENT ANAL-YSIS OF DEFENSE PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts FRANK) is recognized for 10 minutes.

• Mr. FRANK. Mr. Speaker, today I am introducing legislation to improve our Nation's defense planning by requiring the Department of Defense to incorporate independent analyses of new major weapons systems into Pentagon plans for weapons procurement. Current Department of Defense procedures leave open the possibility that scarce taxpayers' dollars be obligated for the procurement of poorly conceived and expensive weapons systems before the complete examination of critical factors is undertaken.

Mr. Speaker, in fiscal year 1982, the Department of Defense has been authorized to spend over \$36 billion for the procurement of military hardware, or \$9 billion more than during the last fiscal year. Yet, at the same time that unprecedented increases in defense spending are being enacted into law. the impact of the procurement of many weapons systems on inflation, on local communities, on the environment, and on the strategic balance have yet to be determined. Take the MX missile, for example; after years of congressionally approved spending on research, development, and initial procurement, no decision has been reached on the appropriate basing mode, and now doubts are being cast over the strategic implications of deploying such a system. Had our military planners been more attentive to the problems that we now know are associated with the MX, it is conceivable that the Pentagon could have considered other options, and the expected cost overruns on the MX could have been avoided.

The Department of Defense does not, however, need just another study. If our Nation's defense planners and the American people are to truly benefit from a coherent defense strategy, then input ought to be obtained from the broadest possible sources. Is it not conceivable that academics, environmental groups, business roundtables. economic analysts, and even the mechanics who must repair and maintain military equipment—as well as Pentagon officials and traditional defense contractors-could be consulted about major weapons systems under consideration by the Department of De-

At a time of increased defense spending and fiscal restraint, the American people must be doubly careful about waste. Weapons systems, like other Government expenditures, must be developed along the most cost-effective lines. No stone must be left unturned in the search for the least wasteful, least damaging to the environment, safest, surest alternatives to maintaining an adequate defense for the Nation. Our adversaries will not change their perceptions about American military resolve if the United States adopts a policy of throwing money at the Pentagon. Careful. thoughtful, and comprehensive planning for the future is a far more credible deterrent to a Soviet military threat than haphazard military spend-

The fact of the matter is that the Department of Defense has traditionally relied for its defense planning on those members of the defense community who have the most to gain from the acquisition of the weapons systems they are asked to study. Passage of this legislation would be a major step forward toward injecting public scrutiny of defense programs before it is too late.

Section 1 of the legislation requires the Secretary of Defense to provide for an independent analysis of each proposed defense system by a private contractor before a final decision is made to proceed with the acquisition of the weapons system. The independent analysis should include conclusions on such matters as the effect of the proposed defense system on the strategic balance, its inflationary impact, the likely displacement of civilian populations, the effect of the program on the Federal budget, and what possible alternatives might be capable of meeting defense needs.

Section 2 requires that the Secretary of Defense submit a copy of the report to the appropriate committees of Congress and make the unclassified portions of the reports available to the public.

Section 3 requires the Secretary of Defense to give preference in obtaining the report to contractors who are not involved in the research and development or production of defense systems. A seven-member panel shall be appointed by the Secretary of Defense, the Speaker of the House, and the President pro tempore of the Senate to review the suitability of each proposed contractor before the contract is awarded in consultation with the Comptroller General.

Section 4 limits the cost of the study to 1 percent of the total amount available for research, development, test, and evaluation of the proposed defense system.

Section 5 defines a major defense system of a proposed acquisition by the Department of Defense estimated to require a total cumulative financing for research, development, test, and evaluation in excess of \$75,000,000 or a cumulative production investment in excess of \$300,000,000.

Section 6 limits the effect of the legislation to proposed major defense systems for which funds for research, development, test, and evaluation are first appropriated after the date of the enactment of the bill.

I invite Members to comment on the legislation I have introduced today. The need for a dialog on ways to inject comprehensive and innovative planning into the Defense Department is an essential part of a credible national defense. The text of the legislation I am introducing today follows:

H.R. 4455

A bill to promote cost-savings and efficiency in government by providing for an independent contract study of certain proposed major expenditures before a final decision is made to proceed with the expenditures

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) before a final decision is made to proceed with procurement of a major new defense system, the Secretary of Defense shall provide for an independent analysis of the proposed defense system by a private contractor. Consideration of the results of the study shall be incorporated into the process for making a decision on whether or not to proceed with acquisition of the system, and such study shall be reviewed by the Secretary of Defense before a final decision on such acquisition is made.

(b) Each contract under subsection (a) shall require that the contractor submit to the Secretary of Defense as expeditiously as possible a report containing the results of the contractor's study of the proposed defense system. Such report shall include the contractor's conclusions regarding—

(1) the effect of the proposed defense system, if deployed, on the strategic bal-

(2) the inflationary impact, if any, of the proposed defense system;

(3) the environmental impact, if any, of the proposed defense system;

(4) the effect of the proposed defense system on industry and employment in the United States and on the defense industrial base of the United States;

(5) the effect of the proposed defense system on the civilian population, including any population displacement or risk of population displacement caused by the system;

(6) the effect of the proposed defense system on other defense programs and on the total level of Federal expenditures;

(7) the effect of the proposed defense system on defense personnel requirements; and

(8) lifetime maintenance requirements and costs of the proposed defense system.

SEC. 2. Before a final decision on acquisition of a major new defense system is made, the Secretary of Defense shall submit a copy of the report received under this Act with respect to such system to the appropriate committees of Congress and shall make the unclassified portions of such report available to the public.

SEC. 3. (a) In selecting contractors for contracts under this section, the Secretary of Defense shall give preference to contractors (1) who are not (or whose employees do not include significant numbers of) retired or former members of the Armed Forces or retired civilian employees of the Department of Defense, and (2) who are not involved in research and development or production of defense systems.

(b)(1) Each proposed contract under this Act shall be reviewed for the purpose of determining the suitability of the proposed contractor before the contract is awarded. Such review shall be conducted by a seven member panel appointed as follows:

(A) Three members appointed by the Secretary of Defense.

(B) Two members appointed by the Speaker of the House of Representatives.

(C) Two members appointed by the President pro tempore of the Senate.

(2) A contract may not be awarded under this section to a contractor not approved for such purpose by the panel.

(3) The Comptroller General of the United States shall provide such assistance to the panel as it may request in evaluating the suitability of a proposed contractor.

(4) Members of the panel appointed under subparagraphs (B) and (C) shall be appointed from persons not employed by the United States and shall serve for terms of two years. Vacancies in the panel shall be filled in the same manner as the original appointment.

SEC. 4. The cost of a study under this section may not exceed one percent of the total amount available for research, development, test, and evaluation of the proposed defense system.

SEC. 5. For the purposes of this Act, the term "major defense system" means a defense system with respect to which reports are required to be submitted to Congress under section 811 of the Department of De-

fense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note).

SEC. 6. This Act shall apply only to proposed major defense systems for which funds for research, development, test, and evaluation are first appropriated after the date of the enactment of this Act.

TUNA PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Howard) is recognized for 5 minutes.

 Mr. HOWARD. Mr. Speaker, I am pleased to introduce today along with my colleagues, the Tuna Protection Act. This legislation provides a solution to a serious economic and environmental threat to our marine resources due to foreign fishing activities along our coast.

Many of us have heard horror stories from fishermen in our districts regarding overfishing of tuna. With the advent of extended fisheries jurisdiction, most people felt that the problem of foreign fleets capturing valuable species off the U.S. coast had been resolved. However, when the legislation creating the U.S. Fisheries Conservation Zone was enacted, many of us in Congress believed that international management regions would afford the best means of managing and preserving highly migratory species of tunas. Time has show that this approach has simply not worked to the benefit of either the resource or the vast majority of American fishermen.

Both the United States and Japan are signatories to an agreement developed in 1974 by the International Commission for the Conservation of Atlantic Tuna (ICCAT) which states that all member nations will "limit fishing mortality to recent levels." This agreement was developed in response to scientific concern that the Atlantic bluefin tuna was in precipitous decline. At the time, Japan had an active bluefin fishery in the Mediterranean and the United States had an active handgear and small purse seine fishery in the western Atlantic within 200 miles of our shore. The Japanese since then have been politically pressured out of the Mediterranean and the eastern Atlantic and have moved their fishing effort herethe vast majority of it within 200 miles of our shore.

U.S. fishermen have complained that this is contrary to the spirit of the agreement. The Japanese contend there is one single stock of fish throughout the Atlantic and the Mediterranean and that, therefore, their shift in fishing effort is consistent with the agreement. Scientific evidence contradicts this. Records of over 15,000 bluefin tagged in the western Atlantic show that 3,000 were recovered from the western Atlantic and

only 24 recovered for the eastern At- the United States change its present lantic.

This indicated that while there is some slight degree of interchange between the eastern and western Atlantic the United States has the opportunity to effectively manage the tuna resource within the 200-mile limit. The western Atlantic stock apparently spawns within the 200 miles of our coast and spends the majority of its migratory life history in waters between Maine and Texas, primarily within 200 miles of our shoreline.

The Atlantic bluefin tuna is not the only issue here and the Japanese are not the sole villians. The same fate awaits other species of tunas. The present loophole will allow other nations to become active in our waters. It is our responsibility to correct inad-equacies in our legislation when they are discovered.

Another matter of equal importance is the incidental catch of other species such as swordfish, marlins, and sharks. Japanese vessels employ longline gear which consists of a "main" line extending 60 to 70 miles upon which are attached several thousand smaller branch lines, each containing baited hooks

These longlines capture all fish indiscriminately and while species other than tunas are technically protected and may not be retained, thousands are nevertheless caught and killed. The National Marine Fisheries Service estimates that 60 to 70 percent of all fish released are dead. Every fish so removed is one less available for U.S. harvest. Additionally, the presence of the foreign longline vessels makes many traditional fishing grounds inaccessible to U.S. vessels. During the past year, gear conflicts have in-creased steadily as frustrations have

I would like to take the opportunity to critique some of the arguments which have been set forth to support the existing system.

First, the State Department maintains that inclusion of tunas within the fisheries conservation zone [FCZ] will hamper our country's efforts to enter into fishery agreements with other nations. It escapes me how we consider ourselves in a position to negotiate any agreements involving tunas when we have abrogated the option of management within our own waters

Foreign countries do not now need any agreement to enter our FCZ in their quest for tunas. The big, distantwater tuna interests in the United States who, by the way, have historically stood by the State Department in opposition to such legislation as this, maintain that countries in Latin America and on the west coast of Africa will reciprocally shut off access to their waters for U.S. vessels should posture.

Well, the reality is that these countries have already gone to extended jurisdiction for tunas. And, this segment of our fishing industry is protected under the auspices of the American Fishermen's Protection Act. This provides compensation to U.S. vessels for fines, seized gear and vessels, and lost fishing time if they are arrested for breaking the fishing laws of foreign countries (if we do not reciprocally recognize their regulations).

Another common argument is that the Japanese will remove themselves from any international fishing agreement and simply fish a few miles outside our 200-mile limit without any conservation considerations. It seems to me that if the Japanese, being capable and proficient fishermen, were able to shift their efforts a few miles to the east and maintain a productive harvest while avoiding political problems, they would certainly have done

The third major objection raised is that we have been involved in negotiations dealing with voluntary fishing reductions by the Japanese. It has become increasingly clear that these voluntary reductions are in fact simply geographic shifts in fishing effort. As example, when the Japanese agreed to reduce by a couple of thoussand fish their bluefin catch in the Gulf of Mexico, they simply shifted into the Atlantic. Then they took the same tonnage in smaller fish, thereby causing an even greater impact upon the resource. In January 1981 alone, operating off the mid-Atlantic coast, the Japanese captured 11,000 medium size bluefin.

Today, we are being vastly outfished for Atlantic tunas, including yellowfin, big eye, and albacore, as well as bluefin. The conservation efforts of U.S. fishermen for bluefin have been negated. The foreign fish for other species has greatly expanded. The legislation I am proposing today is consistent with the draft Law of the Sea Convention and represents the hopes not only of my constituents from New Jersey but those of all Americans with an abiding interest in the perpetuation of our marine resources.

INTRODUCTION OF LEGISLA-TION PROVIDING FOR INTER-IM APPOINTMENTS OF U.S. AT-TORNEYS AND U.S. MARSHALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 5 minutes.

. Mr. RODINO. Mr. Speaker, today I am introducing legislation at the request of the Attorney General to provide for interim appointments of U.S. attorneys and U.S. marshals by the Attorney General.

Presently, interim appointments to fill vacancies occurring in a U.S. attorney's or marshal's position are made by the cognizant U.S. district court pursuant to 28 U.S.C. 546 and 565 until the President, with the advice and consent of the Senate, appoints a permanent U.S. attorney or marshal. Although U.S. attorneys and marshals are directly accountable to and act under the supervision and control of the Attorney General, the court is not obligated to consult with or even consider the views of the Attorney General in making an appointment. The proposed amendments are more consistent with the fundamental concept of separation of powers between the judicial and executive branches of Government.

Serious disruptions and delays of the business of the Federal courts which may result from a vacancy could be greatly alleviated. In the recent past some courts have appointed attorneys to fill vacancies from outside the U.S. attorney's office. These individuals have not been subjected to a Federal Bureau of Investigation background investigation prior to their appointments which poses serious problems for the Department because of the possible presence of classified and other extremely sensitive information within the U.S. attorney's and marshal's offices

The proposed legislation would not change or limit the present requirement that all presidential appointments be submitted to the U.S. Senate for confirmation.

The bill follows:

H.R. 4462

A bill to provide for interim designation of United States attorneys and United States marshals by the Attorney General

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 546 of title 28, United States Code, is amended to read as follows:

"SEC. 546. VACANCIES.

(a) In the case of a vacancy in the office of United States attorney, the Attorney General may designate a United States attorney to serve until the end of the next session of the Senate of the United States, or until the person nominated by the President as United States attorney, or appointed by the President as United States attorney under a recess appointment under article II, section 2, paragraph 3 of the Constitution of the United States, qualifies, whichever period is shorter.

(b) The Attorney General may not designate as United States attorney a person whose nomination by the President to that office was rejected by the Senate. If the Senate rejects the nomination of a person designated by the Attorney General to serve as United States attorney, the person shall cease to serve as United States attorney upon such rejection.'

SEC. 2. Section 565 of title 28, United States Code, is amended to read as follows: "SEC. 565. VACANCIES.

(a) In the case of a vacancy in the office of United States marshal, the Attorney General may designate a United States marshal to serve until the end of the next session of the Senate of the United States, or until the person nominated by the President as United States marshal, or appointed by the President as United States marshal under a recess appointment under article II, section 2, paragraph 3 of the Constitution of the United States, qualifies, whichever period is shorter.

(b) The Attorney General may not designate as United States marshal a person whose nomination by the President to that office was rejected by the Senate. If the Senate rejects the nomination of a person designated by the Attorney General to serve as United States marshal, the person shall cease to serve as United States marshal upon such rejection.".

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Jones) is recognized for 5 minutes.

• Mr. JONES of Tennessee. Mr. Speaker, I rise today to explain my absence from this Chamber on Wednesday, September 9. A longstanding senior member of my staff had a death in his immediate family and I returned to Tennessee to attend the funeral. I understand that I missed four record votes on that day and wish to state my position and how I would have voted had I attended Wednesday's session.

On the question of the amendment by my colleague Mr. Mottl, rollcall vote No. 191, I would have voted "aye." On the question of the amendment by my colleague Mr. Walker, rollcall No. 192, I would have voted "aye." On the amendment by my colleague Mr. Sensenbrenner, I would have voted "aye." On passage of the bill, H.R. 4169, I would have voted "yea."

Thank you.

IN OPPOSITION OF WEAPONS SALE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. Wirth) is recognized for 5 minutes.

• Mr. WIRTH. Mr. Speaker, I again rise to voice my opposition to the Reagan adminstration's proposal for the largest weapons sale in U.S. history—the transfer of AWACS aircraft and F-15 enhancements to Saudi Arabia.

In 1978, I spoke on the floor against the sale of F-15's to Saudi Arabia because I believed that sale would have seriously jeopardized the delicate military balance in the Mideast, and would have undermined our commitment to a peaceful settlement of the hostilities there. The proposal to sell 60 of our most advanced fighter/bombers to Saudi Arabia as part of a package deal of sophisticated armaments touched

off a long and intense debate in Congress.

In order to mitigate concern that the F-15's would be used to threaten Israel, the Secretary of Defense and the State Department assured Congress that these aircraft were for defensive purposes only and would not constitute a threat to Israel. Furthermore, we were assured that these planes would not be fitted with the sophisticated add-on equipment the F-15 is designed to carry.

Now, however, the Reagan administration is proposing to sell the Government of Saudi Arabia the same equipment that in 1978 we were assured would not be provided. In addition, the administration is pushing for the sale of AWACS, which would give the Saudis the ominous capability to monitor Israeli activity from airspace over Saudi Arabia.

Mr. Speaker, the AWACS sale endangers American interests in the Mideast by ignoring the instability of the Saudi regime and by risking the secrecy of the weapons technology on which AWACS is based. Further, it sends the wrong political signals by rewarding Saudi Arabia's outright rejection of the Camp David accords.

Congress has the power and the right to stop this dangerous weapons transfer. I have joined many of my colleagues in cosponsoring the concurrent resolution of disapproval introduced by Messrs. Long and Lent. I urge my fellow Members to add their names to the list of those opposing the AWACS sale.

Rather than providing a credible deterrent in the Mideast, the supply of additional armaments to Saudi Arabia threatens only Israel. During this critical period in the Camp David peace process, it cannot be in our best interests to escalate regional tensions by arming the Saudi regime. As it is our responsibility to insure peaceful solutions in the Mideast, I call on my colleagues to stand firm in opposition to the administration's proposal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Chappell (at the request of Mr. Bennett) for today, to attend a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Wortley) to revise and extend their remarks and include extraneous material:)

Mr. Dannemeyer, for 30 minutes, on September 10.

Mr. FIELDS, for 5 minutes, today.

(The following Members (at the request of Mr. Roemer) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. NEAL, for 5 minutes, today. Mr. Conyers, for 60 minutes, today.

Mr. Addabbo, for 15 minutes, today. Mr. Alexander, for 30 minutes, today.

Mr. Frank, for 10 minutes, today.

Mr. Howard, for 5 minutes, today. Mr. Rodino, for 5 minutes, today.

Mr. Jones of Tennessee, for 5 minutes, today.

Mr. Wirth, for 5 minutes, today.

Mrs. Collins of Illinois, for 60 minutes, on September 18.

Mr. Skelton, for 60 minutes, on October 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Ms. Ferraro, during general debate on H.R. 4209 in the Committee of the Whole today.

Mr. BIAGGI, immediately prior to the vote on the Wilson amendment to H.R. 4209 in the Committee of the Whole today.

Mr. ST GERMAIN, to revise and extend his remarks in the RECORD and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$1.440.

(The following Members (at the request of Mr. Wortley and to include extraneous matter:)

Mrs. Snowe in three instances.

Mr. ERLENBORN.

Mr. DANNEMEYER.

Mr. MITCHELL of New York.

Mr. Ashbrook in two instances.

Mrs. HECKLER.

Mr. CONABLE.

Mr. Sensenbrenner.

Mr. CONTE.

Mr. WHITEHURST.

Mr. DANIEL B. CRANE.

Mr. LENT.

Mr. DOUGHERTY.

Mr. GREEN.

Mr. Martin of North Carolina.

Mr. Frenzel in five instances.

Mr. Lowery of California.

Mr. BROOMFIELD.

Mr. GINGRICH.

Mr. MICHEL.

Mr. PARRIS.

(The following Members (at the request of Mr. ROEMER) and to include extraneous matter:)

Mr. PEASE.

Mr. CLAY.

Mr. Aspin.

Mr. GARCIA. Mr. SWIFT. Mr. PEYSER.

Mr. FRANK.

Mr. Simon in two instances.

Mr. DE LA GARZA in 10 instances.

Mr. O'NEILL.

Mr. Hawkins in three instances.

Mr. YATRON in three instances.

Mr. MURTHA.

Mr. Vento in two instances.

Mr. ALBOSTA.

Mr. EDWARDS of California.

Mr. RICHMOND.

Mr. SHELBY.

Mr. WILLIAMS of Montana.

Mr. BRODHEAD.

Mr. Markey.

Mrs. Chisholm.

Mr. MATSUI.

Mr. RANGEL.

Mr. BEDELL.

Mr. HOLLAND in two instances.

Mr. SAVAGE.

ADJOURNMENT

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p.m.) the House adjourned until tomorrow, Friday, September 11, 1981, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 or rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of Sept. 9, 1981]

1955. A letter from the Secretary of Agriculture, transmitting notice of a further delay until September 30 in the submission of a report on the study of the potential for expansion of U.S. agricultural exports and the use of agricultural exports in obtaining natural resources or other commodities and products needed by the United States, required by section 210(a) of Public Law 96-494; to the Committee on Agriculture.

1956. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of August 1, 1981, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 97-85); to the Committee on Appropriations and ordered to be printed.

1957. A letter from the Acting Comptroller General of the United States, transmitting his review of the proposed rescission of budget authority, 10 new deferrals, and revisions to 4 previously reported deferrals contained in the message from the President dated July 16, 1981 (H. Doc. No. 97-64), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 97-86); to the Committee on Appropriations and ordered to be

1958. A letter from the Acting General Counsel, U.S. General Accounting Office, transmitting report on the status of budget authority that was proposed, but rejected, for rescission, contained in the message from the President dated June 8, 1981; to the Committee on Appropriations.

1959. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notice of various transfers of funds appropriated to the Department of Defense, pursuant to section 734 of Public Law 96-527; to the Committee on Appropriations.

1960. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to repeal section 5(b) of the Subversive Activities Control Act of 1950, as amended (50 U.S.C. 784(b)); to the Committee on Armed Services.

1961. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting a draft of proposed legislation to amend section 4308(a)(5) of title 10, United States Code, to eliminate the requirement that an individual must be a member of the National Rifle Association in order to be eligible to purchase arms, ammunition, targets, and other supplies and appliances necessary for target practice sold pursuant to that section; to the Committee on Armed Services.

1962. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to facilitate the transfer of members of the Armed Forces to and from the temporary disability retired list, and for other purposes; to the Committee on Armed Services

1963. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 32, United States Code, to extend the period of time during which all elements of a National Guard unit must complete a training assembly; to the Committee on Armed Services.

1964. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting various selected acquisition reports and SAR summary tables for the quarter ended June 30, 1981, pursuant to section 811(a) of Public Law 94-106; to the Committee on Armed Services.

1965. A letter from the Deputy Assistant Secretary of Defense (Administration); transmitting a report on negotiated contracts for experimental, developmental, test, or research work, or for industrial mobilization in the interest of the national defense, covering the period October 1980 through March 1981, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

1966. A letter from the Deputy Chief of Naval Material (Contracts and Business Management); transmitting a report covering the 8 months ended May 31, 1981, on Navy research and development contracts of \$50,000 and over, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

1967. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing); transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1968. A letter from the Deputy Assistant Secretary of Defense (Facilities, Environment, and Economic Adjustment), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air National Guard, pursuant 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1969. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting summaries of revenues derived from recovered materi-

als for fiscal year 1980, pursuant to section 612 of Public Law 93-552; to the Committee on Armed Services.

1970. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Dyess Air Force Base, Tex., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1971. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the Dare County bomb range operations function at Seymour Johnson Air Force Base, N.C., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1972. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Vandenberg Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1973. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Norway (Transmittal No. 81-82), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1974. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Australia (Transmittal No. 81-86), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1975. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to the Republic of Germany (Transmittal No. 81-88), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1976. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sales of certain defense equipment and services to Belgium, Denmark, Germany, Norway, and the Netherlands (Transmittal No. 81-95), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1977. A letter from the Director, Federal Emergency Management Agency, transmitting a report that the agency made no property acquisitions of emergency supplies and equipment during the quarter ended June 30, 1981, pursuant to section 201(h) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1978. A letter from the Chairman, National Advisory Council on International Monetary and Financial Policies, transmitting the annual report of the Council for fiscal year 1980; to the Committee on Banking, Finance and Urban Affairs.

1979. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 79 of the Defense Production Act of 1950, as amended, to authorize the grant of exemptions to the cost accounting standards by the Director of the Office of Man-

agement and Budget; to the Committee on Banking, Finance and Urban Affairs.

1980. A letter from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the back side of U.S. paper money of the denomination of \$1 to be printed by a method other than the intaglio process; to the Committee on Banking, Finance and Urban Affairs.

1981. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting the annual report on progress in promoting the development and use of capital saving technologies in the activities of certain international financial institutions, pursuant to section 801(b) of Public Law 95-118; to the Committee on Banking, Finance and Urban Affairs.

1982. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, and the Acting Deputy Director of the International Development Cooperation Agency, transmitting a report on the role of the multilateral development banks in increasing food production and improving nutrition in developing countries, pursuant to section 901(b) of Public Law 95-118; to the Committee on Banking, Finance and Urban Affairs.

1983. A letter from the Secretary of Agriculture, transmitting a report on the study of the problems of remote claims, pursuant to section 509 of Public Law 95-557; to the Committee on Banking, Finance and Urban Affairs.

1984. A letter from the Secretary of Housing and Urban Development, transmitting the second annual report on the rehabilitation loan program authorized by section 312 of the Housing Act of 1964, pursuant to section 312(k) of the act, as amended; to the Committee on Banking, Finance and Urban Affairs.

1985. A letter from the Secretary of Housing and Urban Development, transmitting a copy of "Rental Housing: Condition and Outlook," pursuant to the 1980 housing and community development conference report; to the Committee on Banking, Finance and Urban Affairs.

1986. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with Transbrasil S.A. Linhas Aereas (Brazil) exceeding \$100 million, pursuant to section 2(b)(3(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1987. A letter from the President and

1987. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with Air Canada exceeding \$100 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1988. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed additional transaction involving nuclear facilities with Fuerzas Electricas de Cataluna, S.A., Empresa Nacional Hidroelectrica del Ribagorzana, S.A., Hidroelectrica de Cataluna, S.A., and Hidroelectrica del Segre, S.A. (Spain), pursuant to section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1989. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transaction supported by Eximbank during June and July 1981 to Communist countries; to the Committee on Banking, Finance and Urban Affairs

1990. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-78, "To authorize the Mayor to designate the Chairperson of the Public Service Commission and to extend the terms of office of Public Service Commissioners, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1991. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-79, "To amend the Home Purchase Assistance Fund Act of 1978 to expand eligibility requirements and provide for first right of purchase assistance for recipients under the act and to remove the limitation on total appropriations to the Home Purchase Assistance Fund," pursuant, to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1992. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-80, "To amend the Retail Service Station Act of 1976 to extend the moratorium on the conversion of full service retail service stations to limited service retail service stations, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1993. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-81, "To authorize the expenditure of funds by the District of Columbia Library for official purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1994. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-82, "To order the closing of a public alley abutting lots 841, 810, and 839 in Square 566, bounded by G Street, N.W., 3rd Street, N.W., F Street, N.W., and the Center Leg Freeway (S.O. 80-228) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1995. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-83, "To order the closing of a portion of a north-south public alley abutting lots 66 and 810 in Square 830, bounded by L Street NE., K Street NE., 5th Street NW., and 6th Street NE. (S.O. 79-375) (Ward 2); and to authorize the issuance of Council central staff employee personnel appeal rules," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia

1996. A letter from the Chairman, Council of the District of Columbia, District of Columbia Act 4-84, "To order the closing of a portion of 19th Place NE., in Squares 4112 and E-4112, bounded by Channing Street NE., Bryant Street NE., 18th Street NE., and 20th Street NE., (S.O. 80-63) (Ward 5)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1997. A letter from the Secretary of Education, transmitting proposed final regulations governing the cooperative education program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

and Labor.

1998. A letter from the Secretary of Education, transmitting proposed regulations

governing the award of certain unused college work study program funds under the supplemental funds program for cooperative education, pursuant to section 431(d)(1) of the General Education Provisions act, as amended; to the Committee on Education and Labor.

1999. A letter from the Secretary of Education, transmitting proposed final regulations to govern the award of grants under the bilingual education training projects programs, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

2000. A letter from the Secretary of Education, transmitting proposed final regulations to govern the continuing education outreach special projects program, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

2001. A letter from the Secretary of Education, transmitting the annual report for fiscal year 1980 on loan volume guaranteed and default claims paid by lender type in the guaranteed student loan program, required by section 432(c) of the Higher Education Act of 1965, as amended; to the Committee on Education and Labor.

2002. A letter from the Acting Chairman, Equal Employment Opportunity Commission, transmitting the Commission's report on activities under the Equal Pay Act of 1963 from July 1, 1979, through September 30, 1980, pursuant to section 4(d)(1) of the Fair Labor Standards Act of 1938, as amended; to the Committee on Education and Labor.

2003. A letter from the Chairman, Commission on the Review of the Federal Impact Ald Program, transmitting the final report of the Commission, pursuant to section 1015(d) of Public Law 95-561; to the Committee on Education and Labor.

2004. A letter from the Chairman, Minimum Wage Study Commission, transmitting volumes II through VII of the final report of the Commission, pursuant to section 2(e)(3) of Public Law 95-151; to the Committee on Education and Labor.

2005. A letter from the Secretary of Agriculture, transmitting the annual report on horse protection enforcement, pursuant to section 11 of Public Law 91-540; to the Committee on Energy and Commerce.

2006. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1980 on the special pay program for medical officers of the Commissioned Corps of the Public Health Service, pursuant to 31 U.S.C. 313(e); to the Committee on Energy and Commerce.

2007. A letter from the Secretary of Health and Human Services, transmitting the 1980 annual report on the National Health Service Corps, pursuant to section 336 of the Public Health Service Act, as amended; to the Committee on Energy and Commerce.

2008. A letter from the Secretary of Transportation, transmitting a report on actions taken or recommended to encourage private sector development of rail passenger corridors, pursuant to section 1005 of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

2009. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a report analyzing the economic effects of accelerated deregulation of natural gas prices, requested by the Senate Judiciary Subcommittee on Antitrust, Monopoly, and Business Rights; to the Committee on Energy and Commerce.

2010. A letter from the Acting Chairman, Federal Trade Commission, transmitting the annual report for calendar year 1979 on cigarette advertising, pursuant to section 8(b) of Public Law 89-92; to the Committee on Energy and Commerce.

2011. A letter from the Acting Chairman, Federal Trade Commission, transmitting advance notice of a proposed regulation governing used car sales; to the Committee on Energy and Commerce.

2012. A letter from the Secretary, Interstate Commerce Commission, transmitting a report on an extension of a statutory deadline granted by the Commission in a rail carrier proceeding, Docket No. 38566, pursuant to 49 U.S.C. 10327(j); to the Committee on Energy and Commerce.

2013. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in Docket No. 37285, Greyhound Lines, Inc. v. National Railroad Passenger Corporation, within the time periods specified, pursuant to 49 U.S.C. 10327(k); to the Committee on Energy and Commerce.

2014. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to complete the evidentiary record in No. 37619, Iron Ore, Randville to Iron Mountain, MI, Escanaba & Lake Superior, by the July 25, 1981, statutory due date, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Energy and Commerce.

2015. A letter from the Chairman, President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research, transmitting a report concerning the definition of death, pursuant to section 1802(a)(1)(B) and (a)(4) of the Public Health Service Act, as amended; to the Committee on Energy and Commerce.

2016. A letter from the Chairman, Task Force on Environmental Cancer and Heart and Lung Disease, transmitting the fourth annual report of the task force, pursuant to section 402 of Public Law 95-95; to the Committee on Energy and Commerce

mittee on Energy and Commerce.
2017. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of May 1981, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

2018. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report on passengers carried and on-time performance for the month of June 1981, pursuant to section 308(a)(2) of Public Law 91-518, as amended; to the Committee on Energy and Commerce.

2019. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend Public Law 90-553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes; to the Committee on Foreign Affairs.

2020. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting notice of the State Department's intention to consent to

a request by the Government of Korea for permission to transfer certain U.S.-origin defense equipment to Lebanon, pursuant to section 3(d)(1) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2021. A letter from the Comptroller, Department of State, transmitting the Department's quarterly report on programming and obligation of international narcotics control funds as of June 30, 1981, pursuant to section 481 of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

2022. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2023. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2024. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2025. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2026. A letter from the Assistant Secretary of Treasury (Legislative Affairs), transmitting project performance audit reports prepared by the International Bank for Reconstruction and Development, and project performance audit or project completion reports prepared by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2027. A letter from the Director, Defense Security Assistance Agency, transmitting a report that the Defense Department has provided certain defense articles, services, and training to El Salvador under the authority of Presidential Determinations Nos. 81-2 and 81-4, pursuant to section 506(b)(2) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Af-

2028. A letter from the Director, Defense Security Assistance Agency, transmitting a report covering the period ended September 30, 1980, on the estimated number of officers and employees of the U.S. Government and U.S. civilian contract personnel in foreign countries for assignment in implementation of sales and commercial exports under the Arms Export Control Act, pursuant to section 36(a)(7) of the act; to the Committee on Foreign Affairs.

2029. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Norway (Transmittal No. 81-82), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2030. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Australia (Transmittal No. 81-86), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2031. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to the Federal Republic of Germany (Transmittal No. 81-88), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2032. A letter from the Director, Defense Security Assistance Agency transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to France (Transmittal No. 81-94), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2033. A letter from the Director, Defense Security Assistance Agency transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Belgium, Denmark, Germany, Norway, and the Netherlands (Transmittal No. 81-95), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2034. A Communication from the President of the United States, transmitting the sixth annual report on implementation of the Privacy Act of 1974, covering calendar year 1980, pursuant to 5 U.S.C. 552a(p); to the Committee on Government Operations.

2035. A letter from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Bureau of Engraving and Printing to use recording clocks to record time and attendance of employees; to the Committee on Government Operations.

2036. A letter from the Deputy Administrator of General Services, transmitting a draft of proposed legislation to amend section 203 of the Federal Property and Administrative Services Act of 1949, as amended, to require the submission to the appropriate committees of Congress, of an explanatory statement of the circumstances of each negotiated disposal of real property having a fair market value in excess of \$500,000; to the Committee on Government Operations.

2037. A letter from the Deputy Administrator of General Services, transmitting a followup report on the recommendations contained in the 1979 report of the Board of Visitors, U.S. Military Academy, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

ment Operations.

2038. A letter from the Deputy Administrator of General Services, transmitting followup reports on the recommendations contained in the reports of the President's Export Council entitled "Taxation of Foreign Earned Income of Americans Living Overseas," dated December 10, 1979, "Implementation of the Multilateral Trade Negotiations (MTN) and the General Agreement on Tariffs and Trade (GATT)," dated December 10, 1979, and "The Need for Foreign Language Competence and Cultural Awareness as a Component of Successful U.S. International Trade," dated January 22, 1980, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2039. A letter from the Inspector General, Department of Health and Human Services, transmitting the quarterly report on the activities of his office, covering the period ended June 30, 1981, pursuant to section 204(b) of Public Law 94-505; to the Committee on Government Operations.

2040. A letter from the Director, Administrative Office of the United States Courts, transmitting the actuarial report for the judicial retirement system, and the judicial survivors annunities system, for the year ended December 31, 1980, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

2041. A letter from the Assistant Vice

2041. A letter from the Assistant Vice President, Farm Credit Banks of Baltimore, transmitting the annual report of the District's retirement plan for calendar year 1980, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

2042. A letter from the Assistant Vice President (Personnel), Farm Credit Banks of St. Louis, transmitting the annual report of the District's retirement plan for calendar year 1980, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

2043. A letter from the Acting Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during July 1981, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2044. A letter from the Acting Comptroller General of the United States, transmiting a report on GSA's cleaning costs (AFMD-81-78, Aug. 24, 1981); to the Committee on Government Operations.

2045. A letter from the Acting Comptroller General of the United States, transmitting a report on pension losses of contractor employees at Federal installations and how those losses can be reduced (HRD-81-102, Sept. 3, 1981); to the Committee on Government Operations.

2046. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Army, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2047. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2048. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2049. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2050. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2051. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2052. A letter from the Assistant Attorney General for Administration, Department of Justice, transmitting notice of a proposed new routine use of an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2053. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of three proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2054. A letter from the Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2055. A letter from the Acting Secretary of Agriculture, transmitting notice of a proposed new records system for the Federal Grain Inspection Service, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2056. A letter from the Assistant Secretary of Health and Human Services for Health, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2057. A letter from the Assistant Secretary of Health and Human Services for Health, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2058. A letter from the Assistant Secretary of Health and Human Services for Health, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2059. A letter from the Assistant Secretary of Health and Human Services for Health, transmitting notice of a proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2060. A letter from the Assistant Secretary of Health and Human Services for Human Development Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2061. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2062. A letter from the Assistant Secretary of Energy for Management and Administration, transmitting additional information regarding proposed changes in two existing records systems, pursuant to 5 U.S.C. 552(o); to the Committee on Government Operations.

2063. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2064. A letter from the Chairman, Federal Election Commission, transmitting various proposed amendments to the Federal Election Campaign Act; to the Committee on House Administration.

2065. A letter from the Attorney General, transmitting notice of the Justice Department's intention to urge that the U.S. District Court for the District of Montana hold the provisions of section 204(e) of the Federal Land Policy and Management Act to be unconstitutional in the cases of Pacific Legal Foundation v. Watt and Mountain States Legal Foundation v. Watt, pursuant to section 21 of Public Law 96-132; to the Committee on Interior and Insular Affairs.

2066. A letter from the Secretary of the Interior, transmitting notice of the leasing systems to be used in oil and gas lease sale No. 60, Lower Cook Inlet/Shelikof Strait, to be held on September 29, 1981, pursuant to

section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

2067. A letter from the Under Secretary of the Interior, transmitting notice of the proposed refund of \$321,038.55 in excess royal-ty payments to Conoco, Inc.; Koch Oil Co.; ARCO Oil & Gas Co.; Marathon Oil Co.; Getty Oil Co.; Diamond Shamrock Corp.; and Pennzoil Exploration & Production Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

2068. A letter from the Under Secretary of the Interior, transmitting notice of the proposed refund of \$221,567.77 in excess royal-ty payments to ARCO Oil & Gas Co.; Chevron U.S.A. Inc.; Conoco, Inc.; Gulf Oil Corp.; and Exxon Co., U.S.A., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

2069. A letter from the Under Secretary of the Interior, transmitting notice of the proposed refund of \$166,555.89 in excess royal-ty payments to Mobil Oil Corp.; Amoco Production Co.; Pogo Producing Co.; Getty Oil Co.; and ARCO Oil & Gas Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

2070. A letter from the Secretary of the Interior, transmitting a report of the U.S. Government Comptroller for the Virgin Islands on the financial condition of the Virgin Islands for the transition quarter and fiscal year 1979, pursuant to section 4(d) of Public Law 95-348; to the Committee on Interior and Insular Affairs.

2071. A letter from the Under Secretary of the Interior, transmitting the report of the U.S. Government Comptroller for Guam on the fiscal condition of the Government of Guam for the 15-month period ended September 30, 1979, pursuant to section 9-A(g) of the Organic Act of Guam, as amended; to the Committee on Interior and Insular Affairs.

2072. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of certain judgment funds of the Caddo Indian Tribe of Oklahoma, pursuant to section 2(a) and 4 of Public Law 93-134; to the Committee on Interior and Insular Affairs.

2073. A letter from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting a report on the actions taken and planned on legislative proposals to be submitted by November 16, 1981, to resolve certain Indian claims, pursuant to section 2 of Public Law 96-217; to the Committee on Interior and Insular Affairs.

2074. A letter from the Deputy Assistant Secretary of the Army (Installations and Housing), transmitting a draft of proposed legislation to amend the Federal Land Policy and Management Act of 1976 to permit temporary use by Federal departments and agencies of public lands controlled by the Bureau of Land Management, Department of the Interior; to the Committee on Interior and Insular Affairs.

2075. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Emergency Fund Act (act of June 26, 1948, 62 Stat. 1052); to the Committee on Interior and Insular Affairs.

2076. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a draft of proposed legislation

to provide for the use and distribution of Seminole judgment funds in Dockets 73 and 151, and 73-A, before the Indian Claims Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

2077. A letter from the Chief Justice of the United States, transmitting the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C., on March 12 and 13, 1981, pursuant to 28 U.S.C. 331 (H. Doc. No. 97-87), to the Committee on the Judiciary and ordered to be printed.

2078. A letter from the Associate Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Com-

mittee on the Judiciary

2079. A letter from the Associate Commissioner, Immigration and Naturalization Service, Department of Justice, transmit-ting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2080. A letter from the Associate Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

2081. A letter from the Acting Commis-oner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the

Committee on the Judiciary.

2082. A letter from the Acting Commis-Immigration and Naturalization Service, transmitting the order suspending deportation in the case of Shew Chong, A14 214 023, under the authority of section 244(a)(2) of the Immigration and Nationality Act, pursuant to section 244(c) of the act; to the Committee on the Judiciary

2083. A letter from the Chairman, U.S. Commission on Civil Rights, transmitting a report on the status of minority voting rights in jurisdictions covered by the special provisions of the Voting Rights Act of 1965, as amended, pursuant to section 104(c) of Public Law 85-315; to the Committee on the

Judiciary.

2084. A letter from the Executive Director, American Historical Association, transmitting the audit report of the organization for the year ended June 30, 1981, pursuant section 3 of Public Law 88-504; to the Committee on the Judiciary.

2085. A letter from the president, Jewish War Veterans U.S.A. National Memorial, Inc., transmitting the audit report of the organization for the fiscal year 1981, pursuant to section 3 of Public Law 88-504; to the

Committee on the Judiciary.

2086. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to amend sections 546 and 565 of title 28, United States Code, to provide for interim appointments of U.S. attorneys and U.S. marshals by the

Attorney General rather than the judges of the U.S. district courts; to the Committee on the Judiciary.

2087. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to amend the Omnibus Crime Control and Safe Streets Act of 1968; to the Committee on the Judici-

2088. A letter from the Chairman, Administrative Conference of the United States. transmitting a draft of proposed legislation to amend the Administrative Conference to the Committee on the Judiciary.

2089. A letter from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting the third annual report on fishery allocation, permits, and foreign import barriers, pursuant to section 201(f) of the Fishery Conservation and Management Act of 1976, as amended; to the Committee on Merchant Marine and Fisheries. 2090. A letter from the Secretary of the

Interior, transmitting a report of the Fish and Wildlife Service covering the period April 1 through December 31, 1981, on administration of the Marine Mammal Protection Act of 1972, pursuant to section 103(f) of the act: to the Committee on Merchant

Marine and Fisheries.

2091. A letter from the Secretary of Comtransmitting the Department's report on administration of the annual Marine Mammal Protection Act of 1972, covering the year ended March 31, 1981, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisher-

2092. A letter from the Secretary of Commerce, transmitting the annual report of the Maritime Administration for fiscal year 1980 as required by the Merchant Marine Act, 1936, as amended; to the Committee on

Merchant Marine and Fisheries.

2093. A letter from the Secretary of Commerce, transmitting a semiannual report on the extent of known and estimated compliance with the provisons of the Magnuson Fishery Conservation and Management Act of 1976, pursuant to section 311(a) of the act (Public Law 94-265); to the Committee on Merchant Marine and Fisheries.

2094. A letter from the Secretary of Transportation, transmitting the report for calendar year 1980 on the Coast Guard's administration of section 5 of the Ports and Waterways Safety Act of 1972, as amended, pursuant to section 4417a(19) of the Revised Statues; to the Committee on

Merchant Marine and Fisheries.

2095. A letter from the Secretary of the Treasury, transmitting a report on an investigation of alleged improper activities by employees of the Department's Savings Division, pursuant to 5 U.S.C. 1206(b)(5); to the Committee on Post Office and Civil Service.

2096. A letter from the Inspector General, Department of Health and Human Services, transmitting a report on allegations concerning the National Center for Health Research, in response to a complaint filed with the Special Counsel of the Merit Systems Protection Board, pursuant to 5 U.S.C. 1206(b)(5); to the Committee on Post Office and Civil Service.

2097. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting quarterly reports on the Commission's hiring and promotion of women and minorities, covering the first and second quarters of fiscal year 1981, pursuant to section 201(h) of Public Law 98-438, as amended; to the Committee on Post Office and Civil

2098. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 34 of title 39, United States Code, to provide for better management of transportation for certain mail of members of the Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

2099. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to extend to 60 days the period over which subsistence expenses may be paid to Government employees evacuated from Iran during fiscal year 1979; to the Committee on Post Office and Civil Service.

2100. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on Connecticut River streambank erosion, Wilder Lake, N.H., and Vermont to Turners Falls Dam, Mass. in response to a House Public Works and Transportation Committee resolution adopted April 11, 1974; to the Committee on Public works and Transportation.

2101. A letter from the Deputy Secretary of Commerce, transmitting a report on reorganization of the Economic Development Administration required to comply with the Budget Reconciliation Act; to the Committee on Public Works and Transportation.

2102. A letter from the Secretary of Transportation, transmitting a report covering calendar year 1980 on the effect of the Airline Deregulation Act on the level of air safety, pursuant to section 107(b) of the Federal Aviation Act of 1958, as amended; to the Committee on Public Works and Transportation.

2103. A letter from the Deputy Administrator. General Services Administration. transmitting a prospectus proposing the acquisition of space leased for several agencies in Albany, Ga.; to the Committee on Public Works and Transportation.

2104. A letter from the Assistant Secretary of Energy for Conservation and Renewable Energy, transmitting notice of a delay in submission of the comprehensive management plan for the ocean thermal energy conversion research, development, and demonstration program, required by section 3(b) of Public Law 96-310; to the Committee on

Science and Technology.

2105. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed use of \$12,200,000 of "Construction of Fa-cilities" and "Research and Development" and "Research and Development" funds from fiscal years 1981 and 1982 for two new 34-meter antennas, pursuant to section 4 of Public Law 96-316; to the Committee on Science and Technology.

2106. A letter from the Director, National Science Foundation, transmitting the statistical report for fiscal year 1979 on Federal support to universities, colleges, and selected nonprofit institutions, pursuant to section 3(a)(7) of the National Science Foundation Act of 1950, as amended; to the Com-

mittee on Science and Technology.
2107. A letter from the Special Assistant. Office of the Secretary of Defense, transmitting a report on Defense Department procurement from small and other business firms for October 1980-March 1981, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business

2108. A letter from the Special Assistant, Office of the Secretary of Defense, transmitting a report on Defense Department procurement from small and other business firms for October 1980-April 1981, pursuant to section 10(d) of the Small Business Act, amended; to the Committee on Small Business

2109. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the statistical appendix to the annual report on the state of the finances of the U.S. Government for fiscal year 1980, pursuant to section 257 (First) of the Revised Statutes; to the Committee on Ways and Means. 2110. A letter from the Secretary of

Health and Human Services, transmitting the annual report for fiscal year 1980 on the social security program, pursuant to section 704 of the Social Security Act; to the Committee on Ways and Means.

2111. A letter from the Administrator, Na-tional Aeronautics and Space Administration, transmitting a draft of proposed legislation to amend the Tariff Schedules of the United States to permit the free entry of materials certified by the National Aeronautics and Space Administration to the Commissioner of Customs as intended to be launched into space to be spare parts or necand uniquely associated support equipment for use in connection with such launch and for other purposes; to the Committee on Ways and Means.
2112. A letter from the General Counsel,

Department of Defense, transmitting draft of proposed legislation to amend the National Security Agency Act of 1959, as amended, to add a new section to provide permanent authority to make grants for cryptologic purposes and for other purposes; to the Permanent Select Committee

on Intelligence.

2113. A letter from the Secretary of the Army and the Secretary of Agriculture, transmitting notice of the intention of the Departments of the Army and Agriculture to interchange lands of the Francis Marion National Forest, S.C., and the Gathright Dam and Lake Moomaw Project, Va., pursuant to section 1 of the act of July 26, 1956; jointly, to the Committees on Agriculture and Public Works and Transportation.

2114. A letter from the Vice Chairman. Federal Election Commission, transmitting copies of the Commission's fiscal year 1983 appropriation request, pursuant to section 310(d)(1) of the Federal Election Campaign Act of 1971, as amended; jointly, to the Committees on Appropriations, and House

Administration.

2115. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend section 709 of title 32. United States Code, to provide annual premium pay to technicians who perform duties related to tactical or strategic missions; jointly, to the Commit-tees on Armed Services and Post Office and

2116. A letter from the Chairman of the Board, U.S. Synthetic Fuels Commission, transmitting the quarterly report of the U.S. Synthetic Fuels Corporation for the period ended June 30, 1981, pursuant to section 177(c) of Public Law 96-294; jointly, to the Committees on Banking, Finance and

Urban Affairs and Energy and Commerce. 2117. A letter from the Acting Comptroller General of the United States, transmit-ting a report on the review of financial statements of the Commodity Credit Corporation for fiscal year 1980, pursuant to section 106 of the Government Corporation Control Act (H. Doc. No. 97-88); jointly, to the Committees on Government Operations and Agriculture, and ordered to be printed. 2118. A letter from the Acting Comptrol-

ler General of the United States, transmit-

ting a report on the Cooperative Extension Service's mission and Federal role (CED-81-119, August 21, 1981); jointly, to the Committees on Government Operations and Agriculture

2119. A letter from the Acting Comptroller General of the United States, transmitting a report on the Air Force's industrial fund (AFMD-81-53, August 14, 1981); jointly, to the Committees on Government Oper-

ations and Armed Services

2120. A letter from the Comptroller General of the United States, transmitting a report on less costly ways to budget and provide spares for new weapon systems (PLRD-81-60, September 9, 1981); jointly, to the Committees on Government Operations and Armed Services.

2121. A letter from the Acting Comptroller General of the United States, transmitting a report on bank holding company inspections by the Federal Reserve (GGD-81-79, August 18, 1981); jointly, to the Committees on Government Operations and Bank-

ing, Finance and Urban Affairs.

2122. A letter from the Acting Comptroller General of the United States, transmitting a report on Conrail's need for further improvement in inventory control and management (CED-81-140, September 4, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

2123. A letter from the Acting Comptroller General of the United States, transmitting a report on continuing problems at Three Mile Island (EMD-81-106, August 26, 1981); jointly, to the Committees on Gov-ernment Operations, Energy and Commerce, and Interior and Insular Affairs.

2124. A letter from the Acting Comptroller General of the United States, transmitting a report on water resources develop-ment activities and problems in developing countries (ID-81-51, August 25, 1981); jointly, to the Committees on Government Oper-

ations and Foreign Affairs.

2125. A letter from the Acting Comptroller General of the United States, transmitting a report on the Interior Department's handling of congressionally authorized Federal coal lease exchanges (EMD-81-87, August 6, 1981); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

2126. A letter from the Acting Comptroller General of the United States, transmitting a report on Federal water projects repayment policies and practices (CED-81-77, August 7, 1981); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Public Works and Trans-

portation.

2127. A letter from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting notice that the administration is studying the reduction of service at, or closure of certain airport traffic control towers, in response to GAO report (CED-81-100, dated June 1, 1981); jointly, to the Committees on Government Operations and Public Works and Transportation.

2128. A letter from the Acting Comptroller General, transmitting a report on TVA's coal procurement practices (EMD-81-65. August 14, 1981); jointly, to the Committees on Government Operations and Public

Works and Transportation.

2129. A letter from the Acting Comptroller General of the United States, transmitting a report on the application of certain U.S. import laws to trade with nonmarket economy countries (ID-81-35, September 3, 1981); jointly, to the Committees on Government Operations and Ways and Means.

2130. A letter from the Acting Comptrol-ler General of the United States, transmitting a report on the "escape clause" in the Trade Act of 1974 (ID-81-42, August 5, 1981); jointly, to the Committees on Government Operations and Ways and Means.

2131. A letter from the Assistant Secretary of State for Congressional Relations. transmitting notice of the proposed transfer of certain property to the Republic of Panama, pursuant to section 1504(b) of Public Law 96-70; jointly, to the Commit-tees on Merchant Marine and Fisheries and Foreign Affairs.

2132. A letter from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to amend certain provisions applicable to compensation for the overtime inspectional service of employees of the U.S. Customs Service, and for other purposes; jointly, to the Committees on Ways and Means and Post Office and Civil Service.

[Submitted Sept. 10, 1981]

2133. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact of U.S. readiness of the Army's proposed sale of certain military equipment to Jordan (Transmittal No. 81-68), pursuant to section 813 of Public Law 94-106, as amended; to the Committee on Armed Services.

2134. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain military equipment to Turkey (Transmittal No. 81-80), pursuant to section 813 of Public Law 94-106, as amended; to the Committee on Armed Services.

2135. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain equipment and services to the United Arab Emirates (Transmittal No. 81-84), pursuant to section 813 of Public Law 94-106, as amended; to the Committee on Armed Services.

2136. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain military articles and services to Saudi Arabia (Trans mittal No. 81-89), pursuant to section 813 of Public Law 94-106, as amended; to the Com-

mittee on Armed Services. 2137. A letter from the Director, Defense Security Assistance Agency transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain military services to Saudi Arabia (Transmittal No. 81-90), pursuant to section 813 of Public Law 94-106, as amended; to the Committee

on Armed Services.

2138. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain military articles and services to Saudi Arabia (Transmittal No. 81-91), pursuant to section 813 of Public Law 94-106, as amended; to the Committee on Armed Services.

2139. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain mili-tary equipment and services to Oman (Transmittal No. 81-92), pursuant to section 813 of Public Law 94-106, as amended; to the Committee on Armed Services.

2140. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain military equipment and services to Spain (Transmittal No. 81-93), pursuant to section 813 of Public Law 94-106, as amended; to the Committee on Armed Services.

2141. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to eliminate general or flag officer grade requirements from certain statutory positions in the Armed Forces, and for other purposes; to the Committee on Armed Services.

2142. A letter from the Acting Chairman, Federal Trade Commission, transmitting a proposed trade regulation rule concerning the sale of used motor vehicles, pursuant to section 21(a)(1) of the Federal Trade Commission Improvements Act of 1980; to the Committee on Energy and Commerce.

2143. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Jordan (Transmittal No. 81-68), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2144. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles to Turkey (Transmittal No. 81-80), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2145. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Egypt (Transmittal No. 81-81), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2146. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to the United Arab Emirates (Transmittal No. 81-84), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2147. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to Indonesia (Transmittal No. 81-87), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2148. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to Saudi Arabia (Transmittal No. 81-89), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2149. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense services to Saudi Arabia (Transmittal No. 81-90), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2150. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain design and construction services to Saudi Arabia (Transmittal No. 81-91), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2151. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense articles and services to Oman (Transmittal No. 79-92), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2152. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to Spain (Transmittal No. 81-93), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2153. A letter from the Acting Comptroller General of the United States, transmitting a report on efforts to improve school lunch programs (CED-81-121, Sept. 9, 1981); jointly, to the Committees on Government Operations and Education and Labor.

2154. A letter from the Assistant Secretary of Energy for Conservation and Renewable Energy, transmitting notice of a delay in submission of the report on energy self-sufficiency, required by section 406 of Public Law 96-294; to the Committee on Science and Technology.

2155. A letter from the Assistant Secretary of Energy for Conservation and Renewable Energy, transmitting notice of a delay in submission of the report on the need for and feasibility of a Federal program of insurance and reinsurance of geothermal reservoirs, required by section 621 of Public Law 96-294; to the Committee on Interior and Insular Affairs.

2156. A letter from the Deputy Secretary of Agriculture, transmitting notice of the administration's decision not to use the authorization of \$250 million for the alcohol fuels loan guarantee program; jointly, to the Committees on Appropriations and Agriculture.

2157. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting a report by a panel of the Advisory Council on a proposal by the U.S. Army Corps of Engineers to issue a permit to construct an entrance channel and commercial marina complex in Murrells Inlet, Georgetown County, S.C., pursuant to section 202(b) of the National Historic Preservation Act; jointly, to the Committees on Interior and Insular Affairs and Public Works and Transportation.

2158. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend section 376 of title 28, United States Code, in order to reform and improve the existing program for annuities for survivors of Federal Justices and judges; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLU-

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLAND; Select Committee on Intelligence. H.R. 4. A bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain United States intelligence officers, agents, informants, and sources; with an amendment (Rept. No. 97-221). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X the following actions were taken by the Speaker:

[Omitted from the Record of July 31, 1981]

The Committee on Post Office and Civil Service consideration of the bill (H.R. 2590) extended for an additional period ending not later than September 10, 1981.

[Submitted Sept. 10, 1981]

The Committee on Post Office and Civil Service discharged from consideration of the bill (H.R. 2590) which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRODHEAD (for himself and Mr. Vander Jagt):

H.R. 4452. A bill to amend the Internal Revenue Code of 1954 to exempt from the manufacturers' excise tax parts or accessories for light duty trucks, and to allow manufacturers of a taxable truck body or chassis to combine it with certain taxable parts or accessories without incurring additional tax by reason of the combination; to the Committee on Ways and Means.

By Mrs. CHISHOLM:

H.R. 4453. A bill to establish the U.S. Commission on Farmworkers, to authorize such Commission to draft a farmworker bill of rights, to provide for the labeling of agricultural products to inform consumers that the products were produced in conformity with such bill of rights, and for other purposes; to the Committee on Education and Labor.

By Mr. FIELDS:

H.R. 4454. A bill to provide for the designation of income tax payments to the U.S. Olympic Development Fund; jointly to the Committees on Ways and Means and the Judiciary.

By Mr. FRANK:

H.R. 4455. A bill to promote cost savings and efficiency in Government by providing for an independent contract study of certain proposed major expenditures before a final decision is made to proceed with such expenditures; to the Committee on Armed Services.

By Mr. GAYDOS:

H.R. 4456. A bill to protect firearms owners' constitutional rights, civil liberties, and rights to privacy; to the Committee on the Judiciary.

By Mr. HOWARD (for himself, Mrs. Schneider, Mr. Molinari, Mr. Whitehurst, Mr. Studds, Mr. Hughes, and Mr. Mavroules):

H.R. 4457. A bill entitled the "Tuna Protection Act"; to the Committee on Merchant Marine and Fisheries.

By Mr. LUKEN:

H.R. 4458. A bill to restrict the urban homesteading program to families with low or moderate incomes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MITCHELL of Maryland: H.R. 4459. A bill to extend through fiscal year 1982 SBA pilot programs under section 8 of the Small Business Act; to the Committee on Small Business.

By Mr. PEYSER:

H.R. 4460. A bill to repeal those provisions of the Economic Recovery Tax Act of 1981 which extended the credit against the windfall profit tax on domestic crude oil for roy-

alty owners, which reduced the rate of such tax on newly discovered oil, and which ex-empted from such tax independent producer stripper well oil; to the Committee on Ways and Means.

By Mr. RAHALL:

H.R. 4461. A bill to amend section 102 of the Energy Policy and Conservation Act to provide for more effective implementation of incentives under that section for development of coal mines; to the Committee on Energy and Commerce.

By Mr. RODINO:

H.R. 4462. A bill to provide for interim designation of U.S. attorneys and U.S. marshals by the Attorney General; to the Committee on the Judiciary.

By Mr. WILLIAMS of Montana: H.R. 4463. A bill to repeal section 2(c) of the Mineral Lands Leasing Act of 1920, relating to the prohibition against railroads leasing certain public lands for coal development, and for other purposes; jointly to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. ZABLOCKI:

Con. Res. 176. Concurrent resolution with respect to the proposed Agreement for Cooperation between the United States and Egypt concerning peaceful uses of nuclear energy; to the Committee on Foreign Af-

By Mr. FITHIAN:

H. Con. Res. 177. Concurrent resolution urging the President of the United States to enter into trade negotiations with representatives of the Government of Japan with respect to the establishment of Japanese auto production facilities in the United States; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

180. The SPEAKER presented a memorial of the Legislature of the State of Washington, relative to relief to communities affected by the eruption of Mount St. Helens; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PERKINS:

H.R. 4464. A bill for the relief of Dr. Rolando Cheng and Mrs. Anita Cheng; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4: Mr. SHAW.

H.R. 58: Mr. MARKEY, Mr. MARRIOTT, Mr. SWIFT, and Mr. WALGREN.

H.R. 116: Mr. SAM B. HALL, Jr., Mr. BEARD, Mr. GINGRICH, and Mr. WILSON.

H.R. 468: Mr. GINGRICH.

H.R. 644: Mr. Boner of Tennessee.

H.R. 808: Mr. Fowler, Mr. Swift, Mr. An-DERSON, Mr. AUCOIN, Mr. VANDER JAGT, and Mr. WYDEN.

H.R. 908: Mr. DE LUGO.

H.R. 1005: Mr. SMITH of Alabama.

H.R. 1113: Mr. GRAMM and Mr. Dorgan of North Dakota.

H.R. 1598: Mr. PATTERSON and Mr. FAS-

H.R. 1918: Mr. DREIER, Mr. SUNIA, Mr. CLAY, Mr. SHARP, Mr. FORD of Michigan, Mr. WEBER OF Minnesota, Mr. Bedell, Mr. RATCHFORD, Mrs. Holt, Mr. Gunderson, Mr. Markey, Mr. Gilman, Mr. Shumway, Mr. COURTER, Mr. BAILEY of Pennsylvania, Mr. FOGLIETTA, Ms. OAKAR, Mr. ROUKEMA, Mr. ST Mr. GERMAIN. Evans of Georgia, Mr. WYDEN, and Mr. DOWNEY.

H.R. 1995: Mr. English.

H.R. 2000: Mr. DINGELL, Mr. FORD of Michigan, Vento, Mr. Evans of Indiana, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. CONYERS, Mr. HERTEL of Michigan, Mr. KILDEE, Mr. EDGAR, Mr. FAZIO, Mr. GUARINI, Mr. MURPHY, Mr. RANGEL, Mr. RICHMOND, SAVAGE, Mr. SEIBERLING, and

H.R. 2131: Mr. FISH.

H.R. 2319: Mr. Smith of Pennsylvania, Mr. JEFFRIES, Mr. LaFalce, Mr. Kramer, Mr. Roe, and Mr. Roberts of South Dakota. H.R. 2417: Mr. Smith of New Jersey, Mr.

HORTON, Mr. FRANK, Mr. BAFALIS, Mr. KILDEE, Mr. SCHEUER, Mr. ROE, Mr. EVANS Of Georgia, Mr. Florio, Mr. Luken, Mr. Fish, Mr. Fazio, Mr. Forsythe, Mr. Dwyer, Mr. HOWARD, Mr. GUARINI, Mr. DORNAN of California, and Mr. OTTINGER.

H.R. 2454: Mr. FRENZEL.

H.R. 2488: Mr. GUARINI. H.R. 2498: Mr. Convers and Mrs. Snowe.

H.R. 2640: Mr. MARKEY.

H.R. 3031: Mr. Hubbard, Mr. Pritchard, Mr. Rahall, Mr. Young of Alaska, Mr. Chappell, and Mr. Vander Jagt.

H.R. 3086: Mr. HEFTEL and Mr. BEILENSON.

H.R. 3151: Mr. ALBOSTA.

H.R. 3252: Mr. WEAVER, Mr. MOLINARI, Mr.

Dyson, and Mr. Shaw.

H.R. 3300: Mr. Wampler, Mr. Lewis, Mr. JENKINS, Mr. BOWEN, Mrs. BOUQUARD, Mr. LUKEN, Mr. HANSEN of Utah, and Mr. CARMAN.

H.R. 3360: Mr. Donnelly, Mr. English, Mr. Balley of Missouri, Mr. Lowry of Washington, Mr. Kramer, Mr. Forsythe, Mr. Gunderson, Mr. Luken, Mr. Brown of Colorado, Mr. Daub, Mrs. Holt, Mr. Marri-OTT, Mr. CORCORAN, and Mr. HORTON.

H.R. 3416: Mr. MARRIOTT.

H.R. 3524: Mr. YATES and Mr. EDWARDS of California.

H.R. 3657: Mr. HOPKINS.

H.R. 3883: Mr. Nelson, Mr. Hatcher, Mr. HYDE, Mr. SMITH of New Jersey, and Mr. BENJAMIN.

H.R. 3904: Mrs. ROUKEMA.

H.R. 4047: Mr. FORSYTHE, Mr. DAVIS, Mr. EMERSON, and Mr. DICKINSON.

H.R. 4161: Mr. HOYER, Mr. LUNDINE Mrs. SCHNEIDER, and Mr. JEFFORDS.

H.R. 4342: Mr. OBERSTAR, Mr. BONKER, Mr. DE LA GARZA, Mr. BROWN of California, Mr. Dowdy, Mrs. Fenwick, Mr. Broomfield, Mr. RODINO, Mr. NELLIGAN, Mr. SCHUMER, Mr. HORTON, Mr. OTTINGER, Mr. ADDABBO, Mr. WEAVER, Mr. WYDEN, Mr. WHITEHURST, Mr. GINGRICH, Mr. CORRADA, Mr. FARY, Mr. SUNIA, Mr. PATTERSON, Mr. FAZIO, Mr. RALPH, M. HALL, Mr. RICHMOND, Mr. EDwards of California, and Mr. Wilson.

H.R. 4351: Mr. Napier, Mr. Hammer-schmidt, Mr. McDonald, Mr. Bliley, Mr. Barnard, Mr. Whittaker, and Mr. Kind-

H.R. 4355: Mr. Addabbo, Mr. Albosta, Mr. Anderson, Mr. Atkinson, Mr. Benjamin, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mr. CON-YERS, Mr. CORRADA, Mr. CROCKETT, Mr. CLAY, Mr. Dougherty, Mr. Dwyer, Mr. Fauntroy, Mrs. Fenwick, Mr. Fish, Mr. Ford of Tennessee, Mr. Frost, Mr. Goodling, Mr. Green, Mr. Horton, Mr. Hyde, Mr. Kemp, Mr. Lantos, Mr. Lehman, Mr. Marks, Mr. McKinney, Mr. Mineta, Mr. Mavroules, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. Molinari, Mr. Oberstar, Mr. Pepper, Mr. RANGEL, Mr. RICHMOND, Mr. ROE, Mr. ROSENTHAL, Mr. SAVAGE, Mr. SCHEUER, Mr. SMITH Of Alabama, Mr. Schumer, Mr. Solarz, Mr. Washington, Mr. Weiss, Mr. WILSON, Mr. WYDEN, and Mr. WEBER of Minnesota.

H.R. 4437: Mr. D'Amours and Mr. Mav-

H.J. Res. 72: Mr. LANTOS, Mr. MILLER of Ohio, Mr. Schumer, Mr. Daub, Mr. Young of Florida, Mr. Clausen, Mr. Dymally, Mr. WILLIAMS Of Ohio, Mr. Marriott, Mr. Scheuer, Mr. Roth, Mr. Johnston, Mr. Horton, Mr. Morrison, Mr. Porter, Mr. Hartnett, Mr. Matsui, Mr. Courter, Mr. Jeffords, Mr. Hybe, Mr. Winn, and Mr. Synthesis of Pennsylvania SMITH of Pennsylvania.

H.J. Res. 250: Mr. PETRI.

H.J. Res. 260: Mr. Wyden, Mr. Evans of Delaware, Mr. KEMP, Mr. ROBERTS of South Dakota, Mr. Dickinson, Mr. Oxley, Mr. VANDER JAGT, Mr. STANTON of Ohio, Mr. DUNN, Mr. SNYDER, Mr. HOLLAND, Mr. GILMAN, Mr. GRADISON, Mr. QUILLEN, Mr. NELLIGAN, Mr. TAYLOR, Mr. RINALDO, Mr. MARKS, Mr. DERWINSKI, Mr. CONTE, Mr. CARNEY, Mr. MOORE, Mr. GREGG, Mr. DAN DANIEL, Mr. CORCORAN, and Mr. CLAUSEN.

H.J. Res. 273: Mr. Roe and Smith of New

Jersey.

H.J. Res. 323: Mr. Young of Alaska, Mr. HYDE, Mrs. HOLT, Mr. ROBERTS of Kansas, Mr. Dunn, Mr. Hatcher, Mr. Lagomarsino, Mr. HORTON, Mr. LEBOUTILLIER, and Mr.

SENATE—Thursday, September 10, 1981

(Legislative day of Wednesday, September 9, 1981)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray a prayer of praise and gratitude in the words of the psalmist: "Praise the Lord!

Praise the Lord, O my soul!

I will praise the Lord as long as I live: I will sing praises to my God while I have being.

"Put not your trust in princes, in a son of man, in whom there is no help. When his breath departs he returns to his Earth; on that very day his

plans perish.

"Happy is he whose help is the God of Jacob, whose hope is in the Lord his God.

Who made Heaven and Earth, the sea, and all that is in them;

Who keeps faith forever; who executes justice for the oppressed; who gives food to the hungry.

"The Lord sets the prisoners free; the Lord opens the eyes of the blind.

The Lord lifts up those who are bowed down; the Lord loves the right-

The Lord watches over the sojourners, He upholds the widow and the fatherless; but the way of the wicked He brings to ruin.

"The Lord will reign forever, thy God,

O Zion, to all generations.

Praise the Lord!"—Psalms 146 (RSV).

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate to date be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that, following the time allocated to the two leaders under the standing order, there be a period for the transaction of routine morning business not to extend beyond the hour of 10:30 this morning, during which time and combine it with the 15-minute order.

Senators may speak therein for not to exceed 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXODUS OF SENIOR LEVEL EXECU-TIVES FROM FEDERAL EMPLOY-MENT

NOTICE OF HEARING

Mr. STEVENS. Mr. President, I have announced this morning that the Senate Governmental Affairs Subcommittee on Civil Service, Post Office and General Services, of which I am chairman, will hold a hearing on Monday morning at 9:30 a.m. concerning the exodus of senior level executives from the Federal Government's employment.

The reason I am holding this hearing is that it seems obvious to me that we have experienced a very massive exodus of the most experienced and senior Government managers in recent years. In my opinion, the pay cap on senior executives has been the major cause of this exodus, and this will be the focus of much of the testimony.

The so-called Government brain drain has brought about a loss of expertise at the senior management level that now reaches a crisis situation.

I have asked many Federal agencies to detail the experiences of their own agencies in the area of the exodus of senior civil servants. Every agency that has responded has indicated that it was having a serious problem recruiting and retaining senior executives.

We expect to have testimony from the Departments of Treasury and Defense, the FBI, and the Office of Personnel Management. I have also requested Congressman Vic Fazio of the Federal Service Task Force, Congressman Edward DERWINSKI of the House of Representatives Committee on Post Office and Civil Service, and representatives of the Senior Executive Association, and of the AFL-CIO government employees organizations to appear at this hearing.

It is to me a most important hearing. I mention it here because I hope the Members of the Senate will be aware that we are going to document the impact of the pay cap on the management of our Federal Government, and I will be bringing that issue to the floor sometime during this Congress.

Mr. President, I reserve the remainder of our time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. MUR-KOWSKI). The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may reserve my time under the standing order The PRESIDING OFFICER. Without

objection, it is so ordered. Mr. STEVENS. Mr. President, I ask unanimous consent that the remainder of the leadership time on this side be reserved until following the special orders that have been entered today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for morning business.

COMMODORE JOHN BARRY

Mr. MATHIAS. Mr. President, Senate Joint Resolution 87, recently enacted by Congress, designates September 13, 1981, as "Commodore John Barry Day." John Barry was born on September 13, 1745, and this is a fitting tribute to the father of the U.S. Navy whose exploits during the Revolutionary War and thereafter made him a national hero.

As we honor Commodore Barry, his nautical adventures and his bravery will be the subject of countless speeches. His contributions to the U.S. Navy will be reviewed as well and well they should be. But there is a less-well-known aspect of Commodore Barry's life that also deserves attention and that is his "devotion to the purpose of enabling America to live her own life."

Those words were used by President Woodrow Wilson in a speech delivered on May 16, 1914, at the unveiling in Lafayette Square of the statue to the memory of John Barry, commissioned by the Congress in 1906. On that memorable occasion, Woodrow Wilson examined the nature of the patriot, as exemplified by Commodore Barry, and, in the process, he illuminated the subject of patriotism for Americans in all times and all circumstances.

I can think of no more appropriate, timely, or fitting tribute to Commodore Barry this day than to submit the text of President Wilson's tribute for the RECORD. I ask unanimous consent that his address, entitled "Men Who Think First of Themselves Not True Americans," be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"MEN WHO THINK FIRST OF THEMSELVES NOT TRUE AMERICANS"

(By Woodrow Wilson)

(Address delivered at the unveiling of the statue to the memory of Commodore John Barry, Washington, May 16, 1914. From the White House files.)

I esteem it a privilege to be present on this interesting occasion, and I am very much tempted to anticipate some part of

what the orators of the day will say about the character of the great man whose memory we celebrate. If I were to attempt to make an historical address, I might, however, be led too far afield. I am going to take the liberty, therefore, of drawing a few inferences from the significance of this occasion.

I think that we can never be present at ceremony of this kind, which carries our thought back to the great Revolution, by means of which our Government was set up, without feeling that it is an occasion of reminder, of renewal, of refreshment, when we turn our thoughts again to the great issues which were presented to the little Nation which then asserted its independence to the world; to which it spoke both in eloquent representations of its cause and in the sound of arms, and ask ourselves what it was that these men fought for. No one can turn to the career of Commodore Barry without feeling a touch of the enthusiasm with which he devoted an originating mind to the great cause which he intended to serve, and it behooves us, living in this age when no man can question the power of the Na-tion, when no man would dare to doubt its right and its determination to act for itself, to ask what it was that filled the hearts of these men when they set the Nation up.

For patriotism, ladies and gentlemen, is in my mind not merely a sentiment. There is a certain effervescence, I suppose, which ought to be permitted to those who allow their hearts to speak in the celebration of the glory and majesty of their country, but the country can have no glory and no majesty unless there be a deep principle and convic-tion back of the enthusiasm. Patriotism is a principle, not a mere sentiment. No man can be a true patriot who does not feel himself shot through and through with a deep ardor for what his country stands for, what its existence means, what its purpose is declared to be in its history and in its policy. I recall those solemn lines of the poet Tennyson in which he tries to give voice to his conception of what it is that stirs within a nation: 'Some sense of duty, something of a faith, some reverence for the laws ourselves have made, some patient force to change them when we will, some civic manhood firm against the crowd"; steadfastness, clear-ness of purpose, courage, persistency, and that uprightness which comes from the clear thinking of men who wish to serve not themselves but their fellow men

What does the United States stand for, then, that our hearts should be stirred by the memory of the men who set her Constitution up? John Barry fought, like every other man in the Revolution, in order that America might be free to make her own life without interruption or disturbance from any other quarter. You can sum the whole thing up in that, that America had a right to her own self-determined life; and what are our corollaries from that? You do not have to go back to stir your thoughts again with the issues of the Revolution. Some of the issues of the Revolution were not the cause of it, but merely the occasion for it. There are just as vital things stirring now that concern the existence of the Nation as were stirring then. and every man who worthily stands in this presence should examine himself and see whether he has the full conception of what it means that America should live her own life. Washington saw it when he wrote his farewell address. It was not merely because of passing and transient circumstances that Washington said that we must keep free from entangling alliances. It was because he saw that no country had yet set its face in the same direction in which America had set her face. We can not form alliances with those who are not going our way; and in our might and majesty and in the confidence and definiteness of our own purpose we need not and we should not form alliances with any nation

in the world. Those who are right, those who study their consciences in determining their policies, those who hold their honor higher than their advantage, do not need alliances. You need alliances when you are not strong, and you are weak only when you are not true to yourself. You are weak only when you are the wrong; you are weak only when you are afraid to do the right; you are weak only when you doubt your cause and the majesty of a nation's might asserted.

There is another corollary. John Barry was an Irishman, but his heart crossed the Atlantic with him. He did not leave it in Ireland. And the test of all of us-for all of us had our origins on the other side of the sea—is whether we will assist in enabling America to live her separate and independent life, retaining our ancient affections, indeed, but determining everything that we do by the interests that exist on this side of the sea. Some Americans need hyphens in their names, because only part of them has come over; but when the whole man has come over, heart and thought and all, the hyphen drops of its own weight out of his name. This man was not an Irish-American: he was an Irishman who became an American. I venture to say if he voted he voted with regard to the questions as they looked on this side of the water and not as they affected the other side; and that is my infallible test of a genuine American, that when he votes or when he acts or when he fights his heart and his thought are centered nowhere but in the emotions and the purposes and the policies of the United States.

This man illustrates for me all the splendid strength which we brought into this country by the magnet of freedom. Men have been drawn to this country by the same thing that has made us love this countryby the opportunity to live their own lives and to think their own thoughts and to let their whole natures expand with the expansion of a free and mighty Nation. We have brought out of the stocks of all the world all the best impulses and have appropriated them and Americanized them and translated them into the glory and majesty of a great country.

So, ladies and gentlemen, when we go out from this presence we ought to take this idea with us that we, too, are devoted to the purpose of enabling America to live her own life, to be the justest, the most progressive, the most honorable, the most enlightened Nation in the world. Any man that touches our honor is our enemy. Any man who stands in the way of the kind of progress which makes for human freedom can not call himself our friend. Any man who does not feel behind him the whole push and rush and compulsion that filled men's hearts in the time of the Revolution is no American. No man who thinks first of himself and afterwards of his country can call himself an American. America must be enriched by us. We must not live upon her; she must live by means of us.

I, for one, come to this shrine to renew the impulses of American democracy. I would be ashamed of myself if I went away from this place without realizing again that every bit of selfishness must be purged from our policy, that every bit of self-seeking must be purged from our individual consciences, and that we must be great, if we would be great at all, in the light and illumination of the example of men who gave everything that they were and everything that they had to the glory and honor of America.

PETE DOMENICI

Mr. DOLE. Mr. President, once again we will be looking at the Federal budget for fiscal year 1982 and the years to follow. At times it may seem as though the budget problem will never go away, but this is no time to shy away from difficulties. We should not forget that more progress has been made in getting the budget under control this year than in any year since the budget process was instituted.

That we have come so far is, of course, largely due to the conviction of the President of the United States that Federal spending must be restrained. But our success in dealing with the budget could not possibly have been achieved without the diligent, evenhanded, and persistent efforts of the distinguished chairman of the Budget Committee, Senator Pete Domenici of New Mexico.

Mr. President, Pete Domenici has proved to be an outstanding chairman of the Budget Committee and a most persuasive advocate for the budget reforms set forth by the President. His achievements are no accident: He has prepared for them by years of hard work and by extraordinary concentration on the tasks at hand. Those of us who knew and admired Pete Domenici when our party was in the minority are not surprised at his success in a leadership role. I believe the Members on both sides of the aisle appreciate the fair but firm manner in which Chairman Domenici guided the budget debate this year. It is a task he will have to assume again this fall, and I look forward to working with him to finish work on the 1982 budget.

It is apparent that admiration for PETE DOMENICI is not confined to his colleagues in the Senate. In the Washington Post for Wednesday, September 9, Helen Dewar reported on Chairman Domenici's rise to prominence, and I believe her report makes clear why Senator DOMENICI has so many friends in and out of the Senate. I ask unanimous consent that Ms. Dewar's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WITH BUDGET VICTORIES, IMMIGRANTS' SON BECOMES A SENATE STAR

(By Helen Dewar)

ALBUQUERQUE, N.M.—A sandy-haired Italian from a state where ethnic politics is spoken with a Hispanic accent, a Sun Belt conservative with a penchant for rumpled attire, bland oratory and conciliatory politics, he did such strange things as saying good morning to elevator operators when he arrived in Washington nine years ago.

Back then, Pete V. Domenici's main claim to fame was that he was the first Republican elected to the Senate from New Mexico in 42 years. He came with a solid record as a progressive, activist mayor of Albuquerque. But he was basically a dim flicker in the galaxy of Senate "stars," an ordinary human being among those who tend to consider themselves extraordinary.
Domenici (pronounced Doe-MEN-a-chee)

still finds his name regularly mispronounced (Doe-men-EE-chee), and his mother was so moved by his less-than-elegant appearance on television earlier this year that she ar-ranged for him to get a new suit. But, by virtue of once-underestimated or perhaps late-blooming talents, the 49-year-

old New Mexican has emerged as one of the most prominent and influential members of the 97th Congress.

"I've never seen a man grow as much as Domenici has," Senate Majority Leader Howard H. Baker, Jr. (R-Tenn.) volunteered to a reporter last month after Baker, teamed with Domenici in his role as chairman of the Senate Budget Committee, pushed President Reagan's nuge package of spending cuts over its final legislative hurdle.

By the end of the five-month budget-cutting ordeal, Domenici knew so much about the government and its financing that "if you touched him, he'd drip," said Baker. Praising Domenici's "extraordinary restraint, skill and understanding," Baker added, "I cannot tell you how much I admire that

Domenici's leap to prominence stemmed from the GOP's unexpected capture of the Senate in the 1980 elections, which, with the retirement of Henry Bellmon of Oklahoma as ranking minority member, catapulted Domenici to the chairmanship of the Budget Committee. With the House still in Democratic hands. Domenici's position made him point man for President Reagan's budget-cutting crusade.

Domenici was among the first-perhaps the first—to suggest that Congress use the legislative shortcut of "reconciliation" for packaging and expediting Reagan's spending cuts. Jumping the gun on the House, his committee acted within days of Reagan's budget proposal in mid-March to produce a set of spending-cut instructions that was almost tailor-made for Reagan's own program.

Democrats complained of the "forcedmarch" nature of the committee's deliberations and some committee Republicans, led by Sen. William L. Armstrong (Colo.), staged a brief revolt in an attempt to extract firmer guarantees of cuts sufficient to produce a balanced budget by 1984. But, while most public attention focused on Reagan's series of coups in the nominally Democratic House, the final product of \$130.6 billion in cuts over the next three years bore a strong resemblance to what Domenici, reflecting Reagan's priorities, initially recommended.

"If it bears the imprint of anyone up here, it's Pete's," said Sen. Ernest F. Hollings (S.C.), ranking Democrat on the Budget Committee, who worked closely, although often in disagreement, with Domenici during the whole wrenching process.

True-believers among supply-side economists suspected Domenici of less than total commitment to their theories, and he crossed swords on more than one occasion with Budget Director David A. Stockman, including the time that Stockman tried unsuccessfully to get the Senate to swallow the House version of Reagan's budget cuts out of fear that the whole thing could unravel in a House-Senate conference.

But Domenici comes across as basically a Republican loyalist, and those who fault him generally do so on grounds that he doesn't stick his neck out far enough—a complaint heard from both right and left as they shoot at the administration from opposite ideological perspectives.

"He's a nice guy, and that's one of his problems," said a conservative critic, who confesses, however, to liking him.

A 49-year-old second-generation American, father of eight, who works hard and is proud of it. Domenici is a solid if unpretentious achiever who inspires rather more affection and confidence than reverence and awe.

He was born Pietro Vichi Domenici, one of five children of immigrants from impoverished farming country in northern Italy. Nicknamed "Bocci" because he reminded his father of an Italian bowling ball, he and his four sisters grew up in a close family, the ties of which still bind although both parents

His father, who had come to Albuquerque as a 14-year-old with an uncle who had already established a grocery store there, gradually built up a flourishing wholesale grocery business that extended 100 miles around Albuquerque. The younger Domenici grew up among working-class Hispanic families, helping his father with deliveries and other chores, and winding up with a degree from the University of New Mexico that produced a job teaching math in a local high school. He was hired because "I was a super baseball player, and they wanted a free baseball coach," he recalls.

A friend talked him into the University of Denver law school and then, after eight years of practice in Albuquerque, friends talked him into running for the city commission, which led to the job of chairman,

tantamount to mayor.

"I was a real complainer about govern-ment, not much different than I am now," says Domenici. "They told me to run or quit bitching. I was an easy push, even though I had six of my eight children by then and should have known better."

As mayor in the late 1960s, he spearheaded revival of the city's downtown core and, as he puts it, "took the government to the barrios," by setting up shop periodically in churches and storefronts in Hispanic neighborhoods. "We even invented CETA," he notes with irony, referring to the Comprehensive Education and Training Act program that was a major target of this year's budget cuts. The Albuquerque program, Domenici says, was a prototype of the national effort.

His administration was reformist, marked Domenici and his friends claim, by tenacious efforts to find common ground among com-munity and business leaders. "He's always had an ability to look at a problem and solve it better than anyone "'ve ever known," said Harry Kinney, a former commission chairman who is running for mayor this year.

Again pushed by friends, he tried for the governorship in 1970. His father had been a Republican, his mother a Democrat, and he a registered Republican although his political career had been based in nonpar-tisan politics. Although he lost, he activated a coterie of friends, many from the state's small Italian-American community, into a loyal Domenici boosters club that crisscrosses old party lines in some cases.

In 1972, Domenici again tried for state-wide office and, riding both President Nixon's coattails and his own popularity as mayor a few years before, won the Senate seat that was opened through the retirement of Clinton P. Anderson. He won reelection over a popular challenger in 1978.

As a onetime local government activist, as the child of immigrants who prospered in their new home by way of hard work and an entrepreneurial spirit, Domenici is less ideological than some of his New Right col-leagues from the Western mountains and deserts. He would continue some social welfare programs at the local level, for instance. and wants to see private industry move more aggressively into creating jobs for the poor and minorities.

Domenici's brand of pragmatic conserva-tism even allows for a few doubts now and then, coupled with an occasional celebration

of the wonders of the federal purse.

One such celebration came as Domenici, returning home for the August congressional recess after his budget-cutting triumph, flew up to the mountain town of Raton in northeastern New Mexico. As the plane bearing Domenici, a couple of aides and a reporter touched down on the landing strip, a dozen of the town's leading citizens turned out to welcome him. "Senator, you're a real hero; you're super-duper," exclaimed Bob Gurule,

Raton's city manager, with admiring nods from everyone else.

But the folks of Raton had not turned out the tarmac to toast austerity. Instead, with a symbolic glass of water, as precious as fine wine in these parched parts, they had come to thank their senior senator for haul-ing home a \$6 million loan from the Farmers Home Administration to help bring a new source of water to the thirsty town.

Later, as the plane headed back toward Albuquerque, Domenici brushed lightly, and uncomfortably, over the irony. "Sure, but I never said the federal government should get out of everything. It's just got to be a lot more selective, and if there's only so much money to go around New Mexico, this is where it should go," said Domenici, noting that the whole project would have fallen apart without a timely federal loan.

At a backyard barbeque in the Hispanic community, where he gets a friendly reception if not always a lot of votes, Domenici extolled the virtues of the budget cuts but fretted over whether business and state and local government would pick up the slack.

"Local government said it could do it better, and now we'll see whether they will," he told the somewhat skeptical crowd. Moreover. a way has to be found to assure that an expected surge of new private-sector jobs in the Albuquerque area gets channeled into lower-income Hispanic neighborhoods. "We haven't found a way yet, but we'll be trying," he added. "It just has to be done," he commented later, wearing a worried frown.

The crowd at the barbeque, arranged for Domenici by an His-anic friend who noted with a grin that most of the people there were Democrats, included officials of many of the agencies whose budgets are being cut. Most spoke well of Domenici, if not of everything he's been doing.

"He's been very helpful to us, very supportive," said Eugene Schiess, executive director the Albuquerque area's anti-poverty agency, noting that Domenici helped get a one-year funding reprieve for the community action program. "And if he doesn't agree with you, he's the first to tell you."

On another occasion, as Domenici was driving through downtown Albuquerque, an aide told him that her son was all for Reagan but worried about whether the president's budget cuts would hurt the poor.

So, conceded Domenici were some of his children. "But they believe their father that this won't happen," he said, adding with a faint smile, "I think he's right; I hope he's right."

HIGH INTEREST RATES

Mr. BOREN. Mr. President, the August recess has been a most revealing one to the Members of the Congress in general and to me in particular. As many of my colleagues did, I spent a good deal of the recess talking to the people of my State. Those discussions included a cross section of the people of Oklahoma and it reaffirmed my belief that the most pressing problem facing this country today is high interest rates.

The August recess reinforced my belief that the economic condition created by continuing high interest rates are every bit as bad as I said they were prior to the recess. I have found on my return to Washington, however, that the President and his advisers and a good many of my colleagues have at long last recognized the damage being done to the economic recovery program by these high interest rates.

One only has to look at the morning paper and listen to this morning's newscast to hear the cries of alarm. The House minority leader, ROBERT MICHEL, saying that something has to be done soon, or the Congress may start moving toward credit controls, greater regulation of financial institutions and a reorganization of the Federal Reserve System.

The distinguished majority leader said yesterday that something must be done to relieve the high interest rate burden not months from now, or even weeks from now, but in days from now.

Mr. President, I wholeheartedly agree and I renew now the call I made before the August recess began, that the President and his advisers should sit down with the Federal Reserve Board, and other financial leaders around the country and impress upon them the need for voluntary restraint and the need to bring interest rates down.

If the President does not receive voluntary cooperation and immediate action, the results of which should be seen by the general public immediately, then he should prepare an emergency plan to reduce interest rates and submit that plan to Congress for approval.

Mr. President, during my daily speeches on this subject prior to the recess, I said again and again that all of the budget cutting and all of the tax cutting that we were doing, was no good and would have no effect as long as interest rates remain at record high levels. I said that the greatest danger to the Reagan economic program was high interest rates and that those interest rates would sink the program before it ever began.

Time has proven those statements to be correct and this same alarm is now being sounded throughout the administration to the point that one television newscast this morning labeled high interest rates as public enemy No. 1.

It is being said that Wall Street has no confidence that the President can reduce the deficit and meet his target of a balanced budget by 1984. This lack of confidence is cited as the main reason for the continuation of high interest rates.

Mr. President, I believe that additional spending cuts will be made and must be made, and I will support them. The deficit must be reduced and a balanced budget must be achieved.

Reducing deficits and balancing the budget are long-term solutions that can and will be pursued, but as I have said many times before, a long-term solution is no good if the patient dies in the emergency room—and the U.S. economy is now in the emergency room. We must have immediate action, we must have a reduction in interest rates now—as the majority leader said, in a matter of days, not weeks or months or years.

AMERICA'S NEW FOREIGN POLICY

Mr. PELL. Mr. President, Frank Church, our former colleague and chairman of the Foreign Relations Committee, recently expressed his views about the Reagan administration's approach to foreign policy in the New York Times magazine of August 23, 1981. He argues that the administration's rigid anti-Soviet ideology puts it on a collision course with political reality. He points out that the administration's failure to distinguish between idealistic Soviet goals and actual capabilities causes a rift between the United States and other nations, including our allies in Europe.

He clearly delineates the spiraling difficulties facing the United States if we once again seek to become the gendarme of the world, protecting nations that do not feel the need for protection. He notes that the administration is ready to protect vital American interests anywhere in the world. Yet, in his view, the administration has no clear idea of what those vital interests are. Frank Church has written a succinct and thoughful piece, and I recommend it to my colleagues. Mr. President, I ask unanimous consent that full text of Senator Church's article be printed in the Record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA'S NEW FOREIGN POLICY

(By Frank Church)

At his first White House press conference, Ronald Reagan lambasted the Soviet Union. He said the Russian leadership reserved "the right to commit any crime, to lie, to cheat," in order to attain their goal of a one-world Communist state. His words, in one sense, were right on target. He understood that most Americans would welcome his indictment as reassurance that their tough-talking new President had no intention of letting the Russians push him around.

Like every other down-home American, I also distrust the Soviet Union. I too am convinced that members of the Politburo, meeting at the Kremlin, dream of a Communist world held firmly in their grasp. But a sensible American policy cannot rest upon Russian dreams; it must rest, instead, upon the real world in which we live. The first six months of the Reagan Administration have been marked by a collision between this real world and the single-minded anti-Soviet ideology of the President and his principal advisers.

The Administration's view of the Soviet Union falls to distinguish between the Russian leaders' more fanciful aspirations and their actual capabilities. The attempt to translate this flawed analysis into foreign policy puts the United States at odds with a diverse collection of stubbornly independent nations, including our principal European allies, that are far les mesmerized by the Kremlin than our present White House team.

In El Salvador, for example, the conflict between armed guerrillas and Government forces is portrayed by the Reaganites as a "textbook case" of Soviet-inspired insurgency, but Mexico, Venezuela and Western Europe disagree, viewing the conflict as rooted in the intolerable condition of life in that beleaguered land.

In the Middle East, the heralded journey by the Secretary of State, Alexander M. Haig, Jr., failed to elicit from Egypt, Israel, Jordan and Saudi Arabia a "consensus of strategic concerns" directed at the Soviet Union. The Saudis said they regarded Israel, not Russia, as their principal enemy; they were happy that the Reagan Administration had agreed to supply them with airborne radar planes (Awacas), but they reserved the right to use the aircraft against Israel. In two aerial attacks—against a reactor near

Baghdad potentially capable of supplying Iraq with nuclear weapons, and against a Palestinian guerrilla headquarters in the center of Beirut—Israel showed it had different ideas from Washington as to what constituted the greatest danger to its security.

In South Asia, we seem determined to repeat the mistake of 20 years ago, when we armed the Pakistanis against the Soviet Union, only to see them turn the weapons against India. Each of the combatants in the Indian-Pakistani war blamed the United States for arming the other, while the Russians benefited in the role of peacemaker. Now, because of the presence of Soviet forces in Afghanistan, Mr. Reagan has approved a new \$2-billion military aid package for Pakistan, although there is every likelihood that most of the weapons will be deployed by the Pakistanis, not along their Afghan, but along their Indian border.

In Africa, the Organization of African Unity has condemned the Reagan Administration's view of the independence movement in Namibia as an insurgency of Soviet origin. Black African governments regard the movement as a legitimate indigenous force, and they see South Africa, not the Soviet Union, as their real foe.

In Europe, leaders of the Western alliance had to caution Mr. Reagan against adhering to the position that he would not negotiate with Mozow on nuclear arms limitations until the United States had rearmed. They warned that an American failure to open talks with the Russians on curbing deployment of intermediate-range missiles in Europe would undermine such public support as remains for accepting these missiles at all. Reluctantly, the President had to agree to commence the negotiations by the end of the year.

This experience illustrates President Reagan's fundamental foreign-policy dilemma: How can the perceptions of so many other countries, including our closest allies, be reconciled with his own preconceptions?

For example, if the Japanese believed that the Russians were pounding at their gates, would it be necessary for us to arm-twist them into making token additions to their military budget? Or take venerable Great Britain, now governed by Prime Minister Margaret Thatcher, Mr. Reagan's ideological twin. If these two see the Russian threat in the same light, the actions of the Tory Government belie its words. The United States Navy is being expanded on a crash basis; the Royal Navy is retiring about a third of its largest ships. Ironically, within the Western alliance, the United States alone has embarked upon a massive rearmament program.

Faced with such inertia, it is small wonder that Mr. Haig carried with him to Peking the keys to the American arsenal. He must have feit much relieved to confer, at last, with leaders of an important government, albeit Communist, who shared his apocalyptic view of the Soviet menace. Doubtlessly, Foreign Minister Huang Hua relished hearing him use Chinese terminology when speaking of Soviet "hegemonism" as the source of the world's woes. And when Mr. Haig played the "China card," offering to sell China lethal weapons, his hosts were pleased to accept a status the United States has conferred on few Communist governments.

But the game played out in Peking was one of symbolism, not substance. Despite its fierce talk, the People's Republic is not fixing to fight the U.S.S.R. Over the past two years, Peking's military budget has been cut a full 20 percent. Chinese rhetoric is one thing; China's intentions, another. The notion that China can be enlisted in the ranks of our Pacific allies, forming part of a glant phalanx thrust up against the Soviet Union.

is a dream wrapped in a dogma that bears

no relation to reality.

There is the same lack of realism in the Reagan Administration's alignment with right-wing regimes, no matter how brutish, with the alm of bolstering them as bastions of anti-Communism. The courtship of the Argentine military dictatorship is taking place at the very time the Government there stands discredited with its own people, driven by economic distress either to seek a political exit or revert to a bloodletting, savage even by Argentine standards.

Mr. Reagan has sought to justify his embrace of right-wing governments by drawing a strange distinction between abuse of human rights by totalitarian regimes, such as the Soviet one, and similar violations by merely authoritarian rules, such as those in Argentina. What this amounts to, in plain English, is a deliberate downgrading of human rights. Yet ethical considerations have always played a part in American foreign policy. As Vietnam and Chile demonstrated, a policy that runs against the grain of American ideals will not be supported indefinitely

Admittedly, there is a certain appeal in dealing with regimes like those in Argentina, Chile or Guatemala—as there was in dealing with Somoza's Nicaragua or the Shah's Iran. Authority is concentrated in one man or a small group: It is unnecessary to put up with the messiness of democratic government; agreements are easily arrived at, and the bilateral business relations are usually cordial. But the appearance of stability is often illusory. The harsh reality is that people in poorer countries are not satisfied or resigned to their lot. A people ripe for revolution will rise to the call without Leonid Brezhnev or Fidel Castro—though neither, when an opportunity presents it-self, is above lending a hand. And, as we should have learned from our bitter experience in Iran, the danger to us, when an American-supported dictatorship falls, is that the United States becomes the scapegoat, equated in the eyes of the people with the hated regime they have overthrown.

It is to President Carter's credit that he tried to portray the United States as a country with sufficient self-respect to avoid courting the worst of the rightwing police states. The Reagan Administration, on the other hand, bids fair to confirming the darkest suspicions of foreign peoples striving to achieve some improvement in their lives—that we prefer the apparent tranquility of "friendly" authoritarian governments. If each of the upheavals that are certain to continue occurring in the poorer countries is interpreted as an externally inspired subversion of an otherwise acceptable social and economic system, the new Administration will be tempted into virtually unlimited interventions in civil conflicts abroad.

A swarm of such temptations may soon confront us in Central America and the Caribbean. If we panic, by treating them as so many battlefields on which the Soviet Union has chosen to wage war against us in our very own neighborhood, then we are sure to revert to the discredited "gunboat diplomacy" of the past, hustling in the Marines to suppress each local uprising. In the end, such aggressive use of American power will rekindle throughout Latin America the smoldering hatred of "Yankee imperialism" so largely assuaged by the Panama Canal Treaties. How much better off we would be to adopt the attitude of our democratic neighbors Mexico and Venezuela, whose policy is to influence the direction of the inevitable changes in Central America rather than engage in a futile, self-defeating attempt to stamp them out.

There is something schizophrenic about the Reagan Administration's obsession with

the Soviet Union. On the one hand, we are led to believe that the Russians are out to dominate the world. On the other hand, in an American version of historical inevitability, Mr. Reagan assures us that we are seeing not only in Poland but in "the reports that are beginning to come out of Russia Itself... an indication that Communism is an aberration... the beginning of the end." In short, the Russian Empire is cracking up. Mr. Haig endorses the President's verdict: "I think we are witnessing a historic unraveling of Marxist-Leninism on the Soviet model."

If this is the case, then why all the anxiety? I suggest it has less to do with an overblown fear that the Soviet Union will ever dominate the world than with a gnawing worry that the Russians, desperate to hold their crumbling empire together, will lash out with their immense military machine.

For 30 years, we and the Russians have confronted each other across a nuclear no man's land; each nation has squandered over a trillion dollars perfecting and enlarging its stockpile of nuclear weapons. Both nations acted out of fear that one might somehow gain an advantage with which it could wipe the other off the map. But once the stockpiles reached a level of overkill so large as to guarantee the obliteration of both sides, no matter who possessed the greater number of weapons, these dragon's teeth of doomsday became an irrational compulsion. In their fernzied search for "national security," the two nations managed to make themselves not the safest but the most endangered in the world.

Our predicament is even worse than that "two tarantulas locked in a bottle," for we are not alike, and the great differences between the two societies antedate the 1917 Russian Revolution. Alexis de Tocqueville, in his classic work, "Democracy in America," foretold the 20th-century conflict between an open and democratic America and an autocratic, brooding, brutal Russia. This real and continuing difference will not end soon. Nor is Russia likely to give up its historic national ambitions for warm-water outlets, strategic depth on its western frontiers and resistance to China's claims for territorial adjustments. Neither can an aging Kremlin leadership of doctrinaire Communists abandon its commitment to the "historic inevitability" of revolutions elsewhere without losing its reason for being. And, given the internal strife in the poorer countries of the world, there is plentiful opportunity for meddling.

To state the above is merely to acknowledge a condition with which we have been living for many years. Suddenly, however, without any major reversal or precipitous shift in the balance of power between East and West, Mr. Reagan proposes the largest peacetime arms buildup in American history. Military outlays are projected to double over the next five years, rising from \$159 billion to \$343 billion. Budgetary estimates show that, between fiscal 1982 and 1986, defense expenditures will rise an average of 11.1 percent per year (after adjustment for inflaoutstripping both the 6 percent realgrowth rate proposed by President Carter and the 10 percent annual increase that took place during the Vietnam War.

These big spending figures make clear that the object of the Reagan Administration is not necessarily to reduce the size of government. Rather, it is to shift resources from the civilian budget—aid to handicapped children, food stamps, loans to students of finance their education, legal services for the poor, and a variety of other civilian programs—to military expenditures. Indeed, the rearmament program seems certain to defeat Reagan's pledge to balance the budget,

and it may, when combined with the tax cuts he proposes, eliminate any chance for significantly reducing inflation.

What is the rationale for this huge arms buildup? What events in the world have occurred to impart such a sense of urgency to the rearmament program? What impels us to bring antique battleships out of mothballs to perform missions even the Navy can't convincingly define? What leads us to reconsider building an obsolescent B-1 bomber, each one of which will cost a stag-gering \$200 million and still lack the punch to penetrate new Russian radar defenses? Why must we construct still more multibillion-dollar aircraft carriers, whose six-acre decks can't be missed by Russian missiles, when we already have 13 of these behemoths, compared with only two in the Soviet Navy? Admittedly, Moscow's continuing large military expenditures make it necessary for the United States to pru-dently increase its own procurement of advanced conventional weapons. But why this cornucopia for the munition makers, this heedless spending?

President Reagan has given us no clue. He has made no foreign-policy speech delineating his thinking on the major issues of the day. And, aside from such bromides as "Moscow is the greatest source of international insecurity," his Secretary of State is equally unenlightening. Perhaps, in an Administration so oriented toward the military, we must look to the Secretary of Defense for an explanation—and that explanation, to say the least, is mind-boggling.

During the 1950's and early 1950's our Government based its defense planning on a "two and a half wars" policy: The United States might have to fight the Soviet Union, China and some smaller country (the "half war") simultaneously. As we slowly came to accept the reality of the Sino-Soviet split, this doctrine was acknowledged implausible. American strategic thinking changed to a "one and a half wars" doctrine: The United States might have to fight, at the same time, the Soviet Union in Europe and a lesser adversary elsewhere.

In a recent speech, the Secretary of Defense, Caspar Weinberger, seems to be returning to the two-and-a-half wars doctrineand more. The Soviet invasion of Afghanistan, according to the Secretary, shows that the United States must be prepared to fight protracted conventional wars in many places "We have to be prepared," simultaneously. says Mr. Weinberger, "to launch counteroffensives in other regions and to exploit the aggressor's weaknesses wherever we might find them. . . . We must be prepared for waging a conventional war that may extend to many parts of the globe." In other words, 40 years after the fact, the Reagan Administration is getting the country ready for the Second World War.

But Afghanistan is a dubious example from which to draw such sweeping conclusions. Afghanistan borders on the Soviet Union. It has a Moslem population that has proved susceptible to the fundamentalist ferment sweeping the Moslem world. The Soviet puppet government in Kabul appeared incapable of dealing with the religious forces that toppled the Shah in Iran, and for many of the same reasons.

It may be that the Russian invasion of Afghanistan is the first move in a long-range Soviet plan to invade the oil-producing states of the Persian Gulf. It is far more likely, though, that what the Soviet invasion of Afghanistan proves is that the U.S.R. is still prepared to crush any force on its border it considers a danger to its own security. That President Reagan himself sees Afghanistan in less than cataclysmic terms is evidenced by his lifting of the grain embargo imposed by his predecessor in the aftermath of the Russian invasion.

Afghanistan alone cannot explain the new strategic doctrine. The doctrine seems rather to be based on the belief, reached independently of Afghanistan, that the United States must be prepared to intervene anywhere and everywhere to protect its "vital interests." What those interests are is left vague. Are they American business investments abroad? Are they the oilfields along the Persian Gulf? There is no evidence that the Reagan people have worked out a set of priorities, so that we would have enough military power to defend our truly vital interests around the world but would not be drawn into repeated interventions in situations in which our security is not really threatened.

The conclusion seems inescapable that the Reagan Administration has no rationale for resurrecting the two-and-one-half-war doctrine. What is more, the doctrine is inherently incredible. In order to take it seriously, one has to assume (1) that in a non-nuclear land war in Europe, the United States and our European allies would contain the Russian onslaught; (2) that the Russian, American and Western European leaders, along with their military staffs, would be content to slug it out in conventional fashion, without resorting to tactical nuclear weapons: (3) that even if the war turned nuclear, it could be kept "limited," so that there would be victor and vanquished at the end, and (4) that if nuclear war could not be so limited, there would still be something worth having afterward. To state these assumptions is to reveal their absurdity.

According to current projections of the strategic forces of both sides, the Soviet Union by 1985 will outnumber us in land-based intercontinental ballistic missiles by 1,398 to 1,054, and their warheads on these missiles will outnumber ours by 6,654 to 2,154. The United States, however, will be vastly ahead of the Soviet Union in submarine-launched missile warheads (6,560 to 1,500), and, with land-based launchers becoming more vulnerable, our undersea force should be wholly offsetting. (American and Soviet strategic bombers would be roughly equal in number if the medium-range Soviet bomber Backfire is included in the strategic balance.)

After presiding over the Senate Foreign

After presiding over the Senate Foreign Relations Committee's hearings on the strategic-arms-limitation treaty signed in 1979, I concluded that imbalances in strategic weapons in individual categories were acceptable, so long as the overall strategic balance was maintained. Other Senators differed with this assessment, believing it was necessary to maintain a balance in each category of strategic weapons. The important point is that there was a consensus in the committee—reflecting a consensus in Congress and the nation—that the objective of our nuclear-arms-limitation strategy was equivalence or balance with the Soivet Union, and that the issue for debate was how that balance could best be maintained.

Mr. Weinberger, however, complains that we have allowed our "strategic superiority to be eroded." If the Secretary's words are to be taken at face value, the national consensus is to be scraped; the objective is no longer equivalence but superiority. Yet there has been no exposition of the Administration's thinking on this critical issue. How is superiority to be achieved? What weapons systems will assure superiority for what period of time? What, indeed, is the meaning of "superiority," when the Soviet Union will retain the power to strike back with sufficient force to devastate the United States? Does it really matter how many times the rubble bounces? Besides, what reason is there to think that the Russians will not catch up with us, as they always have before?

We in the United States have been fortunate in the past to be protected by distance and ocean waters from invasion, strategic bombing and the ravages of war. In the era of strategic nuclear weapons, there is no such protection. There is no place to hide. Official estimates are that between '0 million and 160 million Americans would die in a full-scale nuclear exchange—and 20 million to 30 million more if the Soviet Union's targeters really tried to kill people per se. Thus, 30 percent to 70 percent of us would die promptly. Tens of millions more would die from fallout sickness, unchecked disease, freezing temperatures and starvation induced by the collapse of agriculture and food distribution.

Meanwhile, perhaps because they cannot contemplate their own irrelevance, the wargame players on both sides, that peculiar priesthood engaged in refining nuclear strategems, continue to pursue their exotic mental exercise in self-contained plastic bubbles. McGeorge Bundy said it best: "Think-tank analysts can set levels of 'acceptable damage' well up in the hundreds of millions of lives. . . They are in an unreal world. In the real world of real political leaders—whether here or in the Soviet Union—a decision that would bring even one hydrogen bomb on one city of one's own country would be recognized in advance as a catastrophic blunder; 10 bombs on 10 cities would be a disaster beyond history; and 100 bombs on 100 cities are unthinkable."

Could it be that we now have a political leadership that is thinking the unthinkable but does not have the political courage to level with the American people? A national consensus arrived at more than 15 years ago as to the deterrence value of nuclear weapons should not be reversed by stealth. It is not enough for Mr. Reagan to resort to euphemisms like "margin of safety" if what he really means is nuclear "superiority." The President should say what he means and put his case, if there is one, on the table for public debate.

In fairness, President Reagan has also said that he wishes to achieve real reductions in nuclear arms by negotiations with the Russians. Although he has criticized both strategic-arms-limitation treaties, he voluntarily observes their terms. The first treaty, signed in 1972, has expired; the second was never ratified; still, the President says he will abide by the provisions of each so long as the Soviet Union does likewise, thus invoking the treaties in all but name.

Let us hope—and pray—that the Administration's rigidly anti-Soviet ideology, including its futile quest for an unobtainable nuclear "superiority," gives way to the urgent need for mutual strategic-arms reductions. In the thermonuclear age, there is really only one reality: There can be no "winner" in a nuclear war. In George Kennan's passionate words, "For the love of God, of your children and of the civilization to which you belong, cease this madness."

ARTS AND HUMANITIES FUNDING

Mr. PELL. Mr. President. during the August recess, an especially perceptive column by Martin E. Segal appeared in Newsweek magazine detailing in the clearest and most persuasive manner why the budgets for the National Endowments for the Arts and Humanities should not be reduced. It is an important article, which in fact makes a most cogent argument for increasing the amounts that are appropriated to our National Endowments.

The writer, currently chairman of Lincoln Center for the Performing Arts in New York City, knows from many years of leadership of and personal involvement with cultural institutions just how critical the rederal dollar is in maintaining the vitality of the arts and humanities.

I strongly urge my colleagues to carefully consider this column which was thoughtfully written by one of the most committed and articulate leaders in the arts in our country today. It appeared in Newsweek during the week of August 10, 1981, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DON'T CUT THE ARTS (By Martin E. Segal)

Most Americans favor the stated purposes of the President's domestic program—lower taxes, a balanced Federal budget, reduced inflation, a stronger economy with fuller employment and more savings—all of which will, it is hoped, result in a generally better life for all.

The Administration is entitled to the fullest opportunity to demonstrate that its recommended legislation and appropriations will indeed achieve these goals. However, the proposal for cutting appropriations for the arts and humanities via the National Endowments (NEA and NEH) may not meet the Administration's intentions:

Lower taxes for individuals and estates indirectly hurt the arts and humanities, as well as other nonprofit organizations, and will be a disincentive to individuals to increase contributions. Ticket income from concerts, ballet, opera and other nonprofit arts covers, on the average, 65 per cent of the cost. Admission contributions at museums cover close to 40 per cent of the cost. To enable ticket prices to remain at reasonable levels, the difference is made up by voluntary contributions from individuals, corporations and foundations; from government appropriations—Federal, state and city—and from endowment income and bequests.

Most of the money contributed to arts and humanities organizations comes from individuals; the cost of a \$1,000 contribution to a person in a 50 per cent tax bracket is only \$500 net, and the cost of that same contribution to a person in a 70 per cent tax bracket is \$300 net. When tax rates are reduced, there will be little incentive to pass on some of the savings to nonprofit arts and other organizations.

At present, an estate may be taxable if it amounts to more than \$175,000. Charitable contributions are deductible from the taxable estate. If the first \$600,000 of an estate is exempt from taxes, any charitable/arts contribution from estates less than \$600,000—and 99 per cent of estates are in this category—would give the individual no estate-tax advantage.

Business cannot make up what the Federal government cuts. It is true that many businesses do not now contribute anything to the arts and should be encouraged to do so. What isn't generally known is that contributions from business have grown most impressively during the past decade. This is due not only to the recognition of the ueful role of the arts in our society, but also because inflation has hit the arts particularly hard and government support has not been nearly enough. Business has often taken the lead from government, matching government grants in the arts and humanities either on one-to-one basis or, in the case of the successful Challenge Grant program, on a three-to-one basis. But business support is should be voluntary. After all, business already pays taxes to help support government activities.

The healthy state of the arts in this country is due largely to a partnership of business, individuals and government. It isn't wise for one partner—government—to declare unilaterally to the others, "You should do more, so as to relieve me—even though I know that will not really help me achieve the other things I want to do."

The proposed cuts will have a meaningless effect on the balancing of the budget. The gross Federal budget in 1981 is \$661 billion. The appropriation for the NEA is \$157.6 million, or 24/1,000 of 1 per cent of the total budget. The appropriation for the NEH is \$154 million, or 23/1,000 of 1 per cent. Thus, the combined budgets for NEA and NEH are 47/1,000 of 1 per cent. So, cuts here are not significant. Say some, if everybody is being cut, so should the arts and humanities. But everybody isn't being cut. The Administration is even proposing increases in appropriations where it believes these necessary or desirable.

Cuts for the arts and humanities will increase unemployment and will adversely affect the economy of many important sections of the nation. Reductions in Federal support will be of grave concern to millions of Americans for whom music, theater, dance and museums are vital ingredients of a better and happier life. The arts and humanities are labor-intensive. Cuts in government support will result in unemployment. Active and interesting cultural activities are prime attractions for tourists to many cities, and tourism is directly related to hotels, restau-

rants, department stores and other busnesses vital to a thriving economy.

Many cities mention cultural activities in their promotional literature to encourage tourists to visit or businesses to come and settle there. Impairing or eliminating cultural activities will have an adverse effect on the entire economy.

If cuts in the appropriations for the National Endowments for the Arts and Hu-manities can have no real effect on the balancing of the Federal budget; if the proposed tax cuts are disincentives for contributions by individuals; if it's unreasonable to expect business to make up for government cuts; if the arts are economically beneficial, both in and of themselves and in promoting tourism and other industries-returning as they do an estimated \$7 for each dollar spent; if the American people want the arts, as demonstrated by ever-increasing attendance theaters, museums, concerts, opera and ballet; if business and individuals have in fact been increasing their direct contributions to meet inflationary costs that have not been met by government-if all of these, what should be done? I have two direct and, believe, constructive recommendations. First, the Federal Government should increase its appropriations for the arts and humanities. Second, when the proposed tax cuts are enacted, amendments to the tax laws should be introduced and passed that would treat charitable contributions in such a way so as not to diminish the present net results for the deductibility of such contributions.

Our nation will be all the more healthy and vigorous, economically and otherwise, if support for the arts and humanities is increased rather than diminished.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If there is no further morning business, morning business is closed.

RECOGNITION OF SENATOR PRYOR

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas is recognized for not to exceed 15 minutes.

DOLLARS AND DEFENSE-II

Mr. PRYOR. Mr. President, on July 31, I expressed concern over what I considered to be one of the major issues facing the taxpayer and the Congress, and that is the wise versus the wasteful expenditure of dollars on critical areas of national defense for this country. Today, Mr. President, I rise to continue voicing that same concern.

National defense is usually perceived by the average taxpayer in this country as an alien landscape of strange and exotic dimensions. But this is only half the truth. The fact is that contractors, who control so much of our defense posture, know exactly what is going on. They know because they are involved not only in producing weapons but also in policy, planning, and programing of those weapons and the procurement of those weapons.

Procurement dollars in defense have grown over the last 20 years so that single contracts today might be worth hundreds of millions of dollars. During this time, defense contractors have come to realize the importance of their Washington offices. Over 500 defense-related corporations now have Washington bureaus, representing a fivefold increase

in just 10 years.

The purpose of the Washington offices has also undergone dramatic changes. While 20 years ago their major function was to provide information and monitor procurement developments and legislative activity, today's office centers upon one activity and one alone: pressure. It may be defined as "Government relations," or "public affairs," but this activity is the key to a contractor's success. Unfortunately, Mr. President, in too many instances, these offices and bureaus and the expenses thereof are charged to the taxpayer.

Pressure is aimed at both the Congress and the executive branch of the Government. Designed to follow issues of importance to the contractor, it seeks to shape legislation, procurement, and appropriations decisions. Pressure also involves political "strategy" ranging from grassroots efforts and campaign contributions to direct contact with the key figures in the Nation's Capital.

In 1976 and 1977, the Defense Contract Audit Agency (DCAA), which reviews contractor claims for costs incurred on defense contract work, undertook a series of special audits of 10 defense contractors in Washington. Among those audited for 1974 and 1975 were Boeing, General Dynamics, Grumman, Lockheed, and Rockwell International.

In both the preliminary and final audits, DCAA found that a substantial part of the expenditures was for "lobbying activities." Much of this expense was charged against existing Government contracts and was subsidized by Federal dollars. DCAA does not assert that the contractors had no right to lobby. It simply questioned whether such expenses ought to be charged to Government contracts and agreements.

For the 2 years involved in these audits—1974 and 1975—the questioned expenditures amounted to over \$11 million for five of the contractors' Washington offices. In plain English, what is happening is that taxpayers are footing the bill for defense contractors to exert their influence to benefit themselves.

The blame must be placed on both the contractors, the Department of Defense, and yes, the Congress. At the time of the audits, DOD had no specific regulation prohibiting contractors from charging lobbying expenses against contracts. DCAA questioned such contract expenditures on the basis of "reasonableness" and "appropriateness" and must be commended for the stand they took.

DOD reacted in what I consider to be common fashion. To address the lobbying costs, the Pentagon spent several years trying to define "lobbying" expenses so that such costs would not be charged to the Government. But in 1980—just a year ago—the effort was abandoned because officials claimed that it was impossible to define what the term "lobbying" means. Once again, the taxpayer took it on the chin—or, I should say, took it in the pocketbook.

The interdependence between defense contractors, Congress, and the executive branch brings contractors so close to Government that they both implement military policy and often create it. Once molded, this relationship is set with an iron rigidity that keeps them isolated and protected from outside points of view. In time, they become unwitting victims of their own isolation.

The Department of Defense is not an island unto itself, but instead is a part of the entire Government. It, too, must play by the rules. When a constituent urges our support on legislative matters, the expense of that effort is important to both of us. And the fact that defense contractors attempt to use similar influence—but at Government rather than private expense—is also significant. This unfairness must be addressed.

As the Pentagon has indicated, there is a problem in defining what "lobbying" means. The only solution I can see is legislation that would put the issue to rest. I expect to introduce shortly a measure that will both define the term and more important, restrict defense contractors from charging their lobbying expenses to the American taxpayer. The Department of Defense must be examined and the examination cannot wait. It must be very thorough. Too many of our taxpayers' dollars are at stake. I plan, further, to continue pressing into DOD spending, procurement, and related areas-and, where possible, to offer solutions.

Dr. Gordon Adams recently outlined

the configurations of the relationship between contractors, Congress, and the executive branch in his book, "The Iron Triangle." And my distinguished colleague from Wisconsin, Senator Prox-MIRE, has been pointing to its effect since at least 1977, when he raised pertinent questions concerning the Condor missile program.

Mr. President, I want to call attention this morning to an article in the August issue of Common Cause entitled "The High and the Mighty." Written by Florence Graves, editor of the magazine, the article outlines the full dimensions of lobbying by defense contractors and the further wrong of charging these expenses to the taxpayer. Ms. Graves writes:

There is enough favoritism and behindthe-scenes influence on large defense contracts without the added insult of having the taxpayer pay for the bill.

I agree entirely and ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

THE HIGH AND THE MIGHTY (By Florence Graves)

Can you imagine the U.S. government picking up the costs incurred by political activist Jane Fonda and her husband Tom Hayden for trips to Washington to lobby against the B-1 bomber, the MX missile or the F-14?

Can you imagine the U.S. government pickall or part of the tab for you member of your family to travel to Washington to encourage your congressman to vote against or even for selling AWACS to Saudia

Now try to figure out why the government was expected to pick up the salary of the Martin Marietta Co's director of Washington relations whose job functions, according to audits released recently to Common Cause. "relate to liaison with congressman and their staff aides. He builds rapport with Congressmen-from 35 states in which Martin Marietta has divisions and solicits Martin Marietta employees for campaign contributions."

Try to figure out why the government was expected to shoulder the retainer fees paid to Gen. W. W. Quinn, USA (Ret.), also a lobbyist for Martin Marietta.

Or the salary of Sperry Univac's public relations and sales promotion manager who,

in effect, was a lobbyist?

The government has footed untold millions of dollars of defense contractors' lobbying expenses because the Defense Department has no definition of "lobbying" therefore no regulation that specifically pre-vents lobbying costs from being charged against government contracts.

Sen. William Proxmire (D-Wis.) is incredulous. "Every citizen has the right to communicate with his elected representatives. However, no citizen has the right to ask the government to reimburse the costs of these communications and, to my knowledge. no segment of society other than government contractors has had the temerity to make such a request."

A fascinating but incomplete picture of the millions of dollars in lobbying expenses charged against government contracts by defense contractors emerges in the audits of 10 major defense contractors' Washington offices released to Common Cause four years after the Air Force denied a Freedom of Information Act (FOIA) request.

After CC's FOIA request was refused. Common Cause went to court to win the release of the audits which were conducted in 1976 and 1977 and cover the years 1974 and 1975.

The audits include those of the Washington offices of the Boeing Company, Rockwell International, Lockheed Aircraft, Raytheon, Hughes Aircraft, General Dynamics, Martin Marietta, Collins Radio Group, Sperry

Univac and Sperry Rand Corp.

The exact extent to which the taxpayers footing contractors' lobbying costs is not known. But these audits reveal a total of more than \$2 million in lobbying-related costs questioned by auditors during 1974 and 1975 for these ten contractors. There are hundreds of defense contractors. Of the ton 100, 67 have Washington offices. So simple mathematical calculations indicate the grand total could be many millions.

Despite the fact that Defense Department auditors strongly oppose contractors' charging of lobbying costs to taxpayers, it is unlikely the practice will be discontinued because the powerful defense contractors have vigorously opposed any attempts to prohibit this practice.

The audits were kicked off by the highly publicized revelations in 1975 that some defense contractors, Rockwell and Northrop Corp., in particular, had entertained military congressional personnel with parties at hunting lodges on the Maryland shore, goose hunts, rides on corporate jets and yachts, and football tickets.

During hearings held in 1976 by Proxmire's aggressive Committee on Joint Defense Production, the Defense Department announced it was auditing the Washington offices of several contractors to determine if the costs of any of this lavish entertainment being charged to the taxpayers. And that's the last the public heard of the audits until their release to Common Cause.

CLASSIC WASTE

If the Marx Brothers, themselves, had decided to make a film about defense contractors, they probably wouldn't have come up with more classic examples of waste than

those found by the contract auditors.

Raytheon claimed the costs of lodging, meals, and guides for goosehunts in the Maryland area for company employees and unidentified guests.

General Dynamics wanted the taxpayers to foot the bill for F-16 tie tacs.

Hughes Aircraft claimed some costs for a condominium in the Shoreham (an exclu-Washington apartment house). The costs represented depreciation, garage maintenance, maid service and other expenses related to the condominium purchased in 1972. Also claimed were entertainment supplies and services which included silverware, linens, bartender, reception and limousine services as well as decorations and furnish-ings for a "sky suite" at the Capital Center (a sports arena).

Lockheed Aircraft charged off travel ex penses to the Farnborough and Paris Air shows, including first class air fare and wives' travel costs.

Rockwell Corp. claimed the bill for 100 prints of the film, "The Threat, What Can One Do?" The auditors felt the film "furthers the image of the B-1 bomber programs. It appears the films are being shown to the public and Members of Congress. We question the costs because they represent effort designed to influence legislation. The contractor does not concur. It maintains this is public relations effort."

("Public relations" costs, it should be noted, are considered legitimate expenses to cl.arge to government contracts.)

The Defense Contract Audit Agency, which plays an advisory role in negotiating contracts, allocating costs, and seeing that terms of contracts have been met, questioned the legitimacy of not only more than \$2 million in lobbying-related costs but more than \$2.5 million in entertainment expenses as well.

These totals do not include the more than \$2 million which the contractors originally charged, but voluntarily deleted, during the audit negotiations. Furthermore, all of totals are probably much higher, but auditors repeatedly said that most of the contractors refused to let them see the proper records to verify costs.

A Pentagon official, John Kendig, deputy director for cost, pricing and finance, says "it is reasonable to assume" that not all of these costs were eventually paid by the government. As part of the overhead, he says, some of these costs may have been eventually allocated to a company's commercial divisions as well.

However, Christopher Paine, a staff assistant for arms control at the Federation of American Scientists, maintains that defense contractors try to put as many of their total expenses as they can into government over-head. "They all do it. They think, if you can get the government to pay for it, why not?

While the government explicitly forbids federal employees from using taxpayers' money to engage in lobbying, there is no specific regulation prohibiting contractors from charging lobbying expenses against contracts. (There are, however, specific regulations pro-hibiting contractors from charging entertainment and some advertising expenses.1)

However, in lieu of a specific lobbying cost principle, the auditors could question the costs on such bases as "reasonableness" or appropriateness and aggressively did so, touching off a several-year debate in the defense community about the validity of contractors charging such expenses to their overhead.

In response to these audits, the Pentagon tightened its conflict of interest standards and most observers agree the lavish entertainment has been kept to a minimum. To address the lobbying costs, the Pentagon spent several years trying to come up with a definition of lobbying which would outlaw such costs being charged to the government.

The effort was abandoned, however, in June 1980 because officials say it was too hard to define lobbying.

The audits, which give an exclusive, inside glimpse of the kinds of costs contractors expected the government to bear, also give an indication of the magnitude of the lobbying effort being made in the Washington offices, the nerve center of contractors' selling efforts. The audits also reveal:

Defense contractors are spending large sums of money to lobby for their weapons and are reporting only a fraction of these costs under the loophole-ridden 1946 Federal Regulation of Lobbying Act. In 1974-75, for example, the DCAA questioned more than \$2 million as possible lobbying expenses.

This total does not include those amounts which the contractors voluntarily did not charge to the government, so the actual amounts spent on lobbying are not known. In those same years, only three of those 10 companies had registered lobbyists and they reported spending only \$89,251.20.

The auditors' inquiries met a consistent pattern of stonewalling. In audit after audit, the auditors noted, as in the case of Martin Marietta, "The scope of our review was severely restricted. . . . This prevented the full application of generally-accepted auditing standards and tests of accounting records which would ordinarily be done."

In the audit of Hughes Aircraft, the auditor wrote: "The contractor imposed rigid conditions under which we were allowed to interview its personnel. It required the corporate marketing vice president to be present at each interview and a contractor stenographer to record the entire interview. The

¹ An official says that when contractors were questioned about expenses they charged which were clearly related to entertainment, they would just say they'd made a "mistake."

contractor refused to answer any questions on details or activities relating to unclaimed

"It also would not permit questions relating to an apartment which the contractor owns and maintains in the Washington area. We advised the vice president that the cost of this apartment had been claimed by the contractor in its 1972, 1973, and 1974 overhead claims

'Nevertheless, the contractor requested that the auditor not ask any further questions about it since most of the employees were not even aware of its existence. Moreover, "the lack of time or activity records, denial of access to documentation, and restrictions imposed by the contractor during our review prevented us from reaching an unqualified opinion on the allowability of costs not otherwise specifically questioned.

While theoretically, the auditors should have access to all necessary records, audit officials say the contractors vehemently dispute what records are really "necessary. intransigent contractor can keep such dis-

putes in the courts for years.

The interdependent relationship between defense contractors, Congress and the executive branch brings contractors "so close to government that they not only carry cut military policy, but often create it," Gordon Adams of the Council on Economic Priorities (a public interest group based in New York City) who just released an investigation of the politics of defense contracting, The Iron Triangle.

This "triangle" is formed, Adams says, "by the powerful flow of people and money" mov-"between the defense contractors; the

executive branch and Congress."

Explains Adams, "Once molded, triangle sets with the rigidity of iron. The three participants exert strenuous efforts to keep isolated and protected from outside points of view. In time, they become unwitting victims of their own isolation, convinced that they are acting not only in their own but in the public interest."

Contributing to this is a practice frequently called the "revolving door."

For example, Dale Babione, former director of contracts and system acquisition at the Department of Defense, joined the Boeing Company as the director of government business relations in 1979 during the attempt to define a lobbying principle.

The flow of personnel among the points on the triangle "creates a community of shared assumptions about policy issues and developments," Gordon Adams concludes.

THE WASHINGTON OFFICES

For a number of defense contractors, the U.S. government is one of their largest clients. It's the job of their Washington offices to grease the connections and ease the way for the multibillion dollar sales.

"Our business base is sustained in Washington," Richard Cook, a deputy assistant for congressional relations to Richard Nixon who heads the Washington office of Lockheed Aircraft Corp. told the National Jour-nal. (In the early 70s, Lockheed, the Chrysler of the defense industry, got a federal loan

guarantee to keep it afloat.)

To sustain the business base, contractors "must succeed in the influence business." says

Contractors do not consider the efforts of most of those in their Washington offices "lobbying," although most would probably agree that some of what they do is "lobby-ing," which is perfectly legal. Some of the remaining activities they consider to be "legislative liaison" which means providing information to Congress and to the executive rather than exerting pressure. Most apparently consider both of these activities legiti-

mate overhead expenses which are routinely passed onto government contracts.

But during these audits, the Defense Contract Audit Agency made a distinction between the two. They felt many of the Washington office employees were engaged in "lob-bying" ("influencing legislation"), activities they felt should not be charged against government contracts. They therefore questioned whether more than \$2 million charged against government contracts should be allowed, emphasizing the totals could be much higher but the contractors refused to give them the documentation they needed to make the determination.

In questioning lobbying-related costs, the auditors usually included this notation, "We found no recognizable benefit to government contracts since the Department of Defense and other executive agencies make determinations of policy and program needs, and justify their own requirements for appropriation:

'Attempts by contractors to influence legislation favoring procurement of their products can be inimical to DOD policies as well as requirement determinations.'

One company, Martin Marietta (one of only two contractors who would answer any questions for this story) maintains that the company does not lobby and therefore does not

have any lobbying expenses.

But the DCAA did not concur: it questioned a total of approximately \$300,000 in lobbying expenses for Martin Marietta, in-cluding salaries of several staff members. For example, the DCAA found that K. K. Bigelow, the director of Washington Relations, maintains contacts with government personnel to solve problems and makes appointments for company officials to meet with government representatives.
"Mr. Bigelow follows issues in Congress

that affect the company in the areas of tax reform, energy, and pollution control. He builds rapport with congressmen from the 35 states in which Martin has divisions and solicits Martin Marietta employees for campaign contributions. In our cpinion, these activities are concerned with influencing leg-

islation and are unallowable . . ."

Moreover, "a review of Mr. Bigelow's travel expense reports indicate extensive entertainment at home, the Congressional Country Club, Kennedy Center, and numerous Washington restaurants. In most cases there is no record of who participated in this entertainment. We have questioned Mr. Bigelow's salary, his secretary's salary, the cost of the chauffeur's support, fringe benefits, travel and re'ated expenses."

It is clear from reading the audits that the DCAA does not believe the taxpayers should be picking up lobbying costs. Fred Newman, then head of the DCAA, now with a private firm, says he does not think such costs are legitimate expenses; the current head, Charles Starrett, agrees. But the DCAA has only an advisory role; the contracting officers make the final decisions. (A contracting officer is the person at the Pentagon who has overall responsibility for an individual contract. This person monitors the defense contractor's performance and makes final determinations about costs.)
So in this case, what the DCAA thinks does

No one has come right out and said it, but the Defense Contract Audit Agency must have really put the Pentagon brass on the spot by boldly questioning what appeared to the auditors to be lobbying expenses.

After the audits were completed, the Pentagon, apparently displeased with the first audits, handed the DCAA a set of guidelines to follow in questioning which costs were valid and told them to do the audits over again.

Not surprisingly, the amounts of costs

questioned were significantly reduced. (As part of the documents released to Common Cause, the Air Force sent several but not all final audits which showed significant reductions in "costs questioned." However, an exact analysis is not possible because sig-nificant portions of the final audits are

whited out.)
In fact, it seems clear from a memo, obtained by Common Cause, which Charles Starrett, then deputy director of the DCAA (now director) wrote to the deputy assistant secretary of defense (acquisition), that the Pentagon knew full well that some glaring costs would not be questioned as a result of their "guidance."

Starrett used examples from the audits of Rockwell's Washington office as well as an audit of Rockwell's B-1 division (which was

not provided to CC).

These are some of the expenses charged by Rockwell to its overhead account which Starrett said the auditors probably would not be able to question as a result of the Pentagon's new instructions about which costs the auditors could question:

\$10,000 paid a subcontractor for a study on the impact of the B-1 program on the U.S. economy. The study was used in preparing white papers designed to influence B-1 legis-

The total costs of a military relations function in which the director provided material to editors, publishers and reporters in several states to elicit articles favorable to the B-1 and made presentations to government and contractor personnel throughout the coun-

The development of a speakers' bureau on behalf of the B-1.

Several films prepared to develop positive support for the B-1 and other defense programs.

TRYING TO DEFINE "LOBBYING"

While the contractors' Washington office audits were never publicly released, Proxmire and his staff apparently got a peek and he took to the Senate floor in 1977, demanding that lobbying costs not be charged against government contracts.

Said Proxmire, "The current practice sets up a vicious circle. Contractors get generous allotments from the government to produce weapons systems. But rather than using all of it for production of these weapons systems, they siphon some of it off to lobby for even more money . .

"There is enough favoritism and behindthe-scenes influence on large defense contracts without the added insult of having the taxpayer pay for the bill."

In an apparent attempt to pacify Proxmire, the procurement officials asked the DAR (Defense Acquisition Regulations) Council, which writes the regulations used in defense contracting, to try to come up with a lobbying cost principle. They did so, defining lob-bying this way: "Lobbying is defined as any activity or communication which is intended or designed to directly influence members, their staffs or committee staffs of any federal, state, local or foreign government legislative body to favor or oppose pending, proposed or existing legislation. Lobbying activity includes but is not limited to personal discussions or conferences, advertisements, telegrams, telephone communications, letters and the like, and the directly associated costs related thereto."

"Legislative liaison" activities such as attendance at committee hearings or meetings with congressional representatives at their invitation and gathering information regarding pending legislation were not included in the definition.

The definition was circulated for comment throughout the industry and other government agencies (the government does not

have a lobbying principle for other agencies' contractors either and was proposing to use the one the Defense Department wrote).

An inch-thick stack of paperwork was generated. Common Cause obtained this correspondence too, under a Freedom of Information Act request. Most government agencies which responded enthusiastically supported a lobbying cost principle, agreeing that it was inappropriate for the government to foot such costs. Several emphasized that the contractors should be required to maintain the documentation to prove the validity of their claims.

A number of industry representatives, however, vehemently opposed the principle. None of the contractors directly involved in the audits responded but another contractor, United Technologies, said the principle would, among other things, impose burdensome paperwork.

The chairman of the American Bar Association's section of Public Contract Law, contended the "lobbying principle would inhibit commercial organizations from exercising their First Amendment constitutional rights," an argument frequently made by the defense community.

Counters Proxmire, "They're perfectly free to speak all they want. They can lobby to their heart's content. But to charge the cost of all that to the taxpayer is really adding insult to injury. It's a real loser for the taxpayer; there's no way the taxpayer can

But after Proxmire's spotlight had faded and three and a half years had passed, Dale Church, then deputy undersecretary of defense for acquisition policy, made the decision in June 1980 to reject the proposed lobbying principle.

John Kendig, now deputy director for cost, pricing and finance at the Pentagon, says the Pentagon dropped the proposed lobbying principle because "we really couldn't get a consensus on what constituted lobbying . . . very difficult. What is lobbying? Is contractor lobbying if he goes over and speaks to a congressman? He may or may not be."

But Proxmire scoffs at that explanation. "That's absurd. It's easy to find a definition for lobbying. It would be hard to find any definition that's acceptable to everyone. You can't find a definition of 'cat' that's acceptable to everyone."

Kendig, who had a say, although not the final say, in the attempt to develop a lobbying cost principle, personally thinks lobbying should be considered a normal business expense that the government should absorb although he concedes that the government has declared other "normal business expenses" such as entertainment and advertising unallowable.

The DAC council disagreed with Kendig According to a memorandum obtained by Common Cause, the council concluded that "most defense contract dollars are on tracts under which contractors are able to recover costs. Expenditures for lobbying would therefore be passed through to the government.

"By contrast firms in the private sector are usually operating in a competitive market. In this situation, any expenditure for lobbying would reduce profit. We believe de-fense companies should be put on the same

Gordon Adams says even if lobbying were a routine business expense reflected in cost of products such as shoes or cars, lobbying expenses spent to sell weapons should not be included in the costs of those weapons. "The taxpayer, who is the ultimate consumer, is not really in a position to vote with his wallet the way he can on an automobile. It's very hard for the taxpayer not to buy and very hard for the taxpayer to make the argument that counters the impact of the lobbying in Washington that leads to the decision to buy . .

Fred Newman, the former head of the DCAA, says the proposed principle was dropped because the "procurement people felt the keeping of records was too onerous and too costly for the contractor." But Newman says if the contractors think such a principle would be "too administratively costly, then maybe they shouldn't pass on any of the costs."

Newman says "undoubtedly" there was considerable pressure" placed on Pentagon officials by the contractors.

Proxmire attributes the failure to the "revolving door." "The difficulty is that both the Congress and especially the executive are very, very heavily lobbied. There are people in the executive who are dealing with the military and the contractors who, in many cases, are going back to work for the same contractors they dealt with.

'And then they may come down and work in the Defense Department as a civilian procurement official. Therefore, you have an atmosphere in which these people serve their continuing conflict of interest. That's why I think the regulation has not been promulgated .

When it became clear the Defense Department was not going to establish a lobbying cost principle, Proxmire turned to the Office of Federal Procurement Policy [OFPP] in the White House Office of Management and Budget. He suggested such a cost principle be incorporated into governmentwide procurement regulations. Again a stone Karen Hastie Williams, administrator of OFPP under Carter, wrote that she was "inclined to agree with the Department of De-fense's view that its present cost principles and audit guidelines are adequate to preclude the reimbursement of costs specifically identifiable with lobbying activities."

But some DCAA officials say that without a specific principle, it is very unlikely that many of the lobbying costs they question will be upheld in negotiations when contractors and Pentagon contracting officers discuss the bills.

Williams suggested that if Proxmire wanted a principle so badly, he should legislate

"Why doesn't he (Proxmire) pass legisla-n?" asks Dale Babione, the former director of contracts and systems acquisition at the Department of Defense, who is now director of government business relations for the Boeing Company. Babione, by the way, was involved in the discussion over developing a lobbying cost principle.

Concludes Babione, "Because he can't get anyone to agree with him. The fact that somebody feels strongly about something doesn't make it so. It just means he feels strongly about it. This is a democratic coun-try, and if everyone feels the law should be changed, then why don't they change it?

THE LOOPHOLE-RIDDEN LAW

While there may have been no attempt to pass legislation outlawing lobbying costs charged to government contracts, there have been a number of unsuccessful attempts to strengthen the 1946 lobby disclosure law

Both contractors and government officials have said that they base their definition of lobbying on the 1946 law which they interpret as saying a person or company does not have to register unless their "principal purpose" is to lobby.

Apparently applying that rule of thumb in 1974-75, only three of the companies had any registered lobbyists or expenditures: Boeing (\$33,840.85), Lockheed (\$53,785); Rockwell (\$1.745.25). Yet DCAA auditors questioned many times more than those amounts as probable lobbying costs. (A spot check of 1980 disclosure forms by these com-

panies show no significant improvement in reporting.)

During the Boeing audit, the DCAA questioned the salaries and benefits of five corporate employees whom the auditors felt were involved in lobbying. In fact, the auditors said two of the employees told them "100 percent of their work is spent on lobbying, either talking directly to congressmen or their staffs or obtaining information to support company positions.

Boeing, however, vigorously disagreed. Peter Bush, a spokesman for Boeing, says the two employees say they couldn't possibly have told the auditors they spent most of

their time lobbying.

As evidence, Bush says, the lobbying reports these employees filed with Congress under the 1946 loboying law "show only 5 to 10 percent of their time" was spent lobbying.

Look at their lobbying reports?" says Gordon Adams in astonisment. "answer? You've got to be kidding. "That's an

Sure, given a statute that is riddled like swiss cheese, it's very easy to some waltz down there and say that they spent waltz down there are say that they spent waltz down there are says to some some says that they spent waltz down the says to some says that they spent waltz down the says to some says that they spent waltz down the says the swiss cheese, it's very easy for someone to five percent of their time lobbying. Who's going to follow that up? Who audits that claim? Nobody.

The defense industry, of course, is not the only one which interprets the lobby disclosure law narrowly. Because there are numerous loopholes, and no enforcement of the law, thousands of lobbyists are not registered and hundreds of millions of dollars spent on lobbying are not reported.

In his analysis of the politics of defense contracting, Adams not surprisingly concludes that one of the steps that needs to be taken to "pry open the iron triangle of defense policy and weapons procurement" reforming the loophole-ridden lobby disclosure act. Common Cause has worked for years for a more comprehensive law.

Why is a stronger law needed? What difference does it make to the public whether the defense or any other industry spends \$5 or \$5 million lobbying? After all, lobbying perfectly legal. What difference does it make whether an individual spends all of his time or part of his time lobbying?

Says Adams, "I think the most convincing argument for revision is that the public has no idea of the magnitude of the activities of special interests in Washington. And current disclosure and reporting requirements give them no way to even begin to guess at the magnitude of the effort. The closest we can get are those DCAA audits.

"My hunch is that corporations and trade associations related to industry have massive resources that they can bring to bear (on the political process) which far outweigh those of smaller special interests or those of the public at large to present their cases. Until we have that data, what do we do? Throw up our hands and say it doesn't make a difference? It obviously makes a difference."

AUDIT FOLLOW UP

Were any of the millions of dollars of lobbying, entertainment and other costs questioned by the Defense Contract Audit Agency [DCAA] eventually paid by the contractors?

We don't know. The DCAA acts only as a financial advisor to Defense Department contracting officers who sit down with the contractors to determine which of the questioned costs will be allowed. The DCAA's audit findings are in no way binding. And, of course, the results of the negotiations between the contractors and the contracting officers are not made public.

But a study of the DCAA by the General

Accounting Office [GAO], the government's watchdog, gives a clue as to what may have happened. The GAO pointed out that the

contracting officers do not always use the findings of the DCAA and that disagreements between DCAA and contracting officers are rarely reported to higher officials. The con-

tracting officer has the final say.

Moreover, contracting officers rarely report
the rules of their negotiations to the auditors, GAO found. Eimer Staats, former comptroller general of the U.S., told a House committee hearing that "morale is low at DCAA.
They need assurance their findings will have
an impact."

The failure of agencies throughout government to follow up and resolve audit findings is, in the words of one GAO official, "a na-

tional scandal."

After much pressure, the Defense Department came up with a process for tracking the results of audits, but did not include DCAA audit findings in that process. After pressure from Rep. Jack Brooks (D-Tex.), the Department of Defense (DOD) came up with a proposed plan to follow up findings at DCAA. Deputy Secretary of Defense Frank C. Carlucci told a subcommittee of the House Committee on Government Operations in July that the Defense Department had drafted a process for monitoring follow-up action on contract audit reports, including a provision for resolving significant differences between auditors and contracting officers. Carlucds a final directive should be issued by the end of August.

Critics say there should be some check on the enormous power of the contracting officers who make final decisions, because some feel contracting officers can become advocates of the weapons they are responsible for and, therefore, not as objective as they might be when negotiating contract cost differences.

John Kendig, deputy director for cost, pricing and finance at the Pentagon, says such a generalization is wrong and makes him "sick."

Other critics feel the effectiveness of the DOAA could be strengthened if the DOD had an Inspector General (IG) as most other agencies do.

DOD was left out of the Inspector General Act of 1978 because of their strong objections to being included. One Capitol Hill aide says DOD was not included because the sponsors of the bill feared DOD's anticipated heavy lobbying against the act would have killed the entire act.

But Rep. Brooks does not give up easily. His bill to institute an IG at Defense (and four other agencies not covered by the 1978 act) has passed the House and is pending in the Senate.

The Defense Department opposed the House bill because, DOD General Counsel William H. Taft IV testified, an autonomous Inspector General "is completely inconsistent with the hierarchical commander/subordinate relationship that is at the heart of any military organization and embodied in the chain of command. These provisions do not encourage the individual to work with the secretary on his team."

Asked how strenuously the Defense Department had lobbled against the House bill, a Capitol Hill aide replied, "They have been spending only slightly more time on this than they are on the Russians. If they are as aggressive about the Russians as they are about this, then I guess we can sleep nights."

In Senate hearings. Taft said the Department of Defense really wants an Inspector General, but they want the secretary of defense to have the power to veto "any review process or investigation that the Inspector General may initiate which could feopardize national security." The secretary would have to report the reasons for any veto to Congress. The House bill does not provide such "veto power."

The Defense Department also opposes including the DCAA under the aegis of an IG because, Taft says, DCAA's "principal mission

is an advisory role in the acquisition process, not oversight of DOD operations."

On this point the GAO agrees with Defense. But the bill which passed the House includes the DCAA within the purview of the IG because some sponsors felt it would give the DCAA more clout.

To deflect some of the heavy criticism about the potential for finding waste in DOD, the Defense Department recently created the position of assistant to the secretary of defense for review and oversight. This office is supposed to advise the secretary of ways to combat waste, fraud and abuse, but unlike the IG proposed by the House, this position is not independent of the secretary.

CC WINS DOCUMENTS AFTER COURT BATTLE

The audits of the 10 defense contractors' Washington offices which form the basis of this story, were obtained by Common Cause under the Freedom of Information Act (FOIA). After the Air Force refused Common Cause's 1977 request for the audits, CC went to court. The audits were awarded to CC in January of this year.

In court, the Air Force maintained that release of the audits would cause competitive injury to the companies—in other words, rival contractors would be able to learn about the staffing and funding of the companies' Washington offices and somehow use this information to their own advantage. But testimony revealed most of the companies already knew about the workings of their rivais' Washington offices.

Another claim made was that the alleged "mislabeling" of certain contractor expenses as lobbying and entertainment costs by the Defense Contract Auditing Agency (DCAA) would harm the companies in the public's eye and would thus diminish their overall sales, because adverse public opinion would cause Congress to refuse to appropriate funds for defense contracts awarded to these companies.

To support their claims, the Air Force submitted affidavits from high-level officials from each of the 10 companies. "Since these officials were based all around the country, it would have proven difficult and very costly for our staff attorneys to cross examine them," says Ellen Block, Common Cause associate general counsel.

associate general counsel.

"Instead," says Block, "we drew upon the services of volunteer lawyers in California, St Louis, Seattle and Minneapolis to take the depositions of the companies' witnesses. These depositions were key to winning the case because the testimony brought out on cross examination clearly contradicted the claims made by the Air Force."

In making the case, the Air Force relied on a provision of the Freedom of Information Act which allows the government to withhold business data only if its release would be likely to cause substantial competitive injury to the business which supplied the data.

During recent hearings on a proposed revision of the FOIA, this section was attacked by the business community. Opponents want to revise the law to prohibit the government from releasing any document that a company would not be willing to release.

Mr. PRYOR. Mr. President, I yield back the remainder of my time.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 5 minutes.

S. 1604—COST OVERRUN REQUIRE-MENTS IN NONDEFENSE PRO-GRAMS

Mr. PROXMIRE. Mr. President, today I introduce a biil to stop cost overruns on Government projects. This bill provides that each project that incurs a cost overrun of 25 percent automatically would be cut off from further funding unless and until Congress held hearings and passed a special bill allowing it to go ahead.

Getting a handle on Government cost overrun is one of the toughest jobs in Washington. There are many process in trouble. Each has its political and economic special interest support.

At the present time there are 854 non-DOD projects funded by the Federal Government either in development or under construction. These projects were expected to cost \$133.4 billion when first estimated to Congress. After initial refiguring, the new baseline costs rose to \$165 billion. At the present time the costs are estimated at \$340.5 billion, an increase overall of \$175.5 billion or 106 percent over the baseline estimate.

Seventy-seven programs have a cost overrun of 100 percent or larger. Only 54 percent of this can be attributable to inflation.

Mr. President, let me repeat that. Only about half of this can be attributable to inflation.

The Environmental Protection Agency has the greatest number of projects with overruns at 300, while the Federal Highway Administration ranks highest on the cost scale with a \$100 billion overrun on the Federal highway program.

My bill would force the Congress to come to grips with the awesome epidemic of overruns. It would do so by automatically stopping the expenditures on any project that experiences a cost growth, exclusive of inflation, of 25 percent or more.

Mr. President, I am talking about constant dollars, a genuine cost overrun, not a cost overrun caused, of course, by the increased cost of inflation which nobody can prevent or predict. This would have to be in excess of the inflation cost, 25 percent or more.

The Comptroller General would be responsible for accumulating the statistics, as he does now on each project, and for spot checking them for accuracy. When any project runs over the 25 percent limit the Comptroller General would be empowered to notify Congress and the agency responsible. From that point on, no further funds could be spent unless the Congress passed a special law allowing it to go forward.

This will have the effect of keeping the pressure on the Government agencles responsible for the overrups as well as on the Congress which so often does not do a good job of oversight. Since a provision dealing with cost overruns in the Defense Department has been made a part of the Department of Defense authorization bill, my bill deals only with nondefense programs.

There is no guarantee that any bill will absolutely stop cost overruns. There are loopholes in any legislation. But this proposal is simple in design and drastic in its required action. Its purpose is to restore discipline to Federal spending.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S 1804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act—

(1) The term "major civil acquisition" means any construction, acquisition, or procurement financed in whole or in part with Federal funds (not including any funds allocated to a State under a revenue sharing program), the estimated cost of which, including research, development, testing, and evaluation costs, in terms of Federal funds, exceeds \$200.000,000, or any such construction, acquisition, or procurement with respect to which the research, development, testing and evaluation costs are estimated to be in excess of \$50,000,000.

to be in excess of \$50,000,000.

(2) The term "baseline cost" means a planning or development cost as established by the Comptroller General of the United

States.

(3) The term "Comptroller General" means the Comptroller General of the United States.

SEC. 2. (a) The Comptroller General shall be responsible for determining the cost growth statistics on all major civil acquisitions. Such statistics shall be determined on the basis of data furnished to him by the appropriate departments and agencies of the Government and on the basis of independent audits and reviews conducted by him under authority of law. All departments and agencies of the government are hereby required to furnish the Comptroller General with any data or information he might determine to be required for compiling cost growth statistics.

(b) Whenever the Comptroller General determines in the case of any major civil acquisition that the actual cost or estimated projected cost of such acquisition has resulted or will result in a cost growth of 25 percent or more compared to an established baseline cost he shall promptly notify the Congress and the head of the department or agency concerned of his finding. In determining the cost growth with respect to any major civil acquisition the Comptroller General shall exclude any amount from such cost growth attributable to inflation.

(c) After the date on which the head of a department or agency receives a notice from the Comptroller General described in subsection (b) relating to any major civil acquisition, no additional funds may be obligated or expended with respect to such acquisition unless authorizing legislation as described in subsection (d) is enacted by the Congress after date of such notice.

(d) Legislation referred to in subsection (c) means a bill or joint resolution which (1) pertains only to the continuation of the authority to obligate and expend funds for a major civil acquisition with respect to which the authority to obligate and expend funds has been terminated as the result of a notice issued by the Comptroller General under subsection (b), and (2) continues for a period of not more than one year from the date

of enactment of such bill or joint resolution the authority to obligate and expand funds for such acquisition.

SEC. 3. The provisions of this Act shall not apply to any major civil acquisition for which funds have been appropriated prior to the date of enactment of this Act.

SHAKY RECOVERY FOR CAMBODIA

Mr. PROXMIRE. Mr. President, I would like to call my colleagues' attention to the first of a series of articles by William Branigin on Cambodia which began Sunday, August 9, 1981, in the Washington Post. The focus of Mr. Branigin's series is what he calls Cambodia's "fragile convalescence from years of war and destruction."

After reading the first article entitled "Nation Ravished by War Struggles as Client State," I would like to share some thoughts with you. Perhaps with greater magnitude than any other country in this decade, Cambodia has suffered the loss of hundreds of thousands of its people.

From 1971 to 1975, the Khmer Rouge conducted merciless campaigns of forced relocation and mass murder. As William Branigin describes in his article, the Cambodians under a Vietnamese-installed government, are struggling to rebuild their lives and their economy.

Whether or not the brutal killings under the Khmer Rouge regime in Cambodia constituted genocide, the loss of human lives is real enough. The pain and devastation, the hunger, and the problems which accompany the atrocities committed in Cambodia persist long after the fall of Pol Pot's brutal Khmer Rouge rule.

Mr. Branigin's article reminds us of the serious never-ending ramifications of the Khmer Rouge rule. Some Cambodians, including high-ranking officials and educated residents, are fleeing the country. They want to leave because they fear a Khmer Rouge return, yearn for a better life, or lack confidence in the newly established government. Mr. Branigin points out that even now the Khmer Rouge is leading a guerrilla war against the government.

According to Mr. Branigin, the government still holds between 3,000 to 10,000 political prisoners in prisons which they refuse to let the International Committee of the Red Cross inspect. Cambodians must attend what are called the government's "political education courses." Flagrant violations of human rights occur everywhere.

Reminders of Cambodia renew the urgency to ratify the Genocide Treaty. After seeing the horrendous personal loss and destruction, the consequences of which can never be erased, we must make every effort to speak out against such heinous crimes as those which were committed in Cambodia.

What we, as Members of the U.S. Senate, can do is to ratify the Genocide Treaty without any further delay.

Mr. President, I yield back the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without

objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BOSCHWITZ

Mr. STEVENS. Mr. President, I ask unanimous consent that following the special order time of the distinguished Senator from West Virginia, the distinguished Senator from Minnesota (Mr. Boschwitz) be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator wish the 10:30 deadline on the military pay bill to be extended?

Mr. STEVENS. If the time goes beyond the 10:30 deadline, Mr. President—I have discussed this with the majority leader—we are prepared to hold up the bill for such time as is necessary.

The PRESIDING OFFICER. Without

objection, it is so ordered.

RECOGNITION OF SENATOR ROBERT C. BYRD

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

SOVIET PROPAGANDA ON AFGHANISTAN

Mr. ROBERT C. BYRD. Mr. President, it has now been 21 months since the Soviets invaded Afghanistan. Yet, today, they are further away from victory than when the invasion was first launched. At least, that appears to be the case. As I stated in a speech before this body in July, the tenacity of the Afghan freedom fighters deserves the admiration of all the world's people. Some 85,000 Soviet troops and the most modern equipment in the Russian army and air force cannot subdue this fiercely proud people.

Apparently, Soviet military planners are coming to the same conclusion. Last month, the Atlanta Journal and Constitution carried a story from the London Daily Telegram entitled: "Soviets Frank-

ly Admit Afghans Tough."

As a result, the Soviet propaganda machinery is now preparing the Russian people for a long stay in Afghanistan. The propaganda twists in justifying the continued occupation of Afghanistan, however, must even stretch the imagination of the average Russian citizen.

As the article pointed out:

Recent reports (in the Soviet press) seem designed to underline the continuing need for Soviet military involvement and also to reassure people worried about their sons or relatives serving in Afghanistan.

Even the Soviet military paper, Red Star, has given up contending that Afghanistan is returning to normal. However, the Red Star characterizes the Afghan freedom fighters as bandits who continue to make furious attacks on villages, often killing villagers and local officials.

Unfortunately, the only bandits in Afghanistan are Soviet troops whose indiscriminate use of helicopter gunships and massive artillery barrages has taken an immense toll in civilian casualties.

The outrageous nature of official Soviet propaganda can be found in the description of a Tass report on the fighting in Afghanistan.

As the article stated:

A recent Tass report described an attack by 700 guerrillas on a government outpost held by only 43 Afghan frontier guards. The fighting lasted for four days until the rebels fied into Pakistan, Tass said, leaving behind quantities of American, Chinese and British weapons.

Reports coming out of Afghanistan prove the contrary. The bulk of the arms being used by the rebels in Afghanistan have been those captured either from the Soviets or fleeing Afghan army units.

In sum, for all the Soviet propaganda being used to prepare the Russian people for a long stay in Afghanistan, the Red Army still faces a massive insurrection in that small, Moslem country which will never be subdued. While attempting to fool the Russian people, Soviet leaders and military planners are only fooling themselves if they believe in the propaganda they are feeding their own people.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Atlanta Journal and Constitution, Aug. 16, 1981]

SOVIETS FRANKLY ADMIT AFGHANS TOUGH— HOME FRONT APPARENTLY BEING READIED FOR LONG STAY FOR ARMY

Moscow.—The Soviet press is being unusually frank about the level of activity and military strength of guerrillas fighting Soviet troops in Afghanistan.

Moscow may intend to make Soviets realize that the Soviet army, which entered Afghanistan in December 1979, will be engaged there for some time to come.

Recent reports seem designed to underline

Recent reports seem designed to underline the continuing need for Soviet military involvement and also to reassure people worried about their sons or relatives serving in Afghanistan.

Red Star, the Soviet army paper, has given up contending that Afghanistan is "returning to normal" after the Soviet intervention 20 months ago. Friday's issue described in some detail the threatening level of rebel operations.

"Bandits," as the paper calls the guerrillas, were making "furious" attacks on villages, often killing villagers and local officials.

One unit of Afghan government troops had recently had to carry out more than 100 anti-guerrilla operations near the Pakistan border, the paper said, Afghanistan could always rely on "the selfless assistance" of the Soviet bloc and the guerrillas were doomed to defeat.

A recent Tass report described an attack by 700 guerrillas on a government outpost held by only 43 Afghan frontier guards. The fighting lasted for four days until the rebels fled into Pakistan, Tass said, leaving behind quantities of American, Chinese and British weapons.

While Soviet casualties are hardly ever mentioned, some of the latest reports indicate that the Soviet Union is, after all, having to take domestic opinion into account

when considering its future role in Afghanistan.

Komsomolskaya Pravda, the paper for young Russians, carried a letter from the mother of a Soviet soldier serving in Afghanistan who wrote, "I am very worried about him. In his letters there is not one word about his duties. He only writes that everything is fine. But I can get no rest."

The paper's Kabul correspondent reported that she could be proud of her son, a recruit with only six months' military experience. "I understand your concern," the reporter

"I understand your concern," the reporter wrote, "but I would like to remind you that Sasha, having put on the uniform of a Soviet soldier, defends the most precious ideals both for himself and for us—world peace and happiness and the peace of our motherland." The Kabul correspondent acknowledged that "it is difficult to serve in Afghanistan" and concluded that it was only "our Soviet way of life" which "helps our 18-year-old boys to endure difficult burdens."

Their spirit was also sustained "by the understanding that their help is very much needed in Afghanistan."

"Soldiers mature very quickly in Afghanistan" the correspondent added. "The severe everyday life of a soldier demands that the young lads be responsible, well-composed and able to make quick decisions on which the lives of many other people may depend."

The correspondent described the heroism of a young Soviet tank driver escorting a convoy of Soviet trucks carrying bread. His tank fell into a 10-foot trap dug by rebels but the driver and his crew remained in the hole until the convoy had driven over them

to safety.

A U.S. State Department assessment issued last week said Soviet and Afghan government forces seamed to be losing ground to the rebels, who were "maintaining impressive momentum." But the State Department saw no sign that Moscow was ready to abandon its stand in Afghanistan.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from West Virginia has 16 minutes remaining.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that I may reserve the remainder of my time and that following the statement by Mr. Boschwitz, Mr. Bradley may utilize up to 5 minutes or more of my time if he needs it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Minnesota.

THE AGRICULTURE BILL

Mr. BOSCHWITZ. Mr. President, we appear to be getting near consideration of a bill which will affect the agriculture scene for 4 years, the 1981 agriculture bill.

In the Agriculture Committee, we held 24 or 25 sessions, of an average length of 4 hours each. Finally, together with the administration, we came up with an agricultural bill that was not particularly pleasing to any of us; but, on the whole, one we thought was fair. On the whole, it has been accepted by the agriculture community—not without some trepidation, not without some reserva-

tion-but nevertheless it has been accepted.

Now the administration comes to us and announces that, within a very few days, when the agriculture bill comes to the floor, we should work out our differences and proceed. What the administration proposes is markely different than what was passed in committee. What they propose in no way conforms to the reconciliation instructions that were issued earlier in the year.

Worst of all, Mr. President, even though we worked out a bill, went home with that bill, talked to our constituents about the bill, and had our constituents participate in the passage of the bill, changes simply cannot occur with only 3 or 4 days' notice.

Nevertheless, the administration now wishes to change the rules, to change entirely the agriculture bill that we will have before us. It is very unclear in my mind that the Senate will agree to that type of practice.

This administration and the last administration, through its use and continuation of embargoes, have upset the markets in this country drastically. That, combined with the loss of crops, is really the cause of a disastrous agricultural crisis.

I feel this particularly in my State of Minnesota. Our prices are perhaps among the lower ones in this country, because transportation costs are so high in bringing products to market.

We simply cannot exist with corn at \$2.31 or \$2.40, wheat somewhere between \$3.50 and \$3.60. The Government will have very large deficiency payments, particularly on wheat.

We cannot live with the dairy supports the administration now wishes to offer us.

During our consideration of the agriculture bill, we were told we had to conform to a budget reconciliation instruction of \$2.135 billion. That was the total amount of money. Through a great deal of deliberation, we worked out to virtually that amount, within a few million dollars. Now the Department of Agriculture reestimates what we did. It is no longer \$2.2 billion. It is now \$4.2 billion, and what the administration suggests is going to cost \$3.9 billion.

What has happened to the reconciliations instructions? Did the Budget Committee, on which I also serve, just go through an excise during the spring of this year?

Are the people on Wall Street, who have some qualms about what is happening in this body, correct when they say that we are not serious, that we are not going to abide by the budget targets, that we are not going to abide by the reconciliation instructions? I think they may be right, because what I see in the agriculture bill is that we are going to be spending not \$2.23 billion but \$3.9 billion. Not only that, but also, the figures that the administration gives us change with remarkable rapidity.

Last Friday, the dairy aspect of the bill was estimated at \$997 million. That is the administration plan. The Senate bill, S. 884, was thought to be \$1.167 billion. This week, there are different figures

again, the administration's plan being approximately \$1.058 billion and the Senate's plan \$1.228 billion. All the figures have changed. They have changed with great rapidity.

The Secretary wants discretion to establish a 70-percent parity base and then not give increases as inflation works its will upon the farm community of this Nation. I simply cannot agree to that. I simply will not agree to that.

The most disturbing aspect of the entire situation is that I thought we had worked out an arrangement, a deal—call it what you will—that we had worked out, between myself and a high member of the administration, an arrangement on which way dairy was going to go.

The same member of the administration now tells me that we did not work out a deal at all. There I was in my office, sitting and listening and talking and agreeing, and he agreed with me. Now he says he did not agree at all. Well, in that case, I am going to take the interests of the farmer and not take the interests of the administration.

I was a businessman before I came to the Senate, and by us, a deal is a deal. In the Halls of the Senate and Congress, very often businessmen are excoriated; very often businessmen are thought to operate on principles that are not very nice

I have made many deals in my life, and we stuck by them, as we do in business, as the Presiding Officer (Mr. Murkowski) knows from his background. Some deals do not work out very well, and you have to make adjustments, and sometimes you have to renegotiate them. But, by and large, a deal is a deal, and with me that is the way it operates. If this administration is not going to operate in this way, then they will not get the cooperation of the Senator from Minnesota as they have tried to pass this agriculture bill.

Mr. President, 70 percent of parity is a figure that has never existed in this country. Since the parity system has begun, 70 percent of parity is a figure we have never had to revert to in order to get a balance between production and consumption.

Production this year is going to be about 132 billion or 133 billion pounds, on a fluid basis. in the milk industry. Last year, it was 127 billion pounds. That is indeed a raise. I fully understand that in a commodity such as milk or any other commodity.

My business career had to do with commodities; and when production goes up approximately 4 or 5 percent and consumption does not go up, there is great pressure on the prices.

But nevertheless it should be a manageable situation.

For the last 10 years parity has not gone below 78 percent. As a matter of fact, in 1974 the average percentage of parity for that year was 78 percent.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

pired.
Mr. BOSCHWITZ. Mr. President, may
I yield myself an additional 3 or 4 minutes?

The PRESIDING OFFICER. It will take unanimous consent.

Mr. BRADLEY. Mr. President, how much time remains on the side of the minority?

The PRESIDING OFFICER. Sixteen minutes.

Mr. BRADLEY. Mr. President, I am pleased to yield 4 additional minutes to the Senator from Minnesota from the minority side.

Mr. BOSCHWITZ. Four minutes will be sufficient.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 4 additional minutes.

Mr. BOSCHWITZ. Mr. President, thank you very much.

Mr. President, in any case commodities indeed do move around in price a great deal when production goes up.

I might say that one of the great problems that we have not only in dairy but in the other commodities is a low price of the commodity, the fact that it is more profitable to feed a milk cow than it is to sell corn on the marketplace, and as a result we are getting more production.

But this administration, as the administration before it, bears some blame for the low prices of agricultural products and that, of course, is because of the embargo. This administration will not make clear to us what its position is going to be on the embargo provisions of S. 884, whether or not it will support the embargo provisions of S. 884. If it will not, the administration certainly will run into trouble from this Senator and from a number of other Senators as well.

Mr. President, when we take a customer as large as the Russians were out of the marketplace for a year and a half, and then we have additional continuing high production, there is no question that commodities are going to vacillate in price.

My experience is that when production goes down 2 percent, the price will probably go up 12, 14, 18 percent, and vice versa. When there is overproduction by a few percentage points it has a correspondingly far greater impact on the price. So that 2, 3, or 4 percent overproduction, at least in the commodities that I have been familiar with in my life, can reduce those prices by 20 percent.

I spoke to this administration before the embargo was lifted, that before it takes away all its leverage it should begin negotiations with the Russians. I am a businessman, as I mentioned. If someone comes to me and says, "You cannot buy my product, I am going to embargo it to you," and then a year and a half later comes to me and says, "Well, the embargo is off," I know exactly what my reaction would be, and I know exactly why we are having difficulty in making arrangements with the Russians and the fact that we did not exercise what leverage the embargo gave us but just lifted it unilaterally without making a new deal with the Russians is in my judgment not exactly the way, as I say, a businessman would have gone about it.

Mr. President, the farmers of this

country are having a difficult time indeed. People think that there are giveaway programs for the farmers. There are not giveaway programs for the farmers.

We are going to fight this farm bill if we have to in order to see that the farms of this country survive.

I see in the chamber my colleague from Iowa, who I know is so interested in soil conservation. As long as we have prices that are so low and as long as the farmers have to plant fence row to fence row there will not be such a thing as conservation.

Mr. President, I wish to go on record as being opposed to what I see coming down from the administration, and I wish to tell, in this public way, the members of the administration that I intend to vigorously oppose their positions as they develop them, if they develop them in the manner I have seen.

I yield the floor.

RECOGNITION OF SENATOR BRADLEY

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

HIGH INTEREST RATES

Mr. BRADLEY. Mr. President, I rise today to make a few comments about the state of the economy and in particular to call to the attention of Senators an article in today's Wall Street Journal, since many of my colleagues are mentioned in the article.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOP, UPSET BY HIGH INTEREST FEES, RETURNS TO CONGRESS WITH TALK OF CREDIT CON-TROLS

(By Albert R. Hunt and Dennis Farney)

Washington.—Congressional Republicans, who went home only a month ago euphoric over President Reagan's budget and tax victories, returned here in a state of political panic over high interest rates, with some even suggesting such radical solutions as controls.

On Wall Street, bond prices surged on talk of credit controls.

"I have not witnessed the sort of anger and indignation I'm seeing today in a long time," Senate Majority Leader Howard Baker said in an interview. "On the floor, people are talking about credit controls, reorganizing the Federal Reserve, a windfall profits tax on interest income, and wage and price controls," noted the Tennessee Republican, adding with some astonishment: "Some of this is coming from Republicans."

Similarly, House Republican Leader Robert Michel of Illinois suggested a jittery Congress might resort to credit controls or tougher regulations of financial institutions or might attack the Federal Reserve System unless "something gives" in the next 90 days. "We can't live with a 20 percent prime rete." Rep. Michell said. "I'm a political animal. And for our political fortunes, there's got to be some movement."

got to be some movement."

It still seems unlikely there's any serious prospect of such drastic legislative actions, although analysts attributed yesterday's bond market rally to the speculation of pos-

sible credit controls. Sen. Baker and Rep. Michel, for example, oppose all suggestions

of any controls.

But this political climate is apt to make it much tougher to enact a further round of spending cuts that the Reagan administration feels is necessary to calm the money markets. "This makes it very difficult to get a second round of budget cuts," acknowledged Sen. Baker. "Already Senators are saying to me, 'What the hell difference does it make. If we cut another \$10 billion to \$15 billion, they (the financial community) will just come back and ask for another \$15 billion cut."

The most likely vehicle for seeking further spending reductions for fiscal 1982—only a month after Congress approved a \$35 billion cutback in that budget--will be to give President Reagan unprecedented authority to impound, or withhold, congressionally appropriated funds. Sen. Baker said he is still attracted to that idea and believes that safeguards, including prescriptions on what can be impounded and allowing Congress to veto such actions, could be in-

Sen. Baker said that if he moves on this proposal it probably would be attached to the legislation to increase the debt ceiling. which must be approved by the end of this month. And yesterday President Reagan termed the impoundment proposal a "very interesting" idea that would be "very help-

ful" in curbing spending.

But an important part of the 1974 legislation creating the congressional budget process was to explicitly outlaw White Hovse impounding of funds. Democratic leaders. including House Speaker Thomas O'Neill of Massachusetts and Senate Minority Leader Robert Byrd of West Virginia, underscored that point yesterday. "This proposal sounds won't have to vote on any tough specific cuts," charged House Budget to me like a bailout for Republicans so they cuts," charged House Budget Committee Chairman James Jones (D., Okla.).

Even some conservative Democrats, such as Texas Rep. Charles Stenholm, who have provided the critical support for Ronald Reagan's economic victories this year, were negagan's economic victories this year, were negative to proposals allowing the President to impound funds. "I've got problems with that," Rep. Stenholm said. "I would much rather Congress maintain and exercise its prerogatives here."

Still, most lawmakers say President Reagan remains as popular as ever with most voters. Thus apart from the battle over impounding, they think he might be able to persuade Congress to approve some further budget cuts, though this may necessitate some presidential vetoes.

But, as even many Republicans emphasize, these cuts will have to include defense as well as domestic social programs. can't be 80 percent social programs and 20 percent defense." predicted Sen. Bob Pack-

wood (R., Oreg.).

Sen. Packwood spent much of August in his home state. When asked what were the three major concerns of voters, he replied: "Interest rates, interest rates and interest rates." Yet so far he noted records Yet so far, he noted, people aren't blaming Ronald Reagan. "There is almost a William Jennings Bryan feeling (among his constituents) that the Eastern bankers are doing us in. We're being manipulated by the Federal Reserve and the Wall Street boys, and it's not Reagan's fault."

Likewise, Rep. Delbert Latta (R., Obio) said, "No matter who you talked to back home, Republican or Democrat, that's all you heard: Interest rates." And yesterday Sen. John Stennis (D., Miss.), one of the most senior members of the Senate, intro-duced a bill that would establish a commission to find a way to lower interest rates, while calling for Senate hearings for "tem-

porary emergency actions" to lower interest

All of this is very frustrating to some of the architects of the President's budget and tax cut initiatives on Capitol Hill. "I find it incredible that people up here already are asking why the Reagan economic plan isn't said Rep. Barber Conable working," N.Y.), the top Republican on the House Ways and Means Committee, "For God's sake, it doesn't even take effect until Oct. 1.

Rep. Jack Kemp (R., N.Y.), the political odfather of the President's "supply side" godfather of the President's "supply side" economics, said, "I think a lot of us (Republicans) want to focus attention on monetary reform now. The No. 1 objective has to be to get the central bank of the U.S. back to the conduct of a credible monetary policy." That is Rep. Kemp's shorthand way of advocating a return to the gold standard, which, following the negative market reaction to the huge tax cut, is what many supply-siders now say is all that's needed.

House Speaker O'Neill said that the administration's supply side economics was a "house of cards" and that, during August, "the wind blew it down." As a result, suggested House Democratic whip Thomas Foley (D., Wash.), Congress will be more s'reptical of subsequent White House economic pro-

posals.

Whatever the case, it now is clear that the economic issue, which dominated this congressional session before the August reces will continue to do so for the foreseeable future. But there are several other important issues on the congressional platter during the rest of this year. And many of them are divisive, too, including extensions of the Clean Air and Voting Rights Acts, a farm bill, a bitter partisan battle over Social Security, a big communications bill and a revision of federal regulatory practices.

But one of the toughest battles, in the Senate, will be over the administration's proposal to sell sophisticated radar planes to Saudi Arabia. Although Presidents rarely lose major foreign policy initiatives, especially early in their terms, this one has generated strong opposition from Israel and on Capitol

Hill

Mr. BRADLEY. Mr. President, the headline of this article says:

GOP, upset by high interest fees, returns to Congress with talk of credit controls.

The article goes on to say that a number of Senators and Congressmen have said that because of the high interest rates we will need credit control. There is also talk of reorganizing the Federal Reserve, talk of a windfall profit tax on interest income, and talk of wage and price controls.

Mr. President, I must say that I would read the news of such proposals with a certain degree of amusement if the high interest rates were not so painfully damaging the expectations of Americans

about our economic future.

This article, I think, reflects what Members of Congress, Senators and Congressmen, heard over the August recess as they traveled across their States sounding out the public's reaction to the Reagan economic program and its assessment of the economic prospects for individual citizens in each State.

Mr. President, the Reagan program was enacted during the first week in August. He got everything he wanted. He got his tax cuts. He got budget cuts. But since that time there have been a few ominous developments. Within a month of the enactment of the Reagan economic program, the stock market dropped 100 points as soon as its implications had sunk in. The fact is that

there is no bond market at the present moment.

Yesterday, I had a conversation with one of the leading financiers in my State who said that if a municipality wanted to get money in today's climate, it would have to offer a tax-free interest rate of close to 12 to 15 percent. Incredible.

Mr. President, evidently someone is not buying the rosy future that this administration put forth to the American public. They are not buying the rosy future that it was said would inevitably result from the President's economic program.

In fact, if this morning's Wall Street Journal article is any gage, I would say that panic has set in. One month after Congress has enacted this economic miracle program, people, including Republicans mind you, are scurrying around and talking about a windfall

profit tax on interest income.

Mr. President, I cannot believe my eyes when I read this. Last year, through hours of debate on a windfall profit tax on oil, Senators on the other side of the aisle endlessly extolled free markets. They said, "Do not impede the marketplace." Now, by imposing a burdensome windfall profit tax income, are they talking about a windfall profit tax on interest or about wage and price controls? Now I realize that the last wage and price controls were applied by a Republican administration in 1971. I realize that. And I realize that when a program looks doomed and inflation is running at a 15.2 percent annualized rate as it was in July, there is a tendency to say, "Well, let us have some controls; the Government has to step in."

Is this what the supply-side economic miracle will bring us? A new panicdriven round of economic controls?

It is astonishing to hear that Senators and Congressmen, returning to the Congress after hearing the horrors of high interest rates, say they want a windfall profit tax on interest income, wages and price controls, a reorganization of the Federal Reserve? Mr. President, the reaction of financial markets are sending people into panic, for if I have ever heard panic, this is it.

I would call attention to what one Senator said that he felt when he talked to people in his State. It was a Western State. "There is almost a William Jennings Bryan feeling-among his constituents-that the Eastern bankers are doing us in. We are being manipulated by the Federal Reserve and by the Wall Street boys, and it is not Reagan's fault." Not Reagan's fault, but the fault of Eastern bankers?

Well, Mr. President, I know in past years there has been a lot of snake oil sold in a lot of carnivals across this country, but if you believe that this economic situation is caused by some financial conspiracy instead of by the underlying weaknesses of the economic program anticipated by the market, you will believe in fairy tales. But this perhaps is what the administration and his supporters want us to believe?

I see that the Senator from Nebraska (Mr. Exon), who has spoken often and long about the dangers of this economic program, is on the floor now.

Well, Mr. President, it is very clear the reaction of Wall Street to the President's program is not a mystery. If you are in the business of making money by selling money, it is the same as if you are in the business of making money by selling cars or selling oil. And those in the business of selling money clearly see that the President's program is designed to drive up the price of their product. People on Wall Street may have voted one way at the ballot, but they are voting quite a different way with their dollars. This is not because they are rash or evil, but because they are prudent. They have projected the economic future that will result from this economic policy.

The reason interest rates are 20 percent today, with little prospect that they are going to come down in the next couple of months, is that there is no sound fiscal policy in place. As we said on this floor at least 15 times through the debate in the last part of July, there are two major ways to create a budget deficit. One way is to spend ourselves into a frenzy, and the other way is to enact excessive tax cuts that will totally unbalance the budget. The latter is precisely what the financial markets know will

happen.
Since the President introduced his economic policy it has been this side of the aisle, including the Senator from Nebraska and me along with many others, who have said, "You cannot increase defense spending to the level the administration has proposed, and cut axes to the level that they have achieved, and offer the budget cuts they have offered, and still not expect something close to an economic crisis, because the resulting imbalance of fiscal stimulus over reduced spending over the next 3 years is more than \$100 billion."

So, Mr. President, I rise today certainly not with any glee about our economic circumstance, but with some degree of ironic amusement that supporters of the President's program may now be panicked at its consequence, to the extent of suggesting a windfall profit tax on interest income, or wage and price controls, or credit controls, or reorganization of the Federal Reserve. And some of them believe that it is all necessary because of some kind of banker conspiracy. Instead. Eastern they should simply get out their budget books, as the Senator from Nebraska has done and is doing, look at what the budget cuts are, look at the size of the tax cuts and the increases in defense, and then tell me whether interest rates are at 20 percent because of a conspiracy or because of irresponsible fiscal policy? The answer is that it is irresponsible fiscal policy.

There are many Senators in this body who had a tough vote on budget cuts. I voted for the budget cuts in the final analysis, as did the Senator from Nebraska. That was not an easy vote, but we made that vote because we felt inflation was the major problem in this country, and that getting the budget under control was essential.

But what did this body do after we

went through all that pain and suffering and bit the bullet? We gave it all away. We gave it all away because of the belief in the miracle of supply-side economics.

Well, we are seeing what is happening now. The supply-side economists in this country, confronted with 20-percent interest rates, are saying what? Maybe we should reconsider? No, they are saying let us go to the gold standard, the gold standard is going to come in and save this economy from 20-percent interest rates.

These fairy tales are multiplying at such speed that I think we are going to have to write a book. Instead of "Grimm's Fairy Tales" it will be "Supply-Side Fairy Tales." But it will not be pleasant reading, because our economy is the victim.

So, Mr. President, I rise today simply to say that we cannot panic; we have to address the problem rationally, and that means taking some dramatic action to correct the fiscal imbalance.

The administration is talking about cutting proposed defense spending, which is probably a good idea; they also are talking about some additional cuts in nondefense areas. That would be very difficult, but it may be possible. But none of those things is going to solve the rising deficit and rising interest rate problem, and certainly not within the next 6 months to a year. One way we might consider if we were going to try to put this budget back into balance now is to defer some of the goodies that were passed out in the recent tax legislation. Why? For the best possible reason. To get our economy back into shape, to move the Federal budget toward balance into balance, so that those interest rates come down, and we can conduct some healthy debate here about the future economic growth potential of the economy.

So, Mr. President, I urge some prudence and careful think, I urge a rational approach to the problem, looking again at both the spending and the tax side. Then hopefully, we will be able to get the economy back on the stable path of growth.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. EXON addressed the Chair. The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I would like to make inquiry of the Chair as to the time allocation, advising the Chair that I would seek 5 minutes to make remarks addressed to the comments that have just been made by my distinguished colleague from New Jersey. Is there time that could be allotted to me with what stands before the Senate at this moment?

The PRESIDING OFFICER. It would take unanimous consent to accommodate the Senator.

Mr. EXON. Mr. President, I ask unanimous consent to allow me to speak for up to 5 minutes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. EXON. I thank the Chair.

Mr. President, I want to congratulate my friend and colleague irom New Jersey for the remarks he just made.

As I came on the floor he was mentioning a very prominent Nebraskan by the name of William Jennings Bryan, who has been a favorite of mine for some time. Generally I have shared the thoughts of William Jennings Bryan regarding Wall Street. Maybe my friend from New Jersey does not, but I think basically William Jennings Bryan hit the nail on the head. So I stand here not to defend Wall Street but to compliment the Senator from New Jersey for the statements he has just made.

I think it is rather interesting, Mr. President, that there is nearly total agreement on the reasons for the difficulties this Nation currently faces between the Senator from New Jersey and this Senator from Nebraska. It need not be said, but I think it should be said at this juncture.

Generally speaking, from a philosophical standpoint and using the normal guidelines of the U.S. Senate. I think there would be little argument with the thought that the Senator from New Jersey may fall on the liberal side of general policy and the Senator from Nebraska on the conservative side. I think it is rather interesting, therefore, that we seem to almost totally agree on the very fundamental problem of what is causing the greatest difficulty with the economy of the United States today, and it is simply the unrealistic approach of the Reagan administration that many of us stood on this floor and stated time and time again. Although I have not discussed this with my friend from New Jersey, I hope that he will join with me once again in introducing once again the amendment that was unfortunately defeated on the floor of this Senate the last part of July, which was the only amendment that addressed the key problem facing our economy today, and that is the ruinous high interest rates. It was shunted aside. I said during that debate, Mr. President, that I suspected that those on the other side of the aisle would march like lemmings to the sea once again to oppose that amendment which was the only chance that we had to make the President's economic program work.

Why is it not working? The Senator from New Jersey explained it very well. Yes; we went through blood, sweat, and tears and we supported and voted for a \$34.4 billion cut in social programs for fiscal year 1982. And yet, while we were doing that, Mr. President, because of the unrealistic projections by the administration, saying back in March that the average cost of the borrowings of the Federal Government would be 8.9 percent for the rest of 1981 and all of 1982. They were wrong. They finally fessed up to it and faced reality in July. just before we left, and they said that increase would be not 8.9 but up to 10.5 That does not sound like very much. Mr. President, but that is the equivalent of a \$17.1 billion increase in cost to the taxpaver and to the budget of just carry-ing the cost of Federal borrowing. I think that is too low. If you will look at

the CBO estimates that were released yesterday and if you will look at the futures market you will see that rather than 10.5 percent the cost of the Federal borrowings are likely to be for the same period somewhere between 12 and 13 percent, if not higher.

So, Mr. President, if you will do simple arithmetic you will see that while we went through blood, sweat, and tears to knock \$34 billion to \$35 billion out of the social programs, we gave away \$17.1 billion in increased costs, and I suspect that the real cost will be much higher than that. So in the end you will see that we did the glorious thing here of cutting \$34 to \$35 billion out of social programs and at the same time give it away in increased interest costs.

There is no way that the President's economic program is going to work-and I hope it does work. It is not going to work with the high interest rate policies of this administration in tandem with the Federal Reserve System.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. EXON. I ask unanimous consent just for 1 additional minute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. EXON. I suspect that the overall problems are not anyone's fault in particular but all of our faults by not being realistic on fiscal policy. Mr. President, 2 and 2 still make 4, and 2 and 2 do not make 3 regardless of who does the figuring or if we put it through computers.

I think if we are ever going to solve our problems, we are going to have to stop the wishful thinking, be honest with the American people and get with it. I thank the Chair.

UNIFORMED SERVICES PAY AND BENEFITS ACT OF 1981

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1181. which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1181) to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

"COMMISSIONED OFFICERS!

The Senate proceeded to consider the bill which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause, and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Uniformed Services Pay and Benefits Act of 1981".

INCREASE IN BASIC PAY AND ALLOWANCES

SEC. 2. (a) In this section "uniformed services" has the same meaning given to that term by section 101(3) of title 37, United States Code.

- (b) Any adjustment required under the provisions of section 1009 of title 37, United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective. Effective with the first pay period beginning after September 30, 1981, the rates for each element of compensation specified in section 1009(a) of such title shall be as provided in subsection (c) of this section.
- (c) (1) The monthly basic pay authorized members of the uniformed services, based on years of service computed under section 205 of title 37, United States Code, shall be as follows:

"Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
0-10 ² 0-9 0-8 0-7 0-6 0-5 0-4 0-3 ³ 0-2 ² 0-1 ²	3, 913. 80 3, 544. 80	2, 068, 80 1, 807, 80 1, 542, 00 1, 267, 80	4, 101, 90 3, 737, 70 3, 146, 10 2, 555, 70 2, 211, 60 1, 929, 00 1, 649, 10 1, 522, 80	4, 101, 90 3, 737, 70 3, 146, 10 2, 555, 70 2, 211, 60 1, 929, 00 1, 841, 10 1, 602, 90	4, 101. 90 3, 737. 70 3, 286. 80 2, 555. 70 2, 211. 69 2, 025. 00 1, 928. 70 1, 636. 50	4, 206. 00 4, 016. 40 3, 286. 80 2, 555. 70 2, 211. 60 2, 115. 00 1, 998. 60 1, 636. 50	4, 206, 00 4, 016, 40 3, 477, 00 2, 555, 70 2, 329, 50 2, 239, 80	4, 381. 20 4, 206. 00 3, 477. 00 2, 555. 70 2, 411. 70 2, 355. 00 2, 191. 20 1, 636. 50	4, 381, 20 4, 206, 00 3, 651, 00 2, 760, 00 2, 573, 10 2, 463, 00 2, 225, 40 1, 636, 50	4, 746, 00 4, 381, 20 4, 016, 40 3, 060, 00 2, 765, 70 2, 526, 00 2, 265, 00 1, 636, 50	4, 746. 00 4, 571. 40 4, 292. 40 3, 217. 20 2, 924. 70 2, 573. 40 2, 292. 00 1, 636. 50	5, 110, 20 4, 746, 00 4, 292, 40 3, 286, 80 3, 013, 20 2, 573, 40 2, 320, 80 1, 636, 50	5, 110. 20 4, 936. 80 4, 292. 40 3, 477. 00 3, 118. 20 2, 573. 40 2, 320. 80 1, 636. 50	5, 475, 00 4, 936, 80 4, 292, 40 3, 771, 00 3, 118, 20 2, 573, 40 2, 320, 80 1, 636, 50	4, 475. 00 4, 936. 80 4, 292. 40 3, 771. 00 3, 118. 20 2, 573. 40 2, 320. 80 1, 636. 50

"Basic pay is limited to the rate of basic pay payable for level V of the Executive Schedule.
"While serving as Chairman of the Joint Chiefs of Staff. Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is \$6,848.10 repardless of cumulative years of service computed under section 205 of title 37 of the United States Code.

"COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS ACTIVE SERVICE AS ENLISTED MEMBER OR WARRANT OFFICERS

"Pay grade			Over 4	Over 6	Over 8	Over	10 Ov	er 12	Over 14	Over 16	Over 18	Over !	20 Ov	er 22	Over 25	Over 30
0-3 0-2 0-1		1,0	829. 70 603. 20 267. 50	\$1, 917. 00 1, 636. 50 1, 379. 10	\$1, 986, 00 1, 723, 20 1, 459, 50	1, 812,	00 1,88	32.50	2, 285. 10 1, 934. 10 1, 636. 20	\$2, 325. 00 1, 934. 10 1, 636. 20	\$2, 353. 8 1, 934. 10 1, 636. 20	1, 934.	10 1,9	34.10 1	, 379. 00 , 934. 10 , 636. 20	\$2, 379. 00 1, 934. 10 1, 636. 20
							"WARF	RANT OFF	ICERS		44	17	102	1	White the second	
"Pay grade	TO I	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-4 W-3 W-2 W-1		1, 281, 00 1, 079, 70	\$1,512.00 1,389.00 1,167.00 1,031.10	1, 389.00	\$1, 546. 80 1, 407. 00 1, 223. 70 1, 137. 00	\$1, £17. 00 1, 424. 10 1, 290. 90 1, 189. 20	\$1,688.70 1,528.20 1,389.00 1,266.00	1, 617. 0	0 1,670.4	0 1,546.80	1, 774. 80 1, 600. 80	\$2, 093. 10 1, 829. 70 1, 653. 00 1, 528. 20	\$2, 161. 50 1, 900. 50 1, 706. 10 1, 528. 20	1, 969. 50 1, 775. 10	2, 039. 10 1, 775. 10	2, 039. 10 1, 775. 10
							"ENLIST	ED MEME	BERS							
"Pay Grade 2 cr less	Over 2	Over 3	Over	4 Over 6	Over 8	Over 10	Over 12	Over 1	4 Over 1	6 Over 18	Over 20	Over 22	Over 24	Over 26	Over 28	Over 30
E-91. E-8. E-7. \$977. 10 \$1 E-6. 243. 90 E-5. 734. 70 E-4. 663. 90 E-3. 632. 70 E-2. 603. 30 E-1. 536. 40	1, 054. 50 \$ 920. 10 799. 50 726. 90 667. 50 603. 30 536. 40	1, 093, 80 958, 50 838, 20 769, 20 694, 20 603, 30 536, 40	\$1, 149. 90 1, 009. 50 885. 00 821. 70 715. 20 603. 30 536. 40	\$1, 180. 20 1, 047. 60 952. 80 854. 10 715. 20 603. 30	\$1, 410.00	\$1, 682, 40 1, 455, 90 1, 256, 70 1, 125, 60 1, 020, 30 854, 10 715, 20 603, 30 536, 40	\$1, 720. 50 1, 494. 60 1, 297. 80 1, 183. 50 1, 046. 10 854. 10 715. 20 603. 30 536. 40	\$1, 759. 5 1, 533. 6 1, 354. 5 1, 221. 0 1, 050. 9 854. 1 715. 2 603. 3 536. 4	0 1,573.8 0 1,394.7 0 1,260.3 0 1,050.9 0 854.1 0 715.2 0 603.3	0 1, 436.70 0 1, 279.20 0 1, 050.90 0 854.10 715.20 0 603.30	1, 664, 10 1, 479, 90 1, 279, 20 1, 050, 90 854, 10 715, 20 603, 30	1, 746. 60 1, 547. 70 1, 279. 20		1, 941. 60 1, 740. 00 1, 279. 20 1, 050. 90 854. 10 715. 20	1,740.00 1,279.20 1,050.90 854.10 715.20 603.30	1, 941, 60 1, 740, 00 1, 279, 20 1, 050, 90 854, 10

[&]quot;1 While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy or Coast Guard, Chief Master Sergeant of the Air Force, or Sergeant Major of the Marine Corps, basic pay for this grade is \$2, 633.10 regardless of cumulative years of service computed under section 205 of title 37 of the United States Code.".

(2) The basic allowance for subsistence authorized members of the uniformed serv-

ices shall be as lollows.	month
Per	
"Officers	\$94.39
"Enlisted members:	Per day
"When on leave or authorized to mess separately	4. 50
"When rations in-kind are not available	5.09
"When assigned to duty under emergency conditions where no messing facilities of the United	0.700
States are available	6. 73".

(3) The monthly basic allowance for quarters authorized members of the uniformed e shall he as follows:

	Without de		
"Pay grade	Full rate	Partial rate 1	With de- pendents
"Commissioned officers: 0-10	\$489.00 489.00 489.00 489.00	\$50.70 50.70 50.70 50.70	\$611.70 611.70 611.70 611.70

	Without de				
"Pay grade	Full rate	Partial rate 1	With de- pendents		
0-6	438. 90 404. 70 360. 30 316. 80 275. 10 214. 80	39. 60 33. 00 26. 70 22. 20 17. 70 13. 20	355, 5 0 487, 2 0 434, 7 0 390, 9 0 348, 0 0 279, 6 0		
"Warrant officers: W-4	374. 10 309. 60 269. 10 243. 00	25. 20 20. 70 15. 90 13. 80	419. 10 381. 60 342. 60 314. 70		
"E nlisted members: E-9. E-8. E-7. E-6. E-5. E-4. E-3. E-2.	268. 20 247. 20 210. 30 191. 10 183. 60 158. 10 141. 30 124. 80 117. 90	18. 60 15. 30 12. 00 9. 90 8. 70 8. 10 7. 80 7. 20 6. 90	377. 40 348. 60 324. 30 298. 20 274. 20 235. 50 205. 50 205. 50		

"1 Payable to a member without dependents who, under section 403(b) or (c) of title 37, United States Code, is not entitled to receive a basic allowance for quarters."

"ENLISTED MEMBERS

MONTHLY PAY OF CADETS AND MIDSHIPMEN

SEC. 3. Section 203(c) (1) of title 37, United States Code, is amended by striking out "\$313.20" and inserting in lieu thereof "\$448.80".

SPECIAL PAY FOR CERTAIN HAZARDOUS DUTY SEC. 4. (a) Section 301(a) of title 37, United States Code, is amended—

(1) by striking out "or" at the end of clause (9); and

(2) by striking out clause (10) and in-serting in lieu thereof the following:

"(10) involving frequent and regular participation in flight operations on the deck of an aircraft carrier or on a ship other than an aircraft carrier from which aircraft are

"(11) involving frequent and regular ex-posure to highly toxic pesticides or involving laboratory work which utilizes live dangerous viruses or bacteria; or

"(12) involving the servicing of aircraft or missiles with highly toxic fuels or propellants.".

(b) The table contained in section 301(b) of such title is amended to read as follows:

	Years of service computed under section 205													
"Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26	Over 30
E-9. E-8. E-7. E-6. E-5.	\$131 131 100 88 83 83	\$131 131 106 94 88 83	\$131 131 106 94 88 83 83	\$131 131 106 100 100 88 83	\$131 131 113 106 100 94	\$131 131 119 113 106 100	\$131 131 131 119 113 100	\$131 131 131 119 119 100	\$131 131 131 125 119 100	\$131 131 131 125 119 100	\$131 131 131 125 119 100 83	\$131 131 131 125 119 100 83	\$131 131 131 125 119 100 83	\$131 131 131 125 119 100
E-3	83	83	83	83	83	83	83	83	83	83	83	83	83	83

(c) Section 301(c) of such title is amended

83

83

83

(1) by striking out "or (10)," and inserting in lieu thereof "(10), (11), or (12),"; and (2) by striking out "\$55" and inserting in

lieu thereof "\$83"

E-1 E-4 under 4 months_____Aviation cadets_____

AVIATION CAREER INCENTIVE PAY

Sec. 5. (a) Paragraph 5 of section 301a(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "If the entitlement to continuous monthly incentive pay ceases in the case of an officer in a pay grade below O-7 upon completion of 25 years of officer service, such officer shall be entitled to monthly incentive pay for the performance of subsequent operational flying duty in the amount set forth in the table in subsection (b) of this section for an officer with over 25 years of officer service.'

(b) (1) The tables in clause (1) of section 301a(b) of such title are amended to read as follows:

"PHASE I "Years of aviation service (including flight training) as Monthly an officer: rate 2 or less____ \$125 Over 2 _____ Over 3 -----188 Over 4 -----206 Over 6 ----"PHASE II "Years of service as an officer as com-puted under section 205: Over 18 _____ \$370 Over 20 _____ 340 Over 22 ---310 280 Over 25 .

(2) The table in clause (2) of section 301 a(b) of such title is amended to read as follows:

83

83

83

83

83

83

"Years of aviation service as an officer:	Monthly rate
2 or less	
Over 2	
Over 3	. 188
Over 4	206
Over 6	400".

YEARS OF SERVICE COMPUTATION FOR SUBMARINE DUTY INCENTIVE PAY

SEC. 6. Paragraphs (3) and (4) of section 301c(a) of title 37, United States Code, are amended by inserting ", not including, in the case of an officer, periods as an enlisted member prior to initial appointment as an officer" after "title", each place it appears.

SPECIAL PAY FOR DIVING DUTY

SEC. 7. Section 304 of title 37, United States Code, is amended to read as follows:

"§ 304. Special pay: diving duty

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay is entitled to special pay, in the amount set forth in subsection (b) of this section, for periods during which such member—

"(1) is assigned by orders to the duty of diving;

"(2) is required to maintain proficiency as a diver by frequent and regular dives; and

"(3) actually performs diving duty. "(b) Special pay payable under subsection (a) of this section shall be paid at the rate of not more than \$200 a month, in the case of an officer, and at the rate of not more than \$300 a month, in the case of an enlisted member.

"(c) A member may be paid special pay

under this section and incentive pay under section 301 of this title for the same period of service only if that member is assigned by orders to a hazardous duty described in section 301(a) of this title in addition to a duty described in subsection (a) of this section. However, if a member is paid special pay under this section, that member is not entitled to more than one payment of incentive pay under section 301 of this title.".

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ENLISTMENT BONUSES

(a) Section 308a(a) of title 37,

United States Code, is amended—
(1) by striking out "\$5,000" and inserting in lieu thereof "\$7,500"; and

(2) by striking out the second sentence and inserting in lieu thereof the following: "The bonus shall be paid in periodic install-ments, as determined by the appropriate Secretary, except that the first installment may not exceed \$4,000 and the remainder shall be paid in equal periodic installments which may not be paid less frequently than once every 3 months.".

(b) (1) Chapter 5 of title 37, United States Code, is amended by inserting after section 308e the following new section:

"§ 308f. Special pay: bonus for enlistment in the Army

"(a) Under regulations prescribed by the Secretary of the Army, a person-

"(1) who is a high school graduate or has been awarded high school education equiv-

alency credentials;
"(2) whose score on the Armed Forces Qualification Test is at or above the fiftieth percentile; and

"(3) who enlists in the Army for a period of at least 3 years in a skill designated as critical.

may be paid a bonus in an amount prescribed by the Secretary of the Army, but not more

than \$3,000. The bonus may be paid in a lump sum or in equal periodic installments, as determined by the Secretary of the Army.

"(b) (1) Under regulations prescribed by the Secretary of the Army, a person who voluntarily, or because of his misconduct, does not complete the term of enlistment for which a bonus was paid to him under this section or a person who is not technically qualified in the skill for which a bonus was paid to him under this section (other than a person who is not qualified because of injury, illness, or other impairment not the result of his own misconduct) shall refund to the United States that percentage of the bonus that the unexpired part of his enlistment is of the total enlistment period for which the bonus was paid.

(2) An obligation to reimburse the United States imposed under paragraph (1) of this subsection is for all purposes a debt owed

to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1981.

"(c) No bonus may be paid under this section with respect to any enlistment in the Army made after September 30, 1982.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 308e the following new item:

"308f. Special pay: bonus for enlistment in the Army.".

(c) The amendments made by this section shall apply to enlistments or reenlistments made after September 30, 1981.

ACTIVE-SERVICE AGREEMENTS FOR NUCLEAR QUALIFIED OFFICERS

Sec. 9. Notwithstanding subsections (a) and (b) of section 312 of title 37, United States Code, and under regulations pre-scribed by the Secretary of the Navy, the Secretary may permit an officer of the naval service who is performing obligated service as the result of an active service agreement executed under such section before January 1, 1981, to cancel that active-service agreement effective on the day before any anniversary of the day on which that agreement was executed and execute a new activeservice agreement under such section for one period of not more than four years. such cancellation of an existing agreement and execution of a new agreement may be effective on the day before an anniversary date occurring on or after January 1, 1981

TRAVEL AND TRANSPORTATION ALLOWANCES

SEC. 10. (a) (1) Section 404 of title 37, United States Code, is amended by striking out "Under regulations prescribed by the Secretaries concerned" in subsection (a) and inserting in lieu thereof "Except as provided in subsection (f) of this section and under regulations prescribed by the Secretaries concerned".

(2) Subsection (c) of such section is amended-

(A) by inserting "(1)" after "(c)";

(B) by redesignating clauses (1) and (2) as (A) and (B), respectively;

(C) by inserting "and as provided in paragraph (2)" before ", select his home"; and (D) by adding at the end thereof the fol-

lowing new paragraph: (2) A member described in paragraph (1)

of this subsection may select as his home-"(A) any place within the United States:

"(B) the place outside the United States from which such member was called or or-dered to active duty to his first duty station; "(C) any other place.

However, if a member selects as his home a place described in clause (C) of the preceding sentence, the travel and transportation allowances authorized by subsection (a) of this section may not exceed the allowances which would be payable if the place selected as his home were in the United States (other than Hawaii or Alaska).".

(3) Subsection (f) of such section is amended to read as follows:

'(f) (1) The travel and transportation allowances authorized under this section may be paid or provided to a member upon his separation from the service or release from active duty for travel which is actually performed and only if-

"(A) the member, on the date of his sepa-ration from the service or release from active duty, has served on active duty for a period of time equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

(B) the member's separation from the service or release from active duty is under honorable conditions, as determined by the

"(2) Clauses (A) and (B) of paragraph
(1) of this subsection shall not apply to any member-

(A) described in subsection (c)(1) of this section;

"(B) discharged under section 1173 of

title 10; or

"(C) separated from the service or re-leased from active duty under unusual circumstances, as determined by the Secretary concerned.".

(b) (1) Subsection (a) of section 406 of

(A) by inserting "(1)" after "(a)";
(B) by inserting "paragraph (2) of this subsection and" before "subsection (i) of this section"; and

(C) by adding at the end thereof the fol-

lowing new paragraphs:
"(2) The transportation and allowances authorized under paragraph (1) of this sub-section may be paid or provided to a member upon his separation from the service or

release from active duty only if—
"(A) the member, on the date of his separation from the service or release from active duty, has served on active duty for a period of time which is equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

"(B) the member's separation from the service or release from active duty is under honorable conditions, as determined by the

Secretary concerned.

The requirements of this paragraph shall not apply to any member (i) described in subsection (g)(1) of this section, (ii) discharged under section 1173 of title 10, or (iii) separated from the service or released from active duty under unusual circum-stances, as determined by the Secretary concerned

"(3) The allowances authorized under this subsection may be paid in advance.".

(2) Subsection (b) of such section is

amended-

(A) by inserting "(1)" after "(b)"; (B) by striking out "In" and inserting in

lieu thereof "Except as provided in paragraph (2) of this subsection, in";

(C) by adding at the end of paragraph (1), as designated by clause (A) of this paragraph, the following new sentences: "Temporary storage in excess of 180 days may be authorized. In those cases of permanent change of station in which the Secretary concerned has authorized transportation under section 2634 of title 10 of one motor vehicle owned by the member or his dependents and for the personal use of the member or his dependents, the member is

entitled to transportation of that motor vehicle to the point at which transportation authorized under section 2634 of title commences and from the point at which transportation authorized under such section terminates, or to reimbursement therefor."; and

(D) by adding at the end thereof the fol-

lowing new paragraph:
"(2)(A) The transportation and allowances authorized under paragraph (1) of this subsection may be paid or provided to a member upon his separation from the service or release from active duty only if-

"(i) the transportation (including the packing, crating, drayage, temporary storage, and unpacking) is commenced not later than 90 days after the date of such separation from the service or release from active duty:

"(ii) the member, on the date of his separation from the service or release from active duty, has served on active duty for a period of time which is equal to at least 90 percent the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

(iii) the member's separation from the service or release from active duty is under honorable conditions, as determined by the

Secretary concerned.

The requirements of this paragraph shall not apply to any member (i) described in subsection (g) (1) of this section, (ii) discharged under section 1173 of title 10, or (iii) separated from the service or released from active duty under unusual circumstances, as determined by the Secretary concerned.

"(B) If nontemporary storage is authorized under subsection (d) of this section for a member to whom subparagraph (A) of this paragraph applies, the 90-day period provided for in clause (i) of such subparagraph shall not begin until such authorization for non-

temporary storage expires.".
(3) Subsection (g) of such section is

amended-

(A) by inserting "(1) after "(g)";

(B) by redesignating clauses (1) and (2) as (A) and (B), respectively; and

(C) by striking out all after the second sentence and inserting in lieu thereof the following new paragraphs:

"(2) If a shipment is made to a home described in section 404(c)(2)(C) of this title or to a location other than the home selected by the member and the cost of such shipment is in excess of that which would have been incurred if the shipment had been made to a location in the United States (other than Hawaii or Alaska), the member shall pay that excess cost.

- "(3) If a member authorized to select a home under section 404(c) of this title accrues that right or any entitlement under this subsection but dies before he exercises it, that right or entitlement accrues to and may be exercised by his surviving dependents, or his baggage and household effects may be shipped to the home of the person legally entitled thereto if there are no surviving dependents. However, if a shipment is made under circumstances described in paragraph (2) of this subsection in which the member would have been required to pay the excess cost of such shipment, the surviving dependents or the person legally en-titled to the baggage and household effects. as the case may be, shall pay that excess cost.
- "(4) Subsection (h) of such section is amended by striking out "and for this or his dependent's personal use" in clause (2) and inserting in lieu thereof "or his dependents and for the personal use of the member or his dependents.".
- (c)(1) Except as provided in paragraph (), (3), and (4) of this subsection, all amendments made by this section shall take effect on October 1, 1981, and shall apply to members who are separated from the service

or released from active duty on or after October 1, 1981.

The amendments made by subsection (b)(1)(C) which add a new paragraph (3) to section 406(a) of title 37, United States Code, shall take effect on the date of enact-

ment of this Act.

(3) The amendments made by subsection (a) (2) and subsection (b) (3) of this section shall take effect on October 1, 1981, and shall apply to members who are retired, placed on the temporary disability retired list, discharged, or involuntarily released on or after October 1, 1981, except that such amendments shall not apply to any member who before October 1, 1981, had completed eighteen years of active service.

(4) The amendments made by subsection (b) (2) (C) of this section shall take effect on the date of enactment of this Act.

TEMPORARY LODGING EXPENSES

SEC. 11. (a) (1) Chapter 7 of title 37, United States Code, is amended by inserting after section 404 the following new section:

"§ 404a. Travel and transportation allowances: temporary lodging expenses

"(a) Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is ordered to make a change of permanent station from any duty station to a duty station in the United States (other than Hawaii or Alaska) may be paid or reimbursed for subsistence expenses ac-tually incurred by the member and the member's dependents during a period not exceeding four days while occupying temporary quarters incident to that change of permanent station.

"(b) Regulations prescribed under subsection (a) of this section shall prescribe average daily subsistence rates for purposes of this section for the member and for each dependent. Such rates may not exceed the maximum per diem rates prescribed by or under section 404(d) of this title for the area where the temporary quarters are located. However, a member may not be paid or reimbursed more than \$110 a day under this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404 the following new item:

"404a. Travel and transportation allowances: temporary lodging expenses."

(b) Section 411(a) of such title is amended by inserting "404a," after "(d)-(f),".

ADVANCE PAYMENT OF EVACUATION ALLOWANCES

SEC. 12. Section 405a(a) of title 37, United States Code, is amended by inserting after the second sentence the following new sentence: "Such allowances may be paid in advance.".

ADVANCE PAYMENT OF DISLOCATION ALLOWANCE

SEC. 13. Section 407(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "An allowance payable under this section may be paid in advance.".

TRAVEL AND TRANSPORTATION FOR MEMBERS SERVING CONSECUTIVE ASSIGNMENTS OVER-SEAS

SEC. 14. Section 411b(a) of title 37. United States Code, is amended—
(1) by inserting "(1)" after "(a)";
(2) by inserting "who is ordered to a con-

secutive tour of duty at the same duty station or" after "District of Columbia" the first time it appears; and

(3) by adding at the end thereof the fol-

lowing new paragraph:
"(2) If, because of military necessity, a
member authorized travel and transportation allowances under this subsection is de-

nied leave between the two tours of duty overseas, the member shall be authorized to use such travel and transportation allowances from his current duty station at the first time the member is granted leave.'

ENVIRONMENTAL AND EMERGENCY TRAVEL

SEC. 15. (a) Chapter 7 of title 37, United States Code, is amended by inserting after section 411b the following new sections:

"§ 411c. Travel and transportation allowances: travel performed in con-nection with leave from certain stations in foreign countries

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service, while serving at a duty station outside the United States in an area specifically designated for purposes of this section by the Secretary concerned, and each dependent of such member authorized to reside at his duty station, may be paid for or provided transportation-

(1) to another location outside the United States having different social, climatic, or environmental conditions than those at the duty station at which the member is serving;

"(2) to a location in the United States.

"(b) The transportation authorized by this section is limited to transportation of the member and each dependent of the member for one roundtrip during any continuous two-year tour and two roundtrips during any continuous three-year tour.

"§ 411d. Travel and transportation allowances: transportation incident to certain emergencies for members stationed abroad

"(o) Under uniform regulations pre-scribed by the Secretaries concerned, transportation for a member of a uniformed servstationed outside the United States (other than Hawaii and Alaska) may be provided from the area of the member's duty station to the United States, Puerto Rico, the Virgin Islands, or the possessions of the United States, incident to a personal emergency of the member.

"(b) Transportation under this section be authorized only upon a determination that Government transportation is not reasonably available, considering the nature of the personal emergency involved. The cost of transportation authorized under this section may not exceed the cost of Governmentprocured commercial air travel from the international airport nearest the location of the member at the time notification of the personal emergency is received or the international airport nearest the member's duty station-

"(1) to the international airport within United States (other than Hawaii and Alaska) closest to the international airport

from which the member departed; or "(2) to an airport in Alaska, Hawaii, Puerto Rico, the Virgin Islands, or the possessions of the United States, as determined by the Secretary concerned,

and return to either the international airport from which the member departed or to the international airport nearest the duty station of the member.

"(c) In this section, 'personal emergency of the member' means the death, serious injury, or serious illness of-

(1) the spouse of the member;

a child of the member (including a stepchild, an adopted child, or an illegiti-mate child whose alleged member-parent has been judicially decreed to be the parent of the child or judicially ordered to contribute to the child's support, or whose parent-age has been admitted in writing by the member):

"(3) a parent of the member (including a stepparent, parent by adoption, or any person, including a former stepparent, who has stood in loco parentis to the member at any

time for a continuous period of at least five years before the member became 21 years of age); or

(4) a brother or sister of the member (including a stepbrother or stepsister, a half brother or half sister, or a brother or sister through adoption).

"§ 411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty.

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service who is performing temporary duty away from his permanent duty station or is assigned to a ship or unit operating away from its home port may be provided transportation in kind imbursement therefore, or a monetary allow-ance at the rate prescribed in such regulafrom his place of temporary duty or his ship or unit to his permanent duty station, the home port of the ship or unit, or any other location, and return (if appli-cable), incident to a personal emergency of the member.

"(b) Transportation under this section may be authorized only upon a determination that Government transportation is not reasonably available, considering the nature of the personal emergency involved. The cost of transportation authorized under this section may not exceed the cost of Governmentprocured commercial air travel from the member's place of temporary duty or ship or unit to the member's permanent duty station or the home port of the ship or unit, and return (if applicable).

"(c) In this section, 'personal emergency of the member' means the death, serious injury, or serious illness of a dependent of the

member.

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411b the following new items:

"411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries.

"411d. Travel and transportation allow-ances: transportation incident to certain emergencies for members stationed abroad.

"411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty.".

UNIFORM ALLOWANCES AND ADVANCE PAY FOR MEMBERS OF THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 16. (a) Subsection (a) of section 415 of title 37, United States Code, is amended-(1) by striking out "or" at the end of

paragraph (2); (2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ": or": and

(3) by adding at the end thereof the fol-

lowing new paragraph:

(4) upon reporting for the first period of active duty required by section 2121(c) of title 10 as a member of the Armed Forces Health Professions Scholarship program.'

(b) Section 1006 of such title is amended by adding at the end thereof the following new subsection:

"(i) Under regulations prescribed by the Secretary concerned, not more than one month's pay may be paid in advance to a member of the Armed Forces Health Professions Scholarship program upon reporting for a period of active duty required by section 2121(c) of title 10.".

MILITARY JUSTICE AMENDMENTS

SEC. 17. (a) Chapter 40 of title 10, United States Code, is amended-

(1) in section 701(a)-

(A) by striking out "and" at the end of clause (2);

(B) by striking out the period at the end of clause (3) and inserting in lieu thereof ; and"; and

(C) by adding after clause (3) the following new clause:

"(4) involuntary leave required to be taken under section 706 of this title.";
(2) by adding at the end thereof the fol-

lowing new sections:

"§ 706. Involuntary leave: appellate review of certain court-martial convictions

Under regulations prescribed by the Secretary concerned, a member of an armed force who has been sentenced by court-martial may be required to take leave pending completion of action under subchapter IX of chapter 47 of this title if the sentence, as approved by the officer exercising general court-martial jurisdiction under section 864 or 865 of this title, includes an unsuspended dismissal or dishonorable or bad-conduct discharge. The member may be required to begin such involuntary leave at any time on or after the date on which such sentence is approved by the officer exercising general court-martial jurisdiction. Such leave may be continued until any time on or before the date on which action is completed under subchapter IX of chapter 47 of this title.

(b) Any period of leave required to be taken under this section shall be charged first against any accrued leave to the member's credit on the day before the day such involuntary leave begins, unless the member elects to be paid for such accrued leave under subsection (c). If a member does not elect to be paid for such accrued leave under subsection (c) or does not have sufficient accrued leave to his credit to cover the total period of involuntary leave, the leave not covered by accrued leave shall be charged as excess leave. If a member elects to be paid for accrued leave under subsection (c), the total period of involuntary leave shall be charged

as excess leave.

(c) (1) A member who is required to take leave under this section and who has accrued leave to his credit on the day before the day such leave begins may elect to be paid for such accrued leave on the basis of the basic pay to which he was entitled on the day before the day such involuntary leave begins or, if he does not so elect, is entitled to pay and allowances during any period of such accrued leave required to be taken under this section.

'(2) Except as provided in paragraph (1) and in section 707 of this title, a member shall not accrue or receive any pay or allowances during any period of involuntary leave required to be taken under this section.

(d) No member required to take leave under this section shall become entitled to any right or benefit under section 2021 of title 38. United States Code, solely because of

any employment during such leave.
"(e) The provisions of section 974 of this ttile shall not apply to any member required to take involuntary leave under this section during any period of such involuntary leave. "§ 707. Payment for excess leave: disapproval

of certain court-martial sentences

"(a) A member-

"(1) who is required to take involuntary under section 706 of this title, any period of which is charged as excess leave;

"(2) whose sentence by court-martial to dismissal or dishonorable or bad-conduct discharge is set aside or disapproved by a Court of Military Review under section 866 of this title or by the United States Court of Military Appeals under section 867 of this title,

shall be paid, as provided in subsection (b). for the period of leave charged as excess leave, unless a rehearing or new trial is ordered and a dismissal or dishonorable or badconduct discharge is included in the result of the rehearing or new trial and such dismissal

or discharge is later executed.

"(b) A member entitled to be paid under this section shall be deemed, for purposes of this section, to have accrued pay and allowances on each day of involuntary leave charged as excess leave (except days of accrued leave for which the member has been paid under section 706(c)(1) of this title and which have been charged as excess leave). Such pay and allowances shall be deemed to have accrued in the lower of the pay grade held by the member on the day before the date his court-martial sentence was approved by the convening authority or any lower pay grade to which the member was reduced as a result of the court-martial sentence (including any reduction under section 858a of this title) if such reduction has not been set aside, disapproved, or otherwise vacated. Such a member shall be paid the amount of pay and allowance which he is deemed to have accrued, reduced by the total amount of his gross earnings from wages, salaries, tips, other personal service income, or unemployment or other public assistance benefits from any government agency during the period such member is deemed to have accrued pay and allowances under this subsection. Except as provided in the following sentence, when a member's sentence by court-martial to dismissal or dishonorable or bad-conduct discharge has been ordered set aside or disapproved-

"(1) payment shall be made within two months from the date of such order if no rehearing or new trial has been ordered;

"(2) payment shall be made within six months from the date of such order if a rehearing or new trial has been ordered but charges have not been referred to a rehearing or new trial within four months from date of such order;

"(3) if a rehearing or new trial has been ordered and a dismissal or dishonorable or bad-conduct discharge is not included in the result of such rehearing or new trial, payment shall be made within two months of the announcement of the result of such

rehearing or new trial; or

'(4) if a rehearing or new trial has been ordered and a dismissal or dishonorable or bad-conduct discharge is included in the result of such rehearing or new trial, but such dismissal or discharge is not later executed, payment shall be made within two months of the order which set aside, disapproved, or otherwise vacated such dismissal or discharge.

If a member is entitled to be paid under this section but fails to provide sufficient information in a timely manner regarding his gross earnings received from wages, salaries, tips, other personal service income, and unemployment or other public assistance benefits from any government agency when such information is requested under regulations prescribed under subsection (c) the periods of time established in the preceding sentence shall be extended until one month after the member provides such requested information.

This section shall be administered under uniform regulations prescribed by the Secretaries concerned. Such regulations may provide for the method of determining member's gross earnings during any period such member is deemed to have accrued pay and allowances, including a requirement that the member provide income tax returns and other documentation to verify the

amount of his earnings."; and

(3) by adding in the table of sections at the beginning of such chapter after the item relating to section 705 the following new "706. Involuntary leave: appellate review of certain court-martial convictions.

"707. Payment for excess leave: disapproval of certain court-martial tences.".

(b) Section 813 (article 13) of such title is amended-

(1) by striking out "Subject to section 857 of this title (article 57), no" and inserting in lieu theerof "No"; and

(2) by striking out "or the result of trial". (c) Section 832(b) (article 32(b)) of such title is amended by striking out the second sentence and inserting in lieu thereof "The accused has the right to be represented at that investigation as provided in section 838 of this title (article 38) and in regulations prescribed under that section.".

(d) Section 838(b) (article 38(b)) of such

title is amended to read as follows:
"(b) The accused has the right to be represented in his defense before a general or special court-martial or at an investigation under section 832 of this title (article 32) as follows:

(1) The accused may be represented by civilian counsel if provided by him.

"(2) Subject to paragraphs (3) through (6), the accused may be represented by-"(A) military counsel detailed under section 827 of this title (article 27); or

"(B) military counsel of his own selection if that military counsel is reasonably avail-

"(3) When the accused is represented by civilian counsel, military counsel detailed or selected under paragraph (2) shall act as associate counsel unless excused at the re-

quest of the accused.
"(4) When the accused is represented by military counsel of his own selection under paragraph (2) (B), any military counsel detailed under paragraph (2) (A) shall, subject to paragraph (5), be excused.

"(5) An accused is not entitled to be repre-

sented in his defense by more than one military counsel. However, a convening authority may, in his sole discretion—

(A) detail additional military counsel as assistant defense counsel; and

"(B) approve a request from the accused that military counsel detailed under paragraph (2)(A) act as associate defense counsel when the accused is represented by

military counsel of his own selection.

"(6) The Secretary concerned may, by regulations, define 'reasonably available' and may, under such regulations, establish procedures for determining whether military counsel selected by an accused under paragraph (2) (B) is reasonably available. Such regulations shall establish uniform policies to the fullest extent practicable, recogniz-ing the differences in the circumstances and needs of the armed forces and shall be reported to the Committees on Armed Services of both Houses of the Congress."

(e) Subsection (c) of section 867 (article 67(c)) of such title is amended to read as follows:

"(c) The accused may petition the Court of Military Appeals for review of a decision of a Court of Military Review within 60 days from the earlier of-

(1) the date on which the accused is notified of such decision of a Court of Military Review; or

"(2) the date on which a copy of such decision of a Court of Military Review, after being served on appellate counsel of record for the accused (if any), is deposited in the United States mails for delivery by first class certified mail to the accused at an address provided by the accused or, if no such address has been provided by the accused, at the latest address listed for the accused in the accused's official service record.

The Court of Military Appeals shall act upon

such a petition promptly in accordance with the rules of the court.'

(f) Section 869 (article 69) of such title is amended by adding at the end thereof the following new sentence: "When such a case is considered upon application of the accused, the application must be filed in the Office of the Judge Advocate General by the accused-

"(1) on or before October 1, 1983; or "(2) within two years after the date the sentence is approved by the convening authority or, in a special court-martial case which requires action under section 865(b) of this title (article 65(b)), the officer exercising general court-martial jurisdiction, whichever is later, unless the accused establishes good cause for failure to file within that time.

(g) (1) The amendments made by this section shall become effective 60 days after

the date of enactment of this Act.

(2) (A) The amendments made by subsection (a) shall apply to members whose sentences by court-martial are approved by the officer exercising general court-martial jurisdiction under section 864 or 865 (article 64 or 65) of title 10, United States Code, on or after the effective date of this section.

(B) The amendments made by subsection (b) shall apply to all persons held as the result of a court-martial sentence announced on or after the effective date of

this section.

(C) The amendments made by subsection (c) shall apply to investigations under section 832 (article 32) of title 10, United States Code, which commence on or after the effective date of this section.

(D) The amendments made by subsection (d) shall apply to trials by courts-martial which all charges are referred to trial on or after the effective date of this section.

- (E) The amendments made by subsection (e) shall apply to any accused with respect to a Court of Military Review decision which is dated on or after the effective date of this section.
- (F) The amendments made by subsection (f) shall apply to applications received in the Office of the Judge Advocate General on or after the effective date of this section.

MILITARY RECRUITING INFORMATION

SEC. 18. (a) The Congress finds and declares that in order for the Congress to carry out effectively its constitutional au-thority to raise and support armies, it is essential-

(1) that the Secretary of Defense obtain and compile directory information pertaining to students enrolled in secondary schools

throughout the United States; and

(2) that such directory information be used only for military recruiting purposes and be retained in the case of each person with respect to whom such information is obtained and compiled for a limited period of time.

(b) Section 503 of title 10, United States Code, relating to enlistments, is amended-(1) by inserting "(a)" before "The Sec-

retary ': and

(2) by adding at the end thereof the following new subsection:

"(b) (1) The Secretary of Defense is authorized to collect and compile directory information pertaining to each student who is seventeen years of age or older, or who is in the eleventh grade (or its equivalent) or higher regardless of age, and who is enrolled in a secondary school in the United States, its territories, possessions, or the Commonwealth of Puerto Rico.

"(2) Directory information collected and compiled by the Secretary of Defense under this subsection may be made available to the armed forces for military recruiting purposes

only.

"(3) Directory information pertaining to any person may not be maintained for more than three years after the date the information pertaining to such person is first col-lected and compiled by the Secretary of Defense under this subsection.

"(4) Directory information collected and compiled under this subsection shall be confidential and no person who has had access to such information may disclose such information except for the purposes described

in paragraph (2).

- "(5) The Secretary of Defense shall prescribe regulations necessary to carry out the provisions of this subsection and may authorize each Secretary concerned to issue further implementing regulations necessary to administer the program established under this subsection. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of both Houses of the Congress. Any regulations issued by the Secretaries concerned shall be as uniform as practicable.
- "(6) In this subsection, 'directory information' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, academic grades and class standing, and the most recent previous educational agency or institution attended by the student.".
- (c) (1) The heading of section 503 of such title is amended to read as follows:
- "§ 503. Enlistments: recruiting campaigns: compilation of directory information'
- (2) The item in the table of sections at the beginning of chapter 31 of such title relating to section 503 is amended to read as follows:
- "503. Enlistments: recruiting campaigns; compilation of directory information.".
- (d)(1) Chapter 31 of title 10, United States Code, relating to enlistments, is amended by adding at the end thereof the following new section:
- "§ 520. Criminal history information for military recruiting purposes
- "(a) Each State and each unit of general local government of a State is requested to make available upon request, to the Secretary concerned any criminal history information maintained by or available to such State or unit of general local government which pertains to (1) any person who, within 90 days before the date on which such information was requested, has made application for enlistment in the armed forces, or any person who, within 90 days before the date on which such information was requested, has in connection with an application for enlistment also has made application for participation in a program of the armed forces which requires a determination of trustworthiness of persons who participate in such program.

"(b) In this section, 'criminal history information' means the following information with respect to any juvenile or adult arrest, charge, citation, or conviction of any person referred to in subsection (a): (1) offense; (2) date; (3) place; (4) age; (5) disposition;

and (6) court.

"(c) Criminal history information received under this section shall be confidential and no person who has had access to any infor-mation received under this section may disclose such information except to facilitate military recruiting.

"(d) The Secretaries concerned shall prescribe regulations necessary to carry out the provisions of this section, which shall be as uniform as practicable. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of both Houses of the Congress.

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

'520. Criminal history information for military recruiting purposes.".

COMPUTING AUTHORIZED DAILY AVERAGE NUM-BER OF ENLISTED MEMBERS IN PAY GRADES E-8 AND E-9

SEC. 19. Section 517(a) of title 10, United States Code is amended—
(1) by inserting "the combined" before

"pay grades"; and

(2) by striking out "2 percent and 1 percent, respectively," and inserting in lieu thereof "3 percent, but not to exceed 1 percent in pay grade E-9,".

INCREASE IN RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS

SEC. 20. Section 2107(h) of title 10, United States Code, is amended by striking out "6,000" and "6,500" and inserting in lieu thereof "8,000" and "9,500", respectively.

CLARIFICATION OF AUTHORITY TO TRANSPORT CERTAIN MOTOR VEHICLES

SEC. 21. Section 2634(a) of title 10, United States Code, is amended-

(1) by striking out "and for his personal use or the use of his dependents" in the first sentence and inserting in lieu thereof "or his dependents and for the personal use of the member or his dependents"; and

(2) by inserting "or his dependents" in the second sentence after "motor vehicle of

the member".

NOMINATIONS BY THE SUPERINTENDENTS OF THE SERVICE ACADEMIES

SEC. 22. (a) Section 4342 of title 10, United States Code, is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) Subject to paragraph (2), the Superintendent may nominate persons for appointment as cadets at the Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)-(7), (9), or (10) of subsection (a) and may not cause the total strength of the Corps of Cadets to exceed that authorized by subsections (a) and (b).".

(b) (1) Chapter 403 of such title, relating to the Military Academy, is amended by in-serting after section 4341 the following new

"§ 4341a. Cadets: appointment by the President

"Cadets at the Academy shall be appointed by the President alone. An appointment is conditional until the cadet is admitted.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4341 the following new item:

"4341a. Cadets: appointment by the President.".

- Section 6953 of title 10, United States Code, relating to appointment of midshipmen at the United States Naval Academy, is amended by adding at the end thereof the following new sentence: "An appointment is conditional until a midshipman is admitted.".
- (2) Section 6954 of title 10, United States Code, relating to appointment of midship-men at the United States Naval Academy, is amended-
- (A) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(B) by inserting after subsection (c) the following new subsection:

"(d)(1) Subject to paragraph (2), the Superintendent of the Naval Academy may nominate persons for appointment as midshipmen at the Naval Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)-(7), (9), or (10) of subsection (a) and may not cause the total strength of midshipmen

at the Naval Academy to exceed that au-thorized by subsections (a) and (b)."; and (c) by striking out "Effective beginning with nominations for appointment to the Academy in the calendar year 1964, the" in subsection (f) (as redesignated by clause (1)) and by inserting in lieu thereof "The".
(d) Section 9342 of title 10, United States

Code, relating to the appointment of cadets at the United States Air Force Academy, is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) Subject to paragraph (2), the Superintendent may nominate persons for appointment as cadets at the Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment

in any year.

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)-(7), (9), or (10) of subsection (a) and may not cause the total strength of the Air Force cadets to exceed that authorized by subsections (a) and (b)."

(e) (1) Chapter 403 of such title, relating to the Air Force Academy, is amended by in-serting after section 9341 the following new section:

"§ 9341a. Cadets: appointment by the President

"Cadets at the Academy shall be appointed by the President alone. An appointment is

conditional until the cadet is admitted.".
(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9341 the following new item:

"9341a. Cadets: appointment by the President.".

(f) The amendments made by this section shall apply to nominations for appointment to the first class admitted to each Academy after the date of enactment of this Act.

COMPANY COMMANDERS AT THE UNITED STATES MILITARY ACADEMY

SEC. 23. Section 4349(a) of title 10, United States Code, is amended by inserting ", Navy, Air Force, or Marine Corps" after "Army".

AUTHORITY OF THE SECRETARY OF THE NAVY TO ISSUE REGULATIONS

SEC. 24. (a) (1) Section 5031 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) The Secretary of the Navy may pre-scribe regulations to carry out his functions, powers, and duties under this title. The authority of the Secretary under the preceding sentence is in addition to the authority the Secretary under section 6011 of this title"

(2) Section 6011 of such title is amended by striking out "with the approval of the President"

(b) United States Navy regulations issued under section 6011 of such title before the effective date of this section shall remain in effect in accordance with their terms until amended or revoked by the Secretary of the

PER DIEM FOR MEMBERS OF THE NAVAL RESEARCH ADVISORY COMMITTEE

SEC. 25. Section 5153 of title 10, United States Code, is amended by striking out subsection (c) and redesignating subsection (d) as subsection (c).

ELIMINATING DATE FOR NOMINATIONS TO THE NAVAL ACADEMY

SEC. 26. Section 6956 of title 10, United States Code, is amended by striking out sub-sections (b) and (c) and redesignating subsections (d), (e), and (f) as (b), (c), and (d), respectively.

REIMBURSEMENT FOR ACCOMMODATIONS IN PLACE OF QUARTERS FOR MEMBERS ON SEA DUTY

SEC. 27. (a) Section 3 of Public Law 96-357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(b) Section 7572(b) of title 10, United States Code, as amended by section 3 of Public Law 96-357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended to read as follows:

"(b) Under such regulations as the Secretary prescribes, any member of a uniformed service on sea duty who is deprived of quarters on board ship because of repairs or because of other conditions that make the member's quarters uninhabitable and for whom it is impracticable to furnish accommodations under subsection (a), may be re-imbursed for expenses incurred in obtaining quarters in an amount not more than the total of-

"(1) the basic allowance for quarters of a member of the same pay grade without dependents; and

(2) a variable housing allowance which could be paid to a member of the same pay grade under section 403 of title 37 at the location where the member is deprived of quarters on board ship.

A member entitled to receipt of basic allowance for quarters may not be reimbursed for expenses under this subsection when de-prived of quarters on board ship at a loca-tion at which the member can reside with such member's dependents. The total amount of such reimbursement may not exceed \$9,-000,000 for the fiscal year ending September 30, 1981, and may not exceed \$6,300,000 for the fiscal year ending September 30, 1982.".

AMENDMENTS TO THE MILITARY SELECTIVE SERVICE ACT TO ASSIST ENFORCEMENT OF REGISTRATION REQUIREMENT

SEC. 28. (a) Section 3 of the Military Selective Service Act (50 U.S.C. App. 453) is amended by inserting after the first sentence the following new sentence: "Each person required to present himself for registration under this Act shall furnish at such time and in such manner as the Director shall prescribe the social security account num-ber of such person.".

(b) Section 10 of such Act (10 U.S.C. App. 460) is amended by adding at the end thereof the following new subsection:

"(1) The Director shall have access, in accordance with such access, in accordance with second and the such access are such access and the such acc

cordance with regulations prescribed by the President, to information contained in the records of any other department or agency of the Federal Government pertaining to the names, ages, and addresses of persons required to present themselves for registration under this Act. Such information may be used by the Director only for the purpose of insuring that all persons required to present themselves for registration under this Act comply with the registration requirements of this Act.".

LIMITATIONS ON AMOUNTS PAYABLE TO AVIATION CAREER OFFICERS

SEC. 29. (a) (1) An officer who receives special pay for any period under an agreement executed and accepted under section 301b of title 37, United States Code, shall not be entitled to aviation career incentive pay un-der section 301a of such title during such period at a rate which exceeds the rate in effect on the day before the effective date of the increase in the rate of aviation career incentive pay provided for by section 5 of

(2) From the date of enactment of this Act until September 30, 1982, only agreements executed by officers of the Navy or Marine Corps under such section 301b may be accepted.

(b) Section 301b of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Special pay may be paid under this section only for agreements accepted before October 1, 1982.".

(c) This section shall become effective on the date of enactment of this Act.

EFFECTIVE DATES

SEC. 30. (a) Except as provided in subsection (b) and otherwise in this Act, the amendments made by this Act shall take effect on October 1, 1981.

(b) (1) The amendments made by section

11 shall take effect on April 1, 1982.
(2) The amendments made by sections 6, 9, 12, 13, 14, 16, 19, 21, 22, 23, 24, and 28 shall take effect on the date of enactment

Mr. BAKER. Mr. President, is there a companion budget waiver? I call the Chair's attention to Calendar Order No. 205, Senate Resolution 168, in respect to this measure.

The PRESIDING OFFICER. That resolution is on the calendar.

WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate turn to the immediate consideration of that measure.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows: A resolution (S. Res. 168) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1181.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, according to the calendar on this side, there is no objection to the immediate consideration of this item and to its passage.

Mr. ROBERT C. BYRD. There is no objection on this side.

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The gues-

tion is on agreeing to the resolution.

The resolution (S. Res. 168) was agreed to, as follows:

S. RES. 168

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1181, a bill to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

Such a waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 1181, as reported by the Committee on Armed

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNIFORMED SERVICES PAY AND BENEFITS ACT OF 1981

The Senate resumed consideration of the bill.

Mr. BAKER. Mr. President, is there a time agreement in respect to the consideration of the military pay bill?
The PRESIDING OFFICER. There is

not a limitation on the time agreement. Mr. BAKER. Is there a provision for

the control of time?

The PRESIDING OFFICER. There is 2 hours to be controlled by the Senator from Iowa (Mr. JEPSEN) and the Senator from Nebraska (Mr. Exon), with 30 minutes on the amendments. There is a provision for an amendment to be considered tomorrow which will have 3 hours, that being the Matsunaga-Hatfield amendment.

Mr. BAKER. I thank the Chair.

I might say, in view of the agreement the Chair has just recited, that it will not be possible to finish this bill today.

It will be necessary for it to go over until tomorrow.

I hope that Members will avail themselves, however, of the time today to dispose of every issue except that amendment and that we can proceed promptly to the disposition of the bill or third reading and final passage as early as possible on tomorrow.

It is possible, Mr. President, that some time today we may proceed to other matters that are available for disposition by unanimous consent, or perhaps to other matters that may be available on the calendar for general action.

I remind Members that at 2 o'clock today there will be a vote on cloture pursuant to the provisions of rule XXII in respect to the Johnston amendment to the Department of Justice authorization bill.

Mr. President, I yield the floor.

Mr. JEPSEN. Mr. President, during the past 8 months, the Senate Armed Services Manpower and Personnel Subcommittee has conducted a lengthy series of hearings on the most important element of our national defense-military manpower. We can spend billions of dollars on sophisticated weaponry, but in the final analysis, it will be the soldier, the sailor, and the pilot to whom our Nation will turn to win on the battlefield.

In 1980, Congress responded to the Armed Forces' alarming manpower problems by significantly improving compensation and various quality-of-life areas. Those initiatives have clearly revived recruiting and retention from the dangerously low levels to which they had sunk.

If Congress hopes to maintain the momentum that began to gather last year, it simply cannot afford not to be imaginative in its approach to military compensation. At a time when the American people and their Government are struggling to live within their means. Congress cannot justify spending billions of dollars on indiscriminate across-theboard pay raises that amount to little more than "throwing money at the prob-

Mr. President, the bill under consideration today, S. 1181, the Uniformed Services Pay and Benefits Act, offers Congress an innovative and cost-effective opportunity to ease our pressing manpower problems. S. 1181 substantially raises the pay of all military personnel but it targets the highest pay raises to those ranks and experience levels that are in desperate shortage-middle and senior enlisted personnel and mid-career officers. These are the skilled men and women who, on the one hand, are praised as the backbone of the Armed Forces but who, on the other hand, are taken for granted as sure to stay for at least 20 years. Mr. President, we can no longer afford to ignore these people. The Chief of Naval Operations, Adm. Thomas Hayward, has warned that "if we are concerned about the readiness of our forces worldwide today-and we surely arenothing is more essential than to stem the exodus of our trained professionals." It is the absence in the ranks of the sergeant major with 22 years of service, the master sergeant with 18 years, and the staff sergeant with 8 years that has prompted Gen. Edward Meyer, the Army Chief of Staff, to characterize his force as "hollow."

S. 1181 will begin to fill those empty ranks by giving middle and senior enlisted personnel higher raises than those given servicemen still in their first terms. The targeted pay raises will finally relieve the compression of pay that has discouraged enlisted personnel from striving for promotion. The pay tables in S. 1181 will also offer raises to senior enlisted servicemen with 24 and 28 years of service to encourage them to remain longer in the military. Previously, personnel with more than 20 years were eligible for additional pay raises only upon reaching 22 and 26 years of service. In addition, the bill will provide large pay raises to outstanding midcareer officers who are making the crucial decision on whether or not to make military service a career.

The Army Chief of Staff wholeheartedly supports the targeting of pay raises to middle and senior enlisted personnel because this approach addresses his top priority—the rebuilding of his "hollow" Army with a revitalized corps of noncommissioned officers. General Meyer has responded directly to criticism that 7 percent, 8 percent, and 9 percent raises in junior enlisted pay will hinder recruiting efforts. He has pointed out that the small difference in recruit pay between S. 1181 and the 14.3 percent across-theboard raise proposed by the House Armed Services Committee will simply not affect a young person's decision on whether or

not to join the Army.

The Congressional Budget Office and the recruiting Chiefs of the Army and Navy have carefully reviewed S. 1181 and reached the same conclusion as the Army Chief of Staff—the bill will not adversely affect recruiting. In fact, it will actually make recruiting easier by improving retention so much that the services will require fewer recruits. The close link between recruiting and retention was dramatically illustrated by the Chief of Naval Operations when he stated: "If I retained 4,000 more midgrade petty officers" each year, "that's 20,000 new recruits who would not have to be trained to take their place." Mr. President, S. 1181 will help the CNO and the other service chiefs to realize just that kind of rich yield of experience.

The targeted pay raises contained in S. 1181 are complimented by a package of 37 additional manpower initiatives. These items further enhance recruiting tools, improve travel reimbursement, and redress various special pay inequities. I would like to briefly highlight 10 of the

more important provisions:

First. Increases of a maximum of 14.3 percent in the basic allowances for quarters and subsistence:

Second. Increases in enlisted hazardous duty pay, enlisted aircrew flight pay, and special pay for diving duty;

Third. An increase in flight pay for officers not receiving aviation continuation bonuses and with more than 6 years of aviation service:

Fourth. An increase in flight pay for warrant officers to the same rate paid commissioned officers.

Fifth. An increase in the maximum enlistment bonus for recruits enlisting in critical skills for 4-year terms from \$5,000 to \$7,500;

Sixth. Authority for a 1-year Army test of an enlistment bonus of no more than \$3,000 for high-quality recruits enlisting in critical skills for 3-year terms;

Seventh. Increases in the reimbursement paid to military personnel for permanent change-of-station moves, including a temporary lodging allowance;

Eighth. Significant improvements in the military justice system that will promote discipline:

Ninth. Authority for the Defense Department to collect high school directory information and criminal history information for confidential use by military recruiters; and

Tenth. Increases in the number of Navy and Air Force senior ROTC scholarships.

Combined with targeted pay raises, these and the other manpower items in S. 1181 will begin to correct the Armed Forces' retention problems. Improving retention, in turn, will make recruiting easier. Congress can achieve both of these objectives, however, only if it replaces the unimaginative practice of "business as usual" with the innovative and costeffective approach offered by the bill under consideration today. Mr. President, I urge my colleagues to support S. 1181

as reported by the Armed Services Committee.

Mr. President, I now yield to the most distinguished ranking minority member of the Manpower Personnel Subcommittee of the Senate Armed Services Committee, Senator Exon, who has been a leader in developing this entire pay schedule and the total benefit program. I yield the floor to the distinguished Senator from Nebraska (Senator Exon).

(Mr. DURENBERGER assumed the

chair.)

Mr. EXON. Mr. President. I thank my friend from Iowa. I thank the Chair.

Mr. President, in its consideration of S. 1181, the Uniformed Services Pay and Benefits Act of 1981, the Senate is about to make an important decision on perhaps the most critical area of our defense capability. The military services are facing serious manpower problems, and this bill represents a consensus of the Armed Services Committee on how best to tackle some of those problems.

I have stated many times that all of the sophisticated weapons systems which even an unlimited amount of money could buy would be useless without adequate numbers of qualified and dedicated people to operate them. The greatest wartime commanders throughout world history all believed that the quality and morale of their fighting men—as well as the strategy and tactics they devise and use—were the keys to victory. Our own military leaders today believe in this principle, too, as well they should.

The chairman of the Subcommittee on Manpower and Personnel (Mr. Jepsen) has already provided a summary of

what this bill includes.

This bill includes a lot of work and time and effort. I think that he has done such an able job that it is not necessary for me to repeat what he has already said. But I would like to highlight what I consider to be the major features of this bill.

Last year, Congress provided an 11.7 percent across-the-board pay raise for all military personnel. This year, the Armed Services Committee has carefully designed a bill that allocates a sufficient portion of the pay raise to all military personnel to continue the current momentum in recruiting and then targets the remaining portion to our career officers and enlisted personnel. For the enlisted force, increases in basic pay range from 7 percent for a recruit to 14 percent for a sergeant at the point of his first reenlistment, to 22 percent for some senior NCO's. Officer basic pay will increase by 9 percent for first lieutenants and up to 17 percent for some career officers. The most senior officers, of course, receive little or no increase in basic pay because of the Governmentwide ceiling on executive salaries.

This bill will increase the basic allowance for quarters by 17 percent for the enlisted career force—E-5 to E-9—with officers and the remainder of the enlisted force receiving a 14.3 percent increase. The basic allowance for subsistence is increased by 14.3 for all military per-

sonnel.

Mr. President, the decision to target this pay raise was strongly supported within the Armed Services Committee.

The committee's perception of the severity of the manpower problems in the military services has had a large impact on the final shape of this bill which we are now recommending to the Senate. Careful deliberation has gone into the size of the pay raise for each grade and the corresponding years of service that a military member has served in that grade.

Last year, Congress became very concerned over the quality of people that the services were recruiting. As a result of that concern, we set limits in law on the numbers of nonhigh school graduates and category IV enlistees that the services could accept. The recruiting results so far this year are a big improvement over the last several years, but there is still concern for the future.

In addition to the recruiting problem facing the military. There is a critical need to increase the senior experience level of the enlisted ranks; that is, those persons with over 10 years of service. First-term retention is high, but it is among second- and third-term personnel where increased retention is sorely needed. These career NCO's are the backbone and muscle of our Armed Forces.

The most serious example of the retention problem is the Navy, where there is a shortage of 22,000 petty officers. Last year the Navy was forced to "tie up" a ship for lack of trained manpower. To avoid repeating this, the Navy is doing something that may be just as damaging to our readiness in the long run-"cannibalizing or cross-decking" some of its most experienced petty officers. When a ship returns from a long deployment, key petty officers are asked to walk across the deck to another ship ready to deploy, which could not sail without their level of training and experience. Obviously, back-to-back tours of sea duty are a disincentive for retention and, in the long run, can only worsen the problem.

The Army also has a shortage of career noncommissioned officers in many critical skill categories. The Air Force is experiencing losses in some officer categories and there are, for the first time in memory, unfavorable signs regarding future NCO retention in certain skills in that service. Only the Marine Corps is doing well in this area and that is a function of both its special calling and

small force size.

Mr. President, there is a broad consensus within the armed services that another military manpower management problem goes hand-in-hand with this problem of poor retention of NCO's, and that is the problem of so-called pay compression. The front-loading of first term pay over the past several years has resulted in severe pay compression in the enlisted ranks. Today, there is only \$20 per month difference in basic pay between an E-4 and an E-5, which is usually the dividing line between the first term and the career force. The ratio difference in pay between an E-9, the highest enlisted grade, and an E-1 recruit used to be approximately 7 to 1.

Today it is down to 3 to 1.

I recognized this "pay compression" problem early on. In addition to simply studying the pay tables and compensa-

tion trends of the past few years, I have spoken with many of our service men and women and discussed this matter with the senior enlisted person of each service. The recurring theme is that the rewards of military life are not what they used to be and that "pay compression" was a major factor.

For this reason, I introduced my own compensation initiative, S. 1129, in May of this year. The bill we are considering today retains the best features of my original legislation and is the product of careful consideration and compromise with the Manpower Subcommittee chairman and the rest of the Armed Services Committee.

It is absolutely essential that we restore some sense of proportion to the military pay scales. Today, as I mentioned, if someone decides to stay in the military service as a noncommissioned officer, he must do so without the substantial increases in pay which were once

provided.

It is clear from the retention problems that we are having among our career enlisted force that we cannot expect these dedicated and talented individuals to assume the additional responsibilities of higher grades without the significant pay and privileges that need to be asso-

ciated with the NCO ranks.

The proposal before the Senate in this bill is a clear sign to our NCO's and petty officers that Congress recognizes and appreciates the sacrifices which we ask them to make. This bill represents the first attempt by the Congress to address this problem of pay compression and with it the serious problem of retention, while, at the same time, providing an adequate raise for new recruits.

Last year, Congress took steps to alleviate some of these problems, highlighted by the 11.7 percent pay raise and the Nunn-Warner legislation. These were useful steps and, by all accounts, are showing the desired results. But more needs to be done in the way of making military life a rewarding way of life. Of course, military life cannot and should not be rewarding in a monetary sense

There are many other ingredients to the formula as well—such as pride, discipline, leadership, a good working environment, advanced yet maintainable equipment, and good men and women with whom to work. Congress can pass laws to improve some of these areas—others are matters of the head and the heart and the spirit.

The Jepsen-Exon bill being considered today gives Congress the opportunity to act and influence one area where we can help to make a difference.

Mr. President, most of my colleagues are aware that the Department of Defense supports the House Armed Services Committee version of the pay raise bill which has a 14.3 percent across-the-board pay raise, with authority to reallocate up to 25 percent of the raise among different grades. I am disappointed at the Defense Department's position, but I am not surprised.

The leadership in the Pentagon has consistently chosen the path of least resistance on the tough decisions regarding personnel issues. The retention and pay compression problems have been growing more serious over the past several years, but DOD still opts for large, across-the-board pay raises for all personnel, regardless of skill category or experience level. This type of attitude is not much better than a "lowest common denominator" solution to our problems. The Congress can certainly do better, even if the Pentagon cannot.

Last year, for example, Congress gave the Secretary of Defense authority to reallocate up to 25 percent of last year's 11.7 percent pay raise. However, not one dime was reallocated. Congress expected the Secretary of Defense to identify the specific pay problems, but he did not. The excuse given by the Pentagon for not targeting pay raises always seems to be that "it's a good idea, but let's do it in the future."

Mr. President, the problems of pay compression and retention of our NCO's are only getting worse. The future is now, and the Senate is tired of waiting.

I said earlier that the Pentagon opposes this bill. But let us take a minute to see what some of the leaders of the Services—both military and civilian say.

Senator Jepsen referred a few moments ago to the position of General Meyer. I believe it is so important that I would like to amplify it a little.

General Meyer, the Army Chief of Staff, says that he wholeheartedly supports this bill because it addresses his biggest personnel problems—the rebuilding of the NCO Corps and relief from pay compression. The House Armed Services Committee, and others who have voiced objections to this bill, cite the Army's perceived, future recruiting difficulties as their primary concern. General Meyer believes that the small difference in recruit pay between the House and the Senate Armed Services Committee bills can hardly make a difference in a young person's decision on whether or not to join the Army. In effect, the Army's Chief of Staff has said, "rest easy."

The Secretary of the Air Force, just days before he signed a letter supporting the Secretary of Defense's view, sat in my office and told me he had no problem with the pay tables in the bill we are considering.

Lieutenant General Iosue, the Air Force Deputy Chief of Staff for Manpower and Personnel, said in a recent interview that military pay lacks the increases necessary to motivate people to go from the first to the second to the third term of service. He said the current \$20 difference in pay between a sergeant and a staff sergeant was "ridiculous." As I said earlier, this bill begins to correct that problem.

With regard to the Navy, which has the most acute petty officer shortages, that service should be delighted with this legislation, and my inquiries show that to be the case.

The Congressional Budget Office, in a special study, predicts that the Army will have a good chance of meeting the 65-percent high school graduate target in fiscal year 1982 under our approach.

As a hedge against any unforeseen difficulty in achieving this goal, however, this bill also raises the maximum enlistment bonus for critical skills to \$7,500—up from the current \$5,000 and last year's figure of \$3,000. If there is a problem in 1983 or beyond, we will address it at that time. But for now, our most important military manpower difficulties should be addressed while we have the opportunity.

CBO also estimates that under this legislation, the type of NCO retention we so bady need will increase dramatically over the next 5 years—more so than

under any other proposal.

If history repeats itself, I suspect that there may be opposition to this bill on the grounds that it will be "pro-draft" or "anti-All-Volunteer Force" legislation—or that it is intended to undermine the AVF and help bring back the draft. A "Dear Colleague" letter to this effect has been circulated.

Mr. President, just the opposite is true. It is time that we in Congress and the leadership in the Pentagon wake up and realize that, whether the source of manpower for our Armed Forces is the voluntary approach or conscription, we need trained, highly qualified personnel for our Army, Navy, Air Force, and Marine Corps. For too long, some have insisted on meeting our manpower requirements with numbers alone.

But what we really need are experienced, motivated people to serve as a cadre for whatever original source of manpower this Nation chooses. This cadre is lacking today and is necessary whether we operate under an All Volunteer Force or conscription. In short, if the AVF will not work under S. 1181, it will not work at all.

We cannot continue to indiscriminately throw money at our personnel difficulties. If recent events in this body have taught us anything, it is that the American people do not support throwing money at problems either. By targeting the fiscal year 1982 pay raise to those areas which need and deserve it the most, the Senate bill will also achieve the additional objective of enhancing the pride of service and rank to which I referred earlier.

In closing Mr. President, I urge my colleagues to support this legislation. It is a balanced approach which addresses the recruiting and retention problems facing the services today. Our military people are the key to our national security. We must show them now that we understand that fact, and we have the opportunity today to do just that, by passage of this bill.

Mr. JEPSEN. Mr. President, I thank the distinguished Senator from Nebraska for that excellent commentary on the whole military career pay benefit program.

I now yield to the distinguished Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. I thank the Senator from Iowa for the 10 minutes he has yielded to me. I also thank the Senator from Texas for yielding to me. I am speaking out of order.

Mr. President, we have here what I consider a good, solid bill which, to a degree, meets the most serious problem

we have in the entire military structure—one, however, that I believe will not really be solved until we go back to a modified, greatly improved Selective Service Act that will give fairness and equality to all those who might be called. This act will give the services the chance they do not have now to select what they need in the way of talent and ability of special kinds from a larger force of men and women than they can obtain under present inducements. I believe this is necessary.

For years, I have been through a good deal of experience and concern on this subject. I am not blaming any President, and I certainly am not blaming President Reagan. However, I do not believe we will get a selective service bill until some President is convinced and stands up before the American people, including Congress, and says that we need legislation of this type. "Need" is the key word. When he says that, I believe that the people will understand it and will line up behind it, as will Congress.

And I would not be telling all the truth if I spoke on this bill without

bringing out that point.

So, moving on now to the realities as they are today, the two Senators on our Armed Services Committee, who have given special attention to this bill, are unusually well qualified in this field and other fields concerning the military, and they have already spoken and explained the bill. I lean greatly toward them in my conclusions and opinion. The Senate owes them a debt of gratitude for the real hard, effective work that they have done on this matter.

Mr. President, this bill is in lieu of an increase in pay that would automatically come into effect in October, I believe it is, for a considerably less amount. Because the bill is in lieu of that automatic increase is one reason why I can support

I think the contribution they have made in the distinction between the various groups that are serving has been a great improvement in the situation and time will prove it.

I note, though, Mr. President, that there is evidence of what a hard time Congress has in trying to use the All Volunteer Forces, and at the same time strike a balance that they think, as laymen, is necessary. We have to write into the hard law certain minimum requirements that must be met by these volunteers.

In all deference to everyone, it seems to me that these would be standards the military should prescribe themselves, and be so rigid in the application of those standards that there would be no question involved as to their need and worth. Congress would not have any hesitancy in letting them do all of that. Rather we must legislate on this quality question proving the efficacy of what I have advocated.

I wish to mention we have to spend a lot of money in the military program. We have to. It is expensive and becoming more so to purchase planes, ships, missiles, everything, including manpower.

I think we have to give more attention to our reserves and give them more tools of the trade, not just a few planes and big-ticket items, but the little things, the hand weapons, the radios for the field, other things that they need in their training. This equipment gives them pride and allows more effective training.

I would give the Reserve more duties. I find a great deal of talent scattered around through all communities in men who have had military training and have loved it to a degree. They do not make the military a career for various reasons. But we find some of the best military men we have scattered through those units.

I spoke in Jackson, Miss., 2 weeks ago to one of the finest audiences I have ever had, the National Guard Noncommissioned Officers Association, at their annual meeting. I visited with them before and after, and with their wives, and had just a delightful experience, with the talent that was portrayed there, the personal resources, the intense patriotismthey meant what they were saying and doing-and with the dedication to their units. It just cannot be surpassed. And I am not comparing them now at the expense of the regulars. We have a lot of that in the regular services. But I came away from those meetings with a more solid feeling and encouragement for anything of this kind that I have had in some time.

Giving the Reserves more duties, money, and responsibilities, is one way to avoid some of the enormous growing expense of our military program in its large scale.

Many of the personnel in the regular services are splendid. My remarks just must not be interpreted in any other way, but I do know where the soft spots are. Those who handled this bill have tried mighty hard to address those problems and have made such a contribution that I can support this bill with satisfaction, where at one time I frankly was quite doubtful as to whether or not I could actually support it, in view of the need for competing dollars, particularly in our budget affairs.

The warning flags are flying on our military manpower situation today. Nobody should believe that this bill will solve the underlying inadequacies of U.S. military preparedness that result from our reliance on an unreliable source of military manpower. Instead, this bill will be like a small stone dropped in the ocean—there will be a brief ripple of happiness among the people who get the additional money, amidst the waves and storms of larger problems.

I will support passage of this bill, but I do so with some hesitation and even reluctance. There are three basic reasons for voting for this bill:

First, that it substitutes for the annual, automatic across-the-board pay raises that would occur under the current law that would be suspended by the bill, and is not additive to those automatic pay raises.

Second, the bill will correct some of the distortions that have been caused by the volunteer force concept between a sergeant's pay and private's pay. It is important for good discipline and for the effectiveness of noncommissioned officers that their pay be noticeably higher than

that of privates. To quote George Washington—our first Commander in Chief—on pay:

A proper difference should be made between the Non-Commissione Officer (sergeants particularly) and Privates, to give them that pride and consequence which is necessary to Command.

Finally, I believe that the expectations of military personnel have been raised—perhaps too high by the statements and debates made on military pay during the last year. Nevertheless, because these expectations for pay have been raised, and there have been no practical steps to substitute a new type of selective service, it might be harmful to the military services to deny this raise at this time. I hope that the military and civilian leaders of the country will not repeat the promises and statements which lead to unrealistically high expectations for pay among military personnel.

My concern and reluctant support of this bill arises from several major facts:

First, this bill will not solve our military manpower problems, many of which stem from our reliance on an unreliable source of manpower—the volunteer force.

Second, the bill will cost \$4.5 billion in fiscal year 1982. Over a 5-year period, this one bill will add some \$26 billion to the Department of Defense budget. This is about two-thirds of the cost estimated for this entire MX system (some \$40 billion) for the 5-year period.

Third, there are no firm standards for setting military pay, despite last year's request by the Congress for such standards to be developed.

Finally, at a time where people throughout the country are being called upon to tighten their belts for the sake of the economy, I am concerned that a backlash and public outcry will develop against the military if military pay rises more rapidly than the rest of the economy.

WHAT THE BILL DOES

S. 1181 provides for a 14.55-percent average pay raise for all military personnel. It is targeted toward the more experienced sergeants who would get about an 18-percent raise. Officers would get 10 to 13 percent; junior enlisted personnel would get 8 to 10 percent; and generals would get 3 percent, largely due to the pay cap which applies to Government executives as a whole.

In addition, the bill would raise the enlistment bonus from the current \$5,000 to the \$7,500—I call this the new automobile money—the Pentagon says is needed to attract people into the military. The bill also provides needed updating of moving expenses when military personnel are ordered to new duty stations. Flight pay, hazardous duty pay, and various smaller items are also

increased. Finally, there is some needed reform in separation pay costs which will save the Government some money. Overall there are some 20 separate provisions of law affecting military compensation in the bill.

MILITARY PAY BACKGROUND

This pay raise must be seen against the background of military pay in the last 10 years. Since the beginning of the volunteer force concept 10 years ago, Congress has provided 12 general raises in military pay. These raises, which affect basic pay and allowances for quarters and subsistence, have cumulatively cost \$99 billion. These pay raises have increased military pay 166 percent since 1971, while general inflation has gone up 124 percent and civilian pay has increased 123 percent.

In addition to these general pay raises, 84 separate provisions of law have been enacted which have increased 33 different kinds of special pays, bonuses, allowances, and benefits. These special items cumulatively cost an additional \$5.7 billion. It would seem that there has been a great deal of money and effort spent on "making the volunteer force work" and yet the problems go on and on.

WHERE WILL MILITARY PAY STAND AFTER PASSAGE OF THIS BILL

The military pay and benefits system is not well understood, even by military people. Basic pay is only a small part of military compensation. In some cases, basic pay is only 50 percent or less of the direct compensation military personnel receive. If benefits such as health care, commissaries and exchange, and retirement are added, basic pay may represent as little as one-third of the total pay and benefits some military personnel receive. The complicated nature of military pay makes it hard for the public or even the military individualto express the amount of compensation military personnel receive or to compare it with civilian compensation.

Another factor affecting military pay is rapid promotion rates. Promotions now come early so that the average Army enlisted man now goes from E-1 recruit to E-5 sergeant in $3\frac{1}{2}$ years. Similarly, the average Army officer goes from O-1 second lieutenant to O-3 captain within $3\frac{1}{2}$ years. Excepting the Air Force, the other services are similar. This means military people get the pay of higher grades early in their career.

The following figures indicate the annual amounts of regular military compensation that would be received by ordinary "due course" enlisted and officer personnel after enactment of this bill. "Due course" means personnel without any special skill or circumstance entitling them to extra pay who are promoted along with their average contemporaries.

 In addition to the above mentioned regular military compensation (which includes only basic pay and the untaxed allowances for housing and food) military personnel are entitled to a wide variety of special pays and bonuses which add substantially to their income. These special pays and bonuses amount to about an additional 13 percent of overall military personnel compensation costs but are allocated by grade, skill, or duty assignment. The following illustrate the range of annual income and the percentage of personnel receiving it for some of the major special pays and bonuses:

Type of Bonus/Special Pay and Annual Additional Income Per Individual

Officer:

1,500-\$3,600
1,800-5,000
4,000-29,500
400-2,000
800-7,800
1,300
650
2,040
1,000-3,200
660
1,000-2,900

In addition to the above pays, military personnel and their dependents are entitled to a number of benefits such as medical care, commissary and exchange purchases, and other services difficult to put a value on but worth something to the individuals who receive them. These personnel support items have been estimated to average \$1,200-\$3,000 per individual.

Finally, military personnel receive the benefit of retirement at a young age—after 20 years of service. The typical enlisted man retires at age 41 and—after this pay raise—will receive an annual retired pay of \$10,800 for the rest of his life—increased each year for the rise in the cost-of-living index. The typical officer retires at age 45 and will receive an annual retired pay of \$22,800, also indexed against inflation.

In addition, military personnel are covered under social security and receive those benefits when they become eligible. Retired military personnel and their dependents are also entitled to military medical care, commissary and exchange purchases, and other fringe benefits.

PAY WILL NOT SOLVE THE MANPOWER PROBLEM

Despite the need to pay our military personnel adequately and to insure that military pay enhances the good order and discipline of the service, military pay is no answer to the fundamental flaws in our present manpower system.

No amount of pay is going to provide an adequate mobilization capacity. All of the testimony through 10 years of the All-Volunteer Force is that the United States cannot fight a war with an All-Volunteer Force. Nobody disputes that fact. Yet, the purpose of our military is to be prepared to deter and, if necessary, fight.

No amount of military pay is going to convince the Russians we have a strong military manpower preparedness. Nobody knows better than the Russians that this pay bill is not the answer to America's military problems.

No amount of military pay is going to convince our allies, many of whom already have selective service, to shoulder more of the burden of defense. Our allies know that our mobilization and reenforcement capacity to help them in time of emergency is inadequate as long as America has an All-Volunteer Force.

No amount of military pay is going to instill tough discipline, dedication to duty, and the old military values of sacrifice. Our people know that military service should not be just another job.

No amount of military pay is going to get adequate quality and representativeness in our military forces. The mothers and fathers of our middle and upper class boys feel that enlisting in the All-Volunteer Force is just not the thing to do in today's situation.

In summary, the flaws of the All-Volunteer Force are far beyond the scope of any military pay bill. We must return to some fair form of selective service to provide a sure and steady source for manpower for our country.

IMPROVING MILITARY PREPAREDNESS

President Reagan is to be commended for making a drive to improve our military preparedness. So far he has proposed substantial increases to the defense budget which I believe will be supported by Congress. But there can be no buildup in real military strength without a buildup in military manpower.

According to reports, the Army wants to add to its divisions; the Navy wants to add to its ships, the Air Force wants to add to its wings. It will take plenty of additional manpower for this. The recently reported possible budget reductions may make these steps less certain, but there will be requests for additional military manpower, and these requests will be substantial, if we are to have a substantial strengthening of military capacity.

In May, I spoke on how little increase in real military capacity the substantial budget increase for fiscal year 1982 seems to be buying. At that time, I urged more frugality, and I continue to urge that course. However, frugality alone will not meet this manpower situation. If we are going to add to our military forces, the additional manpower needs will force us to confront two major questions:

First, how is the additional manpower to be paid for?

Second, even with this pay raise, can additional manpower be recruited with adequate quality standards in time to man the additional forces?

I have serious doubt that a positive answer is possible for either of those questions. There may be a way, however, to strengthen America within the available budget. I believe we must look to the National Guard and Reserve components for the major part of any buildup in military forces. There are many fine Guard and Reserve units today—dedicated people who want to be associated with the military but not on active duty. Many of these units are not well equipped and this should be remedied. I believe many more good units could and

should be formed. Under the volunteer concept, Reserve strengths have dwindled down and that must be reversed. There are new missions which could be assigned to the Reserves and this must be vigorously pursued.

In short, we must make real our concept of relying on the Reserve forces. This is not a substitute for a new and fair form of Selective Service System, but I believe goes hand in hand with it. I intend to continue to speak on this subject another time, but for now, I will conclude by saying that without a new and fair form of selective service and without a far greater buildup and real reliance on our Reserve components, there may not be much chance to get the needed buildup in American military strength that the current world situation demands.

So I thank the Senator again for yielding me this time.

Mr. President, I yield the floor.
The PRESIDING OFFICER. Who yields time?

Mr. JEPSEN. I yield time for brief remarks to the chairman, Senator Tower from Texas.

Mr. TOWER. Mr. President, I rise in support of S. 1181, the Uniformed Services Pay and Benefits Act of 1981. Maintaining a viable All-Volunteer Force means not only attracting qualified young men and women into uniform, but more importantly, retaining them once they have become trained and experienced in critical skills.

Today, the services are seriously short of skilled personnel. The Navy must juggle crew members in order to send ships to sea. Some Army divisions have been rated "not combat ready" because of manpower shortfalls. The Air Force has grounded aircraft due to the shortage of technicians to repair them.

Evidence indicates that military pay has a far greater impact on the decision of skilled and experienced service members to make the military a career than on the decision of young people to enlist in the service. Therefore, given our limited resources, it makes sense to concentrate the largest pay increases for fiscal year 1982 on the middle and senior enlisted grades. In so doing we can begin to resolve some of our most pressing manpower problems—retaining the skilled and experienced petty officers and NCO's.

Under the military pay bill formulated by the Armed Services Committee, pay increases would range from 7 percent for the new recruit to 19 percent for the typical noncommissioned officer to a high of 22 percent for those NCO's who elect to remain on active duty beyond the 24- to 26-year points. These are very important people. There is a great deal of experience and background lodged in these people and some of them, of course, have experience in combat. I think that they are the backbone of our noncommissioned officer corps.

This will provide greater incentives for promotion, career advancement and retention, as well as greatly encourage longer service among senior enlisted personnel. Equally important, within the

institutional framework of the military pay structure, all personnel are compensated commensurate with the sacrifices endured through their years of service. Under the current pay tables there is little or no incentive to remain in the service or to strive for promotion. An NCO in pay grade E-6 with 10 years of service receives \$943 per month. A sergeant first class in pay grade E-7 with 20 years of service has a base pay of \$1,219 per month. Where is the motivation for the mid-career service member to remain with the service and endure its hardships if they will only realize \$276 more each month after an additional 10 years of military life?

In the past, the services have attempted to solve shortages of skilled enlisted personnel with selective reenlistment bonuses. These bonuses were designed to be targeted to critical skills and intended to solve short-term retention problems. Today, however, they are used to remedy deficiencies in the basic pay tables. In fiscal year 1982, reenlistment bonuses will cost \$620 million and will be paid to a large percentage of reenlistees. The Navy alone pays 80 percent of its reenlistees a bonus. The Air Force has jumped from 10 to 41 percent in 2 years. The number of Army reenlistees receiving a bonus has doubled since 1980.

We cannot allow this situation to grow unchecked. A short-term and cost-efficient fix has become a permanent and costly program. It is therefore essential that we provide a new pay table that will encourage career service and reduce our dependency on bonuses. S. 1181 begins this long overdue process.

In order to fund higher increases for this portion of the force, a limit on the amount of the annual adjustment of entry-level pay must be made. Entrylevel salary will still increase by 7 percent in base pay and by 9.1 percent when regular military compensation is included.

Additionally, significant increases in enlistment bonuses and other benefits have been proposed to assist the recruiting effort. The Congressional Budget Office, the Chief of Staff of the Army, and the recruiting chiefs of the Army and the Navy have all stated that S. 1181 will still allow the services to recruit virtually the same number of quality personnel over the next 5 years. Today, recruiting is better than ever with each of the services meeting their accession goals not only in terms of quantity but more importantly in quality.

Entry-level pay is simply not a factor

in a young person's decision on whether or not to enlist in the service. Educational and training opportunities, career advancement and challenge and patriotism play a much greater role in his decision.

S. 1181 will yield, however, 19,000 additional trained and experienced leaders in the career force.

For these reasons I urge my colleagues to support this bill and not push for support of any amendments that are designed to alter the thrust of this extremely enormously important piece of legislation

Mr. President, I spent the last month traveling around the military establishments. I have talked to a number of noncommissioned officers in all the services, and I know they universally view this bill as a big step toward answering a number of their problems.

It has the wholehearted support of the the noncommissioned officer corps of the three services. These are the men with experience, these are the men who know what is required to retain the skilled people whom we need.

I hope the Senate will act on this bill without any crippling amendments, without any amendments that change the thrust, and take us back into the old situation of pay compression which has been disadvantageous to us in terms of incentives and retention.

Mr. THURMOND. Mr. President, I rise in support of S. 1181, the Uniformed Services Pay and Benefits Act of 1981.

This legislation provides for targeted pay raises to take effect on October 1, and includes various special pay and benefits for service personnel in certain categories.

Mr. President, we must halt the serious loss in the military services of trained personnel whose skill is essential to the efficient operation of the various units which provide for our national defense.

An important step in this direction was taken in the 96th Congress when increases in compensation were approved for military personnel, including an 11.7percent across-the-board pay hike and other special pay improvements.

However, the Senate Armed Services Committee believes substantial further improvements are needed in fiscal year 1982. Therefore, the committee has provided a new pay table for military personnel with basic pay increases from 7 to 22 percent. These increases are targeted to meet our most serious attrition problems and to move the military

to a more comparable pay status with civilians.

Mr. President, I urge that the Senate approve this bill. In so doing we will take a major step toward ending the serious loss of highly qualified personnel from the military forces.

Mr. JEPSEN. Mr. President,

yield to the very distinguished Senator from Arizona (Mr. GOLDWATER).

Mr. GOLDWATER. I thank my friend from Iowa.

The PRESIDING OFFICER. The Senator from Arizona.

UP AMENDMENT NO. 347

Mr. GOLDWATER. Mr. President, I call up an amendment I submitted at the desk earlier today and ask unanimous consent that it not be read. I will try to explain it.

The PRESIDING OFFICER. The clerk will report the amendment for the REC-ORD, and without objection the reading of the amendment will be dispensed with.

The legislative clerk read as follows:

The Senator from Arizona (Mr. Goldwarer) proposes an unprinted amendment numbered 347.

The amendment is as follows:

- (1) On page 42, line 8 and line 10, redesignate clauses (1) and (2) of section 4(a) as clauses (2) and (3), respectively;
 (2) On page 42, after line 7, insert the following new clause:
- "(1) by inserting in clause (2) 'or clause
- (13) 'after 'clause (1)';";
 (3) On page 42, line 18, strike out "or";
 (4) On page 43, line 2, strike out "propellants."" and insert in lieu thereof "propellants; or"
- (5) On page 43 following line 2 insert the following:
- "(13) involving frequent and regular participation in aerial flight by an officer in pay grade O-1 through O-10 while serving as an air weapons controller crew member, as defined by the Secretary concerned, aboard airborne warning and control system aircraft, as designated by such Secretary, when such officer is not entitled to incentive pay under section 301a of this title.".
- (6) On page 43, strike out lines 5-9 and insert in lieu thereof the following:
- "(c) Section 301(c) of such title is amended-
- "(1) by striking out 'or (10),' and inserting in lieu thereof '(10), (11), or (12)';
 "(2) by striking out '\$55' and inserting in
- lieu thereof '\$83';
- "(3) by inserting '(1)' before 'For the performance'; and
- (4) by adding at the end thereof the following new paragraph:
- '(2) For the performance of the hazardous duty described in clause (13) of subsection (a) of this section, an officer in pay grade O-1 through O-10 is entitled to monthly incentive pay as follows:

	Yea	rs of servic	e as an off	icer as com	puted unde	r sec. 205-			Y	ears of se	ervice as	an office	r as comp	outed und	der sec. 2	05—
' Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	'Pay grade	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 25
0-7 and above 0-6 0-5 0-4 0-3 0-2 0-1	\$200 225 200 175 125 125 125	\$200 250 250 225 156 156 156	\$200 300 300 275 188 188 188	\$200 350 350 350 335 206 206 206	\$200 400 400 400 400 400 250 250	\$200 400 400 400 400 300 250	\$200 400 400 400 400 400 300 250	0-7 and above 0-6	\$200 400 400 400 400 300 250	\$200 400 400 400 400 300 250	\$200 400 400 400 400 300 250	\$200 370 370 370 350 350 300 250	\$200 340 340 340 300 300 250	\$200 310 310 310 300 300 250	\$200 280 280 280 275 275 275 250	\$110 250 250 250 250 250 220 200 '.'

Mr. GOLDWATER. Mr. President, I want to join with my other colleagues who have recognized the importance of this bill, and I want to add my con-

gratulations and thanks to the Senator from Iowa and the Senator from Nebraska for the long hours they have put on this piece of legislation which I

consider to be as important a piece of business as we will discuss in this Congress relative to the defense of our country.

Mr. President, I offer this amendment because it is more or less in the nature of an emergency. The Air Force was not aware of the criticality when this bill was considered in the Committee on Armed Services. The amendment applies to increased pay for members of the AWACS, the aircraft warning and control system, that we are hearing so much about.

There is a shortage of experienced AWACS controllers, which is now severe and which will worsen. We are 24 percent short of captain through lieutenant colonel supervisory personnel, and with the expected increase in AWACS mission requirements we find these truths, that duty is very demanding. These men average 150 days a year on temporary duty. and, mind you, this is not temporary duty of the sort where you are transferred to an overseas location where you might take your wife and family. These men depart Oklahoma City, where the AWACS are stationed, and travel all over the world. In fact, Mr. President, in the last 3 years AWACS have been deployed to Iceland, Japan, Korea, Egypt, Saudi Arabia, and West Germany.

This is a very important thing to remember: When a man is transferred overseas and his family is allowed to go with him it removes most of the morale problem. But when a man is called on for temporary duty and he is not allowed to see his family this makes for problems for the man, problems at home, and eventually results in the man or woman leaving the service.

There has been inadequate money incentive for controllers. They receive only hazardous duty incentive pay, and in 1955 that exceeded 25 percent of basic pay. Today hazardous duty pay is less than 6 percent of the pay.

I feel it is necessary to submit this amendment even though I apologize again for the lateness. I did not have time until just a few moments ago to inform the authors of the bill that I was going to submit this amendment.

We need to increase hazardous duty incentive pay rates for weapons controllers or AWACS personnel. For example, we are required to have about 379 supervisory personnel. That is down to 288. We are required to have about 32 field grade officers, we are down to 12; and we are going to need a total of 900 by 1985 if we can keep this up.

I might add for the information of my colleagues that we now have 25 AWACS aircraft, and for those who may not know what I am talking about, the AWACS is a Boeing 707 basically, the same type of aircraft that many of us fly in across the country weekend after weekend.

In the Air Force it is known as a KC-135; the C-135. The "K" is a tanker, the "C" is a carrier that has been used. We have over 600 tankers in service in the Air Force.

This aircraft is marked by a very large antenna located a little more than half-way past the center of the fuselage, rising above it about 20 feet. The dish itself is probably 30 to 35 feet in diameter.

There are three flight crew officers in the cockpit; six officers in the aft den, who are called controllers. On each aircraft there are eight enlisted personnel.

We have no way of knowing as yet the number of ground personnel who are required to travel with this airplane. They are all stationed at Tinker Air Force Base in Oklahoma, and they have not determined the ground personnel requirement that would be necessary to travel with this very highly sophisticated aircraft, but I would make a guess it would be at least 50.

We are talking about something, Mr. President, with which we have never been confronted before, an aircraft of such high sophistication that we find all through the services, no matter where we look, a great shortage of enlisted and officer personnel of people in these specific electronics fields, and they are getting more and more difficult to find because as the Air Force, the Navy, the Marines, and the Army train these personnel, the electronics people are waiting right outside the school building with their hands to grab them at one, two, and three times the pay they would have received if they stayed in the service. Thank God we get enough dedicated men so that we are now able to man these aircraft. But if we continue without this type of amendment, it may become a little more difcult.

Just a few more facts, Mr. President, then I will be finished. The shortage of experienced AWACS controllers is now severe and, as I said, it will get worse. We were 24 percent short in the O3-O5 supervisory personnel and mission commanders. I mentioned the figure before. and that we are short quite a bit in that field. The increasing AWACS mission requirements and decreasing volunteers will exacerbate the problem. Field grade volunteers are almost nonexistent despite aggressive leadership efforts. In fiscal 1980 there were 12 field grade volunteers for 32 positions; in fiscal year 1981 there are 5 volunteers for 46 positions.

Further, AWACS requirements are increasing: from 27 in 1976, to 412 today, to over 900 by 1985.

Let me remind my colleagues that AWACS duty is arduous, perceived by weapons controllers as having very few rewards. I mentioned the number of countries they have been to.

Mr. President, when the present pro-posal to sell these AWACS to the Arabian Government comes on this floor, I hope to offer a substitute that will, instead of selling the aircraft, allow the U.S. Air Force to station the aircraft on fields in Saudi Arabia that are available and which the Arabians would agree to our using, because, frankly, and with all respect to the Saudi Arabians, I think it would take too long to train the rear-end people, the controllers, in this highly, highly complicated field in electronics, in addition to having to check their pilots, copilots, and engineers out, which, in itself, would be a rather demanding job. But that is another subject that continues with this problem we are having There is an inadequate montary incentive. Existing HDIP is \$110 a month, fixed in 1955. Since then, the CPI has tripled basic pay up 240 percent.

In 1955, the HDIP for an O-3 exceeded 25 percent of basic pay. Today it is less than 6 percent of basic pay. And there is the flight pay disparity, rated and non-rated, caused by the Aviation Carrier Incentive Act in 1974. Prior to 1974, all fliers received the same flight pay, about \$100 to \$245 a month. With ACIA, rated officer flight pay is restructured at existing rates but nonrated fliers, such as weapons controllers, are relegated to an HDIP of \$110 a month, which was a pay cut for many. And many of us who flew in World War II can remember when this type of pay was 50 percent of your base pay, regardless of whether you were a second lieutenant, whether you were a sergeant, or whether you were a general. And it was added on to your total pay. Today it is set at a certain amount, which has also created a problem. I am not speaking to that today.

There are less desirable alternatives, but one which we may be forced to consider is to rate the 17XX's as observers and entitle them to continuous ACIP. The service Secretary has legal authority to rate. However, it is more costly: an additional \$4.9 million versus \$1.3 million, which assumes rating all of the 17XX's at existing manning level versus increasing HDIP to ACIP levels for only those who fiv.

Mr. President, this is pretty much the story that I have to tell about this amendment. Again, I repeat that I am sorry that the Air Force did not realize that this problem existed at the time my two friends from Iowa and Nebraska were conducting their lengthy and thorough hearings or it would have been offered at that time. I know it is an imposition to come on the floor at this late date and ask that the chairman and the ranking minority member of this committee consider this amendment, consider taking it to the conference to see if something might not be done in order to alleviate a problem which, frankly, did not exist to the extent it exists today and which will continue to grow. It is an unusual request, I know.

As I say, I apologize, because I want to support this bill. I will support this bill to the fullest, even if the amendment is not accepted. But I did want the authors of the bill to know that this little additional problem has come up. I would hope that they would find it within their generous hearts to accept the amendment and see what we might do with it in the conference.

Mr. President, that is all I have to say on the subject. I yield the floor.

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, does the Senator have an estimate of the cost of this?

Mr. GOLDWATER. Yes. I am sorry. It would cost about \$1.3 million.

Mr. JEPSEN. Each year

Mr. GOLDWATER. Each year, yes.

Mr. JEPSEN. And I understand that is based on about 400 of these slots at this time?

Mr. GOLDWATER. Well, it is based ultimately by 1985 on a total of about 900. Right now it is about 450.

Mr. JEPSEN. Is the \$1.3 million based on what it is ultimately going to be or is it based on the 400 we have now?

Mr. GOLDWATER. The \$1.3 million is based on what we have now and it would increase

Mr. JEPSEN. To about \$2.6 million, a

little more than double?

Mr. GOLDWATER. Well, that is a good guess. Two times \$1.3 million comes out exactly to \$2.6 million.

Mr. JEPSEN. Mr. President, the Senator from Nebraska has some questions. The PRESIDING OFFICER. The Sen-

ator from Nebraska.

Mr. EXON. Mr. President, I thank my friend and colleague from Arizona for bringing this up. It may well be that something has been overlooked here. It was not done intentionally, certainly, on the part of the Manpower Subcommittee. As the Senator from Arizona said, this just came up. It came up in the last couple of days, as I understand it.

Checking with staff, I understand that when the Air Force first brought this up they had suggested wording so broad that we would have covered military people other than just the officers in the back of the AWACS aircraft that I understood would be addressed by the amendment offered by the Senator. I would like to ask the Senator from Arizona whether or not the enlisted personnel sitting next to that officer in the back of the aircraft would be compensated under his amendment?

Mr. GOLDWATER. Yes. Under the amendment, the enlisted personnel would receive actually a little bigger percentage of increase than would the officers. Many of the cockpit officers are now receiving flight pay or hazardous duty pay, while those enlisted menthere is a total of 17 in each aircraft. Eight of them would be enlisted personnel. They are not receiving hazardous duty pay, as we think of it. But they would receive this additional benefit by being a member of the AWACS crew called on for almost constant temporary

If we are not successful in selling the aircraft to Saudi Arabia and end up having them stationed there with our personnel, at the rate of retention and repair we would probably have 20 of the 25 aircraft constantly someplace in the

I want to stand corrected. My assistant tells me that enlisted men are not included in this amendment. But the way I read it, they are.

Mr. EXON. If the Senator would yield, I am sure the Senator from Arizona has been through this on many, many occasions. It seems to me that he has brought up something that needs attention. Whether or not we have all the facts on this at the present time gives me some concern. It is the old situation that the reason we have committees and

subcommittees is to take the time to look into these matters in great detail.

I am wondering if the Senator from Arizona has any information from his sources as to whether or not this matter is being discussed on the House side and whether or not an amendment like this might be offered and be a part of the House bill and that if that would happen it might be addressed in conference.

Mr. GOLDWATER. I am told that the House is considering it and the House is inclined to act favorably on this amendment. With learning that the enlisted man is not specifically involved, I would insist that the enlisted man be involved and should be.

Mr. EXON. I was just thinking out loud in offering a possible compromise on this. Since we know very little about it here, and since the staff has not studied it out, I am wondering if the Senator from Arizona would consider a compromise. Rather than putting it into our bill, if we could assume that it will be included in the House bill that would give us a chance to look into it in more detail and work it out in the conference committee.

Mr. GOLDWATER. I think the Senator makes a very sensible suggestion. I have to admit that I did not know of the existence of this problem as a problem until about 2½ hours ago. I think it is another typical example of the Pentagon screwing around until it is too late. This is so important I felt it my duty to bring it on the floor because I feel a great responsibility to the men who fly, whether they handle the aircraft or whether they are in the back seat twirling dials. I would accept the Senator's suggestion.

I would hope that during the course of any meeting with the House my two friends would bring it up and say, "What about our friends in the AWACS?"

Mr. EXON. I certainly appreciate that the Senator brought this up. I think it is a very important matter. Once again it is one of those situations that I am not sure we know enough about. I would be concerned about the fact that if we put it in our bill and if they put it in the House bill we would be sort of hamstringing the conference from making changes.

Does the chairman of the Manpower Subcommittee have any feelings on this?

Mr. JEPSEN. It is my understanding that both the staff and the Senator from Arizona have also stated that the House has declined to accept this and that they will not include it in their bill. Is that correct?

Well, staff further advises me at this point that the House has said that only if it is in our bill. They will not put it in our bill. However, if it is not in our bill, the House has indicated that they will put it in their bill.

On that basis, it seems to me, with that knowledge, since we have not had any time-and the distinguished Senator from Arizona only 21/2 hours ago was advised of this-the logical thing to do would be to have the House go ahead and work it into their bill and then we

would have a lot more time with our staffs to go into this matter and everybody in the conference would know what we were doing.

Mr. GOLDWATER, I am in agreement with the Senator. I thank both of my friends for their suggestion. I thank both Senators for allowing me to have the privilege of the floor to discuss this. It is a matter of record now. The House can read the RECORD and get our feelings on it. I would pray that they would go ahead with it. I see this as a very serious problem down the road. Again, I thank both my colleagues.

Mr. JEPSEN. I thank the distinguished Senator from Arizona. Let the RECORD show that this Senator feels it is a very important and serious matter and is worthy of further study and research. On that basis, we will proceed.

Mr. THURMOND. Mr. President, rise in support of the pending amendment to enhance flying pay for aircrew duties aboard Air Force airborne warning and control system (AWACS) aircraft

Mr. President, I think it worthwhile to view the current problem from a historical perspective. Since the early 1900's our military aviators have received flight pay of some type to compensate them for the hazards of flying and the irregular duty schedule, but primarily, to keep them in uniform. In many cases, the training and skills of flying crewmembers are readily transferrable to civilian jobs. Then in about 1950 we went to a system in which the man's flying pay increased with his rank and experience-to about \$250 a month extra.

In 1974, Congress reevaluated the whole system of flying pay. We wanted to pay the most money to the pilots at the point in their career when they were deciding whether to stay or get out. We made a separate flight pay for them and pay for air weapons controllers performing aircrew duties aboard airborne warning and control system aircraft was reduced to \$110 per month.

Congress did not realize that we needed to pay aircrew members more than that to get them to fly. At that time we could not imagine the technologically complex systems of today and the increasing requirement for highly skilled and trained air weapons controllers. However, we know today that these people have learned skills that are as transferrable to civilian jobs as those of the pilot. Simply stated we are now losing these technicians. The \$110 a month is not enough to overcome the draw of civilian jobs coupled with the undesirable aspects of aircrew duty such as long periods of family separation and the inability to plan with certainty one's offduty time.

Mr. President, if we expect to attract and keep the weapons controllers in flying duty, we must increase their flying pay to levels comparable with other crewmembers. Therefore, I urge support of this amendment.

Mr. EXON. Mr. President, I am won-

dering if the Senator from Arizona is prepared to withdraw his amendment.

Mr. GOLDWATER. Mr. President, I ask unanimous consent to withdraw the amendment I have offered.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment. The amendment is withdrawn

Mr. EXON. Mr. President, I very much appreciate the fact that the Senator from Arizona brought up this matter. I think the discussion will lead to a resolution of this problem.

The PRESIDING OFFICER (Mr. KASTEN). The Senator from Iowa.

Mr. JEPSEN. Mr. President, I yield to the very distinguished Senator from Maine.

I thank the Senator for yielding.

Mr. COHEN. I thank the Senator for yielding.

Mr. President, the men and women serving in the Armed Forces of the United States badly need the military pay raise we are considering today.

pay raise we are considering today.

The pay of military personnel continues to trail that of their civilian counterparts. Despite the initiatives taken by Congress last year—ones which provided increases not only in pay, but in a range of other compensation items as well—many young men and women in uniform are forced to make real sacrifices in return for the honor of serving their Nation.

The young people who are serving in the Nation's defense can rightfully take pride in the contribution they are making. They are responsible for defending our democratic ideals, and we should all give them the recognition—and the compensation—they deserve for the sacrifices they make.

As a member of the Senate Armed Services Committee and its Manpower Subcommittee, I have been especially aware of the problems faced by our military personnel. Repeatedly over the past 3 years, we have heard of the deep personal hardships they live with daily.

The subcommittee developed, and the full committee endorsed, the approach embodied in the bill we are considering today. It provides a targeted, rather than an across-the-board, pay increase. The level of increase is greater at key decision points for those considering reenlisting, and the problem of pay compression is eased by the graduated approach taken in the bill.

I think that this bill responds to our manpower needs better than does the across-the-board plan proposed by the administration. An across-the-board raise does nothing to deal with the compression problem, it does nothing to encourage retention of qualified personnel, and, I believe, it does not do that

much to enhance recruiting.

Those joining the service deserve to be paid fairly. We do not want a repeat of the situation where entry-level pay rose only \$3—from \$75 to \$78 per month—from 1946 to 1964. Still, I do not believe that the pay a recruit receives while in basic training is a driving factor in his or her decision to enlist, nor should it be. The services should

emphasize what an individual could receive following completion of training if he or she is a good trainee and shows a positive aptitude for military service.

Today, the typical soldier or sailor has little to look forward to after years of dedicated, honorable service. An E-6 with 10 years of service—a typical soldier holding the rank of staff sergeant and having significant supervisory responsibility—receives only \$943.50 per month. This NCO, the heart of our defense forces, makes only about \$11,000 a year. That is unconscionable.

Under the Senate bill, that NCO would receive \$1,125.60 per month. That means an annual salary of \$13,507.20, still a pretty humble sum for a 30-year-old professional with a family who is probably working about 60 hours a week

on behalf of his Nation.

A letter I received recently from a constituent placed into clear relief just how serious the problems facing our military personnel are. I would like to read excerpts of that letter to my colleagues at this time. He eloquently outlines the challenges he faces, and I believe they are typical of so many thousands of others.

During my six-plus years in the Navy, I have watched various perks and benefits steadily disappear that have always been associated with the service...

I have watched my pay, which was set up to give service people rough equality with civilian jobs, be the political football to be kicked around and be the subject to pay raise "caps" in a token to cut spending. Meanwhile welfare and other social programs have mushroomed. The net result has been a 20 percent pay cut. I work 70 to 80 hours week for the Navy because of personnel shortages, yet several national magazines have suggested that I moonlight jobs. How can I? Why should I have to? I refuse to have my son effectively raised by babysitters so my wife can work (and pay the babysitter), but this is apparently what the government is telling me. The result of this policy was that last year the average Petty Officer Second Class (E-5) family of three was eligible for rent subsidies, fuel subsidies, a local nutritional program involving free dairy products for the needy, and food stamps. This is an E-5 with wife and child! An E-5 is in the middle of the enlisted pay structure and is used as a supervisor. I kn was one of them. Many of these families were too proud to apply for these programs until encouraged by the command.

When my submarine was ordered to Portsmouth Naval Shipyard in Maine for overhaul, everyone had to relocate in the area from Charleston, S.C. Taking myself as an example, I was given one month's quarters allowance and 7¢ a mile for my wife to defray moving expenses. My one-year-old son who needed baby food and formula on the road would not receive an allowance until he was three. At the time service members got 10¢ a mile to relocate. My shipmates and I were not allowed this dime per mile because "we were to ride the boat to the yards," implying that there was no cost in moving married sallors on the boat.

The end result of this was sailing the boat to the yards, flying home to pack up and collect our families, and then driving from Charleston, S.C. to Maine for a total reimbursement of \$285. It didn't even buy the airline ticket. Personally, it wiped out our savings account. For many others, it forced them further into debt. None of us have any hope of compensation.

When we arrived no government housing was available, as is always the case. A short waiting list is considered less than one year. We have to live "on the economy" with our quarters allowance coming to about one-half of what we had to pay in rent and utilities.

I wish to stress that this is not an !solated case, but that it happens constantly. Most servicemen and their families have borne these hardships and humiliations as a consequence of service life, hoping for the day it will once again be honorable to serve your country, and that the government will realize what it is doing and move to correct it.

That is the end of that particular letter which, I think, rather dramatically and eloquently states this individual's plight.

Finally, Mr. President, I commend the chairman of the Manpower Subcommittee, Mr. Jepsen, and the ranking Democrat. Mr. Exon, for all their efforts to bring this pay raise bill before the Senate. Their thoughtfulness and attention to detail are, I believe, reflected in the targeted approach that the committee has taken.

Senator Jepsen recently had an article in the Washington Star which reflects some of the concerns which he took into account in putting together this bill. The article, "Volunteer Military Can Work," touches on some of the criticisms made of the All-Volunteer Force and corrects some of the distortions of the manpower picture which have been made. It also makes an effective argument for the pay bill. I agree with his conclusion that "enhanced pay rates for middle and senior enlisted grades should provide a greater incentive for promotion, career advancement, and retention."

Mr. President, this bill is a good one. I hope it will receive the overwhelming endorsement of the Members of this body. I think it is important that we send a clear, positive signal to those in uniform. Their service to the Nation is invaluable. They deserve a fair living wage.

Mr. President, I wish to add just a few brief comments to some of the things I heard on the floor this morning—questions like, do we have enough national pride; is there a sense of real patriotism in our forces as they are currently structured?

During the August recess, I had an opportunity to take a brief trip out and spend some time on the U.S.S. Eisenhower. Frankly, I want to tell people who are here that I saw a unit—they had a light crew on that 2-day period, only 3,000 or 3,500 sailors aboard. I saw a great deal of patriotism, a great deal of pride, and I also saw a great deal of competence. That is the one thing we keep hearing over and over again, that this Nation has been unable for the past few years to attract sufficient numbers of qualified recruits. You read it, hear speeches about it, and those reports, I am suggesting to the Senate, that suggested the All-Volunteer Force is a failure, are a bit premature.

The All-Volunteer Force is having a robust year. As the New York Times reported in its Monday, September 7, edition, great strides have been made in

both recruiting and readiness. The Army, in particular, has made a dramatic improvement over last year's performance.

As of July, 69 percent of the Army's recruits were high school graduates, compared to 40 percent a year ago. Fully 72 percent of the Army's new volunteers were in the top three mental categories as shown by the enlistment test scores, as against 51 percent a year ago. Retention of critically needed career noncommissioned officers is also up.

The Times reports that the Army's state of readiness has been markedly upgraded. A year ago, the Army acknowledged that 6 of 10 divisions in the United States were unfit for combat, largely because of shortages of experienced sergeants. Today, Army officials say that 9 of the 10 are combat ready, though some deficiencies remain.

Army teams have done remarkably well in international competitions. Last month, Army helicopter pilots captured a competition which included precision flying, navigation, and similar skills. Army tank crews took third place in two competitions held in Europe this summer.

The bottom line is that the Army is doing very well. The pay increases and the other benefits in the measure passed by Congress last year have played a significant role in the strong reversal from the problems of the past few years. With continued congressional support and strong administration policies, the AVF can provide the capable, professional force we need for the Nation's defense.

Mr. President, I did want to add that because I think too often, we are too quick to criticize the quality, the sense of pride, and the competence of the members of our Armed Forces. We do them a great injustice when we make statements to that effect. So, contrary to the notion that has been advanced that we are somehow less patriotic today, I think it is a question of let us look back at the quality of life, let us look back at the constituent who wrote to me and saw the kind of conditions he and his family would have to endure before we start to point the finger of criticism at those individuals.

I have heard some rumors to the effect that the administration perhaps might give consideration to delaying or defering this particular pay raise in an effort to cut down on the budget deficit. Let me simply say that in my judgment, Mr. President, there could be no bigger mistake. We delayed a partial pay raise in July. If we delay it further, we are going to send exactly the wrong signal to the very people we want and we need.

Mr. President, I ask unanimous consent that the New York Times article of September 7, 1981, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Sept. 7, 1981]
ARMY REPORTING KEY GAINS IN RECRUITING
AND READINESS

(By Richard Halloran)

Washington.—A year after being called "hollow," the Army is reporting significant gains in attracting recruits and in the readiness of its trained forces.

Recruiting of new soldiers is up, officials say, more high school graduates are enlisting, retention of skilled sergeants and specialists has increased, helicopter crews won an international competition that included Russian rivals, tank units have placed well in other international competitions, and combat divisions within the continental United States have become better prepared to fight.

Gen. Edward C. Meyer, the Army Chief of Staff, said in a recent interview that his first priority was "to fix the things that are broken." Senior officers here asserted that the various accomplishments over the summer had moved the Army in that direction, although no one was ready to proclaim victory

A little more than a year ago, General Meyer said in Congressional testimony that he commanded "a hollow army" that had been weakened by shortages of personnel, training, weapons and maintenance.

98 PERCENT OF RECRUITING GOAL

In the last few months, however, recruiting figures have shown that the Army had filled 98 percent of its quota for the first half of the fiscal year, bringing in 96,300 men and women, including 15,500 who had served before. The Army had poor recruiting years in 1978 and 1979 but the situation improved in 1980.

More important than the numbers, in the eyes of critics of the Army, better qualified young men and women have been signing up in enough numbers to meet standards set by the Congress. As of July, 69 percent of the Army's recruits were high school graduates, who, experience shows, usually make better soldiers than those who dropped out. A year ago, only 40 percent of the recruits were high school graduates.

Similarly, 72 percent of the Army's newest members were in the top three mental categories as shown by the enlistment test scores,

as against 51 percent a year ago.

A year ago, Army officers acknowledged that six of 10 divisions in the United States were unfit for combat, largely because of shortages of experienced sergeants. Today, Army officers say that nine of the 10 are combat ready, although they acknowledge that some deficiencies remain.

The officers said that the turnaround had come about as a result of General Meyer's order last year that 6,000 senior sergeants come home from Europe to serve with divisions here. The increased retention of other sergeants has also helped, the officers said.

A recent report on enlistments showed that the percentage of blacks joining the Army dropped from 28 percent of new recruits in the first half of the fiscal year 1980 to 25 percent in the same period this year. The other services have experienced a similar trend.

In its efforts to retain experienced sergeants and specialists, the Army has seen modest but noticeable achievements. Nearly 60 percent of those eligible this year to reenlist for the first time have done so, as against 55 percent last year.

Among "mid-termers," men and women who have re-enlisted once but served less than 10 years, the Army is close to achieving 100 percent of its objective.

REASONS FOR GAINS

Army officers and civilian manpower officials have attributed that to better pay and the promise of further increases in compensation, to high unemployment in the civilian economy and to General Meyer's efforts to bring more cohesion and stability to Army life.

A year ago, the Army was often criticized because soldiers did not score well on various proficiency tests or in international competitions.

Last month, helicopter pilots from the 101st Airborne Division, posted at Fort Campbell, Ky., came from behind in a fourday competition in Poland to beat the West Germans by two points, the Poles by 20 points and the Russians by 138 points. The competition included precision flying, navigation and similar skills.

In May, a tank unit from the 11th Armored Cavalry Regiment, stationed in West Germany, came in third in a competition of 20 teams from West Germany, the Netherlands, Canada, France, Britain, Belgium, and Italy. Two West German teams, often considered to have the world's best tank units, placed first and second. A second American team came in seventh.

In a simulated battle competition in June, another tank team posted in West Germany took third place behind German and Belgian crews but ahead of Canadian, British and Dutch teams that were vying for the 1981 Canadian Cup.

Mr. EXON. Mr. President, I thank my distinguished colleague from Maine for his thoughtful remarks, well said and well done. I think they add a great deal to the record.

If I may, at this time, I yield 3 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the Senator from Nebraska. I am delighted to have had a chance to hear the remarks of the Senator from Maine. I support his remarks. I think there is no question that any organization's strength depends primarily on the quality of the people who are in that organization. The Army, Navy, and Air Force are no exception to that. The kind of people we have does depend, of course, in large part on the kind of pay they get. You get what you pay for. So I am very happy that the committee has brought before the Senate this improvement in pay. I am certainly enthusiastic about it and will vote for it. I feel that we should continue to pay our people in the military much better than we have in the past.

STUDENT LOAN REPAYMENT AMENDMENT

Mr. President, I had expected to offer an amendment to this bill today which would have granted a 2-year extension to a test program the Department of Defense is conducting in which enlistees have their Federal student loans paid off in return for military service.

This program is a useful recruiting and retention incentive for the Pentagon—especially the Selected Reserves. It will help provide our military forces with the type of personnel so desperately needed—those with a college education.

I understand, however, Mr. President, that this same matter has been considered in the ongoing conference on the Department of Defense authorization bill. It was included in the House version of that bill but was not considered on the Senate side. I have heard that the conference have discussed this issue in conference and have decided to include a 2-year extension in the final conference report.

If that fact can be confirmed by the acting manager of the bill, the distinguished Senator from Iowa (Mr. Jepsen), I shall certainly withdraw this amendment and support the conference report when it comes back to the Senate. Is it possible for the distinguished manager of the bill to confirm or deny the report on this matter?

Mr. JEPSEN. Mr. President, it is my understanding, and I have been advised and have the same information the Senator does, that it was put on and accepted by both the House and the conference committee. So that is where it stands. It is in the bill.

Mr. PROXMIRE. Mr. President, thank my good friend from Iowa for his

confirmation.

Mr. President, the student loan repayment program is a 1-year program that was included in last year's defense authorization. It was supposed to begin on October 1, 1980, but because of delays in funding and implementation, the Defense Department did not get the program started until this past March.

The loan repayment program is scheduled to end on September 30 of this year, which does not give the Defense Department much test time to tell whether

worked.

Extending the program would give the services more time to determine the effectiveness of pinpointing enlistment incentives to people with some college training behind them.

It is hard to see how we can go wrong with this test program. Even if it fails and does not attract any applicants, it will cost DOD very little, since the Department would pay out few benefits.

Under this program, a person enlisting in critical military occupational specialties in the active forces can have up to one-third of his student loan paid off each year by the Defense Department. This is a student loan the person incurred before he or she enlisted.

A person enisting in the selected Reserve can have up to 15 percent of his student loan paid off each year. What is more, the Reserves are permitted to offer an additional benefit of paying off a soldier's student loan incurred during enlistment, if the soldier reenlists.

In each case, the soldier gets the repayment after each year of completed service in a DOD designated critical mili-

tary skill.

Only service members with a high school diploma who have attended a college or post-secondary institution and who obtained a loan under the guaranteed student loans, Federal insured student loans or national defense student loans can qualify for the repayment. The maximum amount that can be repaid is \$7,500, which is the maximum amount loaned under these Federal programs.

The active forces expect about 3,000 persons to sign up for the program before it presently is scheduled to end on September 30. The selected Reserves have no figures on how many people they expect to participate; however, the Reserves have identified more than 15,000 weekend warriors who would be

eligible for the program.

Indeed, the Reserves are particularly enthusiastic about the loan forgiveness program. They see it as just the right recruiting incentive for a student who is presently going to college on a student loan. That person could still attend college, while picking up extra cash at a weekend drill once a month and having his student loan repaid by the military in the process.

For both the Reserves and the active forces, the loan repayment program also offers a retention incentive. A person who enlists under the program-remember, this is a person with not only a high school diploma, but also college training—has an incentive to remain on active duty or in the Reserves until his entire student loan is paid off.

In other words, this is an incentive to stay in the service to receive educational benefits, rather than an incentive to get out in order to obtain an

education.

Mr. President, I ask unanimous consent that a copy of my amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page , line , insert the following: At the appropriate place in the bill insert the following new section:

Section 902(g) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1115), is amended by striking out "October 1, 1981" and inserting in lieu thereof "October 1, 1983".

Mr. PROXMIRE. Mr. President, I yield the floor.

UP AMENDMENT NO. 348

(Purpose: To delete from the bill provisions pertaining to Selective Service System draft enforcement)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. Exon). for himself and Mr. Jepsen, proposes an unprinted amendment numbered 348.

Mr. EXON. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 85, beginning with line 7, strike out all down through line 3 on page 86.

On page 86, line 6, strike out "Sec. 29" and insert in lieu thereof "Sec. 28."

On page 87, line 2, strike out "Sec. 30" and insert in lieu thereof "Sec. 28."

On page 87, line 8, strike out the words and figures "24 and 28" and insert in lieu thereof "and 24."

Mr. EXON. Mr. President, Senator JEPSEN and I are jointly sponsoring this amendment to delete from S. 1181 a provision enhancing enforcement of selective service draft registration.

We are jointly taking this action because a similar provision to accomplish the same purpose will be included in the fiscal year 1982 defense authorization conference report and there is, therefore, no need to keep it as a provision of this bill.

Mr. JEPSEN. Mr. President, that is my understanding. If there is no objection to the Senator from Nebraska's proceeding to unanimous consent to have his amendment adopted, I am willing.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. EXON. The time on this side is yielded back.

Mr. JEPSEN. The time on this side is vielded back.

The PRESIDING OFFICER. All time have been yielded back, the question is on agreeing to the amendment.

The amendment (UP No. 348) was

agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which UP amendment No. 348 was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Colorado?

Mr. JEPSEN. I yield to the distinguished Senator from Colorado such time as he may desire.

Mr. ARMSTRONG. I thank the Senator.

Mr. President, I enthusiastically endorse S. 1181, the Uniformed Services Pay and Benefits Act of 1981. I join my colleagues in congratulating the distinguished chairman of the Manpower Subcommittee, my friend from Iowa. Senator Jepsen, for the leadership and foresight he has given to this issue, and I congratulate the distinguished minority manager of this bill and the Armed Services Committee itself.

While S. 1181 does not do everything that I believe should be done, it is, in my opinion, an extraordinarily good piece of legislation and undoubtedly is the best bill that could have been produced in the reasonable amount of time available to the committee. It makes the best use of the money we can afford to spend on military compensation. That is the criti-

cal issue.

It would be very easy for me or for other Senators to say that we should do more, that we should give more in certain areas, that we should give greater incentives. However, we have to keep our eye on the time we have available and the amount of money we can devote to this purpose.

I believe that the Armed Services Committee has done an extraordinarily thoughtful and responsible job.

The healthy raises provided to career personnel in S. 1181 should greatly alleviate the critical problem of retention. to the extent to which that problem can be attributed to inadequate compensation.

Furthermore, the differentiation among pay grades in the sizes of the raises provided should do much to relieve the problem of pay compression, which itself has become a major contributor to the retention problem.

A further virtue of S. 1181 is the extent to which it brings into harmony the views of those who, like myself, support our historic tradition of a volunteer military in peacetime, and the views of those who believe our military manpower problems ultimately cannot be resolved without a return to the draft.

But valuable as it will be, S. 1181, by itself, is not enough. It is only half a

solution to the military manpower problem. The other half is enactment of a new GI bill.

I have long believed. Mr. President, that the principal cause of our military manpower problems has been the 8 years of pay caps, pay redistributions, and neglect of the needs of our service men and women by previous Congresses and previous administrations. I think the belief I have long held is shared by most members of the committee and, I trust, by a majority of the Members of Congress. I feel vindicated in that belief by the increase in reenlistment rates we have seen since enactment of the 11.7-percent pay increase Congress voted last year, the first year in many years in which our service men received a full cost-of-living wage. S. 1181 is certain to bring forth even happier results in the area of retention.

Therefore, I should like to take a few minutes to discuss the other half of this problem, the increasingly serious issue of recruitment. We must not delude ourselves into thinking that higher pay and benefits would be an effective solution to this problem, because recruitment is more than a problem of numbers; it is a problem of policy. We have volunteers enough to man the All-Volunteer Force at peacetime strengths. The difficulty is that too many of those volunteering possess neither the aptitude nor the attitude required to successfully perform their military jobs.

Whereas the retention problem can be traced directly to inadequate pay and benefits for career military personnel, the recruitment problem stems more from a tragic mistake in philosophy that was made at the time the All-Volunteer

Force was created.

Many of the architects of the All-Volunteer Force were academicians and economists who meant well, but who understood little about soldiers, and less about soldiering. They assumed, incorrectly, that military service was a "job like any other job," and that the ranks could be filled by young men and women responding to "marketplace incentives"—chiefly, to cash payments.

But service in the Armed Forces is not a job like any other job. It is a job like no other job. "Marketplace incentives" are among the weakest of incentives for military service, and have their greatest appeal to those least qualified for military service.

Young men and women contemplating enlistment into the Armed Forces can be grouped into three categories:

First, there is that relative handful of youngsters who know at age 18 or 19 that they wish to make the military their career. Higher pay and benefits for the career force, of which they intend to become a part, will have as much or more appeal to them as "cash up front."

Second, there are those upwardly mobile young men and women who have no intention of making the military their career, but who out of a combination of motives—patriotism, a search for adventure. a desire to prove or improve themselves—will consent to serve in the Armed Forces for a single enlistment. There is, at present, no realistic incen-

tive for these young people to enter the Armed Forces. The Armed Forces desperately need a large infusion of this kind of upwardly mobile young men and women

Third, there are those young people who have no particular interest in either military service or in self-improvement, but cannot find a job anywhere else. I regret to say that it is to these young people that the so-called marketplace incentives have their greatest appeal.

The GI bill concept, which I favor, has been endorsed by a great many Members of this body. I am pleased to report that the measure I have introduced as the GI bill has been sponsored by more than twoscore Members of the Senate and is also under serious consideration by a large number of our colleagues in the other body. By contrast, that concept would appeal directly to the forgotten citizen-soldiers, the upward mobile young people I described a moment ago, the men and women we need so badly but are increasingly difficult to attract to the armed services.

S. 1181, coupled with enactment of a new GI bill of rights, will be a far more effective, and cost-effective solution to the military manpower problem than continued reliance on marketplace incentives alone.

S. 1181 will cost about \$400 million a year less than the administration's across-the-board pay proposal, but will do more to solve the problem of retention, since more of the money would be channeled into the pay grades where shortages are most acute.

A new GI bill will be much more effective in providing volunteers in the number and quality the Armed Forces require than the extra \$20 a month or so they would receive from an across-the-board pay raise, but will cost taxpayers nothing at all for at least 2 years—and I stress this—and will generate countervailing savings in the Department of Defense that will make the GI bill a moneymaking proposition for the taxpayer for at least 3, and for possibly as many as 5, fiscal years.

I am convinced that the targeted pay increase provided in S. 1181, aimed at retention, and enactment of a new GI bill, aimed at recruitment, will solve our military manpower problems without the need for conscription.

But while a new GI bill would, in my judgment, obviate the need for a draft, it is by no means inconsistent with the draft concept. In fact, the argument for a new GI bill becomes stronger if we must return to conscription. If GI bill education benefits are a just and proper reward for young people who voluntarily set aside their career plans for the 2, 3, or 4 years necessary to serve their country, it is an essential compensation for those we forcibly deflect from their career paths.

When we enact the Uniformed Services Pay and Benefits Act, we will have done half of what we need to do to solve our military manpower problem and to preserve the All-Volunteer Force. We can be proud of that accomplishment.

But I just wish to direct the attention of the Senate to what I think is the

equally important second half of our task, and that is the enactment as companion legislation to this bill of a new GI bill of rights.

Mr. President, on that note, I yield the floor, again expressing my admiration and compliments to those who have brought this very important and very worthy and meritorious legislation before the Senate.

Mr. JEPSEN. Mr. President, I thank the distinguished Senator from Colorado. He is recognized as the leader in this field, and we are all in debt to him for his leadership and his past service and all the things that he plans for the future. He has had my support and will continue to have my support in all these efforts.

Mr. President, I now yield time to the distinguished Senator from Texas for whatever time he needs for his proposed amendments.

Mr. TOWER. Mr. President, I thank my distinguished colleague from Iowa. I will seek recognition of my own time for the purpose of offering amendments. I understand there is controlled time on amendments. These amendments have been discussed with the managers of the bill, the distinguished Senators from Iowa and Nebraska. I believe at this point they are noncontroversial. I recognize that they are not in the House bill and may be subject to conference. But I think they are matters that should be given very serious consideration because they are addressed to a couple of rather pressing problems we have.

UP AMENDMENT NO. 349

(Purpose: To provide for an initial upfront \$3,000 accession bonus for officer volunteers for the Surface Naval Nuclear Program)

Mr. TOWER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Texas (Mr. Tower), proposes an unprinted amendment numbered 349.

Mr. TOWER. Mr. President. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 86, line 25, insert the following: \$3000 Accession Bonus for Surface Nuclear Power Applicants.

SEC. 30. Section 312b of title 37, United States Code, as amended by the Uniformed Services Pay and Allowances Benefits Act of 1930; is amended—

(a) by striking out "submarine" in paragraph (a) (1).

On page 87, line 2, strike out "SEC. 30" and insert in lieu thereof "SEC. 31".

On page 87, line 8, strike out "and 28" and insert in lieu thereof "28, and 30".

Mr. TOWER. Mr. President, the purpose of this amendment is to add funding to the fiscal year 1982 Defense Authorization Act for an initial up front \$3,000 accession bonus for officer volunteers for the surface naval nuclear power program. This bonus was authorized for volunteers for submarine officer nuclear

power training in the Military Pay and Allowances Benefits Act of 1980.

Legislation enacted prior to 1980 authorized a \$3,000 bonus to be paid to all junior officer graduates of naval nuclear power training. This bonus is payable to junior officers upon completion of training regardless of whether they were surface or submarine designated. This bonus remains in effect. The up front bonus authorized last year provides an additional \$3,000 to be paid to junior officer submarine volunteers for nuclear power training upon their acceptance into the program. This up front bonus provides a tremendous incentive for the 20-year-old midshipman to choose submarine instead of surface nuclear power

The effects of this incentive were very apparent in the Naval Academy and NROTC graduating class of 1981. Only 14 Naval Academy and 30 NROTC graduates chose surface nuclear power, while 205 Naval Academy and 162 NROTC graduates chose submarine nuclear power. The nuclear submarine community achieved 76 percent of its accession goal while the nuclear surface community achieved only 55 percent of its accession goal. Although the submarine force did not achieve their total accession goal, they did better than anytime in recent history. On the other hand, the 55 percent of the surface nuclear goal obtained in 1981 is the worst in history.

Many officers from the class of 1981, who declined to volunteer for nuclear power training, have indicated they would have reconsidered had the \$3,000 up front bonus been available for nuclear surface volunteers. As many as 25 additional qualified volunteers may have been obtained. It is reasonable to assume that at least this number could be obtained from the class of 1982 if this amendment is enacted.

The surface nuclear Navy expanded from 4 ships in 1970 to 13 ships in 1980. This congressionally directed expansion was accomplished at great expense to the surface nuclear trained officer community. Inability to fully predict the rapid expansion, coupled with low retention of nuclear trained officers in the 1970's, resulted in repetitive shipboard engineering tours for those officers who remained. These repetitive engineering tours deprived surface nuclear trained officers of opportunities to achieve other career goals normally expected to be accomplished in the career pattern for surface warfare officers. This fact, combined with family pressures caused by longer than expected sea duty assignments resulted in additional surface nuclear trained officers leaving the service.

Extensive use of lateral transfers of middle-grade officers into nuclear power training and increased recruiting of new accessions has nearly brought this small community of dedicated officers back to the point where they can look forward to a predictable career pattern and normal sea/shore rotation. Availability of the \$3,000 up front bonus will attract the additional officers to the surface nuclear power program necessary to maintain the officer strength at this acceptable level. Failure to enact this

bonus will lead to a repeat of the officer shortages of the past.

Mr. President, the Secretary of the Navy has testified before Congress that the Navy needs 15 battle groups to effectively carry out national policy and the defense of our Nation. There are now three nuclear powered aircraft carriers and nine nuclear powered cruisers operational with another nuclear powered aircraft carrier scheduled for delivery in early 1982. Congress has fully authorized funding for an additional nuclear powered aircraft carrier which will begin construction this year and must be manned in late 1984. There is high probability of two other nuclear aircraft carriers being funded for delivery in the late 1980's. There is little doubt that these nuclear powered aircraft carriers with their nuclear powered cruiser escorts will form a significant portion of the 15 battle groups. We must provide the incentive now so as to have sufficient middle grade nuclear trained officers available in the latter half of this decade to man these nuclear powered surface ships.

The rationale for this amendment is that there is strong incentive for those who seek a career in the Navy as nuclear officers to go into submarine service, and there is not a comparable incentive to become surface nuclear officers. As a result, we are suffering serious shortages and accession into the officer ranks for surface nuclear vessels for this nuclear specialty, and these officers are very much in demand, and we have to recognize in addition to nuclear submarines we have nuclear carriers and nuclear cruisers, all requiring men with these nuclear skills.

This amendment is designed to provide an added incentive for the nuclear officer surface force.

I have discussed the amendment with both Senators Jepsen and Exon, and it is my understanding they are prepared to accept the amendment.

Mr. EXON. Mr. President, I agree with the chairman of the Armed Services Committee, my friend, Senator Tower.

The matters that he has brought up here need discussion and will be discussed.

I am prepared to accept the amendment.

Mr. JEPSEN. Mr. President, I also agree with the remarks and the intent of this amendment by the Senator from Texas, the distinguished chairman of the Armed Services Committee.

Mr. TOWER. I thank my distinguished friend from Iowa.

Mr. President, I yield back the remainder of my time.

Mr. EXON. Mr. President, time is yielded back on this side.

The PRESIDING OFFICER. Does the Senator from Iowa yield back time on the amendment?

Mr. JEPSEN. Yes. I think the Senator is in control of all the time on his amendment. We will all yield back time and then we are ready to act on the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question

is on agreeing to the amendment of the Senator from Texas.

The amendment (UP No. 349) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 350

(Purpose: Sea pay to members of two-crew vessels)

Mr. TOWER. Mr. President, I send to the desk an amendment on sea pay to members of two-crew SSBN vessels and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. Tower) proposes an unprinted amendment numbered 350.

The Senator from Texas (Mr. Tower) proposes an unprinted amendment numbered 350.

Mr. TOWER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 86, line 25, insert the following: Sea Pay to Members of Two-Crew Vessels. Sec. 30. Section 305a of title 37, United States Code, relating to carear sea pay, as amended by the Military Pay and Allowances Benefits Act of 1980, is amended by inserting "such service to include periods as a member of the off crew of a two-crewed submarine" after "underway" "in paragraph (d) (1).

On page 87, line 2, strike out "SEC. 30" and insert in lieu thereof "SEC. 31".

On page 87, line 8, strike out "and 28" and insert in lieu thereof "28, and 30".

Mr. TOWER. Mr. President, the purpose of this amendment is to authorize payment of career sea pay to personnel on two-crewed vessels such as fleet ballistic missile submarines while they are in an off-crew status.

The Military Pay and Allowances Benefits Act of 1980 significantly increased sea pay entitlements and extended payment for the first time to officers. It did not, however, recognize the unique manning of our country's seagoing strategic deterrent forces. To take advantage of the ballistic missile submarines' ability to remain at sea longer than the people who man them, the Navy operates these ships with two crews.

As a consequence, the Navy is able to gain far more target coverage for the same capital investment. Maximizing the amount of time that our ballistic missile submarines are submerged on station, even with two crews, requires the officers and men who sail in them to be at sea about the same amount of time and deployed a greater amount of time than the crews of other Navy ships.

Because of the current wording in the sea pay law, however, they are paid sea pay only when they are embarked in the submarine. As a consequence, these men are paid only about half the amount of sea pay that their contemporaries in the rest of the Navy receive for the same amount of time at sea. To penalize these sailors, who spend over 50 percent of their time away from home manning the Nation's sea-based strategic deterrent force by denying them their total due sea

pay is a serious inequity.

An important part of the sea pay authorization is the \$100 per month premium paid to personnel with greater than 3 consecutive years at sea. Because the law requires members to be in sea going vessels to draw sea pay, Navy policy also allows accumulation of sea time and credit for the consecutive sea time premium only when attached to a ship. Thus the sea time "clock" goes to neutral during SSBN off-crew periods. This precludes eligibility for the sea pay premium for SSBN crew members in virtually all cases

Additionally, since officers must serve at sea 3 years in order to establish initial sea pay eligibility, junior officers cannot receive any sea pay until late in their second or, in some cases, their third sea tour. Eligibility for sea pay, before an officer completes his minimum obligated service will certainly be a positive factor in slowing the exodus of our junior officers and make sea pay the retention

incentive it was intended.

With over 8,800 personnel affected by the proposed amendment, the cost is estimated at \$7.2 million. This is, indeed, small in comparison with the expenditure for SSBN submarines we did not have to make due to the unique two-crew

concept. Mr. President, because the Navy is concerned with righting this inequity imposed on its personnel through no fault of their own, it is prepared to absorb the cost of the implementation year within its total obligational authority. Additionally, the Navy warfare specialty commanders in the aviation, submarine and surface communities agree that this unique situation merits singular consideration and assure me that this amendment is not a forerunner of other special case considerations. This unanimity reflects the concern the Navy attaches to this request.

This is to correct what we believe to be a deficiency and is designed to be an incentive and a compensation to these crews for our SSBN vessels that do have to remain on station for a prolonged

period of time.

I have discussed the issue with both the chairman of the subcommittee. Mr. JEPSEN, and the ranking minority member, Mr. Exon.

It is my understanding they are agreeable to this amendment, and I am prepared to yield back the remainder of my

Mr. EXON. Mr. President, I am prepared to accept this amendment offered by the chairman of the Armed Services Committee, and since there is no further request for time on this side, I am agreeable to yielding back our time.

Mr. JEPSEN. Mr. President. I agree and accept the amendment by the Sena-

tor from Texas and yield back our time.
The PRESIDING OFFICER. All time has been yielded back. The question is on

agreeing to the amendment of the Senator from Texas.

The amendment (UP No. 350) was agreed to.

Mr. TOWER. Mr. President. I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 351

(Purpose: Technical amendment to section 5(a) pertaining to payment of aviation career incentive pay)

Mr. JEPSEN. Mr. President, I am proposing a technical amendment to section 5(a) of this bill, and I now send this amendment to the desk and ask for its immediate consideration.

PRESIDING OFFICER. The The amendment will be stated.

The assistant legislative clerk read as

The Senator from Iowa (Mr. Jepsen) proposes an unprinted amendment numbered

Mr. JEPSEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 44, strike out lines 2-10 and insert

in lieu thereof the following:

"SEC. 5. (a) Paragraph 5 of section 301a(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: 'All entitlement to continuous monthly incentive pay ceases for officers in pay grades O-1 through O-10 upon completion of 25 years of officer service, but officers in pay grades O-1 through O-6 remain entitled to monthly incentive pay in the amount set forth in subsection (b) (1) of this section for an officer with over 25 years of officer service for the performance of subsequent operational flying duty.'

Mr. JEPSEN. Mr. President, I am offering a technical amendment to section 5(a) of the bill, which deals with payment of aviation career incentive pay. The intent of section 5(a) of bill as reported was to permit the payment of aviation incentive pay to officers below the grade of O-7 in each month in which those officers actually perform operational flying duty after their entitlement of continuous monthly incentive pay expires at 25 years of officer service. However, section 5(a) of the bill will not achieve this result. My amendment will insure that the bill accomplishes the purpose intended by the Committee on Armed Services. I request unanimous consent that this purely technical amendment be accepted.

Mr. EXON. Mr. President, the technical amendment offered by the Senator from Iowa is certainly in order and I thank him for bringing this matter to the attention of the Senate.

I am prepared to accept the amendment and yield back any time on this side.

Mr. JEPSEN. Mr. President, I yield back the time and ask that the amendment be agreed to.

The PRESIDING OFFICER. All time having been yielded back, the question

is on agreeing to the amendment of the Senator from Iowa.

The amendment (UP No. 351) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEPSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER, Without

objection, it is so ordered.

Mr. JEPSEN. Mr. President. I ask unanimous consent that the following be added as cosponsors to S. 1181: Senator DENNIS DECONCINI, Senator John Tower, and Senator ROBERT W. KASTEN.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. JEPSEN. Mr. President, I ask unanimous consent that I may be able to suggest the absence of a quorum without that time being charged to the time allotted to the bill.

The PRESIDING OFFICER. Without

objection, it is so ordered.

The clerk will call the roll. The assistant legislative clerk pro-

ceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.
The PRESIDING OFFICER, Without

objection, it is so ordered.

UP AMENDMENT NO. 352

(Purpose: To amend the Military Selective Service Act to permit persons over 65 years of age and retired military personnel to serve on local boards of the Selective Serv-

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows: The Senator from Minnesota (Mr. Boschproposes an unprinted amendment WITZ) numbered 352.

Mr. BOSCHWITZ, Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 86, after line 24, add the following new section: Amendments to the Military Selective Service Act to permit persons over 65 years of age and retired military personnel to serve on local draft boards.

SEC. 30. Section 10(b)(3) of the Military Selective Service Act (50 U.S.C. App. 460(b) (3)) is amended-

- (1) by striking out "who has attained the age of 65 or" in the sixth complete sentence thereof; and
- (2) by striking out "No member of any local board shall be a member of the Armed Forces of the United States, but each member of any local board shall be a civilian who is" in the tenth complete sentence and in-

serting in lieu thereof the following: "No member of the Armed Forces, other than a retired member, may serve as a member of a local board or appeal board. Each member of a local board shall be"

On page 87, line 2, strike out "Sec. 30" and insert in lieu thereof "Sec. 31".

On page 87, line 8, strike out "and 28" and insert in lieu thereof "28, and 30"

Mr. BOSCHWITZ. Mr. President, my amendment seeks to rectify a clear case of discrimination against two groups of American citizens. I'm speaking about the current prohibition against those over 65 years old and retired military personnel serving on local Selective Service Boards. These boards now exist on a stand-by basis, since we no longer have a draft. However, the boards stand ready to go in cases of an emergency

My amendment would amend the Military Selective Service Act to allow those people over 65 and retired military personnel to serve on the Board. It is my understanding that the committee is willing to accept the first portion of my amendment, but not the second. We will engage in a short colloquy about that in

a moment.

The prohibition against those over 65 serving on draft boards was enacted during the Vietnam era to remove the perception that "old men were sending young boys off to war." Mr. President, this provision was perhaps understandable at that moment, when a long and controversial war nearly ripped the social fabric of our country apart and pitted young against old in what some called the "generation gap." But I believe times have changed and we have all calmed down enough to realize that senior citizens are by no means insensitive to the needs of young people.

I am convinced that a person over 65 can and does understand the outlook of sincere conscientious objectors, for

example.

Further, since State Selective Service directors and Governors actually nominate board members, lifting the over 65 ban would not mean all the members

of a board would be over 65.

Retired military personnel have been prohibited from serving on draft boards because of the feeling that once a person is in the military, he is always in the military. Since retired military personnel receive pensions, it has been thought that they would have a "conflict of interest" if they serve on draft boards. But again, Mr. President, this logic rests on a false assumption; namely, that military retirees are somehow biased to-ward individuals who apply for exemptions. This is not the case: who better than a military man knows that a sincere conscientious objector does not belong in a combat unit? There is simply no reason to assume bias on the part of retired military people.

Mr. President, I firmly believe that we should not discriminate against these two groups of people. At this time, I would like to yield to the Senator from Iowa for his comments on this matter.

Mr. JEPSEN. Mr. President, we very much thank the distinguished Senator from Minnesota for the first half of his amendment and we recommend that it

be added to this bill. The fact that we have an awful lot of know-how and knowledge in this country has been rather obvious with our great technological advances, with the quality of life and the space shuttles we have had. We have a lot of knowledge without wisdom and I think the wisdom comes from the experience. And the experience of years certainly is welcomed and needed when we get into the Selective Service boards. I think the amendment to include or to make people eligible over 65 is just a stroke of genius, I say to the Senator. I thank him for it.

Mr. BOSCHWITZ. I understand that the chairman's subcommittee would like to delay the second part of the amendment, which would allow retired military personnel to also serve on these boards, inasmuch as retired military personnel could be recalled to active duty. Because of that he would not accept the second part but will hold hearings on this issue later on, probably in October.

Mr. JEPSEN. Mr. President, I assure the distinguished Senator that we will hold hearings and/or get additional information and research to the distinguished Senator and to the committee on the subject. There is a problem, as has been voiced to the Senator, with regard to members of the board staying on the board that in fact would be classifying and calling people into service when, in fact, they would have a service obligation and a retired status that would mandate them to go if called without selective service action. We want to check that more thoroughly.

Mr. BOSCHWITZ. Fine, I am willing to, therefore, delete the second part of my amendment, which is numbered (2) on the amendment that I submitted to the desk. I think that, inasmuch as hearings are going to be held quite shortly and there may be some ramifications to the matter that are not readily apparent, I would be very happy to withdraw that part of the amendment and I do so

at this time.

The PRESIDING OFFICER. The Senator has a right to modify the amendment. The amendment is modified. The amendment, as modified, is as

On page 86, after line 24, add the following new section: Amendments to the Military Selective Service Act to permit persons over 65 years of age to serve on local draft boards.

SEC. 31. Section 10(b)(3) of the Military Selective Service Act (50 U.S.C. App. 460(b) (3)) is amended—

(1) by striking out "who has attained the age of 65 or" in the sixth complete sentence

On page 87, line 2, strike out "Sec. 3" and insert in lieu thereof "Sec. 32".

On page 87, line 8, strike out "and 30" and insert in lieu thereof "30, and 31".

Mr. EXON. Mr. President, I think the amendment, as it now stands before the Senate, as offered by the Senator from Minnesota is a good one. I enthusiasti-cally accept it on this side. I yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from Minnesota yield back the remainder of his time?

Mr. BOSCHWITZ. The Senator from Minnesota did not know he had any time, but I yield it back.

Mr. JEPSEN. Does the Senator from Minnesota yield back the time on his amendment?

Mr. BOSCHWITZ. Yes. Mr. JEPSEN. Mr. President, I yield back any time remaining on the manager's side. I ask that the amendment, as modified, be agreed to.

The PRESIDING OFFICER, All time having been yielded back, the question is agreeing to the amendment, as modified.

The amendment (UP amendment No. 352) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JEPSEN. Mr. President, I yield to the distinguished Senator from South Carolina

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Iowa, the manager of the bill, and the ranking member, the Senator from Nebraska. I believe the Armed Services Committee really reported out a splendid bill. They modulated the President's request with across-the-board 14.-some percent, the 7-percent range on up to 22 percent, targeting those areas of need. I think they have done an outstanding job and deserve full support of the Senate.

Mr. President, I fully support the military pay bill reported by the Armed Services Committee. The importance of this bill cannot be overstated since it recognizes and addresses two major flaws that exist in current pay and benefits procedures that have led to serious manpower problems for our military. These problems concern the level of adequate pay for those Americans performing military service and the inability to retain adequate numbers of enlisted and officer personnel possessing critical skills and leadership abilities.

The bill provides for pay increases of 7 percent for first-term enlistees to 22 percent for the top career enlisted levels. Officers, warrant officers, and other junior enlisted personnel would receive varying raises within the 7- to 22-percent range. In short, the raises are targeted to those personnel levels where the armed services are experiencing considerable difficulty in retaining muchneeded middle management career and skill capabilities.

In addition to the targeting aspect of the bill, it also provides increased special pay incentives for such skills as diving duty, submarine duty, hazardous duty, and aviation career duty. The services are hard-pressed to meet their manning requirements in these special skill areas and the proposed bonuses along with the targeted pay, should definitely alleviate the problems.

Mr. President, I think that the approach to the military pay problems contained in this bill, coupled with a return of the draft, is the right way to solve the manpower deficiencies the military services have been experiencing since the creation of the All-Volunteer Force. I believe the Congress should soon address the draft issue so we can close the loop on our military personnel problems.

Mr. BAKER addressed the Chair. The PRESIDING OFFICER (Mr. DAN-FORTH). The majority leader.

RECESS UNTIL 1:45 P.M.

Mr. BAKER. Mr. President, it does not appear that another amendment is to be offered at this time. Since we have controlled time, I do not see any particular purpose to be served by remaining in session for general debate at this moment. There are two lunches today, one about to begin and one already in progress, involving distinguished guests from abroad. Many Senators will wish to attend.

Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 1:45 p.m.

There being no objection, the Senate, at 12:59 p.m., recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Danforth)

The PRESIDING OFFICER. The Senator from Alaska is recognized.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that the vote scheduled to commence at 2 p.m. start at 2:10 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I with-

draw that request The PRESIDING OFFICER. The re-

quest is withdrawn. Mr. STEVENS. Mr. President, I suggest

the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senator from New York (Mr. Moynihan) be recognized, as if in morning business, for not to exceed 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New York.

Mr. MOYNIHAN. I thank the Chair and I thank the majority whip.

Mr. President, I have the honor to yield to my distinguished friend from Vermont, the senior Senator and chairman of the Committee on Environment and Public Works, and among the most diligent Members of this body in the affairs of the Interparliamentary Union, an organization which we hold in the highest regard, as we do our leader in that matter.

Mr. President, as the distinguished Senator from Vermont knows, we shall have an important vote in this body in approximately 20 minutes. It may be that we shall have the good fortune of having our guests from abroad, our friends, in the distinguished visitor's gallery, when that time comes, and they will see the body making an important choice.

VISIT TO THE SENATE OF DELE-GATES TO THE INTERPARLIAMEN-TARY UNION

Mr. STAFFORD. Mr. President, I deeply appreciate the words of the distinguished Senator from New York.

I simply want to call to the attention of the Chair and my colleagues on the floor that a few minutes ago the representatives of 18 nations, delegates to the next meeting of the Interparliamentary Union, did visit the floor of the Chamber. They continue to be in the building. I thank the Senator very much for yielding.

Mr. MOYNIHAN. I am happy to have vielded.

DEPARTMENT OF JUSTICE **AUTHORIZATIONS**, 1982

Mr. MOYNIHAN. Mr. President, we are approaching the vote at 2 o'clock or at 2:10 on cloture on the matter which has been before us for several months now, and I should simply like to restate my strong sense that the Senate should not agree to the amendment before us. This is one of the large issues that come before this body. It is a constitutional issue. It is an issue that goes to the structure of the American Government and not to the policy of one administration or the events of one

It is agreed, I believe, by scholars, by legal scholars, that Congress does under article III have the power to establish the jurisdictions of the U.S. courts. As to inferior courts, I would say this is a settled matter. As to the appellate jurisdiction of the Supreme Court, the case of ex parte McCardle, a Civil War decision or one settled during the aftermath of events that arose during the war, and having to do with the question of habeas corpus, would seem to control though there is still considerable scholarly dispute.

On the other hand, a century and a quarter has passed and no effort has successfully been made, none seriously undertaken, to assert this constitutional power, for any purpose other than organizing the judiciary, which I would argue was the most probable purpose of the language when it was inserted in the Constitution. I do not for a minute suppose the language was inserted for the purpose of impairing rights granted under the Constitution.

Mr. President, this is the first time that Congress has sought to use this power to impair those rights.

Mr. President, the present occupant of the chair, a distinguished former attorney general from the great State of Missouri, would be the first to agree that there is a common legal rubric that holds that there can be no right without a remedy and thus by passing a bill re-stricting the remedy that a court might issue to vindicate a right, the Congress

would be seeking to restrict and impair that right itself.

We have some judgment which rights are at issue today. We can have no notion of what might be at issue tomorrow in the next decade and the centuries after that, because ours is not a new body. We were Constitution-formed in the 18th century. We are not far from two centuries of endurance. Never have we taken from the courts, the Supreme Court, the lower courts the power to interpret rights given citizens, persons, under the Constitution. This opens that possibility.

It ought to offend the very constitutional sense of this body. It ought to be rejected as an alien intrusion into the separation of powers and the enshrinement of liberty which is the purpose of our Constitution and the duty and obligation of the U.S. Senate to defend and to advance.

Mr. President, I thank the Chair for his courteous attention. I express my deepest hope that we will not proceed to invoke cloture as some desire this afternoon, not with regard to the specifics in issue but to the general principle of the separation of powers and the inviolable responsibility of the courts to interpret the rights given individuals under the Constitution. I thank the Chair.

Mr. STEVENS. Mr. President, I ask unanimous consent that the time between now and the vote be equally divided between the Senator from Louisiana and the Senator from Connecticut.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE VOTE ON CLOTURE TO OCCUR AT 2:10 P.M. TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the vote take place at 2:10 p.m. instead of 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I will not debate the substance of this matter at any length, except to say that just yesterday I got a call from Mr. Ray Alberson, the superintendent of schools in East Baton Rouge Parish who reports that, in the few short weeks since busing has been ordered by the district court there, they have lost some 5,000 to 7,000 pupils out of a school population of some 57,000. He predicts-well, I will not say what he predicts for the future because I think it would be unfair to quote the superintendent on that kind of prediction with his own school system. But it is bad enough already, Mr. President, with 5,000 to 7,000 gone. This, on top of Rapides Parish, where children are bused 30 to 40 miles in one direction and in East Baton Rouge first- and secondgraders are bused an hour-and-a-half in one direction. In Natchitoches Parish, the busing order looms. It has not yet been ordered implemented but is expected soon. Why we continue to do this to ourselves in this country, Mr. President, I do not know.

No one defends, or almost no one defends, forced busing per se as working. No one contends that it promotes integration. Almost no one contends that it promotes sound education. But here we are caught on this treadmill, riding this tiger that we cannot get off, and searching for the solution.

Well. Mr. President, the solution is in this legislation. Let me say, Mr. President, that I do not expect to get cloture today. That is because at least seven of our committed votes on this matter are not present today. I hoped that after this long recess we would have good attendance today. We do not. I do not know how many votes on the other side are absent, but at least seven of ours are absent. And when you have to have 60 votes, to lose 7 of your votes makes it virtually impossible to win.

The Senate knows that on the last consideration of this cloture matter, 59 Senators voted "Yea." Two Senators who were committed to the yea position, Senators GOLDWATER and MELCHER, did not vote even though they were present in the Senate that day. Senator GOLDWATER was in the CIA hearings, the Casey CIA hearings; Senator Melcher had an attack of asthma and was unable to move,

as a matter of fact.

So, in effect, we had 61 votes when 60 were required last time. Since that time, at least three Senators have indicated that they voted no last time and they would vote yes this time. So we have, assuming we keep the votes we had last time, Mr. President, we have at least 64 Senators who are ready to vote yes. Unfortunately, they are not all here today and for that reason I do not expect to win. But we expect to bring the matter up for another cloture vote, I would hope, on Wednesday. I think a unani-mous-consent request is presently pending to have another cloture vote on Wednesday. I hope it is cleared. I see the majority leader in the Senate Chamber at this point. Has there been any clearance on that unanimous-consent request, I ask the majority leader?

Mr. BAKER. Mr. President, if the Senator would yield to me, I am told that a revision of the request that I put on yesterday, which was not granted, is in the clearance process today. We do not have the final word on that, but I expect to have an announcement to make prior to the vote which will now occur at

Mr. JOHNSTON. I thank the majority leader.

Mr. President. I yield the floor.

(Mr. ANDREWS assumed the Chair.) WEICKER. Mr. President, in a few minutes the Senate will vote on the matter of the Department of Justice authorization bill that has been before this body for several months now, more particularly on cloture on the Johnston-Helms amendment.

I think it important to reemphasize the issue before us. It is not a matter of busing. Indeed, I think my colleagues have read the newspaper accounts of the various actions taken by this ad-ministration over the past several months, and know that administration has made it abundantly clear that they do not intend to pursue, through the means available to them, busing as a remedy to end discrimination in our school systems.

So the policy is well established. Busing will not be a principal tool of this

administration to achieve desegregation in America's school systems. Therefore, it cannot be used as an excuse by any one of my colleagues in the sense of saying, "Well, because the executive branch of Government will not act, we are going to act, albeit with certain constitutional reservations."

That excuse is no longer available because, as a matter of policy, the administration has committed itself to what my colleague from Louisiana and my colleague from North Carolina are attempting to achieve through legislation.

So it brings us down to the real issue. and that is strictly a constitutional one: Whether or not the legislative branch of Government is going to violate the traditional concept of checks and balances insofar as dictating to the executive, for example, the Justice Department, or the judicial branch of Government what it is they can or cannot do.

There are very few of my colleagues on this floor who would not admit privately that this is the issue. But politically, any association at all with the word or the deed called busing is deemed to be a liability, and it is the fear of that association rather than a dedication to the Constitution that motivates the vote on this floor.

I would hope that the cloture motion would once again be rejected for all the reasons I have enumerated over the months past. Now my interpretation and evaluation of what is before us has been reaffirmed by the House of Delegates of the American Bar Association at their

annual convention.

Several months ago during the course of the debate, I read letters from the executive director of the American Bar Association, and those letters were questioned as not being representative of the feelings of the entire bar association. Now I stand before you on September 10. with a letter dated August 24, from the president of the bar association, in which he states that the House of Delegates of the American Bar Association overwhelmingly approved a resolution opposing congressional curtailment of the jurisdiction of the Supreme Court or the inferior Federal courts for the purpose of effecting changes in constitution-

So no longer is there any inference to be drawn in the body of the whole from the statements of its executive director. The body as a whole has spoken. The legal basis for my opposition, the constitutional basis for my opposition, has never been more valid than it is today.

Underlying all of this is that there must be one thing that cannot change in a political, in a governmental, structure that more so than any other represents the will of the people. There still has to be a cornerstone to which all can relate. Majorities may change, philosophies, whether left, right, middle of the road, parties, Republican, Democrat, all these change, but one aspect of our political and governmental life must remain constant, and that is the Constitution of the United States, so that it will be available to those who have effectuated change or those who are being oppressed by it.

In the final analysis, I do not think

there is anyone in this Chamber, or any citizen of this country, who wants a Senator of the United States looking over the shoulder of the judge when his or her time comes before that judge, before that court. That is the issue.

Are you going to philosophize justice? Are you going to make a partisan issue out of justice? Are you going to take away from the justice the independence which has been the final guarantee of all of our rights, of all our beliefs, of all our politics?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WEICKER. Mr. President, I ask that the cloture motion be rejected.

The PRESIDING OFFICER, The Senator from Louisiana has 1 minute and 47 seconds remaining.

Mr. BAKER. Mr. President, will the Senator yield 15 seconds to me?

Mr. JOHNSTON. I yield.

Mr. BAKER. I had hoped that I would have an announcement to make regarding the unanimous-consent request. I have not been able to reach Senators who are otherwise involved at this moment. During the rollcall vote I will continue to try to obtain agreement to that unanimous-consent request. I must say in all candor, however, that if I cannot get that unanimous-consent request, it is very likely that I will find it necessary to try to move to some other item of legislation.

Mr. JOHNSTON. Mr. President, in the remaining seconds, let me reply to one statement of my distinguished colleague from Connecticut. He said that this administration is no longer interested in pursuing busing, that it was no longer

making it a priority.

May I tell my distinguished colleagues that whether or not the administration does continue to pursue busing, and they have pursued it since the election in East Baton Rouge Parish, in Caddo Parish, in Nachitoches Parish, and in other places in Louisiana, the courts are continuing to order it.

The PRESIDING OFFICER. The Senator's time has expired.

CLOTURE MOTION

The PRESIDING OFFICER. The hour of 2:10 p.m. having arrived, under the previous order, the clerk will state the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on Amendment Number 96 (As Modified) to S. 951, the Department of Justice Authorization Bill.

Mr. Randolph, Mr. Bentsen, Mr. Johnston, Mr. Nickles, Mr. DeConcini, Mr. Stennis, Mr. Long, Mr. Boren, Mr. Chiles, Mr. Zorinsky, Mr. Symms, Mr. Exon, Mr. Kasten, Mr. Huddleston, Mr. Nunn, and Mr. Grassley.

VOTE

The PRESIDING OFFICER. The guestion is. Is it the sense of the Senate that debate should be brought to a close on amendment No. 96 (as modified). The yeas and nays are mandatory under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. Abdnor), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Idaho (Mr. Symms) are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho (Mr.

SYMMS) would vote yea.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bent-SEN), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. Dodd), the Senator from Missouri (Mr. Eagleton), the Senator from Tennessee (Mr. Sasser), and the Senator from Nebraska (Mr. Zorinsky) are necessarily absent.

On this vote, the Senator from Nevada (Mr. Cannon) is paired with the Senator from California (Mr. CRANSTON)

If present and voting, the Senator from Nevada would vote "yea" and the Senator from California would vote "nav."

I further announce that, if present and voting, the Senator from Tennessee (Mr. Sasser) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 57, nays 33, as follows:

[Rollcall Vote No. 252 Leg.]

VEAS-57

	NAIS-33	
Baucus	Hatfield	Packwood
Boschwitz	Heinz	Pressler
Bradley	Inouye	Riegle
Bumpers	Kennedy	Rudman
Burdick	Leahy	Sarbanes
Chafee	Levin	Specter
Cohen	Mathias	Stafford
Durenberger	Matsunaga	Stevens
Glenn Gorton Hart	Metzenbaum Mitchell	Tsongas Weicker
nare	Moynihan	Williams

NOT VOTING-10

Abdnor	Dodd	Symms
Bentsen	Eagleton	Zorinsky
Cannon	Sasser	ATTRE BUILD
Cranston	Simpson	

The PRESIDING OFFICER. On this vote, the yeas are 57, the nays are 33. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. BAKER. Mr. President, I hope that I can make an announcement in a very few moments on how we will proceed further with this measure.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Tennessee.

Mr. BAKER. Mr. President, I hope to be able to make a further announcement on the proceedings of the Senate on the Department of Justice authorization bill and on the military pay matter.

Mr. RANDOLPH. Mr. President, let us have order in this Chamber. I have been earnest but I will never be angry.

The PRESIDING OFFICER. The Sen-

ator's point is well taken.

Mr. RANDOLPH. Here is the majority leader speaking. The majority leader and the minority leader are standing here. We need to give attention to the subject matter.

Mr. BAKER. Mr. President, I thank my friend from West Virginia who is so correct in saying that the Senate was not in order, and I will do my best to earn his confidence on the remainder of his statement about the importance of what I am about to utter.

Mr. President, I now have clearance to make a unanimous-consent request in respect to the further disposition of the Johnston amendment.

I may say, by the way, that the request I have now before me has gone through extensive and tedious clearance processes and I believe is the best manner in which to handle this subject.

Mr. President, I understand now that my optimistic statement or the preamble of my optimistic statement may have been premature so while there is a further consultation with Members on the other side of the aisle for the moment I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk

will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, in a few seconds I am going to ask unanimous consent for a period for the transaction of routine morning business, and the reason for it is we are still in negotiations on a method of disposition of the Department of Justice bill and the amendments to it. I think we are within shouting distance of getting that done. I believe it is worth the investment of time to continue to try.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent now that there be a brief period for the transaction of routine morning business to extend not past 3:15 p.m. in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL AIR US CAR-RIERS—A CRITICAL JUNCTURE

Mr. PRESSLER. Mr. President, I wish to bring to the Senate's attention the plight of our country's international air transportation system. As chairman of the Business, Trade and Tourism Subcommittee, I am certainly aware of the importance of international tourism in our international trade balance.

I have most recently become acquainted with the particular financial difficulties of Pan Am Airlines and TWA. However, this is definitely an industrywide problem. All of the long haul U.S. international carriers suffered hardship in 1980, as indicated by the following Civil Aeronautics Board (CAB)

International operating profit (loss) [Calendar year 1980]

Carrier

Braniff	(\$63, 518, 000)
Continental	(14, 579, 000)
Delta	(6, 975, 000)
Flying Tigers	(3, 692, 000)
Northwest	(46, 130, 000)
Pan Am	(44, 641, 000)
TWA	5, 504, 000
Western	(12, 867, 000)
Total	(186, 868, 000)

The five major carriers alone suffered over \$150 million in operating losses on their international routes during the past year.

The seriousness of these problems stretch far beyond the individual air carriers. While the carriers employ tens of thousands of personnel, there are also aircraft manufacturers and other vendors of aviation-related supplies and services affected by this problem. Currently, U.S. carriers account for less than 10 percent of the total intercontinental wide-body aircraft on order.

We must also remind ourselves that the balance of trade is being adversely affected. Every percentage point of United States-Europe traffic, for example, is worth approximately \$47 million in revenue, and each percentage point of trans-Pacific market share is worth approximately \$24 million in revenue. However, in recent years the U.S. carriers' share of the international markets has been declining, with adverse consequences to the U.S. balance of payments.

While fuel costs and the state of the economy must be cited as part of the cause of these international aviation problems, the problem is really compounded by Government actions in past years. Perhaps we need to better understand the nature of international air transportation and recognize the differences between domestic and international marketplaces.

In understanding the critical differences between domestic and international markets, we must address the "open skies" policy initiated in the past 4 years. While the "open skies" policy is an attempt to certificate the maximum number of carriers and promote free competition, we must make sure that we are not overlooking the specific problems of our U.S. carriers. Foreign government support of their own carriers and denial of market access to U.S. carriers often make it difficult for the U.S. carriers to compete. The "pooling" agreements for the joint operation of services and allocation of revenue is also a competitive advantage for the foreign airlines.

Another issue of great concern to U.S.-flag international carriers is the exorbitant landing fees our carriers must endure at international airports. The landing fee for a 747 air carrier at the London Heathrow Airport is currently set at \$8,000 during a peak hour. In comparison, the average landing fee at a U.S. airport is currently \$400.

In addition, the international carriers are also faced with en route charges or navigation charges. Pan Am Airlines reports that such fees average \$35 million annually and have been increasing on an average of 25 percent per year.

Mr. President, I believe that the U.S.flag carriers are at a critical juncture. The Federal Government must be more responsive to the problems faced by these carriers. As the Senate debates the sunset of the Civil Aeronautics Board, the National Tourism Policy Act, the airport development aid program, and other legislation affecting the balance of trade and air transportation, I suggest that we recognize the problems of international carriers. While these carriers are not seeking a bailout, they do expect us to understand the complexity of the international environment, U.S. international carriers need our support in order that they may return to a position of competitive strength.

THE STATE OF PREPAREDNESS OF U.S. MILITARY FORCES IN EU-ROPE: OR IS IT UNPREPARED-NESS?

Mr. PRESSLER. Mr. President, as a former military man myself, I have been watching with considerable interest and concern for some time developments in U.S. military preparedness in general, and in particular the condition of U.S. military units in Europe.

In America today there is a consensus both in Congress and among the American people that we need to do more in the area of national defense, in fact, that we cannot afford not to. The national defense debate that preceded this consensus has, however, concentrated all too often on the material dimensions of the security challenges confronting the United States and NATO today, and to a lesser extent on the legitimate need for a significant, real qualitative increase in allied defense spending and readiness to match the unabated massive Soviet military buildup of the last 15 years. How many more missiles, ships, or divisions has been the major focus of attention.

The crucial issue of U.S. and allied military manpower capability, troop morale, competence, and readiness has been neglected in favor of a concentration on resources, which, although of vital importance, are not the only element in the equation. "It doesn't matter how good your equipment or technology is if your men cannot operate it" is a legitimate concern.

In the global context, here are some of the basic facts concerning the present Soviet-American balance of power that

we must keep in mind:
First, since the late 1960's Soviet military strength has increased dramatically in both nuclear and conventional terms. Since the early 1970's the Soviets at the strategic level have achieved virt

tual parity in central systems (ICBM's, et cetera). Soviet equipment in both their conventional and nuclear arsenals is for the most part newer than the equipment of the United States and its allies.

Second, the total Armed Forces of the United States amounts to approximately 2,050,000 military personnel (including 150,000 women), who serve on a voluntary basis. The total Armed Forces personnel figure for the Soviet Union amounts to some 3,658,000, excluding some 500,000 internal security troops, railroad and construction troops, who all serve on an obligatory conscript basis from 2 to 3 years at a time.

Third, U.S. forces overseas, as of September 1980, amounted to some 488,726 military personnel, with approximately 331,705 in Europe, 16,878 in the Western Hemisphere, 114,845 in the Pacific and Far East, and a much smaller number in other areas. The following table gives a further breakdown of these distributions:

U.S. FORCES OVERSEAS-AS OF SEPT. 30, 1980

Location 1	1980	1979	Change
Total in foreign countries	488, 726	458, 424	+30, 302
Total	331, 705	325, 240	+6, 465
West Germany Britain Italy Spain Turkey Greece Iceland Belgium Netherlands Portugal 6th Fleet	24, 312 11, 903 8, 974 5, 263 4, 445 2, 868	239, 248 23, 015 11, 732 8, 714 4, 918 3, 328 2, 859 2, 034 2, 220 1, 404 25, 001	+5, 072 +1, 297 +171 +260 +345 +1, 117 +9 +80 +410 -37 -2, 688
IN THE WESTERN HEMISPHERE	E. Line	W.	
Total	16, 878	16, 693	+185

Bermuda Canada Cuba (Guantanamo) Panama Puerto Rico	2, 150	1, 286 660 2, 117 9, 443 3, 532	+64 +31 +33 -297 +175
IN THE PACIFIC AND FAR EAST Total	114, 845	122, 227	-7, 382
Japan and Okinawa South Korea Philippines Guam Australia Midway Island	13, 387 9, 053	46, 207 39, 018 14, 101 8, 756 653 472	-203 -238 -714 +297 -9 +26

Guam' Australia Midway Island Afloat Alloat	9, 053 644 498 15, 515	8, 756 653 472 21, 910	+29 +20 +20 -6, 39
IN OTHER AREAS Egypt Diego Garcia_ Eastern Europe Morocco Saudi Arabia Afloat—Africa, Mid East, South	495 1, 373 178 40 502	100 1, 053 173 37 419	+39: +32: + + + +8:
Asia	18, 559	(2)	

¹ Major concentrations only. 2 New category for this report.

Source: U.S. Department of Defense.

The Soviet Union maintains some 30 motor rifle and tank divisions in Eastern Europe, some 67 divisions in the European U.S.S.R. military districts, 6 divisions in the central U.S.S.R., 24 divisions in the southern U.S.S.R., some 46 divisions along the Sino-Soviet border, and 6 or so divisions in Afghanistan. The Soviet divisions in Eastern Europe are considered to be between three-quar-

ters and full strength with complete equipment, and about half of those in the European U.S.S.R. and the Far East are considered to be in that category or between half and three-quarters strength, complete with fighting vehicles.

Fourth, Soviet military personnel abroad consist of approximately 85,000 in Afghanistan, 7,500 in Cuba, 1,200 in Ethiopia, 1,000 in Iraq, 1,000 in Libya, 1,000 in Mali, 20 in Mauritania, 4,000 in Vietnam, 2,500 in Syria, and 1,500 in South Yemen.

The facts and figures of the immense Soviet buildup and comparative United States and allied deficiencies in defense preparedness vis-a-vis the Soviet Union are both illuminating and seriously alarming. At the end of my text I have attached a number of charts which graphically point out this imbalance.

Instead of pursuing them in detail here, I would like to point out a number of concerns I have with regard to the central topic I seek to address today—an examination of the present serious imbalance between NATO and the Warsaw Pact forces in Europe.

The combined ground forces of NATO in the NATO guidelines area total only 732,000, while those of the Warsaw Pact total some 935,000, that is, over 200,000 more. The Warsaw Pact presently maintains a numerical advantage of approximately 2 to 1 in theater-based tactical aircraft; 2.3 to 1 in divisions; 2.5 to 1 in theater deployed tanks; 3 to 1 in artillery pieces; better than 3 to 1 advantage in the maritime area in the Baltic, and is catching up with NATO's advantage in the Mediterranean.

The Soviet Union has committed for more than a decade 12 to 13 percent of their GNP to military expenditures geared toward the improvement of all categories of warfighting capability, especially the eradication of their inferiority in strategic nuclear and theater nuclear forces.

The Soviets have made impressive and alarming gains in the last decade, and now possess a high-technology military arsenal, which equals and in some cases exceeds the capabilities of the West. This arsenal includes the mobile, extremely accurate multiple nuclear warhead SS-20 ballistic missile; a new and more sophisticated generation of armored fighting vehicles; over 10,000 modern T-64/T-72 tanks (the even more advanced T-80 tanks will soon be operationally deployed); the first KIROV-class cruiser (which carries a high-speed, antiship cruise missile with a range of up to 250 miles); longer range attack aircraft which carry twice the payload of those replaced; three times as many heavily armed attack helicopters as NATO (from none in 1970); and the new ALFA-class submarine—to mention only a few new. enhanced, and technologically highquality weapon systems capabilities.

To meet its responsibilities, the United States (which has 16 Army ground divisions and three Marine divisions) stations on the central front in Europe (West Germany) the equivalent of five Army divisions. Another five presently in the United States are theoretically supposed to arrive there within 10 days

[.] New category for this report.

after mobilization. The Soviet Union alone, on the other side, has no fewer than 50 combat ready (although slightly smaller in size) divisions prepared to engage in a land battle in Europe.

The very real possibility that the Soviet Union could use the Warsaw Pact's military superiority to its political advantage in Europe should in itself be a cause of grave concern to NATO, and be an urgent impetus to rectify the growing and dangerous military imbalance.

Let us not forget that the Soviet Union has dramatically demonstrated both its capability and willingness to utilize its military muscle abroad for political purposes: East Berlin in 1953, Hungary in 1956, Czechoslovakia in 1968, Afghanistan in 1979, and the present massing of Soviet forces on Poland's borders. It is evident that NATO's unilateral restraint has not worked in the past.

Given a changed global strategic environment, with increasing threats to our vital collection and material interests outside of NATO's boundaries (Afghanistan and the Persian Gulf area), demonstrated political will and unity of purpose are essential for NATO to rebuild and enhance the credibility of its deterrent strategy of flexible response, which

has been seriously reduced. The present military imbalance between NATO and Warsaw Pact countries is virtually all-encompassing. Except for the airborne units of the Polish and Czech armies, Warsaw Pact forces are fully mechanized. NATO forces still consist of large formations of regular infantry. The Warsaw Pact countries are significantly ahead of NATO forces in infantry fighting vehicles and multiple rocket launchers (Pact equal 3,300 multiple rocket launchers; NATO equal 200). While many NATO aircraft have a dual air defense/ground support role, Pact air forces have over 2,000 pure interceptor aircraft.

The charts and figures at the end of my text give a picture of the dramatic imbalance between NATO forces and those of the Warsaw Pact countries. It must be remembered, however, that numbers do not tell the whole story. The state of readiness of United States and NATO ground forces in Europe, as well as maintenance of equipment and troop capabilities, is hardly a match for the Warsaw Pact countries in conventional terms.

Nearly 25 percent of NATO frontline forces in Europe are not considered combat ready. Nearly half of the 30 Air Force squadrons in Europe are not combat ready, and the U.S. Army in Europe has a backlog of over \$1 billion in needed repairs and maintenance. The United States/NATO naval situation is not much better.

While the United States and its NATO partners are making an attempt to catch up with the Soviet Union. the Soviets are plowing ahead. The United States and its NATO allies cannot afford an ill-prepared, ill-equipped and undermanned military establishment and still hope to keep the Soviets in check and let them know that it is in their interest to conduct themselves as a proper member of the international community, or face

reprisals for their expansionism and aggression in Europe or elsewhere. The future viability of NATO and Western democracy is on the line, and with it prospects for peace.

Obsolescence and the introduction of new Soviet systems, especially the SS-20's (175 of which are targeted on Europe, and which have a much greater accuracy and speed as well as warhead capability) have, at the TNF level, seriously reduced NATO's nuclear deterrence capability and the possibility of allied flexible response, and NATO's past advantage in battlefield weapons. This Soviet buildup was directly responsible for the NATO dual track decision of December 1979—modernization of our TNF and arms control. NATO's strategy of "flexible response" has also been seriously undermined by the massive Soviet buildup.

Although the European share in total NATO expenditure rose from 22.7 percent in 1969 to 41.6 percent in 1979, and this is commendable, given present conditions there is an urgent need for joint cooperation and equal participation on both sides. We must, however, at the same time remind the Europeans that to underestimate the Soviet threat—vividly evidenced in Afghanistan and now encircling Poland, as well as Soviet aggression and expansionism in other areas of the Third World—would be a most serious mistake.

One of the principal lessons to be learned from the past 10 years is that in order to deal with the Soviets in a meaningful way with regard to arms control, the United States and the West must have first and foremost a satisfactory and adequate security policy, and that the effectiveness of allied nuclear deterrence remains absolutely crucial for the maintenance of peace.

The basic question we are faced with in Europe is a fundamentally critical one: Are U.S. forces in Europe capable of competently and effectively engaging the enemy in case of an attack?

Unfortunately, it is my belief, having recently returned from an investigative factfinding trip to our frontline troops in West Germany, that the presently composed U.S. ground forces in Europe may not be as capable as they could or should be of competently and effectively

engaging the enemy.

While on a factfinding mission for the Senate Foreign Relations Committee in Germany, I visited our frontline units and met with a variety of individuals responsible for our defensive posture on the central front. These individuals included U.S. Ambassador to the Federal Republic of Germany, Arthur Burns; General Lynn, Chief of Staff, U.S. Army, Europe; Major General Benedict, past commander of the Berlin Brigade; Mr. David Anderson, U.S. Minister to Berlin; the U.S. consuls general in Munich and Hamburg; the Director and representatives of Radio Free Europe in Munich; and a number of combat unit commanders.

Although we have a number of fine U.S. military men in Germany and other parts of Europe, and I say this from first-hand experience, there are a number of

serious problems that NATO as a whole faces. These include critical shortages in military transport equipment; the difficulty involved in sustaining conventional combat operations; shortage of prepositioned war reserves; the difficulty of resupplying forces; and the lack of political will to increase real defense spending on the part of many NATO countries, because of economic conditions.

Let me first list a few of the reasons for this lack of preparedness in general, then focus on the European front in particular, and finally attempt an answer as to what needs to be done to correct the very serious situation we face today.

With the advent of the Volunteer Army, a change has taken place in the state of U.S. military preparedness. Some military men have expressed to me their concern that the concept of military service has been transformed from that of a patriotic profession for the defense of the Nation to a job training corps, with the fundamental purpose of a military establishment becoming more and more clouded. Defense Department statistics indicate that U.S. Army recruits today are coming largely from the unemployed and economically disadvantaged.

According to Defense Department figures, only 28 percent of those drafted into the Army in 1965 were high school dropouts; in the Army today, high school dropouts make up appreximately 46 percent of the Army. Personnel costs are going up significantly to compete with the private sector, and yet reenlistment rates remain extremely low; according to Defense Department statistics, approximately 35 out of every 100 recruits today leave the Army before the end of their 3-year enlistments. The energy and talent of middle-class America is largely absent from the armed services.

Military equipment modernization and maintenance is also a problem. In short, the readiness of U.S. Armed Forces in terms of discipline, education, morale, capabilities, and purpose has been to a significant degree eroded, along with our military reputation overseas.

Since Vietnam, the Army has found it much more difficult to retain skilled combat officers, and according to Army statistics the ratio of officers to total Army strength has dropped in the last few years from 17 percent to approxi-mately 11 percent. As George Wilson pointed out in his article in the Washington Star, one of every six Army colonels handpicked this year-1981-to command troops has turned down the honor. A U.S. Marine captain with whom I spoke explained that the rigors of command, the difficulty of instilling discipline and spirit, the turnover in manpower, and the lack of promotion possibilities in unit combat command positions had all led him to opt out of the military. This was a career officer with extensive frontline combat command experience and a profound dedication and sense of service to his country; but like the Army colonels, he refused to accept the honor of troop command.

Wilson went on to say that:

No number of \$2 million M-1 tanks, \$1.2 billion Trident submarines, or \$35 billion

MX missile systems will add up to military might unless the United States has people who know how to use them.

Simply spending more money is not going to solve this Nation's major defense problems. Unless we have a very thorough and extensive quality control and utility examination of our defense spending increases, and unless we see to it that we have a military that is truly a citizen's army, and restore the dignity of the warrior's ethic and sense of service to country, we will find ourselves less and less able to defend our democracy, with all that that implies.

The situation of U.S. forces in Europe, particularly in West Germany, has been partially described by what I have already said about the state of our troops in general. There are mounting problems in Europe with U.S. troop morale, competence, and readiness. The Europeans, especially the Germans, measure their defense contributions in terms of the skill of their armies and the size and readiness of their reserves. In both of these areas, the U.S. Army Corps stationed in Germany-some 215,000 soldiers-are often lacking in comparison

to their NATO partners.

The Pentagon's own "Human Readiness Report No. 5" vividly indicates that forces in Europe may be significantly unprepared in some areas for combat. The report points out severe manpower, morale, and management problems. For example, only 39 percent of junior enlisted men in Europe, according to the study, thought their units would do well in combat. The report also noted widespread concern by the officer corps over what they perceive as the declining competence of their corporals and younger sergeants. Unit cohesion, or the ability to stick together under fire, was also viewed as being seriously weak. With 35.2 percent of new soldiers now leaving the Army before their first 3year terms have ended, the problem of troop unity and discipline, as well as the command task of the officer corps, was viewed as becoming more and more difficult.

The intelligence and education levels of enlisted troops also raises problems as far as motivation, discipline, and morale are concerned, not to mention troop capability and performance. Defense Department figures indicate that only 58 percent of this year's enlistees have high school diplomas—a drop from 68 percent the year before—those with any college experience are down to 3.2 percent, and the dropout rate among nonhigh school graduates during their first enlistment term is twice as high as for diploma holders.

The No. 1 mission of U.S. troops in West Germany in conjunction with our allies is to stop a Soviet invasion across the German border and other land invasion routes. I do not mean to sound overly negative about the prospects of our forces stopping a land invasion, but I am concerned about their capabilities and preparedness levels as far as discipline, motivation, competence, spare parts, equipment, and so forth.

On the one hand, we have a large number of very motivated, capable and fine people in the U.S. Army and other branches of the service, in Germany and Europe; on the other hand, we also have some serious problems that I have already indicated.

In a number of competitions over the past few years designed to simulate armored warfare on the plains of Europe with our NATO partners, U.S. military performances for various reasons have been seen recently in the press as less than adequate.

The American 2d Armored Division, normally based in Texas, was flown over to West Germany as part of the annual American reinforcement exercise, and took part in the large NATO army exercise Crusader in September 1980. The division's performance was criticized on a number of counts in an article in Foreign Report, a newsletter published by the Economist of London. The NATO exercise invloved tank mobility and coordination, utilizability of prepositioned equipment, artillery coordination, maneuverability, counterattack capability and organization, which were judged by allied umpires. The Economist article and criticism from allied sources focused on the following areas:

American armor tended to advance without sufficient artillery preparation and failed to take enough cover against hostile air attack when not on the move.

Inadequate leadership by NCO's and junior officers; junior officers pay too little attention to personal leadership, and noncommissioned officers are often inexperienced in field operations.

Camouflage was often not used or misused, and American units lacked discipline in the positioning and organized mobility of their tank units, at times dis-

rupting the competitions.

The comments of Gen. Sir Peter Leng. commander of the British First Corps in West Germany, who participated with his unit in the exercises with the 2d Armored Division, pointed out that there were some difficulties; but he highly praised the operation of the American forces.

The handpicked 3,500-man Brigade in West Berlin-which is part of the regular U.S. Army, but whose expenses are paid by the West German Government-seems to have a very high performance level. One of the three U.S. battalions recently scored 22 hits out of 24 shots with the TOW antitank missile during annual live-fire training.

Bonn provides about twice as much money for operations, maintenance, and target practice for the U.S. unit than the United States provides for other American units. The West German Government pays the expenses for all three Allied installations, that is, the United States, British, and French garrisons who defend the city (the West German Government is not permitted to station its own troops in Berlin, under an agreement signed at the end of World War II). The U.S. Army pays the salaries of the troops and provides their major weapons. The total Allied force in West Berlin amounts to some 9,000 troops, which face approximately 350,000 Soviet and 150,000 East German troops in East Germany.

Outside of Berlin, many commanders have complained that they are not allocated enough practice munitions to enhance the combat skills of their troops. One problem of troop readiness seems to lie in the availability of such munitions and training. The tank battalion in West Berlin was allocated 24 shots for practice, when other vital infantry battalions are normally allotted only 18 of the \$4,000-a-copy wire guided missiles for use in training each year. Battalions in the United States receive only about four missiles a year for training purposes.

Another noteworthy NATO competition which occurred this year was the 1981 Canadian Army Trophy Competition. The competition has been conducted biennially since 1963 at a West German tank range. The United States finished last in initial participation in 1977 and next to last in 1979. In 1981, the United States hosted the competition at a newly constructed tank range in Grafenwoehr, West Germany, between June 15 and 19, 1981. Fifteen tanks (five platoons of three tanks each) represented each country. 1st Bn., 32d Armor, 3d AD, U.S. competing unit (M-60A3 with laser rangefinder). Participating countries were: Canada and Belgium (both with laser rangefinders Leopards), Germany and Netherlands (both with steroscopic rangefinders Leopards), and United Kingdom (Chieftain with laser rangefinder).

Four of the five platoons from each country were randomly drawn to compete for record. The fifth platoon fired, but not for record, and was used for equipment and personnel support, as required, for the other platoons. The high three scoring platoons per country de-

termined the final results.

Each platoon was issued 30 rounds of main gun and 750 rounds of MG ammunition. Each platoon, while negotiating several barriers over a 950-meter battle run, at a minimum 10-miles-perhour speed, engaged two targets. An additional 16 main-gun target—two to five exposed at a time-were fired while stationary. Each target was exposed for up to 40 seconds. Range to targets while moving was 1,200 meters or less. Range to stationary targets was 2,000 meters or more. The MG targets consisted of 60 infantry silhouettes. Maximum 500 points/main target, on a sliding scale, was based on target hit and time required. Bonus was given for hitting all 18 main-gun targets and for ammunition conservation. Twenty-five points were awarded for each infantry silhouette hit.

The scoring consisted of a possible 21,200 maximum points per platoon, broken down as follows:

First, 18 main-gun targets (500 point/ hit) equal 9,000 points;

Second, sliding time scale (1-40 seconds) equal 9,000 points (main gun hit second after target exposure was worth 500 points; 40 seconds after, worth zero points);

Third, bonus for hitting all 18 targets equal 500 points:

Fourth, ammo bonus equal 1,200 points (100 points/round for all rounds remaining after 18 targets hit);

Fifth, 60 infantry silhouette (25 points/hit) equal 1,500 points; for a to-

tal of 21,200 possible points.

The final standings were as follows: Federal Republic of Germany (41,770); Belgium (36,577); United States (35,187); Canada (34,990); United Kingdom (34,840); and Netherlands (30,724). The U.S. results were encouraging and represented a significant improvement over previous Canadian Cup competitions.

U.S. results in NATO competitions are dependent to a large extent upon equipment and training as well as unit cohesion and time spent working together. In a "shooting and maneuvering contest," the Leopard I used by Germany, Belgium, the Netherlands, and Canada might well have had the advantage over the U.S. M60-A3 in maneuverability and reliability. The U.S. crew did well to come in ahead of the British, Canadians, and Dutch.

The fact to be kept in mind is not that the United States performed poorly because it did not win the contest, but rather that our European allies also have some good equipment and excellent training and that working together we can successfully deter the Soviets.

The main question I would like to pose today is what can we do to increase the level of capability of our U.S. military forces, reduce friction between U.S forces in Germany and the German population, and shore up in a concrete fashion the defense of Western Europe.

Perhaps the answer may be in better training and equipping of our Armed Forces, which could be done to a significant degree here at home. An increase in the level of Reserve Forces could also be part of the answer. A qualitative and quantitative increase in Allied defense spending is also essential.

If our mission in West Germany is to make the Germans more of a bulwark against the Soviets, we may be failing if we maintain an inadequately prepared force in the area at its present level, with its present composition. We are and need to be as supportive as possible of our German allies in a steadfast defense of the West. In order to do this, we must realize that the future of the Armed especially the problems the United States faces with the All-Volunteer Army, need to be addressed as soon as possible, and that the decisions we make now-to further instill pride and patriotism in the U.S. military; to share responsible burdens with our NATO allies; and to shore up our own military ranks—will be critical to United States-European relations and the safety and defense of the West.

Although the United States and Europe presently face substantial economic difficulties in terms of inflation, unemployment, high energy cost, and so forth, we must move in a unified and coherent fashion to implement both tracks of the December 1979, NATO decision to modernize our tactical nuclear forces; and proceed with meaningful and realistic arms control talks with the Soviets. It must be emphasized that this latter track can be pursued successfully only from a position of Allied strength

and unity. Expectations concerning arms control talks should not be viewed over-optimistically when the Soviets view Allied strength as inferior to their own and feel they have nothing to gain.

and feel they have nothing to gain.

We cannot hesitate in taking the necessary steps in consultation with our allies for the formation of a more unified and capable defensive establishment and strategy, with an emphasis on preparedness and quality. The difficult decisions that confront us cannot be post-poned.

OLDER AMERICANS EMPLOYMENT OPPORTUNITY WEEK

Mr. HEINZ. Mr. President, last July the Senate approved a resolution designating this week as "Older Americans Employment Opportunity Week." In connection with this week, there are special activities taking place across the Nation which are designed to promote the hiring and retention of older workers. As we in Congress confront the complex issues involved in social security and other retirement programs, we must not neglect the laudable aspirations of older persons who wish to work beyond retirement age.

In this connection I would like to call the attention of my colleagues to a special report prepared by the staff of the Special Committee on Aging entitled "Toward a National Older Worker Policy." This report will be a valuable guide to both Congress and to private industry as the need for more affirmative policies to attract and retrain older, experienced, and skilled workers becomes more pronounced in the coming decade. The report explores present retirement policies which tend to push older workers out of the labor force, and it identifies personnel practices which tend to favor workers and discriminate vounger against older workers on the basis of their age-and not on the basis of their ability.

The report then goes on to make specific and wide-ranging recommendations to implement expanded employment opportunities for older workers. For example, the report urges the complete abolition of mandatory retirement. It also recommends that the current social security earnings limitation be raised from \$5.000 to \$12,000. It also urges an increase in the scheduled retirement deferment credit from 3 percent to 9 percent per year for each year worked beyond age 65—which would make the credit a true incentive for older workers to stay on the job.

Specific recommendations for private employers include in-house reviews of age-biased personnel practices, the development of retraining programs, the use of part-time and flexitime work schedules, and liberalizing pension and employee benefit programs to encourage older workers to continue a productive role beyond the traditional retirement age.

Labor unions are urged to reassess bargaining strategies to assure that benefits gained for workers are not at the expense of older workers. Provision for part-time work in collectively bargained contracts is also recommended.

I want to make clear that these recommendations do not necessarily represent, in whole or in part the views of any member of the committee. Individual members may agree or disagree with some or all of the proposals. Nonetheless we believe this report is of value in confronting what may prove to be one of the major challenges of the decade. No one argues that keeping older

workers on the job will, of itself, save the social security system or the economy. But I do believe that promoting employment choices for older, productive Americans benefits our overall economy. Older persons who choose to remain working contribute their skills and experience to the economy. They also pay taxes—including FICA. This policy study describes new ways in which employers can deal with older workers ways to retain their skills, and reward their contributions in an equitable manner. It also notes that the time for developing a thorough older worker policy is close at hand. Demographics and the changing profiles of the labor force simply do not allow us the luxury of delay. We will need older workers to help keep our economy running in a relatively short period of time. This comprehensive report offers a solid building block for a national older worker policy. I recommend it, without reservation, for consideration by all my distinguished colleagues in the Senate and for all employers and labor unions.

I ask unanimous consent to have printed in the Record the executive summary of the report for the benefit of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Toward a National Older Worker Policy executive summary

Age discrimination in employment continues to play a pernicious role in limiting employment opportunities for older workers, as manifested by the increasing number and scope of complaints reaching the Equal Employment Opportunity Commission (EEOC) and litigation pending in the Federal courts. The Age Discrimination in Employment Act (ADEA) provides basic civil rights protection for older workers and for older persons seeking to reenter the labor force. But recent developments and cases suggest that there are weaknesses in the law which should be corrected.

Older worker employment programs in the United States have varied greatly in design, funding levels, and emphasis over the past years.

Although the Comprehensive Employment and Training Act (CETA) represented the Nation's basic manpower policy, older workers participated minimally in this program. Title V of the Older Americans Act, as amended, provides part-time work for older persons who meet certain Office of Management and Budget (OMB) poverty criteria. The program serves more than 54,000 older individuals. The larger, more expensive training and employment programs, however, appear to be directed at disadvantaged youth. The smaller, part-time work program is directed at older workers. There are certain values and policy implications involved in this dichotomy which deserve careful scrutiny.

Current employment programs sponsored by the U.S. Government can be changed to provide more equitable services to older workers. And there are many new policy and program initiatives which can and must be explored over the coming decade if the Nation is to develop a policy recognizing the older workers as a valuable human resource.

For example, an affirmative action program for workers between the ages of 40 and 70 might assure that these individuals (including older women and minorities) gain ready access to jobs made available through Federal contracts to major employers in the United States.

Congress could design and legislate special unemployment insurance and job retraining programs for middle-aged and older workers to enable them to remain in—or reenter—the labor force when external economic pressures would otherwise force them into premature labor force withdrawal.

Congress should also explore alternative employment programs which would provide older workers with incentives to defer retirement; provide employers with motivation and incentives to develop retention programs for older employees; and promote part-time employment opportunities for retired individuals seeking limited work opportunity.

Further, officials from the Departments of

Further, officials from the Departments of Commerce and Labor, along with representatives from the Administration on Aging, could assess and develop economic impact programs which can lead to job opportunities for older workers along with the other age groups in the labor force.

Current retirement policies should also be reconsidered. Various experts and observers have pointed out that continuing our present level of retirement income support is largely dependent on a combination of economic and demographic factors. If, for example, double-digit inflation abates over the coming years and if the economy as a whole does not slide into serious recession and the U.S. labor force achieves reasonable levels of productivity, then we may be able to afford current benefit levels. And older persons most likely will continue to retire at the expected early or normal retirement age.

But if economic conditions are more severe, then the support of an additional 5 million older persons in "full' retirement at the end of the decade, and millions more in subsequent decades, raises many questions. Will the retirement income, from whatever combination of sources, be adequate? Will able, older retirees be forced to engage in some sort of employment activity to make ends meet? Much has been written about inflation has eroded the incomes of older persons who retired 10 or more years ago on what then seemed to be an adequate retirement income. Retirement policies should focus on removing the disincentives which tend to push, or lure, older workers into retirement. A policy objective is to provide options within the retirement system which would allow for continued, part-time work, periodic callback to the workplace, and provisions for hiring new older workers.

Employment as an alternative to retirement should be thoroughly examined as one means to alleviate financial stress on the public and private pension systems as the Nation's older population expands over the coming decades. But, once again, new knowledge and tools are needed if employment and retention options are to become practical realities for older workers and prospective employers.

If a national older worker policy is to take hold, a major effort at organizing and disseminating present research and knowledge on age, work, and retirement must be made. The employer community at large and, specifically, personnel administrators and human resource managers need to know how to utilize older workers; and they need the tools and methods to do so. Furthermore, new knowledge is needed about older workers in new and effective ways. The gradual aging of

our population makes this knowledge all the more necessary.

Schools of gerontology, business administration, and industrial relations need to collaborate and share their experience as it applies to the aging process and the adjustment of work and retirement systems to accommodate this process in the workpiace. Schools of medicine with established programs in geriatrics also need to cooperate in generating research and information which can help in the development of flexible employment-retirement systems. The specific recommendations made by the Federal Council on the Aging are contained in appendix A.

TRIBUTE TO ROY WILKINS

Mr. GLENN. Mr. President, I want to pay tribute to one of the most dedicated, capable, and effective civil rights leaders of our time, the late Roy Wilkins. Born at the turn of the century in St. Louis, Mo., Roy Wilkins' life was an inspiration to all Americans who truly believe in the American creed of liberty and justice for all. Although often persecuted—and sometimes prosecuted—for his ideals, Mr. Wilkins waged a tireless and a lifelong fight against the evils of bigotry, hatred, and racial discrimination. When he passed from among us at age 80 last Tuesday, he left the country he loved a distinguished legacy of solid progress and proud achievement. Indeed, by continually striving to make his country better, Roy Wilkins demonstrated himself to be a patriot in the truest and noblest sense.

Though perhaps not as visible or as media-oriented as some of his colleagues, Wilkins' behind-the-scenes efforts were indispensable in winning many of the major civil rights battles. One of the earliest of those battles—unbelievable as it now may seem-concerned the enactment of the antilynching laws—a task to which Mr. Wilkins devoted a decade of his life after joining the NAACP in 1931. In 1954, as the executive director of the NAACP—a position he held for 22 years—Roy Wilkins was an influential figure in the landmark Supreme Court case of Brown against Board of Education. By mandating an end to separate and unequal public education in this country, the Court sought to open the doors of opportunity to every American without regard to the color of their skin. Among Roy Wilkins' other achievements was his work in organizing the 1963 march on Washington—an event at which his friend Martin Luther King, Jr., so eloquently spoke of his majestic dream for America. Through his close association with former President Johnson, Mr. Wilkins played a key role in urging the President to press for passage of the 1964 Civil Rights Act, the Voting Rights Act of 1965 and other important civil rights legislation.

Mr. President, Roy Wilkins' contributions to the quality of American life are as legion as they are legendary. His life made a difference. Hopefully, his death will not. In 1968, Mr. Wilkins spoke about the tragic assassination of Dr. Martin Luther King. He put it this way:

It will not stay the civil rights movement; it will instead spur it to greater activity. It is to be hoped that this . . . will help move

the American people to prompt actions to expunge racism from our national life. If such action is taken forthwith, the sacrifice of this great and good man will not have been in vain.

Mr. President, because those words are equally and clearly applicable to the life and death of Roy Wilkins himself, let us in Congress resolve to do whatever is necessary to insure that the struggle is not lost—and that the many sacrifices of Roy Wilkins were likewise not made in vain.

DR. MICHAEL LEWIS MATTEO

Mr. GLENN. Mr. President, it is often said that a community can become nothing more than what people put into it. For all the benefits produced by government and other institutions, the health of a community and the welfare of its citizens ultimately depend upon individual initiative. Recently, the city of Wickliffe, Ohio, set aside a special day to honor a man who early in life embraced the philosophy of community service, and who has spent the intervening years devoting his skills, talents, and energies to making Wickliffe a better place to live. That man is Dr. Michael Lewis Matteo.

Dr. Matteo is a native son of Wickliffe, a product of its school system and a man who departed the city only long enough to obtain a medical education and to serve in the Armed Forces, where he rose to the rank of lieutenant colonel before being honorably discharged.

After the war, Dr. Matteo returned to Wickliffe with his bride, the former Jane French Pugh, and quickly established a pattern of freely and selflessly offering his time to church and secular organizations of widely varying persuasions. He served without pay as the sports physician for the Wicklife city schools, and tended to the medical needs of the local police and fire departments. And he worked tirelessly to build up the Blue Coats of Lake County Fund, which is used to assist the families of police officers and firefighters who are killed or injured in the line of duty.

Mr. President, the list of organizations Dr. Matteo has served and the number of awards he has received from his grateful community are too numerous to mention. After 70 years of service, the people of Wickliffe decided that nothing short of setting aside an entire day in his honor would suffice. And so it was done, with a parade, a testimonial dinner and a dance all being part of the celebration.

I bring this to the attention of the Senate because too often we forget that people, as individuals, are the building blocks of our communities. Too often we forget that voluntary, individual effort can do the job and do it well. Fortunately, people like Dr. Matteo are there to remind us, and I am confident that the entire Senate joins me in paying tribute to him today.

TRIBUTE TO MRS. MORROW COF-FEY GRAHAM OF CHARLOTTE, N.C.

Mr. THURMOND. Mr. President, I take this opportunity to pay tribute to

the late Mrs. Morrow Coffey Graham, mother of evangelist Dr. Billy Graham, who passed away on August 14, 1981, at the age of 89.

To her devoted children, family, and friends. I offer my deepest sympathy.

Mrs. Graham played a significant role in the lives of many people. Her relationship to God had a great effect on her son, and he, in turn, had a tremendous impact on the world. His accomplishments can, in part, be attributed to a fine upbringing by his mother and father. Indeed, it has been said that few people have influenced Dr. Graham's faith more than his mother.

Though I never met Mrs. Graham, I know that she was a woman of uncompromising character who was loved by all who knew her. Her godly life has been an inspiration to many persons, friends and family alike. Truly, her life is worthy of emulation, and the life of her son is testimony to that fact.

Appropriate words at a time like this are hard to come by, but I feel that remarks made by Dr. Graham at his mother's memorial service may best express the gentle greatness of this wonderful woman.

In addition to these words by Dr. Graham, an article which appeared in the August 15, 1981 edition of the Charlotte Observer provides information about the life of Mrs. Graham as a devoted wife, dedicated mother, and caring friend.

Mr. President, though these brief words cannot completely depict the lifeof this outstanding woman, I wish to share them with my colleagues, and I ask unanimous consent that these thoughts be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM MEMORIAL SERVICE FOR MORROW COFFEY GRAHAM (By Billy Graham)

It says here that "In Memory." I could take several hours in memory and each of my sisters and brother could even give more bethey have lived here closer in recent years, but I suppose, being the oldest, I have some memories too of her.

And one Scripture I would like to take in the beginning is Psalm 118:23 and 24. I was looking through her Bible which is so marked up, and I had given her that particular Bible about twenty-five years ago. And she had this "This is the Lord's doing; it is marvelous in our eyes. This is the day which the Lord hath made; we will rejoice and be glad in it.

And I like the emphasis that has already been made that this is a time of rejoicing. One of her great-grandchildren who is ten years of age said, when we visited Mother Graham a few days ago, "We looked down on her and she was so weak and so helpless. Now, she's looking down on us and we're so weak and so helpless." And that is exactly true. She's the one that is rejoicing and

I'm glad that she lingered as long as she did. She always hoped she wouldn't linger, but she did, because the statements she made in the last two or three months have beena book wouldn't contain all the things that she has said to pass on. In fact, she grabbed one of my sisters and said, "Pass it on." And that's what she wanted done.

But there are several things as I was com-

ing down on the plane yesterday, and I was trying to write down a few little things to pass on to you about her. As has already been mentioned, she was a women of the Word-Psalm 119:16: "I will delight myself in thy statutes: I will not forget thy word." So I was reading that Psalm to her and those of you that know the Bible know that it's the longest Psalm—it's as long as twenty other Psalms in the Bible, and I was reading it to her. This was about six weeks ago. And she started repeating it. She told me an interest-ing thing. She said, "You know I memorized that Psalm before I was twelve years old." I could hardly believe it.

I remember she made me memorize the Shorter Catechism and that was the hardest thing I ever did, and one of the reasons I wanted to leave home. She had memorized it.

I've often wondered how her faith came. I think part of it came from her father who was a soldier; wounded at Gettysburg, he had his leg shot off and while he was sitting there shrapnel came and took out his eye: and he came home and married, and had a mule and a little farm, but he taught the Word of God in the home. His three wonderful daughters were women of God.

And then she was a woman who worked with her hands. You know, the day I was born she picked beans all morning, and I was born about four o'clock in the after-noon. In Proverbs 31 it says, "She . . . worketh willingly with her hands." In those early years and during the depression years she worked out on the farm as well as keeping the books and answering the phone because my father and his brother, Clyde, had a little dairy. People would call up and say. "You forgot to leave us a quart of milk, whatever, and I remember when milk went down to five cents a quart how worried they were as to whether they could make it or not. She was right there, working hard from morning till night. Breakfast was ready every morning at five-thirty, and that was after we'd milked the cows.

And then she was a woman of love. She loved God supremely with all her heart and mind and soul. She loved her familythe children, the in-laws, the grandchildren, the great-grandchildren. She loved them all, and before she died she wrote every one of them a letter, sort of saying goodbye to them. Some of them were in her own hand, as it would shake along, and some she typed and some she had Rose to type for her.

And then she loved the church. When I was a boy we went to Chalmers Memorial Church on East Boulevard. She sang in the choir, taught a Sunday School class along with her sister, and her brother-inlaw was the one that kept the church going-Uncle Bo. I'll never forget because he'd there on Saturday cleaning it up and fixing it for the next morning. Then she was a charter member, I believe, of this church. My father certainly was a charter elder of this church.

And fourthly, she was a woman of gen-erosity. The Scripture says, "take heed that ye do not your alms before men to be seen Otherwise ye have no reward of them. your Father which is in heaven." I don't think anyone will ever know the little bits of money she sent to hundreds of peoplemissionaries on the foreign field, organizations she couldn't give very much to but she gave what she could, and she didn't want people to know about it. It was amazing. That story alone is something that is a thrilling thing for us to remember.

And fifthly, she had a ministry of letter writing. Paul said, "Ye see how large a letter I have written unto you with mine own hand." She wrote hundreds and thousands of letters to missionaries, to people who were suffering or persecuted or bereaved or were needing spiritual counsel, and last year, or

year before last (she was eighty-seven years of age) she wrote 537 letters in that year alone. She had a ministry of letter writing that most people never knew.

Rose Adams told us so many wonderful things. Rose called the family Saturday morning to say this: "I've been calling in my report on how Mother Graham is every morning. (She'd call the family every morning.) Today I want to give my final report. Your mother is alive and well, and walking in the streets of Glory. She had the best night she's ever had. And she's satisfied because she has awakened in the likeness of the Lord. She told me so many times, in the last few weeks, 'Rose, I'm not going to be satisfied here any more.'"

And so to our beloved mother we don't say goodbye. It won't be long till we'll see her

[From The Charlotte Observer, Aug. 15, 1981] MOTHER OF BILLY GRAHAM DIES AT 89

It happened pretty much as she would have chosen it, in the privacy of her home with her family around her-except that her oldest son, Billy, was away in Minneapolis.

Morrow Graham, mother of evangelist Billy Graham, died Friday evening after a summer of failing health. She was 89.

She was surrounded in her last days by members of her family-two daughters and a son who live in Charlotte.

Death came in the handsome brick house where she had raised her children. The house, which once stood on the edge of her husband's dairy farm, is nestled in a grove of trees a few blocks south of Charlotte's Park Road Shopping Center.

It is surrounded now by the flickering neon of nearby restaurants—the Great Wall of China, the Ole Smokehouse, a Steak 'n' Eggs. Next door is an IBM office building, with a plaque in front bearing this inscription:

"Birthplace of Dr. Billy Graham, worldrenowned evangelist, author, and educator and preacher of the gospel of Christ to more people than any other man in history. .

Few people influenced Graham's more than his mother. She was a woman of devout and old-fashioned piety, the demure and handsome daughter of a Confederate veteran of the Civil War, a quiet farmer named Benjamin Coffey who lost a leg and an eye in the battle of Gettysburg.

1910, she met her husband-to-be, In Franklin Graham, who died 19 years ago. They courted for six years, then knelt together on their wedding night and prayed that God would see fit to bless their marriage.

A year later, Mrs. Graham had a daughter, Helen Elizabeth, who died as an infant. On Nov. 7, 1918, Billy was born. He grew up happily as a favorite of his mother. His sister, Catherine McElroy, affirms without rancor:

"After we were all grown, I only lived a few blocks away. I was always there every day. Mother probably got tired of seeing me. But when Billy would come home, he was the light of her life."

During this summer, as Mrs. Graham's health began to decline—first from heart failure, then five weeks ago, a stroke—Billy traveled to Charlotte several times. He would drive down from his mountaintop home in Montreat, and he and his mother would often sit alone talking.

"I would just sit beside her and hold her hand, and talk with her when she would awaken," Graham said. "In the last two or three weeks, I would have to lean down so I could hear her whispering. Mostly it was Bible verses, or how much she looked forward to going to heaven, or how much we had meant to her. "And of course we told her the same how much we loved her, and how much her strength had meant to us. The last time I saw her was Saturday."

Graham was called away this week to a board meeting in Minneapolis, headquarters for his massive organization, the Billy

for his massive organization, the Billy Graham Evangelistic Association.

But Mrs. McElroy and Mrs. Graham's other two children—son, Melvin, and daughter, Jean Ford, wife of evangelist Leighton Ford—were almost constantly at her side.

Another frequent visitor was the Rev. Ross Rhoads, pastor of Charlotte's Calvary Church, where Mrs. Graham was a charter member.

"Watching her die was a lesson for me," said Rhoads. "She didn't give up. She had a will to do all she could until the end. She knew it was near, and yet there was not a shred of dread or panic.

"She did not want to die in the hospital," Rhoads added. "She was a very strong believer in the privacy of the home."

Mrs. McElroy recalls one of the first times she ever saw her mother cry was about 15 years ago, when the Graham children persuaded her to move into a Charlotte apartment complex.

She moved without complaint. But about six weeks later, when Mrs. McElroy asked her if she would like to move back to her house, Mrs. Graham began weeping softly. She moved back to her house and has lived there ever since.

Although it was uncharacteristic for Mrs. Graham to cry, her son-in-law Leighton Ford said, she began to let her feelings show more clearly—at least in the company of her family.

She would occasionally weep from nostalgia as she thought about the past. And, says Ford, "Her sense of humor, which was always there, became more apparent as well"

Friends from her later years describe her as gracious and impressive in her serenity and charm. But Ford says she also had a temper—particularly during her younger days, when the pressure of hard work was a major fact of her life.

She cooked breakfast every morning at 5:30, and served a midday meal for the hired hands on the farm. She kept the farm's financial records—sometimes an unpleasant task during the Depression.

But if hard times occasionally induced displays of anger, they seem never to have

created any bitterness or regret.
"She believed," said Rhoads, "that God had a plan for everything. She was not one to ask, 'What if. . . ?"

Mrs. Graham generally shunned the public spotlight. During the last days of her life, as she slipped in and out of a semicoma, she asked her family for reassurance: "The newspapers are not writing about me, are they?"

And yet for all her privacy, she was a prolific letter-writer and entertained a steady stream of visitors to her home, including reporters who asked about Billy. She would peer at her guests through thick bifocals, still a handsome woman with twinkling eyes and curling ringlets of soft white hair.

"This may surprise you," she told one reporter in 1979, "but I don't exactly feel proud of Billy. I don't think pride has any place in a Christian family. I would say I'm grateful—thankful that the Lord has blessed him as he has."

Told that quote Friday, Graham chuckled softly. "Yes," he said, "that sounds rather typical of her. In her Christian walk, she gave the credit to God."

The funeral will be at 3 p.m. Sunday at Calvary Church. Burial will be at the Steele Creek Presbyterian Church cemetery. Harry & Bryant is in charge.

TRIBUTE TO LOWELL THOMAS

Mr. THURMOND. Mr. President, Lowell Thomas, world renowned commentator, writer, and explorer, was an inspiration to millions of people during his lifetime. His death on August 30, at the age of 89, saddened people everywhere who not only knew him personally but knew him through the good works of his outstanding career of more than 50 years.

He was a historian and political analyst of keen insight who had attended Presidential nominating conventions since 1912. The richness of his voice and the depths of his thoughts about people, events and places captivated radio audiences for two generations.

Lowell Thomas was an eminent American who will be missed, and I want to add my own words of tribute to those being voiced around the world.

A United Press International dispatch, which appeared in the Columbia, S.C., State newspaper on August 30, underscores why we should remember him as a distinguished man of accomplishment.

Mr. President, in order to share this excellent news story with my colleagues, ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

"BROADCAST PIONEER LOWELL THOMAS DIES"

PAWLING, N.Y.—Lowell Thomas, the dean of the world's radio news broadcasters whose pioneer feats through more than five decades form one of the most extraordinary chapters in media history, died Saturday. He was 89.

His secretary, Electra Nix, said Thomas died of a heart attack in his sleep at his upstate New York home in Pawling.

He was the first man to broadcast from a ship, from an airplane, from a coal mine and from a submarine. His reporting work took him to both poles and almost everywhere in between.

As a noted columnist wrote in 1958, "The day will come when a compact man, with piercing blue eyes, wavy salt-and-pepper hair, a thin mustache and a voice like an organ will stride brisky toward the pearly gates. The guardian angel will recognize him at once. 'Here comes Lowell Thomas,' he will say. 'He's been everywhere else.'."

The longest continually operating voice in radio belonged to the indefatigable Ohioan, who first went behind the microphone in 1925 and began daily broadcasts on a Monday through Friday basis in 1930. His last daily broadcast for CBS radio was in May of 1976, at the age of 84. He continued intermittent broadcasts after that time.

"He had been well, and there was no indication of such a tragedy at all," Ms. Nix said.

"When I talked with him last night, we discussed working on correspondence," Ms. Nix said. "I worked with him yesterday until a few minutes past 5. He was in good spirits."

Thomas's second wife, Marianna, was with him at the time of his death. His first wife died in 1975.

Thomas had been working on a series of vignettes on what people accomplished in their later years—what he called "the best years." It was being used as a syndicated radio spot feature sponsored by Mutual of Omaha.

He once explained the secret of his success. "I try to make news somewhat entertaining." he said. "It seems to me that the day-by-day exploits and adventures are fan-

tastic, fabulous. Why shouldn't they be entertaining? And why shouldn't you tell them in a way that brings it out in that fashion? I've always tried to do that."

Thomas knew personally every president from William Howard Taft to Gerald Ford. He respected each of them and called them all "glants."

Vice President George Bush said he was "deeply saddened to learn of the death of my close friend and one of our nation's finest citizens."

"As one of our legendary journalists and goodwill ambassadors, he combined decency, integrity, and great professionalism with a true spirit of adventure," Bush said in a statement, adding that he and his wife were grateful to Thomas "for all of his kindnesses over many years."

The commentator was born in Woodington, Ohio on April 6, 1892, "around the corner from the world's most famous lady sharpshooter, Annie Oakley."

His father, a doctor, headed west shortly after his son's birth, and set up practice in the mining town of Cripple Creek, Colo. Thomas grew up peddling papers in salcons, packing a pistol and walking to Sunday School through the town's red-light district, hand in hand with a young woman who later became speakeasy queen Texas Guinan.

Thomas landed his first reporting job at the age of 18 with the Cripple Creek Times. Shortly afterward, he became editor of the Victor (Colo.) Daily Record. He saved enough money for college and earned his B.A. and M.A. degrees at the University of Denver. He then studied law at night at Kent College in Chicago, working in the daytime on the Chicago Journal.

Thomas studied constitutional law at Princeton University, supporting himself by instructing other students in public speaking.

He also gave illustrated talks before various civic groups, which were based on a film-making expedition he had made earlier in the Yukon.

He had been thinking of becoming a teacher, but found he could make more money in two or three days lecturing than he could earn as a college teacher in a month.

His reputation as a public speaker led President Woodrow Wilson to commission him in 1917 to tour the Allied war fronts and tell the American people what he saw. The purpose was to bolster morale on the home front.

Before taking off, he married Frances Ryan, whom he had met at the University of Denver. They journeyed to Europe together, he to the various war zones, including Palestine, and she to assignments with the Red Cross.

Thomas met Commander (later Field Marshal) Edmund Allenby in Palestine, and also got to know T. E. Lawrence

He witnessed Allenby's capture of Jerusalem from the Turks. And he was the only correspondent to cover Lawrence's Arabian campaign.

After the war, Thomas devised an illustrated lecture entitled "With Allenby in Palestine and Lawrence in Arabia." The show, as he preferred to call it, opened in New York and then went to England.

It was instantly successful, made Thomas rich and enabled him to buy a luxurious 500-acre estate in Dutchess County, 60 miles north of New York City. It was from his home that he made many of his CBS broadcasts.

Thomas's initial broadcast in 1925 was over Station KDKA in Pittsburgh. He became a regular broadcaster in 1930 at the behest of the man who was then president of CBS, William Paley.

Paley persuaded him to audition for a news program sponsored by the Literary Digest. Floyd Gibbons, who had been doing the program on NBC, had been fired. Paley hoped he could get the program for CBS if the sponsor liked Thomas. The rest is broadcast history.

DEATH OF MRS. RUTH D. THOMAS OF COLUMBIA, S.C.

Mr. THURMOND. Mr. President, I was deeply saddened to learn of the death of Mrs. Ruth D. Thomas in my home State of South Carolina. She was a fine, patriotic, public-spirited woman who made outstanding contributions in the field of education during her long and productive career. Her knowledge of South Carolina was immense, especially her knowledge of history of the Palmetto State which she taught to so many students.

Her daughter and son-in-law, Mr. and Mrs. William D. Workman, Jr., of Columbia, S.C., can be justifiably proud of Mrs. Thomas and her career. I express my regrets to them, as well as to the entire family. A recent editorial in the Columbia, S.C., State expresses my sentiments about the passing of this wonderful lady.

Mr. President, in order to share these comments with my colleagues, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From The State, July 8, 1981] RUTH D. THOMAS

In these days of heightened awareness of equal rights and opportunities for women, Mrs. Ruth Dorrill Thomas may have seemed to the feminists an anachronism.

Mrs. Thomas, who died Sunday at the age of 90, spent her entire adult life as a teacher. She started teaching in the days when that was the career expected of many young women, and when it was also expected that they would become wives and mothers.

Mrs. Thomas was an outstanding teacher, and she set an example as an achiever for pupils and students for more than 40 years. Her career spanned a broad range—from a one-classroom school to the studios of S.C. Educational Television, where she taught statewide the subject she knew best, S.C. history.

history.

Mrs. Thomas reached her profession's heights, serving as president of the S.C. Education Association, and the Classroom Teachers Association of S.C. She was influential in the National Education Association.

Mrs. Thomas was proudest of having organized the first Future Teachers Club of America in Walterboro, where she has spent most of her working life. The organization is now nationwide.

A friendly and lovely lady, Mrs. Thomas relished her professional and personal life, and she lived her last years in a contentment to which many today should aspire.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President,, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Helms). Without objection, it is so ordered.

DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1982

UNANIMOUS CONSENT AGREEMENT

Mr. BAKER. Mr. President, I believe we are now in a position to present the unanimous-consent request with respect to another vote on the Johnston amendment to the Department of Justice authorization bill. I propound now the following request:

Mr. President, I ask unanimous consent that it may be in order for the Senator from Louisiana (Mr. Johnston) to file a cloture motion today with respect to amendment No. 96 to S. 951, the Department of Justice authorization bill, and that a vote on the motion be deferred until the hour of 2 p.m., on Wednesday, September 16.

Further, I ask unanimous consent that S. 951 not be made the pending business before the Senate unless and until cloture is invoked on amendment No. 96, on Wednesday, September 16; and, further, that if cloture is not invoked on Wednesday, September 16, S. 951 return to the calendar and, notwithstanding its status as the unfinished business, be brought

before the Senate again only on motion.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I shall not object. Will the majority leader include in that the request that someone may file a cloture motion on behalf of Mr. JOHNSTON?

Mr. BAKER. Yes, Mr. President. I ask unanimous consent that the distinguished minority leader, as well, may file a cloture motion on behalf of the Senator from Louisiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the unanimousconsent request? The Chair hears none. Without objection, it is so ordered.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Johnston, I send the cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on amendment number 96 (as modified) to S. 951, the Department of Justice authorization bill.

Mr. Johnston, Mr. Bentsen, Mr. Randolph, Mr. Stennis, Mr. Long, Mr. De-Concini, Mr. Exon, Mr. Chiles, Mr. Grassley, Mr. Huddleston, Mr. Nickles, Mr. Mattingly, Mr. Proxmire, Mr. Boren, Mr. Kasten, and Mr. Heflin.

RECESS UNTIL 3:45 P.M. TODAY

Mr. WEICKER assumed the chair.

Mr. BAKER. Mr. President, there is one item of business that we may be able to transact on the legislative calendar today. The clearance process is still continuing. I hope that it may be possible to turn to consideration of Calendar Order No. 225, S. 859. We are not prepared,

however, to proceed with that at this moment. In order to accommodate other requirements, Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 3:45 p.m.

There being no objection, the Senate, at 3:17 p.m., recessed until 3:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Stevens).

Mr. BAKER. Mr. President, there is one matter, as I indicated earlier, that we may be able to do on the legislative calendar. I understand that the distinguished minority leader is on his way to the floor, so while we await his arrival I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Durenberger). Without objection, it is so ordered.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended until not later than 4:30, under the same terms and conditions of the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secre-

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations; which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

SPECIAL MESSAGE FROM THE PRES-IDENT REPORTING ON THE DE-FERRAL OF CERTAIN BUDGET AUTHORITY—PM 76

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents; which pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Finance, the Committee on Commerce, Science, and Transportation, and the Committee on Energy and Natural Resources:

To the Congress of the United States:
In accordance with the Impoundment
Control Act of 1974, I herewith report
two new deferrals totaling \$6.7 million
and revisions to three previously reported deferrals.

The deferrals affect programs in International Development Assistance, the Department of Health and Human Services, the Department of Transportation, the Pennsylvania Avenue Development Corporation, and the Motor Carrier Ratemaking Study Commission.

The details of each deferral are contained in the attached reports.

RONALD REAGAN.
THE WHITE HOUSE, September 10, 1981.

MESSAGE FROM THE HOUSE

At 10:48 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4034) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and has appointed Mr. BOLAND, Mr. TRAXLER, Mr. STOKES, Mrs. BOGGS, Mr. Sabo, Mr. WHITTEN, Mr. GREEN, Mr. COUGHLIN, Mr. Young of Florida, and Mr. CONTE as managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4416. An act to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases.

At 2 p.m. a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4169. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1982, and for other purposes.

HOUSE BILL REFERRED

The following bill was read twice by unanimous consent, and referred as indicated:

H.R. 4169. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

HOUSE BILL HELD AT THE DESK

The following bill was ordered held at the desk by unanimous consent:

H.R. 4416. An act to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and

contagious or infectious animal and poultry diseases.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1878. A communication from the Acting Chairman of the Federal Trade Commission, transmitting, pursuant to law, a Trade Regulation Rule concerning the sale of used motor vehicles; to the Committee on Commerce, Science, and Transportation.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-378. A resolution adopted by the House of Representatives of the State of South Carolina; to the Committee on Agriculture, Nutrition, and Forestry:

"A HOUSE RESOLUTION

"Whereas, there is now pending in the Congress legislation sponsored by Senator Mark Hatfield of Oregon and Congressman Thomas Petri of Wisconsin aimed at the destruction of the historically successful and cost effective tobacco loan and acreage allotment programs, coupled with a substantial retail tax on cigarettes and perhaps other tobacco products; and

"Whereas, the purpose of the loan program is to stabilize the tobacco economy which has worked extremely well for forty years to insure adequate prices to enable farmers to stay in business and provide an adequate supply of tobacco in bad crop years for domestic and foreign markets; and

"Whereas, the acreage allotment program has further contributed to this stability by avoiding overproduction and requiring a quality product from the tobacco farmer who wishes to compete successfully in the marketplace; and

"Whereas, the tobacco farmer and the tobacco industry rather than being subsidized return a substantial profit to government producing at least six billion dollars of revenue in return for the relatively modest costs of administering the above programs; and

"Whereas, tobacco is the nation's fifth leading money crop and first in South Carolina where sixty thousand people find employment on the farm and in the industry and the importance of maintaining such an industry in a stable condition is obvious; and

"Whereas, the well-intended comment of the sponsors of this destructive legislation which implies that the "deregulation" of tobacco would work an advantage to farmers was certainly not based on consultation with those farmers whose principal income is based on continued operation of the present system; and

"Whereas, the tobacco farmers, industry and various local and national groups associated with the industry have worked diligently and effectively to "keep their house in order" and have substantially reduced their reliance on federal regulation and assistance; and

"Whereas, it would indeed be tragic to destroy a program that has worked so well and so economically when such destruction would result in no benefit to and even possible chaos in the tobacco industry.

"Now, therefore, be it resolved by the House of Representatives of the State of South Carolina:

"That by this resolution the Congress of

the United States is memorialized to oppose pending legislation to destroy the federal tobacco loan and acreage allotment programs and the retail tax increase proposed as part of such legislation.

"Be it further resolved that copies of this resolution be forwarded to the President of the United States, the Vice-President, Speaker of the House of Representatives, the Chairman of the House and Senate Agriculture Committees, the Chairman of the Tobacco Advisory Commission and the members of the South Carolina Congressional Delegation, all in Washington, D.C."

POM-379. A petition from a citizen of Summerland Key, Fla., urging congressional cooperation with the President in strengthening U.S. Armed Forces; to the Committee on Armed Services.

POM-380. A petition from the citizens of Yelm, Wash., urging congressional cooperation with the President in strengthening U.S. Armed Forces; to the Committee on Armed Services.

POM-381. A petition from a citizen of Houston, Tex., urging congressional cooperation with the President in strengthening U.S. Armed Forces; to the Committee on Armed Services.

POM-382. A resolution adopted by the House of Representatives of the State of Texas; to the Committee on Banking, Housing, and Urban Affairs:

"RESOLUTION

"Whereas, The Securities Exchange Act of 1934 specifies margin requirements for the purpose of preventing the excessive use of credit for the purchase or carrying of securities: and

"Whereas, The purpose of such margins is to prevent speculation on credit from draining a disproportionate share of the nation's credit resources into the stock market; and

"Whereas, H.R. 4145 was introduced in Congress to amend the Securities Exchange Act of 1934 to provide uniform margin requirements in transactions involving the acquisition of securities of certain United States corporations by foreign persons where such acquisition is financed by a foreign lender; and

"Whereas, H.R. 4186 was introduced in Congress to impose a moratorium on foreign purchase of five percent or more interest in mineral interests in lands of the United States; now, therefore, be it

"Resolved, That the House of Representatives of the 67th Texas Legislature, 1st Called Session, hereby request the United States Congress to enact H.R. 4145, by Congressman Jim Collins, and H.R. 4186, by Congressmen Emerson and Santini; and, be it further

"Resolved, That official copies of this resolution be prepared for the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and all members of the Texas delegation to the Congress with the request that this resolution be officially entered into the Congressional Record as a memorial to the Congress of the United States of America."

POM-383. A resolution from the Bay Area Center for Law and the Deaf, Oakland, Calif., supporting H.R. 375 and S. 604; to the Committee on Commerce, Science, and Transportation.

POM-384. A resolution adopted by the Trustees of the U.S. Travel Data Center making certain recommendations to the U.S. Bureau of the Census relative to the 1982 National Travel Survey; to the Committee on Commerce, Science, and Transportation.

POM-385. A petition from the city of Chisholm, Minn., opposing the bill S. 898; to the Committee on Commerce, Science, and Transportation.

POM_386 A resolution adopted by the Consumers Organization for the Hearing Impaired, Inc., Laurel, Md., favoring passage of bills H.R. 375 and S. 604; to the Committee on Commerce, Science, and Transportation.

OM-387. A petition from citizens of several towns and cities in the State of Georgia urging legislation establishing a fee for citizens' band radio licenses and recommendations for uses of such fees; to the Committee on Commerce, Science, and Transportation POM-388. A petition from certain citizens

of Brownwood, Tex., urging legislation estab-lishing a fee for citizens' band radio licenses, and recommending uses for such funds; to the Committee on Commerce, Science, and

Transportation.

POM-389. A resolution adopted by the board of directors of Operation Threshold, Black Hawk and Buchanan Counties, Iowa opposing the immediate decontrol of natural gas prices; to the Committee on Energy and Natural Resources.

POM-390. A resolution adopted by the board of trustees of City Public Services, San Antonio, Tex., opposing immediate de-control of natural gas prices; to the Com-mittee on Energy and Natural Resources.

POM-391. A petition signed by certain citizens of Troy, N.Y., opposing the raising of the debt ceiling to permit a trillion dollar debt; to the Committee on Finance.

POM-392. A resolution adopted by the Assembly of the State of California; to the Committee on Environment and Public

"House Resolution No. 32

"Whereas, Clean water is essential to the

public health and safety; and

"Whereas, It is of paramount importance that the limited water resources of the state and nation be protected from pollution, conserved, and reclaimed wherever possible to ensure continued economic and growth; and

"Whereas, The federal Clean Water Act sets standards for preserving water quality in our nation's rivers, streams, lakes and oceans, and provides for federal participation in construction of facilities to clean up water pollution; and

"Whereas, Rising costs of construction and technological changes have pushed the cost of constructing treatment facilities be-yond the reach of local and state agencies alone; and

"Whereas, For the last 10 years, the federal government has joined in partnership with state and local governments by providing 75 percent of funding for construction of treatment facilities so that municipal sewage discharges meet federal water quality standards: and

"Whereas, The State of California provides 121/2 percent of the funding, leaving 121/2

percent as the local share; and

Whereas, The President and Congress have expressed an intent to eliminate all funding for the clean water program in the 1981-82 fiscal year while changes to the federal Clean Water Act are worked out; and

Whereas, Because water knows no political boundaries, it is desirable for the federal government to continue contributing to construction of these facilities in order to meet its obligations to protect and promote the health, safety, and welfare of its people; now, therefore, be it

"Resolved by the Assembly of the State of California, That it is the Assembly's intent to protect California's waters from the rav-

ages of pollution; and be it further
"Resolved, That the Assembly of the State
of California respectfully memoralizes the
President and the Congress of the United States to restore funding for the clean water program in the coming fiscal year in order to save taxpayers \$114 million in inflationary costs which will be incurred in this state if the program is delayed; and be it further "Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House

of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-393. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"ASSEMBLY JOINT RESOLUTION NO. 40

"Whereas, The nation of Greece and its people have been long time and loyal allies of the United States: and

Whereas. The bonds between the Greek and American peoples have remained strong through their mutual struggle together in two World Wars and through their on-going alliance: and

Whereas, The Greek nation was the cradle of Western democracy and its people have continued to hold high the ideals of democracy; and

Whereas, Like the Greek people, Americans value their freedom and independence and support the hopes of those who yearn to be free; and

"Whereas, Many of the Greek people on the island of Cyprus have now lived for seven years under the illegal occupation of Turkish forces, an occupation which has been condemned by international bodies, including the United Nations, and many more have been made homeless by the Turkish invasion and occupation; and

"Whereas, The United States government through the lifting of its arms embargo against Turkey has relieved the pressures on that nation to end its occupation: Now,

therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California Legislature of the State of California strongly urges the President and the Con-gress of the United States to adopt a foreign policy which recognizes not only the strategic importance of Greece but also the need support a nation which has so loyally stood by our country and which values its democratic institutions; and be it further

Resolved, That the Legislature of the State of California urges the President and the Congress of the United States to bring pressure to bear on Turkey to end the occupa-tion of Cyprus so that Greek and Turkish Cypriots may live in peace and freedom; and

be it further "Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.'

POM-394. A resolution adopted by the Political Action Committee of the Congress of Filipino American Citizens, Jersey City, N.J., urging the appointment of the National Chairman of the Congress of Filipino American Citizens as U.S. Ambassador to the Philippines; to the Committee on Foreign

POM-395. A petition from certain citizens of Washington, D.C., urging congressional disapproval of D.C. Act 4-69, D.C. Sexual Assault Reform Act of 1981; to the Committee on Governmental Affairs.

POM-396. A resolution adopted by Council of the city of Long Beach, Calif., urging remedies for those of Japanese ancestry interned in the United States during World War II; to the Committee on the Judiciary.

POM-397. A printed document of the Giles-Everingham VFW Post No. 9507, Madison Heights, Mich., transmitted by Herbert Stevens, relative to National POW-MIA Recognition Day, July 17, 1981; to the Committee on the Judiciary.

POM-398. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"A CONCURRENT RESOLUTION

"Whereas, the Voting Rights Act of 1965 has been hailed by many as the most effec-tive civil rights legislation ever passed; and

'Whereas, this statute is aimed at ensuring that all qualified electors can register and vote by providing swift administrative relief to any such citizen who is denied that right; and

Whereas, in 1975, the 94th Congress in its first session adopted a seven year exten-sion of the Voting Rights Act of 1965; and

Whereas, this landmark act is due to expire in August of next year unless Congress further extends it; and

Whereas, the Voting Rights Act stands as the embediment of the basic democratic principles of this nation: the equality of all of its citizens and the preservation of their right to vote.

Therejore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Louisiana Legislature hereby memorializes the Congress of the United States and urges the Louisiana congressional delegation to approve an extension of the Voting Rights Act, if and only if the scope of the Voting Rights Act is expanded to include each and every state, district, and territory of the United States.

"Be it further resolved that a copy of this Resolution be transmitted to the clerk of the United States House of Representatives and the secretary of the United States Senate and to each member of the Louisiana Congressional delegation."

POM-399. A resolution adopted by the House of Delegates of the American Bar Association, urging the individual States to ensure adequate funding for legal assistance to the indigent; to the Committee on the Judiciary.

POM-400. A resolution adopted by the American Library Association Council, urging continued free public access to Federal information; to the Committee on the Judi-

ciary.
POM-401. A resolution adopted by the National Association of the Physically Handicapped, Inc., requesting an explanation from President and Congress as to how the elimination of programs for the disabled can affect the goals of the physically handicapped; to the Committee on Labor and Human Resources.

POM-402. A resolution adopted by the Senate of the Commonwealth of Massachusetts; ordered to lie on the table:

"RESOLUTIONS MEMORIALIZING CONGRESS TO ADOPT A NATIONAL STRATEGY OF PEACE THROUGH STRENGTH

"Whereas, the Soviet Union has exploited United States peace initiatives to build up its strategic and conventional warfare capabilities; and

Whereas, this has given the Soviet Union the means to support increasingly boider world-wide aggression; and

"Whereas, there is basis for concern that Soviets may next use these forces in Pakistan, Iran, and Yugoslavia; and

Whereas, the Soviet Union has demonstrated an unwillingness to live by international law; and

"Whereas, the United States is the one world power that can stop the Soviet expan-sionism; now therefore, be it

"Resolved, (A) That the Massachusetts Senate respectfully urges the Congress of the United States to adopt a national stratof peace through strength, the general principles of which would be:

(1) To inspire, focus and unite the national will and determination to achieve this goal of peace through freedom;

To achieve overall military and technological superiority over the Soviet Union;

(3) To create a strategic defense and a civil defense which would protect United States citizens against nuclear war at least as well as the Soviets defend their citizens;

(4) To accept no arms control agreement which in any way jeopardizes the security of the United States or its allies, or locks the United States into a position of military inferiority;

(5) To re-establish effective security and intelligence capabilities;

(6) To pursue positive non-military means to roll back the growth of Communism;

To help our allies and other non-Communist countries defend themselves against Communist aggression; and

(8) To maintain a strong economy and protect our overseas sources of energy and other vital raw materials.

That the Massachusetts Senate acknowledge that it will take the combined efforts of hundreds of organizations to achieve the adoption of a national strategy of peace through strength; and be it further

"Resolved, that copies of these resolutions be transmitted by the Clerk of the Senate the Presiding Officer of each branch of Congress and to the Members thereof from this commonwealth."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Robert A. G. Monks, of Maine, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term

of 3 years;
Victor M. Thompson, Jr., of Oklahoma, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term

C. Howard Wilkins, of Kansas, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 5 years; and

Victor A. Schroeder, of Georgia, to be Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 6 years.

The above nominations were reported from the Committee on Energy and Natural Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 1604. A bill to require the enactment of special legislation to continue the ex-penditure or obligation funds on any major civil acquisition whenever the cost of such acquisition has increased or, on the basis of estimates, will increase by 25 percent or more; to the Committee on Governmental Affairs.

By Mr. JOHNSTON:

S. 1605. A bill to provide for the reinstatement and validation of U.S. oil and gas lease No. E.S. 20644; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 1606. A bill to establish a supplemental insurance fund administered by the Secretary of Energy to pay the costs of necessary remedial action following damage to nuclear powerplants, including certain remedial action at the Three Mile Island facilities in Pennsylvania, to require participation in such fund by the licensees of nuclear powerplants as a condition for the licensing and continued operation of such powerplants, and for other purposes; to the Committee on Energy and Natural Resources and the on Environment and Public Committee pursuant to the order of Works, jointly, September 9, 1981

By Mr. D'AMATO (for himself, Mrs. Hawkins, Mr. Durenberger, Mr. Specter, Mr. Bradley, Mr. Mitchell, Mr. Cochran, Mr. Helms, and Mr.

S. 1607. A bill to amend the Internal Revenue Code of 1954 to provide a minimum interest and dividend exclusion of \$200 for each individual; to the Committee on Finance.

By Mr. INOUYE: S. 1608. A bill to authorize contracts for custodial care for mentally retarded or physically handicapped spouses and children members of the uniformed services; to the Committee on Armed Services.

By Mr. PRESSLER (for himself, Mr. Melcher, Mr. Andrews, and Mr. BAUCUS) :

S. 1609. A bill to amend the Federal Reserve Act to revise provisions relating to the Board of Governors of the Federal Reserve System, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DANFORTH: S. 1610. A bill to increase the excise tax on cigarettes and to transfer the revenues from such tax to the Federal hospital insurance trust fund; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 1604. A bill to require the enactment of special legislation to continue the expenditure or obligation of funds on any major civil acquisition whenever the cost of such acquisition has increased or, on the basis of estimates, will increase by 25 percent or more; to the Committee on Governmental Affairs.

(The remarks of Mr. PROXMIRE on this legislation appear earlier in today's RECORD.)

By Mr. HEINZ:

S. 1606. A bill to establish a supplemental insurance fund administered by the Secretary of Energy to pay the costs of necessary remedial action following damage to nuclear powerplants, including certain remedial action at the Three Mile Island facilities in Pennsylvania, to require participation in such fund by the licensees of nuclear powerplants as a condition for the licensing and continued operation of such plants, and for other purposes; pursuant to the order of September 9, 1981, referred, jointly, to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works.

NUCLEAR PROPERTY INSURANCE ACT OF 1981

Mr. HEINZ. Mr. President, I rise to introduce the Nuclear Property Insurance Act of 1981, which addresses the problem of inadequate insurance for nuclear powerplant property, including the funding available for cleanup at Three Mile Island (TMI), near Harrisburg, Pa.

Since the accident at Three Mile Island on March 29, 1979, there has been some progress in cleanup of the contaminated TMI-2 unit. Krypton has been vented from the containment building and some radioactively contaminated water has been removed from an auxiliary building and successfully treated. We have a completed environmental impact statement, and recently the owner of the plant, General Public Utilities, has installed a water treatment system to decontaminate the 700,000 gallons of radioactive water which remain at TMI-2.

But as this effort proceeds, we must face the fact that cleaning up the facility will require another 5 to 9 years, at an estimated total cost of between \$900 million and \$1.3 billion, and that the original \$300 million of insurance is likely to be exhausted next year. It is estimated that what remains of that insurance money, approximately \$90 million, will be sufficient for removal and cleanup of the radioactive water. However, there will not be sufficient funds to cover the next essential steps in this process: decontamination of the interior surfaces of the reactor containment building and removal and disposal of the damaged core force of the reactor vessel.

We cannot halt the cleanup progress we have made to date without endangering health and safety in the area. As the Nuclear Regulatory Commission's envi-ronmental impact statement pointed out

Until TMI-2 is largely decontaminated, there is a small probability (which increases with time) of uncontrolled releases of radioactivity to the environment. Decontaminathe plant and disposal of the wastes will eliminate this possibility for potential harm to the public and workers at TMI. The staff therefore concludes that the full cleanup of the facility must proceed as ex-peditiously as is reasonably feasible, consistent with ensuring public health and safety and protecting the environment.

And unless we deal now with the larger question of creating an adequate level of property insurance for all nuclear powerplants, we face this same financial problem again if there were to be another major nuclear accident. In addition, until we have such an insurance plan in place, we are not really in a position to decide among the various current options for generating electricity on a large scale-coal, oi!, gas, and nuclearsince we are not representing one of the true costs of using the nuclear option.

For all of those reasons—the need to protect the health and safety of the people in the Three Mile Island service area, the need to prevent a recurrence of this financial problem should a future accident occur, and the need to accurately reflect the true costs of all electricitygenerating options-we must proceed expeditiously with both the TMI cleanup and the creation of additional nuclear property insurance for future accidents.

It seems clear to me that both of these tasks will require a collective effort. No single party bears all the responsibility, or has, as a practical matter, the realistic chance of paying for either the cleanup or the insurance for future accidents.

The owner of the utility is in desperate financial shape. Since the accident, both the undamaged TMI unit and the damaged TMI unit 2 have been removed from GPU's rate base, so that the company has had to find another source to cover its fixed costs and interest costs on the \$1.1 billion invested in those two units. It has found that funding by suspending all common stock dividends, at a cost of \$200 million to its stockholders.

GPU has also had to seek additional funding to provide power to its customers previously served by TMI-1 and TMI-2. In order to get the necessary short-term loans to do so, it has mortgaged all of its assets to a consortium of banks. Financial experts have considered the possibility of bankruptcy as means of solving the problem, but their analysis has shown that bankruptcy would simply increase the litigation costs and financing costs of the cleanup; increase the cost of financing for all electric utilities by causing investors to demand a higher risk premium for utility stocks and bonds; and increase the public health and safety hazard by delaying the cleanup.

The ratepayers have also been stretched very thin in an effort to solve this problem. GPU's customers served by Three Mile Island have seen their electric bills increase by 50 percent to pay the costs of replacement power, at a time when they were already paying a larger percentage of their incomes for power than ratepayers in many other parts of the country.

During the 27 months which have passed since the accident, these and other difficulties have led to an impasse over funding the cleanup costs. Recently several significant steps have been taken which may aid in resolving that impasse:

First. The Edison Electric Institute, an association of utilities companies. has adopted a motion which recognizes that cleaning up TMI-2 is in the best interests of the EEI companies and their customers and that, therefore, the utilities should make some significant contribution toward that goal; and

Second. On July 9, Gov. Richard Thornburgh of Pennsylvania outlined a plan for a national sharing of the costs of the cleanup.

While both of these steps are helpful, neither provides the mechanism to finally resolve the cleanup impasse or to resolve the larger question of adequate nuclear property insurance for utilities. And every day of further delay in resolving these problems increases the risk to the health and safety of the people of Pennsylvania, increases the ultimate cost of cleanup, and continues the danger of inadequate coverage for all citizens served by nuclear utilities.

The bill I am introducing today will provide a mechanism to resolve both of these problems by providing for a nuclear property damage insurance fund to be administered by the Department

of Energy. The fund would be created through a system of insurance premiums to be paid by all electric utilities which own nuclear powerplants, and insurance coverage under this plan would be required as a condition of receiving and maintaining an operating license from the Nuclear Regulatory Commission.

The fund would only be used when cleanup and rehabilitation costs from a nuclear accident exceeded the amount of commercially available insurance by \$50 million, up to a maximum of \$2 billion. Given the \$300 million of commercial insurance coverage available today, that would mean that none of the new funding proposed in my bill would be expended until after the first \$350 million of accident costs had been covered by insurance and the affected utility. And because the cost of the insurance would become a part of the cost of generating electricity by nuclear energy, this bill would provide a further step toward assuring that the price set for nuclear energy more accurately reflects the true costs of using this option, an important consideration as we as a country continue to compare the relative advantages of different ways of generating electric power.

The bill I am introducing today would also provide funds for the cleanup of TMI-2 by providing 75 percent of the funding for the uninsured cleanup costs incurred after the date of the bill's enactment. GPU would have to repay onehalf of any moneys received from the fund, over a period of time to be determined by the DOE. Thus, based on one current cost estimate, the total cleanup at TMI-2 would require \$900 million. GPU had \$300 million of insurance on the unit, leaving a total of \$600 million in unfunded costs under this estimate. My bill would cover 75 percent of those unfunded costs, with the remaining \$150 million to be provided by GPU. In addition, subject to terms to be set by DOE. GPU would repay 50 percent of that estimated \$450 million to the insurance fund over an extended period.

In conclusion, Mr. President, there are a number of key facts which we must not forget in considering this situation:

First. Public health and safety continues to be jeopardized at TMI while we prolong the cleanup effort;

Second. Energy ratepayers in this Nation will suffer higher electric bills as a result of the reaction of capital markets in some external funding mechanism to provide for the rapid cleanup of TMI-2 is not found; and

Third. Every utility which owns a portion of a nuclear powerplant is exposed to serious financial problems, including bankruptcy, and every ratepayer of those utilities is exposed to the threat of skyrocketing electric power costs, as a result of today's grossly inadequate levels of property insurance and the failure of our society to cleanup the accident at Three Mile Island.

These problems are national problems, and we must deal with them on a national basis. We have an opportunity to provide assurance to the people of the United States that customers served by

utilities with nuclear powerplants will have adequate financial safeguards in case of a nuclear accident. I urge my colleagues to seize this opportunity and to join with me in supporting passage of this bill.

By Mr. D'AMATO (for himself, Mrs. Hawkins, Mr. Duren-BERGER, Mr. SPECTER, Mr. BRAD-LEY, Mr. MITCHELL, Mr. COCH-RAN, Mr. HELMS, and Mr. HEINZ):

S. 1607. A bill to amend the Internal Revenue Code of 1954 to provide a minimum interest and dividend exclusion of \$200 for each individual; to the Committee on Finance.

INTEREST AND DIVIDEND EXCLUSION

• Mr. D'AMATO. Mr. President, the recent enactment of the Economic Recovery Tax Act of 1981 will long be remembered as a remarkable congressional achievement. Among the numerous tax reductions included in this landmark legislation were cuts in individual income taxes, corporate taxes, small business taxes, estate and gift taxes, and capital gains taxes.

This legislation, however, contains one glaring exception to its own basic philosophy. Taxes on savings are increased by this act. Section 302(b) repeals the current \$200 (\$400 in the case of a joint return) exclusion of dividends and interest from taxable income. This deduction is replaced with a much less generous provision allowing only a \$100 (\$200 in the case of a joint return) exclusion applied solely to dividend income. Beginning in 1982 there will be no generalized exclusion of interest earned on savings from taxable income.

Not only will section 302(b) discourage savings at a time when increased capital formation is so necessary to America's economic recovery, but it will also result in a tax increase on every American saver. Moreover, the small saver will be hit proportionately harder than the wealthy investor.

This unwarranted tax increase will fall most heavily upon the elderly living on fixed, retirement incomes supplemented only by the interest they earn on their life savings. This tax increase will also have a severe and adverse impact on lower and middle income working families struggling to make ends meet in spite of inflation. It was simply wrong to eliminate this exclusion which provides a needed incentive for the average American taxpayer to save. We should encourage, rather than discourage, these individuals to put money aside for the education of their children, for a downpayment on a home, or for other worthwhile purposes.

Except for that minority of taxpayers with incomes high enough to place them above the 30 percent marginal tax bracket, that is, those individuals for whom it makes financial sense to purchase an All Savers Certificate, every dollar of interest income will now be taxed, beginning from the very first dollar. By including section 302(b) in the Economic Recovery Tax Act the Congress has sent an unmistakable message to taxpayers with moderate incomes: "We do not care if you save. The small

amounts you set aside may be important to you, but in the grand scheme of things they mean very little. It is the wealthy who can save enough to make a difference; it is the wealthy who must therefore be encouraged to save."

Thus, to lessen the revenue loss, the Congress decided to eliminate the exclusion that benefits primarily the small saver and replace it with a new type of tax free investment benefiting only the well-to-do.

These are three major reasons for restoring the \$200-\$400 all inclusive exclusion for dividend and interest income. First, and most important, it represents fair treatment for taxpayers of all income classes. We should not be creating new tax exemptions for the wealthy, while simultaneously denying equal treatment to the middle class and to the retired.

When the average voter finds out what the Congress has done, he or she will be justifiably outraged. By repealing the \$200-\$400 exclusion and replacing it with the All Savers Certificate the Congress has violated the values of simple equity upon which the Internal Revenue Code should be based.

The second reason for restoring the \$200-\$400 exclusion is to encourage savings. Some may argue that this provision does not encourage savings since the affected individuals would save anyway. In return I ask: "How do they know?" The exclusion has been in existence for only 8 months. As of yet, no firm statistics based on actual data have been collected. It is, therefore, too early to be certain. At the very least, however, we can be certain that the \$200-\$400 exclusion does not discourage savings.

To those who maintain that the middle class and the retired will save anyway, but that the more well-to-do will not and thus need the encouragement of the All Savers Certificate, I reply that the wealthy are less, not more, likely to use all of their income for immediate consumption. Thus, they would be more likely to save and invest even without any Government encouragement. To those who believe that the All Savers Certificate will generate more new savings than the all inclusive \$200-\$400 exclusion and that only one such savings incentive can be afforded at this time, I reply that we cannot finance additional tax breaks for the wealthy by increasing taxes on the "little guy."

A third important reason for restoring this partial exclusion on interest income is that America's economic recovery is dependent on tax decreases, not on tax increases. More capital formation will result from tax reductions than will result from tax increases. Except for the closing of certain loopholes, we should not be increasing anyone's Federal taxes at this time. America is an overtaxed society and this Congress has dedicated itself to returning hard-earned income to the American public. Thus, we should not now be imposing new taxes through the back door by eliminating the partial exclusion of interest earnings from taxable income

For all of these reasons I have today introduced legislation to restore the

\$200-\$400 partial exclusion for dividend and interest income. I think it is necessary that we put this legislation on a fast track so that this exclusion is not allowed to lapse at the end of 1981.

My bill in no way affects the all-savers certificate. It in no way compromises the excellent provision included as part of the Economic Recovery Tax Act to provide a 15-percent exclusion on net interest income beginning in 1985. When this percentage exclusion becomes operative the \$200-\$400 partial exclusion will apply as a base amount. Taxpayers will be allowed to exclude from taxable income 100 percent of their interest income up to \$200 (\$400 in the case of a joint return) and 15 percent of any additional net interest income up to a total exclusion of \$450 (\$900 in the case of a joint return). These upper limits for the total exclusion are the same as those specified in the Economic Recovery Tax

The revenue loss for this legislation may sound high—over \$2 billion a year for the first 3 years—but it is really quite low when you consider that the Congress has already enacted this provision in 1979. We have already promised this small amount of tax relief to the American saver, and now it has been summarily taken away. We must reverse this unwarranted action.

By Mr. INOUYE:

S. 1608. A bill to authorize contracts for custodial care for mentally retarded or physically handicapped spouses and children of members of the uniformed services; to the Committee on Armed Services.

CONTRACTS FOR CARE OF CERTAIN DEPENDENTS OF MILITARY PERSONNEL

• Mr. INOUYE. Mr. President, today, I am introducing legislation to provide for the care of mentally retarded or physically and emotionally handicapped spouses and children of members of the uniformed services. This bill would amend the Department of Defense CHAMPUS program, specifically the handicapped children's section to authorize payment for the custodial care of dependents of active duty personnel.

My proposal is aimed at enhancing the quality of life for military families through additional health benefits. Families in our military services are not unlike most American families. They are beset by rising costs of basic needs such as food, energy, housing, and health care. I believe that through proposals which provide better health benefits for active duty personnel, the morale, preparedness, and retention of our highly trained military personnel will be considerably enhanced. Indirectly, our recruitment efforts may also be benefited.

It is my understanding that the lack of custodial care under CHAMPUS has created major financial drains on the resources of some families. The problem has become increasingly acute because of growing emphasis on professional review of long-term hospitalization. As a result of these professional reviews of health care services financed under the CHAMPUS basic program, benefits are increasingly being terminated when care

has been determined to be merely custodial. Although such a determination is appropriate, in many cases, the terminations involve dependents of active duty personnel who, because of the lesser severity of their mental or physical disorder, are not now eligible for the CHAMPUS program for the handicapped. Since most of our active duty personnel do not have alternative third party payment resources, they are experiencing great financial burdens for the care of their dependents who need custodial care.

This legislation could result in a substantial reduction of the financial burden now carried by many active duty personnel. Furthermore, since the program for the handicapped provides services to patients who are trainable and whose condition can be improved, it is possible that long-term governmental cost would be reduced through intervention.

The exact number of individuals who would be covered by this proposal and the exact costs are not known at this time. However, due to increased governmental contribution under the program for the handicapped (from \$350 to \$1,000 per person per month) and the professional review of care under the basic program, a certain number of beneficiaries and costs will be shifted and will not represent new costs. The fiscal year 1979 cost of the program for the handicapped has decreased substantially. In fiscal year 1975, the cost was \$9.4 million and in fiscal year 1979, the cost was \$2.3 million.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1077(b) of title 10, United States Code, is amended by—

(1) striking out "or custodial care" in clause (1);

(2) redesignating clause (2) as clause (3);

and
(3) inserting after clause (1) the follow-

ing new clause:
"(2) Custodial care for emotional or physical disabilities, except to the extent provided in section 1079(d) of this title.";

SEC. 2. Section 1079(d) of title 10, United States Code, is amended by adding at the end thereof the following new clause:

"(5) Custodial care for emotional or physical disabilities.".

By Mr. PRESSLER (for himself, Mr. Melcher, Mr. Baucus, and Mr. Andrews):

S. 1609. A bill to amend the Federal Reserve Act to revise provisions relating to the Board of Governors of the Federal Reserve System, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

AMENDMENT OF FEDERAL RESERVE ACT

Mr. PRESSLER. Mr. President, today I am introducing a bill on behalf of myself and Senator Melcher which amends the Federal Reserve Act to make the Federal Reserve more accountable to the

American people. I do this because of my concern for the high interest rates our country is suffering from and my contention that current Federal Reserve officials are not in touch with the problems of those sectors of our economy that depend on credit for their business operations.

In the past month, protest over unreasonable interest rates has reached a level that even insulated Washington officialdom is beginning to notice. We have been aware of the housing crunch for some time now and made some efforts to alleviate the tight mortgage money by passing the all-savers bill. However, the problem and effects of high interest rates have spread to every area of the country and every small business person and farmer is fighting for their economic life right now. No matter how hard these people work and, ironically, no matter how successful their operations have been in the past, the money needed to maintain and expand their enterprises is not available at a reasonable price.

The agriculture sector of our economy has experienced incredible costs in the past decade. But, whereas these fertilizer, seed, and machinery costs have increased almost 200 percent from 1967 to 1979, interest rates have increased 401 percent per acre in that time period and are estimated to have increased 200 percent more from 1979 to 1980. This means that in 1 year, interest rate costs per acre equal or exceed any of the other cost increases farmers have experienced in the

past decade.

Something must be done now to insure that the voice of the American people is heard where policy decisions on interest rates are made. And that is why I am introducing these amendments to the

Federal Reserve Act.

The Federal Reserve was created in 1913 and has been dominated by those persons involved in the world of high finance. Unfortunately, it is sometimes difficult for former presidents of some of our Nation's largest banks to maintain a clear view of the effects their policies are having on small business persons and farmers. My bill is designed to give those parts of our economy which are the backbone of our Nation a voice in Federal Re-serve policy. It does this by requiring that at least one member serving on the Federal Reserve Board have demonstrable experience in agriculture and one in small business.

Other provisions of my bill are a change in the current 14-year term for Federal Reserve Board Governors. My legislation reduces this term to 7 years in a belief that long terms only serve to isolate Reserve Governors from the effects of their economic policies.

The other two changes I am suggesting are that Members of Congress serve as ex officio members of the Federal Reserve and that the Board maintain statistics on loans made by size category of business in order that data may be accumulated with regard to interest rates and their effect on various categories of business by size.

I have pledged to continue working on this severe problem until relief is secured. I urge my colleagues to join with

me in supporting these amendments to the Federal Reserve Act and in responding to the voices of our constituents that are drowning in a sea of high interest

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as

S 1609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) sec tion 10 of the Federal Reserve Act (12 U.S.C. 241) is amended by-

(1) striking "fourteen years" and substi-

tuting "seven years",
(2) inserting immediately before the last sentence the following: "At least one member serving on the Board shall have demonstrable experience in small business and one in agriculture." and

(3) by adding at the end thereof the following new sentence: "The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint a person to serve as ex-officio members of the Board for terms not to exceed two

(b) Section 11(a) of such Act (12 U.S.C. 248) is amended by adding the following new sentence at the end thereof: "The Board shall maintain statistics on loans made by size category of business in order that data may be accumulated with regard to interest rates and their effect on various categories of business by size.".

By Mr. DANFORTH:

S. 1610. A bill to increase the excise tax on cigarettes and to transfer the revenues from such tax to the Federal Hospital Insurance Trust Fund; to the Committee on Finance.

EXCISE TAX ON CIGARETTES

 Mr. DANFORTH. Mr. President, today I am introducing a bill which would raise excise taxes on a pack of cigarettes by 10 cents. At present the excise tax is 8 cents a pack, a rate established in 1951, over a quarter of a century ago.

The revenues generated by this measure would be paid directly into the medicare program of health care for the elderly. Adding this 10-cent tax would generate close to \$3 billion annually, a sum which would prove a real shot in the arm for the ailing condition of the social security program.

An increase in cigarette excise tax program will go a long way toward making those who choose to smoke responsible for the tremendous health care costs now borne for them by the Federal Government. The sums spent by medicare and medicaid each year to treat persons suffering from smoking-related diseases is a staggering \$3.8 billion, an estimate from the National Center for Health Statistics within the Department of Health and Human Services. It strikes me as eminently fair to ask those doing the smoking to increase their share of the costs which their habits generate.

Three important things have happened since the cigarette tax was set at 8 cents a pack in 1951. First, we have had tremendous inflation, 8 cents in 1951 would be the equivalent of 25 cents today. In 1951, the Federal excise tax represented about one-third of the

average cost of a pack of cigarettes. Today, the Federal tax represents only one-eighth of the cost.

The second thing that has happened since 1951 is the Surgeon General's report. We now have indisputable evidence linking cigarette smoking with a whole range of catastrophic illnesses—lung cancer, strokes, emphysema and so on, and it is now the pronounced public policy of our Nation to discourage smoking.

Third, since 1951, the Government has established the medicare, medicaid, disability insurance and supplemental se-curity income programs. As a result, the American people—nonsmokers as well as smokers-are subsidizing through their taxes the real costs associated with cigarette smoking. An estimated 6 percent of the expenditures of the medicare and medicaid programs go to the treatment of illnesses caused by smoking. In 1980, that amounted to about \$3.8 billion spent by medicare and medicaid for smokingrelated diseases—a figure which would be significantly offset if a 10-cents-a-pack tax increase were enacted.

The additional \$3 billion would also make a major contribution toward solving the current financial crisis facing the social security system. Experts believe an additional \$50 to \$75 billion is needed to keep the system healthy over the next 5 years. This proposal would generate \$15 billion during that period—a sizeable portion of the system's projected short

No one likes to propose tax increases, but this is a case which is altogether logical, fair, and timely. It makes the smoker pay a larger share of smoking's cost to society. It also brings needed financial help to a troubled social security system and helps to avoid harsher solutions to that problem.

I invite each of my colleagues to study my proposal and join me as a cosponsor.

ADDITIONAL COSPONSORS

At the request of Mr. INOUYE, the Senator from Arizona (Mr. GOLDWATER), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 131, a bill to incorporate the Pearl Harbor Survivors Association.

At the request of Mr. Pell, the Senator from Illinois (Mr. Dixon) was added as a cosponsor of S. 672, a bill to require the Secretary of Transportation to administer a national driver register to assist State driver licensing officials in electronically exchanging information regarding the motor vehicle driving records of certain individuals.

S. 1053

At the request of Mr. Melcher, the Senator from Montana (Mr. Baucus), the Senator from California (Mr. CRANS-TON), the Senator from New York (Mr. MOYNIHAN), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Washington (Mr. Gorton) were added as cosponsors of S. 1053, a bill to amend the Federal Meat Inspection Act to authorize the Secretary of Agriculture

to regulate the transportation in commerce of horses intended for slaughter, and for other purposes.

S. 1131

At the request of Mr. Danforth, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1181

At the request of Mr. Jepsen, the Senator from Texas (Mr. Tower), the Senator from Wisconsin (Mr. Kasten), and the Senator from Arizona (Mr. De-Concini) were added as cosponsors of S. 1181, a bill to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

S. 1342

At the request of Mr. Melcher, the Senator from Tennessee (Mr. Sasser) was added as a cosponsor of S. 1342, a bill to define the circumstances under which construction workers may deduct travel and transportation expenses in computing their taxable incomes for purposes of the Federal income tax.

S. 1406

At the request of Mr. Lugar, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of S. 1406, a bill to amend the Depository Institution Deregulation and Monetary Control Act of 1980.

S. 1448

At the request of Mr. Mathias, the Senator from Idaho (Mr. Symms), the Senator from Delaware (Mr. Roth), the Senator from West Virginia (Mr. Randle), the Senator from Missouri (Mr. Danforth), and the Senator from Maryland (Mr. Sarbanes) were added as cosponsors of S. 1448, a bill to provide for the issuance of a postage stamp to commemorate the 70th anniversary of the founding of the Girl Scouts of the United States of America.

8. 1524

At the request of Mr. Metzenbaum, the Senator from Michigan (Mr. Riegle) was added as a cosponsor of S. 1524, a bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

SENATE JOINT RESOLUTION 67

At the request of Mr. INOUYE, the Senator from Maryland (Mr. MATHIAS) and the Senator from Wisconsin (Mr. KASTEN) were added as cosponsors of Senate Joint Resolution 67, a joint resolution to establish "National Nurse-Midwifery Week."

SENATE JOINT RESOLUTION 76

At the request of Mr. RANDOLPH, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of Senate Joint Resolution 76, a joint resolution providing for the commemoration of the 100th anniversary of the birth of Franklin Delano Roosevelt.

SENATE RESOLUTION 175

At the request of Mr. Boren, the Senator from New Mexico (Mr. SCHMITT), the Senator from Alabama (Mr. Her-LIN), the Senator from Tennessee (Mr. SASSER), the Senator from North Carolina (Mr. East), the Senator from Kansas (Mrs. Kassebaum), the Senator from Hawaii (Mr. Matsunaga), the Senator from Nevada (Mr. Laxalt), the Senator from Massachusetts (Mr. Kennedy), the Senator from North Dakota (Mr. Bur-DICK), the Senator from California (Mr. CRANSTON), the Senator from Idaho (Mr. SYMMS), the Senator from Delaware (Mr. Roth), the Senator from Alabama (Mr. DENTON), the Senator from New Jersey (Mr. Bradley), the Senator from Louisiana (Mr. Long), the Senator from Louisiana (Mr. Johnston), the Senator from Utah (Mr. HATCH), the Senator from Illinois (Mr. Percy), the Senator from West Virginia (Mr. Robert C. Byrd), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Washington (Mr. Jackson), the Senator from New York (Mr. Moynihan), the Senator from Indiana (Mr. Lugar), the Senator from Alaska (Mr. STEVENS), the Senator from New York (Mr. D'Amato), the Senator from Texas (Mr. BENTSEN), the Senator from Maryland (Mr. SARBANES), the Senator from Colorado (Mr. Armstrong), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Montana (Mr. MELCHER), the Senator from South Dakota (Mr. ABDNOR), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of Senate Resolution 175, a resolution to congratulate the State of Oklahoma on the celebration of its "Diamond Jubilee."

SENATE CONCURRENT RESOLUTION

32 — CONCURRENT RESOLUTION
AUTHORIZING A BUST OR STATUE
OF DR. MARTIN LUTHER KING, JR.
TO BE PLACED IN THE CAPITOL

Mr. MATHIAS submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 32

Resolved by the Senate (the House of Representatives concurring). That the Joint Committee on the Library is authorized and directed to procure a bust or statue of Dr. Martin Luther King, Junior, and to cause such sculpture to be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

SEC. 2. Expenses incurred by the Joint Committee on the Library in carrying out this concurrent resolution, which shall not exceed \$25,000, shall be paid out of the contingent fund of the Senate on vouchers approved by the chairman of the joint committee.

A STATUE OF DR. KING FOR THE CAPITOL

• Mr. MATHIAS. Mr. President, many outstanding Americans and their individual accomplishments have been acclaimed in these Halls. Few have done more to change America than Martin Luther King, Jr., a man of vision who for many Americans came to symbolize the equality of all Americans.

Today I send to the desk a resolution to authorize placing a statue or bust of Martin Luther King, Jr., in the Halls of the Capitol. Dr. King had a profound influence in these Halls. It is reflected in historic legislation affecting civil rights and the right to vote. In fact, one of the major tasks now before Congress is the extension of the 1965 Voting Rights Act, the legislative result of the great crusade for voting rights spearheaded by Dr. King.

Placing a statue or bust of Martin Luther King, Jr., in the Capitol will not add to the luster of his life. That needs no confirmation by the Congress. But, Dr. King has earned his place among our Nation's heroes. We ought to affirm that place visibly in the Halls of the Capitol Building.

ORDER FOR STAR PRINT

Mr. BAKER. Mr. President, I ask unanimous consent that the resolution (S. Res. 190) be star printed to state that the resolution was reported without amendment and without recommendation. I send the correction to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

V. Consensation of the St.

ORDER FOR STAR PRINT

Mr. BAKER. Mr. President, I ask unanimous consent that there be a star print of Senate Resolution 192, to state that the resolution was reported without amendment, and I send the correction to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee will meet for a series of hearings on September 15, 16. and 17 to consider matters relating to the second concurrent budget resolution for fiscal year 1982. Witnesses are as follows: Tuesday, September 15 at 10:30 a.m., Dr. Alice Rivlin, Director of the Congressional Budget Office; Wednesday, September 16 at 10 a.m., the Honorable Paul Volcker, Chairman of the Federal Reserve System; Wednesday, September 16 at 2 p.m., Dr. Ronald I. Mc-Kinnon, professor, Stanford University; Dr. Allan H. Meltzer, professor, Carnegie Mellon University; Dr. James Tobin, professor, Yale University; September 17 at 10 a.m., David Stockman, Director, Office of Management and Budget; and September 17 at 2 p.m., Dr. Jerry Jordan, member, Council of Economic Advisers; Mr. Larry Kudlow, Assistant Director of Economic Policy, Office of Management and Budget: Mr. Beryl Sprinkel, Under Secretary for Monetary Affairs, Department of the Treasury.

All hearings will be held in room 6202 of the Dirksen Senate Office Building. For further information, contact Lynn Pearson of the Senate Budget Committee staff at 224-0544.

ADDITIONAL STATEMENTS

MEDIATED NEGOTIATIONS IN EL SALVADOR

O Mr. KENNEDY. Mr. President, on August 28, two countries close to the United States in friendship and alliance issued an important declaration concerning the continuing civil strife in El Salvador. France and Mexico have recognized that the Frente Farabunda Marti Para La Liberacion Nacional and the Frente Democratico Revolucionario are a "representative political force" in El Salvador which should be able to participate in seeking a negotiated political solution to the crisis. In issuing this declaration, Foreign Ministers Cheysson and Castaneda also appealed to the international community to facilitate a "rapprochement between representatives of the warring Salvadoran political forces."

The Mexican-French declaration was met with both support and criticism internationally—support for its recognition that negotiations are necessary with the main adversary to the junta before conditions for truly free elections can be established; and criticism for supposed intervention in the internal affairs of Fl Salvador. These developments heighten the importance of urgently exploring every avenue to halt the killing in Fl Salvador, to seek a political solution and to prevent further military escalation of this senseless and tragic conflict.

The Mexican-French initiative provides a rare opportunity to break the stalemate in El Salvador. The United States should urge all sides to take immediate advantage of one or more of the offers outstanding for mediation of the dispute. There is abundant precedent for proceeding in this fashion, not the least example being the successful resolution of the conflict in Zimbabwe, following mediated negotiation among all parties, and after the failure of premature elections in a misguided attempt to impose an "internal" settlement without the consent of key political forces in that country.

It is plain that the administration's policy in El Salvador is not working. It is plain that valuable time has been and is being lost, and that more and more innocent lives are being expended in a senseless convulsion of a society too long denied the most basic rights and opportunities for all but a few of its people. It is plain that the junta remains incapable of assuring its population that it can govern justly and can bring its own security forces and the rightwing death squads under control, or even see justice done in the case of thousands of murders, including those of American women missionaries and American labor representatives

It is plain, in short, that negotiations, involving outside mediation, are needed now. And when the fighting and the killing and all outside military intervention have ceased, and when the opposing factions have agreed to reasonable approaches to resolving the issues that di-

vide them, only then will there be a real opportunity for fair and impartial elections which will be trusted and accepted by all the people of El Salvador.

Mr. President, I ask that the joint Mexican-French declaration be printed in the RECORD, together with a cogent editorial in the New York Times on September 8 urging that mediated negotiations be tried in El Salvador.

The material follows:

FRANCO-MEXICAN DECLARATION ON EL SALVADOR

The Minister for External Relations, M. Claude Cheysson, and the Mexican Minister of Foreign Affairs, Mr. Jorge Castaneia, have exchanged views on the situation in Central America.

The two Ministers wish to voice jointly their Governments' grave concern over the suffering of the people of El Salvador in the present situation, a source of potential danger for stability and peace throughout the region in view of the risks of internationalization of the crisis, they accordingly hereby make the following declaration;

Being convinced that it is for the Salvadoran people and for them alone to find a fair and lasting solution to the deepseated crisis affecting that country, thus putting an end to the tragedy suffered by the population;

Conscious of their responsibility as members of the international community, and taking guidance from the goals and principles of the United Nations Charter;

Considering the extreme gravity of the present situation and the need for fundamental social, economic and political changes:

Recognize that the alliance of the Frente Farabundo Marti Para La Liberacion Nacional and the Frente Democratico Revolucionario constitutes a representative political force ready to take on the attendant responsibilities and exercise the attendant rights. Consequently, it is legitimate that the alliance should participate in establishing the mechanisms of conciliation and negotiation needed for the political solution of the crisis:

Recall that it is for the people of El Salvador to set in train a process designed to bring about a global political solution whereby a new internal order will be established, the Armed Forces restructured and conditions created that will ensure respect for the popular will, as expressed through genuinely free elections and other mechanisms forming part of a democratic system:

Appeal to the international community to provide, more especially in the United Nations framework, for the protection of the civilian population in accordance with the applicable international norms and warring Salvadoran political forces, with a view to restoring harmony in that country and in order that all interference in El Salvador's domestic affairs may be avoided.

THE TAINTED BALLOT IN EL SALVADOR

Political solution: that is everyone's answer to the mercless civil war that has claimed as many as 20,000 lives in El Salvador. Even the Reagan Administration has muted its January call to arms and now talks about a political settlement of a conflict that it correctly describes as "Salvadoran in nature." Then why is it so annoyed with France and Mexico for opening a new path to that very end?

The French and the Mexicans outline an approach requiring negotiations between the American-supported junta and the diffuse

opposition coalition known as the Democratic Revolutionary Front. That is by no means an extreme idea. Everyone knows there are genuine democrats and certifiable zealots on both sides of the Salvadoran divide. There could be real promise in a deal uniting the fragmented center while isolating the totalitarian extremes.

By recognizing the opposition front as a "representative political force," Mexico and France think they can hasten a cease-fire and an acceptable compromise. The Administration thinks otherwise, and so do Venezuela, Colombia and Argentina, which have railied to its side.

Possibly, as the Administration insists, the French-Mexican initiative is unrealistic, a mere sop to left-wing opinion in both countries. But how realistic is Washington's notion of a political solution? The idea looks fine: let all Salvadorans go to the polls next March and elect a constituent assembly as the first step to founding a democratic system. The trouble is that there have been "elections" for 50 years in El Salvadore, and all have been tainted. As long as unregenerate security forces are in charge, democrats in the opposition will boycott the vote. Their price for participation is a restruc-

Their price for participation is a restructuring of the military, giving younger officers genuine authority. This is an option that the Reagan Administration has ruled out; it fears that leaning on the military would weaken the anti-guerrilla campaign. So it sends advisers and helicopters to El Salvadore, asking too little in return on all counts—moral, political and military.

It has been conventional wisdom in this poignant civil war that those who might negotiate a settlement do not control the contending armies. Up to a point, that is true. But the battle is deadlocked, and Washington no longer talks of quick and easy victory. The guerrillas, for their part, realize that should the tide seem to turn to their advantage they risk massive American involvement. These are circumstances that strengthen the democratic-minded leaders in both camps.

If France and Mexico are willing to assume the risks of promoting a political settlement, why not let them try?

ACTUARIAL EXPERIENCE OF SOCIAL SECURITY TRUST FUNDS

• Mr. ARMSTRONG. Mr. President, I would like to call the attention of my colleagues to the following memo in which the Office of the Actuary, Social Security Administration, compares the actual economic experience and assumptions and the trustees reports of 1971-80. As you will note, this comparison points out that the reports are rather consistently optimistic.

This is particularly significant in view of pending proposals to strengthen the financial underpinnings of the social security system. It is a clear warning against over optimism in the future. I ask that the memorandum be printed in the Record.

The memorandum follows:

COMPARISON OF ACTUAL ECONOMIC EXPERIENCE AND ASSUMPTIONS IN TRUSTEES REPORTS, 1971-80

(By Joseph A. Applebaum, F.S.A. Office of the Actuary)

This note compares the actual economic experience with the assumptions contained in the 1971 through 1980 reports of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds. Because income and outgo are, to a major extent, affected by automatic indexing procedures, the financial stability of the OASDI system is linked to the nation's economy. In projecting its financial operations, assumptions must be made as to price inflation, wage growth, and the size of the work force. It is inherent in making projections of economic assumptions that actual experience will not correspond to that assumed, and such "errors" should not necessarily be taken to imply mistakes or oversights.

The accompanying table shows, for each calendar year from 1971 through 1980, actual values for: average unemployment rate, year-to-year percentage increase in the CPI. year-to-year percentage increase in average covered wages, and annual real wage increase—the difference between the increases in wages and in prices. Also shown are the value that were given for each of these measures of economic activity under the intermediate set of assumptions in various OASDI Trustees Reports.

A brief inspection of the table reveals one important fact. The values assumed in the reports were rather consistently optimistic, particularly with respect to price inflation and real wage growth, in comparison with what actually occurred. Thus, the reports projected more robust financial pictures for OASDI than what, in fact, occurred. A forthcoming actuarial note will analyze in greater

1 It should be noted that, for any particular year, data are shown for the estimated assumptions in the Trustees Report for the following year, which as to the increases in covered wages and the real wage increase generally differ from the actual experience for that year (although not by much). The reason for this is that the Trustees Report is prepared in the early part of the year, before actual data on increases in wages for the previous year are available (although actual CPI and unemployment data are obtainable).

detail the effects and implications of differences between actual and assumed economic experience.

The actual experience on real wage increases (which is probably the most important economic element from a cost standpoint), for each of the years from 1971 through 1980, was less favorable than the estimates made in the Trustees Report for the fourth preceding year. Further, this situation was also generally so for the reports for the third and second preceding years as well. For example, for 1980, the 1976-78 reports assumed real wage increases of about 2.4 percent, but the actual experience was a real wage decrease of 5.0 percent.

The foregoing analysis makes it clear that decisions about the short-range financing of the OASDI program should take into consideration the possibility that actual experience with respect to the economic assumptions will be less favorable than "best guess" estimates. This is especially so at the present time, when the level of the trust funds is

COMPARISON OF ESTIMATES FROM VARIOUS TRUSTEES REPORTS WITH ACTUAL EXPERIENCE

In percent!

Trustees report	Average unemploy- ment rate	Increase in CPI	Increase in average covered wages	Real wage increase	Trustees report	Average unemploy-ment rate	Increase in CPI	Increase in average covered wages	Real wag
r 1971:	A COLUMN	1 = 1/2	To the	PANEL ST	For 1977:		A TANK	Alles Legin	1.11
1971 report	5.2	4.3	6.0	1.7	1973 report	4.5	2.8	5.2	2.4
1972 report	6.0	4.3	5.5	1.2	19/4 report	4, 5	3. 2	7.6	4.
Actual experience	5. 9	4.3	4.9	.6	19/5 report	7.0	6.5	11.0	4.
or 1972:	DI TI WA				19/6 report	6.9	6.0	8.5	2.
1971 report	4.4	3.5	8.2	4.7	1977 report	7.1	6.0	8.4	2.
1972 report	5.5	3.1	6.0	2.9	19/8 report	7.0	6.5	7.7	1.
1973 reportActual experience	5. 6 5. 6	3.3	6.8 7.3	3. 5 4. 0	Actual experience	7.0	6.5	7.3	
r 1973:	5.0	3, 3	1.3	4, 0	For 1978:				
1971 report	4.0	3.1	6.1	3.0	1974 report	4.5	3.0	5.5	2.
1972 report	5.0	2.9	6. 1 5. 8	2.9	1975 report	6.2	5.7	8.8	3.
1973 report	4.7	4.5	7.1	2.6	1976 report	6.6	6.0	9.4	3.
1974 report	4.9	6. 2	7.5	1.3	1977 report	6.3	5.4	8.1	2.
Actual experience	4.9	6. 2	6.9	1.7	1978 report	6.3	6. 1	7.2	1.
r 1974:	4.4			**	1979 report	6.0	7.6	8.5	
1971 report	4.0	2.8	5.5	27	Actual experience	6.0	7.6	8.0	
1972 report	4.2	2.8	6.0	2.7 3.2 3.9				THE RESERVE TO	20 20 20
1973 report	4.5	3.0	6.9	3 9	1975 report	5. 4 6. 2	4.6	7.7	3.
1974 report	5.8	9.1	7.9	-1.2	1977 report		5.5	8.5	3.
1975 report	5.6	11.0	7.9 6.5	-4.5	1978 report	5. 7 5. 9	5.3	7.8	2.
Actual experience	5.6	11.0	7.4	-3,6	1979 report	6.0	6. 1 9. 4	7.9	1.
or 1975:				200	1980 report	5.8	11.5	8.3	-1.
1971 report	4.0	2.8	5.2	2.4	Actual experience	5.8	11.3	8. 4 9. 3	-3. -2.
1972 report	4.0	2.7	5.5	2.8	For 1980:	3. 0	11. 3	9. 3	-2.
1973 report	4.5	2.8	6.3	3.5	1976 report	5.7	5.0	7.7	
1974 report	5.8	5.7	8.5	2. 4 2. 8 3. 5 3. 3	1977 report	5. 2	4.7	7.1	2. 2. 2.
1975 report	8.8	9.0	7.2	-1.8	1978 report	5. 4	5.7	7.9	2.
1976 report	8.5	9.1	6.8	-2.3	1979 report	6.2	7.4	8.0	
Actual experience	8.5	9.1	6.6	-2.5	1980 report	7.2	14.2	9.6	-4.
or 1976:		ATT IN SEC	Tion in 1221		Actual experience	7.2	13.5	8.5	-5.
1972 report	4.0	2.7	5.1	2.4			10.0	0.5	The same of
1973 report	4.5	2.8	5.2	2.4	District Control				
1974 report	4.8	4.5	8.0	3, 5					
1975 report	8.0	6.6	9.0	2.4	The same of the sa				
1976 report	7.7	6.3	7.7	1.4	A CONTRACTOR OF THE PARTY OF TH				
1977 report	7.7	5.7	7.5	1.8	The state of the s				
Actual experience	7.7	5.8	7.9	2.1	the state of the state of the state of		State 1988		

THE HMONG PEOPLE OF LAOS

 Mr. CHAFEE. Mr. President, more than a decade ago, during the height of the Vietnam war, the Hmong people of Laos supported U.S. interests by waging a bitter counter-guerilla war against Communist infiltration into South Vietnam. It is not known how many American lives were saved because of the gallant sacrifice of Hmong highlanders who fought the so-called secret war in Laos. But, we do know that when the United States withdrew its forces from the region in mid-1975, the Hmong, like many other indigenous allies, were left to fend for themselves.

The result has been disastrous. Many thousand Hmongs have been killed in skirmishes with Vietnamese and Pathet Lao forces, others have been driven from their traditional homelands. More recently, we have reports of chemical weapons being used against this basically peaceful highland people.

Mr. President, I am appalled at stories I have read that the chemical agent trichothecene toxin, known as T2, has been used against the Hmong people in Laos. This mycotoxin which has been developed by Soviet scientists causes a particularly trocious and painful death where a person breathing it suffers severe stomach craps before vomiting massive amounts of blood. Death comes within 15 to 30 minutes.

In my judgment, this is a tragic situa-

tion where a people who once fought bravely for U.S. interests in America's least popular war have now been decimated by brutish warfare that borders on genocide

It is not enough for the United States to open her doors to Hmong refugees, and we are proud that almost 3,000 have chosen Rhode Island as a place of recidence. I believe that some effort must be made to address the circumstances which have driven these people from Laos, as well as to look into the unique health problems they suffer as a result of their ordeal. Finally, we must make a better effort to understand the history and culture of these people. In this regard, I am proud to say that on the 12th of this

month, the Roger Williams Park Museum of Natural History in Providence, R.I., will open a Center for Hmong Lore.

Mr. President, I ask that three articles on the Hmong people and their ordeal be printed in the Record.

The articles follow:

[From Time, Sept. 14, 1981]

YELLOW RAIN-SOVIET CHEMICAL WARFARE

American intelligence experts have long suspected that chemical poisons developed in the Soviet Union have been used in military operations in Afghanistan, Laos, and Cambodia. Eyewitnesses in all three countries have reported seeing "yellow rain" fall from the skies. Shortly afterward, victims on the ground have suffered burning sensations, convulsions and massive internal bleeding. Many have died painful deaths. Still, there had never been scientific evidence that the poison came from the Soviet Union. So the U.S. has withheld any official accusation of Soviet violations of a 56-year-old international agreement banning chemical weapons.

Time has learned that in at least one instance, the use of a Soviet chemical agent has been proved beyond any scientific doubt. The site of the offense, by Vietnamese troops, was in Cambodia. Military patrols from Thailand gathered samples of foliage, soil and water from Cambodia and sent them to the U.S. for analysis. The State Department, in turn, sent the samples to private American laboratories without revealing the source of the evidence or why it was to be examined. The civilian scientists found that the samples contained the chemical agent trichothecene toxin, known as T₂. Soviet scientists have published articles on how to mass produce T₂, which occurs naturally in grain molds common in the Soviet Union.

The T₂ connection was first made by Writer Sterling Seagrave, who presents a persuasive circumstantial case of the Soviet violations in his forthcoming book "Yellow Rain." Seagrave interviewed victims of chemical attacks in Southeast Asia, Yemen and Afghanistan, as well as the doctors who treated them. In Afghanistan soldiers fighting the Soviet invaders told him about being attacked by rockets fired from helicopters. The rockets released a "yellowish-brown" cloud that caused victims to "die quickly, vomiting blood and fouling their clothes."

The State Department is still reluctant to level public accusations at the Soviet Union. Some officials would like to do so on the humane grounds that public disclosure might prevent further use of the poison and avoid more such deaths in both Southeast Asia and Afghanistan. More cautious U.S. officials prefer to await similar verification that the chemical has been used in both Laos and Afghanistan.

That may not be long in coming. At least three more samples of the vellow powder produced by the "yellow rain" are under study in private U.S. laboratories. If those tests lead to the same conclusions, the State Department presumably will make the detalls public and then make more formal charges against the Soviet Union.

[From the Reader's Digest, September 1981]
TRAGIC LEGACY FROM LAOS

(By Jane Hamilton-Merritt)

Last October, in "Gas Warfare in Laos: Communism's Drive to Annihilate a People," Reader's Digest told a horrifying story of modern-day genocide. Jane Hamilton-Merritt, a reporter-photographer and Ph. D. in Asian studies, disclosed the extermination by poison gas of thousands of H'mong, a fiercely independent tribal minority in Laos—people who had formed the backbone of a U.S.-supported guerrilla resistance against communist forces during the Vietnam war. In the following article she describes what has

happened since. And what—tragically—has not

No longer can the gassing of the H'mong be considered a faraway problem in Southeast Asia. Now the problem is here, on our own doorstep, among the H'mong refugees who have settled throughout the United States.

In the five years I reported on refugees in northern Thailand, I heard countless detailed accounts of poison-gas attacks by the Soviet-backed Lao-Vietnamese regime on H'mong villages—and of the deadly results. In 1960, there were an estimated 500,000 H'mong in Laos.* Today, some 100,000 are either in Thai refugee camps or resettled in Western countries, including about 40,000 who have come to the United States since 1976. A number of refugee experts fear that fewer than 100,000 are alive in Laos. Many died of starvation, but thousands were killed by gas attacks, which still continue.

I crisscrossed America recently, interviewing H'mong refugees, and I discovered a new dimension to their story of terror.

One H'mong leader estimates that of those who have arrived here, about 20,000 may have been exposed to the "poisonous rains" of chemical warfare. Many are chronically -because of the gassings, they believe. They complain of pulmonary problems, constant headaches, painful muscles and joints, eye and hearing disorders. Medical and public-health personnel who have worked with the H'mong are persuaded that their infant-mortality rate is high and that a large percentage suffer from cancer. More frightening, in the last few years in the United States, at least 35 young H'mong men and women have succumbed to a mysterious sudden death that occurs during sleep. The Centers for Disease Control in Atlanta have confirmed that 20 of these deaths are indeed unexplainable. (The other 15 were insufficiently documented.) Studies made in Portland. Ore., a large H'mong resettlement area, show the H'mong death rate to be five times that of the non-Lao population.

Some of the heartbreaking cases I have witnessed:

A woman on the West Coast, age 49, suffers from constant, terrible headaches. Her husband has pain in all his muscles. They have three children. The other eight were killed in gas attacks or in fighting.

A 33-year-old man lives in a rundown apartment in a Midwest city. He moves s'owly and has obvious difficulty breathing. "If I stand up or sit down fast, I faint," he says.

in a housing project, also in the Midwest, a 21-year-old man suffers from heavy coughing and shortness of breath, and complains, "After the gassing, my mind is slower."

These are the survivors, the lucky ones, but also the pathetic, lonely victims of chemical warfare. "Few Americans know who we are, what we did for the United States during the Vietnam war," says one young H'mcng man. "Many think we are Vietnamese or 'boat people.' Many of up still suffer from being gassed, but American doctors either don't believe us when we try to tell them or never ask us about our life in Laos."

"Why aren't Americans concerned about the gassing?" the H'mong ask. The answer, in large part, lies with the U.S. State Department's position that no "conclusive evidence" exists that gassing is occurring in Laos.

Consider the State Department's response under both the Carter and Reagan administrations to those who have asked about the gassing of the H'mong. The letter, still being mailed out as this article went to press, fails to acknowledge the H'mong as U.S. allies. It presents instead the Pathet Lao (commu-

nist) government's propaganda, without comment or explanation:

"The Lao government has used a combination of persuasion and force to bring the H'mong out of their highland homes to new settlements in the lowlands. The Lao government argues that the H'mong method of agriculture destroys valuable hardwood forests, Laos' principal natural resource. The Lao also argue that, by bringing the H'mong population to the lowlands, the government can better limit the production of cpium, a principal H'mong crop, which supplies the heroin markets of the world through illicit channels."

Those unfamiliar with Laos could infer from this official letter that the H'mong were wretched traffickers of heroin and conclude that gassing might be their just deserts. To be sure, the H'mong did grow opium poppies—opium has long been used medicinally by many tribal groups in Southeast Asia. But H'mong tribespeople do not convert poppy sap into heroin or traffic it through the illicit drug channels of the world.

Anyone who has studied the H'mong, from

Anyone who has studied the H'mong, from U.S. Drug Enforcement Agency investigators to on-the-scene diplomats, knows that these people are not involved in the heroin business. "Associating the H'mong with heroin is a part of the Big Lie," says former U.S. ambassador to Laos G. McMurtie Godley.

The State Department letter continues:
... By 1978, the United States had enough information to bring the matter [of chemical warfare] to the attention of the government of Laos, which denied the validity of the reports. We received the same response when we asked the Soviet and Vietnamese governments to look into the reports and end the practice if true.

Did our government really expect the Lao, Vietnamese or Soviet governments to acknowledge the use of chemical warfare—a practice banned by international treaty and abhorred by most of the world?

Eyewitness Testimony. A 1980 State Department publication, "Country Reports on Human Rights Practices," says of Laos: "During the past three years, there has been limited improvement in some aspects of human rights. There is no evidence that the government is seeking to destroy any particular ethnic group, per se, such as the H'mong. There have been numerous refugee accounts of attacks using lethal chemical agents against the H'mong. . . This charge has been denied by the Lao government." That is the only reference to the use of chemical agents in the entire section on Laos.

Not surprisingly, Gen. Vang Pao and other leaders of the H'mong community in this country are appalled by the report. "There has been overwhelming evidence of the gassing of men, women and children in Laos for years," says the general. "Yet the State Department not only avoids the subject but doesn't recognize the fact that my people are being eliminated because we were the U.S. allies in Laos."

While the State Department keeps telling the inquiring public, including members of Congress, that there is no "conclusive evidence," it falls to mention its own recently prepared report, which records the testimony of scores of eyewitnesses to chemical attacks in Laos, documenting over 13,000 dead from gassing.

And if that were not enough, evidence is now available from the communist side itself. For example, last November, a Pathet Lao pilot who defected to Thailand admitted flying numerous gas missions between 1976 and 1978 to "cause the H'mong people to die out completely. He adds that pilots flying these missions were granted special privileges and were closely monitored by doctors and nurses after each mission.

Will the Reagan Administration continue to honor the avoid-the-H'mong policy

^{*}All population figures are approximate, as precise information is unavailable.

generated during the Carter years? In a meeting with several members of the foreign diplomatic corps, John Holdridge, newly appointed Assistant Secretary of State for Asian and Pacific Affairs, said that the United States has no evidence to bring to

'court" on the reported gassing in Laos. Yet, human and moral considerations aside, the chemical agents used against the defenseless H'mong should be of considerable national-security concern to the United States. The fact is we don't know what these agents are. Even Defense Department experts are baffled. Victims suffer from profuse bleeding from the nose, throat, eyes, stomach and intestines—resulting in death by hemorrhaging.

Recently, I spoke with Col. Charles W. Lewis, M.D., a member of the Department of Army Surgeon General's team sent to Thailand in 1979 to interview survivors of chemical attacks in Laos. I asked what chemicals he thought could be causing such profuse bleeding. "That's what I want to know," he said. "I hope someone is working on finding out. Nerve agents don't cause hemorrhaging. These are all new symptoms. When I returned from this investigation, I talked to people in the chemical-warfare business and no one knew. Everyone was surprised. We had better find out in order to be able to defend against them."

In early December 1980, the U.N. General Assembly by a vote of 78-17 adopted a resolution calling for a U.N. investigation into the use of chemical warfare in various parts the world. Among those voting against the resolution were Laos, Vietnam, Afghanistan, the Soviet Union and Cuba, However, the project appears to be on the back burner, and in any case, Laos can reject U.N. requests for on-site investigations.

"Sudden Death." Meanwhile, the gassing attacks against the H'mong continue. H'mong who crossed into Thalland in February 1981 reported that between January 6 and 20, 1981, Soviet-made helicopters flew 20 chemical missions, killing 1,260 H'mong friendly to the Pathet Lao. On April 2, 1981, a Soviet M-17 dropped yellow chemicals on Ban Thong Hak, killing 24 H'mong outright, including 11 children. Two weeks later, a H'mong party reached Thailand with samples of the chemical residue gathered from stones, ground and leaves. The samples were given to U.S. authorities on April 23 but didn't arrive in the United States until the second week of May.

Under the best of circumstances, a chemical analysis is difficult. Experts say that, since gas disappears into the atmosphere, samples gathered from an exposed area may not contain any identifiable lethal proper ties. Incredibly, there is no U.S. team of chemical-warfare experts in Thailand to conduct on-the-spot analysis.

The H'mong in this country continue to suffer as well. In early 1981, the U.S. press picked up on the mysterious "sudden death" syndrome, and some public-health personnel became interested. But the interest is limited only to the sudden deaths. According to the Centers for Disease Control, there is no nationally coordinated plan to study the problem of the chronically ill H'mong who believe they are sick because of the gassings.

On the other hand. Richard Harruff, a doctor with special training in pathology who spent six months last year in a H'mong refugee camp in Thailand, is concerned about the long-range effects of the lethal agents used on the H'mong. According to Dr. Harruff's research on survivors who were exposed, complain of impotence, and females report a high rate of spontaneous abortions. Infants born to exposed mothers are often very weak and lethargic, and die within a few days to months of apparent respiratory failure. These victims of unknown poisons need special care." Harruff is outraged that no one in the U.S. health community has systematically investigated the medical condition of those H'mong exposed to chemical agents.

is the answer? What can-What must-be done?

First, public hearings should be held before all relevant committees in the House and in the Senate, presenting the situation in its totality.

Second, Secretary of Health and Human Services Richard Schweiker should designate an agency to alert all doctors to the potential H'mong health problems, to establish guidelines for conducting appropriate biopsies and treatments, and to establish a way for the H'mong exposed to the chemicals to report their problems.

Third, the United Nations should be used as a forum to keep the issue of poison gas before the international community until it is resolved.

Fourth, our government should tie any arms-control negotiations with the Soviets to their curtailment of chemical warfare by client regimes.

Fifth, the Administration should assign the highest priority to the identification of these lethal agents. This is crucial in developing strategic defenses and medical treatment for those exposed.

For too many years, the United States has swept the gassing in Laos under a cover of words. Now, the problem is our responsibility and we must deal with it. "There is no place to hide from the poisonous rains." This H'mong saying has become our harsh reality.

GAS WARFARE IN LAOS: COMMUNISM'S DRIVE TO ANNIHILATE A PEOPLE

(By Jane Hamilton-Merritt)

The place is not a pretty sight. I.V.'s drip fluid into skinny arms. Doctors and nurses scurry from one wooden-slab bed to another, responding to pleas for help. I am at Ban Vinai, a refugee camp along the Mekong River just inside northern Thailand. It is by some 35,000 H'mong (propopulated nounced Mong) tribal refugees from the mountains of Laos. They suffer from severe malnutrition, malaria, amoebic dysentry, tuberculosis, pneumonia and a host of parasites. For many there is a tragic complication: they have been gassed.

One of them is a friend of mine; yet I don't recognize him, although I have passed his pallet at least 20 times. Finally, through his pain, he recognizes me and sends a rela-

tive to bring me to him.

Nhia Yang Vang, about 40, had once been vigorous, energetic. Now he is a skeleton with sunken, haunted eyes. In a weak voice he tells me he had returned to Laos after I saw him in January. Concerned about relatives, he had gone back there with a party of 19 men for three months. During that time, he says, his team had been in areas sprayed by poisonous chemicals nine times.

Every few minutes his talk is broken by a racking cough that nearly strangles him. He spits bloody sputum into a tin cup. A H'mong nurse tells me that he has chest pains, finds breathing difficult, cannot eat.

Nhia continues: "They hit us at the end of May at Nam Khing with the yellow chemicals. It was a white plane like a Soviet helicopter-low enough so that I could see the figures of two pilots. Immediately when they dropped the gas I fell to the ground vomiting blood. My eyes burned; I could not see. I have the 'red' diarrhea.

"It was a powder. When it touched my skin it became sticky, like an ointment, and when water is put on it, it becomes liquid." He stops for another bout of coughing. You know, after a rain the chemicals will get into the water and poison it. Now that it is the rainy season, it will be so easy to poison us all.'

"Just Like the Jews." In 1960, there were at least 500,000 H'mong in Laos. Today, perhaps 70,000 are still alive there, many of them sick or dying of malnutrition. Another 50,000 are in Thai refugee camps, and some 35,000 have been resettled in Western countries. H'mong survivors in Laos now face a terrible future, for they are the targets of a deliberate, calculated policy of extermina-

This policy is the tragic heritage of the H'mong commitment to America's effort to prevent a communist takeover in Vietnam and Laos. The United States, unwilling to send its own troops into Laos, opted for another kind of army—a guerrilla army re-cruited mostly from the H'mong, but also from other Laotian tribes, such as the Yao. Lahu, Lao Teung. Trained by the U.S. military and the CIA, the H'mong formed the backbone of the resistance against the communist forces in Laos that were supported by North Vietnam, China and the U.S.S.R. They sabotaged war supplies moving south along the Ho Chi Minh Trail, and rescued American pilots shot down in Laos. They proved adept at intelligence work, gathering vital information on troop, tank and supply movements.

Gen. Vang Pao, who commanded the H'mong forces and now lives in the United States, told me recently that his forces destroyed millions of dollars' worth of mili-tary equipment, medical and food supplies moving down the Ho Chi Minh Trail into South Vietnam between 1962 and 1975. "To do that." he said, "my people gave 12,000 lives. All of that was secret, but now I want the American people to know."

When the Americans pulled out of Vietnam and Laos, the H'mong—and the sacrifices they had made—remained largely unknown. But the Vietnamese and Pathet Lao did not forget. Li Chai, who now lives in Denver, Colo., and is a leader of the H'mong refugee group there, tells why: "The communists know that we were the Americans' hands, arms, feet and mouths. That's why they believe they must kill all H'mong—soldiers, farmers, children. We suffer and die just like the Jews in World War II, but the world ignores us."

HIDE IN CAVES

Gen. Vang Pao says, "Communist gassing of the H'mong people began in August 1975, at Mung Om and Nam Fen, south of Phu Bai, where 17,000 men, women and children were killed. I learned from a Pathet Lao defector that from 1975 to 1978 the gassing had killed 50,000 H'mong in the Phu Bai area alone. During that time some 45,000 died from starvation and disease, or were shot trying to escape to Thailand."

Today, in tribal refugee camps in northern Thailand, H'mong refugees tell of starvation, rape, the crippling of children whose fathers worked for the United States, of massacres. worked for the United States, of massacres. But what frightens them most are the poisons, which they call "rain," "gas," or "smoke," for they cannot hide from the chemicals that poison them, their water, animals, plants and fields.

Survivors speak of several kinds of "rain." Yellow and red are very serious, and a direct hit means sure death. Green and blue-green rains are not as immediately lethal. A small bit of opium often enables victims to survive. but they suffer vomiting, bloody diarrhea, fever, bleeding through the nose, and dizziness.*

Recently, still another chemical, a lightyellow powder, has been dropped by fourengine planes or by helicopters. The latter, a U.S. military spokesman tells me, resemble Soviet MI-4s or MI-8s.

A H'mong farmer, looking much older than his 40 years, says; "For two years they attack my area in Laos. The planes cover us with red smoke, and the people and animals die. We cannot grow rice or farm. We must hide

Oplum has for centuries been used medicinally for severe gastro-intestinal disturb-

"They drop poison on us 200 times in 1978 and 1979. The first time five people die immediately. Red smoke rolls over the area and everyone is sick. It smells like burning rubber. I swallow a bit of opium, but slide to the ground unable to move. In about an hour I can get up, but I cannot eat or drink. I become very skinny. Twelve more people in my village die of being skinny"

Chronicle of Horror. The stories are count-

Chronicle of Horror. The stories are countless. One man sits before me in Ban Vinai refuge camp in Thailand carrying "evidence" of the continued gassing it Laos. Trained by the Americans in intelligence in the 1970s, this former H'mong lieutenant had crossed the Mekong River to Thailand on June 6. From a miniature diary that he miraculously managed to bring he guietly reads:

managed to bring, he quietly reads:
"On 15 May 1980, two Soviet helicopters
dropped yellow powder on a H'mong village
of 200 at coordinate TF 9376. Thirty-five died
within seven days; the remaining are very

He recites another attack. Then, carefully turning the tattered pages of his dlary to check dates, figures and locations, he chronicles what happened to him after the American withdrawal from Laos in April 1975:

"The first gas attack was in October 1975. The communists couldn't take our village by fighting, but they came back with airplanes. One carried red gas, another yellow. Those near where the chemical rockets exploded fell unconscious, with bleeding from the mouth and nose. Many died. Soon afterward a yellow water flowed from their bodies.

"They hit us with gas for three days. Seventy-five people died immediately. Five hundred more died within a short time. I was lucky, for I was not in the village at

the time.

"For three years we were constantly attacked like this. We must live in the jungle
like animals. Since early 1980, people are so
hungry that they eat leaves exposed to the
chemicals, and 715 people have died in my
area. I dig in the ground for roots and water,
but many are too weak to do this. We have
no cloth to cover our bodies from mosquitoes,
so we all have malaria. We have no medicine,
so we are all sick."

Shot in the Arm. On a visit to Thailand in January, my friend Nhia Vang, who had just escaped from a Vietnamese prison camp in Laos, told me a story not only of genocide, but of an added horror; medically supervised experimentation that uses chemical agents on imprisoned H'mong men, women and chil-

"In November 1978, a Vietnamese force of 3500 captured about 1200 H'mong men, women, and children—including mine—in the jungle where the red and yellow smoke had forced us to live. We were taken to a camp called Tong Mien, which held 2000 H'mong prisoners. We were given only a small portion of rice every 15 days, and many of my people were shot trying to get to the forest for food.

"Then, on March 25, two MiG jets flew low over our prison camp and sprayed us with white rain. One hundred people died immediately. The rest of us had diarrhea for 20 days, then fever; we cannot walk or raise our arms. Many more people die.

"In May, four Pathet Lao medics gave injections in the arm to 30 H'mong, including me. It was the color of water. I immediately became dizzy and could not breathe. Blood spurted from my nose and I fell to the ground unconscious. A relative blew opium smoke over me for several hours and finally the bleeding stopped. In 12 hours I could see again and by the next day I could walk.

"The next day four new medics came. This time they had injections and pills for 40 gassing victims. Some medics gave my people injections and green pills, others injections and white pills. Nothing happened for

12 hours; then they have trouble seeing, can't speak and black out. Fifteen died; the rest are very sick for a long time. The medics wrote reports on the people given medicine."

What has been the response of the United States to these atrocities? In my view, it has been appallingly weak and ineffectual.

The House Subcommittee on Asian and Pacific Affairs has taken testimony on the gassings. And the State Department and Department of Defense have made their own investigations. But they and other U.S. officials, including those in the White House, refuse to acknowledge that the evidence is conclusive.

After listening to testimony at the subcommittee hearings in April, Congresman
Jim Leach (R., Iowa) stated: "I personally
interviewed these refugees, I read State Department and Defense Department reports
which are so numerous and so persuasive
that they cannot be denied. No one in the
White House ever saw a person being gassed
in Auschwitz, but we know it occurred. I
think this Administration has a moral responsibility to tell the people of the world
what is happening."

sponsibility to tell the people of the world what is happening."

Urgent Mission. What government agencies want for "conclusive evidence" is a body for autopsy. But there are serious logistical difficulties in obtaining recently gassed victims and fresh chemicals because the gasing occurs in the remote mountains of Laos, many days' walk through enemy territory to the Thai border. One H'mong found a dispensed gas canister, wrapped it heavily in old clothes, and started to walk it out of Laos to Thailand. The chemical residue in the canister killed him before he reached the Mekong.

I asked Vang Neng, H'mong chief at Ban Vinai, about the U.S. insistence on having a body for autopsy. In a voice of frustration and anger, he said, "Yes, I have bodies for autopsy. I learned yesterday that the communists gassed a village on May 14, killing ten immediately. This is many days' walk from the Mekong. By the time we carry one body out, it will be spoiled."

Last fall, a step in the right direction was made when a team from the office of the Army Surgeon General was sent to Thailand to investigate the gassing allegations. They interviewed 40 men, two women and a 12-year-old girl, all of whom were witneses to, and survivors of, gassing attacks in Laos, and concluded in a report withheld from the public that chemical agents had been used against the H'mong. Two recommendations were: to "develop a plan whereby blood, tissue or other specimens may be rapidly transported from the suspect area to the Biomedical Laboratory for analysis, and to establish a medical team, on a standby basis, prepared to travel to the site of future allegations to conduct interviews/examinations." The final recommendation read: "From a military defense position, it would seem to be an extremely urgent mission to initiate every effort possible to identify the chemical agents that have been used and to develop appropriate countermeasures, antidotes, etc.

Unfortunately—indeed, unbelievably—those recommendations have been ignored. On June 30, 1980, I reported to the U.S. embassy in Bangkok that I had located two men in a refugee camp hospital who reported being gassed in the latter part of May. The timing for testing was within the six-week limit recommended by the Surgeon General. After 14 days of evasive and false information by the embassy and other U.S. officials in Thalland, I returned to the camp myself to speak directly to the two men recently gassed and to the camp medical personnel.

Only then did I learn that medical experts familiar with gassing had not conducted the investigations. We had sent a Thai nurse and an American public-health worker, who

admitted he was a "novice" with regard to chemical warfare and, in his own words, had "very little" instruction even in how to collect samples. When I left Bangkok on July 18, the specimens were still there.
"Will You Help?" While the West refuses

"Will You Help?" While the West refuses to acknowledge the use of lethal chemical agents by the Soviet-backed regimes of Hanoi and the Pathet Lao, the Vietnamese government applauds its army's chemicalwarfare branch by awarding it a Ho Chi Minh medal. According to Hanoi radio monitored in Thailand in April 1980, Gen. Le Trong Tan told the unit: "Chemical weapons contributed to winning the great victory in the great anti-U.S. salvation resistance struggle" and in "tasks in the new situation." The "new situation" undoubtedly refers to Laos, Cambodia—and possibly to Afghanistan.

The State Department calls evidence suggesting a Soviet role "circumstantial," but it is more than that. Independent intelligence sources have confirmed the presence of Soviet Gen. V. K. Pikolov's chemical-warfare forces in Laos—and subsequently in Kabul, Afghanistan. In addition, Soviet chemical-warfare experts are said to have visited several cities and areas in Laos to inspect "chemical explosives"—artillery shells, bombs, rockets. In sum, it is hard to escape the conclusion that the Soviets are involved, certainly in the production and distribution of chemical agents, and probably in on-site surveillance and medical experimentation.

Meanwhile, the H'mong continue to die. A H'mong leader who is responsible for almost 30,000 civilians in Laos recently crossed into Thailand. His words haunt me: "I have come to see if anyone has food, clothing or medicine to protect us from the gassing. Someone must help, soon, or we will all die. We are friends of the Americans. We fought for freedom. Will you help?"

Will we? How?

First, a fully publicized Congressional hearing—both Senate and House—into the gassing of the H'mong should be held. This would inform the U.S. people and attract world-press coverage of the atrocity. And the U.S. government should make communist gas warfare a major issue before the United Nations and every international forum.

Second, direct pressure should be applied on Hanoi by Free World industrial nations on whom Hanoi greatly relies for the technology and financial aid to rebuild Vietnam. This must be done at the highest private "hotline" leader-to-leader level. Hanoi should be told that this inhuman policy must stop or aid will be halted.

Finally, since Vietnam is a client state of the Soviets (apparently the source of the lethal chemicals), the United States should inform the Soviets that any discussions of other issues will be put off until we are satisfied that chemical warfare in Laos has ceased.

At Ban Vinai Camp, Vang Chue, an 18-year-old boy who has been gassed, is carried into the hospital. His chest heaves with eratic contractions and he struggles to breathe. His face is heavy with sweat and I see a tear looming—the first H'mong-soldier tear that I have ever seen. I lean down to talk with him.

"I'm so sorry that my country is dying," he says in a voice of pain. "Please do something."

IN MEMORY OF ROY WILKINS

• Mr. METZENBAUM. Mr. President, the editorial that appeared in the September 9, 1981 edition of the Washington Post began with the observation that:

Today's young Americans of all races may read with a certain understandable detachment about life in this country 50 years ago, when Roy Wilkins began his distinguished career with the National Association for the Advancement of Colored People.

That observation, Mr. President, is eloquent testimony to what the life and work of Roy Wilkins has meant to this Nation.

Roy Wilkins was a modest man—one who did not seek personal fame and recognition. But I believe that when future historians examine the times in which we live, they will point to Roy Wilkins as one of this Nation's great men.

Roy Wilkins knew the value of persistence, of organization and of attention to detail.

He understood the need to build from fundamentals, whether in strengthening the NAACP or in helping to set the agenda of the civil rights movement as a whole.

Roy Wilkins did not live to see the achievement of all of the objectives to which he devoted his life.

Black Americans today can no longer be denied access to public accommodations. But it remains true that the 12 percent of American citizens who are black bear 50 percent of the Nation's poverty.

Black Americans today have the right to vote in places where this American birthright had long been denied to them. But in cities all over this country, millions of young black men and women are without jobs, without prospects and without hope for the future.

Much remains to be done.

But great things have also been accomplished over the past several decades. And for that, Mr. President, this Nation owes an enormous debt of gratitude to Roy Wilkins and to his colleagues in one of history's greatest nonviolent movements for social change.

Roy Wilkins would have been the first to say that the cause of civil and human rights does not depend on any one individual. But Roy Wilkins was a very special human being and his death is a profound loss to the Nation, to the civil rights movement, and to all of us who had the opportunity to know him, to work with him and to benefit from his wise and gentle counsel.

Mr. President, the Metzenbaum family joins me in offering our profound condolences on this sad occasion to Mrs. Aminda Wilkins and to the rest of the Wilkins family.

TRIBUTE TO ROY WILKINS

• Mr. D'AMATO. Mr. President, our Nation has lost a great crusader, a man who has dedicated his entire life fighting to make life better for his fellow Americans. We have lost a man who spent his life working to improve the social, economic, and political status of his fellow blacks.

This man is Roy Wilkins. Roy Wilkins died yesterday at New York University Medical Center at the age of 80.

All Americans should be thankful for the work performed by Roy Wilkins. Through the NAACP, he worked to end discrimination, end racism, end the hatred that permeated American society. Roy Wilkins dedicated his life to the proposition that all men are created equal.

Traveling the country as executive director of the NAACP, Roy Wilkins built that organization into one of the most powerful and respected voices in America today. In 1931, the NAACP's membership was 25,000. In 1977, when Wilkins retired as the organization's executive director, the membership topped 400,000.

Roy Wilkins understood the importance of black participation in the political process. His crusade to win the right of blacks to participate in that process and his further efforts to encourage participation have only served to strengthen our representative democracy.

Understanding the fact that long term equality for blacks could best be achieved by working within the political system, Roy Wilkins could often be seen walking the Halls of Congress, fighting for an America where blacks and whites could work together to create a better Nation.

A gentle, dedicated, and compassionate man, he has been honored time and time again at universities throughout the land. I think President Reagan summed it up when he said:

Roy Wilkins worked for equality, spoke for freedom, and marched for justice.

The headline in today's New York Times reads, "Roy Wilkins: A Cool, Solid, and Respected Leader." This is what he was.

Our Nation has lost a great leader. We can be thankful that his accomplishments and achievements will have a permanent imprint on our society.

Roy Wilkins has been described by his colleagues as the quiet one in the back who got things done.

We will miss him.

SMALL BUSINESS

• Mr. LUGAR. Mr. President, citizens interested in the growth and vitality of small business should be delighted to know that Milton Stewart, the Small Business Administration's first Chief Counsel for Advocacy, is continuing his work for the entrepreneurial sector as the editor of Inc. magazine. Mr. Stewart and Inc. are a good match; each is an articulate and powerful voice for small business. Mr. Stewart contends, and I believe rightfully so, that the revitalization of our Nation's economy depends on the new jobs and innovations provided by small business.

In the September issue of Inc., Mr. Stewart salutes the Senate's overwhelming support of S. 881, the Small Business Innovation Research Act of 1981. I am submitting for the Record his article, "Congress Hears—and Forwards—a Message." It includes Inc.'s first entrepreneurship honor roll. a listing of the 81 cosponsors of the legislation. Since the magazine was printed, an 82d Senator. Ted Stevens, has joined us.

The article follows:

[From Inc. Magazine, September 1981] MILTON D. STEWART: THE BUCK STOPS HERE CONGRESS HEARS—AND FORWARDS—A MESSAGE

Eighty-one United States Senators have joined to sponsor (not just vote for) a

"Small Business Innovation Research Act of 1981." We have previously reported at length on the urgency of swift and decisive Federal action on this matter. Our country badly needs the forward thrust that this measure will give it. Expert testimony before the House Committee on Science and Technology (by Dr. Aaron Gellman, president of a Harbridge House subsidiary) reports data showing that small firms (under 500 employees) produce 2.4 times as many innovations per employee as large ones.

In the face of this and much other similar evidence, the Federal bureaucracy continues to spend with small business less than 4 cents of every one of the 35 billion research and development dollars it controls every year. In the words of one respected Federal research manager, this is nothing less than

"cheating the taxpayer."
For two reasons, then, we have saluted the wisdom and responsibility of the 81 Senate sponsors of S. 881 on our new "Entrepreneurship Honor Roll." First, because of their specific step in moving together to meet an important national need, And second, because their action should be the first installment of an ongoing message to the career Federal bureaucracy: Stop feeding the growth of government and government-sized business at the expense of entrepreneurial small and new business.

This is a clearly bipartisan group of Senators—41 Republicans and 40 Democrats. It runs the whole political gamut—regionally, ideologically, anyway you like. This is clearly a message from the whole country to the executive branch: It is time for a change. We've singled out for special mention Senator Warren Rudman, a New Hampshire Republican who is the principal sponsor of S. 881, and Senator Edward M. Kennedy (D-Mass.), who led the fight for the program in previous Congresses.

What S. 881 does is small in dollars, modest in scope, but large in significance. It directs each Federal agency to develop a special research grant program for innovative small high-technology firms, using first a tiny two-tenths of 1 percent of its existing funds—no added cost to the taxpayer. That amount is raised to 1 percent. (House supporters are talking about raising it to 2 percent.) These funds are made available on an open competitive basis in two steps: Initial grants of \$30,000 for feasibility research in federally needed areas like productivity. There is then a second round of financing for some of the winners who have come up with the most promising results.

And this is vital to us: Getting private business commitments for a third round to finance commercialization is one of the grounds for making second round awards. It has worked for the National Science Foundation—far more follow-on private money has turned up in support than the little Federal seed-money used. This is, thus, a program with a built-in, leveraged kicker for the taxpayer. It provides an incentive for privately funded market place applications of Federal research.

In our view, the longest-running Washington scandal is the impunity with which the Federal bureaucracy has been allowed to take into camp administration after administration on this subject. Courageous, broadgauge, and alert civil servants (and there are more than a few) are again disheartened by the dreary replaying of the old downtown Washington scenario: "We know best all you newcomers. Here's a rewrite of the same memorandum we used to stop small business the last 10 times." And whether the administration is Republican or Democratic, it usually works. The pitch is varied slightly to accommodate the political lingo of the party in power, but the permanent bureaucratic doctrine rolls on without change.

Four arguments against S. 881, for exam-

ple, are made in a variety of forms by agency witnesses and memo writers. It allegedly permits the use of government money for nongovernmental purposes. That's bunk, because the NSF model has made it plain that every Federal dollar is used for a federally selected Federal priority purpose, Commercial applications in the last phase must be financed privately. That's just what happens when, for example, an auto company learns how to do something making government tanks that it can use later on in making cars.

Then it's alleged that a percentage small business set-aside—even one as small as 1 percent—is an unwarranted "quota" that keeps the plous bureaucrat from choosing the "best" research performer. That's also bunk, because what the S. 881 set-aside really does is to discipline the bureaucracy which otherwise shovels all Federal R. & D. funds into its three artificial and preferred "de facto quotas": Government laboratories, nonprofit academic centers, and large companies. The competition that S. 881 sets up is far more vigorous and far more likely to produce outstanding performance in small-scale applied research than all those "de facto quota" beneficiaries rolled together.

Then there's the argument that in a time of budgetary stringency, even a 1 or 2 per-cent small business set-aside takes dollars that can't be spared away from needy and deserving nonprofit basic science research.
That's bunk, because the present level of
taxpayer-financed basic science research cannot be supported without a sharp increase in small-scale applications of that research. Otherwise we are simply doing more of what has gotten us into the soup for the past decade: Giving our competitors around world access to basic research which they apply while we fail to do so.

Finally, and the biggest laugh of all, is the rouser that S. 881 is "unnecessary" be-cause each agency itself can be trusted to do the best job possible for small business if left to its own devices. Exactly two Federal agencies have formal and competitive programs of the kind S. 881 would mandate-the National Science Foundation and, just the Department of Defense. Both have had to endure the most vicious and ceaseless internal opposition from the standpat brigade of the willfully blind.

What this bill does for research and de velopment is what the country wants done across the board. The country often does not know how to say it affirmatively and clearly to the Government so it shouts it negatively:
"Stop using our money and your power to
shrink the small business sector"—compared to growing bigness in government and large business. That's the message of S. 881 and it must be repeated in many areas: Taxes, regulations, capital, credit, interest rates, foreign trade procurement generally. We'll be talking about those in the months ahead.

For now, S. 881 represents a fine beginning. For those of you who are action-

oriented, here are the next steps:
1. Three hundred House sponsors are needed promptly for a bill to parallel S. 881. A bipartisan group is forming behind Representatives Berkeley Bedell (Democrat from Iowa), Joe McDade (Republican from Pennsylvania), Albert Gore (Democrat from Tennessee), and Jerry Lewis (Republican from California). If all the Congressmen from the States represented by Senators on Entrepreneurship Honor Roll No. 1 join in, that will be more than 400. We'll be glad to list them in Entrepreneurship Honor Roll No. 2.

2. The bill must pass both Houses swiftly with large enough margins to make the measure a sure bet for presidential approval.

3. The President must sign it into law. 4. Congress must keep a vigorous over-sight watch on the bureaucratic foxes to protect the national small business R. & D. hen houses until that great new brood of industrial innovations is hatched. ENTREPRENEURSHIP HONOR ROLL

Just as we honor successful entrepreneurs in the Inc. 100, the Inc. second 100, and soon to be published Inc. private 100, recognize the contribution of those outside business who improve the climate for entrepreneurship. Here are the 41 Republican and 40 Democratic Senators who are sponsoring the Small Business Innovation Research Act

of 1981 (S. 881): Abdnor, James (Republican of South

Andrews, Mark (Republican of North Dakota)

Baucus, Max (Democrat of Montana). Bentsen, Lloyd (Democrat of Texas) Boren, David (Democrat of Oklahoma) Bradley, Bill (Democrat of New Jersey) Bumpers, Dale (Democrat of Arkansas) Burdick, Quentin N. (Democrat of North

Byrd, Robert C. (Democrat of West Virginia).

Cannon, Howard W. (Democrat of Nevada) Chafee, John H. (Republican of Rhode Island).

Chiles, Lawton (Democrat of Florida) Cochran, Thad (Republican of Mississippi). Cohen, William S. (Republican of Maine). Cranston, Alan (Democrat of California). D'Amato, Alfonse (Republican of New York)

Danforth, John C. (Republican of Missouri).

DeConcini, Dennis (Democrat of Arizona). Denton, Jeremiah (Republican of Ala-

Dixon, Alan (Democrat of Illinois) Dodd, Christopher (Democrat of Connecticut).

Dole, Robert (Republican of Kansas). Domenici, Pete V. (Republican of New Mexico)

Durenberger, Dave (Republican of Minnesota).

East, John (Republican of North Carolina). Exon, J. James (Democrat of Nebraska). Ford, Wendell (Democrat of Kentucky). Garn, Jake (Republican of Utah). Glenn, John (Democrat of Ohio)

Goldwater, Barry (Republican of Arizona). Gorton, Slade (Republican of Washing-

Grassley, Charles (Republican of Iowa). Hart, Gary (Democrat of Colorado) Hatch, Orrin (Republican of Utah). Hatfield, Mark (Republican of Oregon). Hawkins, Faula (Republican of Florida) Hayakawa, Sam (Republican of Califor-

Heflin, Howell (Democrat of Alabama) Heinz, John (Republican of Pennsylvania). Helms, Jesse (Republican of North Carolina)

Hollings, Ernest (Democrat of South Caro-

Huddleston, Walter (Democrat of Kentucky).

Humphrey, Gordon (Republican of New Hampshire).

Inouye, Daniel (Democrat of Hawaii). Jepsen, Roger (Republican of Iowa). Johnston, J. Bennett (Democrat of Louisi-

Kassebaum, Nancy (Republican of Kan-

Kasten, Bob (Republican of Wisconsin). Kennedy, Edward M. (Democrat of Massa-

Leahy, Patrick (Democrat of Vermont)
Levin, Carl (Democrat of Michigan). Lugar, Richard (Republican of Indiana) Mathias, Charles, Jr. (Republican of Maryland)

Matsunaga, Spark (Democrat of Hawaii). Melcher, John (Democrat of Montana). Metzenbaum, Howard (Democrat of Ohio). Mitchell, George (Democrat of Maine). Moynihan, Daniel (Democrat of New

Murkowski, Frank (Republican of Alaska).

Pell, Caliborne (Democrat of Rhode Island)

Percy, Charles (Republican of Illinois) Pressler, Larry (Republican of South Dakota)

Pryor, David (Democrat of Arkansas). Randolph, Jennings (Democrat of West

Riegle, Donald, Jr. (Democrat of Michigan)

Roth, William V., Jr. (Republican of Delaware).

Rudman, Warren (Republican of New

Hampshire).
Sarbanes, Paul S. (Democrat of Maryland).
Sasser, James R. (Democrat of Tennessee).
Simpson, Alan K. (Republican of Wyoming)

Specter, Arlen (Republican of Pennsylvania).

Stafford, Robert T. (Republican of Vermont)

Stennis, John C. (Democrat of Mississippi).

Symms, Steven (Republican of Idaho). Tower, John (Republican of Texas).

Tsongas, Paul (Democrat of Massachusetts).

Wallop. Malcolm (Republican Wyoming)

Warner, John (Republican of Virginia) Weicker, Lowell P., Jr. (Republican of Connecticut).

Williams, Harrison A., Jr. (Democrat of New Jersey)

Zorinsky, Edward (Democrat of Nebras-

PUBLIC BROADCASTING

Mr. EAST. Mr. President, I would like to commend to my colleagues' attention a provocative editorial by columnist and author Anthony Harrigan. Mr. Harrigan is president of the U.S. Industrial Council in Nashville, Tenn.

Mr. Harrigan's comments remind us that federally-funded radio and television stations are inescapably controversial in a free society like ours. There are those who maintain that public broadcasting enriches our cultural life by offering us alternative programing, free from commercial constraints. There are also those who hold that it is unfair for all taxpayers to subsidize "elite" programing for the relatively few who avail themselves of it. Finally, there is the question of political bias, which Mr. Harrigan addresses here. I ask that the text of his editorial be reprinted in the Rec-ORD.

ALL THINGS CONSIDERED

(By Anthony Harrigan)

Driving home in the afternoons, I listen to "All Things Considered," the news and fea ture program broadcast by National Public Radio. I'm always amazed that this voice of liberalism receives funding from the taxpayers, especially now that the Reagan administration is in office.

"All Things Considered" is well-done from the technical standpoint. I pick up odd pieces of information, like a report on the de-cline of the sawmill business in Oregon and the State of Washington. The producers are clever at using theme music and employing the sounds associated with various aspects of American life.

But its principal content is politics of the Americans for Democratic Action brand. It is partisanship pure and simple. If a conservative viewpoint is aired from time to time, I have yet to hear it.

The bulk of NPR air time goes to commentaries by such folk as the national editor of the Washington Post and spokesman for Friends of the Earth. It airs statements by the environmentalists who want to drive Secretary of the Interior James Watt from office. It offers Sen. Cranston (D-Calif) who tells listeners how bad Dr. Ernest Lefever is. (Dr. Lefever, in case you have forgotten, withdrew his name as Undersecretary of State after a furious campaign of abuse by liberal groups.)

National Public Radio doesn't know the meaning of the word balance. It apparently meaning of the word balance. It apparently regards itself as a kind of Carter administration in exile. The good guys in the white hats, according to NPR, hate offshore leasing, pipeline building in Alaska, and the "rape" of the earth. The bad guys in the black hats are the likes of Sen. Jesse Helms of North Carolina because he takes a dim view of liberals in policy-making positions in

the State Department.

The producers of "All Things Considered" are the most smug lot imaginable. They regard liberalism as a revealed faith. They apparently can't believe that liberalism received a resounding defeat in the presidential elec-tion last fall. They have their own Shangri-La in National Public Radio. They are determined to keep the flame of liberalism burning in their slanted version of the news

If they wanted to do this with private money, with the help of the limousine liberals, that would be fine. They have a right to take their philosophical and political convictions to the public by buying air time or printing tracts. But it's outrageous that they should operate a liberal propaganda machine at the expense of the taxpayers

The federal subsidy for National Public Radio amounted to more than \$200 million in 1980. The Reagan administration reportedly wants to cut that subsidy in half. But why not eliminate the subsidy—and the op-eration—entirely? National Public Radio hasn't made any effort to "clean up its act" and broadcast in less than a totally biased

The American people don't need a federally-financed broadcasting operation that tries to sell one political and cultural point of view to the listening audience. If the government financed a publication with the bias of "All Things Considered," there would be a roar of protest.

Maybe only a few people listen to National Public Radio. Whatever the numbers, pro-grams such as "All Things Considered" are out of order.

STATUS REPORT ON THE BUDGET

• Mr. DOMENICI. Mr. President, hereby submit to the Senate a status report on the budget for fiscal year 1981 pursuant to section 311 of the Congressional Budget Act. Since my last report the Congress has cleared the Omnibus Budget Reconciliation Act of 1981 (H.R. 3982) and the Economic Recovery Tax Act of 1981 (H.R. 4242). The President has signed the bills which are now Public Law 97-35 and Public Law 97-34 respectively.

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET

STATUS OF THE FISCAL YEAR 1981 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 115: REFLECTING COMPLETED ACTION AS OF SEPT. 8, 1981

[In millions of dollars]

	Budget authority	Outlays	Revenues	
Revised second budget resolu- tion levelCurrent level	717, 500 715, 461	661, 350 661, 211	603, 300 610, 335	
Amount remaining	2, 039	139	7, 035	

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds \$2,039 million for fiscal year 1981, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 115 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding \$139 million for fiscal year 1981, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 115 to be exceeded

REVENUES

Any measure that would result in revenue loss exceeding \$7,035 million for fiscal year 1931, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 115.0

AWACS

• Mr. HART. Mr. President, of the many arguments that have been made in the last few months against the proposed sale of AWACS planes to Saudi Arabia perhaps the most compelling is the threat to our own national security by the potential compromise of the AWACS technology that we risk when entrusting such sophisticated equipment to a regime which might be destablilized. We risk handing the Soviets a potential windfall in military intelligence at least twice as damaging as that reaped by the KGB in 1979 in Iran after the fall of the Shah.

Although the administration has repeatedly tried to downplay the capabilities of the AWACS, the evidence and the record point to the contrary. For example, in 1975 the Chairman of the Joint Chiefs of Staff, Air Force Gen. David Jones told the House Appropriations Committee that the AWACS system "is the greatest breakthrough in command and control in my entire military career." One year later Jones told the Senate Appropriations Committee that-

AWACS offer the greatest single quantum jump in command and control capability since the development of radar.

Also in 1977 during congressional hearings on the sale of AWACS to Iran, a GAO procurement official warned-

If the Soviets should gain access to the AWACS they could move ahead, in the opinion of the Director of Central Intelligence. some five to seven years in certain technologies. More immediately, they could learn how to jam any now contemplated AWACS version.

As the Congress debates the risks to U.S. security involved in the proposed AWACS sale it is worth noting that in 1977 the Departments of State and Defense and the CIA all gave assurances of Iranian stability when arguing that there would be a minimal risk in the transfer of sophisticated military equipment to the Shah's regime. Within 30 months, the Shah had fallen, and training manuals for systems such as the F-14 and the Phoenix missile were compromised.

A compromise of American technical secrets in Saudi Arabia would help the Soviets build systems they do not now possess, and improve systems they are currently developing. If our Government wants to signal that it is unwilling to give unintentional assistance to Soviet military planners, Congress should defeat the AWACS sale.

Mr. President, on August 30, 1981 the Washington Post published a detailed analysis of the American military technology which could be compromised by the AWACS sale. I ask that the article titled "Selling AWACS to Saudis Risks Our Own Security" be printed in the RECORD at this point.

The article follows:

SELLING AWACS TO SAUDIS RISKS OUR OWN SECURITY

(By Aaron D. Rosenbaum and Emanuel A. Winston)

When the government of Iranian Prime Minister Shahpour Bakhtiar collapsed on Feb. 11, 1979, civil order collapsed as well, and for the next two days, jubilant mobs sacked government buildings throughout Iran. At the Defense Ministry in Teheran, military police put up a desultory fight and fled. Secure areas were left unguarded; tech-nical data, classified manuals and intelligence findings were available to anyone bold enough to enter the ministry.

According to former senior officials of the CIA and Air Force intelligence, it is certain that Soviet agents were bold enough. When the last vestige of the shah's government fell, the United States lost more than an ally It lost to the Soviet Union information vital to America's own defense.

The U.S. Navy was damaged most. Compromised in Iran:

The F-14 fighter, keystone of long-range fleet defense. The airframe and engines, though advanced, held no great secrets for the Soviets. Of much greater interest were the electronics and missiles on the F-14:

The AN/AWG-9 radar and weapons control system.

The AIM-54A Phoenix long-range air-to-

The ASG-18 fire-control radar, which gives the Phoenix its exceptional accuracy.
The ALR-45 radar warning set.

The ALQ-100/126 electronics countermeasures suite, designed to both jam and deceive Soviet-built radars.

The U.S. Army (and thus NATO's infantry and armor) also suffered security losses in Iran. The Soviets gained insights about:

The Improved Hawk surface-to-air missile, the Army's basic element of ground defense. The AN/TSQ-73 command system, which directs the Improved Hawk.

The BGM-71 TOW antitank missile, which NATO regards as a primary means of neutralizing the 4-to-1 Soviet advantage in tanks in Europe.

"We know for a fact that the Soviets did lay their hands on a lot of the hardware, not just the manuals," Ryan Emerson of International Intelligence Report told Stephen Werbe in the Oct. 15, 1980 Christian Science Monitor. Security at military bases immediately after Bakhtiar's fall was uneven at best. In the weeks after Feb. 11, Islamic Guards policed the installations. The Carter administration cited this fact to rebut reports that the F-14s in Iran had been examined by unfriendly agents. But the claim of uninterrupted security for American-supplied weapons was dropped after it was learned that most of the Islamic Guards were irregulars and volunteers.

With the Iranian experience in mind, the Reagan administration's decision to sell Saudi Arabia five E-3A AWACS radar and control aircraft seems hard to believe. AWACS is central to both American security and the defense of Western Europe. So reliant is NATO on the "C3 doctrine" (command, control and communications) and so important is the AWACS to fulfilling the tenets of that doctrine (early warning, intelligence collection and battlefield coordination) that it is questionable how much political and military restraint the U.S.S.R. would show in Europe if the Soviet leadership were convinced that the AWACS could be partralized

Equally disturbing is the fact that the Saudis have received or will soon take delivery on a number of first-line weapons no less crucial to America's own defense than the ones compromised in Iran. The Saudis are politically unstable. Worse, the Soviets have the wherewithal to penetrate porous Saudi security even if there is no revolution.

In providing Saudi Arabia with the AWACS, F-15s, Sidewinders, shipboard defense systems and other weapons just now being delivered to America's own forces, the United States is risking its own security and that of NATO. In essence, we are offering the Soviets a windfall in military intelligence at least twice as damaging as the one reaped by the KGB in Iran.

In the months since the AWACS sale was announced, the administration has tried to defuse opposition by claiming that the planes the Saudis will receive will be stripped-down models. This is no more accurate than the Carter administration's description of the F-15 as a "defensive aircraft." The E-3as destined for Saudi Arabia will in fact be "Block 30/35" versions, the most advanced model of the AWACS, and superior to those sold to NATO (the Block 25 model).

The administration has suggested that it will delete certain advanced subsystems on the planes destined for Saudi Arabia. But there is evidence and precedent which indicate that when the planes are delivered, most once-deleted systems will be on board.

Block 30/35 AWACS normally will carry

Block 30/35 AWACS normally will carry the following equipment—every piece of which is on the cutting edge of technology and of intense interest to Soviet intelligence:

The AN/APY-1 radar, which on the Block 30/35 aircraft will be redesignated AN/APY-2 because of its added ability to track ships under way or at anchor. This radar has look-down capacity, meaning it can separate the images of aircraft from the radar echoes of the ground or the sea. The AN/APY-2 can see targets over the horizon and by virtue of its carefully shaped radar beam, is difficult to detect and jam.

The AN/APX-103 secure mode IFF system. IFF means "identification, friend or foe." The AN/APX-103 uses coded signals to "interrogate" unidentified aircraft, and judging by the response, displays on a console which planes detected by the main radar are friendly and which are potential targets. The AN/APX-103 is integrated with and utilizes a secure data communications system called TALIL-C, which is installed in the disc-shaped radome mounted above the fuselage. This radome also houses the antennas of the main AN/APY-2 radar.

In addition to identifying friends and adversaries, the AN/APX-103 simultaneously allows the AWACS to maintain air traffic control over a wide area. The Reagon administration has indicated that the Saudis will receive a commercial IFF instead of the AN/APX-103. But this would require a redesign of the radome and antenna suite. It would also require a technically difficult separation of the components and computer programs of the AN/APX-103 from those used in the main radar.

The AWACS computer software. The central computer of the AWACS is nothing special (through the Block 30/35 aircraft will carry a computer four times as powerful as the one on unmodified U.S. Air Force E-3As.) It is the software, even more than the electronics, which makes the AWACS such a powerful system. The Saudis will receive:

The executive programs, which coordinate radar tracking and the sequence of operations onboard the aircraft.

The surveillance programs, which sift hard information from the welter of signals collected every second by the radar.

The identification programs, which constantly change the codes used by the IFF and sort responses.

The communications programs, which intergate the multiple voice and data networks which link the AWACS to ground stations. The display programs, which translate

The display programs, which translate data into visual images on the consoles of the AWACS.

The battle command programs, which allow the general staff to utilize information collected by the AWACS and to execute orders to the battlefield on the basis of it.

And the electronic-counter-counter-measures (ECCM) programs, which enable the main radar to resist efforts by the enemy to blind it or misinform it.

Administration officials have stated the the Saudis will not receive ECCM capacity. This assertion is certain to be repudiated. ECCM on the AWACS radar is a matter of high-level computer code, much of it embedded in other computer programs. In order the deny the Saudis the ECCM capability, the U.S. would have to completely rewrite many of the other programs listed above, so thoroughly is the ability to resist countermeasures integrated by design throughout the AWACS.

In fact, the ECCM capacity simply cannot be deleted. The writing of software is one of the most cash- and labor-intensive enterprises of the technological age. The U.S. already has hundreds of millions of dollars and literally work-centuries invested in the AWACS software. More important, software reflects even more than hardware the modus operandi of America's military intelligence.

How the software sifts, what the software assigns importance to, all these things illustrate the philosophy and analytical framework of the designers and users of the AWACS. Hardware, once compromised to the enemy, can be redesigned and updated. But replacing software is like changing the way you perceive and think.

Finally, the Block 30/35 AWACS will normally come equipped with the JTIDS (Joint Tactical Information Distribution System). This device is a combined secure communications network, IFF system, precision navigation system and data collection and distribution center.

NATO plans to equip every ship, plane, tank, ground radar, SAM battery and infantry unit with a JT'DS transceiver. With battlefield information constantly flowing to central JT'DS processors on board each AWACS. Western commanders will have the ability to monitor every area of the battlefield and launch, without fear of countermeasure, integrated attacks against the enemy.

JTIDS is still under development, and the administration has stated that the Saudis will not receive this system, basic to NATO's operations. Yet for the five E-3A's to operate in proper coordination with the Saudi Air Force, a system like JTIDS will be necessary. In 1978, one of the authors wrote in a memorandum opposing the sale of F-15s to Saudi Arabia:

"An F-15 sale will require that the U.S. sell the Saudis advanced airborne radar systems such as the E-2C or E-3A AWACS."

The State Department responded to this contention in a memorandum (Feb. 18, 1978) drafted at the request of Rep. Lee H. Hamilton (D-Ind.). It stated:

"An F-15 sale will not lead to the sale of the E-2C or E-3A. The F-15 has an excellent radar. Were the Saudis to purchase an aircraft with a less effective radar than the F-15, they would be more likely to seek an airborne radar system. The Saudis have expressed no interest in either the E-2C or AWACS."

Analogously, any commitment tendered

now by the Reagan administration not to enhance the capability of the AWACS with the JTIDS must be viewed in light of this discarded assurance.

Bureaucratic pressures will certainly add impetus to such a decision: The U.S. Air Force pushed the AWACS sale in order to lower the unit costs on the planes it was buying and to establish a foothold for a permanent military presence in Saudi Arabia.

The administration's own rationale for the Saudi AWACS assumes the need for interpoperability with American forces which might be dispatched to protect Saudi Arabia in an emergency. By 1985, the Rapid Deployment Force will be equipped with JTIDS. So will the AWACS now based in Saudi Arabia. These planes are part of the U.S. inventory and will be upgraded accordingly. But by selling five E-3A's to Saudi Arabia, and by pledging to withhold JTIDS, the Reagan administration and the Saudis will face the prospect of having a Saudi-owned AWACS force which is less capable of defending the kingdom, and less able to assist U.S. forces than the "loaner" unit it replaced.

There is just no way the U.S. military will allow such a circumstance to occur. Given that under current law, any weapon system costing less than \$7 million may be sold abroad without congressional review, there will be little to stop a quiet decision to upgrade the Saudi AWACS with JTIDS.

Moreover, by delivery time in 1985, the Saudis will have had four years to cite Arab pride, petro-friendship and security needs in order to justify the addition of JTIDS and other deleted subsystems. This is part of the process known as after-sale upgrading. There is an instructive precedent in the aftermath of the F-15 battle. In May 1978, the Carter administration told members of Congress that the Saudis would not receive some of the top-of-the-line avionics standard on the F-15. But three months later, Electronic Warfare/Defense Electronics reported that:

"... the United States is planning to include the same avionics in Saudi Arabia's F-15s as that installed in U.S. F-15 aircraft, a high DoD [Department of Defense] source revealed to EW/DE. When asked if this included Loral's advanced ALR-56 radar warning receiver and Northrup's ALQ-135 computer-controlled jammer, he replied, '... all the avionics will be the same.'"

After-sale upgrades also have enabled the Saudis to acquire—without congressional review—the more advanced F-15C instead of the F-15As originally requested; F-5E fighters with aerial refueling capacity and the ability to launch Maverick air-to-ground missiles, and a more sophisticated model of the Maverick itself.

At least one official in the Reagan White House has acknowledged privately that by 1985, the after-sale upgrading process will have worked once again, and that the AWACS bound for Saudi Arabia will be fully equipped promises to Congress notwithstanding.

Even if the Congress votes resolutions of disapproval, the United States will only have lessened its security exposure in Saudi Arabia by perhaps a third. Other systems now in the country or destined for delivery are essential for the effective performance of America's Air Force and Navy against Soviet-armed forces. These include:

The F-15 fighter/bomber, the mainstay of NATO's tactical air threat until the year 2000. The Soviets have an abiding interest in the F-15's engine, the F-100. A fighter engine is only as good as its combustion chamber, and the F-100 utilizes a level of metallurgical magic that in its own way is as sophisticated as the electronics on the AWACS. Also of interest on the F-15:

The AN/APG-63 radar, described by Air Force Gen. John Vogt as "so far advanced that it is something of a decade ahead of anything else."

The AN/ASN-109 inertial navigation sys-

The ALF-56 radar warning receiver and the ALQ-135 ECM. The two units have only been in production for four years, and encompass in their designs every insight the U.S. gained in the Yom Kippur War and after about the workings of Soviet radars.

The AIM-9L Sidewinder air-to-air mis-

The AIM-9L Sidewinder air-to-air missile. The most advanced short-range air-to-air missile in the world, two were used to shoot down the Libyan Su-22s in the Gulf of Sidra. Sale of the AIM-9L is part of the AWACS package, and Congress still has the opportunity to block the transaction.

In April, a number of U.S. Air Force pilots wrote a letter to Rep. Tom Lantos (D-Cal.) warning against the sale of the AIM-9L to the Saudis. They noted the sophistication of the weapon and predicted a degradation of America's security if the AIM-9L were to fall into the hands of the Soviets. They were correct. The Soviets lag bady behind the U.S., Israel and France in both air-to-air missile design and lookdown radar capability. By adding knowledge of the AIM-9L to that now known about the Phoenix, the Soviets could eliminate one of the few remaining areas of military technology in which they trail the U.S.

The AGM-65B Maverick air-to-ground missile. Carried mainly on Saudi F-5E fighters, the 65B Maverick is a "fire-and-forget" weapon which has been in production only

Like the Air Force, the U.S. Navy may suddenly find itself less secure because of what gets penetrated by the Soviets in Saudi Arabia. The Saudis have purchased:

The RGM-84A Harpoon anti-shipping missile. This is the principal all-weather weapon for fleet defense. The Harpoon is now being installed on nearly every class of American warship, and has only been in service since 1977. The Saudis are also purchasing:

The AN/SWG-1(V) weapon control system, which channels data from the ship's radars to the Harpoon while the missile is in flight, and which makes the Harpoon a notably lethal weapon.

The Phalanx Close-In Weapon System (CIWS). Basically a radar-directed automatic machine-gun, the Phalanx is literally the last ditch defense system for the American fieet. It is only now being installed on American naval vessels after emerging from a high-priority development program. The critical time environment in which the Phalanx's radar must perform means that a compromise of this system could only be compensated at a great cost in both money and research.

With the AWACS sale formally submitted to Congress, witnesses for the State Department will assert—as they did during the hearings on the F-1fs—that Saudi Arabia possesses modern security infrastructures. This (they will say), combined with the loyalties forged in the desert make Saudi Arabia a secure place for even the most sophisticated American weapons. When the witnesses from Foggy Bottom give these assurances, they will be talking through their hats

The Saudi security apparatus is a Potenkin village. The system put together by Prince Turki al-Faisal (the Foreign Liaison Bureau and General Intelligence Directorate) has police units, spies, counterspies, computers, communications and camouflaged offices. What the Saudis security system lacks is security.

Like every other modern institution which has sprouted in the kingdom, the Saudi security system is nascent. And like every other technology-dependent infrastructure in the kingdom, it lacks both trained operatives and experienced executives. The Saudi security system is hamstrung by a dearth of experts and planners who feel at home in a high-

technology environment. Worse, Prince Turki has failed to instill a guiding sense of mission, cohesion and ideology.

Intelligence gathering and counter-intelligence are businesses which put a premium on personnel and experience. It takes decades to put together an effective system in which senior administrators trust each other and know the strengths and weaknesses of their agents and protective infrastructures.

Saudi security problems are compounded by shortcomings outside the two intelligence services. Soldiers and police are neither welleducated nor adequately schooled in protective techniques. The same things that make them hard to train also make them indifferent to security procedures and insensitive to real or potential breaches.

The armed forces should have their own powerful and semi-autonomous security units, but the royal family has kept military intelligence on a short leash. The ruling princes fear that any elite, secure, self-contained and well-armed group might attempt a coup d'etat. Their fears are not unitustified.

but this paranola doesn't enhance the security of American weapons in the kingdom. The worst problem is the number of aliens at military installations. Pakistanis train Air Force pilots. There are more than 400 Pakistani engineers and technicians with officer rank attached to the Saudi military. Pakistanis also serve as Air Force mechanics, as do Taiwanese. South Koreans work at Saudi naval facilities. Yemenis are ubiquitous, performing "menial" tasks as waiters, cooks and maintenance men. Egyptians and Pakistanis work as administrators and teachers both on

base and in nearby compounds.

The Saudi military itself is laced with Saudi citizens who sympathize politically with Iraq, Iran, Syria, Libya, Egypt and/or the Soviet Union. (This is a common circumstance in Arab armies.)

It does not require too much imagination to realize that clandestine communists, or pro-Iraqi, pro-Syrian or pro-Libyan Saudi officers would be targeted by Soviet intelligence as likely conduits of information about American weapons in the kingdom. The covert KGB presence in Saudi Arabia is growing, and is supported by major stations in Kuwait and Aden.

In essence, Saudi dependence upon the importation of skilled and unskilled personnel makes the kingdom a permanently unsecured area. The United States can dismiss this, but the Soviets will not.

Having created so many opportunities for security breach, the Saudi royal family may very well facilitate the ultimate intelligence compromise by getting itself overthrown. Weapons such as the AWACS and F-15 mean that when a coup attempt comes again, the sheer firepower at the disposal of the ring-leaders will increase their chances for suc-

Interestingly, the simple presence of highteeh weapons in the country destabilizes the royal family. It is a two-edged sword: many Saudis feel proud to know that their country is the recipient of the most powerful arms in the world. But for other Saudis, this is evidence of the overweaning self-aggrandizement of the royal family.

The royal family, hamstringing the military politically (while simultaneously trying to buy its favor with lush salaries, luxurious quarters and gold-plated cutlery in the mess halls) relies upon the National Guard to assure its safety. But this tribal force is just that—a throwback, bound by loyalties which were tested and found wanting in the take-over of the Grand Mosque in Mecca in 1979. The National Guard's fundamental problem is that it is not an elite force, like the commando units of Egypt and Israel. It lacks their training, techniques, command structure and political awareness. Here again, the waxing firepower of the Saudi armed forces makes it increasingly unlikely that the Na-

tional Guard could successfully protect the royal family.

But what has drawn the least attention, and yet is the likeliest source of a coup attempt is the tumult in the royal family itself. The conventional wisdom is that the family operates by consensus, mollifies complainers and assures that no one kills the goose that lays the golden egg. But that is a misperception of current dynamics within the family. There are two competitions for power and wealth now underway: one is taking place among the senior princes; the other pits the senior princes as a group against lesser, peripheral members of the royal family.

The Wall Street Journal reported early in May that a number of senior princes and their sons had been involved in schemes to sell oil to Japanese, Italian and Thai buyers in exchange for commissions which would have totaled millions of dollars. It is logical to ask: Why are some of the richest men in the world risking public embarrassment in pursuit of foreign payoffs—even payoffs exceeding \$100 million a year? Greed? Boredom? Power?

The answer appears to be power. The consensus process within the royal family is breaking down as the demise of the infirm King Khalid looms. The battle over the line of succession after Crown Prince Fahd has been brutal, unending and only partly resolved. The senior princes and their avaricious sons are developing their own parochial and irreconcilable agendas. These command ever more loyalty as the disagreement about policy for family and kingdom continues. Fahd's succession is likely to exacerbate this fractionalization, for he is neither a builder of coalitions nor a crusher of adversaries.

There is a story going around the intelligence community about the coup preparations of one of the senior princes. "Why should I care if a revolution costs me \$100 million?" the prince is reported to have told a confidant. "The day after I become king, my income that day will be twice as great."

The workings of the royal family destabllize the monarchy in another way. Power and oil revenues are concentrated at the center. The senior princes are under pressure from lesser family members to decentralize the family enterprise.

As with political power, the king and the senior princes divide the llon's share of oil revenues reserved for the royal family as a whole. (Aside from the senior princes, the only Saudi citizens who regularly command truly large chunks of oil money are the heads of the vassal tribes around the country.) These days, lesser family members get payments which may total several million dollars, but which are essentially token in nature. Their share of actual power is limited.

It is now clear that any move by the senior princes to share power with the outer circles is unlikely to occur because of the conflicts inside the senior group. Moreover, any devolution of power will not broaden the popularity of the senior princes or the family itself. What little power that is spun off from the center will be seized by less senior princes long before it has a chance to filter to the periphery.

More important, the burgeoning non-royal groups (the military, the technocrat-administrators, the entrepreneurs and the middle class) remain as powerless as before. Shut out and effectively disenfranchised, these groups are becoming a fertile agar for revolution. And unlike the shah, the Saudis have yet to undertake even a pretense of reforms.

Sadly, the worse-case scenario for the United States (massive security breach of its defenses) can happen even if the worst-case scenario for the Saudis (overthrow) does not occur. Whether the sieve-like quality of Saudi security is really important ultimately depends on the ability of the Soviet Union to get classified information and put it to use.

The deliberate structuring of the KGB to collect the maximum amount of technical data in the West and extract the maximum benefit from it has been well documented. This is a certainty: the Soviets use what they collect, and they are willing to collect it anywhere. The so-called "velocity of information" is swift between the scientific and technical directorate of the KGB and the research institutes of the Soviet military.

A compromise of American technical secrets in Saudi Arabia would help the Soviets to build systems they do not now possess, and improve systems they are currently developing. The Soviets already possess the ability to build most of the weapons sufficient to confront the U.S. But if the AWACS or F-15 (along, recall, with their subsystems) are compromised to the Soviets, the U.S.S.R. will focus not on duplicating the American components but on defeating them electronically. As in simple intelligence collection, electronic countermeasures have a much higher prospect of success when you have a known, defined target in mind.

Even if the Soviets acquire only a few pertinent facts about a radar or communications device, they will be much aided in their ability to build an effective ECM against it. Soviet science is uneven, but it is renowned for its mastery of electronic theory and the associated mathematics. The Soviets are fully capable of building devices to impair and deceive any system in the U.S. arsenal—given sufficient data.

Seemingly innocuous information about signal strength, bandwidth, pulse frequency, receiver sensitivity, selectivity, antenna characteristics and a thousand other minutiae is enough to focus research towards completion of an effective ECM. Physical examination of components provides information not only about how they work, but how they were made. Inspection of components functioning as a system allows one to discover systemic weakpoints. And there is no telling what could be done with some particular knowledge of a computer system, its operating software, its access routines and codes.

Advanced systems such as AWACS crucial to America's defense are acquired only at a great cost; research and development expenses are astronomical, because what is being designed is not merely a component, but a never-before assembled technology for building it.

Conversely, ECM research is very cost-efficient. With the right investment, you can render obsolete, even useless, billions of dollars worth of your enemy's weapons (and its investment in research and development). One acquires much of the enemy's technology without paying nearly as much for it in money or time. Moreover, the analysis which produces the ECM elucidates where the enemy is heading for the next generation of weapons. It also illuminates, as noted earlier, what he thinks is important, and how he detects and measures and classifies it.

It.

In the largest sense, these realities dictate a much more conservative and vigilant American policy for the protection of our technical prowess. In the immediate sense, they suggest that the United States should revise its plans to put a gamut of first line weapons in the hands of a nation—Saudi Arabia—patently incapable of protecting them.

If the United States wants to signal that it is unwilling to give unintentional assistance to Soviet military planners, it should withdraw the offer of the AWACS to Saudi Arabia. Reevaluation of the 1978 F-15 sale would not be unjustified either. Given the centrality of the AWACS to the security of the West, a refusal by the administration to cancel the sale should persuade the Congress that it must protect our interests, and vote resolutions of disapproval.

(This article was sent to the Department of Defense on Wednesday, Aug. 26, for its review and comment. Its reply, received Friday afternoon, follows.)

REVIEW AND COMMENT BY THE DEPARTMENT OF DEFENSE

Department of Defense officials were given 24 hours to review this article prior to publication. They have told the editors of The Post that in this brief period they were able to identify at least 25 factual errors and numerous tendentious and unsubstantiated assertions. Much of the article, by Aaron Rosenbaum and Emanuel Winston, is, in their view, anti-Saudi polemic but, for the rest, testimony by the secretaries of state and defense before Congress will set the record straight and make a convincing case that the sale is in the interests of our country, the Western Alliance and stability in the Middle East. Several of the most glaring factual errors include:

Article: The E-3As destined for Saudi Arabia will in fact be "Block 30/35" versions, the most advanced model of the AWACS now planned, and superior to those sold to NATO (the Block 25 model).

DoD: Saudi will receive a degraded Block 10 AWACS, not Block 30/35. Block 30/35 models have not even been funded by the U.S. at this point. Consequently, the Saudi AWACS will not be the most advanced model of the AWACS now planned. Saudi AWACS will be inferior to the NATO AWACS which will be the Block 15 model

Article: The administration has suggested that it will delete certain advanced subsystems on the planes destined for Saudi Arabia. But there is evidence and precedent which indicate that when the planes are actually delivered, most once-deleted systems will be on board.

DoD: Evidence and precedent indicate that these subsystems will not be transferred.

Article: The AN/APY-1 radar, which on the Block 30/35 aircraft will be redesignated AN/APY-2 because of its added ability to track ships under way or at anchor. This radar has lookdown capacity, meaning it can separate the images of aircraft from the radar echoes of the ground or the sea. The AN/APY-2 can see targets over the horizon and by virtue of its carefully shaped radar beam is difficult to detect and iam.

beam, is difficult to detect and jam.

DoD: AN/APY-1 radar is on the "core" aircraft, not Block 30/35. It is mid-sixties technology—both radars have look down capability. Neither can see ground targets. Neither can see targets over the horizon. Neither has a shaped radar beam that is difficult to detect—it is easily detected due to power emitted.

Article: The AN/APX-103 uses a secure data communications system called TAD'L-C, which is integrated into the disc-shaped radome mounted above the fuselage.

[Editor's note: The article language differs slightly from the DoD review copy.] DoD: There is no relationship between the

AN/APX-103 and TADIL-C.

Article: In addition to identifying friends and adversaries, the AN/APX-103 simultaneously allows the AWACS to maintain air traffic control over a wide area. The Reagan administration has indicated that the Saudis will receive a commercial IFF instead of the AN/APX-103. But this would require a redesign of the radome and antenna suite. It would also require a technically difficult separation of the components and computer programs of the AN/APX-103 from those used in the main radar

DoD: The AN/APX-103 has no connection with air traffic control. Providing a commercial IFF will require no redesign of the radome or antenna suite. Finally, no separation of components/computer program is needed from those used in the main radar.

needed from those used in the main radar.
Article: JTIDS is still under development,

and the administration has stated that the Saudis will not receive this system, basic to NATO's operations. Yet for the five E-3A's to operate in proper coordination with the Saudi Air Force, a system like JTIDS will be necessary.

DoD: JTIDS is not essential to interoperability. We are operating now without it. If necessary, swapping "black boxes" will accommodate.

Article: Given that under current law, any weapon system costing less than \$7 million may be sold abroad without congressional review, there will be little to stop a quiet decision to upgrade the Saudi AWACS with JTIDS.

DoD: Cost of JTIDS modification will be \$3M per aircraft, or \$15M total which would require notification.

Article: After the sale upgrades have also enabled the Saudis to acquire—without congressional review—the more advanced F-15C instead of the F-15As originally requested.

DoD: F-15As were never requested because they were no longer in production at available delivery date.

able delivery date.

Article: The Soviets lag badly behind the U.S., Israel and France in both air-to-air missile design and lookdown radar capability.

DoD: Soviet air-to-air missile technology

is rapidly catching up.

(The authors reviewed this critique and stated that they stand by their analysis. They cited references to support their original contentions. They added that "DoD's derision of the technology and capabilities of the various weapon systems contradicts testimony given over the years by DoD witnesses to the Congress.")

THE AMERICAN CONSUMER

• Mr. GOLDWATER. Mr. President, as is all too often the case, we in the United States suddenly wake up to the fact that we do not and cannot pretend to live in splendid isolation from the rest of the world. Even as the average American goes about his or her daily business, the combined result has startling impacts throughout the far reaches of the globe. By consuming or creating the vast amount of worldly goods that we do, the influence is felt in many far away places which then take on a heightened importance to the very existence of our society.

In a recent essay, Mr. Frank Pederson examined these impacts and the evolutionary nature of the fundamental changes which have occurred in international relations over the past 40 years.

Mr. President, I submit the essay for printing in the RECORD, for the benefit of my colleagues.

THE AMERICAN INTERNATIONAL MAN AND THE MENACE FROM THE EAST

(By Frederick Pederson)

The global transmigration of people, ideas and good, propelled rapidly in the post World War II era by air transportation, telecommunications, massive media exploitation and compounded technological development, has confronted the nations of the world with the reality of planetary internationalization and all the attendant confusion, turmoil, maladjustment and socio-economic dislocation. The precipitant magnitude of this is a formidable challenge for a single generation. We—all of us—individuals, as well as our political leaders, are muddling along in frustration and irresolution. We say stupid things. We jump to ridiculous conclusions as we seek immediate solutions to complex problems. There will be a dawn someday when equable adjustments and intelligent rationalization will take over, but

that day is not yet visible or even predictable.

In our recent lifetime we have seen once sleepy Arabian villages become petroleum and financial centers, African jungles transformed into housing developments, south sea islands turned into satellite tracking stations and the conversion in midwest American small town coffee shops mutate into forums for emerging profundity on subjects only recently far removed from bucolic discussion or speculation.

America showed early evidence of becoming an ethnic amalgam when the Dutch and the Swedes supplemented the early Britannic settlers with the French and Spaniards on either flank. The blacks joined the assemblage under less than happy circumstances initially and now have become an integral, contributory seement of American society.

contributory segment of American society. The great waves of European immigration, engendered by political unrest, social revolution, oppression, famine, frustration and that compelling motivator of all—the desire to get ahead—created a bastion of enterprise and progress on the North American continent the likes of which are awesome to behold. They all combined to produce the American archtype, an industrious creator of and a prodigious consumer of worldly goods on a colossal scale.

Whether it's petroleum or cocoa beans, coffee or diamonds, manganese or lobsters along with an increasing importation of motor cars, cameras, Scotch whisky, German beer, French perfume, Italian wine and Japanese television sets, there's an American ready to buy it and then eat it, drink it or use it.

The American consumer! This brave and accommodating soul indulges himself or herself to the fullest extent of credit available and with wanton profligacy. He assaults his stomach, ruins his liver, bewilders his nervous system, tests his stamina, endures pressures and works at his job feverishly to earn enough money to accomplish all this devastation, but usually not quite enough. He is even willing to demolish his solvency. What more can anyone ask of man? He may unbalance his country's balance of pay-ments, but he is the darling of all exporters the world over. The American consumer keeps plantations busy, factories humming, pumps pumping, miners digging, ships sailing and weavers weaving on a broad global scale. He is truly the international man. Can the world do without him? Frankly speaking, at the moment—no. The world economy would collapse. He is the epitome of capitalism-both the cause and the effect.

Capitalism is the worldwide system by which people exist and enjoy existing, communist propaganda and doctrine to the contrary, Communism itself is merely primitive capitalism which only provides scarcity. To be sure it minimizes the self-indulgent tendencies of its adherents (sic victims) by producing very little in the way of worldly goods which it is utterly incapable of doing. In the primitive capitalism of communism the only capitalist is the state, and the enormous bureaucracy neither has the energy, nor the incentive nor the imagination to conceive, manufacture and distribute the desirable conveniences of life. This primitive capitalism does not take advantage of the innate capabilities of educated man. It denies him the opportunity of doing his own thingachieving a goal or distinction which, admittedly, would benefit certain individuals above the norm, but in so doing raises the norm and everyone's standard of living. The broader application of capitalism, which the western world fosters in varying degrees, is very evident in America. Our inventive genius and innovative talents have produced everything from the prize in a Cracker-Jack box to the atom bomb, from the banana-split to the transistor, and from a Ferris wheel to supersonic aircraft. Vodka and sables,

curiously aimed at capitalist customers, come from Russia.

The tragic, if distinguished (after all, look at Shakespears, the Parthenon, Leonardo da Vinci and Einstein), history of the world uncomfortably discloses that there is nothing unique about a menace to western civiliza-tion from the east. The Huns and other assorted bellicose tribes spilled out of steppes of Scythia to assist in the destruction of the Roman Empire. The hordes of Genghis Khan and Tamerlane ravaged, burned and sacked everything in their paths and caused medieval Europe to tremble. As recently as 1683 the Ottoman Turks were at the gates of Vienna. The princes of Muscovy and the czars of Russia, as they threw off the Tartar yoke, picked up the same pattern of war and conquest which we see emanating from the east today. The east always has pre-ferred weapons to post-toasties and a bullet to an hors d'ceuvre. Mechanized Cossacks have overrun Czechoslovakia and Hungary and their steel phalanxes supported by armed helicopters and other aircraft have moved into Afghanistan, following in the footsteps of Genghis Khan over seven centuries later. Afghanistan is actually a replay. Shortly after the Bolshevik revolution, the comrades quickly overrun the Muslim khanates of Khiva and Bokhara which were surrounded by Russian Turkestan and had been czarist protectorates. Afghanistan is merely next on the agenda, and the curtain has opened on the drama of Poland.

As a matter of fact, communism is patently not a unique or panacean enchanting economic system. It is a derivation of the age old tribalism of the east; an overlay of beligerant and predatory Tartar or Mongol chieftains on the communal life of the tribe itself, an amalgam of herdsmen, hunters plus a few seed planters and weavers. Today we have the Politburo and its associated warlords operating under the cloak of so-called communism through the medium of euphemistically named "peoples" republics! A few migratory Mongol genes and chromosomes must have found their way into the antecedents of Marx and Engels who rendered gospel service to this modern day tribalism. Lenin's very physiognomy betrays Tartar ancestors. Stalin came out of the Georgian Caucasus mountains. They all are dramatic examples of recidivism.

What is the eventual solution, amelioration or conclusion to all this, short of employing the full services of the U.S. Air Force, Navy, Army and Marines? Such engagement even if victorious, would not necesarily settle all the complex issues. World War II proved it is not possible to completely win a war and then win a peace. The victors always have to cope with what is left.

There is, however, a glimmer of hope in the apparent worldwide reaction to current aberrant moves by fanatics and warmonto the detention of hostages, vasion of sovereign states and to the dis-gusting acts of terrorism. The American consumer is showing signs of sobering up after a sixty year binge which really began after the conclusion of World War I and was intensified immediately after World War II when he was the only privileged person on the globe who had any money. Now Japanese and Germans, who have successfully applied the principles of capitalism, have money. most sobering of all, is the spectre of the Arabians winding up with all the money via virtual economic blackmail. The aggravating energy shortage has brought a stark awakening to the American consumer. Suddenly he cannot have everything he wants when he wants it or even drive wherever he pleases as fast as he prefers. He is now a part of a global collage of inter-dependency.

The irrational fanaticism of Iran and the brutal aggressiveness of imperialist Russia have aroused many nations and peoples throughout the world and, in particular, the

free-wheeling American. We have just experienced a unification of thought and action second only to that precipitated by Pearl Harbor in 1941. A strong, resolute and effective America is the keystone of a normalization which will have to manifest itself to prevent chaos on an unprecedented scale. We also have observed the transformation of China into a nation with an evident intent to join others in collective harmony and security. Hopefully, the present charged atmosphere will start to dissipate itself when the major protagonists conclude the risks are too great, the support too undependable, the logic too fallacious, the gains too illusory. Then it is up to twentieth and twenty-

Then it is up to twentieth and twenty-first century man to disprove the unflattering, even calumnious, assessment of man made by Machiavelli in the turbulent times in which he lived: "The destiny of humanity is a compulsive sequence of events in which the individual participates for no particular reason—and in which he is incapable of living in peace with others. Men move from one thing to the other—they tire of evil, and of good they sicken."

Let us hope Machiavelli was wrong.

CLEAN AIR ACT

• Mr. STAFFORD. Mr. President, I would like to insert in the Record at this point a memorandum concerning the Clean Air Act. The author is Mr. Roger Strelow, a lawyer and spokesman for the business community, including the Business Roundtable. Mr. Strelow recently represented the business community on a McNeil-Lehrer news program, reporting on the Clean Air Act reauthorization. At one time, he was an Assistant Administrator of the Environmental Protection Agency, charged with administering the Clean Air Act.

I ask that the memorandum be reprinted for two reasons. First, it provides an analysis of what at least one well-informed person believes to be the administration position on amending the Clean Air Act. Second, and more importantly, it illustrates an approach which could doom efforts to finish the Clean Air Act in this Congress or to achieve a sound and reasonable result.

Those outside the Congress interested in the Clean Air Act can choose the path they wish to travel. I hope they approach the reauthorization process in an open, honest, and straight-forward manner.

On page 5 of this memorandum there is a statement that an administration draft leaked to Representative Waxman in June contained—and I quote—"a number of inconspicuous, seemingly technical provisions which would have effectively gutted many of the requirements applicable to class I areas. * * *" The author then notes that later in the drafting process "technical details could again prove to be critical."

Later in the memo, the author describes the Business Roundtable position on acid rain as a "preemptive strike." Another position is described as "buying peace."

Mr. President, I can say with a conviction born of 20-years experience in the Congress that if those involved in this debate choose to tred a path littered with "technical" details and "preemptive strikes," their journey may be much, much longer than they bargained for. They may also find, at journey's end.

that it was both a trip and a destination they would have preferred to avoid.

The memorandum follows:

MEMORANDUM

To: Van Langley From: Roger Strelow

Administrator's August 5, 1981, Re: EPA

Press Release

The statement of principles contained in Administrator Gorsuch's August 5, 1981, press release is too sketchy to draw defini-tive conclusions regarding the Administration's proposal. The press conference did not provide much elucidation. (See Al Fry's August 5 memo.) In broad terms, however, the position announced August 5 is compatible with virtually all of the Roundtable recommendations, reflecting a substantially more moderate approach than the bill leaked to Congressman Waxman in June.

Some initial reactions to the press release

are summarized below:

Administration's Position: The Nation should continue its steady progress towards

cleaner air. Comment: Environmental groups are unlikely to quarrel with this statement of goals, but will argue that the Administration's proposals fail to meet its own test, since they will allow substantially higher emissions than would be permitted by the present version of the Act. In support of this contention, these groups will be able to point to credible evidence which suggests that elimination of the percentage reduction require-ment, coupled with other proposed changes in the law, will increase emissions by 3.0 to 5.0 million tons per year, compared to pro-

jected levels. It is important for industry to be in a position to refute this claim, to the extent it is excessive. The work ICF is doing for Conoco could prove critical in this regard. In addition, we are reviewing the studies EPA prepared in connection with the 1979 NSPS requirements as a further source of informa-

tion on this issue.

2. Administration's Position: Statutes and regulations should be reasonable and should be related to the economic and physical realities of the particular areas involved.

Comment: The reference to "economic and physical realities" appears to be patterned after the Roundtable's recommendations regarding cost effectiveness, economic

values and attainability.

Phrased so broadly, it is difficult to quarrel with the Administration's statement of principles; the trick will be to convert this statement into acceptable and effective legislative language. We might want to begin drafting soon, based on our legislative specifications (see especially § 317), so as to be in a position to provide language to the Committee staffs when they begin drafting a bill.

3. Administration's Position: The basic concept of the health-based primary standards in the Clean Air Act should be maintained. Cost benefit analysis should not be included as statutory criteria in setting these standards, but standards should be based on sound scientific data demonstrating where air quality represents real health

Reaction: The Roundtable can fairly take credit for the emphasis on "real health risks" and the use of "sound scientific data. The decision not to provide for cost-benefit analysis in promulgating the standards appears to reflect a political judgment by the Administration that a moderate position on standard setting will significantly increase

the prospects for approval of other major reforms. If translated into appropriate legislative language, the Administration's proposal probably would permit EPA to relax the present standards substantially, even if cost-benefit analysis cannot be explicitly taken into account.

4. Administration's Position: Secondary standards should also continue to be set at

the Federal level.

Comment: The Administration's ment appears to rule out the possibility of states adopting more lenient standards, and thus conflicts with the recommendation adopted by the Roundtable. As a practical matter, however, Administrator Gorsuch is likely to set secondary standards at or near the level of the primary standard whenever warranted, in which case an effort to reverse to the Administration's position might have little practical effect. Further, the brief statement in the press release would not appear to preclude adoption of separate re-gional standards for each region of the country, or the use of incremental cost ben-efit analysis in setting standards (a major element of the Roundtable's recommenda-

5. Administration's Position: The current program for the prevention of significant air quality deterioration should be maintained for the protection of park and wilderness areas. In other areas, protection should be based on uniform technology requirements

for pollution control.

Comment: The Administration's proposal to eliminate class II and class III increments and adopt uniform technology requirements (presumably based on NSPS requirements) is identical to that adopted by the Roundtable and virtually every other major industry group. (Note, however, that there is no specific mention of revising the class I increments.)

On PSD, like several other administration proposals (including proposals regarding hazardous pollutants an nonattainment areas) it will be essential to review a more proposals hazardous detailed statement of the Administration's position before any definitive conclusions can be drawn. In broad, outline form, the Administration's statement of principals regarding the PSD issue is compatible with the approach taken in the draft bill leaked in June. However, the June draft contained a number of inconspicuous, seemingly technical provisions which would have effectively gutted many of the requirements applicable to class I areas (including the class I annual increment, which industry generally has not challenged). Even if the Administration is now committed to a more moderate approach, technical details again could prove to be critical. (For example, while the Administration's press release is silent on the issue of visibility, a carefully targeted technical amendment to current provisions regarding class I areas, including a more realistic statistical approach to the short-term increments such as Terry Thoem has urged, could cure many of the Roundtable's objections to the current version of the Act.)

6. Administration's Position: States should be accorded a full partnership in implementing the Nation's standards. The Federal government will monitor state achieveof the national health and welfare standards.

Comment: Subject to appropriate limitations, the concept of significantly restricting EPA's role in reviewing state decisions has wide-spread support. (ERT's study for the Roundtable should add to the momentum for reform, since it provides impressive documentation of the extent to which the current system of overlapping review causes unnecessary expense and delay.)

As currently formulated, however, the Administration's proposal may hide a bombshell. One of the most controversial aspects of the June draft bill was the proposal to eliminate most of EPA's current review func-

tions, by eliminating entirely EPA's review of individual permit decisions (even for major new sources) and cutting back sharply on EPA's review of S P's. (By contrast, the Roundtable's legislative specifications gave EPA 90 days to veto state permitting decisions for major new sources and continued to provide for meaningful review of SIPs.) In light of intense reaction to the leaked bill, the statement in the press release that the federal government "will monitor state achievement of national ... standards," with-cut further elaboration, suggests that the Administration may intend to adhere to its original, controversial approach. I would note that it is my distinct impression that much of industry would not favor excessive delegation and decentralization to the states since this could allow discrimination within industry by region and/or industry category.
7. Administration's Position: A more effec-

tive hazardous pollutant program should be established to allow, for the first time, efficient control of the hazardous health hazards

posed by airborne toxic pollutants.

Comment: It is not clear whether this language is a smokescreen, or reflects a decision to take a tough stance. To the extent it indicates the latter, it could prove to be a major point of tension between industry and the Administration. We should not oppose a truly more effective and aggressive toxic pollutant control program under § 112, but we must insist upon appropriate procedural and scientific (e.g., peer review) protections. You may recall that DuPont's representative made this basic point at the CAAF meeting held in BRT's conference room about a month ago.

8. Administration's Position: Research on acid deposition should be accelerated.

Comments: This statement is unobjection-

As we discussed when we were preparing the paper for Vice President Bush, the prospects for this proposal being accepted (in lieu of immediate imposition of control measures) would be enhanced substantially if we are able to develop a very detailed pro-posal for how the current research program should be accelerated, pointing to very specific areas in which research should be accelerated, and explaining why it would be reasonable and appropriate for Congress to defer action until after this research has been completed. The Administration may not be able to avoid further action on acid rain— in the legislation and/or in the treaty with Canada—if it insists on promoting a significantly relaxed NSPS for coal-fired powerplants (see #11, infra), which could lead to significant SO₂ increases. BRT's "preemptive strike" position may well become a necessary compromise in any event.

9. Administration's Position: Deadlines for achieving primary air quality standards should be adjusted to reflect realities in particular areas.

Comment: The proposal for selective extensions of attainment deadlines is identical to the recommendation offered by the Roundtable, and represents a major retreat from the position proposed in the draft bill leaked to Congressman Waxman.

From the terse description offered in the press release, it is unclear whether the Administration intends to modify its position with regard to other controversial aspects of the nonattainment program (e.g., elimina-tion of the offset requirement and the construction ban).

10. Administration's Position: As sugeested by the National Commission on Air Quality, automobile standards should be adjusted to more reasonable levels. The limit for nitrogen oxide could be raised to a level slightly higher than that suggested by the Commission without affecting air quality goals.

Comments: According to the story in Wednesday's Wall Street Journal, the Admin-

¹ Indeed, on several issues (e.g., the limitation of primary standards to "real health risks," the requirement for use of "sound scientific data" and the proposal for selective extensions of compliance deadlines) the concepts in the Administration Bill appear to be borrowed directly from the Roundtable's paper.

istration intends to determine compliance with the relaxed limits based upon companywide averages. This represents a substantial further concession to the automobile industry, beyond that already reflected in the press release.

11. Administration's Position: Pollution control standards for new coal-fired plants should be based on uniform emissions

standards.

Comments: This proposal clearly requires uniform, fixed emission limits, in lieu of the current mandatory scrubber requirements. As such, it is likely to be one of the more controversial aspects of the Administration's current proposal. The environmental groups will insist—with some credibility—that the effect of this proposal will be to increase emissions of SO, by several million tons per year, thus negating the Administration's promise of "steady progress towards cleaner air." Further, representatives from states with large reserves of high sulpropose this provision.

As a result, the pressure on the Administration to find a compromise position is likely to be intense. In this context, it may be important to note that the Administration was careful not to commit itself to any specific emission limit. (The utility industry had pushed for an emission limit of 1.2 lbs SO₂/MMBTU, consistent with both the 1971 and 1978 NSPS requirements.) This leaves open the possibility that the Administration ultimately will accept a lower limit (e.g., 0.8 lbs SO₂/MMBTU or perhaps even some form of sliding scale), as a way of

buying peace.

THE FEDERAL BUDGET

 Mr. ARMSTRONG. Mr. President, within the next few days, the Senate will be asked to increase the national debt to more than \$1 trillion. Based on precedent, it probably will, in order to keep the Government going.

This mind boggling debt, and the Government spending policies which have caused it are exactly why interest rates are soaring, bond prices are crashing, the stock market is sagging, the Nation's economic recovery is crippled and millions of workers are losing their jobs.

There is now little doubt that excessive Federal spending is, in fact, the main cause of the Nation's inflation/credit crunch. Almost no one now disputes the once-controversial notion that a balanced Federal budget is essential to getting the economy back on track.

President Reagan is pledged to do so. And no one doubts the sincerity of his

intentions.

What is in doubt is whether Congress, in the wake of making dramatic budget cuts this summer, will go along with Mr. Reagan's plan for further spending cuts needed to match recent tax reductions.

While there may be no such thing as a painless budget cut at this point, one way Congress can help restrain Federal spending is by passing an amendment I intend to offer when Congress considers the debt ceiling increase.

The amendment makes one simple but significant change in current policy. Introduced as S. 384, the Federal Expenditure Control Reform Act, the amendment requires congressional veto rather than congressional approval of any rescission proposed by the President. As before, the President would be required to notify

Congress of his intent to rescind or withhold appropriated budget authority. But to halt such action, Congress would within 45 days have to pass a resolution disapproving it.

The Senate Budget Committee conservatively estimates that some \$5 billion could be saved each fiscal year by adopting this approach. Further savings, I be-

lieve, are possible.

Our President presides over the largest budget in the world, an estimated \$642 billion in this fiscal year. Yet he has less management control over that budget than almost any other Chief Executive. The Governors of virtually all of our 50 States have the power to block wasteful, duplicative and unnecessary spending, but Congress has denied this essential management prerogative to our President.

Under present law, if the President discovers that funds appropriated by Congress for a particular purpose are no longer required, or are more than required to achieve that purpose, he cannot prevent the expenditure of the excess funds without first obtaining explicit permission from Congress to do so.

The Congressional Budget and Impoundment Control Act of 1974 protects the constitutional prerogative of Congress to have the first and the last word about the expenditure of public funds, but it does so in a needlessly wasteful and

extravagant way.

The trouble with the Impoundment Control Act is that the President's efforts to restrain wasteful spending can be thwarted simply by congressional inaction. If the President determines that funds appropriated for a particular purpose need not or should not be spent, he must inform Congress of his intention to rescind them. But if both Houses of Congress do not pass resolutions approving the rescission within 45 days of the President's announcement, then the funds must be released.

Unfortunately, all kinds of factors other than the merits of a proposed rescission can block action by both Houses of Congress before the 45-day period expires. Since 1974, Congress has approved fewer than 15 percent of the rescissions proposed by Presidents Nixon, Ford, and Carter. In most cases, the rescission request never even reached a vote.

Fiscal year 1980 provides an all too typical case in point. In that year, a year of near record budget deficts and double digit inflation, President Carter sent to Congress rescission requests totaling \$1.6 billion. Congress rejected by inaction \$1.1 billion of these rescission requests. Thus, out of a budget of \$579.6 billion, a scant \$500 million, eight one hundredths of 1 percent of the total, was saved through the decision of the President that the same results could be achieved with fewer dollars through better management.

Presidents used to have a very potent power to prevent wasteful spending, the power of impoundment. The history of Presidential impoundments shows clearly that this power was used in virtually every instance to achieve sound management objectives. The most common reason for impoundments was because changed circumstances rendered a particular expenditure unnecessary, as when President Jefferson blocked \$50,000 for gunboats on the Mississippi after the Louisiana Purchase had removed the threat the gunboats were supposed to guard against. Another frequent reason was to prevent waste, as when President Van Buren blocked payment of a duplicate pension to a military widow, and President Truman refused to spend money to build Veterans' Administration hospitals until a study had been made to determine the geographical need for them.

But there were instances where the impoundment power was abused. President Lincoln, for instance, impounded funds for water projects in order to punish certain Illinois Congressmen who had opposed his administration on other pol-

icy matters.

The use by some Presidents of the impoundment power to punish recalcitrant legislators, or to alter policies enacted by Congress quickly irritated Congress, and raised a serious constitutional question as well. The Constitution makes it clear that Congress has the power to determine how public money should be spent. But if the President impounded funds appropriated by Congress, Congress either would have to pass the appropriation again-in which case it would be subject to a second impoundment, or a veto—or take the President to court. This was, especially from the congressional point of view, most unsatisfactory.

The impoundment controversy came to a head in 1972 when President Nixon attempted to force Congress to adopt a block grant housing approach by imposing a moratorium on funding of the housing programs authorized by Congress. The President won the battle—an appeals court ruled against Congress' lawsuit—but Congress, by enacting the Budget and Impoundment Control Act of 1974, won the war.

Most Americans would agree that some protection had to be found against the sporadic Presidential abuses of the impoundment power. But the congressional "cure" has proven far worse than the disease. Clearly, some middle ground must be found.

Enter the rescission amendment, allowing flexibility in achieving needed savings without returning to the old abuses.

This basic change, to congressional veto from congressional approval, would alter the climate for Presidential action by requiring a positive, considered action by Congress in order to block proposed rescissions instead of killing needed rescissions by inaction—without even having a vote. The President would be allowed the managerial flexibility required for efficient Government, but Congress would retain its constitutional prerogative to control the public pursestrings.

ADDRESS BY SENATOR DOLE ON ISSUES AFFECTING DISABLED AMERICANS

Mr. MURKOWSKI. Mr. President, last evening, my distinguished colleague

from Kansas, Mr. Dole, delivered a very timely speech on issues affecting disabled Americans to a group called "Mainstream," which is sponsoring a 2-day symposium on disabled people in the workplace. As a member of the Senate Veterans' Affairs Committee, I am particularly aware of the necessity for assistance in employment opportunities for disabled veterans. I submit this speech for the Record, so that my other colleagues in the Senate may have the opportunity to read it.

The speech follows:

JOBS, JOBS, AND MORE JOBS-FOR THE DISABLED

It's an interesting coincidence that tonight's seminar, which focuses on employing disabled Americans, should take place during the week of Labor Day—two days after President Reagan outlined the economic policies of his administration as "Jobs, Jobs, and More Jobs."

Well, we all agree with that, and we look to the President and Congress to make certain that the millions of new jobs we believe his economic program will create in the next few years will go to people regardless of whether they walk to work or ride in a wheelchair—whether or not they can hear the sounds of an office around them—whether they stand tall in physical posture or personal spirit.

AN IMPORTANT DISTINCTION

The year 1981 is the year of the disabled person. It is not the year of the handicapped. The distinction is important. For a disabled person is handicapped only so long as he or she is prevented from achieving a goal, earning a living, realizing a dream. Throughout my life, I have known persons who might have been physically disabled, but who attained great things of the mind or the spirit. I have known in my own life the call to self-discovery that comes with a physical disability—and I learned many years ago that sympathy is no substitute for a chance to develop one's skills.

There are thirty-five million other Americans who have learned or will learn that same lesson. They represent a vast and largely untapped human resource. They ask for nothing but a chance to share their talents. And they demonstrate every day of their lives the meaning of what Tennyson meant when he wrote "To strive, to seek, to find, and not to yield."

The last decade has seen a lot of striving, seeking and finding. The only yielding done was by the barriers—architectual, economic or psychological—that have traditionally blocked the way to personal independence and employment of the disabled. Physical mobility was increased. Now the same thing must happen with economic mobility.

FISCAL AUSTERITY-AND CONTINUING NEED

I hardly need remind anyone in this room that we live in a time of fiscal austerity. The Federal budget is under seige to some hard economic realities. The Federal Government itself is trying to restore the historic concept of federalism before that foundation of American self-rule is smothered beneath Washington's deficits, Washington's rules, Washington's regulations and Washington's smug conviction that it knows best.

The demands on our dollars have never been greater. But that does not mean any diminution in the needs of the disabled. What is just a time of heavy spending remains just in a time of belt-tightening. Fortunately, I can report that programs for the disabled have, by and large, escaped the budgetary ax. I think the administration is sensitive to the needs of disabled Americans. I see no desire—and no possibility—for a retreat for the commitment of recent years,

But I do see a greater reliance upon the private sector as a partner in meeting the economic needs of the disabled. To be blunt, business will be invited to pick up some of the slack that Government alone can no longer handle. This seems a fair price for the largest tax cut in American history, much of it specifically aimed at the business community. Along with rewards goes responsibility.

THE PRIVATE RESPONSIBILITY

And I've seen already encouraging evidence that the private sector is anxious to meet that responsibility. Not long ago, I had chance to speak with a Foundation Council sponsoring the projects with industry program. PWI is the best evidence I know to support the theory that a small investment in the disabled can lead to a substantial payoff, both financial and social. Ninety PWI programs across the country put 5,500 people to work. Taxes on their million wages alone will more than double the entire public expenditure on the program. PWI works because it stresses capabilities-not the disabilities-of the individuals it employs. It works because it advocates competition as well as compassion. It instills independence: it disclaims impairment. It gives people a reason to hope, as well as a paycheck.

In the course of its work, PWI has educated a lot of businessmen as well. Employers have discovered that it takes less accommodation than they thought to hire handicapped workers. They have removed architectural barriers. They have launched PWI training programs. They have hired—and they have promoted—qualified disabled job applications.

GIVE A MAN A JOB

This is a country whose people have always believed in work. Give a man a job, and you give him a stake in society. You give him a reason to share in the great central dream of this Republic, which was founded, after all, as a vast, ongoing experiment in social mobility. Give a man a job, and you give him reason to hope for better days ahead—for himself, for his family, for generations yet unborn. Give a man a job, and it doesn't make any difference the color of his skin, the place of his birth, the nature of his faith.

PWI extends that belief and that tradition to the largest minority group of all—the disabled. By itself, it is only a beginning. But it can and ought to serve as an example to both Government and business of what can be done when determined individuals set about to find innovative ways of employing disabled workers. Tax incentives to employers can help further such programs. I'd like to see my five year old amendment to provide deductions to those who remove architectural or transportation barriers increased and made permanent. We have managed to amend the Social Security Act, to provide fresh incentives for the disabled to return to work. And we continue the fight for adequate funding for a whole range of education, rehabilitation and employment efforts.

COMMITMENTS THAT CANNOT BE TRIMMED

Budgets in Washington may face trimming. But our commitment to economic justice for the disabled can never be cut back. This Nation has no intention of muffling the disabled in a cloak of fiscal austerity. Rather, I think we are already searching for better ways to tap their human resources. In that search, private businesses and concerned individuals must be willing to assume partnership status with Government at all levels. Economic common sense suggests it. Conscience demands it.

We have broken down some barriers. Now we must raise up the disabled to their rightful place in society. We must measure our progress in economic as well as medical terms . . . and hasten the day when "jobs, jobs and

more jobs" applies to every American, regardless of physical or emotional handicaps.

We've come a long way already. We have a long way to go. But it's good to know that the road ahead will be traveled in the company of people like yourselves.

NRTA-AARP LEGISLATIVE COUN-CIL'S ENERGY POLICY STATE-MENT

 Mr. HEINZ. Mr. President, energy costs have soared precipitously since the oil embargo in late 1973.

Home heating fuel oil No. 2 increased by an astonishing 411.2 percent from October 1973 to June 1981. Residential natural gas rose by 224.7 percent and electricity by 134.5 percent during this same period.

On the other hand, the Consumer Price Index—the Nation's yardstick for measuring inflation—increased 98.6 percent from October 1973 to June 1981.

All Americans have been affected in one form or another by rising energy prices in the past 8 years. Older Americans have been especially victimized because they frequently are struggling on limited incomes.

Many elderly persons simply do not have a sufficient margin between income and outgo to absorb escalating energy price hikes.

Large numbers are confronted with virtually impossible daily decisions. Do they use their limited resources to heat or to eat? Typically, both needs suffer—and in some cases irreparably.

In addition, many older Americans find it difficult to adjust to reduced room temperatures in the winter and higher temperatures in the summer because they do not adapt as readily as younger people to these extremes.

Moreover, elderly persons oftentimes live in older houses that were constructed 30 or 40 years or more—when energy prices were substantially lower and insulation was not needed to the same degree that it is today.

Energy is clearly a high priority issue for senior citizens. It affects their daily lives and is intensifying the cost squeeze that grips millions of aged persons today.

The National Retired Teachers Association and the American Association of Retired Persons—the Nation's largest older Americans membership organizations—recognize the importance of energy for the elderly.

The 1981 legislative council meeting devoted considerable attention to the impact of rising energy costs for the aged.

The council members developed a thoughtful statement which should be of interest to all Members of the Congress.

Mr. President, I submit for the RECORD the NRTA-AARP energy policy statement.

1981 FEDERAL AND STATE LEGISLATIVE POLICY THE CURRENT SITUATION

More than seven years have passed since the Arab oil-producing nations embargoed the shipments of oil and, more importantly, put an end to the era of cheap energy suppiles. The price of OPEC oil has increased from \$1.77 a barrel to well over \$30, more than a 2,000 percent increase, with half of it occurring in 1979. Other non-OPEC producers have followed suit. The result has been to depress the economies of the non-oil-exporting countries and contribute to the inflation afflicting them. It has been estimated that, in the U.S., the annual rate of growth in real GNP has been cut by nearly one percent as a result of the energy price increases. Late in 1980 the OPEC producers announced further price increases averaging about 10 percent, thus promising more upward pressure on price levels and downward pressure on output.

Despite all this, the United States has still not developed an energy policy appropriate to its needs. These needs are: (1) to protect the nation from a repetition of the economic dislocations which might be created under future interruptions, and (2) to provide protection from the inflation consequences of the even higher price levels that the OPEC cartel may be disposed to dictate. The nation has failed to correctly assess the strength of the cartel; it has failed to correctly assess the prospects for oil supplies both here and abroad; and it has failed to assess properly the prospects of developing alternatives to imported oil. Because of these failures, the nation is still importing almost half of its crude oil needs. The price of these supplies is not negotiable. In a nation so dependent on energy as the U.S., the excessive oil price have been inflationary and very damaging to the economy. Furthermore, the failure to resolve energy price and supply issues, may, in the future, further reduce the resources (GNP) the country would otherwise have available to meet its obligations with respect to the expanding elderly popu-

DECONTROL OF OIL PRICES

With respect to the decontrol of domestically produced oil and natural gas prices, the Associations have no choice but to accept and support this action even though it will yield much higher prices for domestically produced fuel. That will mean, at least in the short term, the nation's having to accept and accommodate the inflationary effect these higher price levels will have. The only policy option available that could restrain the degree of inflationary consequences would be the reimposition of price controls for domestically produced oil and natural gas. However, even if this were a legislatively realistic option, any relief from such infla tionary pressures would be short-term and would come very probably at the expense of increasing the nation's development and expansion of existing and new domestic energy sources. That would tend to leave the na tion at least as dependent as it is today (if not more so) on OPEC-priced foreign fuel and as vulnerable as ever to future oil embargoes, the economic consequences of carteldictated price levels, and economic and political blackmail. Moreover, since controls are very likely to discourage increased exploration, development and production of domestic fossil fuels as well as discourage the introduction of new energy sources, the antiinflationary gains made in the short term from such a policy would be more than off-set by its long term inflationary conse-

THE "WINDFALL PROFITS" TAX AND INCENTIVES FOR DEVELOPING NEW ENERGY RESOURCES

Now that the scheduled decontrol of prices charged for domestically produced oil and natural gas is a fact that clearly must be accepted if the nation is to decrease its dependence on foreign source fuels, supporting policies must be pursued to alleviate some of the consequences of that policy choice. First, because decontrol of prices for oil and gas will yield very large and unexpected "windfall" profits to domestic oil and gas producers—profits that bear no relationship whatsoever to the cost of exploring for, devel-

oping and producing the oil that yields those profits (plus a reasonable rate of return on the investment)—it is appropriate that at least part of that windfall gain be captured by society through the tax mechanism. The "windfall profits" tax enacted in 1980 resembles an excise tax. The alternative would have been an "excess profits" tax. At this juncture, the Associations would have to oppose efforts to eliminate the windfall profits tax, unless an excess profits tax were substituted for it. The windfall profits tax is the source of the funding for the Low Income Energy Assistance Program which provides assistance to lower income individuals and families to help them meet the rising cost of fuel and, if it is phased out, another source of revenue would have to be provided (see income policy for further discussion).

It is argued by some that the domestic oil and natural gas industry ought to be allowed to keep all of the profits that decontrol yields in order to provide incentives to explore for, develop and produce more domestic energy. However, stifficient incentives still exist even with the modest windfall tax. The significant amount of profits that decontrol will yield coupled with price support programs (funded from some of the revenue that accrues from the windfall profits tax) should provide private energy producers with sufficient incentives to develop both conventional and new source; of domestic energy, like shale oil.

source; of domestic energy, like shale oil.

One domestic energy source with potential for development is coal. Unlike oil, has large, untapped reserves of coal, enough for many hundreds of years at any likely production rate. Also, unlike oil, the U.S. is an exporter of coal and could be a larger exporter, if port facilities were made adequate. Unfortunately, both the production and consumption of coal produce environmental problems. Also, coal is primarily used by electric utilities, and can only be converted into oil products at great cost. Private industry, encouraged, and assisted by the government, should make a concerted effort to overcome the problems associated with the production and utilization of this valuable natural resource. Similar efforts should also be made with respect to the use of renewable energy sources such as solar, biomass, and wind power.

Given the inflationary pressures that will be generated, especially in the near term, as a result of the decontrol of domestic energy prices, it is obvious that, if the aggregate in-flation rate is to be lowered, then actions taken to deal with the other factors contributing to that aggregate rate must be effective and strong enough to more than offset the inflation-promoting effects of energy price increases. While a consequence of this will probably be a lowering of living standards for the short term (the living standard of the elderly is being lowered in any event by the inflation), there at least will be better prospects for rebuilding those living standards back up once the nation's economic house is in better order. If, however, all groups in the economy attempt to protect their current living standards at all costs, and ignore the inflation spiral and the energy situation, some groups will be successful in the short term those with sufficient "market power" others, like the elderly, will not. In the long run, all groups will lose in terms of living standards as the nation's economy weakens.

DEFENSE BUDGET

• Mr. GOLDWATER. Mr. President, in recent weeks, there has been much talk about the size of the Defense Department budget. In the face of a continuing national budget deficit, we must certainly take a look at any and all areas where economies can be effected. If this country is to be able to reduce the budget and

still maintain the military strength it needs to face its worldwide challenges, then Congress must do its share in the authorizing and appropriating process. Recently, the Association of the U.S. Army issued one of its periodic reports concerning the Defense Department procurement process and it succinctly describes the problems and Congress role in that problem.

I ask that this article be entered in the RECORD for the benefit of my colleagues.

The article follows:

A MAJOR MILITARY PROBLEM—How To GET BETTER EQUIPMENT FASTER AND CHEAPER

For the taxpaying public, military procurement has a bad reputation for costing too much, taking too long to deliver and sometimes producing equipment plagued by problems. The blame for this poor public image can rarely be put on a single individual or agency but must be shared by the White House, Congress, the Pentagon and U.S. Industry.

Because the services know they will have to keep a generation of weapons in their inventories for a long time, they tend to press forward into fields of rapidly changing technology in the hope that the final product will represent the ultimate state of the art. Often, the art itself is not properly formed and the product is troublesome. Budgeteers at all levels tend to make overly optimistic estimates of costs that may very well result in that military boogeyman "cost overrun." As problems have arisen, Congress has injected itself more and more deeply into the acquisition process, often tending to confuse and delay it even further. Unquestionably, there has been a degree of rivalry among and within the services that has sometimes made it difficult to decide which developments should

None of this is big news. The problem has existed for years but now the Reagan Administration says it is going to do something about it. In a recent memorandum to the services and the responsible Department of Defense staff, Secretary of Defense Caspar W. Weinberger announced a program to streamline the acquisition process, to reduce costs and to shorten the time between conception and delivery. The memo calls on the services to do many things, such as improving longrange planning, using evolutionary alternatives that don't press the state of the art too far and budgeting realistically. Perhaps most importantly it calls for production to be carried out at higher, more economical rates and to be planned on a multi-year basts.

This is a laudable course, but it will take the long-term cooperation of all the parties involved to make it work. Only Congress, for example, has the authority to set efficient production rates and to fund multi-year procurement plans. Firm adherence to Secretary Weinberger's plan will go a long way toward improving the efficiency and the image of the military procurement program.

BUDGET ACT WAIVER

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate Calendar Order No. 249, Senate Resolution 190, a budget waiver.

Without objection, the resolution (S. Res. 190) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 859, was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are

waived with respect to the consideration of S. 859. Such waiver is necessary because the bill, as reported, would reallocate receipts after January 1, 1981, from Federal leases on acquired lands used for military or naval purposes.

AMENDMENT OF MINERAL LEASING T.AWS

Mr. BAKER. Mr. President, having adopted a budget waiver in respect to Calendar Order No. 225, I ask the Chair to lay before the Senate that item, Calendar Order No. 225 on today's calendar.

The PRESIDING OFFICER. The bill

will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 859) to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes.

The Senate proceeded to consider the bill.

Mr. BUMPERS. Mr. President, on January 23 of this year, the Bureau of Land Management announced a recordbreaking oil and gas lease sale totaling more than \$43 million on approximately 24,000 acres within the Fort Chaffee Military Reservation in Arkansas. Since the lands involved in this sale were originally acquired by the Federal Government for use as a military reservation and so were not covered by one of the many statutes governing the disposition of proceeds from oil and gas leases, the State of Arkansas, the school districts near Fort Chaffee, and other local governments will not receive any portion of the bonuses paid by oil companies for the leases. If, however, this sale had been conducted on public domain lands or on other types of acquired lands, such as national forests or almost any other type of Federal land, the State and local governments would have shared in the proceeds of the sale.

Mr. President, there is no logical reason for the proceeds from lease sales on military reservations on acquired lands to be treated differently from sales on public domain lands and other types of

acquired lands.

The authority of the Secretary of the Interior to administer the grants of mineral rights on public domain lands has been recognized by Congress since the middle of the last century, although it was not until 1920 that Congress authorized the present system of leasing such lands for oil and gas exploration and production by the Secretary.

However, mineral leasing was not permitted on lands acquired for military reservations until 1976, when the Congress passed the Federal Coal Mineral Leasing Amendments Act of 1975 (30

U.S.C. 351 et seq.).

Mr. President, according to 30 U.S.C. 355, all receipts from sales issued under the Mineral Leasing Act for acquired lands are paid into the Treasury and distributed "in the same manner as prescribed for other receipts from the lands affected by the lease, the intention of this provision being that this chapter shall not affect the distribution of receipts pursuant to legislation applicable to such lands *

The quoted phrase means that all moneys received from rents, royalties, and bonuses from mineral leases on acquired lands are shared with State or local governments in the same fashion as other revenues realized from similar types of lands. For example, revenue received from mineral leases on acquired national forest lands are shared in the same fashion as other revenues derived from national forest lands. Revenues generated from mineral leasing on military reservations on acquired lands, however, must be disposed of according to the provisions of the Military Leasing Act (10 U.S.C. 2667), which prescribes procedures for disposing of receipts from leasing on military reservations. Under this act, revenues received from leasing on these military lands are deposited into the U.S. Treasury. No portion of any revenue is shared with State or local governments.

Mr. President, when the Mineral Leasing Act was changed in 1976 to allow mineral leasing on military reservations, a change should have also been made in the act to permit a sharing of proceeds from mineral leasing with the State and local governments where the leasing occurs. The bill that I have introduced,

S. 859, corrects that omission. The sale at Fort Chaffee was only the first lease sale held under the amended statute permitting leases on military reservations on acquired lands. I am submitting for the record a list of 68 military reservations which are located on acquired lands and for which interest has already been expressed in obtaining oil and gas or other mineral leases. A total of 4,024,307 acres of military lands are

acquired lands, and thus potentially affected by this bill.

As more lease sales are held, greater demands for services will be placed on the adjacent local governments. Unless the law is changed to allow the proceeds from the lease sales to be shared with the States and local governments, counties, and school districts in which these military reservations are located will face an increasing financial burden.

The Federal Government has always recognized its responsibility to the States and local governments and has established programs to partially compensate them for the impact of Federal ownership within their boundaries. I am convinced that if this issue had been raised in 1976, when the Mineral Leasing Act was amended to allow leasing on military acquired lands, the law would have also been changed to provide for sharing of the proceeds from

It is essential for the Federal Government to bear its fair share of the costs of the increased demands that will be placed on local governments as a result of expanded oil and gas exploration on military reservations. President Reagan clearly outlined the Federal responsibility in this area when he met with the

National Association of County Officials and stated:

Responsibility of ownership requires landowners to pay their fair share of the cost of local government, and the federal government shouldn't be exempt.

The bill that I have introduced would insure that the Federal Government does meet its responsibility, by requiring that 50 percent of all rents, bonuses, and royalties received from leasing on military reservations be given to the States. This is the same distribution of funds which applies to proceeds from mineral leasing on public domain lands.

Mr. President, I urge the Senate to act quickly to correct this inequitable

situation.

Mr. WARNER. Mr. President, this bill will correct an oversight in the Mineral Leasing Act for oil and gas leasing on acquired Federal lands. The Congress amended the law in 1976 to provide such leasing on acquired lands, but did make the conforming changes to the revenue sharing provisions of the law.

Consequently, an inequity was created with regard to the revenues from these leases. This inequity became the focus of the committee's attention in hearings during the last Congress on oil and gas leasing at Fort Chafee, Ark. The bill before us will amend the appropriate revenue provisions of existing law to correct Congress original oversight and the resulting inequity. I commend Senator BUMPERS for his efforts to bring this matter before the Senate.

Enactment of this legislation will insure that nonpublic land States, like those in the East, will share in the receipts derived from Federal mineral leases on acquired military lands in the same way that most public land States in the West share in leases on public land—that is, 50 percent to the States and 50 percent to the United States.

The administration, in testimony by the Department of Interior before the Subcommittee on Energy and Mineral Resources of the Senate Energy and Natural Resources Committee, which I chair, on S. 859, strongly supported the bill and urged that the Senate pass it as quickly as possible.

Mr. President, as cosponsor of S. 859 with Senator Bumpers, I urge Senate passage of the bill.

Mr. BAKER. Mr. President, I understand that the distinguished Senator from Arkansas may have an amendment to that bill. I yield the floor.

UP AMENDMENT NO. 353

(Purpose: To allow payments to states pursuant to this act after October 1, 1981)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. Bumpers) proposes an unprinted amendment numbered 353.

On page 2, line 9 at the end of the sentence strike the first period and insert the following language: ", but in no event shall any payments be made pursuant to this Act to any state prior to October 1, 1981."

Mr. BUMPERS. Just a two-sentence explanation, Mr. President. This amendment was designed and drafted by the chairman of the Budget Committee to make sure this bill did not have a budget impact on the 1982 budget.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading was read the third time and passed, as follows:

S. 859

An act to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such

laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of August 7, 1947 (61 Stat. 915; 30 U.S.C. 355), is amended by adding the following at the end thereof: "Notwithstanding the preceding provisions of this section, all receipts derived from leases on lands acquired for military or naval purposes, except the Naval Petroleum Reserves and National Oil Shale Reserves, shall be paid into the Treasury of the United States and disposed of in the same manner as provided under section 35 of the Act of February 25, 1920 (41 Stat. 450; 30 U.S.C. 191), in the case of receipts from sales, bonuses, royalties, and rentals of the public lands

payments be made pursuant to this Act to any State prior to October 1, 1981.".

SEC. 2. The amendment made by this first section of this Act shall take effect with respect to leases entered into after January 1, 1981.

under that Act, but in no event shall any

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR THE RECORD TO RE-MAIN OPEN UNITL 5 P.M. TODAY

Mr. BUMPERS. Mr. President, I ask unanimous consent that the record on the passage of this bill be held open for an additional 30 minutes in case the chairman of the Committee on the Budget (Mr. Domenici) wishes to insert a statement in the Record pertaining to it.

Mr. BAKER. Let me ask if the Senator will permit me to amend that slightly. I have just a few more moments of routine business to transact today.

Mr. BUMPERS. Certainly, Mr. President.

Mr. BAKER. In order to accommodate that request, Mr. President, I ask unanimous consent that the record may remain open for statements until 5 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, the matters I am about to submit have been cleared, I believe, by the minority side.

First, is there an order for the convening of the Senate tomorrow?

The PRESIDING OFFICER. There is an order for the Senate to meet at 9 a.m. tomorrow

Mr. BAKER. Mr. President, is there an order for the Senate to proceed at an hour certain to the consideration of the military pay bill?

The PRESIDING OFFICER. There is no order with regard to that. There is an order to take up the Matsunaga-Hatfield amendment at 9:30.

Mr. BAKER. I thank the Chair.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order, the distinguished Senator from Wisconsin (Mr. Proxmire) be recognized on a special order for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR H.R. 4416 TO BE HELD AT THE DESK

Mr. BAKER. Mr. President, I ask unanimous consent that H.R. 4416, the eradication of plant, pests on animals, and poultry diseases bill, be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF REPRESENTATIVE WIL-LIAM R. COTTER, OF CONNECTICUT

Mr. BAKER. Mr. President, I understand that this matter has been cleared.

I ask unanimous consent that the Senate proceed to the consideration of a resolution, on behalf of the senior Senator from Connecticut (Mr. Weicker), for himself and the junior Senator from Connecticut (Mr. Dopp).

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William R. Cotter, late a Representative from the State of Connecticut.

Resolved, That a committee be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved. That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

Without objection, the Senate proceeded to consider the resolution.

Mr. WEICKER. Mr. President, good men are deserving of praise. Bill Cotter was a good man and a dedicate legislator. He arrived in Washington in 1971 and immediately set about his work as Representative of Connecticut's First District with determination and quiet dignity. Bill worked hard to serve the needs of all the people in his district, from those in Hartford's affluent suburbs to the poor of the inner city. They rewarded him for his efforts by returning him to office five times.

Recently, Bill Cotter was responsible for the expansion of individual retirement accounts. He was aware that private pensions and social security often fail to meet the full needs of retired workers and their families. His proposal now means that individuals will have a greater control of their future financial stability.

Bill's commitment to his work can be seen in his desire, despite his grave condition, to return to Washington to vote on the Economic Recovery Act, which included the proposal on which he had worked so diligently.

Only the strong insistence of his friends and doctors kept him from casting his vote in support of the bill that was to be signed into law only weeks before his untimely death on September 8.

Mr. President, I first met Bill during the campaign of 1970. Instead of a traditional rivalry between Democrats and Republicans, a friendship was born. Bill Cotter quietly and effectively represented the aspirations of Connecticut's First District. His constituents will miss the Congressman. I will miss the man.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 208) was unanimously agreed to.

The PRESIDING OFFICER. Pursuant to the resolution, the Chair appoints the Senator from Connecticut (Mr. Dopp) as a member of the funeral committee on the part of the Senate.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further business to be transacted this afternoon, and I inquire of the minority leader if there is any matter he wishes to present to the Senate.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader for his customary courtesy. I have nothing further for today.

Mr. BAKER. I thank the minority leader.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, in accordance with the previous order, and pur-

suant to the provisions of Senate Resolution 208, as a further mark of respect to the memory of the deceased William R. Cotter, late a Representative from the State of Connecticut, I ask unanimous consent that the Senate stand in recess until 9 a.m. tomorrow.

There being no objection, the Senate, at 4:23 p.m., recessed until tomorrow, Friday, September 11, 1981, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate, September 10, 1981:

DEPARTMENT OF STATE

Richard W. Murphy, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia, to which office he was appointed during the last recess of the Senate.

Thomas Aranda, Jr., of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

Joseph Verner Reed, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

INTERNATIONAL COMMUNICATION AGENCY

Richard J. Bishirjian, of New York, to be an Associate Director of the International Communication Agency, vice Alice Stone Ilchman.

DEPARTMENT OF COMMERCE

Donald James Quigg, of Oklahoma, to be Deputy Commissioner of Patents and Trademarks, vice Lutrelle F. Parker.

COMMODITY FUTURES TRADING COMMISSION

Susan Meredith Phillips, of Iowa, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 1985, vice Read P. Dunn, Jr., term expired.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Jeffrey S. Bragg, of Ohio, to be Federal Insurance Administrator, Federal Emergency Management Agency, vice Gloria Cusumano Jimenez.

EXTENSIONS OF REMARKS

SOCIAL SECURITY OVERSEAS BENEFICIARIES

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

· Mr. WHITEHURST. Mr. Speaker, as are most Americans, I am concerned about the future of the social security system and want to do all I can to assure its continued vitality for generations to come. The old-age, survivors, and disability insurance program, commonly referred to as social security, is the largest single program in the budget. Federal outlays for social security are estimated to rise from \$117 billion in 1980 to \$136.9 billion in 1981, about one-fifth of the Federal budget, and pay benefits to over 36 million persons. These benefits are indexed to the cost of living.

As you may recall, in the 96th Congress I led the debate on the issue of extending certain social security benefits to our Nation's prisoners. Considerable national attention was focused on this issue, and my legislation was eventually incorporated into a larger measure that went on to become Public Law 96-473. While the issue is small when viewed in the overall scheme of things, the estimated annual savings nevertheless total many millions of dollars.

In recent months, I have been examining another group of social security beneficiaries who, in my judgment, represent a substantial drain on the system and pose severe problems down the road. I am also pleased that Social Security Commissioner John A. Svahn also has expressed his concern to me and has indicated that he will recommend legislative remedies in the near future.

On Wednesday, I introduced the Social Security Alien and Foreign Resident Limitations Act of 1981, which addresses the growing number of foreign auxiliary beneficiaries living in more than 60 countries. At present, 313,342 persons living abroad receive \$965.8 million annually in social security benefits. Of course, while some of these people are U.S. citizens who have retired to their native countries, the vast majority-nearly 70 percentare not. I am concerned that this situation is only going to get worse in the years ahead; indeed, there has been a 50-percent increase in the number of beneficiaries in the last foreign decade.

Aside from the dramatic increase in with the names of 111 aliens obtained the number of foreign beneficiaries, it from a sample of 175 beneficiaries re-

is my sense that opportunists exploit the social security system abroad simply because of the inherent difficulties in administering it. Among the most highly visible problems are the following:

The overseas beneficiary population is growing rapidly (from 98,791 in 1960 to 313.342 in 1981).

Benefits are obtained through fraud-

ulent means.

The high number of undocumented workers in the United States raises the specter of massive increases in future benefit claims. For benefit purposes, the Social Security Administration does not keep statistics on the number of workers here legally or illegally. It is estimated that 8 million of these individuals are workers.

Benefits are lucrative compared to local income levels in some countries.

Little risk of prosecution for receiving benefits fraudulently.

As the General Accounting Office noted in a report 3 years ago that was never published:

Overall, dependents and survivors represent approximately 40 percent of the general population of Social Security beneficiaries. However... in the five countries with the most beneficiaries, dependents and survivors range from 45 percent in Canada to 73 percent in Mexico. We believe this disproportionate number of dependents and survivors is an indication of the magnitude of program inequities and abuses.

At my request, the GAO is updating its findings and will provide me with a summary in the near future.

As with the prisoner issue in the 96th Congress, the issue of foreign auxiliary beneficiaries has been one that has received scant attention in recent years. In my judgment, the ramifications of our social security laws applied abroad have not been fully appreciated. But after reviewing numerous case histories and examining the administration of the social security program abroad, there is no question in my mind that serious problems exist that must be dealt with by this Congress.

As an example, in the cases of four families of illegal aliens whose combined contributions to the social security system totaled \$910, as of last month they have collected \$81,026. Of the total, the primary wage earners have received \$10,694, while their dependents and survivors have received \$79,032—none of whom has ever been in the United States.

In its study 3 years ago, the General Accounting Office provided the Immigration and Naturalization Service with the names of 111 aliens obtained from a sample of 175 beneficiaries re-

siding in Canada or Mexico to determine the number of undocumented workers receiving social security benefits. It was determined that 39 of these individuals, or 35 percent, could be undocumented workers.

In a letter to my colleagues in the House explaining my legislation, I noted two other areas of abuse:

ITEM

In May 1978, there were 2,070 Mexican students enrolled in public universities receiving social security student benefits. According to several studies, the average tuition costs in Mexican public universities in 1978 was \$10 per year. Even so, the average monthly social security student benefit at the time was \$93.

ITEM

Because there is a limited number of nursing homes in the Philippines, it is not uncommon for a Filipino to return to the Philippines upon retirement and marry a young woman to care for him in his later years. In exchange for her taking care of him, the woman, and any children they may have, are financially provided for after his death. In one case, a 70-year-old man married a 17-year-old woman, and fathered three children before his death at age 75. Even though his widow and three children will probably never set foot in the United States, they will collect many thousands of dollars in social security benefits.

Mr. Speaker, during this past recess when most of us returned to our districts, I think it is fair to say that among the most frequently expressed concerns of our citizens is the future of the social security system. If the Second District of Virginia can be assumed to be a relatively accurate barometer of thought on this issue, I can tell you that many of our citizens are urging this Congress to return the social security system to its original intent of providing a supplementary income when an individual becomes old or disabled.

Of course, we all know that this is not the case today. The Social Security Act has become a Christmas tree of programs with a little bit of something for everyone. Unfortunately, in doing this, our tree's roots have become severely weakened to the point where today we are scrambling to find revenue sources to keep them alive.

The Social Security Alien and Foreign Resident Limitations Act of 1981 would significantly limit the opportunities for abuse of the social security program by beneficiaries in foreign countries.

Specifically, the legislation would do

First, prohibit the payment of social security benefits to illegal aliens.

Second, in cases of U.S. citizens who reside outside the United States, social security benefits would be extended only to those dependents existing at the time of the wage earner's 57th birthday.

Third, in cases of individuals who are not citizens or nationals of the United States, social security benefits would be limited to a single lump sum benefit, equal to the total amount of social security taxes imposed plus interest.

Mr. Speaker, my legislation protects those individuals presently receiving social security benefits, and would not conflict with treaty obligations existing on the date of enactment of this bill.

Finally, Mr. Speaker, I would urge my colleagues to join me in this effort to end what, in effect, has become an international welfare state. At a time when our social security system is hard pressed to meet its commitments in this country, it is difficult for me to continue to support an expansion of benefits to beneficiaries abroad who are not U.S. citizens.

Thank you.

A TRIBUTE TO MRS. LILLIAN TICHY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. CONTE. Mr. Speaker, I would like to bring to the attention of my colleagues an event that will be taking place in Leverett, Mass., on September 12. On that date, the citizens of the town of Leverett will honor their oldest resident, Mrs. Lillian Tichy, who will be observing her 100th birthday.

Mrs. Tichy is a vivacious and active centenarian. An avid reader, she displays a sense of humor as well as an interest in current national and local events, participates in senior citizen activities and is an accomplished pianist. She is truly a shining example not only to her fellow senior citizens but to our younger people as well.

The residents of Leverett are honored to celebrate this milestone in Mrs. Tichy's life and I would like to join them in wishing her a happy birthday and ever peace and happiness in the years ahead.

EXTENSIONS OF REMARKS

WE NEED THE VOTING RIGHTS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. HAWKINS. Mr. Speaker, during this past spring and summer, witness after witness testified before the Judiciary Subcommittee on Civil and Constitutional Rights on the urgent need to extend the Voting Rights Act with section 5 intact. Despite great gains achieved by minorities in the past 16 years, many examples of blatant and more subtle violations of voting rights remain. Carl Rowan points out that without extension of the act, the fundamental right of political participation may remain in jeopardy for millions of our citizens.

Do Not Carry Us Back

(By Carl T. Rowan)

President Reagan has hinted that he will support extension of the Voting Rights Act of 1965—extension without amendments designed to make this vital piece of legislation meaningless.

Support of the Voting Rights Act would be Reagan's first act of consequence that would say to America's minorities, "I am

your president, too!"

Skeptics are saying that Reagan's good intentions will get washed away by the "boll weevils," those Deep South congressmen who figure that the president owes them some favors for their help in the passage of his budget and tax cuts. Others fear that the Justice Department will, at its Oct. 1 deadline, offer Reagan some formula under which areas once guilty of blatant electoral discrimination (9 states and portions of 13 others) can wriggle out from under a requirement that they clear with the Justice Department any changes in election laws, such as the reapportionment of state legislatures.

If Reagan wonders why this piece of legislation is so important to minorities, he need only look at the last 25 years of Mississippi

history.

Even with the Voting Rights Act, it took 13 years of court battles before blacks got a half-decent chance of being elected to the Mississippi legislature. Today 17 blacks are among the legislature's 174 members, 10 percent representation, although blacks make up 35 percent of Mississippi's population.

"Look at that progress!" opponents of the Voting Rights Act are saying to the president. "This law is not needed anymore."

Reagan need only look at what is still going on in Virginia to know that not only is the law still needed, but it must be enforced by his Justice Department with diligence and vigilance.

Virginia has a history of trying every trick known to dilute the black vote and to ensure that blacks are not elected to Congress or to statewide office and that very few blacks get elected to the state legislature.

Virginia is 18.7 percent black, but only 3.6 percent of its state legislators are black; one senator out of 40 and four delgates out of

Virginia's game has been to draw district lines so as to split up large, predominantly

black areas in places like Richmond and Norfolk.

Richmond's Mayor Henry Marsh recently told a House judiciary subcommittee that in 1969, when blacks were becoming a majority in that city, then mayor Phil Bagley told public gatherings, "I don't want niggers to take over the city." So he moved to annex portions of Chesterfield County to acquire 44,000 whites and thus dilute the political power of blacks.

Virginia remains so backward politically that electoral injustices would again become commonplace if the Voting Rights Act were allowed to expire next year—or if it were extended without Section 5, the provision that requires the would-be gerrymanderers to pass muster at the Justice Department and before the courts.

The Voting Rights Act was a major factor in ending the violence of the 1960s because it gave people long outside the system reason to believe that, once inside, they could vote their way to justice.

Whatever else this society may take away from its hungry and harassed, it must not take away that hope.

THE POOR HAVE MANAGED WITHOUT THE HELP OF AN ALL-PROVIDER FEDERAL GOVERNMENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. ASHBROOK. Mr. Speaker, I would call attention to a recent item in the Washington Post, "Funds Cutoff Fails To Stem Low-Income Abortions" (September 4, 1981).

Despite the denial of Federal funds for abortions—

The first paragraph reads-

95 percent of low-income and other women who might have turned to medicaid for help have gotten abortions anyway, the Government's Center for Disease Control reported yesterday.

The "poor" have managed to get abortions on their own or with State or local aid, but without the help of an all-provider Federal Government. This would lead one to suspect that the vicious criticism that was leveled against the passage and implementation of the Hyde amendment-criticism which labeled supporters of that amendment as being "insensitive to the needs of the poor" was not really justified after all. One might suspect further that it was just a propaganda barrage to try to gain public support and sympathy, not so much for the poor, who, according to this report, really did not need it, but for the providers of this socalled service.

Since the poor have not actually suffered by the cutoff of funds for abortion under the Hyde amendment, how can anyone seriously claim that a cutoff of funds for abortion under the Federal employees health benefits programs would hurt well-paid Feder-

al employees, even those in the lowest ranks?

I am saddened to note that almost as many abortions are still taking place—unborn human lives canceled out for reasons of convenience or comfort, for reasons of deformity or defect, or for reasons of economy or careers—unborn human lives that might otherwise have been born in a society where someday they will be sorely missed, as the old grow more numerous and the ranks of the young continue to shrink. But I am likewise heartened that the Federal taxpayer role in financing abortions will soon come to an end.

Certainly, now, with this report in hand, we can claim that there is no longer any valid reason for not passing the Ashbrook amendment as well.

REAGAN'S IMMIGRATION PLAN-AN AMERICAN CASTE SYSTEM

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

 Mr. GARCIA. Mr. Speaker, I wish to share the following article from Inquiry magazine which points out the racist, unrealistic, and even illegal immigration policy of the Reagan administration

As the article indicates, this plan makes no economic, political, or social sense. Further, it goes against American historical concepts, that is, we are all immigrants; we or our ancestors took a chance on political freedom and better economic opportunity in America. It made sense then and it makes sense now.

Reagan's Immigration Plan—An American Caste System

There is nothing quite like the word "immigration" to stir a politician's blood. After all, a lot of the fun has gone out of politick-ing in the last couple of decades; if you try to give a speech about "shiftless niggers on you're liable to get in considerable welfare," trouble. But talk the same way about Haitian boat people or Mexican immigrants and even the liberals love it. And you don't have to worry that what you say makes even the vaguest sense. For instance, Detroit's black mayor Coleman Young says that contrary to common wisdom, last year's rioting in Miami had nothing to do with the fact that a bunch of white police officers beat an unarmed black man to death and got away with it. What the rioters were really upset about, says Young, was Cuban immigrants. (The only way to tell liberals from conservatives on immigration is that liberals are reluctant to use such conservative totems as welfare in their racist harangues. So Ted Kennedy, instead of repeating the Republi-can myth that immigrants all go on food stamps, says instead that they take jobs from decent red-blooded Americans.)

The temptations of the immigration issue have proven a bit too much for the Reagan administration. Opening with a properly ominous warning that "we have lost control of our borders," attorney general William French Smith unveiled an administration

"plan" for immigration that steadfastly ignores all the real issues—but does offer grand opportunities for more of the same old political bluster.

The plan entails turning every business in America into an arm of the Immigration and Naturalization Service by forcing them to prove that all their employees are citizens and not some foreign scum. INS itself, possibly the most incompetent of all federal agencies, is to get an extra \$75 millionwhich, if things proceed according to form, will get misfiled and lost. The hated bracero program, under which Mexicans were allowed into the country as "guest workers" and then instantly deported if they complained about wages or working condititions, is to be revived. The Coast Guard is to swoop down on boats operating on what we quaintly refer to as the "open" seas and hold deportation hearings on Haitians who haven't even gotten here. And the plan's one concession to reality-amnesty for illegal aliens who arrived before 1980-is irredeemably warped by the insistence that most such aliens pay taxes and yet not be allowed to use government services.

What it all adds up to is an expensive, unworkable, and unfair mess. No one has even ventured a guess as to what it will cost businesses to try to verify the status of all their employees. And if the Reagan administration really tries to enforce the proposal the likely result will be massive job discrimination against Hispanics and other minorities at the lower end of the job market. Who will bother to spend a lot of time and money checking the credentials of a potential busboy? Better just to hire someone who's white and indisputably "American."

The other provisions are equally silly. Giving \$75 million to INS is pointless; this agency can't even deal with legal immigrants, much less the illegal ones. Earlier this year there was a near riot at Miami International Airport when 16,000 passengers arrived in a single day and INS couldn't cope. (Of course, when INS does cope, it can be frightening. Some agents of the Border Patrol, an INS subagency, report that the patrolmen routinely carry garrotes, blackjacks, and lead-lined gloves, the better to administer justice. Another popular item is the "throwdown" gun, to be dropped near the body of a murdered fugitive so patrolmen can say they fired in self-defense)

If the INS can't stop the flow of illegal aliens-and it won't ever be able to, unless we hire the 2.5 million more border patrolmen that it would take to stand shoulder to shoulder along the 2,000 miles between Brownsville, Texas, and San Ysidro, California-then the administration's conditional amnesty plan makes no sense, either. What we have now is a permanent underclass of illegal aliens who are subject to awful exploitation because unscrupulous employers can have them thrown out of the country if complain. (The bracero program, which operated from 1942 to 1964, was nothing more than an attempt to institutionalize this practice.) Amnesty-even Reagan's bizarre pay-taxes-but-don't-collect-services amnesty—is the only decent way to deal with this situation. But what good does it do to relieve one group of the stigma of illegal alien status while simultaneously creating another one? Most Americans are appalled at India's caste system, and yet our immigration laws have created an appalling caste system of our own.

Underneath it all is a hard core of racism. No one complains that the damn Canadians are sneaking down here and ruining every-

thing. The groups that arouse popular enmity are the Mexicans, the Haitians, the Cubans, and the Vietnamese (although the government applauds Cuban and Vietnamese emigrants as long as they go elsewhere; after all, it's a propaganda coup). But we've faced racist objections to immigration for two centuries and overcome them, and we can do it again—if the political mythmaking about the economics of immigration can be exposed. When conservatives claim that immigrants go on the dole, and when liberals say immigrants take jobs from the deserving poor, they are lying. It's as simple as that. Nearly all available economic data shows that most immigrants work hard, avoid welfare, and do not take jobs from natives.

In 1975, for instance, the average native family paid \$3,008 in taxes. Immigrant families here ten years averaged \$3,564, and immigrant families here between sixteen and twenty-five years averaged \$3,592. At the same time. immigrants-who tend to be young, healthy, and single-make comparatively little use of welfare-type social programs. This is especially true of illegal aliens. A U.S. Department of Labor study found that only 5 percent of illegal aliens use free medical care, 4 percent unemployment insurance, 1 percent food stamps, percent welfare, and 4 percent public schools. "Practically no illegals receive social security, the costliest service of all," says economist Julian Simon of the University of Illinois, "but 77 percent of illegal workers paid social security taxes and 73 percent had federal income tax withheld [in 1975]." Even those who avoid withholding still pay taxes every day; sales taxes, excise taxes, property taxes (through their rent). Meanwhile, a pair of University of California researchers interviewed nearly 1200 unemployed natives in Los Angeles and gave them lists of jobs that illegal aliens typically hold. Some 40 percent of the natives said they wouldn't take the jobs under any circumstances, and virtually none was willing to take them at the minimum wage. The inescapable conclusion is the same one economist Simon reaches: Admitting immigrants, of any kind or color, "improves our average living standard. If we Americans just plain don't want any more 'foreigners' in our midst, let's say so, but let's not justify our xenophobia with unsound economic argu-

The tragic thing is that Simon or anyone else should have to address the issue. We should know better. Nearly all of us are immigrants; we, or our ancestors, came here looking for a better life—a life with more political freedom and better economic opportunity. In a very real sense, immigration is what this country is all about. How can we deny others the same chance we had? In doing, so, we deny our own heritage—and for all its patrotic trappings, that's exactly what the Reagan administration is trying to do.

FOCUSING ON ENERGY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. MURTHA. Mr. Speaker, in the first 8 months of 1981, I believe we have tended to ignore the remaining aspects of America's energy situation.

For the information of my colleagues, I include two of my "Weekly Columns" which I recently wrote on this issue:

THE BOTTOM LINE READS ENERGY

In 1981 the debate in Washington has focused on the economy and national defense. Missing from the debate, however, has been an issue that links the two together, and without attention could destroy our plans in either area—the issue is America's energy future.

Like the popular ballad where singers remind us of "the good old days" and "the way we were," a summer's oil surplus has cut our memory very short about gasoline lines two summers ago. Naturally, we all would like to return to the days when gas and oil were easy to come by and cheap. Unfortunately, we can not. It is a problem we must face. So far this year, we have not.

must face. So far this year, we have not.

A new book on "Energy and Security," by David Deese and Joseph S. Nye, summarizes our problems in a couple of vitally important paragraphs. In the one, the authors note, "Today, nearly two-fifths of the oil consumed by the free world's economy is vulnerable to terrorism, accident, warfare, and extortion. The sudden loss of Persian Gulf oil for a year could stagger the world's economy, disrupt it, devastate it, like no event since the Great Depression of the 1930s." That is the economic link of energy.

As for the national security link of energy, Deese and Nye outline it like this: "The probability of Soviet tanks rolling across the North German plain is much lower than the likelihood of an interruption of oil supplies stemming from various conflicts in the Middle East. Yet our energy plans and our diplomatic strategy do not reflect those probabilities. We are far less prepared for an energy emergency than for a military attack."

Of course, energy policy has proved complex and controversial. Regional differences over the use of natural gas and oil remain; environmentalists worry properly about "acid rain," and other difficulties associated with increased coal use; the debate continues over the role of nuclear power; government research funds are being cut-back from solar and other energy research in the budget trimming steps. When Congress adopted the first National Energy Plan in United States history back in 1978, the key portions passed by only a single vote in the House of Representatives. Congress and the Nation still remain that divided over the best way to proceed.

But to ignore energy will be disastrous. Eight years after the oil embargo we have learned many important things: we have learned Americans will conserve, we have learned Americans want to use our own energy resources, we have learned business and institutions will join in the conservation effort; but we have also learned that there is no magic, all-purpose solution that will make this problem go away; we have also learned that we cannot easily break our oil habit or our need to import foreign oil, and we have learned that switching to coal is costly, cumbersome, and controversial.

In the last three weeks in this space as we have looked at the energy problem, I think we have noted that we can take some pride in the last eight years of energy debate; after all, we have done more on energy in those years than in any other period in our history, but if we fail to continue to act, we will lose everything that we have gained. Moreover, we will throw open to disaster

whatever progress we have made on economic stability and national security.

Those are the stakes in the energy debate. We cannot afford to forget them. We cannot fail to act.

EXPORTING MORE COAL

The road to using more Pennsylvania coal winds through what at first glance appears to be a most unlikely stop—Philadelphia.

When we think of coal, we do not usually associate it with Philadelphia, but last week I was in that city for an announcement that will impact directly on our area's coal hopes.

The meeting unveiled plans for a major new coal storage and handling terminal at Philadelphia's Port Richmond Pier. By 1985 the coal handling capacity is estimated to reach 15 million tons per year, an increase from a present capacity of only about 3 million tons.

By the time the second phase of construction is complete, over \$60 million will have been spent with the result of a loop track arrangement for continuous unloading of unit trains, dockage of ships up to 60,000 tons, ship and barge loading capacity of 5,000 tons per hour, and significant storage of coal, allowing ships to load directly from storage without awaiting rail cars.

Port Richmond has great potential for serving the expanding coal export market. Its east coast location—closest to the coal fields of the Northeast and the coal-burning markets of Europe—can combine with worldwide coal demand and a good competitive pricing situation for U.S. coal, to make the port attractive to shippers and buyers.

That impacts directly on our area and our coal mines. In the short-range (meaning the 1980s), our two best hopes for major increases in coal production remain export of coal and synthetic fuels development.

A major hindrance to increasing our foreign sales of coal has been the transportation bottleneck. The road transportation system out of the mines must be improved, the rail links between the coal fields and the export ports must be upgraded, and the ports like that of Philadelphia must be improved to be more efficient and economical. The need for the improvements is shown by the increase between 1979 and 1980 when U.S. coal exports surged from 65 million tons to 90 million tons. At our Nation's three major coal ports-Hampton Roads. Baltimore, and Philadelphia-ships were delayed an average of 40 days prior to loading, and extra charges of about \$15 a ton were added to the coal cost, because of the delay.

Now, though, American ports see the need for expansion. A Dravo Corporation study concluded that world demand for seaborne coal will grow from 180 million tons in 1980 to more than 600 million tons by the end of the century. A British study estimates that coal importing nations will more than double their imports by 1985, and then double them again by 1990. The U.S. has the greatest potential for supplying this world demand for steam coal.

So, step one is to improve these port facilities. Step two is to work on the rest of the transportation network. Working hand-inhand with those steps is the third one—to make sure we link the mines of our area to that system so we can play a major role in providing that coal, and so we can put our miners back to work.

In the last month in this space, I have talked about the energy problem our nation still faces. I talked about the need for new technology, the need to reduce our dependence on foreign oil, and the need for a

strong energy leadership role from the federal government. It is proper that this series end with a fourth key element in America's energy plan—making full use of the coal reserves we have, both in our own country, and throughout the world.

A TRIBUTE TO DR. RANDALL H. NELSON

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. SIMON. Mr. Speaker, one of the finest citizens of my district and of this country is the former chairman of the Political Science Department at Southern Illinois University and now professor there, Dr. Randall H. Nelson.

Dr. Nelson served this country in the armed services, sustained serious injury, has provided distinguished leadership to our area and is one of the most thoughtful citizens I know.

Recently, he wrote a letter to me which summarizes in such commonsense terms what we are doing in the Nation that I thought I would share it with my colleagues and those around the country who read the Congressional Record.

I urge my colleagues to read this fine letter which raises the fundamental question of whether we are considering what is happening to the quality of life as we debate budget problems:

Hon. Paul Simon, House of Representatives, Washington, D.C.

DEAR PAUL: I am certain that what you need least is another letter from the hustings, but I am sufficiently concerned about current events to write a few comments. The test of any society, it seems to me, is the quality of life that it can provide for its people. This seems to be the furthest thing from the mind of the present administration. These ideologies are monopolizing the political dialogue. The President simply proclaimed that the economy is in the worst condition since the great depression. That is pure fiction. The unemployed are indeed very bad off, and the unemployment among young blacks is of crisis proportions. However, I do not think that the President's program will remedy either problem. Most people in this country have more in the way of material goods than they ever had any right to expect, but they still do not want to pay taxes and are concerned lest somebody else pick up a crumb or two.

The idea that all that we have to do is to accept the President's program and let free enterprise lead us out of the wilderness is nonsense. Has corporate industry ever done anything that it was not forced to do by law? I can recall a few things such as workmen's compensation, the right of workers to organize and bargain collectively, unemployment insurance, social security, air pollution, water pollution, chemical dumping, consumer protection, and safety in the workplace. How much of this is to be lost under the plea of necessity for restoring the economy? I am as concerned about inflation

growth.

as anyone. Income in higher education has not come close to keeping up with inflation. However, I do not think that the simplistic proposals of the Reagan Administration are going to cure inflation. Inflation is a worldwide phenomenon. I do not know what causes inflation, but I am reasonably certain that David Stockman doesn't either. Part of the problem, I suspect, flows from the fact that we do not have a free economy. When there is a freeze in Florida, the price of orange juice on the store shelf is immediately raised. That is not what the law of supply and demand dictates. It is what the market will bear. The oil companies are rapidly consolidating control over all forms of energy and are now expanding into other areas. Has Congress ever undertaken a thorough study of the impact of conglomerates on the economic system? The question that concerns me is whether a corporation with excess capital uses that capital to expand or modernize its equipment or whether merely goes out and buys control of another corporation or a professional sports team. It seems to me, although I hasten to add that I am talking about a subject of which I know nothing, that such practices could have a stultifying impact on industrial

The President himself convinced me that the budget is not the problem. He spoke of a national debt that is approaching a trillion dollars, certainly a frightening figure. However, he then explained that the dollar is worth only thirty-six cents compared to 1960. Simple arithmetic suggests, then, that the debt is only 360 billion dollars in 1960 dollars which is only a modest increase over the Eisenhower legacy. I noted in the Tribune last week that the program for eliminating architectural barriers for the handicapped was to be cut back or eliminated because it is too costly. Has anyone considered the cost of not continuing this program? Why not cut out FAA support for private aircraft? I am certain that the cost must be great and the amount of fuel consumed enormous.

I also noted last week that the administration is considering the resumption of domestic surveillance by the CIA. I think that it is imperative that this be prevented. If we need a secret police or intelligence agency to spy on American citizens, the country has a more malignant problem than the economy, and the President should be required to tell us the nature of this malignancy.

Finally, I am tired of hearing about the mandate which the people gave the President. The most disconcerting fact about the last election was the fact that almost fifty percent of the people of voting age stayed home. President Reagan received the votes of less than thirty percent of the potential electorate. That is hardly a mandate. How-ever, I respect Woodrow Wilson's observation that the President has a right to be as big a man as he can. The Democrats need to develop counter proposals based on hard data. We need education in the public sector. How many jobs will the President's program cost? I have not seen that question addressed. Can the defense industry absorb, economically, the amount of new money that will be "stuffed" into it? Who will man the 150 new ships that are to be added to the fleet, the planes, tanks, etc.? Is a new draft inevitable? Is it necessary to deny the poor people of the country the benefits of the Legal Services Corporation so that their rights can be violated with impunity?

It is much easier to write a long letter than a short one, and I have only just begun. I merely wanted you to know that all Democrats have not abandoned the field to "supply side" economics which I thought had gone out of style with Herbert Hoover. Sincerely.

RANDALL H. NELSON.

A PATTERN DEVELOPING

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. SWIFT. Mr. Speaker, there is a pattern developing. It started with the budget. Estimates were so fuzzily optimistic that JIM JONES warned the administration their programed deficit would balloon. The budget predicts the Federal Government will be paying only 8.9 percent interest starting next month. Ridiculous. The deficit now looks like its going to be twice the size the President assured us it would be.

The House Budget Committee told him so. But he told the Congress, in effect, "Don't listen to them. They will tell you two and two make four. But I tell you two and two make five. Follow me."

Then we came to the tax cut plan. It will benefit the average American very little. Alternatives that would have done a better job for middle America and been more reasonable in many other ways were offered.

But the President went on television and said, "Don't listen to them. They say two and two make four. But I tell you it makes five. Support me."

Now that pattern will hold, I predict. Small businessmen all over America are going bankrupt because of the high interest rate policy of the Federal Reserve. And this President is as enthusiastic a supporter of that terrible policy as has ever sat in the White House.

But you watch. He will soon call on the Congress for power to impound appropriations—the much abused tactic of Richard Nixon—and he will demand another round of cuts in important domestic programs even before the ink is dry on his last set. And, he will do so in the name of fighting—what? High interest rates, of course.

But, let us get it straight right now. The President can affect high interest rates, instead of continuing his support of Chairman Volcker's terrible policy that is bleeding Americans to death.

His impoundment ideas and his further budget cuts should be examined on their own merits. Those policy proposals and any others he may want considered are not tied to high interest rates. To use the agony of millions of Americans caused by that interest rate policy—to use it as a cover for other and unrelated proposals—is not

only cynical; it is worse. Such a linkage will serve to cover more delay by the administration in doing anything about high interest rates. We need something done now. No flimflam this time. Two and two really do make four.

LOCAL BAR ASSOCIATIONS ENDORSE LEGAL SERVICES

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. FRANK. Mr. Speaker, at the recent meeting of the American Bar Association in New Orleans, the leaders of the major local bar associations throughout the country adopted a statement urging reauthorization of the Legal Services Corporation Act and sufficient funding for this program. The statement noted, and I concur, that the Corporation's programs have provided a major step forward in making equal access to justice a reality for the poor. The statement was signed by the leaders of 28 local bar associations.

The House will today continue consideration of the Commerce, Justice, State, and Judiciary appropriations bill which contains an appropriation of \$241 million for the Legal Services Corporation. I ask my colleagues to support this figure, which represents an amount equal to that which passed the House in H.R. 3480-the Legal Services Corporation Act Amendments of 1981. I also ask my colleagues to consider the overwhelming support of the legal services program by members of the bar as evidenced by this statement, which I ask to be printed in the RECORD.

A copy of the statement follows: STATEMENT ON THE LEGAL SERVICES CORPORATION

As representatives of major local bar associations in the United States, we strongly urge the reauthorization of the Legal Services Corporation and sufficient funding for legal services to the poor. Most of our associations already provide extensive volunteer services to poor in supplement to the existing federally funded programs, and we know from practical experience that volunteer programs cannot fill the void created by the elimination of, or severe cut back in, the Legal Services Corporation.

Equal access to justice is a basic societal concern, and the programs funded by the Legal Services Corporation have been a major step forward in making such access a reality for the poor. We will continue our efforts, whatever the outcome, but we hope Congress will not dismantle this program.

Raymond Young, President, Boston Bar Association; Joanne M. Garvey, President, Bar Association of San Francisco; Herman S. Palarz, President-Elect, Beverly Hills Bar Association; Martha H. Perin, Executive Director, Cincinnati Bar Association; Thomas L. Dettelbach, President, Cuyahoga County **EXTENSIONS OF REMARKS**

Bar Association, Cleveland, Ohio; Don McDonald, President, Denver Bar Association; James W. Lamberton, President, New York County Lawyers Association; Robert Russell, President, Detroit Bar; David Butler, President, Atlanta Bar; Wayne E. Babler, President, Milwaukee Bar Association; and Leonard A. Girard, President-Elect, Multnomah Bar Association, Port-

land, Oreg.

Victor H. Beauzay, President, Santa Clara County Bar Association, San Jose, Calif.; Sidney R. Rose, President, Beverly Hills Bar Association; Helen K. Pulsifer, Executive Director, Seattle-King County Bar Association; Roy H. Aaron, President-Elect, Los Angeles County Bar Association; Maryanne S. Freedman, President, Eric County, New York Bar Association; Kevin M. Forde, President, Chicago Bar Association; George M. Burditt, Past President, Chicago Bar Association; and Richard William Austin, Past President, Chicago Bar Association.

Esther R. Rothstein, Past President, Chicago Bar Association.

Esther R. Rothstein, Past President, Chicago Bar Association; Robert J. Perry, President, Columbus, Ohio, Bar Association; Anthony J. Sestric, President, Bar Association of Metropolitan St. Louis; William R. Delano, Executive Secretary, Association of the Bar of the City of New York; Herbert J. Belgrad, President, Bar Association of Baltimore City; H. J. Kelly, President, Hennepin County Bar Association, Minn.; Jerome Bogutz, Past Chancellor, Philadelphia Bar Association; Miles C. Cortez, Jr., President-Elect, Denver Bar Association; and Ralph E. Mahowald, President, Maricopa County Bar

Association.

PENTAGON WASTE

HON, LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. ASPIN. Mr. Speaker, the most fundamental waste continues in the Pentagon. Today I would like to cite examples such as a Navy office that holds checks for 11 days before depositing them and an Army arsenal that planned to build tank cannons at four times the rate that tanks could be built.

The new administration took over at the Pentagon intent to root out waste and inefficiency. Let me point out to these officials several examples of clear and simple wastefulness that have been unearthed by auditors

within each of the services.

First, an Army recruiting command paid an advertising agency \$323,381 for work that was not performed, \$92,200 for work previously paid for and \$220,979 for work that may have been done but for which documentary evidence of the work was never supplied. The payments were approved and made and no questions asked until Army auditors came in for a routine check.

Second, an Army arsenal laid out plans to expand its production base for artillery and tank cannons. The expansion included a capacity for producing tank cannons four times greater than the capacity for producing tanks. It also included expansion to produce artillery weapons due to be replaced or phased out before the expansion would be completed. The excess capacity would cost about \$15.7 million.

Third, Navy auditors found one Navy regional finance center was holding checks for an average of 11 days from the time they arrived until they were sent for deposit. The deposits, furthermore, were mailed, adding another 2 to 4 days to the cycle. Navy auditors estimated that that one finance center was costing the Government an extra \$1 million a year by its slow processing of checks.

Fourth, Army auditors looked at 22 medical care items, each of which was being bought from a solitary source without competitive bidding. The auditors said that if the Army had used competitive bidding, it could have saved \$533,000 on those 22 items alone

Fifth, the Hydrographic and Topographic Center of the Defense Mapping Agency found it had a half million dollars in unspent funds as the fiscal year was ending. So it went out and spent it all on map paper for which it had no plans or need.

Sixth, the Army has spent \$115 million to develop a scout helicopter. The project began in 1974. Seven years later, the Army is no closer to having a helicopter that fulfills that mission. Army auditors said the primary problem was very simple: the agency that is developing the helicopter and the Army's helicopter users still haven't agreed on just what is needed in a scout helicopter.

These are just a handful of examples of waste that internal auditors and inspectors found in a 6-month period, October 1980 through March 1981.

They are illustrative of problems I have pointed out for many, many years: sloppy planning, poor management, too little competitive bidding, yearend spending binges, and ill-defined ideas for weapons.

Many of these problems entered the Pentagon with the first people to occupy the building 40 years ago. They would not be tolerated for even 1 week in private enterprise. There is no reason they should be tolerated any longer in the largest agency of the Federal Government. If the Reagan administration is eager to make good on its pledges to root out waste, I invite it to start prowling the Pentagon halls now.

MAKING A SCHOOL SYSTEM WORK

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

Mrs. SNOWE. Mr. Speaker, we read headlines in the newspapers almost daily about the problems of our public schools, particularly declining test scores, difficulties in retaining competent teachers, and other roadblocks to providing quality education for our children. In contrast, I would like to bring to the attention of my colleagues an article from the September 9, 1981, Wall Street Journal about the Portland school system in Maine. This article describes the work of school superintendent Peter Greer, and how his competence, commitment, and courage has created a school system which has distinguished itself from national education trends by improving upon its past performance and setting new records for achievement by its students.

[From the Wall Street Journal, Sept. 9,

Making a School System Work (By Bill Bennett and Terry Eastland)

(Mr. Bennett is director of the National Humanities Center in North Carolina. Mr. Eastland is editor of the Norfolk Virginian-Pilot.)

Recent studies on what makes schools effective have all pointed to the importance of good leadership in both the individual school and the school system. This perhaps is obvious, but what may not be so obvious is that good leadership is not a matter of style but requires day-to-day commitment, competence and no small amount of courage.

This is especially true in the public schools, constrained in ways private schools are not. An effective leader in the public schools will find himself involved in skirmishes every day, and at the end, if not of the day, of the school year, he must win more than he loses. One such effective leader is Peter Greer, superintendent of schools in Portland, Maine.

Mr. Greer, previously a full-time teacher, is 40 years old and has been Portland's superintendent for the past two years, having been an assistant superintendent. The system includes 12 elementary schools, three middle schools, two high schools, a regional vocational school and a school for the emotionally disturbed. Many of the 8,000 students come from low-income families. An unusually high 16 percent are enrolled in special education. The system relies heavily on the property tax. The budget this past year was \$20 million. The Portland system is Maine's largest, and nationwide it is of average size.

MR. GREER'S PHILOSOPHY

Earlier this summer Mr. Greer spelled out his educational philosophy. Portland, he said, "must stand for the belief that the widespread despair over public education is a form of self-indulgence we cannot afford. Education must demand something, stand for something, or it has nothing to give. Competence and quality must be recognized,

sought and rewarded. Outstanding teachers must be rewarded in order to encourage first-rate people to choose teaching as a profession. Excellent students must serve as models for other students."

Mr. Greer has emphasized this philosophy to teachers and staff. But his push for excellence has involved more than philosophy.

Faced with budget cuts, and at the same time wishing to institute a program in Latin for the elementary grades, Mr. Greer has succeeded in finding funds for the program from a local bank. He also has instituted a writing program in which all students in all grades participate, and he has instituted a Great Books program.

Mr. Greer hired administrators for his central office whom he describes as parents, taking time, for example, to read samples of the students' writing. Mr. Greer does the same, and also finds time during his more than 70-hour work week to teach a class in American history.

Mr. Greer has established a quarterly periodical called "Excellence." It is mailed to all parents, including those who send their children to non-public schools. The periodical also is placed in hospitals, supermarkets and offices. Excellence highlights the achievement of Portland students, teachers and schools.

As a result of these achievements many parents who chose to place their children in private schools have decided to return them to the Portland system. In 1980-81, for the first time in the past 10 years, the standardized test scores of Portland students were at or above the national norm in all grades, one to 11 and in all seven test areas. Last year Portland students won 35 state and national awards for writing, the highest ever for the city's children.

But everything isn't roses and harmony in Portland. Mr. Greer is controversial. He receives his share of hate mail. "Drop dead," said one recent letter. Another said: "You will be shot dead soon in a lonlely (sic) place by the people of Portland due to your unreasonable and unjustful demands. You are the most unacceptable person for the Portland public schools system. The time is very short for you to leave Portland to heavenly holiday."

A large part of Mr. Greer's administrative work is absorbed by personnel matters, mainly grievance and arbitration procedures. He estimates he spends two days a week in legal matters. During a recent two-week period he was served three times by the Portland sheriff.

Though he is well liked and widely respected by parents and by most of the teachers in the system, the Portland Teachers Association, the local affiliate of the National Education Association, is hardly a Peter Greer fan club. Some of the system's principals have told Portland citizens that since Mr. Greer became superintendent "it's not as much fun as it used to be."

Mr. Greer frankly admits that they are right. "There are no more long lunches and visits with each other by the principals and teachers every day. There's no more neglect or rejection of test scores. Test scores now are taken seriously, and so is the teachers' work. When the teachers had fun, as before, the students suffered. I firmly believe that superintendents who are universally liked make no decisions or have few to make."

Mr. Greer issues press releases that anger some school personnel and please others. A recent one led with the headline: "Fewer sick days equal higher test scores." Mr. Greer says that "one way to assess school morale is by considering the number of sick days each staff member uses."

The staff evaluation form Mr. Greer uses has angered some Portland school system employes. The evaluation form's first question asks the reader to say when this person usually arrives at work and usually leaves. The second, third, and fourth questions ask about the employe's pace at work, level of effort and quality of work. Other questions deal with the person's maturity and stability, and there are very direct questions about the person's intelligence, judgment and range of information.

THE MOST IMPORTANT ISSUE

Mr. Greer is serious in using these evaluation forms; indeed, he is serious about getting the best people there are to teach in and staff the Portland schools. He is absolutely opposed to using seniority as the sole criterion for retention. The most important issue in his mind is the quality of the teacher. He thinks that the credibility of teacher associations depends on their understanding this

One afternoon recently Mr. Greer relaxed with one of his principals over beer and reflected on the pace of their jobs. Like Mr. Greer, this principal works hard, and the two were probing the question of why work so hard.

"The only answer," Mr. Greer said, "is that for some reason we can't stand the educational hustling that goes on. We can't stand the fact that children in certain classrooms are getting mediocre teaching. We know how bad it is to be short-changed in your education—it ought to be a crime. We can't stand to let new and terrific teachers go, while a bozo stays to cheat kids."

Mr. Greer is an example of what it takes today, day-to-day, to be an effective public school administrator. There is no avoiding the fact that the campaign for effective public education is a battle, and it takes conviction and courage on the part of those ultimately in charge of a school system—the superintendents—to wage this battle successfully.

IN SUPPORT OF REPEALING WINDFALL PROFIT TAX IN THE ECONOMIC RECOVERY TAX ACT OF 1981

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. PEYSER. Mr. Speaker, I am introducing today legislation to repeal those provisions of the Economic Recovery Tax Act of 1981 which extended the credit against the windfall profit tax on domestic crude oil for royalty owners, which reduced the rate of such tax on newly discovered oil, and which exempted from such tax independent producer stripper well oil.

It is my hope that in order to support the President's call for a reduction in the 1982 Federal deficit that we in the House, and particularly those members of the Ways and Means Committee who will be initially involved, will recoup \$11 billion that was given to oil producers as an extra

bonus in the recently passed tax program. I cannot believe that Members of the House would knowingly vote to make additional, unnecessary cuts in programs dealing with education, defense, housing, and so forth without first taking this action, thereby minimizing additional cuts that the President may deem necessary in other programs. Can we truly ask the elderly to tighten their belts and at the same time say to oil producers that we are going to give you an \$11 billion bonus? This is the time when even those Members from oil-producing States should bite the bullet if they are convinced that we must hold down the deficit in 1982. It is my hope that Chairman Rostenkowski and the members of the Ways and Means Committee will give us the opportunity to act quickly on this on the floor of the House.

NO COMPROMISE ON JOB OPPORTUNITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. HAWKINS. Mr. Speaker, politics is known as the art of compromise. Every day we seek a balance over such issues as resource development versus environmental protection, first amendment rights versus national security needs, et cetera. However, as the Christian Science Monitor so ably points out in its August 28 editorial:

There can and must be no compromise * * * for the Federal commitment to equal job opportunity for all Americans.

The administration's retreat on affirmative action must be countered forcefully. I include this editorial for the Members' benefit.

[From the Christian Science Monitor, Aug. 28, 1981]

No RETREAT ON JOB OPPORTUNITY

While recognizing the legitimate interest of the U.S. business community in freeing up firms from excessive paperwork—in other words, "red tape"—it is paramount that the federal government not renege on its obligation to women and minorities to ensure equal access to jobs involving federal montes.

In the case of government contracts, after all, employers receive taxpayer dollars—collected from all citizens irrespective of color or gender.

Consequently, how those dollars are disbursed, and to whom, takes on a different aspect than in the free market economy, where contracts involve private funds.

The principle involved here is directly relevant to the administration's new proposal to ease paperwork and other antidiscrimination requirements for federal contractors. Currently, affirmative action paperwork requirements apply to all contractors with 50 employees and contracts worth \$50,000 or more. The administration is proposing reducing the compliance rule for something

like 75 percent of all firms in the U.S. by requiring written compliance plans from only those contractors having 250 or more employees and contracts of at least \$1 million. The new regulations also would reduce the government's definition of the proper number of minorities to be hired by contractors in different parts of the U.S. Despite the proposed changes, according to Labor Secretary Ray Donovan, affirmative action protection will be retained for nearly 77 percent of all women and members of minority

Meantime, all employers having contracts of \$10,000 or more. Mr. Donovan points out, are still required to hire and promote women and minorities, whether or not they file written affirmative action reports.

The proposed new rules, published this week in the Federal Register, are now open for routine comment. After the comments are reviewed by the Labor Department, the final regulations will take effect 30 days from their publication.

Organized labor, women's groups, and civil rights organizations should vigorously use the review process to insist that the changes actually do what one Labor Department official promises, namely, "create incentives for voluntary compliance and put an end to mindless confrontations with employers who have been acting in good faith."

There is little question that many smaller firms find the current compliance processes onerous and costly. For them, some form of relief from the paperwork burden seems in order so long as affirmative action requirements are met. But what must be ensured is that the changes do not serve as a method for retreating from the federal commitment to equal job opportunity for all Americans. About that there can and must be no compromise.

VLADIMER TSUKERMAN

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

o Mr. SENSENBRENNER. Speaker, I have recently added my name to the list of Congressmen who have given their support to Representative Barnes' vigil for Soviet Jewish refuseniks. I would like to draw my colleagues' attention to the case of Vladimer Tsukerman. Mr. Tsukerman was born in Kishinev, Moldavia, in 1947. He is not a Communist party dignitary or a government official. He is a mechanical engineer. Being a Soviet Jew, Mr. Tsukerman applied to emigrate to Israel in December, 1977. His application was refused, but his wife and son were allowed to leave the Soviet Union. They live in Israel now and have been separated from their husband/father for several years.

After Mr. Tsukerman's first attempt to emigrate, the Soviet authorities let it be known that if he laid low, they would reconsider his application. For over 2 years, Vladimer Tsukerman complied with their wishes and refrained from any so-called anti-Soviet activity. Then, last April, the authorities told him that "a wife who leaves her husband is no wife," and rejected his application again. He could no longer remain quiet and decided to participate in a demonstration protesting Soviet denial of exit visas, in Kishinev on May 30. On May 29, Soviet authorities placed 48 people under short-term house arrest so that the demonstration could not take place. Mr. Tsukerman, however, along with Mr. Loksin, were arrested and charged with article 203-3 of the Moldavian Criminal Code, better known as article 190-3 of the Russian Soviet Republic Criminal Code. The charge was "joining an organization of or activities participating in group actions which vio-

late public order.'

If we recall that several people throughout the Soviet Union have recently been charged and sentenced under article 190-3, we must realize that Mr. Tsukerman's situation is very serious. Having been in solitary confinement since his arrest, if he is tried and sentenced, he faces up to 3 years of internal exile, or prison camp, or both. The fact that he is not a world renowned dissident, but an average mechanical engineer, is all the more reason for us to protest this treatment of Vladimer Tsukerman. We must let it be known that we do not in any way support the forced separation of a family or the unethical detainment by Soviet authorities which he has experienced and may continue to experience for an indefinite period of time.

CINCINNATTIAN CONDEMNS WEAKNESS THROUGH GUILT, CALLS FOR PEACE THROUGH AMERICAN STRENGTH

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

ASHBROOK. Mr. Speaker, after World War II, Japanese leaders told Americans repeatedly that they had decided to attack Pearl Harbor because they felt America was militarily weak and morally unwilling to fight. We paid dearly for the antidefense image we had projected in 1941 by the time the war ended in 1945.

Predictably, leftists have worked hard to twist the lesson we should have learned from our war with the Japanese Empire. Each August, they stage demonstrations, and weep crocodile tears over the dropping of atomic bombs on Hiroshima and Nagasaki in August of 1945. At these gatherings, they demand that America disarm, and leave its enemies in sole possession of nuclear weapons.

As anyone familiar with history knows, the alternative to using those bombs was the invasion of Japan. Millions of people, American and Japanese, are alive today because we used our nuclear power at that time. Had we been militarily stronger in 1941, all the deaths in that conflict, including those in Hiroshima and Nagasaki, might have been avoided. It was the very policy the weakness-throughguilt advocates demand today that led to the tragedy they claim to mourn.

In response to news coverage to such an August demonstration this year, Mr. Lois Kindley exposed its real motives in a letter to the Cincinnatti Enquirer, and explained the historical facts and their implications. Her exposition is clear, sincere, and factual. I insert it below, and recommend strongly that my colleagues read it.

TEARS FOR HIROSHIMA BUT NOT PEARL HARBOR

To THE EDITOR: The picture on the front page of the Aug. 7 Enquirer entitled "Rally on the Square" (against nuclear arms and energy) was sad indeed. These demonstrators have a dubious idea. Perhaps we should be grateful to them for reminding us of the events, even though these events were taken out of the context in which they occurred.

They weep and pray over Hiroshima and Nagasaki, but they seem to have no tears for the Americans who died in the Japanese sneak attack on Pearl Harbor Dec. 7, 1941. Nor do they seem to have any prayers for our brave veterans of the war, some still confined to Veterans Administration hospitals. We can mourn the tragedy of the atomic devastation of Aug. 6, and Aug. 9, 1945, but not to the point that we use it as an excuse for disarming America. Who started the war, anyway?

The Japanese made up their minds quickly after Aug. 6 and 9. On Aug. 14, they accepted Allied terms and hostilities ceased. On V-J Day, Sept. 2, 1945, General MacArthur and the allied forces received the formal surrender of Japan on the U.S. battleship Missouri. We will-have we-remembered these historic days? This was the victory that bought freedom paid for in "blood, toil, tears and sweat." Our country was determined to survive. Because of our military might and ability, we once again had peace in the world-yes, peace with freedom.

What is the best way to keep peace? Shall we choose peace through strength? Since today another nation (Soviet Russia) accumulates nuclear weapons beyond all rational necessity, shall we stand idly by? The Soviets are dedicated to a system of government that strangles freedom. Some of the 'peace" activists are merely misguided, but it cannot be doubted that there are traitors who sympathize with the Soviets and know full well that an unarmed America can easily be conquered.

At Pearl Harbor we weren't prepared to resist aggression. Surely we have learned the lessons of history. To remain free and deter would-be invaders, we need to build the cruise missile, B-1 bomber, nuclear-powered aircraft carrier, neutron bomb and increase our conventional forces. We can be thankful that we now have the Trident submarine, the USS Ohio, to protect our

The men in the Kremlin show by their actions as well as their words that they have plans for world conquest. But we have an answer. We have a will to stay free. We elected a President to carry out this will of

the people and we should support his efforts to make America strong again.

As the poet Edna St. Vincent Millay so beautifully phrased it: "Make bright the arrows, polish the shields, against prise . . ." This is my prayer for peace shields, against sur-

Mrs. Lois Kindley.

DEFICITS MATTER

HON, BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. CONABLE. Mr. Speaker, Vermont Royster of the Wall Street Journal has been writing instructive analyses of the Nation's policies and problems for many years. As he noted in a column of September 9, his conservative views now seem to be regarded as more timely than previously, but he is concerned that they be fully understood. Mr. Royster discussed our spending and defense policies in yesterday's column, and I include it in the RECORD:

[From the Wall Street Journal, Wed., Sept. 9, 1981]

DEFICITS AND DEFENSE (By Vermont Royster)

If reading this you think me out of time with the times, you won't be the first. For years liberals labeled me an anachronism for my views on everything from government economic policy to the threat of the Soviet Union to world peace.

Now, ironically, I find myself out of tune with some of what's called the new conserv-

Specifically, I think that deficits mattergovernment deficits, that is-in their effects on the nation's economy. And after years of bewailing the disrepair of our defense ramparts. I find myself uneasy with the idea that we best repair them with a crash program of just throwing money at the Penta-

The attitude of the new conservatism, if I read the signs right, is that government deficits don't matter. Or in the words of Representative Jack Kemp, one of the more thoughtful and articulate spokesmen for the new attitude, Republicans as conservatives "no longer worship at the shrine of a balanced budget."

Similar views, less colorfully expressed, have been heard from others on the pages of The Wall Street Journal and elsewhere. Their burden, at least until very lately, is that the Reagan administration need not overly concern itself with the President's promise of a balanced budget by 1984. Shades of Walter Heller and John Kenneth Galbraith!

The rationale for the new conservatism is that government deficits don't of themselves create the inflation which so much plagues us. Moreover we shouldn't worship at the balanced budget shrine because the nation faces another problem, the sad estate of our armed forces compared with those of the Soviet Union.

There is truth in both of these arguments. Inflation, as these pages have long insisted, arises from the excessive creation of money and credit from whatever sources. It would be quite possible to have inflation, even a while the rampant one, government's

budget was precisely balanced between revenue and expenditures. That would happen if monetary policy remained expansionist.

By the same token it would be possible for the government to run a budget deficit with little or no inflationary effects if the deficit was not "monetized"; that is if the government borrowed real savings to finance it, rather than having it "paid for" with money and credit pumped out by the Federal Reserve system. If that were the case a "small' deficit would make no difference.

There remain a few difficulties nonetheless. The greater the government's demand for "real" savings the greater the squeeze on the savings supply, raising the cost (interest rate) for all borrowers, from home purchasers to industry. Even without inflation the economy would have mammoth problems.

Perhaps I'm too cynical, but experience suggests also it is highly unlikely that a deficit of any size would in fact be met by borrowing only "real" savings. The pressures on the monetary authorities against standing fast would be enormous even with the support of a President as tough as Mr. Reagan. Already we've heard mumblings from the Secretary of the Treasury about the present restraint by the Federal Reserve Board, not to mention complaints from business and industry about the prevailing high interest rates.

So I persist in my anachronistic view that deficits do matter. Handled one way they cause one kind of problem, inflation. Handled differently they create all manner of

other problems.

The Reagan administration came to office with three main objectives, all worthy and all overdue. To reduce the growing size and cost of government. To lower the people's To rebuild our neglected armed forces.

The first two were carefully thought out and a splendid beginning made on each. The third hasn't been. The approach was simply to increase the defense budget without weighing its overall effects on the cost of government and, equally importantly, without pause to consider carefully how the money should be spent.

To pinch-penny with our defense is foolhardy. To merely hand the Pentagon money and leave it to decide how to spend it is reckless. No branch of government can waste money easier, or in such large amounts, as the military. We need hard thought on what kind of planes, ships, missiles, guns or troops will be best adapted to the next war, not the last one. If that means difficult decisions by the President, that's

what we have one for.

Another thing. One of the reasons we could gird ourselves for World War II with a minimum of strain was that we entered it with no inflationary pressures. The country could absorb huge wartime expenses. The next war, big or little, will bring new inflationary pressures-make no mistake about that-as we should have learned from the half-war of Vietnam. The less strain on our resources at the beginning, the easier we

will bear the burden.
So it's with relief I see some cracks in the attitude that of all the activities of government, defense alone should be immune to discipline. Money may be the sinews of war but its use should never be left to generals

I'm relieved too at what seems a recognition that deficits matter after all. Anyway, there are hints the administration will seek to shrink them and won't shrink from a rigorous look at all spending, not just part of

For the two are related. Military safety depends not only on the ramparts we watch but on the economic strength behind them. Conservatives also need to relearn old lessons now and then.

NORTHEAST FACES MANY PROBLEMS

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. MITCHELL of New York, Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial from the Herkimer (New York) Evening Telegram. It is thoughtful commentary on the difficulties of the Northeast region of our Nation that demonstrates the persisting intensity of local concern for the

NORTHEAST FACES MANY PROBLEMS

The Northeast is continuing to lose population, industry, and economic and political importance for a variety of factors which must be confronted. Some of them are difficult to combat, such as the energy question. When production costs are necessarily higher, because of higher energy needs and costs, a continuing drain of industry is one of the consequences.

In addition, the needs of the Northeast, and to some extent of the Middle West, are being increasingly ignored in Washington. This is a trend which set in in the aftermath of World War II, and has been accelerating. Until the energy crisis, it affected the Middle West to a lesser extent, but the slump of the automobile industry has hit that region harder in late years. Steel production, with aging plants and reduction in demand because of lower automobile output, has been another hard hit industry.

All this requires much greater cooperative effort in the so-called Snow Belt if the present trends are to be halted and turned around. Unfortunately, as economic clout has been declining, so has political strength in Washington. The South, Southwest and Far West, which have been prospering, seem less and less concerned with what goes on to the north and east.

Regional planning may be one of the answers. Declining industries simply cannot be bailed out, a temporary and often counterproductive action. New approaches to old industries and the development of entirely new ones, especially in advanced technology, seem to be the best answer. Massachusetts has been particularly successful in this area, partly because of its large number of high quality educational institutions.

The states involved need to operate on a much more closely integrated basis, especially since there is less and less likelihood of help from Washington. This may be good; it may end the long-time practice of devoting energies to the hunt for federal grants, and divert it to an independent search for answers to our problems.

The situation can be reversed, but this demands greater and better coordinated effort to achieve regional goals. Hand-wringing and adherence to the traditional solution must alike be avoided. We need more of the ficiency.

THE TRUTH ABOUT THE BLACK LUNG PROGRAM

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

• Mr. ERLENBORN. Mr. Speaker, the CONGRESSIONAL RECORD for the past 12 years contains literally hundreds of pages about what the black lung benefits program does and does not do. Now, however, we have an analysis made by someone who spent 2 years working on black lung claims at the Department of Labor and then left to research and write his master's thesis on the subject.

Whether you favor the black lung program, are opposed to it, or just want to be enlightened about it, I urge you and my other colleagues to read the following assessment from Mr. David Nicolai:

CHAMPAIGN, ILL., August 8, 1981. Hon. John N. Erlenborn, U.S. House of Representatives,

Washington, D.C.

DEAR CONGRESSMAN ERLENBORN: I have been a close observer of Congressional proceedings ever since I was a page in the House of Representatives in 1969, but I have never before sat down to write a "fan to a Congressman or Senator. It is ironic that I should now be writing one to you, as we probably do not agree on very many political issues (my views tend to be somewhat to the left of most "liberal" Democrats). However, after working for two years at the Black Lung Benefits Program in Washington and then doing extensive research on the legislative history of the program for my masters' thesis, I must take the time to commend your singular efforts over the past twelve years to bring some measure of reason to the Congressional debate on this little-understood and scandalous program.

I went to work at the Department of Labor in November, 1977, just before the passage of the Black Lung Benefits Reform Act of that year. It did not take very long after the re-evaluation of claims under the liberalized eligibility criteria established by that Act began in August, 1978, for me to realize what a horrendous mistake Congress had made. The name of the game, as you are well aware, was to reward as many claims and to pay out as much benefit money as was humanly possible, regardless of the evidence in the files; this was made crystal clear to all agency personnel by the top administrators, who knew their jobs depended on placating certain powerful members of Congress. Thus, the findings of the G.A.O. report which you commissioned, concluding that almost 90 percent of the awarded claims contained insufficient evidence of black lung disease, only confirmed what had become obvious to me after examining thousands of claim files.

I was delighted that the G.A.O. report received at least some press attention, but it was not until I began reading through the thousands of pages of floor debate and hearings transcripts that I became aware of

old "can do" spirit, we need greater self-suf- the role you've played ever since 1969 in regard to this program. I am so impressed by how well informed, fair, and constructive your contributions to the lengthy black lung debate have been. It is remarkable that Congressman from a wealthy suburban district of Chicago, devoid of coal miners and coal mines, should be the only member of Congress who has consistently offered an honest analysis of where the program was heading. I realize just how difficult it would be to convince a skeptical public that a conservative Republican from Du Page County would argue again and again against further liberalization of the Black Lung Program, not because of an obession with budget deficits or a lack of compassion for the miners, but because this dishonest piece of special interest legislation raises very basic questions of social justice. It is, in fact, a travesty of justice for all other American workers, very few of whom are able to supplement their often meager retirement income with the \$15,000 to \$25,000 checks that so many black lung claimants have been receiving over the past three years. I also believe that the continual expansion of the Black Lung Program, beyond any reasonable bounds, has jeopardized the prospects for establishing legitimate compensation programs for the many thousands of workers who do genuinely suffer from occupational diseases. Senator Javits emphasized this point during the 1977 debates.

> According to a recent issue of the Congressional Quarterly, the Black Lung Program has emerged intact from the past few months of budget-cutting in Washington. I find that shocking, given the hundreds of worthwhile social programs and other federal initiatives which are being severely trimmed or terminated. The American public loves to condemn "welfare chisellers," but what other welfare or benefits program can you name where almost 90 percent of the recipients do not really deserve the benefits? Was the Reagan Administration really that intimidated by the miners' march on Washington to protest the proposed black lung cuts?

> One other aspect of the program I should mention is the way it is abused by many of your colleagues on the Hill as a vehicle for both pumping hundreds of millions of dollars annually into their home states or districts and for garnering thousands of votes in the process. It would be hard to overstate the attention paid to the Congressional Inquiries Office, where I worked, by the Department of Labor officials who oversee the program. Prompt processing of claims and courteous treatment of the claimants were of secondary importance compared with answering the thousands upon thousands of Congressional inquiries about constituents' claims. When I was there, the cardinal sin for an employee was to notify a miner or widow of an awarded claim before informing all interested Congressional offices; otherwise, the Congressman or Senator would not be able to claim personal credit for the award. I don't object to Congressional staff members doing reasonable case work, but the Black Lung Program has obviously become a very big and cynical racket.

> I suppose I have rambled on long enough, but let me reiterate my great admiration for your eloquent and principled criticism of the Black Lung Program.

Sincerely.

DAVID NICOLAL.

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

• Mr. SABO. Mr. Speaker, over the last half century great advances have been made in the cause of civil rights in this Nation. Roy Wilkins, a man who for 50 years served as a leader of the movement, and stood at the helm for much of the last 30 years, died yesterday. Wilkins' death means the departure of a leading champion of the cause of civil rights, but we will long be grateful for his spirit, his vision, and his successes.

Roy Wilkins joined the national offices of the National Association for the Advancement of Colored People, the largest and oldest civil rights organization, in 1931. Until his retirement in 1977, Wilkins served as executive director of the NAACP for 22 years, a long and influential tenure.

Many young people today—both black and white—forget the great struggles that took place, and the great and significant distances traveled, on the road toward equal rights and equal opportunities. Roy Wilkins was at the forefront of many of the most significant accomplishments during the last 50 years. When lynchings were occurring in horrifying numbers in the 1930's, Wilkins fought for, and got, antilynching laws. He was there when the landmark 1954 Supreme Court decision banning school segregation was made. He was a leading organizer of the influential 1963 civil rights march in Washington. Working closely with President Johnson, Wilkins again played a leading role in securing the passage of the Civil Rights Act of 1964, which made voting rights, equality in employment, and equal access to public accommodations part of Federal law.

Roy Wilkins' style evoked admiration and respect from followers and adversaries alike. While people were not always aware of the extent of his contributions and influence, his persistent behind-the-scenes work within the system produced successes. He did not need the limelight in the movement. Instead he worked quietly and eloquently-knowing the facts, the system, and the people involved-and always pushing forward.

Minnesotans are especially proud of our special association with Roy Wilkins. Growing up in St. Paul, where he spent most of his young life, Wilkins lived in an ethnically diverse neighborhood. Here he was exposed to a variety of people and conditions. Following his graduation from the University of Minnesota, where he began his career as a journalist working on the Minnesota Daily, he returned to work in St. Louis. Wilkins' awareness of the contrast between the treatment of blacks in Minnesota and the conditions in St. Louis, ignited his life-long passion for the civil rights movement.

Roy Wilkins truly stands out, not only as one of the paramount leaders in the history of the civil rights movement-alongside Martin Luther King, Jr. and A. Philip Randolph-but also as one of the great Americans of this century. His persistent work helped to enlighten all Americans, of all races, about the plight and conditions of black Americans and the poor and the ills of our society. Roy Wilkins once said that the NAACP was in the business to go out of business. While Wilkins produced great successes in his business, today the NAACP and the civil rights movement still has much to do. Today as we remember and express our gratitude for Roy Wilkins' life and work, let us rekindle our efforts to his goal of equal rights, equal opportunities, justice, and the improvement of the quality of life for black Americans and the poor.

INJUSTICE DEPARTMENT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

• Mr. HAWKINS. Mr. Speaker, many Americans wrongly seem to feel that there is no longer any need to advocate forcefully for civil rights. The legislative successes of the 1960's and the activist stance of the Carter Justice Department have caused many to ignore the fact that divisive and dangerous prejudice continues to fester in our Nation. The Reagan administration, in a change of focus, is unfortunately adopting a Department-wide policy of abstaining from a vigorous enforcement of civil rights. This restrained approach actually reveals a deep dislike of these laws which protect minorities and the handicapped. As Robert Plotkin, an ex-administrator in the Justice Department's Civil Rights Division points out, "the administration is not only turning back the clock, it is also turning its back on millions of Americans." I submit the complete text of Mr. Plotkin's article from the August 3, New York Times.

INJUSTICE DEPARTMENT (By Robert Plotkin)

Washington.—President Reagan may be undecided about extending the Voting Rights Act of 1965, perhaps the most important civil rights legislation in United States history. But Justice Department policy across the entire spectrum of civil rights issues reveals a deep-seated hostility toward the laws that protect minorities and handicapped persons.

Attorney General William French Smith has already promised that the Justice Department will not pursue busing orders in school-desegregation cases, that it will not seek the imposition of numerical quotas to correct employment discrimination, and that it will not impose "onerous" standards upon state and local prisons to correct conditions that violate inmates' rights.

The Attorney General has not said, however, what the Reagan Administration will do in these and similar cases. This silence is not simply the pause of indecision. Indeed, in a Government otherwise tickled by its own ability to seem bold and imaginative, the lack of a coherent civil rights policy is ominous. It masks an antipathy toward civil rights that stretches far beyond particular disputes about effective remedies for discrimination.

This Administration sees civil rights laws as imposing unnecessary regulatory and economic burdens on society, and would like nothing better than ultimately to replace today's tough laws with toothless "tigers." The debate about the voting legislation is simply the opening round in a bout that is sure to go the distance.

Principled civil rights policy-making at the Justice Department has been replaced by the political gamesmanship of Deputy Attorney General Edward C. Schmults. Allies of the new Administration have learned quickly that a telephone call to Mr. Schmults will achieve favorable results and bypass the lawyers of the Civil Rights Division, whom their new bosses see as subversive "liberals."

For example, Senator Jeremiah Denton, Alabama Republican, recently called Mr. Schmults to complain about language that he found objectionable in a legal document filed by the Civil Rights Division in a voting case against the city of Mobile, Ala. Within 24 hours, an amended pleading had been filed at Mr. Schmults' personal direction, removing the offending words. Although the legal significance of the change was inconsequential, its political message was clear: The Civil Rights Division is under control.

The "Denton maneuver" was also executed by the Governor of Texas, William P. Clements. Complaining about a successful prison-conditions suit brought in district court by the Civil Rights Division, Governor Clements wrote to the Attorney General that the court's decision would cost Texas "billions of dollars" to implement, and pointed out that "it makes good political sense" for the department to reconsider its position. The letter was referred to Deputy Attorney General Schmults, who agreed to review the case and wrote to the Federal District Court for the Southern District of Texas asking it to delay further orders. To its credit, the court refused to delay again the eight-year-old controversy, but Mr. Schmults' promised review will continue while the case is on appeal.

Similarly, in a discrimination suit against North Carolina's college system, the Department of Education, without consulting the Civil Rights Division lawyers responsible, negotiated a settlement that failed to resolve important issues in the case. When those attorneys refused to sign the agreement, Mr. Schmults reassigned the case to another division and ordered the compromise to be filed.

The Administration has publicly denied that the Justice Department has moved away from vigorous enforcement of the civil rights laws. Labeling the new course as a "change of focus," Attorney General Smith has promised minority groups that he intends to seek more "innovative and practical approaches" to achieve racial equality.

Significantly, not a single Reagan appointee at the Justice Department has any background in civil rights. Not a single appointee is a member of a racial minority. No special "task force" exists to study controversial civil rights problems, although the Attorney General has made much ado about other task forces he has created, such as the one on violent crime.

If we are to believe that creative new solutions will replace the supposedly outmoded policies of the past, who will devise them? And when?

It is remarkable that the Reagan Administration continues to refuse to admit that the era of civil rights enforcement is dead. This refusal, obscured as indecision, deprives concerned citizens of their right to publicly debate the matter. It also assumes that public dissatisfaction with busing equals rejection of racial equality. The Administration is not only turning back the clock, it is also turning its back on millions of Americans.

NEED FOR A TRULY FREE WORLD PRESS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

. Mr. STARK. Mr. Speaker, the free flow of information is vital to international understanding and cooperation. For almost 10 years the United Nations Educational, Scientific, and Cultural Organization (UNESCO) has been working to establish a restrictive code of conduct for journalists. This effort must be defeated. In May of this year leaders of the world's free press met at Talloires, France to denounce UNESCO's proposed code and to adopt the Declaration of Talloires which speaks to the need for a truly free world press. The declaration reads as follows:

IFrom the New York Times, May 18, 19811 TEXT OF DECLARATION BY INDEPENDENT NEWS ORGANIZATIONS ON FREEDOM OF PRESS

We journalists from many parts of the world, reporters, editors, photographers, publishers and broadcasters, linked by our mutual dedication to a free press,

Meeting in Talloires, France, from May 15 to 17, 1981, to consider means of improving the free flow of information worldwide, and to demonstrate our resolve to resist any encroachment on this free flow.

Determined to uphold the objectives of the Universal Declaration of Human Rights, which in Article 19 states, "everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media regardless of frontiers,"

Mindful of the commitment of the Constitution of the United Nations Educational, Scientific and Cultural Organization to "promote the free flow of ideas by word and

image,"

Conscious also that we share a common faith, as stated in the charter of the United Nations, "in the dignity and worth of the human person, in the equal rights of men and women, and of nations large and small,"

Recalling moreover that the signatories of the final act of the Conference on Security and Cooperation in Europe concluded in 1975 in Helsinki, Finland, pledged themselves to foster "freer flow and wider dissemination of information of all kinds, to encourage cooperation in the field of information and the exchange of information with other countries, and to improve conditions under which journalists from one participating state exercise their profession in another participating state" and expressed their intention in particular to support "the improvement of the circulation of, access to, and exchange of information,"

Declare that:

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We affirm our commitment to these principles and call upon all international bodies and nations to adhere faithfully to them.

[2]

We believe that the free flow of information and ideas is essential for mutual understanding and world peace. We consider restraints on the movement of news and information to be contrary to the interests of international understanding, in violation of the Universal Declaration of Human Rights, the constitution of Unesco, and the final act of the Conference on Security and Cooperation in Europe; and inconsistent with the charter of the United Nations.

[3]

We support the universal human right to be fully informed, which right requires the free circulation of news and opinion. We vigorously oppose any interference with this fundamental right.

[4]

We insist that free access, by the people and the press, to all sources of information, both official and unofficial, must be assured and reinforced. Denying freedom of the press denies all freedom of the individual.

[5]

We are aware that governments, in developed and developing countries alike, frequently constrain or otherwise discourage the reporting of information they consider detrimental or embarrassing, and that governments usually invoke the national interest to justify these constraints. We believe, however, that the people's interests, and therefore the interests of the nation, are better served by free and open reporting. From robust public debate grows better understanding of the issues facing a nation and its peoples; and out of understanding greater chances for solutions.

[6]

We believe in any society that public interest is best served by a variety of independent news media. It is often suggested that some countries cannot support a multiplicity of print journals, radio and television stations because there is said to be a lack of an economic base. Where a variety of independent media is not available for any reason, existing information channels should reflect different points of view.

[7]

We acknowledge the importance of advertising as a consumer service and in providing financial support for a strong and self-sustaining press. Without financial independence, the press cannot be independent.

[8]

We recognize that new technologies have greatly facilitated the international flow of information and that the news media in

many countries have not sufficiently benefited from this progress. We support all efforts by international organizations and other public and private bodies to correct this imbalance and to make this technology available to promote the worldwide advancement of the press and broadcast media and the journalistic profession.

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We believe that the debate on news and information in modern society that has taken place in Unesco and other international bodies should now be put to constructive purposes. We reaffirm our views on several specific questions that have arisen in the course of this debate, being convinced that

Censorship and other forms of arbitrary control of information and opinion should be eliminated; the people's right to news and information must not be abridged.

Access by journalists to diverse sources of news and opinion, official or unofficial, should be without restriction. Such access is inseparable from access of the people to information.

There can be no international code of journalistic ethics; the plurality of views makes this impossible. Codes of journalistic ethics, if adopted within a country, should be formulated by the press itself and should be voluntary in their application. They cannot be formulated, imposed or monitored by governments without becoming an instrument of official control of the press and therefore a denial of press freedom.

Members of the press should enjoy the full protection of national and international law. We seek no special protection nor any special status and oppose any proposals that would control journalists in the name of protecting them.

There should be no restriction on any person's freedom to practice journalism. Journalists should be free to form organizations

to protect their professional interests.
Licensing of journalists by national or international bodies should not be sanctioned, nor should special requirements be demanded of journalists in lieu of licensing them. Such measures submit journalists to controls and pressures inconsistent with a free press.

The press' professional responsibility is the pursuit of truth. To legislate or otherwise mandate responsibilities for the press is to destroy its independence. The ultimate guarantor of journalistic responsibility is the free exchange of ideas.

All journalistic freedoms should apply equally to the print and broadcast media. Since the broadcast media are the primary purveyors of news and information in many countries, there is particular need for nations to keep their broadcast channels open to the free transmission of news and opinion

[10]

We pledge cooperation in all genuine efforts to expand the free flow of information worldwide. We believe the time has come within Unesco and other intergovernmental bodies to abandon attempts to regulate news content and formulate rules for the press. Efforts should be directed instead to finding practical solutions to the problems before us, such as improving technological progress, increasing professional interchanges and equipment transfers, reducing communication tariffs, producing cheaper newsprint and eliminating other barriers to the development of news media capabilities.

Our interests as members of the press, whether from the developed or developing countries, are essentially the same; ours is a joint dedication to the freest, most accurate and impartial information that is within our professional capability to produce and distribute. We reject the view of press theoreticians and those national or international officials who claim that while people in some countries are ready for a free press, those in other countries are insufficiently developed to enjoy that freedom.

We are deeply concerned by a growing tendency in many countries and in international bodies to put government interests above those of the individual, particularly in regard to information. We believe that the state exists for the individual and has a duty to uphold individual rights. We believe that the ultimate definition of a free press lies not in the actions of governments or international bodies, but rather in the professionalism, vigor and courage of individual journalists.

Press freedom is a basic human right. We pledge ourselves to concerted action to uphold this right.

Immediately following the conference at Talloires, I introduced House Concurrent Resolution 137 which condemns UNESCO's attempts to control the press and endorses the sentiments of the Declaration of Talloires. Hearings were held on House Concurrent Resolution 137 this past July. Freedom of the press must be protected. I heartily endorse my colleague's amendment.

MORTIMER GOLD-65 YEARS OF GIVING

HON, JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

· Mr. ADDABBO. Mr. Speaker, it is indeed a great pleasure for me as I rise today to call to the attention of my distinguished colleagues in the House Representatives Mr. Mortimer Gold, a truly wonderful human being who has spent a good portion of the past 65 years helping to raise money for charities and hospitals throughout my borough of Queens, N.Y. A man I have known for a great many years and a person revered and loved by all who know him, Mortimer Gold is proof positive that age should never be considered a barrier to contributing to society. As he approaches his 83d birthday in a matter of weeks, countless citizens of Queens and the rest of the city whom he has touched will long remain grateful for his work.

Too often we read that people just do not care anymore except about themselves. How many times have we heard someone say they are "too busy" or "too tired" to give an organization trying to raise money a few hours of their "valuable" time. To Mortimer Gold however, the only real "valuable" time is serving on the boards of 15 charities. To Mortimer Gold, the only real "valuable" time is

EXTENSIONS OF REMARKS

spent producing fundraisers, a total which reached 271 a few weeks ago in Flushing, N.Y., for the benefit of one of my great loves, Jamaica Hospital. It was an event in line with his past productions, done with great style and aplomb, a show to help a hospital which over the years has become a vital, thriving institution in the community

Thank you Mort, thank you for always having the time and energy to come to the aid of others less fortunate. I know that you show no signs of slowing down and would like to be one of the many to wish you a happy and healthy birthday and may this year in your life be just as rewarding as the others have been.

Mr. Speaker, at this time I would like to request permission to have an article which appeared in the New York Daily News of August 21, detailing the work of Mortimer Gold, inserted into the RECORD.

HIS GIFT FOR GIVING IS PURE GOLD TO OTHERS

(By Gus Dallas)

Mortimer Gold, who is about to produce his 271st fund-raising show in 65 years—this time for a Jamaica Hospital building fundis known around Queens as "Mr. Charity" or "Mr. Benefit," all because of a distressing incident back in 1914.

On Mortimer's 16th birthday, his mother told him he was going to have a special

birthday party.
"Great," said young Morty.

Indeed, said his mother, Eva. "We're inviting some underprivileged children and you're paying for the party out of your bar mitzvah money."

To this day, Gold recalls blurting out: "Hey, wait. No sir, that's my money," or

words to that effect.

However, his mother wanted him to learn to help the neighborhood's poor children. So, young Morty shelled out \$25 of his own for a party for 16 kids. And even though he could hardly bear at first to eat such precious ice cream, he was impressed by what a good time the youngsters were having.

Gold, who will be 83 on Oct. 27, has been tossing parties on his birthday for underprivileged or institutionalized kids every

year since then.

He produced his first fund-raiser for an in-stitution at the age of 19, which coincidentally was for the Jamaica Hospital.

This year's benefit will be staged on Sunday at 2 p.m. in Colden Auditorium at Queens College, 65-30 Kissena Blvd., Flush-

The program will be a vaudeville show, with comedian Henny Youngman as headliner. Tickets are a tax-deductible \$20 and may be obtained at the box office on a firstcome, first-seated basis.

The hospital, at 89th Ave. and the Van Wyck Expressway in Jamaica, has been offered \$54 million in government loan guarantees to erect a new medical center, provided the hospital can raise \$5 million by the

end of this year.

Gold produces his shows mostly from a cluttered dining room table in his Jamaica Estates apartment. He has difficulty getting around and uses a cane. A hip injury from a nearly fatal auto accident 26 years ago never really healed.

Among the heaps of papers and notebooks on the table are scores of programs and bills

from previous benefit shows.
"What do you think of these fees for top talent?" he asked, displaying a bill from a talent agency that was dated Nov. 23, 1938, for show folk who appeared in one of Gold's shows at about that time.

Henny Youngman's name was on the bill, for a fee of \$125. Actress Betty Hutton was noted for \$65, and pianist Vincent Lopez ap-parently performed for \$125. "Don't be fooled into thinking Henny got a whopping \$125," Gold said. "He pocketed

\$75. The rest went to the agent."

Gold recalls getting a young comic named Jackie Gleason from a Jackson Heights cellar club in 1940 to be master of ceremonies at a five-night benefit for a total of \$50. Gold has produced many benefits for the

Jamaica Hospital since his original effort in

He volunteered for that first production because his father was on the hospital's board of directors, Gold remembered.

His family operated a cemetery in Howard Beach, which was called Bayside Cemetery. A lot of mourners wound up in Bayside, Queens, looking for their funeral, Gold recalled sadly.

He had a lot of time to produce benefits during the winter. "Our biggest business was not burials, which you would think, but constructing and erecting monuments, and maintaining the flowers and landscaping of the cemetery, which are mostly summer

Gold is on the boards of 15 charitable agencies, such as the Jamaica Hospital, United Cerebral Palsy, Multiple Sclerosis, Children's Shelter and institutions that mostly care for children.

Most of his events and vaudeville productions are staged to raise money for such in-

stitutions.

TAX CUTS MEAN MORE THAN POCKET CHANGE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

GINGRICH. Mr. Speaker, I would like to call my colleagues' attention to an article by Dick Williams which appeared in the Atlanta Journal/Constitution on August 15, 1981. Williams explains the bipartisan tax rate cut we recently approved will, in the long run, increase the savings and investment rates in this country. He notes the effects of our tax legislation have to be looked at in a cumulative, long-term way-just as proponents of the bill argued during debate. The fact is, as Williams illustrates, this Congress has given middle-income earners a real tax break, the financial means to plan ahead, save and "take stock in America."

The article follows:

TAX CUTS MEAN MORE THAN POCKET CHANGE

A man I know, liberal to moderate and traditionally suspicious of Republicans, was pooh-poohing the tax cut the other day.
"Nickels and dimes," he was saying. "How

can \$3.50 a week to the average wage earner fuel the economy, put the inner city to work and light the fires of a thousand blast furnaces?

Most of us under 50 who work for a salary view our earnings in terms of our take-home pay. We don't think of that part of our salary we never see. We curse a 10-buck raise because we figure all we'll take home is \$4.50. We figure tax shelters are for rich guys with six-figure windfalls.

We figure our budgets on our take-home pay and maybe hope for a tax refund after April. That's money, of course, that has been in the government bank at no interest.

When we get a chunk of money together, by payroll deduction or hard savings, the smarter among us buy a home or sock it into a money-market fund or maybe even buy some stocks. But we rarely think cumulatively.

Which seems to me the message of Ronald Reagan's tax cut. It's not just \$3.50 a week.

Given our tax structure and our reliance on H&R Block, most of us know that the three-year, five-percent, 10-percent, 10-percent plan can't possibly mean anything. But there was a simple calculation formula in last Saturday's newspaper that caused several men I know to rethink their cynicism about the recent congressional action.

By Herbert Hoover, we might just have rolled back the onerous burdens of the New

Deal.

I checked the attitudes of several acquaintances and then, begging their indul-gence, used my trusty calculator on their weekly federal withholding figure-state taxes and Social Security aside.

By any standard, the men I know who would allow me to be privy to their weekly withholding figure are of moderate income. None was a high-roller, their deductions were representative of most of white-collar metro Atlanta and none can afford to live in Dunwoody.

With one exception, the men I know were surprised, if not greedy, upon arrival at the

The exception was a fellow with five dependents. When the tax cut is fully effective, his take-home pay will increase by only \$40 a month, but he is also accustomed to generous tax refunds, his major savings plan.

The rest of the men I know found that by July 1983, their take-home pay would increase by more than \$100 a month, exclu-

sive of any raises before then.

That, I submit, is more than bill-paying money-if those of us at the middle of the economic ladder can increase our spendable income by \$150 a month, it would mean another \$1,800 a year. And for a two-income family, the prospects are delicious.

At that rate, taking stock in America-pri-

vate America-is accessbile.

What's needed here is for the investment to teach profligate, borrowing America how to save and invest again. The folks who survived the Depression know how. The next generation has been resigned to "here today, gone tomorrow."

A person claiming one exemption and earning \$300 a week, will be taking home \$55 a month more by June 1983. As a weekly figure, it's not much, but planning for it will give that figure long-range power.

Here's a plan, for example, with a long view. David Fischer of Brandeis University. analyzing the Social Security system, points out that if every newborn American had \$1,300 to start and it were invested at a modest 8 percent over 65 years, the proceeds would net a retiree an annual pension of \$18,000.

That's not a pipe dream, given the other changes in the tax laws allowing more than that annual figure to be put into tax-deferred IRA and Keogh plans.

The men I know can get government off their backs now, but they'll have to start thinking long-term and forget "buy now, pay later." How about "save now and relax later?".

CALL TO CONSCIENCE 1981: NAUM TSELESCIN

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

Mr. FRENZEL, Mr. Speaker, again this year the Congressional Vigil for Soviet Jewry will try to focus world attention on the plight of all Soviet refuseniks. We are interested in every one of them, but the one I shall discuss today is Naum Tselescin.

Mr. Tselescin and his parents, both of whom are elderly and in poor health, wish to go to Israel to be reunited with Naum Tselescin's mother's sister. They have repeatedly requested

permission to emigrate.

Over the past several years I have attempted unsuccessfully to help Mr. Tselescin in his efforts to obtain permission to emigrate from the Soviet Union, I was again saddened to learn that he was recently denied this permission for the fifth time since 1977.

Mr. Naum Tselescin holds a doctorate in powder metallurgy. Until he applied for an exit permit in 1977, he had been the chief of the Department of New Materials in Leningrad. He now has been transferred to a menial

factory job.

I am told that the reason given for refusing permission for emigration is that Mr. Tselescin has knowledge of military secrets. However, Mr. Tselescin completed a 2-year military obligation over 9 years ago, was not an officer, and would probably not have been privy to any classified information.

Once more, I request that Soviet authorities allow Mr. Tselescin, his parents, and all other Soviet refuseniks like them, to exercise their right to free emigration as agreed to under the

Helsinki accords.

WALL STREET AND THE BUDGET

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

Mr. LOWERY of California. Mr. Speaker, since Congress reconvened yesterday, we have heard a great deal about the high level of interest rates that we are all experiencing. There is no doubt that these interest rates are certainly damaging to our economy,

and certain segments-housing, the thrift industry, agriculture, and small business—are particularly hard hit. We have heard talk of credit controls, reorganizing the Fed, and wage and price controls. Under these circumstances, I would commend the following editorial from today's Wall Street Journal to the attention of my colleagues. I certainly concur with the premise of, first and foremost, giving the President's economic program an opportunity to take effect.

WALL STREET AND THE BUDGET

President Reagan has returned from the West to discover that it's the White House, not Santa Barbara, that the Apaches are circling. They're all uttering the same blood-curdling cry: "Look what's happening on Wall Street!"

We hope the President and his troops continue to avoid panic because this may prove to be the biggest test yet of their nerves. It calls for a cool-headed look at why Wall Street was so unimpressed with those July

budget and tax victories.

One reason is that Wall Street knows the July budget reconciliation victory was only a battle, not the war. There's still plenty of fighting to be done to make the budget cuts real. For example, even though the reconciliation bill calls for cutting some \$4 billion in Social Security benefits, the House has already passed and the Senate will soon consider a bill that would restore minimum benefits, the one important thing the administration had thought it had won.

Another reason is that the positive side of the Reagan program, lower tax rates, has not yet taken effect. The air still is full of doubts and conjecture and will likely continue to be until after October 1, when the cuts begin to have impact on the economy.

And finally, Wall Street, for all its accuracy in recording and playing back economic signals, is not a one-track tape. Capital markets are international and Wall Street has some interest, to say the least, in places like Gdansk, Moscow, Paris and New Delhi. What it sees is risk, and the possibility that some disaster will someday be met by a new inflationary outpouring of dollars.

All that considered, however, the economic situation is not nearly as bad as the politics of Washington would have us believe. The economy is indeed flat but one could hardly say it has been pole-axed by the extended period of high interest rates it has had to endure. Indeed, auto sales in August were relatively strong. Steel production, retail spending and durable goods orders continue to run well ahead of a year ago. Most economic forecasts are for real eco-

nomic growth for 1981.

Moreover, there is a good side to those high interest rates. Small savers, by means of money market funds and the gradual removal of savings account interest ceilings, are finally being allowed to earn market rates. We already are seeing signs of a revival of personal savings, which had been dried up by the combination of inflation and interest rate ceilings. One thing happening on Wall Street is that the attractiveness of money market funds has transferred a lot of the action out of the securities markets and into the banks, but there is every reason to believe that this will be a temporary phenomenon if the Fed continues to wedge down money growth and inflation.

The renewed attack on the White House is in fact a continuation of the old attack by the President's opponents in Congress. The aim is to put the President into a box. If he admits to concern about the high interest rates and flatness of the economy, it can be said that he has lost confidence in his own program (the one, keep in mind, which hasn't yet gone into effect). If he professes no concern, his leverage for holding the budget ground he has won and winning more is weakened.

The President has only one course. He must keep up the budget battle until it really is won, while at the same time displaying no loss of confidence in his program. There are still large areas of federal spending that are ripe for cutting if the President can overcome congressional opposition. As we have said here before, we would even be willing to suffer a trimming of projected military spending if we could see evidence of a coherent defense strategy. It should be kept in mind that Wall Street has heard September promises of tight budgets too often in the past. It will begin to believe when it sees how the budget looks next March.

It's a healthy sign that so many people are suddenly taking Wall Street seriously. It's too bad they didn't start years ago, when stock and bond prices first started to falter under the impetus of soaring federal spending and rapid money creation. Back in 1965, after all, the Dow was near 1,000, equivalent to 2,540 in 1981 dollars. While no one in Washington was watching it plunged to 950 a month ago. Now because of another 100-point tick in the last month, the conventional wisdom is that Ronald Reagan, who has done more to cut the budget than any President in 20 years, has been too timid.

This is of course an opportunity for Mr. Reagan. By all means he should cut more. The new proposal for impoundment powers is a good one. Something has yet to be done to get a grip on the entitlements programs. All this should be done, but without panic

or apology.

SHELBY WELCOMES NEW INDUSTRY TO DEMOPOLIS

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

Mr. SHELBY, Mr. Speaker, I would like to take this opportunity to welcome the Bergeron Barge Co., to the city of Demopolis and the Seventh Congressional District of Alabama. In this day of economic developments, the news that a multi-million-dollar industry is coming to town is quite something to announce.

Construction on an 88-acre site near the Demopolis airport should begin early sometime next summer. According to William T. Bergeron, president of Bergeron Industries, Demopolis was chosen because of the "attractive labor force, its strong belief in the work ethic, and development of the Tennessee-Tombigbee Waterway.

The Bergeron facility will construct steel river barges, approximately twice the size of barges currently on the Tennessee-Tombigbee Waterway. These barges will be 260 feet long and 52.5 feet wide, with an expected cargo

capacity around 3,000 tons.

Finished barges are to go down the Tennessee-Tombigbee Waterway to Mobile, then over to the Mississippi River and up the river to transport coal from either Kentucky or Illinois. The coal-loaded barges would then go back down the Mississippi and eventually to Florida.

Employment opportunities with this new industry are overwhelming. It has been estimated that around 95 percent of the employees will be local labor. The Alabama industrial development training program is also planning to help prepare workers for their jobs.

Congratulations are certainly in order to all those who were involved in this project. Many people from local concerned citizens to the Marengo County Commission to the Governor's office played a vital role in bringing Bergeron to the community. Demopolis Mayor Hugh Allen and Demopolis Industrial Development Board Chairman Kim Mayton put many untiring hours into this project.

I also feel both city and county officials are very fortunate to have a State representative such as Rick Manley, who really cares about industrial growth and will devote the time and effort in an industry's locating

process

This outstanding example of industry expansion is what this country needs to turn our troubled economy around. It is indeed a pleasure for me to share this news with my colleagues in the House.

I know Bergeron Industries will have much continued success by their decision, and I am looking forward to having this industry in the business community of the Seventh Congressional District.

THE STATE DEPARTMENT AND GENERAL MIHAILOVICH: STUDY IN TIMIDITY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

Mr. MICHEL. Mr. Speaker, I recently received a letter from three former American airmen who, during World War II, were rescued after being shot down by the Germans in Yugoslavia. These airmen and many others owe their lives to the heroism and the dedication of the late Yugoslavian leader, Gen. Draza Mihailovich. The National Committee of American Airmen Rescued by General Mihailovich, Inc., has been formed to erect a memorial on public land in Washington, D.C., to Mihailovich. This memorial would be erected at no expense to the taxpayers, expressing the grati-

You would think that nothing would be simpler or more appropriate. Here we have American veterans who were the direct beneficiaries of Mihailovich's aid asking nothing more than that they be allowed to erect a simple monument, at private expense, to a posthumously awarded the Legion of Merit in the degree of Supreme Commander by President Harry S. Truman in 1947.

Let me quote from the letter that was sent to me by the committee:

Legislation supporting our petition has been approved by the eight-agency National Capital Parks Advisory Committee on Monuments, by the Senate Rules Committee, and has twice been passed without dissenting vote by the United States Senate. Our efforts have also had the endorsement of the National Convention of the American Legion, of AFL-CIO President George Meany, and other national organizations.

despite the fact that we now have almost 70 sponsors in the House, our efforts have been held up there for reasons that are no secret. We have been told frankly by the State Department and by others that, although they sympathized with our motivation, it was an unfortunate fact that Marshall Tito was extremely sensitive on the issue of General Mihailovich and that the Department could not afford to offend his sensitivities. We were never able to understand this attitude because it did not seem right to us that the likes or dislikes of any foreign dictator should affect the outcome of a purely domestic legislative issue involving 500 American airmen and the U.S. Congress

Now that sounds like an open-andshut case, doesn't it? Ordinarily we might say so, but the fact is that the Department of State is opposed to erecting this monument on public ground. Let me offer you the reasoning of the Department of State, as it was expressed to me in a letter from Richard Fairbanks, Assistant Secretary of State for Congressional Relations on August 18, 1981:

Yugoslavia's leaders perceive General Mihailovich, who rescued hundreds of American airmen during World War II, as having collaborated with the German occupiers of Yugoslavia. They would surely interpret the building of a statue to General Mihailovich on Federal land in our Nation's Capital as an unfriendly act calling into question the

sincerity of our policy.

The Department feels strongly that we should not risk the damage to our security interests in Europe and the Mediterranean which construction of a monument to General Mihailovich on Federal land would

Our opposition to construction of a monument is based solely on the fact that it would authorize the use of public lands for the purpose. A monument on private land would not directly involve the foreign policy of our Government.

It appears to me that the State Department is confusing two kinds of action. The first is a deliberate insult to another country for the direct and sole purpose of breaking or straining relationships with that country. No

tude of those whose lives he helped to one is asking that the United States engage in this sort of action against Yugoslavia.

> The second kind of action is one undertaken in good faith and for good reasons by one country, but which may cause hard feelings in another country.

> The erection of the Mihailovich memorial, it seems to me, falls into this second category of action and, as such, must be judged entirely on its merits and its probable outcome. It seems to me highly improbable that Yugoslavian leaders are going to break relationships with the United States or act in such a way that our security interests on NATO's southern flank are threatened simply because American citizens who owe their lives to Mihailovich have erected a statue to him on public land.

> While I admire and recognize the necessity for diplomatic caution and prudence, there are times when caution and prudence can gradually become timidity and, eventually degenerate into moral cowardice. I think the State Department has reached the "timidity" stage of this deplorable process and should be rescued before it descends to the depths of abject capitulation to the perceptions of others.

Mihailovich was fighting Nazis while Tito, at that time slavishly devoted to his Communist master, Josef Stalin, was not even in the field. Perhaps it is impolitic to bring up this fact but if the State Department is going to make policy based on what some Communist leaders of another country happen to 'perceive" about certain incidents in World War II, let us get all perceptions into the debate.

I fully understand the sensitivities involved. I know that the official Yugoslavian Communist Party mythology about the events of the Second World War has a deep emotional basis to it. But at the same time I also recognize that General Mihailovich was perceived-to use the same word-by Americans as a hero during and after World War II. Have we come to a point where we are allowing those of other nations to tell us who we may publicly honor? If we cannot allow American citizens to publicly praise a hero on public ground, what have we come to?

I hope that President Reagan, an admirer of Mihailovich, will reverse current and longstanding policy of the State Department on this issue. More is at stake than the question of Mihailovich's place in history. President Reagan was elected because a majority of Americans wanted new direction and pride in our Nation. We should not allow longstanding bureaucratic 'perceptions" to interfere with the President's admiration for Mihailovich's actions. As to the question of whether Tito or Mihailovich better

served the principles we honor, let history judge.

NASSAU COUNTY DEMON-STRATES THE TRUE SPIRIT OF AMERICA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

 Mr. LENT. Mr. Speaker, the image of Americans as warm and generous people, who respond with help for people in distress, was greatly enhanced this summer by events in my home county of Nassau, N.Y.

The hand of international friendship was extended to a group of Belgian tourists who were found stranded in our county through no fault of their own. Thirty-two people, half of them handicapped, were located on a university campus, where they had rooms, but no agenda for touring, no meal plan, no guide, and little hope of achieving their dream of a long look at New York and its environs.

They had been sitting in virtual isolation on the university grounds, penned in by the barrier of language communication, the difficulties of mobility for the handicapped, and limited

funds.

Nassau County Executive Francis T. Purcell learned of their plight and quickly initiated a rescue project for them. The last 6 days of their scheduled stay became a whirlwind of excitement and activity as Nassau County agencies, people, and businesses extended all manner of invitations and assistance.

Sabena Belgian World Airlines, the carrier which brought the visitors to New York, offered services and the help of an interpreter, although it had no responsibility in the matter. Sabena officials sponsored and paid for what became a 17-hour tour of Manhattan and included visits to Times Square, the United Nations, the Statue of Liberty, the Empire State

Building, and Chinatown.

The Metropolitan Suburban Bus Authority provided a free tour bus and drivers for the group for all 6 days. Gus and Claire Garnier, who operate the Ambassador Diner in Hempstead, Long Island, fed the entire group four complete breakfasts, a sumptuous dinner, and a lavish bon voyage luncheon without charge. William Miller opened the gates of his Adventureland Amusement Park in Farmingdale, Long Island, to the group for a free afternoon of rides, games, and refreshments.

Mr. and Mrs. Joseph Bindles of Nissequogue, Long Island, made their home available to the tourists for an evening including dinner, refreshments, and the use of their pool. Mrs.

Anne Bindles, a native of Belgium, spoke the Flemish language and answered many questions about life in the United States.

Roosevelt Raceway in Westbury, Long Island, opened its doors to the 32 for an evening at the races and dinner and named a race for the group's sports club in Geraardsbergen, Belgium. The New York Racing Association hosted them at Belmont Park Race Track in Elmont, Long Island, for lunch, racing, and a major concert afterward.

Many individuals came forward with offers to take group members touring, to take them to their homes, and to interpret for them. Other business concerns supplied meals, tours, and visits.

Nassau County agencies responded to the request by County Executive Purcell by providing a day at the beach and sailing on Long Island Sound, a visit to a park/museum which recreates a colonial community, and the opportunity to attend a symphony concert and ballet performance.

County Executive Purcell's staff members stayed with the group during their 6 days and the county executive personally greeted them on several occasions, including his participation in their farewells at Kennedy Airport.

The tourists' gratitude was strongly expressed through interpreters and through the language barrier.

They took a powerful message back to their homeland and expressed it on European television: that Americans—in this case Long Islanders—are the greatest in the world.

I urge my colleagues in the Congress, and all in the executive department of the U.S. Government to take note of this outstanding example of American generosity, hospitality, openhanded, and warmhearted friendship toward visitors from overseas who faced unexpected problems. It shows the true spirit of Americans. I believe that Nassau County lit a candle for international friendship and deserves our congratulations for its contribution to a better world understanding of Americans.

OIL SHALE MINING

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. PARRIS. Mr. Speaker, during the recent recess it was my privilege to inspect the Oil Shale Corp., mining facility near Parachute, Colo. This is the first commercial oil shale project in the United States. This operation and many more like it to come, will surely represent an important part of our Nation's effort to reach energy independence and lessen our dependence on foreign sources for petrochemical products.

The President recently approved, and on August 6, 1981, the Department of Energy executed a Federal loan guarantee financing package, a summary of which follows. It is my hope that my colleagues will find this information useful and informative.

SUMMARY OF THE LOAN GUARANTEE TRANSACTION

The U.S. Department of Energy and Tosco Corporation have executed a federal loan guarantee financing package under which the Government has agreed to guarantee borrowing by Tosco's wholly-owned subsidiary, the Oil Shale Corporation, to pay for 75 percent of Tosco's 40-percent share of construction expenses for the Colony Shale Oil Project.

The project, which will be the first commercial oil shale project in the United States, is located in northwestern Colorado and will produce 48,000 barrels per day of hydrotreated shale oil and associated products when the plant is operating at full capacity. Exxon Corporation, which holds a 60-percent interest in the project, will fund its share of the project costs entirely with private funds. Exxon did not participate in the application and will not share in any way in the guarantee.

Tosco applied to DOE for the loan guarantee in response to a competitive solicitation issued pursuant to the Defense Production Act of 1950 ("DPA"), as amended by the Energy Security Act of 1980. The DPA amendments created a "fast start" interim program for the most advanced and commercially ready synthetic fuel projects capable of making the earliest contribution to the national production goal of 500,000 barrels per day established by the Congress.

Under the terms of the loan guarantee commitment, Tosco will fund 25 percent of its share of the project construction costs (approximately \$440 million) from its own revenues and will borrow the remaining 75 percent (approximately \$1.1 billion) in the private sector. The loans are to be repaid by Tosco's share of anticipated revenues from the Colony Project. Tosco will also pay the federal Government an annual guarantee fee. To secure the guarantee covering 75 percent of its share of project costs, Tosco has pledged 100 percent of its interest in the project to the Government.

In connection with the loan guarantee, Tosco has made a long-term commitment to supply the Department of Defense with 10,000 barrels per day of military specification fuels at prevailing market prices as determined by DOD. The Government can, at its option, reduce or terminate the deliveries of fuel from Tosco. Tosco has also agreed to make its proprietary oil shale technology to be used in the Colony Project available for future oil shale projects.

No price subsidy or direct federal role in project construction or management is involved in the transaction. If commercial production of shale oil is achieved at the Colony Project as anticipated, there will be only minimal Government involvement beyond the guarantee of private sector borrowings and no expense to the Government in achieving a significant breakthrough under the Energy Security Act in the development of the United States' vast oil shale reserves.

The procedures used for the loan guarantee agreement are similar to the financial procedures successfully relied upon by the Government for more than 30 years under

the Maritime Administration for commercial ship financings. The Maritime Adminis-tration program has more than \$7 billion in guaranteed obligations outstanding. As a result of the guarantee fee charged, the program has been completely self-sustaining and, in fact, has made money for the Government over the years.

In a manner similar to the Maritime Program, the loan guarantee for Tosco will involve the issuance of United States Government Guaranteed Synthetic Fuel Financing Bonds. These bonds will be issued by The Oil Shale Corporation and guaranteed by the United States Government. They will be sold to the private investment community through normal investment banking channels. This method has proved highly successful in the shipping area and has attained wide acceptance by the investment community.

The synthetic fuel financing bonds will be repayable over a period of twenty years commencing with the completion of the project. The bonds will be issued from time to time during the course of the project as needed to finance construction.

AMERICAN NATIONAL SECURITY SAYS NO TO AWACS SALE TO SAUDI ARABIA

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. FITHIAN. Mr. Speaker, I rise today to protest the proposed sale of the AWACS and F-15 enhancements to Saudi Arabia because such a sale is not in the national security interests of the United States.

For decades American leaders of both political parties have valiantly sought a permanent and lasting peace in the Middle East. Since the 1967 war, Presidents Johnson, Nixon, Ford, and Carter have tried to find a peaceful solution to Middle East problems. The Camp David accord was an important step in resolving the problems that emerged from the 1967 war and laid the foundation for resolving the remaining disputes. Saudi Arabia, however, has refused to recognize the Camp David accord, and has, in fact, opposed this peace attempt in the strongest possible manner. Rather than encouraging initiatives for the peaceful settlement of disputes, Saudi Arabia has openly criticized Israel and Egypt for their part in the Camp David agreements. At the same time, Saudi Arabia financially supports the terrorist Palestine Liberation Organization with almost \$400 million yearly. By these actions, Saudi Arabia has been an impediment to peace in the Middle East. In my judgment, it does not make any sense to reward Saudi Arabia with billions of dollars of sophisticated military hardware as long as it continues to be a roadblock to peace in the Middle East.

American national security interests in the Middle East are best served by

promoting peace in the Middle East, rather than by further escalating the arms race in the world's most explosive region. During the decade of the 1970's about half of America's foreign arms sales were shipped into the Middle East. The further shipments of billions of dollars of equipment to Saudi Aradia will not enhance peace but could upset the balance of military power in the region. It could also establish a set of circumstances in which Saudi Arabia could become involved in a wider Middle East war. By possessing the AWACS and its sophisticated radar systems, Saudi Arabia could become a target for a preemptive attack by Israel, leading to a wider, general war in the Middle East.

Can we as a nation afford to sell our most important, unique, sophisticated weaponry to a nation whose ruling feudal families are so insecure and unstable? Whose government is so fearful of internal rebellion? And whose leaders constantly fear a revolt by thousands of foreign guest workers? Can we afford to allow our weapons systems to fall into unfriendly hands? Have we not fully learned the hard lessons of arming Iran with our most valuable weapons systems? The Saudi regime is vulnerable to internal rebellion from numerous factions. The history of political assassinations and the attack on the holy mosque in Mecca demonstrate the instability of the present regime. I do not feel secure in granting Saudi Arabia these weapons under the present circumstances, for I do not want these weapons to fall into unfriendly hands.

While I strongly believe that America's national security interest dictate that the AWACS and the F-15 enhancements should not be sold to Saudi Arabia, other observers disagree with this conclusion. They argue that the Saudis need these weapons for self-defense, to protect themselves from hostile neighbors or a Soviet thrust into the Middle East. Furthermore, they argue that the arms sales will win the support of the Saudis for an anti-Soviet consensus foreign policy in the Middle East, while at the same time rewarding them for their moderate and restraining oil pricing policy. In addition, the arms sales would increase American military presence in

the Middle East. Under closer examination, however, these arguments do not stand up. First, these weapons are clearly usable for offensive, not defensive, tactics. Second, the availability of these arms will not prevent or repel an invasion by either the Soviet Union or a powerful neighbor like Iraq. Third, the Saudis are already anti-Soviet and are clearly part of an existing anti-Soviet consensus in the Middle East. We do not have to sell them AWACS to convince them that they face a potential threat from the Soviet Union, especially after Afghanistan. Fourth, the history of Saudi Arabia has been one of strict self-interest, maximizing its oil revenues and buying off possible threats from the PLO and others. Did not the Saudis help form the OPEC cartel and raise its oil from \$2 per barrel in 1970 to \$32 per barrel today? Fifth, if the objective is to safeguard our oil supply from the Persian Gulf and maintain an American presence in the Middle East, why do we not use diplomatic pressure to convince the Saudis to grant us rights to an airbase near the gulf? Sixth, the arms sales would threaten the security of Israel and create an intelligence system whereby information gathered by Saudi AWACS could be forwarded to Israel's more menacing enemies.

We as a nation should not delude ourselves into thinking that our national security would be enhanced by the sale of AWACS and F-15 enhancements to Saudi Arabia. In fact, such a sale would jeopardize not only our own national security, but could well jeopardize the peace process in the Middle East. I respectfully urge that my colleagues in the House and Senate reject the Reagan administration's request for this dangerous arms

sale to Saudi Arabia.

VISIT TO THE UNITED STATES BY VICE PRESIDENT OF NIGE-RIA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

. Mr. BROOMFIELD. Mr. Speaker. as the ranking Republican member of the House Committee on Foreign Affairs, I would like to comment upon the recent visit of the Vice President of Nigeria to the United States, and the criticism expressed in the House of the manner in which the administration received this distinguished visitor.

The Vice President of Nigeria, Dr. Alex Ekwueme, led a Nigerian delegation to Washington, September 7-9 for bilateral economic talks held at the Vice Presidential level. I am advised that Vice President Bush met privately with Dr. Ekwueme and hosted a reception in his honor at the Department of State. Additionally, the two Vice Presidents participated jointly in the opening and closing ceremonies.

The Vice President's meetings with Vice President Ekwueme afforded the opportunity for wide-ranging discussion of both bilateral and regional questions. On bilateral economic matters, the Vice Presidents signed two important agreements, one in health field and the other in education. Significant progress was made on a number of other issues. Among the matters of regional interest discussed were southern African questions.

I am informed that the President's busy schedule precluded a meeting with Dr. Ekwueme, but that the visit was very productive and the bilateral talks contributed significantly to the continued strengthening of our economic relations with Nigeria. I am also advised that the administrative arrangements for the visit were in accordance with the standard procedures followed on such visits and all customary services and courtesies were extended.

JUDGE ROBERT WESLEY HAYES

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. HOLLAND. Mr. Speaker, while the Congress stood in recess during the month of August, we in South Carolina lost one of our most distinguished and able stewards of public service in our State, Circuit Court Judge Robert Wesley Hayes.

His many years of splendid public service spanning some three decades is a beacon of example to all of us he left

behind.

Judge Hayes' long career included service in the Armed Forces, on Rock Hill, S.C., City Council, in the South Carolina State Senate and on the circuit court bench as a distinguished jurist.

I join his family, friends and many admirers in mourning the passing of this good and great man. I am glad I knew Judge Hayes and I insert in the Record this article from the Rock Hill Evening Herald of August 11, 1981, about a man who showed what good government is all about:

A Man for the People

Robert Wesley Hayes knew just about everybody in York County, and he spent 28 years of his life trying to help thousands upon thousands of them.

People—and how they were buffeted about or benefited by other people and events around them—were the abiding concern of the Mullins native who worked his way through USC law school, served as Rock Hill city councilman, state senator and

16th Circuit judge.

"I've had the opportunity, on occasion, to be of some help to both lawyers and clients," he said modestly in January when he retired after 14 years on the bench. There are many who say the judge erred there on the side of understatement. He would, on rare occasion, show his indignation at a vicious crime. But, mostly, his observations from the bench were conciliatory, marked by concern for those brought before him and compassion equally for the victim of a crime and for the family of the offender.

It was a necessity, but as he frequently indicated, not a pleasant nor a vindictive duty to send a husband, father or young son off to prison. His own hurt at an unfortunate turn of events that brought someone before him for sentence showed through frequently as he spent more time than do most judges trying to reason with and counsel those guilty of transgressions against society. It was not unusual for him to bolster a young errant's courage and try to instill a determination to do better by reminding a defendant of the good, hard-working par-

When Judge Hayes concluded he must send someone off to prison, people in his courtroom were convinced it had to be the only alternative consistent with his sworn duty—and that it hurt him as much as it did

ents who must now be hurt, too.

the defendant.

He insisted on dignity in his court, but at the same time maintained a relaxed, cooperative atmosphere where getting at the truth and protecting the rights of those involved were paramount to technicality and protocol. He did not like pompous judges and wanted everyone involved in a proceeding to feel that this judge was approachable to listen to their concerns.

His was a genuine concern for people of all walks of life, and tens of thousands of people came to him with problems when he was on the city council and for the 10 years they elected him to the State Senate. His period in the Senate—at a time when the effective county government was the delegation and the senator was its dominant voice—was a period of population and economic growth, including industrial and hospital expansion.

He did not get to enjoy much of his hardearned retirement time but that, perhaps, is how he wanted it. Friends had urged he retire earlier because of his worsening health, but he declined. He was not one

used to idleness.

Robert Wesley Hayes was a symbol of conservative stability and continuity in government, and of dignity and compassion on the bench. His contributions to the people of York County and the State of South Carolina will long stand as a solid testimonial that he walked this way and helped make things better for his fellow man.

TO MARK THE 75TH ANNIVERSA-RY OF LOCAL 437, INTERNA-TIONAL BROTHERHOOD OF ELECTRICAL WORKERS

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mrs. HECKLER. Mr. Speaker, the week following Labor Day is traditionally a time to reflect on the historic contribution that the working men and women of America have made—and are continuing to make—to the building of our Nation. It is especially a time to recognize the strong and vital role of organized labor in our economy, and in our society.

This week, Mr. Speaker, there is an extraordinary reason for the people of Massachusetts to recall the contributions of organized labor. Tomorrow, in the city of Fall River, the members of local 437 of the International Brotherhood of Electrical Workers will mark the 75th anniversary of their local's founding—75 years of progress for

workers, their families, and the city in which they live.

Since 1906, when 12 charter members founded the greater Fall River chapter of the IBEW, local 437 has continually worked to promote the well-being of its members—and all citizens of the surrounding area—through economic and civic development. Always on the forefront of progress, it has demonstrated that the health and prosperity of the working man and woman are the bedrock of a strong and thriving city.

The members of local 437 have not limited themselves to the arena of economic self-interest. The local has been actively involved in community affairs: one of the most dedicated and farsighted former chairmen of the Fall River Housing Authority, George H. Cottell, was business manager of local 437 for 35 years, and his example of activism and civic concern continues to guide the membership.

Today the 130 members of local 437 are a vital force in a proud and growing community. Under the leadership of local 437's executive board-including President Maurice Chouinard, Business Manager Elwood Robert-shaw, Jr., Vice President Paul M. Sousa, Treasurer Arnold Bamford, Jr., and Secretary David H. Tickle-the members continually work to better the lives of all the citizens of their community. As skilled workers in the building trades they contribute, quite literally, to the building of their city and its economy; as involved citizens they are helping to build its future as well, through interest in and support of civic and youth groups throughout the greater Fall River area.

For 75 years, Mr. Speaker, local 437 of the International Brotherhood of Electrical Workers has worked to fulfill the high goals of organized labor, as enunciated by the great Samuel Gompers:

To protect the workers in their inalienable rights to a higher and better life * * * their liberties as men, as workers, and as citizens; to overcome and conquer prejudices and antagonism; to secure to them the right to life, and the opportunity to maintain that life; the right to be full sharers in the abundance which is the result of their brain and brawn, and the civilization of which they are the founders and the mainstay.

These are the goals local 437 has worked to reach, and which it continually labors to preserve. Its members are the guardians of a proud tradition, and they uphold it with honor. I believe the highest congratulations are in order as they celebrate the 75th anniversary of their local's founding; I am proud to salute the leaders and members of Local 437, IBEW, and I ask all my colleagues in this House to join with me in paying tribute to one of the most distinguished local labor organizations in the Commonwealth of Massachusetts.

CAUTION VOICED ON INTERIM LICENSING OF NUCLEAR REAC-TORS

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

. Mr. MARKEY. Mr. Speaker, the nuclear industry and its supporters in the Congress are pushing for congressional authority to place new nuclear powerplants online before all licensing requirements, specified by Federal law, have been completed. Legislation granting the NRC permission to issue such "interim licenses" is expected to come to the floor of the House in the next few weeks.

This effort is a bold attempt to circumvent safety procedures in favor of economics. Those of us who follow the activities of the nuclear industry with vigilance know that interim licensing will not counterbalance investor dissatisfaction with and citizen skepticism about atomic energy. But in communities across the United States, from New England to southern California, interim licensing poses an ominous threat to the ability of citizens to hold utilities accountable in their pursuit of this costly, dangerous, and increasingly unnecessary technology.

As Congress turns to consideration of legislation granting the NRC fast track licensing powers, I commend to the attention of all Members an article, written by Ralph Nader and Harvey Rosenfield and published in the Boston Globe, August 11, on the perils of interim licensing.

The article follows:

Now There's a New Danger at Nuclear POWERPLANTS

Once upon a time, we were told that an accident at a nuclear power plant could never happen. Now, it appears, we're being asked to believe one never did. While thousands of gallons of radioactive water in the Three Mile Island reactor vessel stand in mute testimony to the dangerous and little understood technology of nuclear power. Congress is considering proposals to allow reactors that have not yet completed public hearings and other statutory licensing requirements to begin operation under "interim" licenses

Ironically, it is not the pro-nuclear Senate but the House Energy and Commerce Committee that has produced the most alarming legislation. Under its approach, the Nuclear Regulatory Commission would be allowed to issue an interim license without any evidence that the plant needed one because of regulatory delay. Rather than requiring a careful phase-in from low to full power, the Energy Committee would allow the NRC to grant an interim license for immediate fullpower operation.

The legislation provides no expiration date for an interim permit, a reactor could operate in a temporary mode for years with no incentive to complete the legal require-ments mandated by the Atomic Energy Act.

Interim licensing is a solution for an illusory problem concocted by desperate busi-

nessmen. The nuclear industry, faced with dozens of cancellations and no new orders in more than two years, is in dire straits. Its Washington lobbyists have been badly stung by lack of cooperation from the Reagan Administration on a federally subsidized wastedisposal program, termination of the Barnwell, S.C., reprocessing facility and luke-warm assistance on funding for the Clinch River breeder reactor. They have thus mounted a campaign to blame NRC licensing proceedings for investor and utility skepticism about nuclear power.

The industry asserts that long delays in the licensing of a handful of reactors will cost consumers millions of dollars in carrying costs and extra electricity charges. But of the nine plants that would be affected by the legislation, eight are not yet completed: the "delay" claimed by the industry is only what they speculate might occur once the facilities are finished.

The existence of delays aside, the broader and more important issue is whether the NRC should put nuclear plant licensing back on the fast track it was on before Three Mile Island. The major conclusion of the Kemeny Commission, which examined that near-catastrophe, argues to the contrary. The commission wrote that "the NRC is so preoccupied with the licensing of plants that it has not given primary consideration to overall safety issues." The NRC has properly diverted more resources to assessments of safety at existing plants in the wake of Three Mile Island. Apparently the nuclear industry has concluded that a little more concern about safety is too much.

Both the NRC and safer-energy activists agree that the licensing process does not always function perfectly. In a series of rulings this spring, the NRC acted to eliminate redundancies in its review process, urged licensing boards to consolidate proceedings and allocated more staff to licensing. Most of the NRC's directives will allow the process to work more efficiently-but without sacrificing the necessary emphasis upon safety.

Citizens across the nation have found the regulatory process to be an important ally in challenging the hasty construction of nuclear reactors in their neighborhoods. Public hearings and intervention in NRC proceedings allow residents and taxpayers to raise critical safety and economic questions about proposed plans.

In many communities such as San Luis Obispo, where an almost-completed plant sits close to a recently discovered earthquake fault, the townspeople have been relying on the hearings process to get the views of their geologists, physicists and attorneys across to the NRC commissioners in distant Washington. They hope to convince them not to license the Diablo Canyon reactor facility.

The new interim licensing authority will allow such plants to go on line before the regulatory process has been completed-effectively negating the right of citizen participation in government decision-making, and aggravating the already tense relationship between the people and their leaders in Washington.

A TRIBUTE TO SCOTT PLOTKIN

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

• Mr. MATSUI. Mr. Speaker, much has been said in recent years about the decline of political parties in our country and the negative effects this trend has had on the quality of government, particularly in the legislative branch. I have joined those who lament the fracturing effect that a myriad of special interest groups have had on our system, displacing the role of our great political parties as guiding forces that traditionally helped shape our national agenda and establish policy around the crucial issues facing America.

For that reason, I have found it particularly gratifying to work with local political leaders at the grassroots level who have tried to build and strengthen our parties, men and women who have recognized that good politics is good government.

In my home county of Sacramento, Calif., we are about to lose the party leadership of one such person, Mr. Scott P. Plotkin, who for almost 3 years has served as chairman of the Sacramento County Democratic Central Committee.

Despite his youthful age of 28, Scott Plotkin has displayed impressive wisdom with regard to the role the political parties should play in our system. In his letter of resignation sent recently to central committee members, Scott Plotkin pointed out the need "to move back to a strong party system-one that enhances the value of the party to assimilate and accommodate divergent points of view and shape them into a consensus that can be used to govern."

Those of us in Sacramento County who are members of the Democratic Party are thankful for the service Scott has rendered in strengthening our party at the grassroots.

Because of professional opportunities, Scott has found it necessary to resign as county chairman, but he will continue to work as a member of our central committee.

I would like to take this opportunity to thank him for his many contributions and to wish him the very best as he begins his new position as assistant director for governmental affairs for the California State University and Colleges. He will be promoting the interests of California higher education in our State legislature.

We need more Scott Plotkins if we are to rescue our political system from some very serious problems it is facing. I am pleased to make my colleagues aware of the efforts of this fine young political leader in California.

AMERICANS DESERVE ACCOUNT-ABILITY ON NEW ZEALAND BUTTER SALE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

• Mr. ROTH. Mr. Speaker, I am pleased to note that the Agriculture Committee Subcommittee on Livestock, Dairy and Poultry is holding hearings today on the sale of 220 million pounds of butter to New Zealand.

Export sales of Commodity Credit Corporation-held dairy products have been rightly encouraged by the Congress. These sales act to reduce inventories and develop funds to offset the cost of price support programs. However, we have a clear responsibility to the American people to insure that they get the best terms possible on these sales. That is just "sound business practice."

Clearly, there is ample room to debate the wisdom of the recent butter sales to New Zealand in this

regard.

The issue I find most puzzling, is the lack of specification in the contract that this butter or its by-products not be sold to Russia. This ambiguity, coming on the heels of a rejected offer from the Soviet Union to purchase the butter at a price higher than offered by New Zealand, raises doubts as to the soundness of the contract.

Should foreign policy dictate that we not sell products to a particular nation, then our contract sales should

reflect this policy.

My own view is that we should have sold this butter to a private concern or another country which would have paid a higher price for this commodi-

As it stands now, New Zealand is free to sell some of this butter or butter-products to the Soviet Union, contrary to our policy dictates, and no

doubt at a higher price.

Consistancy was abandoned in this sale, and the American people are the losers. I applaud the subcommittee's determination to get to the bottom of this matter, and provide full accountability to the American people for the terms of this contract.

THE NEUTRON BOMB: TOYING WITH MADNESS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

. Mr. EDWARDS of California. Mr. Speaker, an excellent editorial appeared in the San Jose Mercury during the recent district work period, and I wanted to share it with my colleagues.

The editorial examines the President's decision to proceed with production of the neutron bomb. Noting the irony of the fact that the President's decision was announced on the anniversary of the U.S. bombing of Hiroshima, this thought-provoking essay points out that once again it is the United States which is escalating this seemingly inexorable rush toward doomsday.

I believe my colleagues will find the

article of interest.

[From the San Jose Mercury, Aug. 12, 1981] THE NEUTRON BOMB: TOYING WITH MADNESS

"A single B-29 bomber flew over Hiroshima, Japan, on Aug. 6, 1945, at 8:15 in the morning, local time. . . . An atomic bomb carried from Tinian Island in the Marianas

was dropped.

The combined heat and blast pulverized everything in the explosion's immediate vicinity, generated spontaneous fires some distance away, produced winds that fanned the flames in Hiroshima's crater-like configuration so powerfully that they burned almost 4.4 square miles completely out, and killed between 70,000 and 80,000 people (flash burns killed 20-30 percent, radiation 15-20 percent), besides injuring more than 70,000 others.

"A second bomb, dropped on Nagasaki, on Aug. 9, killed between 35,000 and 40,000 people, injured a like number, and devastated 1.8 square miles."-Encyclopaedia Britan-

The coincidence of dates is uncanny.

On Aug. 6, 1981, 36 years to the day after Hiroshima, the administration of President Ronald Reagan decided to notify United States allies that neutron bombs are now being produced by this nation. And on Aug. 9, the anniversary of Nagasaki, newspapers broke that news to the American people.

In fact, the neutron bomb went into production weeks ago, Defense Secretary Caspar Weinberger said Monday. That revelation and others came out of an extraordinary series of seven separate television interviews Weinberger conducted in an effort to sell acceptance of the administration's decision to assemble and stockpile the bomb.

The administration's almost frantic efforts to sell the notion that the neutron bomb is necessary should be a tip-off-a warning that something very dangerous,

even deadly, is going on here.

It's not just that the very concept of the neutron bomb-a weapon designed to kill people but minimize property damage— seems inhumane. There is a terrible irony in the very idea of a bomb that would kill humans and other living things slowly and painfully with enhanced radiation while leaving buildings and other structures undamaged by its blast effect. But that's not the principal problem.

It's not just that the administration's rationalization that the bomb is needed to counter the Soviet Union's 45,000 tanks in central Europe may be specious. Indeed it may be; in the current issue of Scientific American magazine, Paul Walker, a member of the Union of Concerned Scientists, argues that the danger of a "blitzkrieg" by Russian armored divisions may be overrated. He may be right, and the neutron bomb may also be less than cost-effective, as Walker maintained in a telephone interview with UPI Monday. But that's not the principal problem either.

It's not just that Weinberger seemed selfcontradictory when he argued that it wasn't necessary to consult our NATO allies in advance, because assembling the bomb was an internal U.S. matter-and then went on to say that it could be deployed in Europe in "only a few hours."

It's not just that Weinberger was disingenious in implying that Congress, and not the Reagan administration, really made the decision to assemble the bomb. The fact is, the fiscal 1981 defense authorization bill directed the president to produce and stockpile all of the separate components of the neutron bomb, but not to assemble them as useable.

It is the Reagan administration, not Congress, which has decided to do what the Carter administration proposed and then vascillated away from-i.e. to assemble the bomb as a usable weapon.

Weinberger tried hard to blur that distinction, by stressing that Carter's inept fumbling "gave the impression of a weak, irresolute America." He's right about that. It did. The Reagan team's projection of a bellicose America isn't necessarily any better, but even that is not the chief reason that Americans should be alarmed.

The real cause for concern is that once again the world has moved closer to nuclear war-and once again it is the West, not the Soviet Union, which has taken another step toward total annihilation of life on Earth.

It was we who began, and it has been at nearly every crucial juncture we who have escalated this seemingly inexorable rush toward doomsday. We were first to develop and test the atom bomb. We were the first to use it, at Hiroshima and Nagasaki. We took the lead in raising the level of destructiveness by developing the hydrogen bomb. We introduced the multiple warhead. And now-although both France and the Soviet Union have developed and tested the neutron bomb-once again it is the United States which has become the first nation actually to produce and stockpile this weapon

The awful implication of the neutron bomb is not that it merely adds another layer to a worldwide nuclear arsenal that already exceeds the potential for more than a million Hiroshimas. That would be bad enough, but this latest step is pregnant with an even more bizarre and terrible notionthe concept of that the United States should be prepared to fight-and could expect to win-a limited nuclear war.

The madness of such reasoning did not originate with the Reagan White House. The concept of limited nuclear war has been kicking around Washington ever since the Nixon administration, and the Carter administration brought it out in the open with Carter's own on-again, off-again flirting with the neutron bomb, and with his now infamous Presidential Directive 59, which explicitly abandoned the one absolute commitment that has kept us all alive until now. And that is the knowledge that our very existence depends on nuclear weapons literally serving to deter war, not to wage it—and that approval of new weapons systems must only occur within that context.

Of course a limited nuclear war would be preferable to blowing up the world-if it were possible to have one without the other. But the fallacy is the assumption that once any nuclear weapon is used, it will be possible to limit the escalation of destruction. Former Defense Secretary Robert McNamara put his finger on the flaw in such rea-

soning years ago.

You can conduct a limited nuclear strike, McNamara said, and you can be perfectly clear in your own mind that that's all you expect in response. But you have absolutely no guarantee that that's all you'll get.

And that's the problem with the current vogue of talking about "precision nuclear strikes"—the very kind of thing for which a neutron bomb would be used. The underlying assumption is that we could cross the crucial threshold between conventional and nuclear war, with both the White House and the Kremlin carefully calculating, even as the missiles homed in on their own troops and bases and silos, precisely what the limits would be on the next strike, and the next counter-strike, and the one after that, and the one after that, and the one on either side would make a fatal miscalculation.

To believe that requires a faith in our own leaders—and in the Russians'—that transends all logic.

Weinberger would have us believe that all opposition to the neutron bomb grows out of a "well-orchestrated propaganda campaign based in Moscow." Certainly there is such a campaign. But one hardly needs to parrot the communist line to question the production of the neutron bomb. One needs only to be sane.

Years ago, just after Hiroshima, Lewis Mumford, the eclectic social historian, planner and prophet, wrote words that come to mind now:

"We in America are living among madmen. Madmen govern our affairs in the name of order and security . . . And the fatal symptom of their madness is this: they have been carrying through a series of acts which will lead eventually to the destruction of mankind, under the solemn conviction that they are normal responsible people, living sane lives, and working for reasonable ends. . . .

"These madmen have a comet by the tail, but they think to prove their sanity by treating it as if it were a child's skyrocket. They play with it; they experiment with it; they dream of swifter and brighter comets...

"Why do we let the madmen go on with their game without raising our voices? Why do we keep our glassy calm in the face of this danger? There is a reason: we are madmen too. We view the madness of our leaders as if it expressed a traditional wisdom and a common sense.

"We view them placidly, as a doped policeman might view with a blank, tolerant leer the robbery of a bank or the barehanded killing of a child... Our failure to act is the measure of our madness. We look at the madmen and pass by.

"Truly, those are infernal machines that our elected and appointed madmen are setting. When the machines go off, the cities will explode, one after another, like a string of firecrackers, burning and blasting every vestige of life to a crisp.

"We know that the madmen are still making these machines, and we do not even ask them for what reason, still less do we bring their work to a halt...

"We are thinking only of the next hour, the next day, the next week, and that is further proof that we are mad; for if we go on in this fashion, tomorrow will be more heavy with death than a mortuary." CENTRAL RABBINICAL CON-GRESS: WELCOME TO WASH-INGTON

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. RICHMOND. Mr. Speaker, I know my colleagues will all join me in welcoming the many thousands of dedicated individuals from the Central Rabbinical Congress of the United States and Canada who are in our Nation's Capital today to make their views known on issues of concern to them.

More than 3,000 of my own constituents from the Williamsburg neighborhood in Brooklyn are among the participants in today's activities.

We welcome the participants in this gathering—the first of its kind in Washington.

JIM LEACH ON EL SALVADOR

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

. Mr. BEDELL. Mr. Speaker, I wish, to bring to your attention a recent article by our distinguished colleague, Representative JIM LEACH of Iowa, entitled "El Salvador: Can Reagan Save Himself From Reaganism?" Congressman Leach has followed the events in El Salvador closely as a member of the House Foreign Affairs Committee. His comments are both perceptive and constructive: They focus on the fundamental irrelevance of military aid to the economic and social tensions of developing countries; as well as the danger that our growing military intervention will undermine our criticisms of Soviet military aggression while providing the El Salvadoran rebels with anticolonial legitimacy.

The text of the article follows: [From the Ripon Forum, August 1981]

CAN REAGAN SAVE HIMSELF FROM "REAGANISM?"

(By Congressman JIM LEACH)

No army, no weapon and no military leader has succeeded in bringing lasting peace to any corner of the globe in modern times. Increasingly explosive international conflicts require regional if not global military balances, but, with few exceptions, solutions to fundamental social problems have little to do with modern soldiers and weapon systems.

Military means are not only the most destructive method of problem-solving; they are in many instances irrelevant. The nuclear arsenals of the great powers are of vital strategic consequence to the United States and Soviet Union, but they are of little value in most Third World settings where internal divisions are rooted in poverty, illiteracy, and social injustice.

A classic example is El Salvador. Violence in this unfortunate civil war has such a tendency to beget more violence that the perpetrators on both sides have lost much of the moral imprimatur that may have justified their original causes. The same applies to the intervention of outside powers. U.S. intentions are honorable, but our involvement is itself counter-productive.

The sending of U.S. military advisers has stamped an increasingly ideological revolutionary movement with anti-colonial legitimacy and helped transform an internecine conflict into a romantic national liberation struggle. The clear effect of treating Third World citizens as pawns in an East-West conflict is to embolden the opposition.

It is true that in the face of recent Soviet adventurism the new Administration should make clear to the world that the introspective days of vacillation and self-doubt that followed our involvement in Vietnam are over. But even our closest allies are concerned that the Administration is overreacting to the military as opposed to the economic dimension of Central American politics. A serious social problem, they have warned us, should not be escalated into a military crisis.

El Salvador may be, as President Reagan observed, an "inherited" rather than a "created" problem, but it can only be described as a "contrived" crisis. Its import comes from the top down, not vice-versa. The American people did not cry out for action; rather a few in the Administration decreed a crisis and mapped out a response. A power play appears to have been attempted by those in our government advocating greater military involvement in Latin America in the power vacuum that occurred at the exact time of the transfer of authority from a Democratic to a Republican President. As former Ambassador to El Salvador Robert White has remarked:

"I think that there is a driving need, which I do not pretend to understand, by the American military to involve themselves on the ground in Central America."

Worthy of public scrutiny is the content as well as the timing of the request of the U.S. military mission in El Salvador to increase substantially our military presence there. Coming at the behest of the Pentagon, this request was submitted to Ambassador White on January 19 and subsequently sent with the Ambassador's disparaging assessment the next day, when Washington was more concerned with the pomp and circumstance of the inaugural than the risks implied with a foreign policy change of this magnitude.

Worthy also of public understanding is the difficulty new foreign policy advisers have in cautioning restraint in the immediate aftermath of an election in which the incumbent President was defeated in part because he was perceived to "blink" when tough decisions were demanded.

Much has been made inside and outside the U.S. of the analogy between Vietnam and El Salvador. Administration spokesmen have been quick to point out the different dimensions of the two conflicts and the contrast between Central American and Southeast Asian culture and politics. But one lesson from the Vietnam experience appears directly relevant. A preoccupation with the domino theory of government toppling led in the 1960s to the emergence of a domino theory of decision-making. In our concern for stopping Communist expansion in Southeast Asia, America's political leaders lost perspective and the ability to control

the decision-making process. Attempts to influence policy in a minor way in a distant country led to a steadily greater involvement. Falled policies did not lead to a reassessment of judgment; rather they sparked appeals to patriotism which precluded rational criticism. The pride of politicians caused successive Administrations of both parties to declare that American policies were not wrong; only their manner of implementation was faulty. What couldn't be acomplished by one level of force, three Presidents asserted, could at a higher level.

Foreign policy in the American system is largely a function of the Executive. Since crucial decision-making is a reflection of Presidential personality, it is important to assess the individual ultimately responsible for establishing government policy in situa-

tions like El Salvador.

While clearly not averse to the use of force, Mr. Reagan appears to be at peace with himself, lacking the towering self-esteem with which Mr. Johnson and Mr. Nixon were so visibly afflicted. A unique political personality, the President may be the one individual in the new Administration with sufficient self-assurance to acknowledge mistakes when made, to have the confidence to embrace restraint as a proper foreign policy option. Only Reagan can save himself from "Reaganism."

In this regard, it is important to stress that the commitment of 54 military advisers, while a mistake, may not be irretrievable. The ruling out of further escalation as well as the hints of concern coming from within the White House that the El Salvador issue is taking too much attention away from the economy could represent "light at the end of the tunnel"—not for victory, but for modesty. A mistake appears to be recognized, and hopefully this recognition will serve as a lesson for this young Administration as it addresses other policy concerns.

There are lessons to be learned as well from recent actions of our principal adversary in the world—the Soviet Union.

When Soviet tanks rumbled into Prague twelve years ago to quell a popular revolt, the Kremlin invoked what has come to be called the "Brezhnev Doctrine" to justify its aggression.

In essence, the Brezhnev Doctrine proclaims the Soviet Union's right to intervene to protect socialism in those neighboring states where it had been imposed but was threatened by "counter-revolutionaries" aided by "outside forces." Since rationalizing the crushing of the Czechs, the Brezhnev Doctrine has been invoked to legitimize Russia's ruthless invasion of Afghanistan in 1979 and the menacing of Poland today.

In formulating the Brezhnev Doctrine, the Russians may have believed they were following a precedent set in 1823 by the U.S. when President Monroe promulgated the Doctrine that bears his name. If this is the case, their reasoning is profoundly flawed. The Monroe Doctrine was prohibitory rather than interventionist in intent. Designed to close the Western hemisphere to further colonization, the Monroe Doctrine challenged the right of "any European Power" to further conquests in the New World.

Unlike the Brezhnev Doctrine, which sanctions Soviet colonialism, the Monroe Doctrine upheld the principle of self-determination for our southern neighbors. Rather than providing a philosophical rationale for our intervention in the affairs of Latin America, it was intended to warn others against such intervention.

In policy terms, military intervention is the doctrine of the Soviet Union, not the United States; of Brezhnev, not Monroe. A substantial U.S. military presence in El Salvador would therefore leave us open to the charge of being guilty of the same hypocrisy of which the Kremlin stands convicted. In the eyes of many it would deprive the West of any moral standing to oppose a Soviet invasion of Poland and ironically increase the likelihood of such an invasion.

Colonial interventionism is an idea whose time on the historical clock has passed. It is also an idea that has demonstrably been proven futile. The history of the past half century is the history of peoples demanding their independence from outside influence. Country after country in Africa, Latin America, and Asia have thrown off colonial mantles, and in the last year alone we have seen two of the most extraordinary resistance movements ever recorded, develop and flourish.

In Afghanistan, largely uneducated semitribal people are showing total disdain for the tanks and chemical weapons of the Soviet Union. In Poland, a single man who claims never to have read a book, who says his only political philosophy is that the Queen of Poland is the Virgin Mary, is holding 57 Soviet divisions at bay. Military forces may capture capitals and control for a time the machinery of government, but the human spirit cannot be conquered by guns.

That is why we have so little to fear of Soviet hegemony over our neighbors to the south and why American policy is better served by the Peace Corps than the Green Berets in Latin America.

A TRIBUTE TO JAMES V. RYAN

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. YATRON. Mr. Speaker, on September 13, the Super Sunday Committee of Minersville, Pa., is paying tribute to the accomplishments of a very special individual, the Honorable James V. Ryan, at a celebration marking the 150th anniversary of the establishment of their community.

Jimmy Ryan's dedication to his community is well known in Schuylkill County and throughout Pennsylvania. It is indeed fitting that he is to receive a tribute from the Super Sunday Committee for his outstanding leadership and his unwavering assistance to the city of Minersville.

Jimmy Ryan has been a leader in the coal industry for many years. He has served as president of the Cass Township School Board for the past 28 years and was appointed a U.S. marshal by President Kennedy. He was also the Democratic Committee chairman for many years and a participant in countless organizations and activities to benefit his community.

He is an inspiration to all who meet him—a strong, forceful, and, above all, a compassionate man who has maintained a reputation for fairness, devotion to his community, integrity, and honor. He is always there with advice and assistance when anyone in need comes to him. It is because of men like Jimmy Ryan that our community and country are better places to live. I know that my colleagues will join me in paying tribute to this very important Pennsylvanian, my good friend Jimmy Ryan.

THE RAILROAD LAND GRANT DEVELOPMENT ACT OF 1981

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. WILLIAMS of Montana. Mr. Speaker, in the late 1800's, the Federal and State Governments granted approximately 10 percent of the entire land mass of the United States to various railroad companies to encourage and compel the construction and operation of rail lines through the then-undeveloped West.

Today, a century after most of the land grants were made, the transcontinental railroads are in decline; consolidations, mergers, and takeovers threaten ever greater railroad monopolies, offering less and less service and higher and higher prices. The Federal Government has been too cautious in representing the legitimate public interest by demanding corporate responsibility from the descendants of the railroad robber barons.

Congress ought not to sit idle, listening to the continuous litany from the railroad companies about the high cost and unprofitability of providing public service, and about how financial conditions dictate that they abandon service to many communities and raise rates to others. Many railroads have had difficulty identifying operating capital.

And yet, the railroads and their parent organizations retain title or rights to some of the most valuable land in this country; land under which rich deposits of coal, oil, gas, and other natural resources can be found in great abundance; land which was originally granted to the railroads by the Government. Railroads and their parents have their own pots of gold.

But these great riches are generally not available to the railroad companies to which they were originally granted. The reason is simple: Corporate restructuring in the railroad industry has resulted in a virtual theft of the most valuable assets of our land-grant railroads. The portions of the railroads that held the land grants and their resources have been severed and now are held in subsidiaries reporting not to the railroad but to a nonrailroad holding company. In turn, the land-grant railroads have been made independent subsidiaries that

now must operate without the revenues and resources of the land grant. Thus, the public subsidy given to the railroads to carry out the peculiarly public functions of our arteries of commerce has effectively been redirected to various natural resources and energy companies. Those independent companies have no authority to receive any general public subsidy, need no such subsidy, and are not compelled to perform any service in return for such subsidy.

And now, we find the railroads, or more properly, the railroad holding companies, pressing Congress to provide what will, in effect, become a second land grant and further public subsidy, which may be diverted to the

energy companies.

Tomorrow morning, the Senate Committee on Energy and Natural Resources will begin to take testimony on legislation to repeal a provision of the Mineral Lands Leasing Act of 1920 which prohibits railroads from leasing Federal coal.

If this law is repealed, as is highly possible considering the political climate in this Congress, we will throw open the gates to full-scale, unfettered, and uncompetitive coal mining by railroad holding companies.

I propose an alternative, one that may serve not only as an inducement to development of the vast resources of coal held by the railroad holding companies if that is the will of Congress, but also as a source of continued

viability for the railroads.

I have today introduced the Railroad Land Grant Development Act of 1981, which repeals the 61-year-old ban on Federal coal leasing by railroads, but couples that repeal with provisions that direct at least onethird of the revenues from development of the land grants to be returned to the railroads as a source of capital and operating income. The bill also requires that one-third of the revenues returned from the energy subsidiaries to the railroad subsidiaries of these holding companies be dedicated to maintenance and operation of railroad branch lines.

A few may say that we are exacting still more public obligation from an industry that believes it has discharged its original duties and obligations in exchange for the land grants. There are, however, those who believe as I do that the public responsibilities of the railroads must be of the same duration as the land grants. As we stand on the brink of unlocking even more chests of the national wealth for the railroad companies, the demand for public service from those companies must be maintained rather than diminished.

If we repeal section 2(c) of the Mineral Lands Leasing Act of 1920 and allow a railroad holding company to lease Federal coal lands, most of which, through the checkerboard pat-

tern of the land grants, are adjacent to the company's lands, we will set up an uncompetitive situation wherein the only likely successful bidder for that Federal coal will be the railroad holding company. Because of the checkerboard pattern, no other company interested in developing a mine in the area of a Federal lease could be expected to obtain a lease and successfully operate a mine, as the railroad holding companies are not likely to be interested in parting with their alternate squares of land. And, without those alternate squares, no company could obtain access to a sufficiently large chunk of land with which to economically develop a strip mine to obtain the coal. Thus, the only successful developer will be the railroad holding companies, which likely will pay bottom dollar for the Federal leases and gain access to valuable Federal coal at a very minimal cost.

That will be the second land grant.

And, it will be a grant that reaps no benefits for the railroad or the public,

save the provision of coal.

If we are going to provide that handout, let us at least get something in exchange. In this case, the best exchange seems to be that we require some money to be pumped back into the railroads that originally were granted those riches.

Ideally, it would seem appropriate for us to insist that all revenues derived from development of the land grants be returned to the railroad; realistically, such a requirement may be so onerous as to preclude development, thus defeating the purpose.

I would like to close by reciting a quotation from a weary traveler to the west coast who more than 100 years ago was disgusted with the attitudes of the railroads whose routes he had just traveled:

Some day in this country, it will be decided that railroads are to be run for the public, and for their benefit and accommodation. Corporations and monopolies, cliques and combinations may, for a time, oppress and hinder the people; but there always comes a day when the public assert, and asserting, maintain their rights.

Our work to fulfill that prophecy is not yet complete.

H. P. HOOD REMAINS IN CHARLESTOWN

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. O'NEILL. Mr. Speaker, I would like to commend the H. P. Hood Co.'s decision to remain and to expand its Charlestown, Mass., operations in my congressional district. Hood's decision should be recorded as a vote of confidence in the Boston economy. Hood, the largest employer in Charlestown, is to be congratulated for this decision, which will enable the continued employment of over 900 employees from the Boston area. Mr. Edward Gelsthrope, chairman of H. P. Hood Co., worked long and hard to bring this expansion to Charlestown and he deserves our appreciation. Furthermore, Mayor White of Boston and I will continue to work closely with Hood, as well as other businesses in Boston, to secure the necessary financing needed to maintain a sound economy for the people of Metropolitan Boston.

THREAT TO OUR CIVIL SERVICE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. VENTO. Mr. Speaker, earlier this year, I spoke on the House floor on the threats to our civil service employees and the resultant "brain drain" of qualified Federal workers.

It is obvious that unless the inequities and abuse which Government workers now endure are remedied, more and more dedicated, hard working civil servants will leave for jobs in the private sector. The result of this exodus can only harm the American taxpayer and lower the current high level of service provided. A career in the public sector will no longer be an attractive alternative and, as a result, the qualification of job applicants will drop.

Low wages and inadequate pay raises are often cited as the cause for Federal worker dissatisfaction. However, I believe that the problem goes much deeper than that. The American public, encouraged by the demagoguery of some politicians, now believe that every Federal employee is an uncaring, incompetent, lazy bureaucrat. This stereotype is totally untrue. The average Federal worker takes pride in their job and has a deep sense of responsibility to the American people which they serve.

Nevertheless, this new mentality has led to a shocking disregard for the rights of Federal employees. Abuses, both physical and verbal, are dumped on Federal workers from all sides. This attitude and the resultant mistreatment can only lead to a decline in quality services by the Government.

It is the responsibility of Congress and the President to correct the public's misconceptions about Federal employees. Where there is abuse or waste, we must correct those problems, but we cannot allow the continued abuse of dedicated civil servants.

At this time, I would like to draw to my colleagues attention a recent U.S. News and World Report article detailing the new incivility toward civil serv-

THE NEW INCIVILITY TOWARD CIVIL SERVANTS

A dog warden in Pulaski County, Ky., had the back window of his pickup truck shot out not long ago by an angry pet owner and frequently receives threatening telephone calls in the middle of the night.

In Oakland, Calif., a city employe was struck in the face and knocked off her chair after she told a man that he would have to wait a few minutes for a job interview.

A claims examiner at a state unemployment office in North Newark, N.J., was stabbed and critically wounded by a 22-year-old man who became enraged when told he did not qualify for extended benefits.

In one city after another, government workers—often accused of a callous or lackadaisical attitude toward the public—find themselves on the receiving end of verbal and even physical mistreatment from angry, frustrated elitions

frustrated citizens.

Special targets. "The abuse of government employes is becoming more and more of a problem in all public-contact jobs," says Linda Lampkin, director of research for the American Federation of State, County and Municipal Employes. "For some reason, people feel justified in saying and doing things to a public worker that they would never say or do to a grocery clerk."

Attacks on public employes are becoming so widespread that, in some cities, officials have trouble keeping certain jobs filled. Security is being beefed up in some government offices. A few government workers even demand "combat pay."

"Life in the front lines of the municipal infantry is never dull," says John Teipel, director of street and sanitation services in

Dallas.

Behind this ominous trend, officials say, is a growing frustration with government in general and a widespread feeling that public

workers are "inept bureaucrats."

"The illusion the public has about public employes is that they are underworked, overpaid, inefficient and ineffective, and this makes some people mad," explains George Masten, executive director of the Washington Federation of State Employes. Adds Don Svedman, deputy commissioner of the Colorado Department of Agriculture: "Let one government worker become known as a deadbeat, and the rest of us end up paying for it."

At times, anger vented toward a low-level government worker has little, if anything, to do with the worker. "People are tense and bitter about the cost of living and looking for a way to talk back to the government," explans Lt. Bill Rell of the Denver Police Department. "Sometimes we're it."

Many people believe that, as taxpayers, they are entitled to make heavy demands on public employes. "The rudeness usually takes the form of the 'you work for me' syndrome," says Bob Currie, executive director of AFSCME Council 6 in St. Paul. Adds Joe Weikerth, assistant director of Houston's Civil Service Department: "So often we hear people say, 'We pay your salary; I pay my taxes; so you work for me, and I deserve better treatment."

The most common form of abuse of public employees appears to be rudeness and verbal mistreatment. "I've been here for 30 years and I guess there's nothing in the book that I haven't been called," remarks Melvin Cox, superintendent of the Danville, Ky., water-meter department.

Other public-utility employees report that customers frequently blame them for high bills. Clerks in Houston's water department are allowed extra time away from the telephones to get a breather from the verbal abuse hurled at them by irate citizens. Out

of the 1,500 to 2,000 calls per week, about 50 are considered hostile, says a water-department official, who adds: "They really get

you going."

Meter maids are frequent targets, too. One in Evansville, Ind., recently returned to her vehicle after writing a parking ticket and found a dead snake in the back. Another saw a man who had received a ticket smash a parking meter with a sledgehammer. Obscenities are common. "You have to have a pretty good sense of humor to handle a job like this," says Monnia Hudson, who has been a meter maid in Evansville for eight years.

But sometimes the public's wrath turns ugly and violent. A New York City welfare recipient, when told that her check was delayed, picked up a chair and hit a clerk over the head. Hospitalized with a brain concussion, the clerk couldn't return to work for

more than a year.

Such violence has become so common in New York City that union contracts now provide for 18 months of leave with pay after an assault. "Our people are being threatened constantly," says Sheila Davidson, a senior clerk at the state unemployment office in Peekskill, N.Y. "It is a growing problem that we have had in the city, and now it is spreading to the suburbs."

Fire-department paramedics also are frequent targets of personal assault, either by delirious victims or friends or relatives of

he injured

"Rudeness and violence are almost an everyday affair for the type of work I'm in," says Larry Matkaitis, a Chicago paramedic. In 1980 alone, he says, there were 56 assaults on paramedics in Chicago.

The reason for the attacks? "Some people associate our uniforms with the police department," says Matkaitis. "A lot of people

don't understand what our job is."

A victim of one such attack was Tom Guzik, an ex-Marine who suffered a disabling back injury when he was assaulted three years ago by the husband of a woman hurt in an accident. "I was more scared in the ambulance in the Chicago ghetto than I was in Vietnam," says Guzik.

Violence against paramedics has had serious repercussions in Chicago. In two separate incidents, paramedics—afraid to enter public-housing projects without police protection—waited 10 to 15 minutes for police to arrive. In both cases, the patients died. However, medical examiners later ruled that the delays were not factors in the deaths. Today, paramedics are equipped with portable two-way radios whenever an emergency requires that they leave the ambulance

Assaults on employes of New York City's water department became so common that police officers now routinely accompany them whenever they enter rundown neighborhoods during hot summer months to shut off spewing fire hydrants.

Abuse of public workers poses other problems both for employers and employes. Richard Brawner, manager of water-customer services for Houston, says job turnover in his department is 40 percent each year. "Other utilities provide bonuses for their phone operators because it is such a hard, ich." Praymora such

job," Brawner says. Stressful job conditions can result in ulcers and other physical ailments, say employers. "The climate today encourages people to express anger," says Edward Post, chief of the Colorado Department of Revenue's collection force. Workers who regularly answer telephones in his office, he says, "have to be tough as nails."

In Los Angeles, employes of the water and power department often "are not prepared for the stress" of dealing with irate customers, says Lloyd Herbs, customer-relations director. Sometimes they are moved to other jobs.

Some employers and unions have begun offering special training for workers in jobs where abuse is likely. Employes are taught how to handle irate people and to defuse tense situations. "Essentially, we're teaching them how to communicate without getting assaulted," says AFSCME's Lampkin. Some unions are demanding higher pay for public employes who hold high-stress jobs.

Both unions and employers are concerned that the problem may grow worse before it gets better. Budget cuts at all levels of government are likely to mean fewer employes to handle growing workloads. "That means longer lines and shorter tempers," says Lampkin. "And as unemployment benefits, food stamps and other federal relief programs are cut back, government employes will become more and more the bearers of bad tidings."

A lucky few public workers are able to have the last word. The U.S. Postal Service, whose letter carriers have a long history of encounters with angry dogs, wants to bite back. Specifically, the Postal Service is helping carriers assemble evidence for personal lawsuits against owners of pets that cause injuries. As matters stand, the service already spends more than \$250,000 a year on dog repellent.

But most employes are philosophical. "There are some people who aren't going to like whatever service they get," says David Truly, director of the Dallas Civil Service Department. Teipel, director of street and sanitation services in Dallas, offers this advice for public employes: "It's like Truman said, 'If you can't stand the heat, stay out of the kitchen.'"

CARL KARCHER: AN AMERICAN SUCCESS STORY

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. DANNEMEYER. Mr. Speaker, the focus of the 97th Congress has been on the future of our Nation's economy. In our own way, each of us has endeavored to promote policies that will foster economic growth and expansion. The debate over the size and nature of Government that is implicit in the battle over the budget comes down to the basic question of from what source or sources does economic and spiritual success accrue to an individual. Should we look to Government to provide for our wants and needs, to protect us, shelter us and secure happiness for us? Or is it our responsibility and our mission to work hard for ourselves and our families?

Those who criticize the latter route and choose government often doubt that an individual can get ahead in our private sector, free enterprise economy. Those of us who favor a reliance of individual initiative and responsibility are sometimes guilty of speaking in generalities about the opportunities that our way of life offers to all Americans. This is an especially timely subject in today's economic climate. Mortgage rates near 20 percent are a source of uncertainty and discouragement to the young newlywed trying to figure out if a home is just a dream. The same applies to Americans young and old, but especially to those who are entering the work force for the first time.

To all Americans I wish to take this opportunity to present as a testimonial of the opportunities of our private enterprise system, the case of Carl Nicholas Karcher—a man whose life is an American success story.

Carl arrived in California in 1937 and worked in an uncle's feed store in Anaheim. He learned the rigors of hard work at this early age of 20 by putting in 12-hour days, 6 days a week for a wage of \$18. Just 4 years later, Carl-who had never gone beyond the eighth grade-borrowed a little over \$300, using his Plymouth automobile as collateral, added \$15 in cash of his own money and purchased a hotdog cart at the corner of Florence and Central in Los Angeles. He later added two more stands. All the while his wife Margaret helped with cooking and helping customers. Forty years later, in 1981, Carl Karcher Enterprisesbased in the congressional district I represent-is the largest privately owned, nonfranchised restaurant operation in the country. Current sales are over \$200 million annually and Karcher Enterprises employs more than 11,000 people.

The story of Carl Karcher's 40 years in business in southern Californiathe 40th anniversary is being celebrated this year-is proof that an extensive formal education and inherited wealth are neither necessary nor sufficient ingredients for success. What counts are determination, hard work, sacrifice, patience, and a willingness to take risks in the marketplace. Carl Karcher has exhibited all of these characteristics throughout his life. Beyond that, Carl and his family have not confined themselves solely to their business enterprises. Carl, true to the spirit of selflessness, has been a community leader over the years in Anaheim, where he and his wife Margaret reside. Civic posts and affiliations infollowing: the Providence Speech and Hearing Center; St. Jude Hospital; Braille Institute of America; California Angels; Cerritos College Self Employment Committee; United Way; Orange County Council of the

Boy Scouts; and, South Coast Repertory Theater.

One important measure of an individual is the esteem with which he is held by his peers. An award is a symbol of this expression. Carl was named one of three humanitarians of the year by the Orange County Chapter of the National Conference of Christians and Jews. He was honored by the Freedoms Foundation at Valley Forge in 1980.

It is only fitting that the House of Representatives join with friends in California and elsewhere to take note of the 40th anniversary celebration now in progress. I take great pride in pointing out Carl Karcher's accomplishments for the Record in recognition of his contributions to the growth and success of the free enterprise system.

OIL COMPANY TAXES: MYTH AND REALITY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

. Mr. MARTIN of North Carolina. Mr. Speaker, in the past there was an annual purported exposé about American-based international companies' taxes. The exposé routinely involved comparing their worldwide income with their U.S. taxes. Normally, that showed U.S. taxes quite low compared to income, a comparison that had constituents assuming that the companies were avoiding taxes on a massive scale. That old annual exposé used an incorrect comparison. You should compare worldwide income with worldwide taxes, or you should compare U.S. taxes with U.S. income. Doing it otherwise would be akin to comparing a nationwide U.S. company's nationwide income to the State income taxes paid to North Carolina. That's a meaningless comparison.

The old exposé appeared again this year in a story by UPI. It was countered by an ad placed by Mobil Oil Co. Both seemed a bit strained. The article stated that the effective tax rate for oil companies was 12.4 percent, a lower tax rate than is paid by many factory workers. Mobil disputed that and contended that the article and the branch of the Energy Department that produced the data in the first place had consciously misstated the facts. I had more faith in Secretary Edwards than that and wrote the Energy Department for clarification and an assessment of both the UPI story and the Mobil ad. The answer follows. The fact is that the oil companies pay 42.7 percent (not 12.4 percent) of their worldwide income in worldwide taxes. It also turns out that Mobil's ad was not 100 percent perfect. in that DOE's report—on which the story was based—contained the correct data, data that was available to the authors of the old annual exposé, reborn.

I offer this only to assure that the truth be printed somewhere, if not in the journals that dutifully carried the mistaken exposé, then at least in the CONGRESSIONAL RECORD. This correction will not of course guarantee that the same mistake will not be repeated next year. Indeed if you make wagers, put your money on the sure thing. Namely, that next year will routinely be treated to the same phoney discovery that U.S. oil companies pay a small U.S. tax as a percentage of income, again without clarifying that the income base is worldwide and taxed accordingly.

DEPARTMENT OF ENERGY,
Washington, D.C., August 4, 1981.
Hon. James G. Martin,
House of Representatives,
Washington, D.C.

DEAR MR. MARTIN: This letter is in response to your July 16, 1981, letter inquiring as to the appropriateness and accuracy of the financial reporting system (FRS). I am also providing comment on the United Press International (UPI) and the Mobil Corporation (Mobil) Newspaper items concerning oil industry profits and taxes.

THE UPI ARTICLE

It is our opinion the UPI article is misleading, although factually correct in most instances. The Energy Information Administration (EIA) will not attempt to address its conclusion—that the oil companies do not pay a fair share of taxes—but we can comment upon the data and methodology used to arrive at that conclusion.

First, the headline states "Energy firms tax rate put at 12.4 percent." In fact these firms pay taxes at a 42.7 percent rate, worldwide. The headline as it stands implies that the total tax rate is 12.4 percent, whereas this is only the U.S. tax rate paid on worldwide income. The rest of the article does go on to clear up the initial misimpression.

Secondly, we also find misleading the comparison made of the 12.4 percent effective U.S. tax rate for the energy firms to that paid by an individual earning \$20,000. Such a comparison seems to reinforce the impression given by the headline that the 12.4 percent is the total tax rate, since the \$20,000 wage earner pays no foreign income taxes.

Thirdly, and as noted by Mobil, the 12.4 percent U.S. tax rate is based upon a worldwide income figure, which is subject to substantial foreign income taxes as well as the 12.4 percent U.S. taxes. UPI does make mention of the foreign taxes paid, but this is left to the latter half of the article. In our opinion, total communication of the facts would require mention of the foreign taxes up front in the article.

Lastly, UPI quotes critics of the industry who take the position that the foreign income taxes paid are not really income taxes, but are a form of royalty, and that the U.S. taxpayers are subsidizing foreign governments with the tax credit allowed against the U.S. tax bill for foreign taxes paid. They state that the foreign tax credit makes the domestic rate "grossly low." This is incorrect, since the foreign tax payments can only be used to reduce U.S. taxes due on

foreign earned income subject to U.S. taxes. UPI apparently missed the distinction between U.S. taxes levied on income earned in the U.S. and U.S. taxes on income earned worldwide.

THE MOBIL AD

The Mobil ad, as you know, recommends that U.S. taxes be compared to U.S. incomes, or worldwide taxes be compared to worldwide income. However, Mobil also strongly implies that the FRS report is misleading in the same manner as the UPI article

Such an implication is quite wrong. Even a casual reading of Chapter 2 of the FRS report, "Performance Profiles of Major Energy Producers," will bear out the fact that the type of income tax presentation that Mobil feels is appropriate, was in fact

used in the FRS report:

Table 7 (page 28) compares worldwide taxes to worldwide pretax income of the FRS companies and the Standard & Poors (S&P) 400 for 1979. This table and the accompanying text, indicate total tax expense of 50.8 percent for the FRS companies, including 42.7 percent being paid currently and the difference of 8.1 percent being deferred for payment in later years. The table further contrasts the 50.8 percent tax rate of the FRS companies with the somewhat lower S&P 400 company rate of 45.5 percent

Table 8 (page 29) provides greater detail on worldwide taxes and pretax income, but only for the FRS companies. Among other things it provides a breakdown by geopolitical area of the 42.7 percent taxes paid: 28.1 percent foreign; 12.4 percent U.S. federal; and 2.1 percent state and local. This table was the source of the 12.4 percent figure used by UPI.

As you can see, both tables compare worldwide taxes to worldwide taxable income.

CONCLUSION

In summary, we are disappointed that UPI used FRS data out of context, as they were not only furnished a copy of the report, but a member of the FRS staff reviewed the tax tables with them in detail. Likewise, we are disappointed with the Mobil ad because Mobil, too, had a copy of the report.

Enclosed is a copy of the FRS report. You will find that it covers many other aspects of the energy industry, in addition to taxes. If there are any questions, Arthur T. Andersen is the director of the FRS program, and can be reached at 633-8806.

Sincerely,

J. ERICH EVERED,
Administrator,
Energy Information Administration.

JUSTICE: OUT OF CONTROL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. McDONALD. Mr. Speaker, in recent times, there is no department that has had a more pervasive influence on the every day lives of our citizens than the Department of Justice. The record of its interference and intrusion into private lives and local concerns is extensive and need not be expounded upon here. So it was with

great anticipation that I, together with a number of my colleagues, awaited President Reagan's announced intention to revamp the Justice Department.

However, those announced intentions have not come to fruition, nor are they likely to unless the administration takes control of the Justice Department. I use that phrase, for in the words of White House Chief of Staff, James Baker, the Reagan Justice Department is in fact "out of control."

For my colleagues who may not be aware of the situation at the Department of Justice, what follows is an article from Human Events of August 15, 1981. I ask my colleagues to read the article and compare the current situation with those intentions announced by President Reagan. It becomes obvious that the current situation is the very antithesis of the President's announced intentions.

It is for that reason that I ask my colleagues to join me in urging President Reagan to take immediate action to rectify the situation that exists at the Justice Department.

The article follows:

[From Human Events, Aug. 15, 1981]
JUSTICE DEPARTMENT "OUT OF CONTROL"?

At a recent meeting with some conservative leaders, White House Chief of Staff James Baker startled those in attendance by remarking that the Reagan Administration's own Justice Department was "out of control."

"Out of control" is, in the eyes of many, an understatement for a department which has drafted memos declaring Reagan campaign promises unconstitutional, has forwarded a Supreme Court candidate without thoroughly researching her views on abortion and has continued to actively pursue the liberal agenda of a policy-making staff largely held over from the Carter Administration.

Speaking on the House floor, Rep. Larry McDonald (D.-Ga.) summarized the problem when he noted: "The Department is consistently taking positions in both domestic and foreign affairs areas that are totally alien to what was promised the American people in the election of 1980 . . . leftists are still with us in the Justice Department. It also appears that the President at best is being tendered misinformation that is causing deep consternation among that majority of the American constituency that elected him."

Among the more recent anti-conservative efforts by the department are two draft memoranda which were prepared and given limited circulation within the Administration. One would have declared tuition tax credits unconstitutional. The other would have held that Congress is unable to remove jurisdiction to prevent federal courts from issuing controversial rulings promoting abortion and forced busing and prohibiting prayer in public schools.

This latter draft opinion was prepared in spite of the fact that the Constitution clearly subjects the Court's jurisdiction to "such Exceptions, and such . . . Regulations as the Congress shall make." Because of intense anger from Reaganite conservatives, the Justice Department now refuses to confirm or deny the existence of either of these opinions.

But these are just the most recent in a series of controversial Justice Department positions. From information gathered from a variety of reliable sources, we have learned of Justice Department position papers that would:

Declare the legislative veto unconstitutional. (This opinion, which was apparently prepared by a Carter holdover using language taken from a Carter Administration opinion on the same subject, would divest Congress of one of the most important tools for controlling a runaway bureaucracy.)

Holding the Helms anti-busing amendment unconstitutional. (Robert McConnell, the Department's chief lobbyist, had to be prevented from lobbying in favor of racial busing by White House intervention.)

Finding that an anti-affirmative action amendment in the House was unlawful because it constituted "legislating" on a "money bill." (If the anti-affirmative action amendment is unlawful, then presumably so is the Hyde Amendment, which has been upheld by the Supreme Court.)

In fact, another Cabinet-level Reagan Administration official has stated privately that the Justice Department had to be bludgeoned into compliance with the Reagan Administration's policy against forced busing.

Because of these activities, it does not surprise observers that the Justice Department did not regard as important Judge Sandra O'Connor's positions on abortion and the Equal Rights Amendment. The Justice Department also continues to resist a suit to declare the ERA extension unconstitutional, which would bury the amendment once and for all.

Ironically, the White House's problem can be traced back to its refusal to get involved in Justice personnel decisions.

Conservatives on the White House personnel team were prohibited from forcing conservative, politically astute candidates on the Justice Department, on the grounds that Atty. Gen. William French Smith was himself a conservative and was, after all, Ronald Reagan's personal attorney. When Smith delegated staffing functions to nonconservative Deputy Atty. Gen Edward Schmults—a Wall Street lawyer with no interest in social issues—that paved the way for non-conservative staffing in all of the Department's highest positions.

There is, for example, the Assistant Attorney General for Lands, Carol Dinkins. A member of the Sierra Club for many years, Dinkins has been described by a member of her own staff as having little expertise and few opinions on the environmental issues which her 300-man division is charged with litigating. In the meantime, division employees are continuing to leak confidential information to liberal environmentalist groups, according to reliable conservative sources.

Then there is Jonathan Rose, Assistant Attorney General in charge of the Office of Legal Policy. A confident of former Atty. Gen. Edward Levi confides that Rose was removed from the same position by Levi and transferred to a job where his principal function was speech-making.

Rose has retained a Carter holdover, Deputy Assistant Atty. Gen. Ronald Gainer, to push for recodification of the federal criminal code.

Gainer startled conservatives during the 96th Congress by advocating a recodification bill which would have watered down federal pornography laws, massively increased penalties for regulatory offenses by legitimate businessmen, decriminalized

marijuana and generally reduced penalties for many drug offenses, repealed a major portion of the Hatch Act and created a new abortion funding program (in the "technical amendment"). Now, Gainer is back with a slightly updated version of the same bill. The situation is made even worse by the fact that the department's commission on violent crime is prepared to issue recommendations for stringest new gun control laws, according to sources close to the gun lobby.

William Bradford Reynolds, who has been appointed to lead the Department's Civil Rights Division, is another appointee who was opposed by many conservatives. Reynolds, who had no significant experience in the civil rights area prior to coming to Justice, has apparently been totally co-opted by the radical holdover elements within that division.

Within a very short space of time, the Department (1) rejected the Chicago school integration plan is insufficiently far-reaching, (2) vetoed Virginia's redistricting plan because it failed to maximize black voting strength in Norfolk and (3) conducted a straw poll on Capitol Hill in order to determine the Department's position on extending the Voting Rights Act. This was the same division which, just before Reynolds arrived, agreed to a court settlement invalidating a federal employment test for upperlevel bureaucrats on the basis of a high failure rate by minorities.

Finally, the Reagan Justice Department has:

Forced the conservative Washington Legal Foundation and 16 conservative senators out of a suit in which they were attempting to defend federal government aid to El Salvador against challenges from liberal representatives.

Come out in opposition to an amendment sponsored by Sen. Dale Bumpers (D.-Ark.), which would shift the presumption and burden of proof which currently favors government agencies in suits against private parties.

Reportedly attempted to "take a dive" on the case challenging men-only registration, with Justice insiders telling U.S. News & World Report that Department employees favored constitutionally overturning the registration law that was eventually upheld by the Supreme Court.

Continued a suit to force the building of low-income housing in Yonkers on sites chosen by the Justice Department on the grounds that Yonkers violated the Constitution by building low-income housing on HUD-approved sites which subsequently became residentially black.

In the words of one Capitol Hill conservative who closely follows Justice, "No one in the Carter Administration—not Sam Brown, not Joe Califano, not Carol Tucker Foreman—had done as much damage to the conservative movement as the Justice Department has during the first six months of the Reagan Administration."

MINERSVILLE, PA.

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. YATRON. Mr. Speaker, on Sunday, September 13, the people of Minersville, Pa., are celebrating the 150th anniversary of their town. To mark this important occasion, the Super Sunday Committee, which has organized celebrations in Minersville for the past 4 years, has planned a block party to pay tribute to their town and to one of their leading citizens, the Honorable James V. Ryan.

Minersville was incorporated into a town in 1831 through a bill signed by Gov. George Wolf. The town got its name because of the chief occupation of its citizens at that time—coal mining. The first election of borough officers was held on May 1, 1931.

English and Welsh immigrants familiar with coal mining in their own countries began to settle in the community. German and Irish immigrants also arrived and by 1845 the population of Minersville was 1,265. By 1850 the town had almost 3,000 citizens.

In 1844, Minersville revolutionized the anthracite coal industry by establishing the first anthracite coal breaker, the forerunner of the process used today. The first breaker was able to prepare 200 tons of coal a day, a major achievement at that time.

Between 1864 and 1871, Minersville established four fire companies, the Mountaineer Hose Company, the Good Will Hose Company, the Independent Hose Company, and the Rescue Hook and Ladder Company. In 1872, Minersville had its own newspaper, the Schuylkill Republican.

The post-Civil War period resulted in the formation of new civic and veterans organizations. The first veterans group was the Lawrence Post No. 16 of the Grand Army of the Republic, the first in Schuylkill County. Other groups included the Ancient Order of Hibernians and the Frugal Savings Fund.

The first telephone was installed in Minersville in 1888. The 1880's and 1890's witnessed Minersville's industrial expansion and union organization. Railroads were constructed to the coal fields of the individual colleries in the early 1890's and the trolley came into existence along with electric lights.

The First National Bank was erected in 1896 and the Union National Bank in 1902. More immigrants began to settle in Minersville of Italian, Lithuanian, and Polish heritage. As Minersville moved into the 20th century, it had a population of 5,000.

The influence of the United Mine Workers of America grew in the early 20th century under the leadership of Johnny Mitchell. After several labor struggles the miners were given a 9-hour working day and a 4-percent wage increase. More important, the foundations were laid for all subsequent wage agreements between operators and mine workers which are the basis of the agreement governing labor relations within the industry today.

Other industries tried to establish themselves in Minersville, but for the next two decades coal mining re-

mained the principal occupation. The city of Minersville valiantly worked through World War I and was hard hit by returning troops who brought with them an influenza epidemic that caused the death of over 500 citizens. During the depression several years later, the town suffered severe hardships and many of the colleries closed down and never reopened.

In the 1930's garment factories were established in Minersville and during World War II they manufactured uniforms for our troops. In the 1950's when coal mining was reduced, other industries were attracted to Minersville. Today, the city is a very important community in Schuylkill County with a long and proud history of work and dedication to their town and their country.

Mr. Speaker, I know my colleagues will join me in saluting the town of Minersville, Pa., on its 150th anniversary and wishing its citizens our very best wishes for the future. It is indeed important to remember our past and the ancestors which made it possible for us to live in freedom today.

BILL GREEN ON THE TAX BILL

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

 Mr. GREEN. Mr. Speaker, Congress recently completed action on the tax bill known as the Economic Recovery Tax Act of 1981. This important piece of legislation reduces taxes for individuals and businesses by almost \$749 billion over the next 5 years and is the largest tax cut in the history of the United States. There has been a great deal of debate over who will benefit by the tax cut and whether it will help curb inflation and encourage more rapid growth in our economy. I thought it would be useful if I explained some of the problems I had with all the alternatives the House had before it, why I voted for the administration bill, and some of the important provisions in that bill. Given that the Udall-Obey-Reuss substitute provided inadequate tax cuts for individuals and that both moderate Democrats and Republicans were unable to rid the Ways and Means bill of tax cuts to particular "distressed" industries and the oil industry and the administration bill of even greater tax cuts to the oil industry, I felt, on balance, the administration bill was superior. Most importantly, it contains a 3year tax cut and tax indexing that will be better for almost all persons, regardless of income. It contains a mass transit provision which I had added to the legislation which will help public mass transit systems acquire new equipment. A charitable deduction is

included for those persons who do not itemize which will be of particular benefit to many residents and institutions of New York City. Finally, it makes a number of changes in the Tax Code which will help a cross-section of the population: capital gains reduction: marriage tax reform; investment tax credits for rehabilitation of nonresidential property; eligibility for individual retirement accounts (IRA's), and increasing limits on IRA's and Keogh plans; and broadened incentives for research and development.

HOUSE VOTE

On Wednesday, July 29, the House of Representatives approved the administration's tax package by a vote of 238 to 195. I voted for the administration's bill-known as the Conable-Hance bill-in preference to the Ways and Means Committee's alternative. Without question, there were several ill-conceived provisions in both bills. The committee's bill contained a "bailout" provision granting six so-called distressed industries unused investment tax credits accumulated since 1962, while the Conable-Hance version contained some major tax breaks for the oil industry above and beyond the excessive tax breaks already given that industry in the Democratic bill.

UDALL-OBEY-REUSS SUBSTITUTE

Some may argue that the "liberal" Udall-Obev-Reuss substitute bill-a third alternative—was a reasonable option. But, on inspection, it was not and had too many weaknesses. It contained just a 1-year 5-percent tax cut to occur only late in the year, not enough to offset inflation and resultant "bracket creep" even for that single year, so that it would in fact have meant a tax increase for most

Capital gains tax relief has proven to be a boon to capital formation which has contributed to increased productivity and employment. I cosponsored the capital gains tax reduction passed by Congress in 1978, a very successful piece of legislation. It has produced a significant upturn in venture capital investment and new issues coming to market with no loss in Federal revenues. The Udall-Obey-Reuss substitute, unlike both the Democratic and Republican proposals, had almost no capital gains relief. Furthermore, it did not contain a provision for mass transit that was contained in both other bills, nor did it contain the savings incentives or incentives for lowincome housing contained in the other bills.

WAYS AND MEANS COMMITTEE BILL

As mentioned earlier, a major reason for opposing the committee bill was a massive tax subsidy limited to six industries that violated all standards of tax policy. Those select industriesautos, airlines, mining, railroads, steel, and paper-would have been able to

cash in unused investment tax credits all the way back to 1962. All other businesses and industries under existing law are able to do that for only 3 years. That carryback provision would simply have been a subsidy, with the companies getting special tax refunds for which no other companies or industries, no matter how distressed, would have been eligible. Even highly profitable firm, as long as it was included in one of the distressed industries, could have taken advantage of the special refund provision. Other industries and companies equally distressed, many of the type which are located in New York City, would have received no help whatsoever. This \$3.3 billion provision in the Democratic bill was one that we could not afford.

OIL INDUSTRY PROVISIONS

Quite honestly, I felt that the oil provisions in the administration's bill were not in the best interests of the country and New York City. These breaks were proposed just 2 years after Congress provided the industry with deregulation as an incentive for exploration. I joined with other "frost Republicans and moderate Democrats on two occasions to try to remove those special tax cuts for the oil industry. On July 27, 2 days before the tax bill was to be considered, I joined in a letter to the Rules Committee, signed by other moderate Republicans, asking that a separate vote be allowed on the oil tax provisions. Several Democrats also expressed to the Rules Committee their belief in the need for a separate vote on this issue. We were turned down by the Democratic Rules Committee. A second opportunity came on a procedural vote on the rule. Had we prevailed on that procedural vote, we would have proposed a rule allowing us to reduce the Republican oil industry provisions by \$10 billion and to remove the \$3.3 billion six-industry subsidy from the Democratic bill. Again, those of us who wanted a chance to rid the tax bill of those handouts were denied the opportunity to do so by a vote of 282

The tax reductions to the oil companies were extravagant. The committee bill provided a \$10 billion tax break while the Republican bill had \$16 bil-

lion in saving for this industry.

I was disappointed, to say the least, at the outcome of these proposals. In fact, I wrote the House conferees, both Democrats and Republicans, urging that they agree to the Senate action which would reduce oil industry taxes by \$6.6 billion. The conferees did cut these tax reductions to \$11.6 billion, a figure I still consider far too great.

While we were unable to kill the special treatment for the oil industry, I felt the Conable-Hance bill was the preferable tax cut legislation before the House. It contained tax cuts for individuals which are far better than

the other alternatives and some specific provisions which are helpful to both my region of the country and to the residents of my district.

PERSONAL TAX CUT

The personal tax cut in the administration's bill is better for the average person than the Democratic bill. Inflation is responsible for taking more and more of a worker's income and putting it directly into the U.S. Treasury instead of into the pocket or bank account of the worker. Inflation causes bracket creep, whereby if you make more, you are forced into a higher tax bracket, even if your income, adjusted for inflation, has not increased. As a result, your after-tax income decreases. The only solution to bracket creep is to cut taxes to compensate for bracket creep. The administration's bill does that in different ways. First, it provides for a 25 percent reduction in taxes over the next 3 years for everyone, regardless of income, and then it institutionalizes that tax reduction as of 1985 through indexing. As inflation goes up, tax brackets are adjusted accordingly. Without indexing, Congress would, as it has been forced to do in the past, tinker with the Tax Code on a frequent basis to try to cope partially with inflation. As many of us know, Congress has not done a very good job at this. The Ways and Means bill did not contain any provision for indexing.

I should also mention another reason why I supported the administration's version of the tax cut. There was much talk about how the Democratic personal cut was aimed at the middle-income household and the Republican tax cut was aimed at the rich. That simply was not the case. First, let me state that the Republican bill was for 3 years with a cumulative 25percent tax cut while the Democratic bill was for only 2 years and 15 percent with the possibility of a third year tax cut triggered in if certain economic targets were met. Even at first glance, it is hard to deny that the Republican bill would be better for all persons, even with the skewing in the Democratic bill, after implementation of the third year of the tax cut and with the indexing in the succeeding years.

The Library of Congress Congressional Research Service, an impartial party in this debate, published a study of the personal tax cuts. First, it stated that it was probable that the third year trigger in the Democratic bill would not go into effect. Second, without that trigger, the study maintained, the Republican bill would provide larger tax cuts and lower marginal tax rates to nearly all taxpayer in 1984. Even in the first 2 years of the tax cut, 1982 and 1983, the reported tilt in favor of middle-income taxpayers in the Democratic bill accounts for only a few dollars per week for moderate-income taxpayer and, according to the Library of Congress study, extend only up to the \$35,000 income level and the difference on tax liabilities in this income range may be smaller than has been surmised. Indeed, it amounted to only \$2 per year for a taxpayer who earned \$20,000 in 1980 and whose income grew commensurate with inflation. With the provision for charitable deductions in the administration's bill, come out ahead under the administration's bill.

MASS TRANSIT PROVISIONS

I negotiated an addition to the Republican tax bill which will assist the Metropolitan Transit Authority and other mass transit agencies in their acquisition of new rolling stock. According to the MTA, over the next 10 years, more than 20 percent of the subway cars will pass their designated 35-year lives. The administration has proposed that its mass transit capital subsidy program be shifted toward upgrading existing systems rather than creating new systems. My provision, while not the only solution to the problem, is a useful one and a reason to support the administration bill. I expect that the Federal Government will be providing less funds for the purchase of this type of equipment in the future and it is certainly obvious to anyone who has ridden on a subway in New York City recently that new cars are needed.

CHARITABLE DEDUCTION

Many New Yorkers are apartment renters without the benefit of deductions for mortgage interest and real estate taxes, a situation I am seeking to alleviate in my Tenants Tax Justice Act, and they are more likely to take the standard deduction than suburbanites at the same income level. With the reduction in gift and estate taxes contained in both the Democratic and Republican bills it is possible that legacies to charities will decrease. Providing this deduction will be an important incentive to low- and moderateincome persons to contribute to charity. It is also a break for low- and moderate-income households that the Democratic bill did not provide.

OTHER PROVISIONS

There are many other provisions in the Republican bill which I support. In some cases, similar provisions were also contained in the Democratic bill. The top rate in long-term capital gains tax will be reduced, an incentive for increased investment which should increase the productivity of our economy. There is a major reform in the marriage tax which will do a great deal to minimize the unfair tax situation of married couples without increasing taxes for singles. The investment tax credit for the rehabilitation of nonresidential buildings will be in-

creased. This should be helpful in encouraging business to remain in the Northeast. I should add that this shift in the administration's tax proposals was a major victory for Northeast-Midwest Republicans in our negotiations with the administration on the tax program.

An important savings incentive is the increase in the limit on IRA contributions from \$1,500 to \$2,000 and Keogh plan contributions from \$7,500 to \$15,000 for the self-employed. For the first time, participants in private pension plans also will be allowed to participate in IRA's up to a limit of \$1,000. Another provision is one for broadened tax incentives for research and development. The bill would provide for a 25-percent tax credit on qualified research and development expenditures. I am particularly excited about this provision, as I was one of several Republicans who wrote the President urging him to expand the Republican version of the tax package to cover that, something that was ultimately done. According to an analysis done by the bipartisan Northeast-Midwest Coalition, a primary factor in the drop in productivity in our region has been the fall off in research and development expenditures. Expanded incentives for more research are needed to insure rapid growth in our hightechnology businesses and modernization on our basic industries in order to match much of the success of our foreign competitors.

I join all my colleagues in the Congress in hoping this tax cut will be as successful as claimed by the administration. It is a major change in our tax policy and, while still containing too large a tax break for the oil industry, a better plan than the one offered by the Ways and Means Committee. My support for it was premised basically on what it would do for the individual income tax and tax indexing should help all persons keep up with inflation.

MEDICARE SUPPLEMENTAL BEN-EFITS PROGRAM FOR CLINI-CAL SOCIAL WORKERS, CLINI-CAL PSYCHOLOGISTS, AND PSYCHIATRIC NURSE SPECIAL-ISTS

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. FITHIAN. Mr. Speaker, I rise today to support H.R. 3373, a bill to amend social security to provide more adequate coverage of the services of mental health specialists—clinical social workers, clinical psychologists, and psychiatric nurse specialists—under the medicare and medicaid supplemental benefits program. This

much needed legislation would insure that qualified mental health providers and specialists will be directly reimbursable under these social security programs, without any Federal requirement of physician supervision or referral. Senator Daniel Inouye has introduced a companion bill on the Senate side. S. 123.

The existing law allows a medicare or medicaid beneficiary to obtain mental health services only from a physician—who may not have even been trained as a mental health specialist. The three other core mental health specialists are excluded—clinical social workers, clinical psychologists, and psychiatric nurse specialists.

As in so many other areas, the States have demonstrated the leadership in establishing programs that allow a beneficiary to have freedom of choice in selecting his or her mental health specialist. Several States including Idaho, California, Colorado, Maryland, Utah, Wisconsin, New York, and Virginia have enacted freedom of choice laws mandating coverage for the services of clinical social workers in all mental health insurance programs.

Many private insurance companies have issued policies providing coverage for social workers as mental health specialists. In addition, many of the most important government employees organizations recognize the need to reimburse social workers for their mental health services. For some time the Department of Defense's CHAM-PUS program has been directly reimbursing clinical psychologists for mental health services, and last year implemented a pilot demonstration project for independently reimbursing psychiatric nurses and clinical social workers for their services.

We as a nation must recognize that the mental health delivery system has changed drastically in the last two decades, with States and private insurance companies providing the leadership. Now the time has come for the Federal Government to recognize the need to make a fundamental change in the social security system by broadening and expanding coverage to include direct reimbursements to all of the mental health specialists.

The 1978 President's Commission on Mental Health recommended that all existing private and public health insurance systems, including medicare, as well as any future national health insurance program, should provide for mental health care in the "most appropriate and least restrictive setting; and the consumer should have a choice of provider and provider systems." Certainly the reimbursement of clinical social workers, clinical psychologists, and psychiatric nurse specialists makes available a wider range of therapeutic services. Nondiscrimina-

tory coverage of all four core professions would give the elderly and the poor the same freedom of choice which is enjoyed by CHAMPUS beneficiaries. The present system of financial reimbursements clearly works at cross purposes with other Federal efforts to improve the mental health delivery system.

The underserved mental health populations-rural residents, small town dwellers, the urban poor and racial and ethnic minorities-are particularly impacted by the existing system of financial reimbursement for mental health services. As a Congressman from northwestern Indiana-largely small towns and rural areas-I can directly attest to the limited mental health resources in these communities. Many towns are without a doctor, and a psychiatrist is many miles away. Under these circumstances it only makes sense to utilize the other mental health services which are available. Why should a patient seeking mental health services be forced to drive many miles to a distant town simply because it is the only way under the existing law to get reimbursement for these services.

The present system of financial reimbursement for mental health services includes only physicians who are the least available and the most costly. Although physicians and psychiatrists play an important role in the mental health system-since they alone can prescribe medication-they treat only a small portion of beneficiaries. Clinical social workers provide more psychotherapy to individuals and groups in a variety of settings, including hospitals, outpatient clinics, community mental health centers, health maintenance organizations, private and public agencies and in private practice. In fact, clinical social workers provide services to many more patients than psychiatrists, clinical psychologists, or psychiatric nurse specialists. A 1978 survey of mental health manpower, published by National Institute of Mental Health, found that 42 percent of all mental health treatment in federally funded community mental health centers was provided by clinical social workers. The time has come to recognize those mental health specialists that provide the bulk of the services and establish a system that allows them to be directly reimbursed for their services.

Importantly, H.R. 3373 legislatively defines at the Federal level the professional standards and the type of educational requirements that are necessary for each of the four traditional mental health disciplines under which they can practice independently. I have specifically spelled out the proposed definitions of clinical social workers, clinical pyschologists, psychiatric nurse specialists, and psychiatrists. By adopting these strict educa-

tional requirements, as well as State licensure and/or certification, I am confident that only highly qualified practitioners will become reimburseable under the law.

Again, many of the States and professional organizations have taken the lead in establishing licensing and certification laws, as well as minimum requirements for education and experience. Clinical social workers, for example, are subject to State licensing and certification laws in 26 States, containing a majority of the Nation's population. The professional organizations are actively working to establish a minimum standard for independent unsupervised practice of at least a masters degree in social work plus 2 years of postgraduate supervised clinical experience. In addition, the National Registry of Health Care Providers in Clinical Social Work and the National Association of Social Workers clinical Clinical Registry certifies social workers who meet these requirements of education and experience. Is it not time that the Federal Government implement the same strict standards that already exist in numerous States across the country?

Most importantly, increasing the availability of mental health services to our Nation's social security recipients by including clinical social workers, clinical psychologists, and psychiatric nurse specialists will not result in huge cost increases for the program. In fact, there is every indication that the overall cost of our national health care programs would decline. How is this possible in an age of rapidly escalating prices and inflationary pressures? First, the utilization of less costly outpatient psychotherapy has been shown to decrease the need for more costly inpatient psychiatric care. It simply costs much more to treat people in a hospital setting. Second, psychiatrists simply charge more for their services than other mental health specialists. If we as a nation could further utilize these other core mental health providers, we could reduce the cost of psychotherapy. A recent survey of Psychotherapy Finances concluded that of 1,284 respondents the highest percentage of

Third, a recent study by the National Institute of Mental Health pointed out that the utilization of mental health services resulted in decreased utilization of physical health services. This data is not shocking news. General practice physicians have long been aware of the high percentage of pa-

psychiatrists report charging "\$60 or more" for individual psychotherapy

sessions, while clinical social workers

charge \$40 per session, and clinical

psychologists charge \$50 per session.

Consequently, the reimbursement of

clinical social workers and clinical psy-

chologists actually costs less than psy-

tients who are suffering physical symptoms; for example, spastic colon, migraine headaches, caused by underlying nervous and mental disorders. Other studies confirm these findings. A pilot study conducted by the Group Health Association of Washington, D.C., revealed that patients who received short-term outpatient psychotherapy reduced their usage of general medical services and of X-ray and laboratory services by approximately 30 percent. Another study by Kaiser-Permanente over a 16-year period with mental health benefits concluded that patients who underwent short-term psychotherapy showed a reduction of almost 75 percent in medical utilization over a 5-year period. Consequently, it is possible to decrease physical health services which have become exceedingly costly.

Fourth, it is possible to increase coverage to include other core mental health specialists without raising overall costs. A study by the Union Labor Life Insurance Co. of New York City and Bankers Life Insurance Co. of Des Moines, Iowa, demonstrated that it was not necessary to raise premiums because of their inclusion of social workers as core mental health specialists. In fact it is possible to obtain more services for less money.

Fifth, the use of other core mental health providers would reduce the cost of hospital, medical and surgical costs while stimulating worker productivity and increased profits in private industry. A pilot program conducted by a clinical social worker at a Kennecott Copper plant in Salt Lake City, Utah showed the cost-effectiveness of an onsite, outpatient mental health program. Over a 1-year period, the employees involved showed a significant reduction in absenteeism-from 5.8 working days per month to 2.93 days, a drop of 40.5 percent-and in hospital, medical and surgical costs-from \$109.04 per person per month to \$56.91 per person per month, a reductioin of 48.7 percent. Over the same period the control group-those not involved in the outpatient mental health program-showed a 2-percent increase in absenteeism and a 7.7-percent increase in hospital, medical, and surgical costs. Consequently, we as a nation can actually reduce the overall costs of our mental health programs while expanding the scope of mental health services and fully utilizing other core mental health specialists.

The existing mental health delivery system includes four core professional groups, but medicare and medicaid does not recognize these contributions because it only directly reimburses physicians. Ironically, it reimburses the least available, the most expensive, and the smallest group of mental health specialists. We as a nation must take advantage of the mental health

services provided by clinical social workers, clinical psychologists, and psychiatric nurse specialists. We cannot continue to neglect these fundamental human resources within our communities across the country. The time has come to directly reimburse these other mental health specialists for their services under medicare and medicaid.

For much too long, mental health programs in general have been relegated to second-class status and the contributions of clinical social workers, clinical psychologists, and psychiatric nurse specialists have been ignored and forgotten. The general public has not known or understood the complex mental and emotional problems experienced by millions of Americans nor appreciated the services provided by mental health specialists.

We must now remove these inequities in the law by amending the existing medicare and medicaid programs. I respectfully urge my colleagues in the House to join me in cosponsoring H.R. 3373 and supporting its passage in the 97th Congress. A copy of the bill is reprinted as follows:

H.R. 3373

A bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare supplemental benefits program and under medicaid programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1861(r) of the Social Security Act is amended by inserting, immediately before the period at the end thereof, the following: ", or (6) except for the purposes of section 1814(a) other than (a)(2)(A), section 1835 except (a)(2) and (b)(1), and subsections (j), (k), (m), and (o) of this section, a mental health specialist, but (unless clause (1) of this subsection also applies to him) only with respect to functions which he is legally authorized to perform as such in the State in which he performs them".

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

"Mental Health Specialist

"(bb)(1) The term 'mental health specialist' means an individual who is a clinical psychologist (as defined in paragraph (2)), a clinical social worker (as defined in paragraph (3)), a psychiatric nurse specialist (as defined in paragraph (4)), or a psychiatrist (as defined in paragraph (5)).

"(2) The term 'clinical psychologist' means an individual who (A) is licensed or certified at the independent practice level of psychology by the State in which he so practices, (B) possesses a doctorate degree in psychology from a regionally accredited educational institution, or for those individuals who were licensed or certified prior to January 1, 1978, possess a master's degree in psychology and are listed in a national register of mental health service providers in psychology which the Secretary of the Department of Health and Human Services deems appropriate, and (C) possesses two years of supervised experience in health

service, at least one year of which is postde-

"(3) The term 'clinical social worker' means an individual who (A) possesses a master's or doctor's degree in social work, (B) after obtaining such degree has performed at least two years of supervised clinical social work, and (C) is licensed or certified as such in the State in which he practices, or if such State does not license or certify clinical social workers, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.

"(4) The term 'psychiatric nurse specialist' means an individual who (A) is licensed to practice nursing by the State in which the individual practices nursing, (B) possesses a master's degree or higher degree in psychiatric nursing or a related field from an accredited educational institution, and (C) is certified as a psychiatric nurse by a duly recognized national professional nurse organization.

"(5) The term 'psychiatrist' means a physician who (A) is described in clause (1) of section 1861(r), and (B) is board certified by the American Board of Psychiatry and Neurology or has successfully completed a minimum of three years of approved graduate medical training in psychiatry.".

(c) Section 1833(c) of such Act is amended by striking out all that follows "purposes of subsections (a) and (b)" and inserting in lieu

thereof "no more than \$1,000"

(d) The amendments made by subsections (a) and (b) of this section shall be effective in the case of services furnished after the date of enactment of this Act, and the amendment made by subsection (c) shall be applicable in the case of services furnished in any calendar year after calendar year 1980.

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16).

(2) by redesignating paragraph (17) as paragraph (18), and

(3) by inserting immediately after paragraph (16) the following new paragraph: "(17) services of a mental health specialist

(as defined in section 1861(bb)); and".

(b) Section 1902(a)(13)(C)(ii) of such Act is amended by striking out "numbered (1) through (16)" and inserting in lieu thereof "numbered (1) through (17)".

LEGISLATION TO AMEND EXCISE TAX ON TRUCK PARTS

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mr. BRODHEAD. Mr. Speaker, today, I and my colleague, Mr. Vander Jagt of Michigan, are introducing legislation to amend the manufacturers excise tax on truck parts and accessories. This legislation is necessary to help remove competitive disadvantages within the industry that have been caused by the current structure of the excise tax, and to alleviate the heavy burden of complying with certain complicated provisions of the law which yield very little revenue to the Federal Government.

The legislation has three main provisions. First, it repeals the excise tax on light-duty truck parts. The vast majority of these parts are already exempt from taxation under the current law. The costs to the industry of keeping track of the remaining few, which are used as replacement parts, are very high. The tax is also easy to avoid, and is often not paid, a fact which puts careful, honest manufacturers at a competitive disadvantage as compared with those who do not monitor carefully which of their parts are taxable and which not. Because of concerns that the outright repeal of the tax on light-duty truck parts might lead to certain parts for heavier trucks escaping taxation, I considered including special authority for the Secretary of the Treasury to promulgate lists of parts considered taxable under the statute. However, I became convinced that this authority already exists under section 7805 of the Internal Revenue Code, and we anticipate that it will be exercised.

Second, the bill corrects an unfair situation created by the current law, in which manufacturers of truck bodies or chassis who combine a body or chassis with one or more of a specified list of parts or accessories must pay a tax of 10 percent on the entire unit, while a nonmanufacturer who performs the same operation is liable for only an 8 percent tax on the part or accessory. There is no good reason for this discriminatory tax treatment, which creates an arbitrary disadvantage for manufacturers of bodies and chassis.

Last, the bill expands the list of items which are not subject to the 10percent tax merely by reason of the combination. The tax status of one of these proposed additions to the listthe mere lengthening or shortening of a truck body or chassis-has been a subject of considerable litigation and of confusion within the industry. The amendment would end the confusion as to what constitutes a taxable operation. The second addition-a lift axle-is considered within the industry to be an accessory, rather than further manufacture, as it is presently treated. In addition, the tax is often not collected on the addition of a lift axle, since this operation is often carried out after title to the truck transfers to the ultimate purchaser, and he, rather than the person hired to do the work, is responsible for paying the tax. In many cases, the customer is unaware of his liability for the tax and it goes uncollected. Thus, little revenue loss would result from bringing the tax into conformance with industry practice, and a burden on those parts distributors who install a lift axle before the ultimate sale of the truck would be lifted.

It is my view that these changes would be of great help to an already distressed industry, yet would have such a small revenue effect that they would not preempt ongoing efforts to develop a comprehensive solution to the financing of the Highway Trust Fund. I hope that my colleagues will lend their support to this measure.

H.R. 3789: THE FREE MARKET GOLD COINAGE ACT-FREE-DOM OF CHOICE IN CURRENCY

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

. Mr. DANIEL B. CRANE. Mr. Speaker, the fundamental principal of our economy and perhaps of our entire society is the right to freely choosefreedom of choice in the marketplace. We who sit in Congress have been so honored because our fellow citizens exercised their right to freely choose their representatives. As our pledge to the Constitution makes clear, we have the responsibility to uphold this most basic of rights for all citizens.

While we endorse the peoples' right to choose in the marketplace, however, we deny them what many believe to be the most fundamental choice of all. That is the freedom of choice in

currency.

Many people in our country want the economy to be based on the gold standard. They argue that gold is sound money and that it would be anti-inflationary. President Reagan has reportedly said that no nation that cut its ties to gold has survived. Others, though, don't believe that a gold standard would be an asset to our economy. They point to many potential problems, such as the availability of supply and the difficulty in fixing the price.

Mr. Speaker, I think that the only solution consistent with the ideas of free society is to let those who wish to commerce in gold be free to do so. That is why I have introduced H.R. 3789, the Free Market Gold Coinage Act. It calls for the establishment of gold coins as an alternative lawful tender without abandoning the dollar and without fixing the price of gold. It thus overcomes the primary objection of those opposed to gold coins while permitting freedom of choice to all concerned—those who want a gold

standard and those who do not.

Naturally, there have been many questions about my proposal. In order to address the most often asked questions, and to introduce the idea to my colleagues who have not had an opportunity to study it, I am hereby publishing the text of H.R. 3789, followed by some of the most common ques-tions. I hope my colleagues will seri-

ously consider supporting this measure, as it brings to our currency what is cherished in the rest of the economy: freedom of choice.

H.R. 3789

A bill to provide for the minting of United States gold coins

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the Free Market Gold Coinage Act".

POLICY OF THE UNITED STATES

SEC. 2. (a) It shall be the policy of the United States to promote the free coinage

of gold at a free market price.

(b) Nothing in this Act shall be construed to prohibit or to discourage the manufacture or circulation of gold coins by persons, organizations, or agencies of the several States, nor to restrict the free importation or exportation of gold coins for either monetary or nonmonetary purposes.

PUBLIC COINAGE

Sec. 3. (a)(1) The Secretary of the Treasury shall offer the gold bullion reserves of the United States for sale to the public, except that such sales shall only be in the form of gold coins which are minted in accordance with the provisions of this Act.

(2) All such gold coins shall be minted from .900 fine gold of a standard coin alloy which shall be determined by the Secretary.

(3) The weight of each such gold coin, as specified in subsection (b)(1)(A), refers only to the gold content of such gold coin and not to the weight of the standard coin alloy involved.

(b)(1)(A) The Secretary shall mint-

(i) gold coins which weigh 1 troy ounce (31.103 grams):

(ii) gold coins which weigh 1 ounce (28.349

(iii) gold coins which weigh 10 grams (154.321 grains); and

(iv) gold coins which weigh 5 grams (77.161 grains).

(B) Not less than half, as measured by weight, of all such gold coins minted and sold under this Act shall be of the weight specified in clauses (iii) and (iv) of subparagraph (A). After conducting public hearings, the Secretary shall determine the proportion of gold coins described in clauses (i) and (ii) of subparagraph (A) which shall be minted under this Act.

(2) One side of each gold coin described in paragraph (1)(A)(i) shall bear the likeness of John F. Kennedy in left-profile, and inscription of the year in which such gold coin is minted, the inscriptions "Liberty" and "In God We Trust", and an appropriate mint mark which shall be determined by the Secretary. On the other side of each such gold coin, the inscriptions "E Pluribus Unum" and "United States of America" shall surround the inscription "One Troy Ounce Gold" which shall be not less than one-half of the diameter of such gold coin in both height and width.

(3) One side of each gold coin described in paragraph (1)(A)(ii) shall bear the likeness of Abraham Lincoln in right-profile, an inscription of the year in which such gold coin is minted, the inscriptions "Liberty" and "In God We Trust", and an appropriate mint mark which shall be determined by the Secretary. On the other side of each such gold coin, the inscriptions "E Pluribus Unum" and "United States of America" shall surround the inscription "One Ounce Gold"

which shall be not less than one-half of the diameter of such gold coin in both height and width.

(4) One side of each gold coin described in paragraph (1)(A)(iii) shall bear the likeness of Thomas Jefferson in left-profile, an incription of the year in which such gold coin is minted, the inscriptions "Liberty" and "In God We Trust", and an appropriate mint mark which shall be determined by the Secretary. On the other side of each such gold coin, the inscriptions "E Pluribus Unum" "United States of America" shall subject to the following sentence, surround the inscription "10" which shall be less than one-half of the diameter of such gold coin in both height and width. Immediately below the inscription "10" shall be the inscription Gold Grams"

(5) One side of each gold coin described in paragraph (1)(A)(iv) shall bear the likeness of Adam Smith in right-profile, an inscription of the year in which such gold coin is minted, the inscriptions "Liberty", "In God We Trust", and "Adam Smith", and an appropriate mint mark which shall be determined by the Secretary. On the other side of each such gold coin, the inscriptions "E Pluribus Unum" and "United States of America" shall, subject to the following sentence, surround the inscription "5" which shall be not less than one-half of the diameter of such gold coin in both height and width. Immediately below the inscription "5" shall be the inscription "Gold Grams".

(c) The edges of all gold coins minted pursuant to this section shall be milled in a manner which will discourage shaving of the edges of such gold coins.

(d) No seigniorage shall be charged by the Secretary for any gold coin minted under this Act, except that the Secretary shall charge a production fee whenever a gold coin which is minted by the Secretary under this Act is sold by the Secretary for the first time or is offered by the Secretary for the first time in an exchange under section 5(a) for gold bullion or gold coins which contain less than .900 fine gold.

(e) Gold coins may be minted by any State or local government or by any person, whether or not such person mints such coins in the United States, except that such gold coins shall not bear the inscription

United States of America" FREE MARKET PRICE OF GOLD

SEC. 4. (a)(1) In accordance with regulations which shall be prescribed by the Secretary, the Secretary shall establish a formula for determining on an hourly basis the competitive market price of gold.

(2) The Secretary shall collect information on gold sales from the organized gold exchanges in London, England, Hong Kong, New York, New York, Chicago, Illinois, San Francisco, California, and the standard metropolitan statistical area in which Los Angeles, California, is located. The Secretary shall use such information together with such formula to determine the competitive market price of gold.

(3) In using such information with such formula, the weight given to the information received from any such gold exchange shall be equal to the ratio, expressed as a percentage, which the total amount of gold sold on such exchange during the period involved bears to the total amount of gold sold on all such gold exchanges during such

period.

(b) The competitive market price of gold as determined under this section shall be the conversion rate between dollars and

gold (hereinafter in this Act referred to as the "Official Conversion Rate").

PURCHASES AND SALES OF GOLD

SEC. 5. (a) The Secretary shall exchange gold bullion or gold coin from any source for its equivalent weight in gold coins minted under this Act. The production fee shall be waived if the gold bullion or gold coin offered for exchange contains not less than .900 fine gold. At the election of the person offering such gold bullion or gold coin to the Secretary, any difference in units of weight shall be paid in dollars at the Official Conversion Rate.

(b) All purchases and sales of gold by the Secretary shall be made at the Official Conversion Rate prevailing at the time of entering into the agreement to buy or sell gold even if the delivery of such gold does not occur at the time of entering into such

agreement.

(c) Neither the United States nor any State-

(1) shall impose an excise or transaction tax upon the use of gold or upon banking services that involve the promise to pay with gold; or

(2) shall restrict the convenient transfer of any ownership or equity interest in gold, such as checking or savings accounts, or certificates of deposit or promissory notes

stated in terms of gold.

(d) If any party to a legal action before any court or administrative agency of the United States or of any State or territory within the jurisdiction of the United States elects to pay or receive any judgment, award, or penalty in gold, the rate of conversion of gold into dollars or dollars into gold shall be the rate that prevailed at the time that the claim or cause of action acpublic record at such time shall be conclusive evidence of such rate.

PROMOTION OF GOLD COINS

SEC. 6. The Secretary shall take all appropriate actions to encourage the public to recognize and use the gold coins minted under this Act.

REGULATIONS

SEC. 7. Not later than six months after the date of the enactment of this Act, the Secretary shall promulgate such regulations and take such other actions as are necessary to carry out the provisions of this Act.

DEFINITIONS

Sec. 8. For purposes of this Act-

(1) the term "production fee" means a fee equal to the cost of minting and selling a gold coin, including labor, materials, dies, use of machinery, overhead expenses, and the current market value of any metal, other than gold, contained in such gold coin; and

(2) the term "Secretary" means the Secretary of the Treasury".

The "Free Market Gold Coinage Act" does four important things:

1. It creates a new official gold coinage (Section 3).

2. It prevents the U.S. Treasury from manipulating the free market price of gold (Section 4).

3. It requires the U.S. Treasury to buy and sell gold coins at a free market price (Sec-

tion 5, parts a & b).

4. It guarantees that citizens can use the gold coins for all kinds of business and legal purposes, and the courts will enforce their right to choose gold instead of paper dollars (Section 5, parts c & d).

This bill is a major challenge to the monopoly power of the Federal Reserve System over the United States currency. Since the Fed has abused its monopoly power and caused inflation, it is time to give Americans the freedom of choice to avoid future inflation by using gold coins.

ANSWERS TO SOME OF YOUR QUESTIONS

Why should the United States have a gold standard?

Throughout history, gold coins have been recognized as "honest money." When President Roosevelt forced Americans to surrender their gold coins in 1933, he set the stage for the Great Inflation of the 1970s.

If Americans had enjoyed the freedom of

choice to use gold coins in business and for the protection of their savings, the terrible inflation would not have occurred. A gold coinage is necessary to give Americans back their Constitutional rights to honest money.

Why doesn't the bill include a Gold Dollar coin, as well as coins denominated in

ounces and grams?

The idea of a gold coinage requires each coin to be a clear and accurate weight of gold. A "dollar" is not a unit of weight. The origin of the dollar goes back to a large, high-quality silver coin that circulated in the Thirteen Colonies at the time of the American Revolution. Because there was no international system of weights and measures in 1776, the United States just adopted the most common coin and made it the standard unit. In our modern gold coinage proposal, we need to use the same units of weight that the National Bureau of Standards specifies for everything else in business and world trade.

Also, if you think about it—"a gold dollar

coin" would be a coin with a fixed price, and it would not circulate as money. An old eco-nomic rule known as "Gresham's Law" would drive all of the "gold dollar coins" out

of circulation.

Why should there be coins in both ounces and grams, instead of just ounces and half,

quarter, and tenths of ounces?
Since the new coinage is denominated in units of weight, it is important to have representative units from each of the common systems of measurement. Since even the smallest gold coin would be too expensive for use as pocket change, it is more impor-tant to have full-sized units instead of fractional units.

The fundamental principle of the new gold coinage is the freedom of choice for individuals-yet some people want ounces and others prefer grams. The Free Market Gold Coinage Act gives everybody freedom of choice to weigh their gold coins in any manner they choose. People who prefer a decimal coinage will want grams, and people who prefer a traditional coinage will want

Does the "Free Market Gold Coinage Act" fix the price of gold or make the dollar convertible into gold at a fixed price?

No, that would cause financial problems for American business. The main problem with the classical gold standard, like the one in the 19th century, was the fixed price of gold. Price-fixing always causes problems in a free market economy.

Under the 19th century gold standard, there were often bank failures and business cycles. This modern proposal for freedom of choice to use gold if you-individually want to, will not cause any financial problems for business.

Why does the "Free Market Gold Coinage Act" say that private corporations and agencies of State governments can mint gold coins?

The free market is the best way to determine how many gold coins should be in cir-culation. If the U.S. Treasury had a monopoly over the gold coins, then there might be too many or too few coins in circulation. By permitting anyone to mint honest-weight coins, we can guarantee that there will be no problems with the supply of coins. No U.S. mark, though, would appear on the private coins.

The four coins that H.R. 3789 calls for are not the only coins that can be minted, either. As long as the weight of a coin is clearly stamped on the back of the coin, you could put anybody's picture on the face of it. This is an important part of "freedom of choice in currency" too.

How will the "Free Market Gold Coinage

Act" take away the monopoly of the Federal

Reserve System?

A monopoly is defined as a "single seller" of a product. The product in this case is money, and all current U.S. money is Federal Reserve Notes. If anybody can manufacture and issue gold coins, then there is no longer a monopoly.

Just as important, but slightly more technical, is that the cause of inflation has been too much money in circulation. As long as there is only one kind of money, due to the monopoly, people in business are not able to tell the new, excessive money from the older money they may have received the previous year. If they could tell the difference, they might recognize that the new money is worth less than the old money.

Under the "Free Market Gold Coinage Act," prices of goods and services quoted in terms of gold coins will be much more stable and predictable than prices quoted in terms of dollars. When the prices in terms of dollars increase, it will be clear that the Federal Reserve is making mistakes in its monetary policy. That is an important aspect, also, of eliminating its monopoly.

Would the oil-producing nations of the Middle East, or the gold-producing nations, like the Soviet Union and South Africa, be able to manipulate the price of gold?

No, because the Secretary of the Treasury would gather his information about the price of gold hourly from gold markets as widely separated as London, New York, Chicago, Los Angeles, and Hong Kong. Nobody could possibly manipulate all those markets. The Soviets and South Africa don't produce enough gold each year to cause its price to change. The beauty about gold as money is that most of the gold mined since the days of Adam and Eve still exists. Gold does not rust or corrode. The people who have caused the price of gold to jump up and down so violently in recent years are governments and central banks. Under the "Free Market Gold Coinage Act" no country or group or individuals could possibly manipulate the price of gold.

If people had the right under the "Free Market Gold Coinage Act" to use both gold coins and paper dollars in business, wouldn't that cause confusion?

People are never confused about real economic values, only about technical or legal things. If the contracts or financial papers are confusing today, individuals ask for the advice of experts. The experts would have no trouble with this proposal to use gold, and we think that the average person would have no trouble either.

Since the value of the smallest gold coin would still be relatively high, at today's price of gold, the coins would not be very common at the grocery store. People would still prefer folding money to carry in their

pockets, but for their savings or for larger purchases, they should have the right to use gold.

Can you provide the names and addresses of other places for information on the gold standard?

The following are non-profit, tax-exempt sources of reliable information about gold

and money:
Committee for Monetary Research and Education, Postal Box 1630, Greenwich, Connecticut 06830.

U.S. Choice in Currency Commission, 325 Pennsylvania Avenue, SE., Washington, D.C. 20003.

Foundation for Rational Economics and Education, Postal Box 1776, Lake Jackson, Texas 77566.

FEDERAL HIGHWAY PROGRAM

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

Mr. ALBOSTA. Mr. Speaker, the House of Representatives has today taken a major step forward in approving H.R. 4209, a bill making appropriations for the Department of Transportation in fiscal year 1982. This important bill obligates \$8.2 billion for the Federal highway program covers interstate, primary, and secondary roads as well as Federal bridges. Without an effective highway system, farmers are unable to move goods to market efficiently, business cannot ship products as cheaply, thereby holding down the cost to consumers, and finally people cannot travel as easily around this great country

As a member of the Public Works and Transportation Committee, I strongly support the Federal highway program that has evolved during the past 30 years. We need to improve upon the present system and make sure it does not deteriorate through inadequate funding. I also want to pay tribute to America's roadbuilders who have worked so effectively with the Federal Highway Administration and the State departments of transportation around the country to build and maintain our Interstate Highway

System.

Today's vote in support of H.R. 4209 will help provide the funds necessary to continue this program in fiscal year 1982. We must continue to support the highway program as we rebuild the American economy in the 1980's.

THE FARMWORKER BILL OF RIGHTS ACT

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

 Mrs. CHISHOLM. Mr. Speaker, today I am introducing the Farmworker Bill of Rights Act. Despite countless volumes of testimony, hundreds of existing statutes and regulations, frequent media exposes, and occasional public outcries, migrant farmworkers remain the most exploited and impoverished group of workers in America. My proposed legislation, if enacted by the Congress, could finally put an end to conditions that have been correctly labeled a "Harvest of Shame."

At the heart of the Farmworker Bill of Rights Act is the opportunity for individual consumers, through his or her own purchases, to support decent living and working conditions for migrant farmworkers. Once a farmworker bill of rights is prepared by the seven-member Commission created by this legislation, agricultural products for sale in our stores would begin displaying labels indicating that the items were produced by employees covered by the farmworker bill of rights. Under a purely voluntary system that creates no enforcement bureaucracy or regulatory maze, agricultural employers could seek permission of the Commission to label their products, and consumers could check for the label on the goods they buy. Through this free enterprise approach, market forces would provide the incentive for eliminating the shameful exploitation of America's migrant farmworkers.

The Congress, and several State legislatures, have attempted over the years to address this issue. Unfortunately, the laws have been weak, and their enforcement has been weaker. My bill seeks to provide a comprehensive solution that covers all areas of farmworker needs by mandating that the Farmworker Bill of Rights include provisions on labor, health and safety, education, housing, and access to Government programs.

A few grim facts point out the persistent needs in all these areas:

Most farmworkers are denied the right to join unions or bargain collectively for wages and benefits;

The average family income for migrants is under \$4,000 per year, more than three-fourths live under the official poverty level, and few earn the minimum wage:

Farm labor is the third most dangerous occupation in the country, and health problems are compounded by unsanitary conditions and exposure to hazardous chemicals;

Seventy-eight percent of migrant children never complete high school, and schooling is frequently interrupted as families travel from State to State:

Migrant farmworkers often stay in isolated labor camps lacking clean water, sewer systems, paved streets, and adequate living space; and

The average life expectancy for migrants is just 49 years.

The 1960 documentary, "Harvest of Shame," was recently rebroadcast on

television. Not only was it shocking to be exposed to the plight of migrants some 20 years ago, it was also frustrating and depressing to know that there has been little change or improvement since the film's 1960 Thanksgiving Day airing.

A new generation of excluded Americans still toils in the sweatshops of the soil. They still live as primitive as man can live. They still exist as rented slaves who suffer from bad housing, flies, mosquitoes, dirty beds, dirty toilets, and no hot water for bathing. They still travel thousands of miles each year to work, but still food and cattle travel better. They are still trapped in the stream in an updated version of John Steinbeck's "Grapes of Wrath," and they have nobody in Congress to really represent them.

A recent series of articles by Ward Sinclair in the Washington Post is yet another illustration of our lack of progress. His focus on the "Migrants of the East" portrays the poverty, hunger, illness, ignorance, and exploitation suffered by migrants working just a few hours away on the farms of Maryland's Eastern Shore. We are reminded that it is a life of uncertainty and peril for the thousands of migrants that arrive for the harvest.

Nearly 5 million people in this Nation work to produce the food we consume. Of the 1 million who are migrant farmworkers, over half are Hispanics, a third are black, 100,000 are Native Americans, and the remainder are white. These people, these families, deserve better treatment for the invaluable labor they perform. They deserve decent incomes, decent education, decent health care, and decent living conditions.

They deserve protection by a farmworker bill of rights that will be enforced by the American public which uses what migrant labor produces.

Mr. Speaker, my conscience will no longer allow me to wait patiently for improvement, when no improvement is discernable. It is time for a U.S. Commission on Farmworkers to be established, and time for it to get to work on the drafting and implementing of a farmworker bill of rights. For the sake of the migrants, and for the sake of the conscience of America, I hope the bill is considered and enacted before another "Harvest of Shame" has begun.

Following is the complete text of the Farmworker Bill of Rights Act:

A bill to establish the United States Commission on Farmworkers, to authorize such Commission to draft a Farmworker Bill of Rights, to provide for the labeling of agricultural products to inform con-sumers that the products were produced in conformity with such Bill of Rights, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Farmworker Bill of Rights Act".

ESTABLISHMENT OF COMMISSION ON FARMWORKERS

SEC. 2. There is established a commission to be known as the United States Commission on Farmworkers (hereinafter in this Act referred to as the "Commission").

DUTIES OF COMMISSION

SEC. 3. The duties of the Commission are as follows:

- (1) Prepare a Farmworker Bill of Rights establishing minimum standards for the protection of farmworkers which shall take effect unless disapproved by the Congress pursuant to section 7(a) of this Act. Any standard established pursuant to this paragraph shall incorporate, and not diminish, any requirement of existing law concerned with the subject matter of such standard. The Farmworker Bill of Rights shall cover at least the following issues with respect to farmworkers:
 - (A) Labor Rights.

(i) Collective bargaining and negotiation for wages.

- (ii) Workers compensation.
- (iii) Unemployment insurance. (iv) Social Security coverage.
- (v) Minimum wage protection. (vi) Pensions and retirement pay.
- (vii) Overtime pay.
- (viii) Preference over temporary foreign
- (B) Health and Safety Rights. (i) Protection from exposure to pesticides.
- (ii) Health insurance.
- (iii) Safe equipment and machinery.
- (iv) Drinking and washing water in the field.
- (v) Toilet facilities in the field.

(C) Housing Rights.

- (i) On-farm housing which, when occupied, continuously exceeds any applicable minimun standards set by the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) or regulations issued under the authority of such Act.
- (ii) Access to housing camps on farms by visitors of farmworkers during non-working hours

(D) Education Rights.

- (i) School attendance for all children of compulsory school age which is equivalent, in hours per year, to school attendance of children in nonmigrant farmworker fami-
- (ii) Adult and high school equivalency education.
- (iii) Preschool programs for children of ages 3 to 6.
- (iv) Day care for children up to 6 years of age
 - (E) Government Program Access Rights.
- (i) Accessibility to programs provided by Federal, State, and local governments.
- (ii) Abolition of or limitations on restrictive residency requirements as applied to farmworkers.

(2) Devise labels to be attached to domestically produced agricultural products to indicate to retail consumers that the agricultural product was (A) produced using farmworkers covered and protected by the Farm-worker Bill of Rights, or (B) not produced using the labor of farmworkers.

(3) Establish a procedure enabling growers and producers of agricultural products who employ farmworkers to apply for and receive (A) certification by the Commission that such farmworkers are employed under conditions which meet the minimum standards set by the Farmworkers Bill of Rights. and (B) the right to use the labels described

in paragraph (2)(A).

(4) Establish a procedure enabling growers and producers of agricultural products who do not employ farmworkers covered under the Farmworker Bill of Rights to apply for and receive (A) certification by the Commission that no such farmworkers are employed by the applicant, and (B) the right to use the labels described in paragraph (2)(B).

(5) Establish procedures for obtaining such assistance as is necessary to enable the Commission to administer the certification program and to monitor certified growers and producers for continued compliance with the Farmworkers Bill of Rights from Federal departments and agencies which implement the various Federal laws which concern farmworkers, including the Department of Agriculture, the Department of Labor, the Occupational Safety and Health Administration, the Department of Health and Human Services, the Community Services Administration, and the Environmental Protection Agency.

(6) Serve as a national clearinghouse for information on Federal, State, and local laws and regulations which concern farmworkers, and investigate and provide information on the status of compliance, nationwide, with the provisions of the Farmwork-

ers Bill of Rights.

(7) Establish a procedure for periodic review of the laws, regulations, and policies of the Federal government that pertain to farmworkers to determine the effectiveness and the degree of implementation of such laws and policies.

(8) Make recommendations for improvements in Federal programs relating to farmworkers and better coordination between Federal departments and agencies adminis-

tering such programs.

(9) Develop a reasonable standard definition of "farmworker".

MEMBERSHIP

Sec. 4. (a) NUMBER AND APPOINTMENT.-The Commission shall be composed of seven members, appointed by the President and with the advice and consent of the Senate, from persons who are not officers or employees of any government. One individ-ual shall be appointed from among persons who are agricultural producers or representatives of a growers organization and one person shall be appointed from among persons who are specially qualified in one of each of the following fields by virtue of their education, training, or experience:

(1) Labor.

- (2) Health and occupational safety.
- (3) Housing.
- (4) Education.
- (5) Public administration.

(b) TERMS.-(1) Except as provided in paragraph (2), members shall be appointed for unstaggered terms of five years.
(2) Any member appointed to fill a vacan-

cy occurring before the expiration of the

term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(c) Basic Pay.-Members of the Commission shall each be paid at a rate not to exceed the rate of basic pay payable for level III of the Executive Schedule.

(d) QUORUM.-Four members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(e) CHAIRMAN.—The Chairman and Vice Chairman of the Commission shall be designated by the President. The Chairman and Vice Chairman shall not be of the same political party.

STAFF OF COMMISSION

Sec. 5. (a) DIRECTOR.—The Commission shall have a Director who shall be appointed by a majority of the Commission.

(b) STAFF.—Subject to such rules as may be prescribed by the Commission, the Director may appoint such personnel as the Commission considers appropriate.

(c) APPLICABILITY OF CERTAIN CIVIL SERV-ICE LAWS.-(1) The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(2) The Director and staff shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Commission, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum rate of basic pay payable for GS-18 of the General Schedule.

POWERS OF COMMISSION

SEC. 6. (a) HEARINGS AND SESSIONS.-The Commission may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony and receive such evidence, as the Commission considers appropriate.

(b) Powers of Members and Agents.-Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take.

(c) OBTAINING OFFICIAL DATA.-The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman or Vice Chairman, the head of such department or agency shall furnish such information to the Commission.

(d) Mails.-The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(e) ADMINISTRATIVE SUPPORT SERVICES. The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(f) Subpena Power.—(1) The Commission may issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. Such attendance of witnesses and the production of such evidence may be required from any place within the United

States at any designated place of hearing

within the United States.

(2) If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judical district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpenas of the Commission shall be served in the manner provided for subpenas issued by a district court of the United States under the Federal Rules of Civil Procedure for the district courts of the United

States.

(4) All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or

may be found.

IMMUNITY.-No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

REPORT

SEC. 7. (a) FARMWORKER BILL OF RIGHTS.—
(1) The Commission shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives the report containing the proposed Farmworker Bill of Rights prepared pursuant to the first paragraph of section 3 of this Act by the end of the one year period beginning on the date

the Commission is duly organized.

(2) The proposed Farmworker Bill of Rights described in paragraph (1) shall not take effect if within the ninety calendar days of continuous session of the Congress which occur after the date of receipt of the report described in paragraph (1) by the Secretary of the Senate and the Clerk of the House of Representatives, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows (with the blank space appropriately filled): "That the Congress disapproves the Farmworker Bill of Rights which was promulgated under the Farmworkers Act by the United States Commission on Farmworkers and which was transmitted to the Congress on ."

(3) For purposes of this subsection—
(A) continuity of session is broken only by an adjournment of the Congress sine die;

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the periods of continuous session of the Congress speci-

fied in paragraph (2).

(b) Legislative Recommendations.—The Commission shall transmit to the President

and to each House of the Congress a report

containing such recommendations for legislative action as it considers appropriate not later than February 1 of each year.

(c) Administrative Recommendations.— The Commission shall transmit to the President a report containing its recommendations for administrative actions whenever the Commission considers such action appropriate.

ROY WILKINS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Thursday, September 10, 1981

• Mrs. COLLINS of Illinois. Mr. Speaker, it is with great sadness and an acute sense of loss that I, along with millions of Americans, mourn the death of Roy Wilkins, well-known leader of the National Association for the Advancement of Colored People.

Black America has lost one of its most eminent leaders. Roy Wilkins dedicated more than 50 years of his life to the social, economic, and political betterment of his race. As a civil rights activist, his leadership of the NAACP was instrumental in the Supreme Court's school desegregation decision of 1954. He took his untiring efforts for racial equality and human rights to the streets as well as to the courts. As early as 1934, Roy Wilkins was marching for civil rights. As the years passed, his civil rights marches took him to such landmark cities as Selma and Montgomery, Ala., Jackson, Miss., and Memphis, Tenn.

Roy Wilkins' unselfish humanitarianism has for decades inspired all mankind. He has been praised and revered by people from all walks of life.

Indeed, Roy Wilkins will be sorely missed. We must pick up the torch he left behind and carry on.

GRATEFUL TRIBUTE TO BEN T. PLYMALE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. KEMP. Mr. Speaker, on August 8, I lost a friend—and the United States lost a patriot. His name was Dr. Ben T. Plymale, a brilliant defense strategist and engineer. Ben's formidable talents were placed in service of the Nation on many occasions: From 1968-72, when he served as Deputy Director of Defense Research and Engineering, and most recently as second in command of the Defense transition team.

Ben's judgment in matters of national security was held in highest regard by his professional colleagues, bringing distinction to the Boeing Corp., which he served with singular dignity and loyalty for 30 years. But his

friends will remember him best for his forthright honesty; his knack for seeing the essence of any issue or individual, and stating his opinions without hesitation or equivocation; and the special touches of humor that could come only from him, reflecting both his sense of realism and the uncompromising principles by which he lived.

While critically ill from cancer and a failing heart, Ben devoted countless hours and bottomless energy to the campaign and transition work for Ronald Reagan. A leading candidate and my personal choice—for Undersecretary of Defense for Research and Engineering, Ben withdrew his name from consideration for the office because he feared that his poor health might impinge upon his ability to continue to serve in an official capacity. But his advancing illness did not detract from his unofficial, uncompensated service to the Nation, as he completed work on the alternative defense budget President Reagan commissioned his campaign task forces on defense to prepare, and he actively participated in internal debates over the future of U.S. strategic forces. With this, and much more, how can we begin to measure the contributions Ben has made to the security of our Nation?

I am proud to have known Ben Plymale, and to offer this tribute as a token of my gratitude for his advice and friendship and for the high service he rendered the United States.

At my request, just a week before his death, Ben prepared discussion papers on several key issues in the MX-ICBM debate. Now I believe it only fitting that I share this work with my colleagues, that the country might have the benefit of his counsel one more time:

ISSUE PAPERS BY DR. BEN T. PLYMALE

I. LAUNCH ON WARNING OF ICBM'S

"Launch on Warning" is being discussed as one of the possible options to ensure survivability of ICBM's against preemptive enemy arguments related to this option.

The Launch on Warning concept calls for launching our ICBM's following warning information to the effect that enemy missiles are actually on their way, and are aimed at our ICBM launch sites. In this sense, Launch on Warning (LOW) is not preemptive, since it will only take place upon reliable evidence that the enemy has actually fired its first strike.

On the pro side of the LOW issue, one must recognize that if our ICBM's are launched on warning, they will "survive", in the sense that they will destroy the intended targets (subject to the usual attrition factors due to reliability and penetration). It is also possible, although by no means proven, that the improvements in the warning and command and control systems which could make the Launch on Warning concept technically acceptable would result in somewhat lesser overall cost than looking to completely new systems to ensure survivability.

The arguments against the attractiveness of the LOW concept are many and interacting. For reasons of clarity, they are grouped here into four categories: Technical, Military, Policy and Cultural.

1. Technical

The LOW concept depends on sensors to detect that an attack is in progress, on communication links to relay the sensed information, on data processing equipment where sensed information is combined to gain increased confidence, and requires an override (or veto) function, to give the President or National Command Authority the option of circumventing automatic response.

Under many situations, many different types of sensors can be used to enhance strategic warning and increase system confidence. However, we must provide protection against a totally unexpected (surprise) attack or be vulnerable to its consequences. Only satellite sensors and early warning radars are useful in this context. In the LOW context, false alarms, due to equipment failures that report an attack are catastrophic in that they result in an unwarranted nuclear war, so a high degree of equipment redundancy is absolutely required. Failures that result in not reporting an attack when one is in progress are also catastrophic. When the attacker can cause such failure he is motivated to attack rather than be deterred. When these are not caused by the attacker, he may be deterred to some extent, but the survivability feature of LOW has, nonetheless, failed.

In any redundant systems, some form of "voting" mechanism is needed to reject or accept the inputs received from the sensors. While the sensors and communication networks can be made highly redundant, in the end the "voting" mechanism will be the weakest link in the confidence building chain. Within our ability to forecast and plan, the technology state of the art will not support a data processing mechanism with sufficient confidence to chance a nuclear war when one is not called for.

The LOW veto power given to the NCA is more cosmetic than real and may indeed be counterproductive as discussed below. If the NCA had any independent basis on which to execute a veto, such basis would be incompatible with the LOW mechanization to increase its reliability and confidence.

Even though the performance of the warning, command and control system can be tested to a certain degree in the field, the possible destruction by means of enemy attacks on key elements, or the possible degradation by means of enemy countermeasures cannot be accurately predicted or essentially precluded. This introduces a further element of uncertainty in the decision process implied in LOW approach to survivability.

2. Strategic

Our deterrent capability against the Soviet Union is further weakened by allowing the Soviet decision makers any room for doubt about the reliability of our retaliatory strikes. If it is possible for the Soviets to interfere with our warning, command and control systems even for the short time span required for the LOW to offer its alleged advantages, then such doubt becomes possible with possibly catastrophic consequences.

The short period preceding the irrevocable commitment of our missiles in the LOW mode precludes retargeting, i.e., changing the targeted aimpoints prior to launch. This, of course, deprives the ICBM force of

one of its most attractive attributes, flexibility coupled to accuracy.

Retention of a secure reserve force, capable of supporting our national objectives over long protracted periods of nuclear warfare, is considered as a paramount requirement of our strategic posture. To various degrees, the other elements of our strategic TRIAD exhibit deficiencies in regard to this essential characteristic of endurance. Making the ICBMs dependent on LOW for survival would in effect deprive this segment of the TRIAD from any degree of enduring survival.

3. Policy

Our policy is, and is expected to remain, to endure any conceivable attack on our strategic nuclear forces and to decide the appropriate response following careful assessment of our then apparent national interests and objectives. Under no circumstances should the President be faced with the dilemma of either losing significant fraction of all strategic nuclear forces, or launching them against a previously established target set which may not at that time be consistent with our national interest. If for instance our ICBMs are targeted in the 'counterforce" mode, they may be simply wasted on empty enemy launchers. If our LOW salvo is even partially aimed at Soviet urban/industrial targets, we may precipitate a Soviet retaliatory strike against our own cities. This could result in excess of 100 million U.S. fatalities, If the original attack was limited to our ICBM force and we survived the attack, assessed damage and limited our reponse to a counterforce attack we might well be able to terminate hostilities with as little as 10 million fatalities. An automatic LOW response almost guarantees the deaths of half or more of our popula-

The LOW concept implies that the President has the capability to effect a massive ICBM launch against Soviet targets by simply not exercising his veto power to stop and otherwise irrevocable LOW process. In effect then, the President can, by default, start a nuclear war on the basis of the (possibly automated) command and control decision process, overlaid by his personal judgment in regard to a matter of such momentous consequences. He may, if there is time, consult his personal advisers, but he is more likely to make the ultimate decision on the basis of his own deeply held standards, convictions and prejudices. The Cabinet may not be at hand on short notice; but consultation with Congress, as required by law in matters of exercising war powers, is certainly out of the question.

4. Cultural

Irrespective of the formally prescribed process for leasing nuclear weapons, the individual exercising the functions of the National Command Authority (NCA) faces a problem of unprecedented nature and magnitude when it comes to commit, or not to veto, the massive use of nuclear weapons. When the decision must be taken in a matter of minutes, when the views of the advisors are confused or conflicting, and when the outcome would result in certain death for tens of millions of human beings, it is almost certain that the NCA's decision will be against the launch of our weapons. This simple fact deeply rooted in our cultural background, is largely independent of the political persuasion of the individuals involved and cannot be changed by additional refinement in equipment or procedures. It is a massive argument against the alleged survivability afforded by the Launch on Warning concept.

II. BALLASTIC MISSILE DEFENSE OF ICBM'S Introduction

Solutions to the ICBM survivability question, with major emphasis on basing alternatives, have been studied by the past four administrations, examined in depth by innumerable expert panels and committees, and further reviewed extensively by the Congress. Alternative survivable ICBM deployments were analyzed based on proposals from basement inventors, universities, "think tanks", major defense contractors, and the Armed services.

As a result of this exhaustive public review and the ongoing R&D program, the MX MPS system advantages and disadvantages are well understood. However, an uneasiness still persists with respect to some perceived disadvantages of MX MPS basing—such as the environmental impact. This continuing uneasiness has led to a compulsion to discover a quick and easy answer.

An active defensive system or ABM is now a candidate to solve the ICBM survivability problem. But is the ABM technology ready and can the proposed ABM concept do the job? ABM systems have not been given serious consideration in recent years because of concern over (1) adequacy of ABM technology in the nuclear environment, (2) effectiveness against a reactive threat, (3) MPS shelter proliferation cost advantage over ABM total costs, and (4) ABM treaty constraints. LoAD's ability to improve MX survivability is doubtful

The LoAD system, proposed to defend MX MPS, may cause MX to fail catastrophically by contributing to compromise in Position Location Uncertainty (PLU) before an initial attack. LoAD also could cause MX to fail catastrophically if a low level "spoof" attack forces LoAD to reveal the MX location, even if pre-attack PLU is not compromised. LoAD was not designed to engage a responsive Soviet threat, which might include maneuvering RV's, anti-radiation homing RV's, jammers, decoys, or a myriad of other potential countermeasures.

The ability of ABM's to protect ICBM's launchers in known locations has not been proven adequately

An ICBM, in a silo of known location, will be subject to saturation attack, not only on itself, but also on any defensive system designed to protect it. The reason that no U.S. operational ABM system exists today is that no one has been able to show cost effectiveness and technological feasibility for such a system.

Abrogation or modification of the ABM Treaty will be done deliberately, not by default

There exists in Congress a significant number of members who look to SALT type treaties to guarantee a stable strategic balance with the Soviets. If the current ABM treaty is to be modified or abrogated, Congress will insist that such action be weighed and argued on its own "arms control" merits rather than backing into such a decision by committing ABM for the defense of our ICBM's.

Conclusion

At this point, it is premature to make a major commitment to ABM defense of ICBM's. However, ABM systems show sufficient promise to warrant aggressive R&D, within the confines of the existing treaty, to resolve the critical technical questions while

the larger national security issues related to ABM undergo the test of public debate.

III. AIR LAUNCHED MX IN THE CONTINUOUS AIRBORNE ALERT BASING MODE ("BIG BIRD")

1. The continuous airborne alert basing mode for the air launched MX does not satisfy the major mission requirements

The continuous airborne alert basing concept calls for deployment areas over the oceans. Such deployment is, to a considerable extent, vulnerable to surprise attack. The Soviets are in position to develop specifically tailored "reactive threats," including surveillance and weapon delivery, which could, in a time frame well within our plan-ning horizon, preempt the MX force. Typical surveillance systems might be based on land or ship-based over-the-horizon (OTH) radars or satellite radars; weapons could be delivered by long-range strike aircraft equipped with terminally guided air-to-air semi-ballistic or cruise missiles.

The potential Soviet threat to the MX

carrier aircraft over international waters does not require the use of nuclear weapons to be effective. Individually targeted air-toair or surface-to-air interceptor missiles have at present operationally demonstrated short miss distances which result in very high aircraft kill probabilities while using conventional warheads. The potential for attrition and even preemption is a destabilizing factor in the strategic balance.

The continuous airborne alert based aircraft are severely limited in postattack endurance. The airborne endurance of the currently contemplated carrier aircraft is, at best, six to eight days. With less than ten nuclear weapons the enemy can destroy the main operating bases provided for recovery; with a few hundred weapons the enemy can destroy dispersed emergency recovery air-fields as well. In both instances, this is a very small price for him to pay to force us either to launch the MX missiles (which may result in immediate escalation to uncontrolled levels of general nuclear warfare, including attacks against our cities), or to lose the whole MX system for lack of usable recovery bases.

Airborne deployment, especially when constrained to slow, low-flying (propeller) aircraft in the interest of fuel economy, has all the disadvantages of placing major nuclear assets over broad ocean areas not under sovereign U.S. control. In this sense, airborne deployment has the disadvantages of submarine basing without the corresponding unique benefits of submarines: relatively long on-station endurance (up to 60 days) and being essentially unaccessible to wide-area surveillance.

2. The effectiveness of the proposed implementation concept(s) is open to question

The current configuration of the MX missile has not been defined in keeping with the requirements for air launch. Its size, range, and payload capability are not even close to that needed for an air launch role. There is no evidence based on test programs to show that an MX-size missile can be launched from the proposed aircraft. No commitment to such a system should be made until this capability is verified by

It is possible, and indeed likely, that other missile configurations (two Minuteman III missiles or several small, single reentry-vehicle missiles in the 20 to 25,000 lb. gross weight range) may be more suitable for the air launch deployment role.

In order to ensure even a minimal level of protection against surprise attacks, major

EXTENSIONS OF REMARKS

defensive assets (sea/air based air and antimissile defense) would have to be diverted from the U.S. general purpose forces. The cost of these defensive assets must be included when assessing the effectiveness of the airborne alert type deployment. Defensive assets will have to be provided from our heavily committed general-purpose forces inventory, if the enemy chooses to increase his preemptive threat against the MX airborne deployment.

The cost for the enemy to preempt an airborne alert based weapon system is considered to be much smaller than the resources required to preempt the MX in their landbased multiple shelter mode. The latter, for sake of comparison, imply the expenditure of 4,600 high-accuracy warheads or, alternatively, remarkably sophisticated gence/surveillance, retargeting capabilities.

Air-deployed intercontinental missiles not having access to accurate azimuth references will have delivery accuracy significantly inferior to those associated with land-based ICBM's. This can be remedied at the additional cost of radio beacon based inflight updating, which in turn introduces its own vulnerability risks.

Relatively low altitude, fuel efficient flight profiles (5,000 to 15,000 ft.) and propulsion techniques are required in order to give a minimum level of airborne endurance (six days). Such flight profiles imply accident rates far exceeding those normally associated with modern jet aircraft, and certainly far in excess of those associated with land basing. Extended deployment ranges may require flight through turbulent at-mospheric regions where the accident rate would be higher still.

The MX missile design is not best suited for airborne carriage. In point of fact, the specially developed airplane which is being proposed may not be necessary. It is an open question whether one should design the carrier aircraft for one large missile with ten warheads or for two or three Min-uteman III's with three warheads each, or perhaps for several small missiles each carrving a single warhead.

The number of trained crews is significantly larger than the number of airplanes in the air all the time. Six-day continuous airborne missions are beyond the experience

3. The continuous airborne alert basing has a number of undesirable side effects

The number of peacetime takeoffs and landings with the associated risk of crashes involving live nuclear weapons raises the question of environmental impact due to plutonium contamination. The problem could be partially solved by redesigning and procuring oralloy based warheads, but such designs and weapons are not now available in stockpile.

Attacks against the main operating bases or against the emergency recovery bases, aimed at destroying the endurance of the airborne deployment could result in several tens, and possibly hundred, million casual-

4. A number of technical, schedule, and cost risks are associated with the continuous airborne alert basing

Nuclear hardening of MX-carrier aircraft. Ejection of missile from aircraft, postlaunch stresses and flight dynamics.

New navigation/guidance initialization system.

dedicated special-purpose missile carrier aircraft.

Design of all-oralloy nuclear warheads.

All these put an early IOC date at considerable risk.

TRIBUTE TO MAYOR DAVID SHEPHERD

HON, JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

· Mr. BLANCHARD. Mr. Speaker, this past weekend the people of Oak Park, Mich., and the entire Detroit metropolitan area were shocked and saddened by the sudden death of one of the areas most influential and effective leaders, Mr. David H. Shepherd, mayor of Oak Park.

Dave Shepherd was much more than the mayor of one of the communities in my congressional district. The Detroit News called Dave Shepherd "One of the most powerful Mayors in suburban Detroit during the past 20 years,' and they went on to say, "The name Shepherd has been synonymous with suburban politics." He was a leader inside and outside of the community, he was one of the foremost authorities in the country on the issues, problems, and needs facing municipal government, he was someone that I often turned to for advice and counsel on matters affecting local government, and he was a personal friend.

The list of Dave Shepherd's public service activities is virtually endless. Let me mention just a few. He was elected mayor of Oak Park five times and was running again this fall. He was a former chairman of the Southeastern Michigan Council of Governments, a representative on the National League of Cities, the U.S. Conference of Mayors Environmental and Energy Committee, and the board of trustees of the Michigan Municipal League. He won the Tom Bradley Leadership Award from the National Association of Regional Councils as the outstanding policymaker of the Nation in 1978. He was 1 of 10 U.S. mayors invited to China this past year and 1 of 10 U.S. mayors invited to Israel in 1979 to discuss urban problems with Israeli Government officials. If Dave Shepherd had a downfall it was that he was simply too active for his own physical well-being.

Dave Shepherd was recognized and will be remembered as one of the most hard working and respected government leaders in the country. The fact that the mayor of a small suburban community could have attained such national acclaim is testimony to his effectiveness and accomplishments. His loss will be felt whenever and wherever policies and issues affecting local communities are being discussed or de-

His loss, for me, is also a very personal one. When I first sought election to Congress Dave was the first municipal official to support my effort. From that time until his death Dave remained a loyal supporter and a trusted adviser. Beyond that he was a dear friend and I will miss him deeply.

Dave exemplified the very best in public service. I know that all of my colleagues in Congress join with me in this special tribute to Dave Shepherd and in extending our most heartfelt condolences to his wife Frances and family.

WAYS AND MEANS COMMITTEE BILL BETTER FOR INDIVID-UALS AND SMALL BUSINESSES OF SOUTH CAROLINA

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. HOLLAND. Mr. Speaker, I believe it will be helpful to Members of the House as well as my constituents for me to explain why I supported the Ways and Means Committee tax bill (H.R. 4242) instead of the Republican substitute (H.R. 4260).

The administration's Conable-Hance bill enjoyed heavy promotion, including a nationally televised speech by the President. However, the available evidence showed that the committee bill was, beyond question, better for the great majority of individuals and businesses of my District. I also believe it would have been better for the overall U.S. economy.

GREATER TAX CUTS FOR MIDDLE-INCOME INDIVIDUALS UNDER COMMITTEE BILL

The tax reductions for individual taxpayers were deeper in the Ways and Means Committee bill—year for year—for all taxpayers with incomes up to about \$70,000.

The Republicans proposed an "across-the-board" tax cut. This means that people of every income level get the same percentage cut. For example, if your tax comes to \$2,000, you would save 10 percent, or \$200. If your tax comes to \$20,000, a 10 percent savings is \$2,000; and at \$200,000, you save \$20,000.

Clearly, wealthy people will be better off under the Republican version of the tax cut. Two days after the House vote, the Washington Post estimated that the wealthiest 5½ percent of the population, those with incomes of over \$50,000, will receive 35 percent of the individual tax reductions. But the average family in South Carolina does not have an income of \$50,000.

I am very proud of the progress my State has made over the past 20 years in raising its standard of living. Our people work hard. The percentage of the population employed within our State has been consistently higher than both the average for the South Atlantic region and the United States as a whole.

As a result, the per capita income in South Carolina rose from \$1,396 in 1960 to \$2,951 in 1970, a percentage increase of 111. By 1979, it had jumped again, to \$7,027, a rise of 138 percent. That is the good news. But, there is also bad news; these advances still left South Carolina ranked 47th in the Nation, in per-capita income. Only three States were lower.

It seems to me that my part of the State is quite typical. Therefore, most of the people of the Fifth District of South Carolina are not helped very much by tax cuts that are concentrated in the upper brackets. They are, for the most part, struggling to get along and would have had more money in their pockets to pay bills, spend, and save under the Ways and Means Committee bill.

The other difference between the two bills was the safety valve present in the Ways and Means Committee bill, which would have made the outyears' tax reductions depend upon the economy's achieving the goals President Reagan has set for inflation, interest rates and the Federal deficit. The committee wanted to preserve some freedom of action in case they are not met. For example, if inflation and interest rates are still very high. some completely unpredictable problems threaten to push the budget deficit out of control, people will be hurting, especially those in the lower and middle-income brackets. Under such conditions I feel it would be healthy for Congress and the President to review the situation and be able to adjust the cuts in either direction depending on the circumstances at that time.

The Republican tax bill not only locks us into another 10-percent across-the-board income tax cut for 1983, but additional cuts beginning in 1985 based upon the rates of inflation in those years.

The advocates of the Republican bill argue that the indexing features of their bill will "prevent automatic tax increases caused by inflation." But, there is a real danger that indexing will make inflation worse. If financial markets react to this danger, interest rates will stay at high levels and most people will find it difficult or impossible to buy a house or a car or many of their daily needs.

One Washington newspaper called indexing a step into the political and economic unknown and said that the only certain consequence would be to "greatly reduce political flexibility in dealing with budget questions." ¹

The Republican majority leader of the Senate, on national television, described the Republican bill as "a riverboat gamble" with the economy. We wish the President luck, of course. But, I do not believe it is prudent to trust to luck to such an extent, or to commit the country's revenues so far into an uncertain future.

I believe it is wiser to be able to review and revise, if change is called for. The Ways and Means Committee's "trigger mechanism" would have given Congress that flexibility. I feel that made the committee bill better legislation.

SMALL BUSINESSES AND FARMS WOULD HAVE RE-CEIVED MORE BENEFITS UNDER COMMITTEE RILL

As many people know, the great majority of small businesses are unincorporated. The statistics show that 13 million of the 15½ million U.S. enterprises are either proprietorships or partnerships. The owners of these firms are taxed under the individual income tax schedules.

We have just seen that individual taxpayers earning less than about \$70,000 (including about 95 percent of unincorporated businesses) would have done better under the Ways and Means Committee individual tax rate reductions.

Most farms and businesses in the Fifth District are small. In fact, in the 10 counties of my District, there are only 220 businesses with more than 100 employees. That is 3.31 percent of the business population of 6,639. It should be noted that the 100-employee level is well below the Small Business Administration's definition of 500 employees for a small business.

I know that some businesses were concerned that the trigger would not have gone off, leaving only 2 years of Ways and Means reductions compared to every-year reductions under the Republican substitute.

But the only thing that could have prevented the trigger from firing was if the economy did not measure up to the goals the President set.

If those goals were not met, it would be a pretty clear sign that the economy was in deep trouble. If interest rates hang high, survival would be in doubt for many small firms.

We are beginning to see this come through in the statistics. After about 1½ years of record-high interest rates, bankruptcies for January-April 1981 are already 26 percent above the 1980 rate, and construction industry failures for January and February 1981, are 69 percent above the same period in 1980.

I earnestly hope that interest rates fall quickly, and stay down. However, if they are in the 20-percent range 2 years from now, it will be unbearable for small and independent business. I

[&]quot;Tax Indexing Is a Leap Into the Unknown" by John Berry, Washington Post, July 20, 1981, p. A4:

think Congress should be making some contingency plans now.

COMMITTEE BILL OFFERED CORPORATE RATE CUTS FOR SMALLER COMPANIES

The Ways and Means Committee realized early this year that limiting the business tax cut to the original 10-5-3 depreciation and investment credit proposal would bring enormous benefits amont the largest U.S. companies, which make massive investments in heavy machinery and equipment, and bring little or no benefits to millions of smaller businesses that would not be investing very much.

The committee sought to provide greater balance in the bill for the 15 million smaller firms that account for 80 percent of the new jobs, 60 percent of existing employment, 50 percent of the innovations, 48 percent of the do-mestic output (GDP) and 43 percent of the gross national product (GNP).

The committee bill did this in several ways. Most notably are proposed significant reductions in the corporate income tax. This was designed to help all corporations-large and small-not just the ones making heavy investments.

Most companies cannot raise capital from the national money markets and are therefore dependent upon retaining more of the capital they earn in the marketplace.

The corporate rate cuts proposed by the committee would have helped these companies most. They would have resulted in tax savings of \$11.9 billion for small companies between 1981 and 1986.

In contrast, the Republicans' substitute, on the Friday before the vote, agreed to include in H.R. 4260 a corporate rate provision worth \$2.4 billion during this period.

Thus, for the country's smaller independent corporations, the Ways and Means Committee tax reductions were almost five times larger than the Republican cuts.

MANY OTHER IMPORTANT SMALL BUSINESS PROVISIONS FORMULATED BY COMMITTEE

The committee bill also developed a whole series of additional provisions to benefit both incorporated and unincorporated firms. Altogether, this added up to a business program designed to make it easier for businesses to grow, prosper, and survive. A partial list of these provisions is as follows:

PROVISIONS DEVELOPED BY WAYS AND MEANS COMMITTEE TO AID SMALL BUSINESS

Expansion of current law.-Lower corporate rates for small companies.

Expansion.-Lower individual tax rates for small unincorporated businesse

New.—Expensing of capital spending. Expansion.—Increase in investment credit for used machinery; provisions to promote continuity of small and family businesses; increases the unified credit exemption equivalent from \$175,000 to \$600,000, phased in over six years

New.-Reduction of the maximum estate tax rate from 70 percent to 50 percent; an unlimited marital reduction.

Expansion.—Increases the annual gift tax exclusion from \$3,000 to \$10,000, effective in 1982; decrease from 50 percent to 35 percent in the minimum amount of adjusted gross

estate that must include interests in a closely held business in order to take advantage estate tax installment payments; creases to 50 percent the amount of a closely held business interest that can be disposed of before triggering acceleration of installment payments.

New.-Reform of inventory procedures for firms using or adopting LIFO accounting; savings incentives targeted to help construc tion and local businesses; specialized capital

formation provisions.

Revived.-Revival of stock options. Expansion.-Accumulated earnings crease; increse in Subchapter S shareholders allowed; rehabilitation credit for existing structures.

New .- Research and development credit. Expansion.-Broadening of targeted jobs credit

After it became apparent that these provisions were sound and popular, many of them-again in the final days of the debate-found their way into the Republican substitute bill (H.R. 4260)

But even after these changes, there were still significant changes in degree. The committee bill remained much more generous to small and in-

dependent business.

In the days before the key July 29 vote, the National Small Business Association sent to each Member of Congress an analysis showing the Ways and Means Committee treatment of the four most important small business items would result in tax savings of \$26.6 billion, compared to savings of \$6.1 billion under the Republican substitute.

The table furnished by that association follows:

REVENUE COMPARISONS: POTENTIAL SMALL BUSINESS TAX SAVINGS

[Calendar year tax benefits in billions of dollars]

	1981	1982	1983	1984	1985	1986	Total
House Ways and Means Committee bill: Expensing of 1st \$25,000. Rates cuts under \$200,000	2.9	2.0 1.0	1.4 1.8	0.9	4.4	2.9	14.5 11.9
Advantages to purchasers of used equipment	(1)	.034	.037	.041	.045	(²) .049	.20
Totals	2.9	3.034	3.237	3.841	7.445	6.149	26.6
onable-Hance II bill, as revised (H.R. 4260) as of July 24, 1981: Expensing of 1st \$5,000 to \$10,000. Rates cuts under \$50,000. Increase in used machinery investment credit. Accumulated earnings increase.	.1	1.1 .2 .1	.645 .5 .1	.765 .5 .1	.301 .6 .2	.005 .6 .2	2.81 2.4 3.7 .2
Total 1981–86	1	1.4	1.245	1.365	1.101	.805	3 6.1

Amount of used equipment treated same as new raised from \$100,000 in 1980 to \$150,000 in 1981, \$191,667 in 1983, \$275,000 in 1984, and \$575,000 in 1985. Numbers do not add due to rounding.

Source: National Small Business Association, July 24, 1981.

Some portion of this additional \$20.5 billion in tax savings for smaller firms would have filtered into my State and my district. In my opinion, the entire economy is better served by such an equitable commitment to job-producing, dynamic, competitive small businesses.

EVIDENCE FAVORED COMMITTEE BILL

When the evidence was all in, it pointed overwhelmingly to the Ways and Means Committee bill.

Individual taxpayers in the lower and middle brackets received large tax reductions, and small and independent business enterprises were in a superior position by far under the committee bill. Those are the people I represent.

It is true that the Republican substitute, in the last days, brought in many of these provisions-although at much lower levels of benefits in many instances. They would not have done even this much if the Ways and Means Committee had not opened up the original narrow bill, H.R. 3849, and developed these provisions.

We certainly applaud the decision of the Republicans to broaden their bill to the extent they did. We only wish they had done more.

I am proud to serve on the Committee on Ways and Means. I commend the chairman, Dan Rostenkowski, and the other Democratic members of that committee for their courage and their competence in opening up the 1981 tax bill to include the many good

provisions I have described, in the face of opposition from an extremely popular President. The merit of these provisions is indicated by the fact that they were ultimately accepted, in principle, by the Republicans in the House and Senate. The legislative process that the chairman set in motion thus resulted in more balanced legislation than if the bill were confined to the 10-10-10 individual and 10-5-3 business cuts on which the President was relying and insisting.

ASSISTANCE FROM THE NATIONAL SMALL BUSINESS ASSOCIATION

During the development of this legislation, I became familiar with the National Small Business Association, a Washington-based group with about 50,000 members in all industries.

In March of this year, when the President's proposal was still limited to 10-10-10 and 10-5-3, the NSB testified publicly that the bill should be opened up to provide equitably for businesses of all sizes.

The NSB presented to our committee, and to the staffs of the many offices and committees of the House, a specific 16-point program for equitable treatment of the diverse small business community. The association's recommendations also proposed as much in tax savings as in tax costs.

I was impressed by this NSB package.

It is a tribute to the effectiveness of the NSB that the Ways and Means Committee adopted 13 out of 16 of its suggestions-11 in full and 2 in substantial part.

These 11 included the corporate rate reductions up to \$200,000; direct first year expensing of \$25,000; substantial improvements in treatment of used machinery; major expansion of the estate tax; expansion of the rehabilitation credit; and revival of incentive stock options. This program advocated inauguration of several new conceptsdirect expensing, research and development credits, savings incentives targeted to help local businesses, and reform of inventory accounting.

These NSB recommendations became the heart of the Ways and Means Committee small business pro-

Subsequently, the Republican bill accepted the same 13 concepts, 6 in full and 7 in part, although to a lesser level of benefits.

I do not believe that any committee member would have predicted at the beginning that remarkable degree of

The success was earned. The NSB program was well conceived, carefully designed, painstakingly researched, and ably presented.

All three of the revenue-saving provisions—amounting to about \$57.1 billion over a 5-year period-were universally adopted by the Congress, the administration, the Democrats and Re- ary market is currently being develpublicans alike.

The Ways and Means Committee would have allocated about half of those savings back to the small business community in whose name they were proposed. The Republican bill allocates about 101/2 percent of those savings back to small business.

In my opinion, the National Small Business Association did an extraordinary job in arguing the case of the small business community during the development of the 1981 tax bill. I am grateful for the assistance that the NSB gave me and my Ways and Means Committee colleagues during deliberation of the Economic Recovery Act of 1981.

OF DISCUSSION ISSUES AND WAYS AND MEANS OVERSIGHT SUBCOMMITTEE RECOMMEN-DATIONS ON H.R. 4420

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Thursday, September 10, 1981

Mr. RANGEL. Mr. Speaker, over the past several years, the volume of industrial revenue bond (IRB) issues has increased significantly. In 1980, for example, the dollar volume of small issue IRB sales was more than six times greater than it had been in 1975. Moreover, if current law remains in effect without change, CBO estimates that the amount of IRB sales could rise from the \$8.4 billion in 1980 to between \$15 and \$49 billion in 1986.

Although volume in itself need not necessarily be a cause for alarm, the substantial expansion within a relatively short period of time warrants closer congressional attention. Given the fact that IRB's can be used to serve various purposes, the Congress needs to periodically reassess the program to assure that tax-exempt small issue IRB's are serving legitimate public purposes.

The phenomenal growth of IRB issues in recent years is a result of several factors: Soaring interest rates on conventional loans; the greater spread in recent years between taxable and tax-exempt interest rates; the higher \$10 million limit on the size of bonds initiated in 1979; the increased use of IRB's for commercial, nonindustrial projects; and less restrictive State laws governing the use of tax-exempt bonds.

There is a potential for major expansion in the volume of IRB's, particularly if the States continue to issue IRB's on a more aggressive basis in the future. One factor that does seem likely to continue to stimulate the increased use of small issue IRB's is the continuing liberalization of State IRB enabling statutes. Moreover, a secondoped for small issue IRB's.

Nevertheless, the trend toward increasing use of tax-exempt small issue IRB's raises a number of policy issues and concerns. Primary among these concerns is the potential effect of IRB sales on Federal revenues. CBO's revenue loss estimates, which have been endorsed by the Treasury Department and the Joint Committee on Taxation, indicate that the Federal Government would realize a gain of \$1.393 billion in fiscal year 1982 if Congress removed the interest tax exemption on all outstanding small issue IRB's.

Because the subcommittee's recommendations would only affect small issue IRB's issued after December 31. 1981, such legislation would result in relatively small revenue gains in the next fiscal year. However, as the estimates below indicate, substantial gains would occur in all subsequent years.

Preliminary estimates indicate that the subcommittee's recommendations will result in revenue gains as follows:

THE REAL PROPERTY OF THE PARTY	Millions
Fiscal year 1982	\$22
Fiscal year 1983	100
Fiscal year 1984	300
Fiscal year 1985	700
Fiscal year 1986	1,200

(These revenue estimates assume an overall increase in "small issue" IRB sales of roughly 15 percent a year.)

While such factors as revenue loss and the effect on local government borrowing were viewed by the subcommittee as significant considerations, other important public policy issues in connection with the current rules regarding IRB financing, such as their effectiveness in stimulating development in economically distressed areas and in assuring financing for projects that create jobs or promote economic diversification, were also considered. Moreover, the subcommittee recognizes, as the testimony submitted at the hearings made abundantly clear. that there are positive aspects to IRB financing. However, the subcommittee concluded, as many witnesses urged, that the current rules regarding IRB financing do not adequately assure the most appropriate and effective use of these bonds and that legislative changes are warranted. Parameters are needed to assure that use of small issue IRB's is channeled into the most productive areas.

The subcommittee's specific recommendations for legislative changes are discussed below. The Subcommittee believes that each of these recommendations warrants the most serious consideration by the committee and that appropriate legislative action needs to be taken promptly.

A. Recommendation: Public hearing requirement.-Provide that each IRB issuing authority shall:

First, conduct a public hearing prior to the approval and issuance of each small issue IRB;

Second, prepare a formal statement of findings following each such hearing which conclude that the proposed bond issue (a) will stimulate the local economy; (b) result in the creation of—or retention of—a significant number of jobs; (c) not create an unjustified competitive advantage as against existing businesses in the area; and (d) that the activity for which IRB financing is sought would not be undertaken in the absence of IRB financing:

Third, certify to the Governor's office, or other designated agency or department, that the issuing authority has complied with the above procedures.

EXPLANATION

The hearing record reflects practically universal support for the application of a public hearing requirement. The subcommittee believes there is a need to further enhance local responsibility for issuing IRB's while, at the same time, provide assurance that all interested parties in the community have an opportunity to be heard on the subject of the anticipated impact of the proposed bond issue. These procedural requirements would be satisfied, for Federal, tax exemption purposes, upon the local authority's certification to the State that the public hearing has been held and the requisite findings made.

B. Recommendation: Reporting requirement.—Provide that each State file with the Treasury Department, by February 15 of each year, a report containing information regarding each small issue IRB closing made in the State during the previous calendar

EXPLANATION

Until now, very little information has been available to the Congress and the public generally on the nature and extent to which tax-exempt IRB's have been issued by the States and local governments for the benefit of private firms. One reason for this general lack of information on a national scale is that small issue IRB's are typically privately placed with local lending institutions. The bonds are not generally sold on the public bond market, nor do they normally involve underwriters. Therefore, nationally reported bond figures do not reflect most small issue IRB sales. Moreover, the Internal Revenue Service only collects information on IRB's issued for more than \$1 million. This information is of limited value for purposes of monitoring the volume of IRB sales since approximately 60 percent of the IRB's issued in 1980 were in amounts of less than \$1 million.

The Congressional Budget Office, the Treasury Department, and numerous other witnesses before the subcommittee expressed the view that the absence of comprehensive information on IRB sales will continue to hamper congressional efforts to monitor the program. Thus, there is practically universal agreement on the need for a uniform, national reporting system. The subcommittee agrees that the Congress needs to have access to comprehensive and accurate information on IRB sales on a continuing basis if any realistic assessments of the program are to be undertaken in the future.

The subcommittee recommends that the required annual State report on small issue IRB sales include the following information:

Name of issuer; bond amount; date of issuance; bond term; interest rate; principal users; assets and previous year's sales of principal user; capital expenditures; prior outstanding issues; bond counsel; type and description of project noting the applicable "Standard Industrial Classification" Code; jobs created and/or retained; location of the facility; and the bond purchaser(s).

C. Recommendation: Target commercial IRB-financed projects.—Provide that commercial IRB-financed projects be located in economically distressed areas.

(a) Economically distressed areas would be defined as areas, within a city or county, composed of contigous census tracts, block groups or enumeration districts where: at least 2,500 families reside; at least 70 percent of the families have incomes below 80 percent of the statewide median income; and at least 30 percent of the families have incomes below the national poverty level.

(b) Commercial projects would be defined as property used in an activity classified in the Federal Government's Standard Industrial Classification (SIC) Manual under:

Division F—Wholesale Trade; Division G—Retail Trade;

Division H-Finance, Insurance,

Real Estate;
Division I—Services (except 805—proprietary hospitals, 806—nursing homes):

Activities at Central Administrative offices—within the meaning of Appendix A.

Auxiliary establishments would be characterized according to the firm's primary activity, as the manual provides.

EXPLANATION

"Small issue" IRB's were not used to finance commercial projects to any significant degree when Congress created the small issue exemption in 1968. Since the recent surge in IRB sales is attributable in part to the substantially increased use of IRB's for commercial ventures, many Members and State officials have raised questions as to whether such a develop-

ment is fully consistent with the congressional intent and whether IRB financing of certain types of commercial ventures serves a legitimate public purpose.

The subcommittee believes that, in general, commercial projects follow marketplace demands and that, with the sole exception of economically distressed areas where unfavorable market conditions typically exist, the availability of IRB financing is not a crucial factor in site selection. Thus, the subcommittee concluded that a distinction should be made between commercial and industrial projects and that the IRB financing of commercial projects should be limited to economically distressed areas. Current law would be basically retained industrial-noncommercial-projects seeking IRB funds.

The subcommittee was well aware of the problems involved in constructing reasonable criteria which would operate to identify those areas, both urban and rural, suffering from severe economic depressed conditions. Nonetheless, the subcommittee considers its recommended criteria particularly appropriate for the targeting of commercial projects and believes it will operate in an equitable fashion nationwide. The income and poverty criteria the subcommittee recommends reflects, in essence, the criteria used in the Urban Development Action Grant's (UDAG) pockets of poverty program.

The above-described definition of economically distressed" would allow the State and/or local government to those contiguous census tracts, block groups, and enumeration districts within their city or county for the purpose of designating an eligible economically distressed area. Where necessary, a project could be located directly adjacent to a distressed area if it is determined by the Secretary of Treasury and HUD that a suitable site for the project does not exist in the distressed area and that the project would substantially contribute to the economic development of the distressed area.

Defining commercial activities is also difficult task. However, the subcommittee believes that its recommended definition will provide both generally acceptable and reasonable characterizations of commercial activity-as distinguished from industrial. So that the States and local authorities will have immediate access to a precise and uniform definition of commercial, the subcommittee recommends that the definition be keyed to the Federal Government's existing, published classification system, the "Standard Industrial Classification" (SIC) manual. Currently, a number of States target commercial types of IRB-financed projects in this manner.

D. Recommend: Other specific restrictions.—First, provide that IRB proceeds may not be used to finance the purchase of farmland; second, provide that IRB proceeds may not be used to relocate existing activities from one State to another.

EXPLANATION

First, the subcommittee is aware that a large number of States are considering legislation that would significantly expand the use of small issue IRB's by allowing the bonds to be used to finance the acquisition of agricultural land. It appears that since the supply of land is fixed, the widespread availability of IRB financing would ultimately drive up such land prices. Current land owners would be the only true beneficiaries of such a use.

The subcommittee's proposal explicitly prohibits the use of IRB funds where the proceeds will be used merely to facilitate the purchase of land or other real property used for farming purposes—as defined in Internal Revenue Code section 6420(c)(3). The proposal would continue to allow the use of IRB financing for the acquisition of farm-related equipment and construction or expansion of farm

structures.

Second, since all but three States allow the IRB financing of a wide range of activities, it is not clear that any overall national public purpose is served by a firm's relocation from one State to another. The subcommittee members agree that such shifts in economic activity do little more than benefit one State to the detriment of another. As a matter of Federal policy, such relocations should not be subsidized by a Federal tax-exempt financing tool. Accordingly, the subcommittee recommends that IRB proceeds not be available to firms relocating in another State, but rather that the firm seek any necessary location incentives directly from the benefiting State or local jurisdiction.

E. Recommendation: Future congressional oversight and review.—
First, provide that the Secretary of the Treasury, conduct a comprehensive study of small issue IRB's and submit a report to the Committee on Ways and Means by July 1, 1983, to include a summary and analysis of the data supplied by the States, and such recommendations as the Secretary

finds appropriate.

Second, provide for a sunset provision with respect to small issue IRB's effective January 1, 1984.

EXPLANATION

The absence of comprehensive and reliable information about the volume and uses of small issue IRB's has severely hampered congressional capacity over the years to clarify public policy in accordance with changing national needs and priorities. With the information that would become available under the subcommittee's recom-

mended reporting requirment, the Secretary would be in position to fully assess the current uses and effects of IRB financing and to provide analysis with respect to the potential future role of this financing mechanism.

In addition, the sunset provision, timed to occur after the committee has had ample opportunity to review the Secretary's report and data, will assure that the Congress undertakes in a timely manner a comprehensive review of the appropriateness of small issue IRB financing and decides whether such tax-exempt financing should be continued. The subcommittee believes also that the recommended sunset provision would provide the States with a meaningful incentive to responsibly develop locally applicable criteria for utilizing IRB financing in ways that legitmately and effectively serve the most pressing economic needs of their communities.

BUDGET CUTS AND VALUES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

• Mr. SIMON. Mr. Speaker, one of the recent additions to Southern Illinois is Dr. Samuel Goldman, the dean of the College of Human Resources.

Recently, he delivered a talk on "Budget Cuts and Values" to the annual meeting of the board of directors of the Comprehensive Health Planning Group of Southern Illinois, more commonly known as CHIPSI.

What he said ought to be heard beyond Southern Illinois, and I am taking the liberty of inserting it in the CONGRESSIONAL RECORD at this point so my colleagues around the Nation can heed his words of wisdom.

BUDGET CUTS AND VALUES

I am very pleased to be here this evening to share with you some of my views and thoughts on matters of interest to both of us. These kinds of meetings give me an opportunity in the early months of our presence here in Southern Illinois to express deep appreciation to all of you, to our friends, to our neighbors, to our colleagues who have opened their hearts in friendship to receive me and my family in this area. There is a great deal to be said about something called rural although it really is a misnomer these days. Mr. Royko who writes for a newspaper in Chicago, believes that rural means country bumpkins. He sees a caricature of somebody in overalls riding a horse or donkey on a country road. Mr. Royko has obviously never lived in an area like this and so he is simply unable to understand the temperament and the nature of the people in this type of environment.

I think it is important that we all begin to recognize that as a consequence of the explosion in technology and telecommunications we have become part of a broader universe of people. That there really is no such thing as rural or urban when it comes to such issues as health and human services. A

great many interests and needs and concerns are held commonly among all people of this country no matter where they are located geographically. It is for this reason that we must understand that whatever happens on a broader geographic level, particularly at the national and increasingly more at the international level has great meaning for all of us.

Daniel Bell, a noted sociologist, in 1968 wrote: "The United States today, for the first time, is genuinely a 'national society.' In fact, many of the domestic problems we confront. . . arise out of a multiplicity of problems—education, transportation, welfare, urban renewal, air and water pollution, medical care and the like-(these) no longer are manageable on the state and local level but are now passed on to the national society for solution. In the last twenty-five years we have become: (1) an intertwined national economy, in which government has become an active regulator of economic activity as well as a partner in many enterprises; (2) a national polity, in which (as demonstrated in the example of civil rights) the government has become an active force for social change and, in consequence of World War II, the Korean War, and the war in Vietnam, there is a permanently mobilized military posture; (3) a welfare society, in which medical care, education, and, in increasing ways, income maintenance for the disadvantaged, have become a responsibility of the central government; and, (4) a national culture, not only through the diffusion of the popular arts through the mass media, but symbolically (if not quite tangibly) through the creation of a National Humanities and Arts foundation which organizes government support for the scholarly, creative, and performing arts."

I believe that Bell has very clearly given us some of the major reasons why the federal government cannot abandon its role in providing for the needs of the American people. We have come too far in our development as a nation for any leader or for any power group to easily unravel the fabric that has made us the society we are.

This thought is fundamental to our understanding of what is being attempted by the current administration in Washington.

Activity on the national scene is extremely unsettling and unsettled. The Reagan administration has had enormous impact in attempting to reverse the course of human service events that has dominated this country over the past half century. A critical question being hotly debated is the degree and nature of the involvement of the federal government in the delivery of human services. The resolution to this question could mark a critical turning point in this nation and we must be sure that we understand the question and that we are involved in its resolution. Let us be certain that we do not confuse what is going on. There is a great deal of discussion, rhetoric and debate concerning the control of inflation, concerning the size of the federal debt, concerning tax cuts. And let me tell you that I will raise my voice and I am sure that you will too, to say yes to legitimate and reasonable moves to cut the budget, to moves that will reduce inflation, to moves that will cut taxes which increase our take-home pay. But while these are crucial, they are not the real issues. For the real issue we are dealing with is a major shift in the values that have dominated this great nation. The current debate initiated at the federal level deals very fundamentally with the values that will guide the relationships between government and the people

and the relationships among people of various social and economic strata.

It hardly seems possible that in a period of just a few months, fifty years of American compassion for its citizens has begun to unravel. Congress is being asked to change, after only very brief review, almost 100 laws that took decades to enact. Current plans call for dramatic reductions in spending levels for over 95 programs ranging from food stamps, to student loans to welfare. The so-called safety net which Roosevelt had begun to weave and which subsequent presidents and congresses had strengthened and raised to humanitarian heights has been lowered to catch the few who are "truly needy."

And how are the truly needy defined-why, by number of course.

The Wall Street Journal, a leading cheerleader for the administration has worked out a formula, using numbers, to define the truly needy. Here is a brief excerpt from an April 30 editorial entitled "Budgets and the

Poor'

"In fiscal 1980 there were over 41 million 'poor' persons in the U.S. or about 18.8 percent of the population, if you exclude all government benefits. Once cash transfer payments are included, the number of 'poor' persons is halved to 18.8 million or 8.6 percent of the population. If you add in the value of in-kind transfers, the number is again slashed to under 9 million or 4.1 percent of the population. If you go back to deduct medical care benefits, as a special case, the 'poor' amount to 13.5 million or 6.2 percent of the population, who in the average fall below the poverty level by \$13 a week.

'These numbers are small enough that you must be talking mostly about special cases-the conclusion seems to us inevitable that we have a 'safety net' providing basic support for the unfortunate."

One has to be struck at how easy it is to solve the problems of the poor among us. Just do the calculations right and presto,

they go away in very large numbers.

The problem is that poor people are human beings, not numbers. They eat, drink, breathe and live among us in hope of

The highest form of charity is assisting an individual to be self sufficient so that he or she may live in dignity. But let us remember that the action word is assisting. A hungry child will not attend to his studies while his stomach rumbles for want of food. A handicapped person cannot work unless the work place will receive him. An elderly citizen cannot be healthy if health services are beyond his means. Women will always be second class citizens so long as what they do

is not valued equally.

The theme of "getting government off our back" may have more of a musical ring than a societal benefit. For what do we really mean? What do we really want? Do we really want the federal government to withdraw from involvement with its people? Are we really serious when we say that local de-cision making is far better for a national society? Let us remember that the reason categorical grants emerged with some dominance at the federal level was because the local area was simply unable or unwilling to solve many of its problems. Do we actually believe that block grants will be better than categorical grants? The compounding factor to this situation is that state and local governments don't have funds to continue some of the progress that has been made in the human condition by the categorical grants at the federal level.

I urge you again not to be so caught up with ideas of saving dollars and I ask that you be certain to keep an eye on the values implied by the current actions by our federal government.

In preparing this address, I wanted to put to words the great loss we would suffer if values currently expressed by Reagan administration went into effect totally. To do this, I went to find the writings of a President whose beliefs and programs are the object of the Reagan cuts.

I found the Great Society Speech of

Lyndon Johnson.

On January 4, 1965, in his State of the Union address before Congress, Lyndon Johnson introduced his concept of the Great Society. In one particularly striking passage he said:

"But we're only at the beginning of the road to the Great Society. Ahead now is a summit where freedom from the wants of the body can help fulfill the needs of the

spirit.

"We built this nation to serve its people. "We want to grow and build and create,

but we want progress to be the servant and not the master of man.

"We do not intend to live in the midst of abundance, isolated from neighbors and nature, confined by blighted cities and bleak suburbs, stunted by a poverty of learning and an emptiness of leisure.

"The Great Society asks not how much, how good; not only how to create wealth but how to use it; not only how fast we are going, but where we are headed.

And with this as an introduction, Lyndon Johnson outlined his proposals for developing and enriching the human resources of this great nation. Johnson proposed a vision for America which he said grew "from the scattered hopes of the American past.'

Things went wrong for President Johnson and I'm afraid that many well-intentioned

Great Society goals got derailed.

There have been many things wrong with several of the programs of the Great Society. Indeed we haven't heard much about it even in the waning days of the Johnson administration. Many of the programs were marred by corruption, mismanagement and inefficiency. But many good things did emerge and much improvement in the quality of life of Americans can be shown. Let us not turn the hands of our clock back so far as to cancel these gains out.

Today's rhetoric from our leaders in Washington is in sharp contrast to the hopes of the Great Society. And let me quote a passage to you. (Howard, 1978, pp.

39-42.)

"The dream of a more humane society has turned into a nightmare of governmental extravagance and corruption, of unfulfilled promises on a gigantic scale, of foolish, useless counter productive and expensive programs.'

Is assisting young people to go to college a useless counter productive program? Is providing adequate health care for the elderly foolish? Is providing for the nutritional needs of our young an extravagance? Is clearing up our environment useless and counter productive?

I don't believe they are. I believe that they are necessary and vital answers to some very critical needs of our people. The current leadership at the national level (and the rush by many at the state level to follow and even out-do this leadership) is fashioning a different vision of America. It is a vision not of hope for the needy among us, but of abandonment. It is not a vision of a genuine compassion based upon a sense of justice and fair play. It is a vision which denies human feeling and replaces it with statistics.

Perhaps to best illustrate what I mean, let

me share a parable with you. Many, many years ago in a tiny Russian village, a Russian Prince who was extremely wealthy overheard one of the peasants who worked in his fields proclaim how great it would be if he could own some land and be wealthy. The Prince one day approached the peasant and said to him. "I heard of your wish and I am going to grant it to you. This is what you must do. Tomorrow morning at sunup come over here where I am standing and then by walking or running cover land and all of the land that you can cover between sunup and sundown you may keep. The only stipulation is that at sundown you must return to the original point from which you left at sunup." The peasant was ecstatic with joy. At last his dream of land ownership and wealth was going to come true. The night before he could not sleep. He was very very excited. The next morning just prior to sunup he came to the appointed place and the Prince was there. The Prince reminded the peasant that he could keep all the land that he covered either by walking or running provided that he return to the original starting place at sunset. The peasant agreed and at precisely sunup, he started off. Originally he thought that he would run a little bit and he began to run. He was feeling good. Later on the sun began to beat heavily upon him. The heat of the day was beginning to slow him down. But he kept going. Shortly after noon some friends caught up with him they said to him. "Your neighbor is in trouble. He needs your help. Please come and help him." The peasant felt torn, he wanted to help his neighbor, but at the same time he did not want to stop in his quest of accumulating land. And so he said, "No, I cannot go now" but in his heart he said, "Wait until tomorrow. Tomorrow I will be so rich I will be able to help my neighbor with every-thing. And I will do it, I pledge that I will do it." And so he kept going. Late in the afternoon the sun began to beat down on him oppressively and he began to get weary and very thirsty. But he kept going with firm resolve. His wife caught up with him and she said, "Help, return, one of the children is ill and I don't know what to do. Please, please come home now and help." Once again he was torn, and he didn't know what to do. but he kept going and he said to his wife. 'Go home. Tomorrow, tomorrow I will have all the wealth we need and I will take care of the child. The child will have everything that he needs." The peasant kept going. He left his distraught wife behind. He began to realize he could cover more land if he ran some more, so he ran. Then he began to notice that the sun was starting to set. He began to get very anxious. He may have gone too far. He decided that it was time now to start back, so that he could come back to the original starting point by sunset and collect what the Prince had promised. He turned around and began his trip back. The sun was beginning to set rapidly. And he began to panic. He began to ask more of his very, very weary and strained body. He ran harder and harder until he could not breathe. But he kept going. Then at a distance he could see the Prince, but he feared that his goal was still quite a way off so he ran harder. He ran and ran to the starting point. As he approached the Prince, the peasant collapsed and fell dead. The Prince

looked down and said to people near him, "Take him away. Dig him a plot 6 ft. by 4 ft. That is all the land he is ever going to need."

One can draw many lessons from this parable, but I think an appropriate moral is that in our race for economic gain and development, in our pursuit for a one-sided view of economic health, we may be in jeopardy of throwing away the most precious resource that we have, our human resource. We may be in jeopardy of denying to the people of this great nation the kinds of services they must so desperately have in order that they may create, in order that they may work, in order that they may be good citizens.

The past few decades have seen an unprecedented rise in human aspirations among our people. The elderly, the handicapped, minorities, women and others have tasted opportunity never before available to them. They will not be denied. They will demand their due. Any attempt to roll back the gains they have experienced will be resisted. And we will again face turmoil, hatred, brother against sister—another divided America.

Those who wish to lead and are given the responsibility to do so must recognize that it is not enough to proclaim the ideal of life, liberty and the pursuit of happiness.

We must expect of our leaders that they provide some basis—other than through eloquent words alone—for hope that these rights will be secured for all of our people.

In a turbulent world the people have a right to look to their leaders for stability, calm, inspiration and hope, and very importantly, they expect compassion for those less fortunate and those who are out of the mainstream of our society.

mainstream of our society.

We must measure our leaders not only by their acts and deeds. We must measure

them also by their lofty goals and their vision for a better quality of life.

Will there be a consensus among Americans with respect to basic values and issues?

The answer will continue to be no, so long as there are people on either side of the issues who believe that all virtue is theirs and all sin belongs to the other person. No meaningful and lasting resolution can be reached where one side or the other side must perish or totally surrender.

Accommodation is not fatal. Meeting part ways is not a sign of weakness. And showing compassion for the less fortunate among us is not a lack of national resolve.

Reality tells us that the future for America will always be a push and pull in various directions. And so we must protect ourselves and our precious heritage by holding firmly to a set of values and beliefs that transcends political parties, that binds us together in justice, truth and compassion.

(1) We must always have faith that our future will always be better than our past because we want to make it so. And we must never break faith with the less fortunate among us. They must know and believe that no generation will ever cause them to be worse off than they were before. They must not be pushed down any forther.

not be pushed down any farther.

(2) We must master our own destiny and not permit groups whether local or outside our area to force their will upon us. We must set our values and decide for ourselves what is truly worthy for us and for this great nation.

(3) We must know the truth and live by it.
(4) We should have a very high regard for ethical and moral conduct.

(5) We must have and show compassion that is genuine American compassion that is rooted in an ethic, a morality, a sense of justice and fairplay that is timeless and enduring.

(6) Knowing that resources will be fewer we must learn to manage with less. What some people want to call "managing for decline." Let us do this within a framework that values human life, that cherishes human dignity, and expresses the true feelings of America for all its people.

(7) Let us open our planning and operating processes across larger numbers of institutions which have broad and specific responsibilities for health and human service. Let us speak to each other and then with one voice, let us speak to those who set policy that affects what we do

policy that affects what we do.

I would urge all who hold positions of responsibility for the planning and delivery of health and human services in this region to come together now to decide on a course of action that is in the best interests of our people. And they should make known just what this course of action should be and they should lead in its achievement.

Who are our teachers in this time of searching for values by which to live? Many want to look to the Bible for a path, a direction. The irony is that there are many passages in the Bible with many interpretations. And there are many who wish to use the Bible to support their own biases. We need to be wary of these people for they abuse and misuse the greatest teachings of all time. These abusers speak of getting even, of hit lists containing the names of those with whom they disagree. By ultimatum and intimidation and by religious zeal they seek to destroy all who disagree with them.

The Bible doesn't tell us to do that. It tells us to turn away hatred, to shun arrogance, to be compassionate, to care about people.

The Bible tells us: "To do justice, to love mercy, and to walk humbly with God." Dare we do less?

HOUSE OF REPRESENTATIVES—Friday, September 11, 1981

The House met at 10 a.m. and was the following Members on the part of Ford, estimates the deficit in fiscal year 1982 at \$67 billion. called to order by the Speaker pro tempore (Mr. Long of Louisiana).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C. September 10, 1981. I hereby designate the Honorable GILLIS

W. Long to act as Speaker pro tempore on Friday, September 11, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Richard C. Halverson, LL.D., D.D., Chaplain, U.S. Senate, offered the following prayer:

Almighty God, Sovereign Lord of history, Judge of all the Earth, we acknowledge our need of Thee. Thy Word declares that "there is no authority except from God, and the authorities that exist are appointed by God" (Romans 13:1). All who rule do so at Thy good pleasure. All governments are accountable to Thee.

May we remember that Thou are the judge of all that is done here; that we are accountable to Thee in our thoughts, our desires, our words, and our action. We are accountable to Thee in our public life and in our private life.

Gracious God, help us to dispose of our duties here, in our homes, and in all that we do that Thou will be honored and the Nation blessed.

We ask this in the name of Him who loved to His death all the peoples of the Earth. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

APPOINTMENT OF ADDITIONAL MEMBERS TO ATTEND THE FUNERAL OF THE LATE HONORA-BLE WILLIAM R. COTTER

The SPEAKER pro tempore. Pursuant to House Resolution 206, without objection the Chair appoints as additional members of the Funeral Committee of the late William R. Cotter

Mr. FORD of Michigan:

Mr. FRENZEL of Minnesota;

Mr. Jones of Oklahoma:

Mr. GRADISON of Ohio;

Mr. Moore of Louisiana;

Mr. GEPHARDT of Missouri;

Mr. JENKINS of Georgia; and

Mr. HANCE of Texas.

There was no objection.

FURTHER CUTS WHICH COULD BE MADE IN BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNE-MYER) is recognized for 30 minutes.

Mr. DENNEMEYER. Mr. Speaker. all of us are deeply concerned about high interest rates. The prime rate remains over 20 percent. The National Association of Realtors reports that the average mortgage rate was 17.7 percent last month. I am afraid that the interest rate spiral will continue until we in the Congress face the fact that the mounting Federal budget deficit places upward pressure on interest rates through increased Federal borrowing. Deficits also fuel inflationary expectations on Wall Street and across the country. Is it any wonder that the American people feel a sense of uncertainty and major investors question the resolve of Congress when we stop to consider what has happened to the estimate of the Federal budget deficit over the course of this year as we looked ahead to fiscal year 1982:

In January, the Carter administration left us a projected budget deficit estimated at \$27.5 billion. This was clearly not based on sound economic projections.

In March, the President's budget revisions estimated a deficit of \$45 bil-

Yet the House-passed first budget resolution estimated \$31 billion. The final version of the resolution put the deficit at \$37.3 billion.

The official administration ceiling for the deficit was revised on July 15 and put at \$42.5 billion.

Perhaps in the large part because Congress did not approve all of the President's cuts, the deficit estimates have recently shot up dramatically.

The Congressional Budget Office and the Senate Budget Committee have ventured an estimate of \$57 to \$60 billion since May and remain committed to those figures.

Alan Greenspan, the noted economist and former adviser to President

Finally, the September 1981 issue of the Morgan Guaranty Trust Co. of New York's monthly survey reports financial experts as predicting a \$60 to \$80 billion deficit.

None of these estimates include the almost \$20 billion in off-budget outlays that will need to be financed by borrowing, just like the on-budget deficit

Then again this morning there was an item in the Washington Post over today's date indicating and quoting the head of the Congressional Budget Office, Alice Rivlin, to the effect that we expect a deficit in 1982 of some \$80 billion.

Well, someone may ask, what can be done about this projected deficit no matter what its size? And in answer to that question, a research committee of which this Member from California is a member, earlier this year began a very laborious task of analyzing the budget for 1982, in very critical detail.

As a part of this analysis, which was a work product of the Republican Research Committee, the Budget Study Subcommittee, of which this member was chairman, we analyzed the 22 categories of spending fiscal year 1982, and on the basis of that analysis, came up with a recommendation or a list of where cuts could be made in fiscal year 1982 totaling some \$52-plus billion.

They are identified and precise in 272 specific items and I would submit to the Members that when they examine these items in detail, one by one, they will find that this effort to reduce Federal spending in 1982 is not being done on the backs of the poor, the downtrodden, the handicapped, or the deprived in our society.

During the course of the next few weeks, it is the intention of this Member from California to take a few moments at the close of the session, such as we have this morning, and just read through these items so that the Members can get flavor of what they really stand for.

I intend this morning to take a few moments to do just that. I do not know how long it is going to take to read through these 272 items, but I think it is constructive to do so.

In each instance, for those who are listening, I would ask them to ask several questions.

Will the adoption of this proposed cut adversely affect the deprived in our society, the handicapped, the

[☐] This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

[•] This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

poor, those who are unable to fend for themselves?

In almost every instance, I think the answer will be overwhelming, it does not.

Where does the cut come, one may ask. Quite frankly, it comes in the bureaucracy that has been built into our governmental system in this country over the course of the last 40 or 50 years. It is in this direction that these cuts are desired to be made.

The first category that I intend to read from this morning is what we call legislative, and in this category Members will notice that in most instances these cuts are accomplished by nothing more than limiting the growth in spending for fiscal year 1982 to 10 percent over what was spent in fiscal year 1981.

Now, in fairness, I do not think it is unreasonable to ask members of the bureaucracy to limit their growth in spending to 10 percent in that one year from 1981 to 1982, and I would like to enumerate them briefly for the Members as follows:

The first one would permit spending for compensation of mileage of the Vice President and Senators to grow 10 percent over 1981. If we follow that mandate, we would save \$474,300. In other words, the proposed expenditure for that item in the budget for fiscal year 1982 is \$474,300, more than 10 percent above what was spent in 1981.

Second is in the Office of Legislative Counsel of the Senate. Here again we would limit the growth in spending for fiscal year 1982 to 10 percent over what was spent in 1981. That would save \$17,500.

In the legal counsel for the Senate, we would limit growth in fiscal year 1982 to 10 percent over what was spent in 1981. This would save \$121,000.

In inquiries and investigation in the Senate we would limit growth to 10 percent over what was spent in 1981. This would save \$7,055,300.

And then a series of miscellaneous items in the Senate. We would cut 10 percent from 1981, because we believe that certain of those expenses were unnecessary. This would save \$7,490,600.

We would limit the growth of funding the Joint Committee on Printing to 10 percent over what was spent in 1981. This would save \$22,200.

We would limit what we spent on the Office of the Attending Physician to 10 percent over what was spent in 1981. It would save \$30,300.

We would limit what is spent for Capitol Police to 10 percent over what was spent in 1981. This would save \$5,900.

We would limit the growth in funding the Congressional Budget Office to not more than 10 percent over what was spent in 1981. This would save \$604.200.

We would limit what the Architect of the Capitol spends in 1982 to the extent of not more than 10 percent over what was spent in 1981. This would save \$202,600.

We would limit what is spent for maintenance of Capitol buildings in an amount not in excess of what was spent in 1981, plus 10 percent. This would save \$273,000.

In Senate office buildings we would allow 10 percent over what was spent in 1981. We would save \$40,600.

The Library of Congress: We would permit the growth to grow by 10 percent over what was spent in 1981. It would save \$202,700.

In the Office of Superintendent of Documents, salaries and expenses, we would allow growth of 10 percent over 1981. This would save \$548,600.

In the acquisition of site and building plans and designs, we would defer certain programs that are planned on the grounds that frankly we cannot quite afford those programs at this time. This would save \$22,300,000.

□ 1015

In the U.S. Tax Court we would limit salaries and expenses to 10 percent over what was spent in 1981. It would save \$411,400.

The Commission on Security and Cooperation in Europe, whatever that is, we would limit expenses for salaries and expenses for that Commission to 10 percent over what was spent in 1981. This would save \$23,200.

The proposed outlays of this august body in the functioning Government are a 42.3-percent increase over 1980 which we, the committee, concluded to be exorbitant.

In the Botanic Gardens, the salaries and expenses, we would allow 10 percent over what was spent in 1981, saving \$273,000.

In the Railroad Accounting Principles Board, salaries and expenses, we would eliminate this program. It was designed to determine the economically accurate costs associated with transportation of goods. We believe this can better be done in the private sector. This would save \$959,000.

We would eliminate the Office of Technology Assessment, which works for the House of Representatives and the Senate, because we believe that its functions can be performed by the Congressional Research Service, the General Accounting Office, and the Congressional Budget Office. This would save \$12,465,000.

Those complete our recommendations in the legislative arena. Now I would like to move to our second category designated "the judiciary." In this category we would allow expenses to increase 10 percent above 1981 for the defender services, for the appeals and district courts and other judicial services. This would save \$753,200.

For fees for jurors and commissioners in the appeals and district courts

and other judicial services, we would allow a growth of 10 percent over 1981. This would save \$325,700.

For operations and maintenance, for appeals and district courts and other judicial services, we would permit growth to grow 10 percent above 1981, which would save \$3,982,300.

For salaries and expenses of magistrates for appeals and district courts and other judicial services, we would allow 10 percent over what was spent in 1981. This would save \$3,249,100.

The bankruptcy court, salaries and expenses of appeals and district courts and other judicial services, we would allow 10 percent over what was spent in 1981.

Incidentally, in this category the proposed outlay represents a 54.3-percent increase since 1980, which our committee felt was exorbitant. This would save \$10,703,800.

Space and facilities of appeals and district courts and other judicial services, we would permit a growth in 1982 to be 10 percent over what was spent in 1981. This would save \$4,759,700.

The special railroad reorganization court, appeals and district courts and other judicial services, we would allow 10 percent over what was spent in 1981. This totals some \$55,600.

Finally in this category, we would permit expenses for the Administrative Office of U.S. Courts, salaries and expenses, to grow by 10 percent over what was spent in 1981. This would save \$1,423,400.

Members, I do not intend to take any longer time this morning, but as I indicated at the beginning of my remarks, I will pick up reading these items one by one on the next day that we meet.

I would also like to add this caveat. The figures that I have expressed this morning were accurate as of the date of the publication of this work product, which was in mid-July of this year. The meaning of that is quite simple. We adopted a budget reconciliation bill in the latter part of July and there may be certain adjustments as a result of the adoption of that bill which would make some modifications in one or more of these figures and when those adjustments are known, I will make these adjustments available and knowledgeable to the Members of the House.

Does the gentleman from Georgia desire recognition?

Mr. BRINKLEY, Mr. Speaker, will the gentleman from California yield?

Mr. DANNEMEYER. I will be happy to yield to the gentleman.

Mr. BRINKLEY. I thank my friend for yielding. I wish to compliment the gentleman on his remarks today.

If I might take a minute or two, I would like to add to the gentleman's remarks in support of them.

Today I introduced a resolution with reference to lowering and stabilizing the interest rates. The resolving clause is a short one, and if I may share that with the gentleman, I would appreciate it.

Mr. DANNEMEYER. Certainly. Mr. BRINKLEY. The resolving

clause is as follows:

Now, therefore, be it Resolved, That the President, the Board of Governors of the Federal Reserve system, and the Congress should take the following three steps:

Toward this goal I have outlined steps to lower and stabilize interest rates. There are three of them:

First, immediate spending cuts should be made by identifying and eliminating nonessential and low priority items which may remain in the budget.

Second, Government revenues should be increased by eliminating existing preferences, such as last-minute inducements added to the tax bill and tax loopholes, which are neither fair nor necessary.

Third, the Board of Governors of the Federal Reserve System should prudently increase the money supply in order to ease the burden on credit markets and restore public confidence in the Board.

I might add, congressional confidence in the Board.

This plan, I say to the gentleman from California, would be a broad-based approach. It would combine the three elements and I believe would restore some stability and some confidence in the future of the money supply.

As to item 1, the gentlemen has made a good effort in identifying the items in the budget which could be considered. I do commend the gentleman for that.

On item 2, if there are loopholes in our tax structure, if there were things added as inducements, as no doubt there were because we are such a diverse people, then we might want to look at them again with cooler heads and wiser thoughts.

Then finally, as to the Board of Governors of the Federal Reserve System, we have got to understand that once usurious interest rates get out of sight as they are today, that productivity which is the salvation of our country is gone. We simply must have interest rates which are affordable by business and by agriculture if we as a Nation are to survive.

Therefore, this is the plan that I have. I salute the gentleman for the contribution he has made today and intend to examine these budget items to which he has referred and to which he will refer in an effort to join forces in the best interest of the country and, of course, the economy.

Mr. Speaker, the resolution is as follows:

H. RES. 211

Resolved, That current high interest rates constitute an unprecedented threat to American agriculture and businesses, which depend on credit, and American consumers who depend on their products and services; and

Whereas the causes of these interest rates are acknowledged to be higher than expected government deficits, increased consumer spending, and the restrictive monetary policy followed by the Federal Reserve Board, and

Whereas dealing with one of these causes alone to a degree sufficient to bring about immediate interest rate relief could exacerbate other economic problems so as to cause more harm than good: Now, therefore, be it

Resolved, That the President, the Board of Governors of the Federal Reserve System, and the Congress should take the following three steps:

First, immediate spending cuts should be made by identifying and eliminating nonessential and low priority items which may remain in the budget.

Second, Government revenues should be increased by eliminating existing preferences, such as last-minute inducements added to the tax bill and tax loopholes, which are neither fair nor necessary.

Third, the Board of Governors of the Federal Reserve System should prudently increase the money supply in order to ease the burden on credit markets and restore public confidence in the Board.

Mr. DANNEMEYER. I thank the gentleman for his comments. I wish the gentleman well on his resolution.

On the first item, I am wholeheartedly in agreement with the gentleman.

On the second item, I think, frankly, there are some elements in that tax bill that were a compromise, as the gentleman pointed out, that individually if we had a chance to vote on we would reject them as not being in the best interest of the country.

On the third element, we can talk about the stewardship of the Federal Reserve Board members at some length. This Member from California happens to believe in the evidence that this year the expansion of the money supply has been far in excess of the target set by the members of the Federal Reserve Board themselves. For instance, the target the Board set earlier this year was a growth in M1B of money supply for this year of 3 to 5 percent. In fact, the data indicates the growth of that statistic M1B in this year 1981 calendar year to date for the 8 months on which the data is available indicates a growth is of a magnitude of 8 or 9 percent, which is baffling.

In other words, it is my conclusion that rather than a tight money supply, the Federal Reserve Board is pursuing a loose money supply policy which is exacerbating inflation and high interest rates.

Let me add, though, that we should be careful as Members of this body to shift the responsibility or the burden on to the Federal Reserve Board for managing the economic affairs of this Nation. The Federal Reserve Board, in the opinion of this Member from California, has been irresponsibly expanding the money supply in the decade of the seventies in order to provide the liquidity in the banking system to finance the irresponsible level of spending of this institution, the Congress of the United States.

What I am saying is this: The irresponsible level of spending going on by this body today is not the cause of what the Federal Reserve Board is doing. It is what we Members of Congress have done. The buck stops here. If we Congressmen want to stop the irresponsible level of spending, we have to take the intellectual courage collectively to adopt one or more of these items in this work product.

I am not suggesting that every one of these should be adopted by the Congress. The spirit of this effort is nothing more than to suggest to Members that here are opportunities whereby we can cut spending, to bring down interest rates, because the Federal demand for credit this year is so extensive. Specifically, 35 to 40 percent of the available credit every month is being consumed by the Federal Government. If we want to reduce the Federal demand for credit, we are going to have to reduce Federal spending.

I say to the Members, if they do not like these 272 items, what are your recommended changes or ideas for reducing spending?

Mr. BRINKLEY. Mr. Speaker, will the gentleman continue to yield?

Mr. DANNEMEYER. I would be happy to yield.

Mr. BRINKLEY. As my friend knows, I do not impugn the steward-ship of the members of the Board of Governors. Certainly they need the wisdom of Solomon in this day and time in trying to achieve what their charter calls for and to be insulated from the political arena as they are.

I am certain they are doing all that they can in good conscience, but the fact remains that there is a severe problem with reference to money markets. Of course, the gentleman feels that the money is not tight, that there is probably more in circulation than there should be.

Well, reasonable men may differ and, of course, we do differ in that regard; but I would like to propound a question to the gentleman under this scenario.

Mr. DANNEMEYER. Yes.

Mr. BRINKLEY. With reference to the money in circulation and how we could best achieve our common goal, let us play as if the tax bill had not been passed and let us assume then that the deficit would be far less and that the demand of the Federal Government on the money supply would be far less. Then would the gentleman not agree with me that the interest rates would be far less than they are today because of the lower deficit which would in and of itself make a

fine contribution to productivity, toward the continuation in business of

farmers and businesses.

Mr. DANNEMEYER. The gentleman makes a very good point. Specifically, we cut taxes for fiscal year 1982 about \$55 billion in the tax bill. If we had not cut taxes, the deficit would be approximately eliminated or close to it.

It is tantalizing then to say, "Well, maybe we shouldn't have cut taxes."

I do not accept that and I will tell the gentleman why. If we are truly interested in establishing incentives in the Nation for economic expansion and incentives for people to work and invest and save, we must as a principle reduce the heavy level of taxes on the American people. It so happens that the tax load on the American people today is the highest in the history of our Republic in peacetime. I think that is unacceptable and this was the mandate that our President Reagan ran on last November and the people elected him to do. The tax bill is now a part of our economic system.

In 2 years' time, in my opinion, 18 months to 2 years, the feedback to Government from the economic expansion of the reimplementation of those tax cuts are going to do, I think, profound beneficial good to the Treas-

ury of the United States.

Our challenge is what do we do in the interim when the demand for financing this deficit or these deficits is so excessive? That is the full thrust of

this work product.

I believe sincerely that we have the challenge in the Congress of the United States this month before this year is out to adopt significant further budget cuts in order to reduce the demand of the Federal Government for credit to drive down interest rates, to help stimulate economic recovery.

□ 1030

Mr. BRINKLEY. If the gentleman would yield, finally, I do not disagree with the gentleman. I, too, supported the tax bill. I think one of the most important things the tax measure has achieved is a new attitude among the American people. You know, it is a thing of good cheer and enthusiasm to work and earn, because you can keep more. Motivation is a thing that drives a free people. That is what the gentleman and I believe in.

Mr. DANNEMEYER. We share that

belief.

Mr. BRINKLEY. I thank the gentleman.

Mr. DANNEMEYER. I yield back the balance of my time.

WE MUST MEET THE SOVIET CHALLENGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINGRICH) is recognized for 60 minutes.

Mr. GINGRICH. I thank the Speak-

Mr. Speaker, I requested a special order today because at the present moment the Reagan administration is in the process of making a series of decisions about the defense budget, about the future of defense spending, about the structure of our defense forces, which I believe need to be carefully examined.

The context and structure of those decisions, I think, need to be explained to the American people, and within the administration itself there is a lively debate going on as to how much defense we need, how much defense we can afford, and frankly, I think there is a third element missing in that debate, and that is the purpose of

today's talk.

I am convinced that we need not only a revolution in the public willingness to meet the Soviet challenge, not only a revolution in the Congress willingness to support the Secretary of Defense and the President; we also need a revolutionary commitment by the President and the Secretary of Defense to fundamentally reshape the structure and nature of the Pentagon, to produce the speed of decisionmaking, the efficiency, and the effectiveness in the Pentagon bureaucracy that we are seeking in the civilian bureaucracies.

To place this in context, I think we have to begin with President Reagan's commitment. Under President Carter, in constant 1982 dollars we had proposed to spend \$172.9 billion in 1980 in obligational authority. That had grown to \$186 billion in 1981 and to

\$196 billion in 1982.

Under President Reagan, however, we dramatically increased from \$172.6 billion in 1980 to \$193.9 billion in 1981, to a proposed \$222.2 billion in 1982, to \$238.4 billion in 1983, and so on. It is the largest increase in defense spending in peacetime since the late thirties.

Why did President Reagan believe we need that increase? Because the President and his advisers believe that the world is dangerous, because they believe that the Soviet military build-

up is a threat.

I agree with them. The world is dangerous. The Soviet military buildup is a threat. I would, in fact, go further than they are suggesting. I think the American people need to be told the simple truth, which is that if war came tomorrow, the United States would lose; that there is no conceivable victory that one can project from any battlefield with the Soviet Union except at the extremities of the Soviet power; that in Europe or anywhere within reach of the Soviet forces on the Eurasion Continent the United States could not defeat the Soviet Union.

Part of the reason we are in that shape is because we have been following for 30 years a war-deterring rather than a war-winning strategy. We have followed the policy that says if you will think of the story of the three little pigs, we will not build a brick house that the big bad wolf cannot blow down; we will build a paper house, but we will paint it to look like bricks. If the wolf is convinced it is a brick house, nothing bad will happen.

That war-deterring strategy worked as long as we had domination of strategic nuclear weapons. It has worked as long as the Soviet leadership has not tried to gamble. But the simple truth is that should war come, the

United States would lose.

We would lose because we do not have adequate troops, we do not have adequate reserves, we do not have adequate equipment, we do not have adequate munitions. In fact, if you look at the Franco-Prussian War of 1870, I think it will be found the most accurate model of what would happen in an American-Soviet war in the eighties. Unfortunately, we play the part of the French.

We have too few troops. They are not positioned well. Their doctrine is inadequate. We are not keeping up with technology. The sum total of our lack of commitment to reality for the last 20 years in defense is that we are today in terrible danger, should war come, of decisive defeat.

How vital is this consideration? How important is it to use as everyday citizens to worry about a war that probably will not come; to worry about a

battle that may not happen?

Let me suggest first of all that the actual processes of defeat is, itself, in wartime, everything. No matter how good your intellectual arguments, no matter how good your bureaucracies, no matter how eloquent your statements to Armed Services Committees, if you cannot win on the battlefield, nothing else matters.

It was said best by Winston Churchill, who warned us in "The Gathering Storm," quoting from a speech he made in 1934, that wars come quickly, that you cannot be certain when they will happen, that one day suddenly an ambassador comes, he delivers a message, and the following day your countries are at war.

The battlefield is more than just this front or that front, this division or that division. The battlefield is the heart and mind of the nation, the strategy, the general conditions in which the political leadership makes decisions.

Harry Summers, in an excellent book on Vietnam entitled "On Strategy—The Vietnam War in Context," Colonel Summers, currently an active officer in the Army, teaching at the Carlisle War College, begins his book with a quote.

"You know, you never defeated us on the battlefield," said the American Colonel. The

North Vietnamese Colonel pondered this remark a moment and said, "That may be so, but it is also irrelevant." Conversation in Hanoi, April 1975.

The North Vietnamese won that war on the battlefield of our minds, on the battlefield of our budgets, on the battlefield of our foreign policy, even if they never won that war on the battlefield around Saigon, so long as American troops were present.

Currently, we face a crisis because we are losing a war on the battlefield of the Pentagon, just as surely as we are losing a war potentially on the battlefields of Europe or the Middle East.

President Reagan attempted to shift the quantitative side of defense spending. He attempted to increase dramatically our commitment to a sound defense. Secretary Weinberger has done, I think, an excellent job, at the strategic level, of forcing the military bureaucracies to think again and again about the MX mobile basing system. Under Secretary Carlucci has done a super job of forcing fundamental thinking about procurement policy within the context of the Pentagon. In some recent votes on authorization bills, we have changed some of the laws to allow the Pentagon to spend more wisely.

But on balance, the Reagan administration has not done the job it needs to, and as a consequence we are today at the beginning of our first retreat from what was a brief, 6-month surge

of defense spending.

There are three reasons we are retreating. First, the Russians have not invaded Poland. The world seems less dangerous. And shooting down two Libyan jets felt good. It gave the American people the sense that we showed them.

Second, the wave of spending cuts on the civilian side has not been matched by equal toughness in defense spending. There is not a sense that we are as willing to grill the generals as we are to grill the civilian bureaucracies. While I praise Secretary Weinberger and Under Secretary Carlucci for their initiatives, I have to fault them for their lack of flair, their lack of publicity. To too great an extent "Cap the Knife" is in danger of becoming "Cap the Advocate," and should that happen, I fear he will lose his effectiveness in convincing the American people that we will question a military bureaucracy as tightly as a civilian bureaucracy.

The third and deeper reason that the Reagan administration is steadily losing ground in the Congress and I think ultimately in the news media in the country on the issue of defense sending is because the dry rot of the Pentagon bureaucracy remains unchallenged. You can take every quote by President Reagan about bureaucracy in general, every quote about its waste, its silliness, its lack of direction,

and you can apply them to the Pentagon. The reality is that the Pentagon is the largest, most sophisticated bureaucracy in this city; that for last 35 years they have systematically and steadily developed an ability to do less and less while spending more and more with greater and greater complexity.

Here are some recent examples:

The Desert One tragedy in Iran led to no firings, no resignations, no courts of inquiry. When the British in the 18th century lost Majorca, they executed the admiral who failed. In this country on all too many occasions in recent years we have promoted the senior officer who failed.

On cost overruns, to the best of my knowledge, there have been no major firings of the military leaders directly involved in spending large chunks of money. In effect, whatever happens on the battlefield or in the building project the game goes on. In many cases the officer who had the overrun ends up working for the company he had the overrun with.

Simply throwing more money at obsolete ideas and absurd structure does not solve anything. In the long run, it may in fact weaken things both by crippling those of us who favor a strong defense, and also by leading some people to believe we are actually being saved while all we are being is wasteful.

The challenge I would raise is much deeper than anything we have seen this year. If the administration thinks the defense threat, the danger of war, is important enough to spend this amount of money on, then it ought to be willing to fundamentally reform the Pentagon bureaucracy. We need Elihu Root, not Henri Maginot, as Secretary of Defense. We need a willingness to fundamentally restructure things.

For those who remain faithful to the vision of military bureaucratic competence, let me suggest the following facts should at least lead them to question their faith.

First, I have asked this of every officer I have seen recently. There is no major war we can win with the Soviets, period. Let me repeat that. There is no major war we can win against the Soviets, period.

Second, we now focus on buying high technology in a narrow formula that prevents us from using the high technology we spend so much money on. For example, we buy the F-15 fighter aircraft, a superb aircraft, clearly one of the two finest air-superiority fighters in the world, the other being the F-14. We buy it with enormously complex and expensive electronic gear so it can fight in what is called a force-on-force conflict; that is, with many aircraft in the air at one time. Yet in testimony before the Senate Appropriations Committee on

the Department of Defense appropriations for 1981, General Russ said about the third level, which is force on force—

So I would say that 95 percent of our people are at level 1, maybe 50 are at level 2, and a few are at level 3.

What that means is that you are buying extraordinarily expensive aircraft which you are not flying the pilots in long enough to use the aircraft at its current capability, so that 50 percent of our pilots are using the plane as though it were a dramatically cheaper one-on-one fighter plane. Another 40 percent or so are using the aircraft as though it is a slightly superior one-on-two or one-on-three airplane. And probably 10 percent of your fighter pilots are sufficiently qualified to use the airplane for the purpose you paid for. It is like using a Cadillac as a dump truck. And it is done because the Air Force is focused on procuring hardware rather than on building a balanced force that has enough money to fly the airplane, to train the pilots, to buy the munitions and to maintain the entire system.

We have to develop a total equation of research and development, procurement, maintenance, training, in order to measure full systems against each other.

Third, we are buying an all-high-technology force in a way that is historically absurd. The reality is that high technology limits size, and as Lord Nelson warned us, "Numbers annihilate." It is important to remember that when the German Army invaded Russia in 1941, there were only 24 armored divisions. The rest of that army was infantry with horse-drawn logistics. The Israelis in 1973 were still using World War II super-Sherman tanks when necessary.

We simply cannot buy enough F-15's, F-16's, and A-10's to equip all of our Regular Forces and all of our Reserves. But the professional military bureaucracy's answer is to blame the politicians and the people. That is candidly a copout.

Wellington had to fight the peninsular war with the army he had, not the army he dreamed of. Midway was won in what Walter Lord called an incredible victory, with the Navy available, not the Navy Admiral Spruance wanted.

The current military bureaucracy buys what it wants and shrugs off the gaps in procurement and training as someone else's fault. That is simply fundamentally professionally wrong. It is like buying a new car and having no money to buy gas to drive it home. The Syrians in the Golan Heights in 1973 lost over 100 tanks simply because they ran out of gasoline.

□ 1045

The Japanese suffered extremely high aircraft losses in the Mariana turkey shoot of 1944 because they could not train the pilots. The first operational jet fighter of Germany, the ME 262, could not achieve its peak effectiveness because of the lack of aviation fuel in Germany in 1944 and 1945. The American military bureaucracy is actually planning, in the purchasing patterns we see, to create the probable fiascos of the future for our own military: to spend the money in such a manner that you cannot finish the entire process; that fancy weapons systems exist that cannot be used is simply irresponsible.

Example: We have a long war structure for the Army that is capable, not of fighting a short war, but fighting only a skirmish; literally incapable of fighting even a war the length of Yom

Kippur.

Mr. ROTH. Mr. Speaker, will the gentlement yield?

Mr. GINGRICH. I yield to my good friend from Wisconsin.

Mr. ROTH. Mr. Speaker, I thank the gentleman for yielding, and I want to commend him for bringing a new dimension, a new variable, into discussions that I see taking place in discussions on our military preparedness.

All to often, I think, we recite the same cliches and go along with the same type of thinking, and what we need now is to think anew and act anew. I do not see that type of thinking forthcoming, so I thank the gentleman for taking the time to prepare his statement, which I think is very well thought out and very well delivered incidentally, too.

I am reminded, when the gentleman was quoting the different generals and the different situations, that Caesar had a motto, which was, "Divide et vinci," meaning "Divide and conquer."

I think that is taking place to some degree in the Western World, if not to a great degree, in the Western World today. I think we have to speak with one voice. It is not how many dollars, how many billions we spend, but how we spend those dollars. I think that is what the gentleman is driving at.

We cannot have people in our own administration continually disagreeing with each other. I think, quite frankly, that we have to speak with one voice—not only our country, but in the Western World—if we are going to preserve

the peace.

I think the gentleman's analysis of the Pentagon deserves some consideration on this floor by those of us who are entrusted with the responsibility to look at not only the defense budget but also how those dollars are being spent. Quite frankly, I do not see a Winston Churchill in America today sounding a clarion call for new thinking and to wake up the American people, but I think maybe this is a

step in the right direction by our friend from the State of Georgia.

The other thing, when we criticize the Pentagon, and rightly so because there is criticism I think that Department should be subjected to, we have to remember that we bear some of that responsibility right here in this House. How many times have you heard a general make an unpopular decision or opinion in public and have people go to the well to back up that general? I have not heard that very often. In fact, I cannot remember a single instance, because today in America you have to be popular and whatever you do has to be popular. You will never do the unpopular thing, and what we need in America today is the unpopular thing because the message that the American people have to hear, my friend, is not going to be popular.

So, I commend the gentleman from Georgia for taking the well at this time and giving us the benefit of his thinking. I hope that he will do this more often in the future, because it is not ourselves, but our children and our grandchildren that are going to be thankful for the work that is being done by the gentleman on bringing a new dimension to the thinking of America, because we have been going along in a stereo thinking for all too often. We are still fighting the Second World War. That is a thing of the past.

Mr. GINGRICH. I want to thank my colleague. I could not agree with him more. His comment on unpopularity—you know, it is always more popular to buy ice cream than health insurance. It is always easier to buy the immediate goody than it is to buy fire insurance. Yet it is very improvident and in the long run unwise. I think what we are trying to buy now is the right fire insurance, structured in the right way.

The current bureaucracy at the Pentagon, if I can pursue along the line of my colleague, it is vital to recognize that we have here a systematic dry rot that runs very deep. We have highly sophisticated airplanes, with pilots who cannot get enough flying time to use the equipment that we are paying for. We have carrier battle groups expensively built to survive multiple hits, with expensive F-14's, with inadequate supplies of Phoenix missiles. The carrier might survive the hits, and since it is nuclear it would not need refueling. The problem is, it just could not flight because it would run out of munitions. We would have in effect a large luxury liner with 6,000 men on it after the first few days of the war.

In sum, we are facing a military disaster of the first order unless we shift from a war-deterring to a war-winning strategy. The war-deterring model works fine as long as nothing happens to make you use it. It is, in effect, an

extraordinarily expensive bluff, but there is no survival.

The current crisis of high interest rates is forcing the administration to rethink its defense budget. That is good. Secretary Weinberger and Under Secretary Carlucci have done a good job of questioning the MX basing system, on revising procurement, on reestablishing morale in the services. Now they face a new challenge.

I remind you that Winston Churchill, in a speech made in the 1930's in a book called, "Blood, Sweat and Tears," said:

I have always had sympathy for my right hon. Friend, the Minister for the Co-ordination of Defense. On public grounds, at considerable personal sacrifice, he accepted nearly three years ago an office for which his high gifts and lifelong specialist training had in no way fitted him. And as the House seemed to realize at the time, although it could not shake off its inertia, the office itself was framed in a manner so curious that he really never had a chance of discharging it successfully. It was a compromise which bore in every paragraph the imprint of inter-departmental interests, and rivalries.

Tragically, in our society nothing has changed since Churchill issued that warning in the 1930's. We are now in the midst of the greatest revolution in peacetime defense spending since the 1930's. We need an equally great revolution in defense thinking and management. As they prepare the defense budget cuts this weekend, I hope that Stockman and Weinberger and Carlucci will plan to do the following 15 things:

First, tell the American people the truth about the scale of the Soviet military buildup. At the present time, there is no clear understanding in this country of what would happen if we went to war, of the awesome scale of Soviet military strength, and of the fact, quite simply, that we would lose.

Second, tell the American people the truth about our military unpreparedness. Right now, they have inherited somebody else's mess. Now they have the Carter defense structure, but if they do not share the full, grim story of our inadequacy, people cannot understand why we have to rebuild virtually everything.

Winston Churchill, again in 1938, reported that he had been misled by the Secretary of the Air, and he said:

When does the House suppose that statement was made? Not last month, or last year. The date is July 20, 1936—twenty-two months ago. And I say that that statement certainly gave the impression to the House that all was proceeding well, that a great flow of modern machines was proceeding from the factories into the Royal Air Force. I know my right hon. Friend would be the last to mislead the House of Commons. But he was himself misled, because he had not the knowledge or experience, great as is his legal acumen, to enable him to conduct the necessary technical cross-examination.

I hope the new Air Minister will imitate the example of Lord Baldwin, and when he makes a mistake blurt it out in the most appalling manner, so that, at any rate, whatever we may complain about, we cannot complain that we have been misled.

I think that is excellent advice for the current team. They do not have the experience; they will not have the experience; they cannot have the understanding, and they are far better off to preside over an opening and flourishing debate for the next year than they are to make decisions now with inadequate data which will lock them into the Pentagon bureaucracy in a manner which will be unacceptable to the Nation and in the long run, I fear, unacceptable to history.

Third, they must force the military to build from the battlefield back to the Pentagon. Right now, we do the opposite. There are four separate battlefields for our separate services. The Navy has a sea war different from the Air Force. Indeed, there are separate battlefields inside the same service, and you can find a variety of battlefields described by different branches of the Air Force, Army, or Navy.

The time to integrate the battlefield is now, while planning, not during a

war while dying.

Fourth, they must force a shift from an attrition-oriented doctrine to a maneuver-oriented doctrine. The scale of misunderstanding of the concept of maneuver inside the professional bureaucracy, military and civilian, is so fundamental that it is appalling. John Wilcox of the Army Concept Analysis Agency is quoted in the fall issue of Armed Forces and Society, as follows:

One "serious political constraint" is the Federal Republic of Germany's insistence that as little ground as possible be lost and that damage be confined to a minimum.

His argument against full-fledged maneuver warfare would sound insane. The Wehrmacht certainly did not launch the blitzkrieg into France by attacking back into the Ruhr; or by the Israeli Army, which has the least ground to give of any army in the world and is the most committed to the maneuver doctrine. It is fundamentally childish and almost unbelievable intellectually that the concept of maneuver doctrine, which is fundamental to history, which is illustrated by the Wehrmacht and the Israeli Army, by the Mongols, that that concept is as thoroughly misrepresented and thoroughly misunderstood, either willfully or out of sheer ignorance, by so many of the senior military bureaucracy. It is a phenomenon that historians will wonder about.

Fifth, we must procure from today's crisis forward; no budget cuts can be allowed to affect our ability to win or lose in 1982. It is clear that we would lose today. At a minimum, we should not make it easier to lose in 1982. At a maximum, we must replenish operations and maintenance and munitions

and training before doing anything about the future beyond 1982.

As Churchill warns us in "The Gathering Storm":

Wars come very suddenly. I have lived through a period when one we looked forward, as we do now, with great anxiety and uncertainty to what would happen in the future. Suddenly something did happen-tremendous, swift, overpowering, irresistible. Let me remind the House of the sort of thing that happened in 1914. There was absolutely no quarrel between Germany and France. One July afternoon the German Ambassador drove down to the d'Orsay and said to the French Prime Minis-"We have been forced to mobilise against Russia, and war will be declared. What is to be the position of France?" The French Premier made the answer which his Cabinet had agreed upon, that France would act in accordance with what she considered to be her own interest. The ambas-sador said, "You have an alliance with Russia, have you not?" "Quite so," said the French Premier. And that was the process by which, in a few minutes, the area of the struggle, already serious in the East, was enormously widened and multiplied by the throwing-in of the two great nations of the West on either side.

To go on, and I quote:

We may ourselves, in the lifetime of those who are here, if we are not in a proper state of security, be confronted on some occasion with a visit from an Ambassador, and may have to give an answer, and if that answer is not satisfactory, within the next few hours the crash of bombs exploding in London and the cataracts of masonry and fire and smoke will warn us of any inadequacy which has been permitted in our aerial defences. We are vulnerable as we have never been before.

The final quote, which I hope will most concern those of our friends in the Pentagon who mean will but do ill, is:

Not one of the lessons of the past has been learned, not one of them has been applied, and the situation is incomparably more dangerous.

Let me suggest, as we begin the budget for 1982, we start with insuring that we survive 1982.

Sixth, we must force research and development for the future outside the military frame of comfort. Currently, while we are spending enormous amounts on research and development, we are spending it on things that the senior officers feel comfortable with, that they feel good about. I would suggest to you that, by definition, those things in the late 20th century which a man who entered service 30 years ago likes and feels comfortable with are almost by definition not the things which will dominate our grandsons' wars. They are not the things we should spend research and development money on. We need once again the Carl Vinsons in the House, forcing us to spend money on airplanes, as he did in the 1920's. Now, we need someone forcing us to spend money on the equivalent of airplanes for the 1990's.

In the 1930's, Adna Chaffee, an old cavalry officer, a man who had grown

up in the Army of the American Indian wars, a man who had literally been a horse cavalryman, fought a war for the tank worth remembering.

I quote from "Alternative to Armageddon," a study by four military officers of the need for maneuver:

So it was in this frustrating environment that Adna Chaffee was compelled to labor. As early as 1927 he began his campaign for mechanization as a member of the General Staff in Washington. Shortly afterward, General Summerall, then Chief of Staff, issued a directive for the organization of a mechanized force based on concepts furnished by Chaffee, who also contributed to a written report of the War Department Mechanization Board, of which he was a member.

□ 1100

But in the depression years Congress was in no mood to appropriate funds to support any such activity. Moreover, the limitations on appropriations in general spurred on the jealousies of service branch chiefs who saw their very existence threatened. The result was ten years of bickering and political infighting which told heavily on Chaffee's health.

He prepared a lecture, "Mechanization of the Army," which he delivered at all the service schools and finally before the students and the president of the Army War College. He concluded the talk with the remark, "The main point is that we, as soldiers must recognize the tremendous strides our automatic industry has made since the last war. If we neglect to study every possible use of this great asset in the next war, we would not only be stupid, but incompetent."

"I then had the honor," said Chaffee, "of being told by the President of the War College that my lecture was visionary and crazy."

Chaffee's realization that the motor had replaced the horse came as a shock to many service friends. In the United States, as in Britain, the tradition of the horse died hard.

When the armored force was finally formed, with Chaffee in command it might have been said that he had gained his objectives. But the years of frustration had taken their toll. Broken in health, he died in 1941 at the age of 56, after a recommendation for his promotion to the grade of lieutenant general had been made, and just as the German panzers were demonstrating the soundness of Guderian's doctrine, so much like his own. * * *

Chaffee, of course, had help. Palmer, Charles L. Scott, and Willis D. Crittenberger all pioneered in the development of the nucleus of the American lighteningwar capability, all except Palmer going on to brilliant field or school commands. Then too, there were unsung young lieutenants, Withers, Heiberg, Sears, and many others of like grade who evolved the tactics of the smaller units and kept their cranky and unreliable vehicles in operation through sheer determination; many even purchased gasoline from their own limited funds, an unchallengeable sign of personal interest. Mildred Gillie, in her fine study, "Forging the Thunderbolt," recounts the details of these formative years.

One of the great prophets of blitzkrieg, in the field of automotive design, and one without honor in his own country was J. Walker Christie. As an engineer Christie developed a new and critically important suspension system for tracked vehicles. But for reasons most combat-experienced officers have never been able to fathom, the Christie system was never acknowledged by the U.S. Ordnance Department. Yet the concept was welcomed abroad, especially in Russia, where tanks began to be mass produced in 1936, using the Christie design. In this year the United States ceased to give Christie further consideration. Ultimately, the Russian T-34 tank, then the best in its field, emerged not only with his suspension system but with his ideas on sloping armor

Where today are the Chaffees? Where are the Christies? Where are the Wright Brothers, who were turned down by the Army in their first request to experiment with the airplane? It is vital that we move in such a manner and that Secretary Weinberger moves in such a manner that we recruit throughout the existing bureaucracy those men and women with ideas. The reality is that we are currently backing all of the proven winners of the last war and starving all of the possible winners of the next war.

Seventh, we must force the services to justify every defense expenditure within an accepted Joint Chiefs' battlefield plan. How does each dollar help us win on the battlefield? How does it help the other services do their job, and do the other services agree that it helps them to do their job?

Eighth, we must force the services to cut their internal bureaucracy. In effect, we must deregulate the military. As a goal, how much paperwork do we have to do to cut one-half of the total military and civilian personnel working in the Pentagon and its satellites?

Ninth, we must cut our procurement time or cycle down for battlefield use. We must cut it down to do longer than the Soviet time.

Churchill, speaking again on the Ministry of Supply in 1934, said, and I quote:

I am very anxious to press the point of a Ministry of Supply. Let us see what is the present organization that is employed in producing armaments from British industry. It is an extraordinarily cumbrous and complex organization. First of all there is the Admiralty, with all its establishments and activities. Secondly, there is Admiral Brown's Department of the War Office. Admiral Brown is Director-General of Munitions production for the War Office, and he is a member of the Army Council. He makes for the War Office and he makes certain things for other Departments as well. Included in his sphere is the old Department of Master-General of the Ordnance, which we were told was working so splendidly a year ago, but which, when the new Secretary of State for War came along, was found to be in such a condition that it had to be transferred en bloc to the control of Admiral Brown. Thirdly, there is the enormous system of committees working under the Committee of Imperial Defense.

In the same speech Churchill went on to say something which similarly could be used to describe our world today:

I was surprised at my right hon. Friend. He treated the matter, when he was describing the reason against a Minister of Supply, as if everything that had happened so far was satisfactory. That apparently is his point of view. I say this machinery has failed; I say it has not delivered the goods. And this is the machinery which some people think should be replaced forthwith by an effectual Ministry of Supply under a responsible Parliamentary head and with all necessary executive powers. The Prime Minister obdurately resists this Ministry of Supply. He made difficulties today about powers, and seemed to be willing to excite a prejudice, which I do not think exists, upon the other side of the House against reasonable powers. Who has ever suggested that this Ministry should be equipped with power to prevent strikes in time of peace?

He goes on to say that-

British industry is more flexible and more fertile than Germany industry in every sphere except munitions. We have for generations completed successfully on even terms, and even adverse terms, in the markets of the world. If Germany is able to produce in these three years equipment and armament of every kind for its Air Force and for sixty or seventy divisions of the Regular Army, how is it that we have been unable to furnish our humble, modest military forces with what is necessary? If you had given the contract to Selfridge or to the Army and Navy Stores, I believe that you would have had the stuff today.

The essence of what Churchill was saying and what I am saying almost 50 years apart is that it is necessary to cut through the redtape of peacetime in peacetime or one will have to cut through the redtape in wartime.

Tenth, we must force intellectual vigor and professional honesty into the planning and debate inside and

outside the Pentagon.

Civilian aide Franklin Spinney has a brief entitled "Defense Facts of Life." It is a radical critique of the Air Force. It is candidly being savaged and knifed in a petty bureaucratic war worthy of the subject of a C. P. Snow novel. It is clear that there is in fact an Air Force rebuttal to the Spinney brief. It is clear that it is a secret, hidden rebuttal. It is clear that the Air Force will not come out in the open with it because they do not want to get into a debate they may lose. It is precisely the wrong kind of maneuvering. It is a maneuver warfare of the shallowest and meanest kind. Spinney may be wrong, but he deserves an honest, open debate. In fact, I would far prefer to see us promote people who debate honestly even if they are wrong than to promote people to hide from debate even if they are right. In the long run we can afford wrongness in the right process far more than rightness in the wrong process.

Similarly, the Navy response to diesel submarines has been as fundamentally misleading as the Air Force

response to the Spinney brief. Some Navy officials will tell us that diesel submarines are noiser than nuclear submarines, when the simple fact is that they operate on battery, and the West German diesel submarine is quieter and better than the nuclear submarine, and it defeats our antisubmarine warfare forces.

Eleventh, rather than cutting across the board, we have an obligation to zero out some items. I would suggest the F-18 as a start. We need to systematically decide what we cannot afford and cut those chunks of the budget in whole rather than nibble every piece so all is weak and none is strong.

Twelfth, we must confront honestly the manpower issue. The simple reality is that we can have a professional military if we have the strategy of Pitt the Elder to focus on blue water, but we cannot have a professional military if we intend to have the Marlborough continental strategy.

Two wars in this century taught Great Britain that they cannot avoid war if the European Continent is threatened. We cannot either. The simple reality is that if we are going to protect Western Europe, if we are going to protect the oil reserves, we must have reserves, reserves, reserves.

Look at the figures for Soviet and American mobilization of D-plus-90, 90 days after war begins, and you will find that it is absurd that we cannot possibly survive. To have a military effort large enough to stand against the Soviets means a commitment by the middle class far beyond buying mercenaries. It means either universal military training or the draft. There is no other solution that is believable on the battlefield.

Thirteenth, the very nature of a potential theater of war with the Soviets requires a massive buildup of the Reserves and the National Guard. Any plan or budget which does not include the National Guard and the Reserves as the very base of our long-term warmaking capability is simply nonsense. A war-winning battlefield-oriented defense rests on Reserves. That is not without reality in history. The Israeli experience in 1973 was that they could mobilize their entire civilian reserves in 24 to 48 hours and go to war on a surprise basis. It was the French lack of reserves in 1870 which made defeat almost certain. It is the American lack of Reserves which would make defeat almost certain for us in the eighties. We must fundamentally put the National Guard and the Reserves in the center of our defense plan.

Fourteenth, we must go into space in a massive way. It is the aviation of the 21st century. It is a zone where we can with our high technology, electronically focused industry, have the greatest advantage over the Soviets. It is the area where we can regain domination of the exploration of space. It is literally irrational to focus on pouring concrete for MX missiles instead of building electronic capabilities for space when all of our strengths are in space and none are in concrete. It is vital that we have a dramatic plan, at least comparable to the Vinson shipbuilding plan of the thirties to make America the dominant Nation on the escalation ladder and to give us a chance to survive in space.

Fifteenth, finally, we must assume an interactive model of defense planning. The Soviets are going to respond to whatever we do. For far too many years we have bought for the battlefield of the next year and finally get the equipment 5 years later and then are shocked that the Soviets have done something different than what we had planned. It is time to have interactive planning and game out what we think their response will be to our developments, because we are in the long run a more flexible society and we had the capabity to outmaneuver them.

Our critics will say that these ranges of ideas are academic and theoretical. As one general has charged, they are the product of theorists who—and I quote—"do not have combat experience or even a military background." That is the rankest nonsense and the clearest example yet of bureaucratic thinking.

Moltke the Elder's first combat experience came as commander in chief of the Prussian Army in a war with Denmark in 1864.

Eisenhower technically never had a combat command. He was a Camp Colt trainer in armored tankers in Gettysburg during all of World War I.

The Prussian Army adopted revolutions and firepower and maneuverability and communications in the 1850's and 1860's without fighting a battle, and it fundamentally changed in peace time by following professional standards.

Simply stated, professional military doctrine based on professional principles in military history should be arguable on the grounds of professional standards. It is a sad cry of decay to attack the critics instead of the criticism, to snipe at the person instead of the idea.

What we are trying to do is to replace a war-deterring model that is rotten to the core, that dooms this country to defeat in any war in the near future. It is a war-winning model that allows us to survive as a free country. As an historical analogy, we are trying to have Scharnhorst without Jena. We are trying fundamentally to reform the military without having a decisive military defeat. It happens seldom, and it is unlikely, unless this Congress forces those changes, that it will happen now.

President Reagan, Secretary Weinberger, and Under Secretary Carlucci have an opportunity to design a military system that preserves freedom in this country for the foreseeable future. That system does not exist. Simply buying more hardware or paying more for the officer corps will not create that system.

As Churchill warned us, war could come at any time. I have spoken today because it is my hope that as the administration focuses in the next few days on the kind of budget changes required by the high interest rate situation, the administration will recognize that while it has done much to increase our awareness of the dangers and while it has done much to explain the need for more spending, its efforts to fundamentally create an open debate, to create an opportunity for genuine dialog, and to create a professional doctrine against which to measure the budget, in that zone we are at ground zero, and in some areas frankly we have been declining for the last 2 months.

I fear greatly that the traditional Pentagon bureaucracy, which frankly has failed, is failing, and will fail, is in gave danger of seizing the momentum of growth. Should that happen, it is this Congress which will have to permit it to happen; it is this President who will have to allow it to happen. The burden is on us in the next 90 days to force the Pentagon bureaucracy to begin to change fundamentally, and it is the control of the budget which gives us that opportunity

I thank the Speaker.

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PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 5 minutes.

• Mr. GILMAN. Mr. Speaker, yester-day I was unavoidably detained in meetings at the Department of State and was unable to participate in two rollcall votes. I take this opportunity to announce the positions I would have taken, had I been able to be present.

On rollcall No. 195, the question of whether the House should resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H.R. 4209, which passed 367 yeas to 3 nays, I would have voted "yea."

On rollcall No. 196, the question of

On rollcall No. 196, the question of whether the Committee should agree to the Studds amendment, which added \$84 million for the Coast Guard, and failed by a vote of 129 to 260, I would have voted "yea."

Mr. Speaker, during the months of September, October, and November, I will be serving, at the request of the President, as a member of the U.S. delegation to the United Nations General Assembly in New York which will necessitate my presence at the U.N. in New York on a number of days when the House may be in session. I will attempt to be in the House Chamber to the greatest extent possible during that period. I am today making a separate request to the House for official leave for the purpose of fulfilling my duties at the United Nations.

WE MUST-BUT CAN WE BALANCE THE BUDGET?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Anderson) is recognized for 10 minutes.

Mr. ANDERSON. Mr. Speaker, before going to our home districts for our August work period, this Congress passed the largest tax reduction ever, and shortly before we made massive cuts in planned spending. The cuts in spending were painful for many programs, and some good programs were hurt. Some programs of marginal value were eliminated, although unfortunately a few of these were retained. But these massive cuts do symbolize putting a halt to ever-increasing Federal Government spending.

But now we read in today's newspapers that the administration is gearing up for additional cuts that may reach as much as \$74 billion in 1983 and 1984. I am just not sure where cuts of that magnitude can be derived. With a budget the size of the Pentagon's, there most certainly are marginal programs, such as some of the studies we read about, that should be eliminated. And there are other economies which I feel can be made. But we must not cut the muscle out of our defense. And, I find it hard to conceive that \$74 billion can be cut in the 2 years without drastically impairing our national defense or completely abandoning the social programs which do so much to make America as morally strong and compassionate just as it is today. But I would like to ask my colleagues to look at the other side of the spending cut/ tax package. And that is the tax cut portion.

Yesterday, Alice Rivlin, our very able Director of the Congressional Budget Office, testified that unless spending cuts are made, the Federal deficit next year will reach about \$80 billion. That is nearly double the last official administration estimate that I have seen. And Ms. Rivlin further testified that it would take additional spending cuts of about \$100 billion to balance the budget in fiscal 1984, as President Reagan has promised us he would do. So, Mr. Speaker, where does that leave us?

I want a balanced budget as soon as possible, and certainly by 1984 as Mr.

Reagan has promised. In talking to my constituents at home, there were two main themes underlying all of these conversations. The first is, that interest rates must be reduced. Home building is catastrophically crippled. Young married couples cannot afford to get a place to stay. Automobile sales, truck sales, everything is curtailed due to high interest rates. People cannot afford to pay 20 percent for the money they need to make essential purchases. The second theme was "balance the budget and get inflation under control." And, of course, these two are inextricably intertwined. Inflation has been somewhat reduced. I am happy to say. But in part it has been reduced only at the expense of experiencing the terrifically high interest rates we have seen posted these past months. And I think also the interest rates are reflected in investors' lack of confidence in the stock and bond markets.

Mr. Speaker, earlier this year I introduced a tax reduction bill which embodied many of the features in the legislation which we passed for the administration. I have long called for measures to arrive at a balanced budget, and having reached a balanced budget, in subsequent years to start reducing the nearly \$1 trillion debt which hangs over the American people today. But the bill which we passed went much further and faster in the field of individual income tax reduction than I proposed. I feel that incentives given to business to modernize plants and equipment and thus create new jobs are essential, and that our tax reduction bill in these areas should not be altered. I also believe that incentives to saving must be retained, such as we have done in the All-Savers Tax Act. That, therefore, leaves us one area where moneys could be found to offset the forecast deficit, and this is in the personal income tax. I do not like to pay my individual taxes more than anyone else, but I think we all recognize that paying taxes is our obligation to provide the kind of life that we enjoy in this country today. But I sincerely believe that we went toofar too fast in the personal income tax reductions we have just passed: 5 percent this year and 10 percent for the succeeding 2 years, amounts to 25 percent-a one-quarter

We must balance the budget, and to do so we must make some additional cuts in planned spending, both defense and nondefense. But a most important step in achieving a balanced budget would be to delay implementation of all of the individual income tax cuts planned. And, I would suggest that probably the most equitable way to achieve this would be to delay implementation of the 1982 tax cuts by 3 months, and to delay implementation of the 1983 tax cuts by an additional 3 months. Thus, we would have 3

months of 1982 collected at 1981 rates and 6 months of 1983 collected at 1982 rates

I know this will not please those who have been so strident in demands for large tax cuts now. But. Mr. Speaker, I believe it does give us a rational way to assist the President in achieving a balanced budget, and by so doing, regenerate confidence in our American economic system. This in turn will have the net result of reducing interest rates, stimulating the economy, and further bringing inflation under control. And I am not alone in this thinking. I am told that just yesterday the National Association of Realtors, which had supported the administration's tax reduction proposals, in a letter to the President formally proposed postponing next year's 10-percent individual tax reduction from to October, unless adequate spending cuts can be made to keep the fiscal year 1982 deficit to \$38 billion. This 3-month postponement coincides with my thinking-but we should also, as I have suggested, further delay the additional 10-percent reduction scheduled for 1983.

I ask my colleagues to give my proposal serious consideration.

CONFERENCE REPORT ON H.R.

Mr. BOLAND submitted the following conference report and statement on the bill (H.R. 4034) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes.

CONFERENCE REPORT (H. REPT. 97-222)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4034) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 12, 15, 21, 24, 26, 31, 32, 33, 34, 36, 48, 49, 50, 51, 52, 58, and 59.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 9, 17, 19, 20, 25, 30, 38, 44, 46, 47, 53, 54, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$916,233,800; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$17,939,370,000; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$40,000,000,000; and the Senate agree to the same.

Amendment numbered 10.

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$68,250,000,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SOLAR ENERGY AND ENERGY CONSERVATION BANK

Assistance for Solar and Conservation Improvements

For financial assistance and other expenses, not otherwise provided for, to carry out the provisions of the Solar Energy and Conservation Bank Act of 1980 (12 U.S.C. 3601), \$25,000,000, to remain available until September 30, 1983.

And the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$225,000,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$23,000,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$181,250,700; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$4,973,100,000; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$99,800,000; and the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$1,040,000,000; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$27,450,000; and the Senate agree to the same.

Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an

amendment, as follows:

In lieu of the sum proposed by said amendment insert \$14,450,000; and the

Senate agree to the same. Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

INVESTMENT IN NATIONAL CONSUMER COOPERATIVE BANK

For the purchase of class A stock issued y the National Consumer Cooperative by the National Consumer Cooperative Bank as authorized by section 104 of the National Consumer Cooperative Bank Act (12 U.S.C. 3014), \$47,000,000, to remain available until September 30, 1983.

And the Senate agree to the same. Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an

amendment, as follows:

In lieu of the sum proposed by said amendment insert \$12,881,600,000; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

Provided, That this appropriation is hereby reduced by \$19,700,000 through the elimination of payments for flight and correspond-ence training benefits, except for those per-sons enrolled in flight training on August 31, 1981, and correspondence training on September 30, 1981, and who remain continuously thereafter so enrolled and meet the applicable requirements of eligibility; and the Senate agree to the same.

Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$150,699,000; and the Senate agree to the same.

Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: 413; and the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: 414; and the Senate agree to the same.

Amendment numbered 57:

That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: 415; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 5, 13, 22, 23, 28, and 35.

EDWARD P. BOLAND, BOB TRAXLER, LOUIS STOKES LINDY (Mrs. HALE) BOGGS, MARTIN OLAV SABO, JAMIE L. WHITTEN, BILL GREEN,
LAWRENCE COUGHLIN,
C. W. BILL YOUNG,
SILVIO O. CONTE,

Managers on the Part of the House.

JAKE GARN, LOWELL P. WEICKER, PAUL LAXALT, HARRISON SCHMITT, ALFONSE M. D'AMATO. ARLEN SPECTER, MARK O. HATFIELD, WALTER D. HUDDLESTON, JOHN C. STENNIS. WILLIAM PROXMIRE, PAT J. LEAHY,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4034) making appropriations for the Department of Housing and Urban Development, for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I-DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 1: Appropriates \$916,233,800 in annual contract authority for assisted housing, instead of \$987,436,250 as proposed by the House and \$891,500,000 as proposed by the Senate.

Amendment No. 2: Appropriates \$25,112,000 in annual contract authority for the Indian housing program as proposed by the Senate, instead of \$18,834,000 as proposed by the House.

Amendment No. 3: Appropriates \$17,939,370,000 in budget authority for annual contributions for assisted housing, instead of \$19,742,645,500 as proposed by the House and \$17,815,100,000 as proposed by the Senate.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate

with an amendment as follows:

Provided further, That of the budget authority provided herein, \$2,354,400,000 shall be allocated for public housing new construction other than for low-income housing for Indian families.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Department estimates that the \$2,354,400,000 will support 16,000 new public

housing units. However, the committee of conference agrees that the limitation should not be interpreted as restricting local public housing authorities from allocating funding between Section 8 or low-income public housing projects on the basis of local requirements. Rather, the conferees intend that the amount requested for new public housing construction be fully allocated for use at local discretion.

The conference language deletes Senate language providing for the transfer of funds for payments for operation of low-income

housing projects.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS-FISCAL YEAR 1981

For an additional amount for "Payments for operation of low-income housing projects", \$148,000,000 to remain available until December 31, 1981.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The committee of conference is extremely concerned with the deteriorating financial position of many public housing au-thorities. Previous 1981 appropriations will enable the Department to provide PHA's with approximately 90 percent of the amount requested for operating subsidies. This additional amount will provide significant assistance to many PHA's with rapidly diminishing reserves.

The conferees are aware of the claims being made which suggest that the amount requested for 1982 operating subsidies is insufficient to meet the demands of public housing authorities. In view of this, both the Department of Housing and Urban Development and the House Committee's Surveys and Investigations Staff have begun comprehensive reviews of the operating subsidy program which will be instrumental in determining 1982 requirements for this activity. Depending on the results of these studies, the conferees will sympathetically consider supporting additional resources in 1982.

The conference agreement deletes Senate language regarding the congregate services program.

Amendment No. 6: Appropriates \$4,000,000 for troubled projects operating subsidy as proposed by the Senate, instead of \$50,176,000 as proposed by the House.

Amendment No. 7: Deletes language proposed by the Senate providing for a \$75,960,000 temporary mortgage assistance payments program. The temporary mortgage assistance payments program was authorized in October of 1980. To date, a draft of the proposed regulations has not received departmental clearance. The Department has estimated that actual payments cannot be made prior to July of 1982. That schedule is slipping. While denying the request, the conferees expect HUD to continue implementation of this new program. Consideration will be given to providing the necessary authority next spring, after the regula-tions have been written and reviewed by the Committees on Appropriations.

Amendment No. 8: Establishes the limitation on additional Federal Housing Administration mortgage insurance commitments at \$40,000,000,000, instead of \$39,000,000,000 as proposed by the House and \$41,000,000,000

as proposed by the Senate.

Amendment No. 9: Establishes the limitation on mortgage purchase authority at \$1,973,000,000 as proposed by the Senate, instead of \$3,600,000,000 as proposed by the

The conferees urge the Department to continue to actively pursue the development and use of an adjustment factor which would increase the allowable Section 8 rents in order to compensate for the higher financing rates currently being experienced. The committee of conference understands that the Department will implement the program in such a manner as to compensate only for debt service increases and that applicants understand the use of the adjustment factor is subjected to the availability of budget and contract authority.

Amendment No. 10: Establishes the limitation on commitments for guarantees of mortgage-backed securities \$68,250,000,000, instead of \$67,000,000,000 as

proposed by the House and \$69,500,000,000 as proposed by the Senate.

Amendment No. 11: Restores language proposed by the House and stricken by the Senate amended to appropriate \$25,000,000 for assistance for solar and conservation improvements, instead of \$50,000,000 as proposed by the House. The conferees direct the Secretary of HUD to expedite all Bank implementation activities by moving rapidly to publish regulations, secure an agent, staff the Bank, and disburse loans and subsidies at the earliest possible date.

Amendment No. 12: Includes the descriptive language "a community development grant program" as proposed by the House, instead of "local community and economic development programs" as proposed by the

Senate.

Amendment No. 13: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating \$3,666,000,000 for community development grants, instead of \$3,800,000,000 as proposed by the House and \$4,166,000,000 as proposed

by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that within the total provided, \$2,000,000 from the Secretary's Discretionary Fund shall be devoted to the work study program to aid disadvantaged minority students.

Amendment No. 14: Limits total commitments to guarantee loans under Section 108 of the Housing and Community Development Act of 1974, as amended, to \$225,000,000, instead of \$200,000,000 as proposed by the House and \$250,000,000 as proposed by the Senate.

Amendment No. 15: Restores language

proposed by the House and stricken by the Senate appropriating \$500,000,000 for a separate urban development action grants ac-

count.

16: Amendment No. Appropriates \$23,000,000 for research and technology, instead of \$20,000,000 as proposed by the House and \$30,000,000 as proposed by the

TITLE II-INDEPENDENT AGENCIES ENVIRONMENTAL PROTECTION AGENCY

Amendment No. 17: Appropriates \$583,747,000 for salaries and expenses as proposed by the Senate, instead \$583,691,000 as proposed by the House. The conferees are in agreement with the recommendations contained in the report of the House with the following changes:

+\$500,000 in program direction for the Office of Air, Noise and Radiation;

+\$56,000 in program direction for the Office of Press Services;

+\$500,000 in Office of Planning and Management contract studies;

\$870,000 in rent, communications and utilities and

\$130,000 from the Office of Legislation.

The committee of conference had included \$994,000 for the Great Lakes program. This amount represents that level requested in the January 1981 budget submission. Additional amounts above the budget request have been included in the research and development and abatement, control and com-pliance accounts. The conferees strongly believe that the Great Lakes program should be maintained as a separate program element coordinated at the Large Lakes search Station in Grosse Ile, Michigan. The conferees reject the Administration's proposal to close the station and transfer certain functions to the Environmental Research Laboratory in Duluth, Minnesota. The Agency is directed to make available at least eight permanent full-time positions for the Grosse Ile facility.

The Administration's stated objective in closing the laboratory is to achieve monetary savings. However, according to Agency officials, closing the station will only result in savings of \$250,000 in 1982. The conferees believe the benefits of the facility in its current location far exceed that amount. In addition, Canadian officials have expressed concern that the laboratory closure may signal a retreat by the United States from the joint commitment to preserve the Great

Amendment 18: No. Appropriates \$181,250,700 for research and development instead of \$191,247,000 as proposed by the House and \$180,750,000 as proposed by the Senate.

The committee of conference is in agreement with the recommendations contained in the report of the Senate. In particular, the conferees emphasize their support for the suggestion contained in the Senate report that the EPA should work more closely with the water industry to improve water service. The report noted that a part of the Federal research investment should respond to municipal water industry prior-

Amendment No. 19: Deletes six research and development program limitations proposed by the House and stricken by the

Amendment No. 20: Appropriates \$421,840,500 for abatement, control and compliance as proposed by the Senate, instead of \$422,553,000 as proposed by the House. The conferees are in agreement with the recommendations contained in the report of the Senate with the following

\$3,000,000 in the Clean Lakes program;

+\$3,000,000 to be applied at the Agency's discretion in programs proposed for reduction by the Senate.

EXECUTIVE OFFICE OF THE PRESIDENT

Amendment No. 21: Appropriates \$1,044,000 for the Council on Environmen-tal Quality and Office of Environmental Quality as proposed by the House, instead of \$1,544,000 as proposed by the Senate.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and

concur in the amendment of the Senate appropriating \$134,789,000 for State and local assistance as proposed by the Senate, instead of \$54,084,000 as proposed by House.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amendment an appropriating \$65,456,000 for emergency planning and assistance, instead of \$29,010,000 as proposed by the House and \$67,456,000 as proposed by the Senate.

The managers of the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The committee of conference concurs with the recommendations contained in the report of the Senate with the following change:

-\$2,000,000 for earthquake hazard mitigation.

Amendment No. 24: Restores language proposed by the House and stricken by the Senate providing \$373,000,000 for the national flood insurance fund to be used to retire fund indebtedness. The conferees are concerned that premium income on flood insurance policies continues to fall short of program expenses. The Federal Government's contingent liability in the national flood insurance program will surpass \$100,000,000,000 in 1982. The Committee of Conference supports the Administration's efforts to place the Fund on a more actuarially sound basis.

Public Law 97-35 amended the National Flood Insurance Act by requiring that beginning in fiscal year 1982, payments from the National Flood Insurance Fund for other than claims must be approved in ap-

propriation acts.

In addition to payment of claims for flood losses, the Fund has paid for a contractor to operate the program, distribution of flood insurance maps and information, agents' fees and commissions, and interest on Treas-

ury borrowings.

The combined effect of the authorization and appropriation Acts limits the Fund availability to payment of operating expenses (\$34,927,000) and claims. The operating expenses limit carried in the appropriation bill will cover only payments to the contractor and map distribution expenses. The Committees on Appropriations do not intend to deny the Fund to be used to pay agents' commissions and interest on Treasury borrowings. The conferees have no objection if the Fund is used for these expenses in amounts not to exceed the budget estimates.

GENERAL SERVICES ADMINISTRATION

Amendment No. 25: Appropriates \$1,344,000 for the Consumer Information Center as proposed by the Senate, instead of \$1,314,000 as proposed by the House.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Amendment No. 26: Restores language proposed by the House and stricken by the Senate limiting certain programs to the budget request without the approval of the Committees on Appropriations.

Amendment No. 27: Appropriates \$4,973,100,000 for research and development, instead of \$4,938,100,000 as proposed by the House and \$4,994,500,000 as proposed

by the Senate.

The conferees agree to add \$70,000,000 above the request to be applied only for solar electric propulsion system, international solar polar mission, shuttle/spacelab payload development, upper atmospheric research satellites experiment, technology transfer, materials processing, search and rescue, technology utilization, aeronautical research and technology, and mid-level facility. In reaching this agreement, the conferees direct that additional funding be applied to each of these areas in such a manner and in such amounts as to bring about a meaningful programmatic enhancement of each of these programs.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that none of the funds shall be used to support the definition and development of techniques to analyze extraterrestrial radio signals for patterns that may be generated by intelligent source.

Amendment No. 29: Appropriates \$99,800,000 for construction of facilities, instead of \$95,800,000 as proposed by the House and \$104,800,000 as proposed by the Senate. The conferees agree that NASA should apply the reduction of \$5,000,000 at the discretion of the agency.

Amendment No. 30: Appropriates \$1,114,300,000 for research and program management as proposed by the Senate, instead of \$1,100,000,000 as proposed by the House

NATIONAL CONSUMER COOPERATIVE BANK

Amendment No. 31: Restores heading proposed by the House and stricken by the Senate.

Amendment No. 32: Restores language proposed by the House and stricken by the Senate appropriating \$5,000,000 for self-help development.

Amendment No. 33: Restores language proposed by the House and stricken by the Senate establishing a loan limitation of \$14,000,000 for self-help development.

Amendment No. 34: Restores language proposed by the House and stricken by the Senate establishing a loan limitation of \$260,000,000 for the National Consumer Cooperative Bank Fund and deletes language that restricts the Bank from making further loans as proposed by the Senate.

NATIONAL INSTITUTE OF BUILDING SCIENCES

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating \$1,500,000 for salaries and expenses, instead of \$500,000 as proposed by the House. The additional funding is to assure that the Institute is a viable entity, and is the final appropriation.

Amendment No. 36: Deletes language proposed by the Senate making the funds available upon enactment of the bill. The conferees agree that the funds should be apportioned during the fiscal year 1982.

NATIONAL SCIENCE FOUNDATION

Amendment No. 37: Appropriates \$1,040,000,000 for research and related activities, instead of \$1,065,000,000 as proposed by the House and \$1,024,100,000 as proposed by the Senate.

proposed by the Senate.

Amendment No. 38: Includes language proposed by the Senate limiting funding for biological, behavioral and social sciences to \$184,600,000.

Amendment No. 39: Appropriates \$27,450,000 for science education activities, instead of \$35,000,000 as proposed by the House and \$19,900,000 as proposed by the

NEIGHBORHOOD REINVESTMENT CORPORATION

Amendment No. 40: Appropriates \$14,450,000 for payment to the Neighborhood Reinvestment Corporation, instead of \$13,950,000 as proposed by the House and \$14,950,000 as proposed by the Senate.

DEPARTMENT OF THE TREASURY

Amendment No. 41: Restores language proposed by the House and stricken by the Senate amended to appropriate \$47,000,000 for investment in National Consumer Cooperative Bank, instead of \$58,000,000 as proposed by the House. The conferees are in agreement that the 1982 appropriations for the National Consumer Cooperative Bank are the final appropriations.

VETERANS ADMINISTRATION

Amendment No. 42: Appropriates \$12,881,600,000 for compensation and pensions instead of \$12,914,800,000 as proposed by the House and \$12,857,400,000 as proposed by the Senate.

posed by the Senate.

Amendment No. 43: Restores language proposed by the house and stricken by the Senate amended to exempt persons enrolled in flight training on August 31, 1981 and correspondence training on September 30, 1981, instead of eliminating payment for all flight and correspondence trainees as proposed by the House.

Amendment No. 44: Appropriates \$6,966,418,000 for medical care as proposed by the Senate, instead of \$6,964,661,000 as proposed by the House.

The committee of conference is in agreement with the following changes from the budget request:

+\$330,054,000 and 5,181 staff years to restore the reduction proposed in March;

+\$1,716,000 to treat 200 additional patients in community nursing homes;

-\$22,543,000 from activities other than personnel compensation and benefits and increases provided in the conference agreement; and

-\$17,700,000 related to legislation reducing the period of time in which former servicemen can receive free dental care.

Amendment No. 45: Appropriates \$150,699,000 for medical and prosthetic research, instead of \$153,699,000 as proposed by the House and \$145,699,000 as proposed by the Senate, The additional funding will support an average employment of 4,487, an increase of 194 staff years above the budget request.

Amendment No. 46: Appropriates \$62,400,000 for medical administration and miscellaneous operating expenses as proposed by the Senate, instead of \$62,572,000 as proposed by the House. The additional \$4,000,000 above the budget request is earmarked for the nurse scholarship program authorized by the Veterans Administration Health Care Personnel Act of 1980.

Amendment No. 47: Disapproves \$35,961,000 of the proposed deferral D81-98 relating to construction, major projects, as proposed by the Senate, instead of \$23,361,000 as proposed by the House. The deferred projects disapproved by this bill are the nursing home care and garage project a Washington, D.C., and the research and education addition at Long Beach. California.

The conferees are in agreement that the nursing home care construction projects at Ann Arbor, Fresno and Tampa be administered by the hospital directors. It is intended that the hospital directors be given discretion, including selecting the architect/engineer to design and/or supervise the construction. A pilot program of this type could

be beneficial to veterans and the government. The committee of conference urges the VA Central Office to support a fair test for these construction projects.

Amendment No. 48: Deletes language proposed by the Senate appropriating \$4,692,000 for construction and operation of garage and parking facilities. In denying this request, the conferees agree that the Veterans Administration should continue to fund such maintenance, construction and operational expenses from existing resources.

TITLE IV-GENERAL PROVISIONS

Amendment No. 49: Restores language proposed by the House and stricken by the Senate which prohibits the use of personnel compensation and benefits funds for other purposes without the approval of the Committees on Appropriations.

Amendment No. 50: Restores section number proposed by the House and modified by the Senate.

Amendment No. 51: Restores section number proposed by the House and modified by the Senate.

Amendment No. 52: Restores section number proposed by the House and modified by the Senate.

Amendment No. 53: Deletes language proposed by the House limiting funds amounts set forth in the budget estimates. The committee of conference continues to be concerned that procedures be developed which would establish guidelines for the reprogramming of funds from activities for which monies were requested in the budget documents. As such, the conferees restate by reference the specific procedures concerning reprogrammings for the National Aeronautics and Space Administration as set forth in the 1981 Senate Appropriations report. In addition, the Committee expects that all agencies will strictly adhere to the limitation of \$250,000 or 10 percent, whichever is less, on reprogrammings between programs or activities. That requirement is also contained in the Senate report. For purposes of definition, this limitation shall apply to all line items carried in the budget justifications for the agencies covered by the HUD-Independent Agencies Appropriation Bill. The conferees also direct that no new activity, program or project not specifically requested in the budget may be funded without the approval of the Committees on Appropriations. The Committee views the monitoring of reprogrammings integral to the appropriations process and directs that each agency covered in this bill shall report on the implementation of the above outlined procedures by December 31, 1981.

Amendment No. 54: Deletes provision proposed by the House and stricken by the Senate which would have prohibited overtime payments for employees above GS-9.

Amendment No. 55: Changes section number to 413, instead of 415 as proposed by the House and 412 as proposed by the Senate

Amendment No. 56: Changes section number 414, instead of 416 as proposed by the House and 413 as proposed by the Senate.

Amendment No. 57: Changes section number to 415, instead of 417 as proposed by the House and 414 as proposed by the Senate.

Amendment No. 58: Deletes provision proposed by the Senate which would prohibit the use of funds to pay for employee travel involving the taking of annual leave while away from the official duty station.

The conferees are deeply concerned about continuing travel abuses. However, the Senate provision has been deleted because this issue can more properly be addressed through agency regulations. Therefore, the Committee of Conference directs the Department and agencies covered by this Act to continue in effect or to reinstitute regulations promulgated pursuant to a directive contained in the Joint Explanatory State-ment of the Conferees set forth in House Report 96-409. The Committee of Conference further directs that the Department and each agency submit quarterly reports to the Appropriations Committees detailing waivers of annual leave restrictions based on economy fares. Each report should include a description of the reason for each trip, as well as the number of days spent in annual leave status and on official business. The conferees are particularly concerned about continuing problems within the Environmental Protection Agency and direct that agency to make a more aggressive effort to avoid improprieties in the use of annual leave in conjunction with official travel.

Amendment No. 59: Deletes provision proposed by the Senate which would prohibit the use of funds to assist beyond 30 days any unoccupied Section 8 housing unit. The conferees urge the Department to determine if savings are possible from more vigorous enforcement of existing legal authorities and regulations regarding assistance payments for vacant units. In addition, the Department is also urged to determine whether future contracts should include 30 day rather than 60 day limitation.

CONFERENCE TOTAL-WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1982 recommended by the Committee of Conference, with comparisons to the fiscal year 1981 amount, the 1982 budget estimates, and the House and Senate bills for 1982 follow:

New budget (obligational) authority, fiscal year 1981	\$69,578,917,253
vear 1982 1	63.248.452.500
House bill, fiscal year 1982	62,599,958,500
Senate bill, fiscal year 1982	60,506,342,200
Conference agrement, fiscal year 1982	60,689,970,200
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1981 Budget estimates of new (obligational) authority,	-8,888,947,053
fiscal year 1982	-2,558,482,300
House bill, fiscal year 1982	-1,909,988,300
Senate bill, fiscal year 1982	183,628,000

1 Includes \$125,658,000 of budget estimates not considered by the House.

EDWARD P. BOLAND,
BOB TRAXLER,
LOUIS STOKES,
LINDY (MRS. HALE) BOGGS,
MARTIN OLAV SABO,
JAMIE L. WHITTEN,
BILL GREEN,
LAWRENCE COUGHLIN,
C. W. BILL YOUNG,
SILVIO O. CONTE,

Managers on the Part of the House.

JAKE GARN,
LOWELL P. WEICKER,
PAUL LAXALT,
HARRISON SCHMITT,
ALFONSE M. D'AMATO,
ARLEN SPECTER,
MARK O. HATFIELD,
WALTER D. HUDDLESTON,
JOHN C. STENNIS,
WILLIAM PROXMIRE,
PAT J. LEAHY.

Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gingrich) to revise and extend their remarks and include extraneous material:)

Mr. Dannemeyer, for 30 minutes,

today.

Mr. GINGRICH, for 1 hour, today. Mr. GILMAN, for 5 minutes, today.

(The following Members (at the request of Mr. Hurro) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 15 minutes, today. Mr. Annunzio, for 5 minutes, today. Mr. Crockett, for 5 minutes, today.

(The following Member (at the request of Mr. Anderson) to revise and extend his remarks and include extraneous material:)

Mr. Anderson, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Gingrich) and to include extraneous matter:)

Mr. Dannemeyer.

Mr. LEE.

Mr. DERWINSKI in two instances.

Mr. FIELDS.

Mr. McClory.

(The following Members (at the request of Mr. HUTTO) and to include extraneous matter:)

Mr. SWIFT.

Mr. MILLER of California.

Mr. STARK.

Mr. SIMON.

ADJOURNMENT

Mr. ANDERSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 24 minutes a.m.), under its previous order, the House adjourned until Monday, September 14, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2159. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of September 1, 1981, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 97-91); to the Committee on Appropriations and ordered to be printed.

2160. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed

legislation to authorize the Superintendents of the service academies to place a cadet or, as the case may be, a midshipman on leave without pay; to the Committee on Armed Services.

2161. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Lackland Air Force Base, Tex., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

2162. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistic), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at March Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

2163. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistic), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Griffiss Air Force Base, N.Y., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

2164. A letter from the Secretary of Housing and Urban Development, transmitting an interim report on increased thermal requirements for the minimum property standards, pursuant to section 331(b) of Public Law 96-399; to the Committee on Banking, Finance and Urban Affairs.

2165. A letter from the Secretary of Education, transmitting proposed final regulations to govern the research programs of the National Institute of Handicapped Research, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

2166. A letter from the General Counsel, Department of Energy, transmitting notice of various meetings relating to the international energy program to be held in Houston, Tex., on September 9, 10, and 11, 1981; in New York, N.Y., on September 16 and 17, and in Paris, France, on September 30 and October 1 and 2; to the Committee on Energy and Commerce.

2167. A letter from the Plan Administrator, Farm Credit Banks of New Orleans, transmitting the annual report of the District's retirement plan for calendar year 1980, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

2168. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 522a(o); to the Committee on Government Operations.

2169. A letter from the Acting Commissioner, Department of Justice, transmitting copies of orders entered in the cases of certain aliens under the authority contained in section 13(b) of the act of September 11, 1957, pursuant to section 13(c) of the act; to the Committee on the Judiciary.

the Committee on the Judiciary.

2170. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final supplemental to a final environmental impact statement and a final report for downstream measures on the Harry S. Truman Dam and Reservoir project, Missouri, pursuant to section 404(r) of the Fed-

eral Water Pollution Control Act; to the Committee on Public Works and Transportation.

2171. A letter from the Acting Comptroller General of the United States, transmitting a report on Navy management of shipboard supplies (PLRD-81-59, Sept. 11, 1981); jointly, to the Committees on Government Operations and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLU-TIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLAND: Committee of conference. Conference report on H.R. 4034 (Rept. No. 97-222). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAUB:

H.R. 4465. A bill to reform the laws relating to the provision of Federal assistance in order to simplify and coordinate the management of Federal assistance programs and requirements, provide assistance recipients with greater flexibility, and minimize the

administrative burden and adverse economic impact of such programs and requirements; jointly, to the Committees on Government Operations and Rules

By Mr. GOLDWATER:

H.R. 4466. A bill to amend the Federal Water Pollution Control Act pertaining to permits which modify the requirements for discharging pollutants from publicly owned treatment works into the oceans, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. WHITTEN (for himself and

Mr. CONTE):

H.J. Res. 325. Joint resolution making continuing appropriations for the fiscal year 1982, and for other purposes; to the Committee on Appropriations.

By Mr. BROWN of Ohio:

H.J. Res 326. Joint resolution to designate October 7, 1981, as "National Guard Day"; to the Committee on Post Office and Civil Service.

By Mr. LEE:

H. Con. Res. 178. Concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles; to the Committee on Energy and Commerce.

By Mr. BRINKLEY: H. Res. 211. Resolution to lower and stabilize interest rates; jointly to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. RANGEL: H. Res. 212. Resolution condemning South Africa for its recent invasion of Angola, and disapproving the veto by the United States of a resolution of the United Nations Security Council condemning South Africa for such invasion; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2372: Mr. MATTOX, Mr. MARTIN of New York, Mr. McClory, and Mr. Marri-

H.J. Res. 151: Mr. Bailey of Pennsylvania. Mr. Forsythe, Mr. Dwyer, Mr. Emerson,

H. Res. 167: Mr. LEACH of Iowa, Mr. MATSUI, Mr. WEISS, Mr. ANDERSON, and Mrs. ROUKEMA.

PETITIONS, ETC.

Under clause 1 of rule XXII petitions and papers were laid on the Clerk's desk and referred as follows:

188. By the SPEAKER: Petition of Charles E. Zufall, Los Angeles, Calif., et al., relative to enforcement of citizens' band radio regulations; to the Committee on Energy and Commerce.

189. Also, petition of Denver E. Willis, Anderson, Ind., et al., relative to enforcement of citizens' band radio regulations; to the Committee on Energy and Commerce.

SENATE-Friday, September 11, 1981

(Legislative day of Wednesday, September 9, 1981)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. Thurmond).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Almighty God, Sovereign Lord of history, Judge of all the Earth, we acknowledge our need of Thee. Thy Word declares that "there is no authority except from God, and the authorities that exist are appointed by God" (Romans 13: 1—KJV). All who rule do so at Thy good pleasure. All governments are accountable to Thee.

May we remember that Thou art the judge of all that is done here today; that we are accountable to Thee in our thoughts, our desires, our words, and our actions. We are accountable to Thee in our public life and in our private life.

Gracious God, help us to dispose of our duties in our homes and in all that we do that Thou will be honored and the Nation blessed.

We ask this in the name of Him who loved to His death all the peoples of the Earth. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that, following the time allocated to the two leaders under the standing order and the time allocated to the Senator from Wisconsin (Mr. Proxmire) under a special order, there be a period for the transaction of routine morning business, during which Senators may speak, and that the period not extend beyond 9:30 this morning.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I reserve the leadership time on this side. Does the Scnator from Wisconsin, who has a special order, wish to put his special order ahead of the leadership time on his side of the aisle?

Mr. PROXMIRE. Mr. President, I am informed that I may use some of the leadership time. I shall not use it all. I shall use my time first and then the leadership time and yield back the part of the leadership time that I do not use.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER (Mr. Gorton). The Senator from Wisconsin' is recognized.

WHY CONGRESS SHOULD NOT INCREASE THE DEBT LIMIT

Mr. PROXMIRE. Mr. President, what effective action can Congress take to bring down interest rates?

I propose to answer that question as the senior member of the Banking Committee. I have been on the Banking Committee in all of the 24-plus years that I have been in the Senate. I have been chairman of that committee for 6 years. I think I have sat and heard more testimony on interest rates than perhaps any other Member of the Senate.

I have served on the Joint Economic Committee for 20 years and have been chairman of that committee for 4 years. So I think I am in a position to give some response to the question as to what Congress can do, because I have thought about this a great deal and I have discussed it with many, many people. We have had some of the most outstanding witnesses in the world speaking on this issue, on all sides of it.

First of all, I think we should remember that under the Constitution, we, Congress, have the exclusive power and responsibility for money. Article I, section I, paragraph 8 specifies that Congress has the power to coin money and regulate the value thereof. We have delegated that power to the Federal Reserve. The Federal Reserve belongs to Congress. We created the Fed. We can abolish it, modify it, direct it, recreate it. You ask: How about the independence of the Federal Reserve? That independence stands strictly against the power of the executive.

The Federal Reserve Board is independent of the President of the United States. It is not in any sense and never was independent of Congress. The Constitution reserves money creation for Congress. Now what has all this got to do with interest rates? Interest rate changes come from the changes in money creation.

The Federal Reserve raises or lowers interest rates by the rate at which it increases or decreases the supply of money. But whatever the Fed does it does on our congressional behalf. On interest rates, we, Congress, cannot escape the buck. It stops with us. If Congress, and I mean both House and Senate, pass a joint resolution directing the Fed to follow a particular action, I have no doubt the Federal Reserve Board would do precisely what Congress required. If they did not, of course, we could abolish the Board—in effect firing all members—and create a new Board. Or we could simply abolish the Board and take over the whole mechanism of the Federal Reserve ourselves. We, Congress, could pour out credit so every borrower would have all he could use and at low interest rates. We could direct the purchase of the entire national debt or any portion of it if we wished to buy up.

As a matter of fact, I remember very well a former chairman of the Joint Economic Committee, Wright Patman, proposing that. He suggested that to the Federal Reserve Board Chairman at that time, William McChesny Martin. He said, "Why do we not just forget about having to pay interest on the national debt and have the Federal Reserve buy its?"

And Mr. Martin replied that would be the most inflationary kind of action he could conceive. He said: "If we bought up the debt, it would not be worth anything after we got it."

And, of course, that is correct, and that is the dilemma. If we bought enough of it we would flood the banks and the public with cash, hundreds of billions of dollars of cash. By buying the Treasury obligations and creating a mammoth demand for them we could and would drive their price up and in the process drive their interest rate yield down. With the banks loaded with cash available to lend out and with Treasury bill and bond rates falling interest rates would come down and come down swiftly and sharply, just as swiftly and sharply as we desired. And what would be the result for the economy? The answer to that is easy. The economy would suffer an inflation that could zoom right into triple digits. Prices might double in less than a year. Scare talk? No. Whether we like the idea or not inflation certainly results when we have too much money chasing too few goods. And if we flooded the country with cash, the value of that cash would drop, and that is another way of saying prices would rise.

This little fantasy I have gone through explains the dilemma of the Fed. No one in the Federal Reserve Board wants high-interest rates. The Fed members would become heroes if they could bring cerest rates down. Right now they are lains and they know it. But what can ey do? Again and again I have asked d critics to tell me what they would if they had all the powers of the Fed their hands. I have asked this of busissmen. I have asked this of Members Congress. I have asked this of others. Ley always draw a blank. They do not low what they would do. They cannot ve any alternatives. They say, "Well, e would act to bring interest rates byn."

Of course, I point out if they did that, nd in the way the Fed has to do it by creasing the money supply, the supply credit, what would happen is it would an inflationary clear signal that prices re going up and then the rise in inflaton would, of course, push up the interest rates and push them up rather

If any Senator sat in Paul Volcker's eat, what would he do? If he eased up n credit, bought a few billion more 'reasury bills than they currently plan, he would increase the available credit or banks and other financial institutions. Under those circumstances the banks would, in turn, make loans to oung people who want to buy homes but cannot afford them at present interest rates, and to car buyers who cannot afford them now, and to farmers to buy equipment they need but cannot afford the monthly payments required with present interest rates.

So you ask, well, why not make that credit available? The answer is that the surge in home buying and auto buying and sale of farm implements, as it consistently has in the past, would begin to drive prices, that have been rising more slowly, back up again at a faster rate, perhaps faster than ever. The slow progress the Nation has been making for the past few months in bringing down inflation would fade, and once again prices would start to climb faster.

Then what happens to interest rates? Interest rates would fall briefly, but only briefly. Inflation would once again push interest rates up as lenders would insist on the inflation premium that would be necessary to make lending reasonable. No lender in his right mind would lend if he expects to get less back in real dollars allowing fully for inflation than he lends. If the lender, with his cash available, is convinced prices will rise faster than interest rates, he simply invests in tangible property and rides along with the inflation.

Am I saying that there is no way out of this inflation dilemma except these cruelly high interest rates? No, indeed, we have a simple, logical, and for us in Congress a very painful way out of the inflation-high interest rate bind. It is called balancing the budget. We in Congress sit here like the fat man at the dinner table who has just consumed a huge roast and mammoth cake, swilled down with a half gallon of wine and a six-pack of beer, and pushed his chair back, pats his colossal stemach, and moans, "What can I do to lose weight? This flab is killing me."

What is driving up interest rates? Simple: 20 years of unrestrained congressional spending and 20 years of congressionally caused swelling deficits, building to an almost unbelievable trillion-dollar national debt that has an average maturity of less than a year. So the Federal Government, of course, is in the credit market and has to borrow that trillion dollars all over again every year. When we borrow that massive amount, we shove the home buyer, we shove the auto buyer, the farmer, and the small businessman right out of the credit market.

So how do we deal with inflation and high interest rates? We cut spending. We balance the budget. We stop off-budget net borrowing, and we stick with it for at least 10 years.

I think, Mr. President, few people realize how beautifully clear, how crystalline the logic, the arithmetic of the situation is. Last year out of \$100 of new savings, the Federal Government took \$17 to fund the deficit. It took another \$17 to fund the off-budget borrowing. So a fat one-third, a huge one-third, of all of the new savings in this country was absorbed because the Federal Government did not have a balance in its budget and did not have a balance in its off-budget borrowing.

If we could achieve that balance, that would enormously increase the funds available for borrowing in the private sector. Then it would mean you could in a constructive and long-term way bring down interest rates, help the private sector provide the jobs that are necessary, and do that while inflation was moderating

Mr. President, in the short run the Federal Reserve can indeed nudge down the prime rate. It can do something more than it is doing now, such as quietly jawboning the big banks which fix the prime and have pushed it to an excessive premium in the past few months.

There is a public conception that the discrepancy between the discount rate and the prime rate is excessive because the discount rate is 14 percent and the prime rate is 20 percent.

The fact is there is a premium, a surtax, in effect, that the big banks have to pay. They pay not 14 percent when they discount at the Fed; they pay 18 percent, and the big banks set the prime rate. But even that difference between 18 and 20 percent is perhaps somewhat excessive, and I think the Chairman of the Federal Reserve Board could, as he has done in the past with success—other Chairmen have done it with success—quietly talk to the banks and persuade them to ease that rate down.

We could also reduce the discount rate, the effective discount rate, to bring it into accordance with the Federal funds rate, which is the market rate. It is above that which the Federal Reserve is keeping the interest rates, somewhat above, marginally above, what the market would peg it at. So there is some kind of technical and marginal assistance which the Federal Reserve can give now, but it is very limited.

The fundamental answer, as I say, is for the Congress of the United States to do what is extraordinarily painful and difficult. We have agonized over it, it is very unpopular to cut spending, it is unpopular to increase taxes, but somehow we have to do this, and if we do not do it, we have only ourselves to blame.

Mr. President, there was an editorial in the New York Times this morning which I intend to put in the RECORD. I had it with me, but I see I do not have it in my papers at the present time. It pointed out how remarkable it is that two of the outstanding leaders of the Congress, ROBERT MICHEL in the House, and HOWARD BAKER, our very distinguished and extraordinarily able majority leader, had alleged or certainly implied that there is some kind of a conspiracy on Wall Street to drive up interest rates and that Wall Street had better buy that program because if they do not buy the program, we are going to look at some very severe action, such as taxing interest or something of that kind.

Mr. President, I was as astonished in reading that yesterday as the New York Times was. The New York Times pointed out the beautiful irony of that kind of charge by the Republicans who have taken great pride, and rightful pride in their confidence in the market. They point out that the only answer—and it was delightful to see the New York Times say this because they are not always on this side—was to cut spending and to balance the budget. That is the only long-term answer.

The argument that Wall Street is in some kind of a conspiracy, that Wall Street is trying to hold up interest rates, is ridiculous. We know the investors in Wall Street consist of literally thousands and thousands of people. There is no way they can get together without there being some kind of revelation that there is a conspiracy. I do not see how there possibly could be a conspiracy there. The big bond houses, whoever they are, are in competition, the big investors are in competition, and these people are betting their money-they are very able people, some of the ablest people in our country, brilliant people, and they have been tested by the toughest test in the world, which is the marketplace year after year-they are betting their money that this fiscal program of the administration is not going to work. To moderate interest rates can any reasonable person truly believe that they will invest their money in bonds and mortgages and bring interest rates down, if Members of Congress denounce these investors as conspirators? How silly. They will invest and bring down interest rates when they believe the President and Congress have a fiscal program that will work.

They do not believe it, they do not believe we are going to balance the budget in the foreseeable future. And for the present I happen to think they are right. It is not a matter of an investor conspiracy to extort higher interest rates. It is a matter of the Congress being able to restore confidence by adopting a policy of holding down spending and bringing in whatever revenue is necessary to balance the budget and get this giant Federal Government out of the credit market.

Mr. President, I ask unanimous con-

sent to have printed in the RECORD the New York Times editorial to which I referred.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BIG BAD WALL STREET

So now there is a Republican conspiracy theory: the villain is Wall Street. It's that recently sacred Republican cow—The Market—that's been spreading the economic gloom. It's a cabal of Eastern financiers that is driving up interest rates and undermining the President's program.

"It's time indeed that the financial markets realize that they're playing a dangerous game," intones the Senate majority leader, Howard Baker, as his colleagues report on the voters' anxiety. "In 60 to 90 days something's got to give," says the House Republican leader, Robert Michel; if nothing gives, he warns, Congress may have to impose credit controls or a windfall profits tax on interest.

The Republican leaders, it seems, not only believe in The Market, they have given it humanoid form. And how ungrateful it is for recent tax favors done. How unmindful of the Republican debacles to come. Sockol

It's all very silly, of course, but understandable. After passing the largest tax and spending cuts in history a month ago, the Republicans were popping with pride and already counting next year's election victories. But the prospect of ever-larger budget deficits could not be hidden from investors. Now, with the financial markets depressed, inflationary expectations still high and interest rates threatening recession, the President's party is seized with panic. For the first time since Ronald Reagan entered the White House, the crisis of confidence has struck Washington itself.

But King Canute had more chance of stopping the tides than Howard Baker has of intimidating The Market. Wall Street is not a few people, acting out of some spiteful political interest. It is thousands of institutions and millions of people, acting out of an infinite variety of financial interests. As any good Republican should know, it is a huge, vital and efficient marketplace.

If long-term interest rates are soaring, it's because too many people don't trust the President's combination of tax cuts and defense spending increases. They won't bet their money without the promise of high return. And short-term rates remain high because the Administration and the Federal Reserve have no better answer for inflation than tight control over the money supply.

So the simplistic theories of summer will not be remedied by more simplicities in autumn. The threatened credit controls, for example, might reduce interest rates a bit if they are aimed at consumers. But that would erode demand and slow down economic growth just as much as high interest rates. What would be the gain?

A tax on interest would surely show Wall Street who's boss. But it would punish all savers, the objects of all those loving tax incentives last month.

And the Federal Reserve could be brought to heel by changing the laws under which it operates. But the Fed is now the only barrier against truly wild inflation. Just think of what tampering with its independence would do to confidence in The Market.

The way to earn Wall Street's confidence is to heed its message. Fight inflation with the budget and not just with tight money. That means spend less, much less, particularly on the military, and atone for last month's revenue giveaways by raising taxes, mainly on consumption. Wall Street—meaning America—would respond. If there's one thing The Market respects, it's courage.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my friend from Alaska.

Mr. STEVENS. I will say to the Senator from Wisconsin that we are not accusing the people of setting interest rates by means of a conspiracy yet, but I have been one of those who has suggested that perhaps the time has come to consider an excess profits tax on this very high interest syndrome which seems to persist. The interest on the national debt has gone up \$10 billion since the budget was submitted last January. I am referring to the interest alone on the national debt. Now, we are faced with the prospect of reduced funding for important programs. I sound like I belong on the other side of the aisle. The fact is, however, we have to take more money from all of these controllable programs to do what? The answer is quite simple: To pay interest. The interest rate today is much higher than a fair rate of return plus inflation.

The Senator from Wisconsin mentions inflation. We have inflation under control. It is annualized at 8 to 9 percent now, yet interest remains above 20 percent. You tell me why. It is just rent on the use of money. Would the Senator want to keep rent on money up that high? If the price of money is that high, it ought to come down. It ought to come down because it was so high in the past, we were told, because we had to have a fair rate of return in addition to inflation. We had 16 to 17 percent inflation, and the interest rate at that time was 20 percent. Now we have 8 to 9 percent inflation, and the interest rate is 21.5.

The Senator has a distinguished record on his committee, and as the ranking member and former chairman, he ought to be doing something about the interest rates set by these banks. These banks are going to destroy small business in this country, and those of us on this side of the aisle, who are warning the financial community that we are going to take action on interest rates are not threatening. We are quite serious. We are going to do it if something does not happen to bring those interest rates down.

I have just toured the West. Talk to a cattleman. He cannot borrow money to get cattle to put out on his range this year. Talk to a fisherman, he cannot borrow money to stock his boats to go fishing this year. There is not anyone who is dependent on a revolving line of credit who can survive on the interest rates being charged today.

The Senator says it will take 10 years to solve these problems. No one has said we are going to balance the budget, or reduce the total deficit overnight. I hope the day will come when we will have these problems solved, but the Senator implies that until we get the \$1 trillion down, interest is going to stay up. He really does not mean that, does he? Interest is going to stay up until we start reducing the national debt? This country has assets of far in excess of \$1 trillion. There is no reason why we cannot look at our assets and say we can afford

to borrow some money. The question is "what is the cost of borrowing that money?" The cost of borrowing that money has been allowed to go up and up and up, and the managers of our money under the last administration saw fit to change it from a long-term debt to a national debt of \$1 trillion having a maturity of less than a year. The Senator is correct in stating that we are borrowing \$1 trillion every year, and we need to have a long-term debt of 8 to 9 years. Now we are doing it annually, and that is what has put the money market into the business of the Government going into that money market and getting \$1 trillion every year.

Two things are going to happen: That national debt has to be stretched out again and the banks have to get the message that exorbitant rent on money has to stop because they will destroy the very people that support them, the small businessmen of this country. And I ask the Senator what can be done about excessively high interest rates unless a warning is given to the financial community in advance that if they do not bring them down we are going to take action to bring interest rates down?

I can think of several ways we can do it. One of the ways is an excess profits tax on excessively high interest. When the oil prices were high the Senator's side of the aisle jumped to put an excess profits tax on oil. Why would you not jump just as fast to put an excess profits tax that charges too high of a rent on the use of money by small businesses throughout the country?

Mr. PROXMIRE. Let me respond to my good friend, the acting majority leader, TED STEVENS. I agree, we should act and act now to bring interest rates down promptly. It is not going to do a lot for these homebuilders and auto dealers who are going to be out of business in a year if we take 10 years to do it. I say it is going to take 10 years before we can get inflation fully under control. But we have to start now, and continue on every appropriation bill that comes before us.

However, the difficulty is that the credit markets do not have any confidence that there is a program to bring the budget into balance ever—ever. The administration says that we will balance the budget in 1984. Well, good luck.

But every independent analyst says that we will not. They say we are going to have a deficit of over \$60 or \$70 billion each year for the next 3 or 4 years. We have to act, not talk, act to change that by cutting spending. If we had a credible fiscal policy that was moving toward a balanced budget decisively, then interest rates would begin to come down.

Now, let me go on to point out that the Senator is absolutely correct in his contention that we pay \$82.5 billion in interest on the national debt and buy nothing with it. And if we establish a proper fiscal policy, one of the ways we can balance the budget in the process of doing that is interest rates will begin to fall. With every 1 percent drop in the Treasury bill rate we have a \$3 billion reduc-

tion in spending. So if we can get the Treasury bill rate down to 10 percent, say, from 14 percent, we save \$12 billion right there. So that will help significantly in balancing the budget.

Now, the Senator said that we have inflation under control. I wish we did. I think that we had a very good report from the Producer Price Index. It was down 0.3 percent for August. That is good news. But I think that the most knowledgeable people who look at statistics say that you have to look at that not over 1 month but over the last quarter or over the last year. And you also have to look at what is likely to happen when this glut of oil begins to diminish and when food prices, which have been falling for the farmer, at least, and not rising very rapidly for the consumer, begin to rise, as people predict they are going to rise at an annual rate of 10 percent or more in the coming months.

When you put all that together, it appears that inflation is not under control. More than 70 percent of the cost of our economy is a wage cost. And there is no indication that there has been a moderation in wage increases. In fact, the wage settlements, including some by the Federal Government with the post office and so forth, have exceeded what they were last year. So I think people look at all of this and say that we do not have

inflation under control.

Mr. STEVENS. Will the Senator yield? Mr. PROXMIRE. If I may just finish. distinguished Senator from Alaska is correct in indicating we made some progress. But to say that we have inflation under control is being more optimistic than hardheaded, realistic investors have to be.

Now, the Senator concluded by asking for an excess profits tax. He says we should have an excess profits tax on interest. Well, how do you impose an excess profits tax? Where does it hit? Where is it cut off? An excess profits tax, We can do that on a big corporation because you can impose it only after they make a certain income. But the excess profits tax, even that imposed on industry, was not successful even in World War II.

The Senator talks about the windfall profit tax. That is an entirely different kind of tax. It is not an excess profits tax because the windfall profit tax is on old oil, as the Senator knows. He is an expert in this area. The old oil that was already found and discovered and the price of that old oil would go up as our decontrol of oil took us to the world price so there would without any effort by oil com-panies be a windfall profit there. So we tax a part of that, relatively one-quarter of that, with the windfall profits tax.

Now, to say that this constitutes an analogy to a tax on interest is ridiculous. Do you know what you do when you tax interest? You make it harder for the borrower. If I want to borrow money and you slap a tax on the interest the lender gets, what is going to happen to the interest I pay? Answer, clear and simple. It goes up. So the tax on interest will really punish the homebuilder and auto dealer and farmer, who borrow

money, exactly the people you want to help.

Mr. STEVENS. That is what you said about oil, too. But, in spite of the wind-fall profit tax, the price of oil has come down. And it was not one-quarter, it was 70 percent of the difference.

Mr. PROXMIRE. There is no connection there. The Senator would not argue the windfall profit tax brought the price

of oil down.

Mr. STEVENS. No.

Mr. PROXMIRE. Of course not.

Mr. STEVENS. What I am saying is it has nothing to do with the price.

Mr. PROXMIRE. In that case, maybe

Mr. STEVENS. At the time the only reason for the windfall profit tax on oil was to try to balance the budget of the Carter administration. But it did not work. Look at what is happening. One of the leading national economists of national banks says that we must accept the fact that the long-term financing for municipalities is over. Did the Senator see that report?
Mr. PROXMIRE. I certainly did.

Mr. STEVENS. It will change the whole concept of life in municipalities throughout the country because of an economist advising the banks and saying it is over. Why is it over? It is over because that old money they have tied up in bonds is now coming out and they want to get the money markets. They have no incentive, no incentive at all, to stay in the municipal markets. And why? Because of the short-term money policies in the Carter administration taking that from a long-term debt to a shortterm debt.

Mr. PROXMIRE. Mr. President, there is nobody I would rather have a little debate or discussion with than my good friend from Alaska. He is a real delight and a marvelous debater. But, Mr. Pres-

ident, I do have the floor.

I think we ought to recognize that the Senator from Alaska and the Senator from Wisconsin both agree that these high interest rates are deplorable. They are a scourge on our country. They are the cruelest cutting edge of inflation. They are undermining our homebuilders and our auto dealers and our farmers and the small businesses in this country.

Mr. President, the real difference between the Senator from Alaska and me is what do we do about high interest rates. I argue that the one action the Congress can take, as the New York Times says in this morning's lead editorial, is to cut spending and have a responsible fiscal policy. We can inveigh about fictitious conspiracies on Wall Street and we can pass an excess profits tax on interest rates. But everybody knows that is not going to bring interest rates down. This is not going to re-store confidence in the investors. It will undermine confidence.

What we have to do is recognize that we need a responsible fiscal policy. Maybe the tax cut was a mistake. I voted for it. But I think we should have had a much deeper spending cut. That is why this Senator has introduced amendments every year in the last 3 years to balance the budget in the following years. Each year it has been rejected by a majority on both sides. But this is the kind of path we have to follow.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. STEVENS, Mr. President, I ask unanimous consent that the period for routine morning business extend for another 20 minutes and that Senators may speak therein and that the bill that is scheduled to commence at 9:30 commence at the time morning business

The PRESIDING OFFICER. Without

objection, it is so ordered.

SEPTEMBER GOLDEN FLEECE GOES TO EDA FOR BUILDING MODEL OF PYRAMID AND GREAT WALL OF CHINA

Mr. PROXMIRE. Mr. President, I am giving my Golden Fleece of the Month Award for September to the Department of Commerce's Economic Development Administration for spending \$200,000 to build an 800-foot limestone replica of the Great Wall of China in Bedford, Ind., as a followup to its \$500,000 grant to that Hoosier community for building of a 10-story-high limestone model of the Great Pyramid of Egypt.

Mr. President, for the life of me I cannot understand why a taxpayer in Oshkosh, Wis., or a carpenter in Brooklyn, N.Y., should have to pay for building a limestone replica of the Great Pyramid or the Great Wall of China in Bedford, Ind. It does not make any sense. It is a

sheer waste.

BUILDING PYRAMID AND GREAT WALL WHILE CUTTING SOCIAL PROGRAMS

While there are sharp budget cuts being made in social programs from medical care to education of the disadvantaged, the EDA adds money for these make work memorials to the limestone industry. How can the EDA justify such an ironic and outrageous expenditure of public funds? How can there be a re-newed commitment to the private sector if the taxpayers are required to support the building of this local tourist attrac-

This project, initiated under the Carter administration, has now been expanded by the Reagan administration.

In November 1978 the Bedford Chamber of Commerce through its nonprofit Bedford Industrial Development Foundation proposed a public works project to the Economic Development Administration which was approved in March 1979.

The proposal's summary reads as fol-

This project consists of the construction of a Limestone Tourist and Demonstration Center. It would include a museum constructed in the shape of the Great Pyramid of Cheops in Egypt and scaled to one-fifth size of this pyramid. There will also be a camping area constructed, utilities, roads and other needed items.

The purpose of this project is to attract more tourists to this area and demonstrate the value of using limestone in the building industry. All of this would lead to more jobs for the unemployed residing in the area.

The limestone quarries in the area have tons and tons of commercially useless limestone which they donated to the project. The pyramid-building workers came from several different job training programs in the area and therefore the labor costs to the project were reduced considerably.

The major portion of the money from the Economic Development Administration went for equipment, hardware, and plumbing and electrical facilities.

PYRAMID BEHIND SCHEDULE AND COST OVERRUNS

By January 1981 only the base of the pyramid had been laid, work was seriously behind schedule and costs were rising. Therefore, the Bedford Industrial Development Foundation again turned to EDA for help. In addition to asking for more money (\$125,000), and time (18 months), the foundation added an ingenious method for spending more tax-payers' money by using the scrap materials remaining after the pyramid blocks were shaped.

The foundation's proposal suggested the following:

Inasmuch as this entire venture is being designed to memorialize mankind's use of stone throughout the centuries, we wish to construct a replica of an 800 ft. section of the Great Wall of China. The terraine (slc) in the northwest section of our property is ideally suited for the design of the towers and rolling wall, similar to the structure near Peking.

EDA APPROVED MORE MONEY AND TIME FOR

The Reagan administration, perhaps not wanting to be outdone by the previous administration's attempts to reproduce a manmade wonder of the ancient world, in March of this year approved spending \$200,000 more for the pyramiding costs and the construction of a small piece of the Great Wall of China in southern Indiana. The project was also extended for an additional 18 months.

Certainly some people will be attracted to Bedford, Ind., to visit the Pyramid and Wall and Bedford may yet become known as the ancient wonder limestone replication capital of America. Also a few people will get jobs selling miniature versions of the Great Wall of China and the Great Pyramid of Egypt.

NO OBJECTION IF PRIVATE MONEY USED

I have absolutely no objection to the Bedford community and the limestone industry building these structures with private money. Since private interests in Arizona were able to move the entire London Bridge to the United States without Federal funds, should not private funds be used to build pyramids and great walls in Indiana?

Perhaps the EDA will next pay for a scale model of the Eiffel Tower made out of steel to be placed in Pittsburgh, Pa. As the administration draws up its lists of additional budget cuts, it should start with the Great Wall of China public works boondoggle.

VON STADEN WRITES ABOUT DEATH CAMPS

Mr. PROXMIRE. Mr. President, I would like to call attention to an article by Lynn Darling entitled "Prisoner of Conscience" which appeared in the Washington Post on August 10. It tells the moving story of Wendelgard von Staden, a German diplomat who grew up near a concentration camp during the final years of the Third Reich.

Von Staden realized during the war that buildings on her family's property had been transformed into Camp Wiesengund, a death camp for Polish Jews. Together with her mother, von Staden worked desperately to keep the prisoners alive by arranging to have a detachment of prisoners come every day to their farm to help with the work needed to fill the camp's ration needs. When the Allies arrived, they discovered how desperate their struggle had been. Over 2,000 bodies were found buried in a mass grave.

Mrs. von Staden has told of her haunting experience in her book, "Darkness Over the Valley," which she originally wrote for her children. Writing the book has been a catharsis, she says. It was her chance to help the world remember the rows of graves marked only by identification numbers in her hometown. It was an opportunity to tell us how horrible Nazi genocide really was.

We are very grateful for such testimonies. They are not only a remembrance of those who suffered and died in the past, but also a reminder that we have a responsibility to our children. This literature is a legacy by which future generations can fully understand the atrocities of the past so that they will never be repeated.

Mr. President, the Senate must also leave a legacy for future Americans. The Genocide Convention would be an appropriate statement that our Nation recognizes genocide as the atrocious international crime it is. Further, our ratification of this treaty would provide our children a better stance in dealing with genocide should it ever appear again.

I ask my distinguished colleagues to consider our responsibility to those who will follow us. The best legacy we can leave our children is to accede to the Genocide Convention.

Mr. President, I yield the floor.

S. 884 IS A BAD BILL

Mr. MELCHER. Mr. President, I feel compelled to point out to the Senate that S. 884, the farm bill, is a bad bill. Some Members of this body will say that while it is not a very good farm bill, it is the best that could be obtained under the present budgetary constraints.

But that is not true.

Even though the overall structure of the bill is nearly identical to the 1977 act, the price and income assumptions made in this legislation will turn our economic clock back to the 1920's, an era of high interest rates, speculation, and a so-called free market agricultural system which led the Nation into a depression.

In 1938, Howard Ross Tolley wrote the following words for the Journal of Farm Economics. He said:

The people have determined for themselves that a planless agriculture is not consistent with the general welfare. They realize that the important goals of agricultural policy will not be achieved by leaving the individual farmer to his own resources. This is the verdict of experience. No amount of emotion will change the fact that in the decade of the Twenties, unlimited competition in agriculture adversely affected the whole economy. Without some mechanism for coordinating their labors, farmers mine the soil of its fertility at the expense of the future. They market alternative excessive and insufficient supplies. They undermine their own incomes to the disadvantage of all elements in the economy as well as themselves.

As we debate this bill, we will hear much about "free market agriculture," as if just reciting the term is the panacea for all of the problems of our farmers and ranchers. We will be told that all we have to do is leave the producers alone and they will provide all of the food we need at fair prices, and they will be suitably rewarded for their investment and labor in the marketplace.

That kind of thinking calls to mind a more recent quotation by economist John Kenneth Galbraith in Harpers magazine. He said:

We will have our next Depression when there aren't enough people around who remember the last one.

I think the Federal Reserve Board has forgotten the last depression, because they are pursuing the same monetary policies that got us into the depression of 1929.

I was very delighted to have listened to the debate this morning between the distinguished Senator from Wisconsin, Senator Proxmire, and the distinguished majority whip, Senator Stevens of Alaska, when they talked about the high interest rates in the economy. Both very pointedly and probably politely left out the function that the Federal Reserve Board has had in the last year in their monetary policies. That has deliberately held interest rates way up there despite the fact that the rate of inflation has leveled off and started to drop.

Chairman Volcker's idea is that if you have a wide margin between the rate of inflation and the prime rate, inflation is supposed to not only level off but continue to drop. Well, that is not working right now. The farmers and ranchers in this country are the first to recognize that it is not going to work.

I think there are those in American agriculture who have forgotten the last depression, because they want to lead us back to a time when American farmers and ranchers were "free." By freedom, they mean being at the mercy of other nations which subsidize the export of farm products at ridiculously low prices but erect barriers to the importation of American commodities.

In recent weeks, as we have cut one program after another, we have heard a lot of talk about safety nets, and protecting the poorest of the poor.

Mr. President, this bill was formulated without the slightest consideration of safety nets for farmers and ranchers. It took no account whatever of farm income in relation to the spiraling costs of producing our food and fiber.

The issues facing our farmers and ranchers do not change very much. They either produce too much, or they produce too little. There does not seem to be

a happy in between.

Because our farmers produce in such abundance for domestic consumption, the commodity supply situation has a marginal effect on American consumers and purchasers of our farm commodities overseas, but it always has an enormous impact on the farm families who keep us the best fed Nation in the world.

Yet, the debate in the Committee on Agriculture, Nutrition, and Forestry on this year's farm bill was different than in years past, because the question of farm income, and what the Government might do to affect that income, was never

raised.

If the food security of the United States and much of the world is to be protected, the question of farm and ranch income cannot be ignored.

The August index of farm prices went down 2.1 percent between July and August, pushing the parity index down to 61 percent. Parity for wheat is \$7.11 per bushel, yet the average national price in August was \$3.63, only 51 percent of parity.

I might add that the 61-percent parity price for all commodities is the lowest since the Great Depression. That is taking all farm commodities and looking at parity for the index and looking at historic prices. It is 61 percent of parity for all the agricultural commodities in this country. That is the lowest since the Great Depression.

Prices for feed grains and hay fell 8.2 percent during the month as corn prices dropped 32 cents a bushel, and hay went down \$1.98 a ton. Soybean prices were off 47 cents a bushel, and cattle brought \$1.40 less per hundredweight than in

July.

Prices for every single argicultural commodity are lower than they were a year ago. In the space of just 1 month, the Department of Agriculture has adjusted downward its estimate of farm income by \$2 billion—from \$24 billion to \$22 billion,—with the expectation that farm income will continue to go down.

I think there is a general assumption that farmers and ranchers will continue to produce no matter what the Government or the economy may do. But that could prove to be a false and very dan-

gerous assumption.

If the hard-working people who operate our magnificent agriculture plant cannot make a profit from their investment and labor—no matter how hard they try to maximize production—we cannot assume that they will continue to produce.

For example, 150,000 cattle feeders and beef producers mostly in feedlot operations have gone out of business since 1975. The economists will say that is all right, because the marketplace was just getting rid of the inefficient producers. But this year all cattle feeders have been losing \$60 to \$100 per head when they sold fat steers or heifers.

There have been no profits even for the most efficient in the cattle feedlots and now it looks like the cow-calf operators will take their losses as feeder calves are down \$12 per hundredweight from last year. That is 15 percent in the face of a 15-percent increase in operating costs.

It is a 15 percent lower figure for their product but yet the costs have gone up 15 percent for the year. They cannot make it on that kind of an operation. For the past several years inflation has been devastating American agriculture. Since 1972 gross farm income has risen by 58 percent but production costs have risen 115 percent.

As a result, using constant 1967 dollars, net farm income has gone from \$25.1 billion in 1971 to \$6.7 billion in the

first quarter of this year.

During the first quarter of 1981, net farm and ranch income fell \$4.2 billion from levels in the fourth quarter of 1980. In comparison, corporate income, because of inflation, rose 2 percent or \$4.2 billion.

The Department of Agriculture acknowledges that 1980 was not a good year for agricultural prices, but they predicted a brighter day in 1981. I do not see much sunshine in the numbers for this year.

There are those who will contend that the 1980's are not the 1920's, and that is true. We are entering into a period in which the discussion of world food supplies will not be on surpluses. But instead, we will be focusing on whether there is enough food to feed the world. Famine already exists in portions of Africa, and there is a great potential for more hunger to develop in some of the Third World countries.

Notwithstanding this coming shift in world food supplies, in the next 2 years surpluses and depressed farm prices will

continue to be a fact of life.

Now particularly with regard to wheat, 1981 and 1982 will be dominated by surpluses and low prices. That means that the aggressive efforts of the Reagan administration to stimulate wheat prices through increased exports will probably fail.

I do not mean to criticize the administration, but surpluses mean low grain prices. Furthermore, the increasing costs of money simply means that many countries cannot or will not buy from us.

We have had excellent wheat harvests in this country. Canada, Australia, France, and Argentina also expect good harvests next year.

The Department of Agriculture predicts that wheat exports will expand by 3 percent this year. Yet, our national supply of wheat will go up by nearly 12 percent.

With 360 million bushels of wheat already being held in reserve, we must do what is necessary to insure that the bottom does not drop out of wheat prices, as is now threatened.

Among the assumptions made with respect to this bill is that the Government will not have to pay a deficiency payment in any of its 4 years of life. But anyone who knows anything about world wheat stocks can tell you that the cash price of wheat is already very near the point where target prices will come into play this year.

And why will we have surpluses?

Are people eating less?

Of course not. Every year, millions more people are born into this world than die. These new people have to eat. But current monetary policies and the strengthening of the dollar may very well mean that many nations may not be able to buy American wheat—no matter how many hungry people they may have.

Now, how in the world can a strong dollar affect the sale of American goods

overseas?

When a country's currency falls in value in relation to the dollar, it takes more money to buy the dollars a nation must have to buy American grain.

Just as we have suffered economically because we have to import so much expensive foreign oil, other nations that are not as rich as we are are facing the same problem. But unlike the United States, many countries are nearing the point where they will have to make the choice between the purchase of imported oil or the purchase of American food.

There are many nations that are graduates of what I call the food for peace club. Nations like Korea started out by getting our agricultural commodities free, or at subsidized prices. Now, after more than 30 years, many of these nations have become cash or credit customers for these commodities.

Importing oil at high prices and strengthened U.S. dollars means some of our grain customers may reduce their purchases. At a time when grain producers have an added cost because of high interest rates, they are getting a double whammy.

Credit is not a discretionary thing with farming. Farmers and ranchers have to depend heavily on borrowed funds to finance the cost of production. Farm and ranch borrowing has increased from \$19 billion a year in 1950 to \$180.5 billion this year.

As prices for feed, seed, fuel, and fertilizer have increased, expenses on the farm have increased as a percentage of gross receipts to more than 85 percent.

Interest costs alone amounted to 13 percent of the cost of production in 1980 compared to 9.2 percent in 1977. Nonreal estate debt now averages 34 percent of nonreal estate assets.

Total interest payments on agricultural debt are forecast to be \$18.8 billion in 1981, up from \$16.7 billion in 1980 and \$8.3 billion in 1977.

Farm real estate interest rates payments are expected to total \$8.7 billion in 1981, compared to \$4.4 billion in 1977.

What do these figures mean in prac-

With other factors held constant, a change of just 1 percent in the average interest rate means a change for farmers and ranchers of \$960 million in operating debt; \$800 million in real estate

costs, and 1.2 percent in total farm operating costs.

On an average Illinois farm with 360 acres of corn, interest payments are \$5,777 annually, or 17 cents on a bushel of corn.

On an Arkansas farm with 600 acres of soybeans, interest payments are \$5,937 a year, or 62 cents per bushel of soybeans.

On a Montana wheat farm of 960 acres, interest payments are \$10,005 a year, or 46 cents per bushel of wheat.

On a Georgia farm with 275 acres of peanuts, interest payments are \$4,706 annually, or 86 cents per pound of pea-

On a 520-acre Nebraska grain sorghum farm, interest payments are \$5,404 a year, or 17 cents per bushel of sorghum.

On a Texas cotton farm of 680 acres, interest payments are \$8,111 a year, or 4 cents per pound of cotton.

Let us take a 520-acre California rice farm. The yearly interest being paid there on the average is \$11,551, or 37 cents per hundredweight.

What all of this means is that the high cost of money is eroding the value of these commodities to farmers and ranchers. At the same time consumers are buying more and more high-priced money rather than food when they go to

the grocery store. So where does all of this leave us? Because of the increasing costs of farm inputs-especially on petroleum products and the cost of money-inflation is eating our producers alive. On the other end of the scale the high interest rate boys are pricing our commodities out of the range of developing nations at the very time when we need to be exporting all of the American food products we

And that brings us to where we stand today.

Where is the safety net for the American farmer? Is it in this bill? You can bet your life that it is not.

This is a bad bill. This is a terrible

It is not a bill that will protect farmers and ranchers from the ups and downs of grain markets. It does not provide a fair safety net or floor price.

It is not a bill that will be used for control and management of production. FARM INCOME

In 1979, farm income set an alltime record, following very poor farm prices

in 1977 and 1978. However, in 1980. farm income dropped again. As I indicated earlier, the Department of Agriculture expected a rebound in prices this year, but that simply is not happening.

Using constant 1967 dollars, net farm income is the lowest that it has been in decades.

Yet this bill will cut farm income by \$2 billion below the measure that the Committee on Agriculture, Nutrition, and Forestry originally approved.

This bill guarantees that markets for basic commodities will be depressed.

The bill maintains the same loan rate for commodities for 4 years, totally discounting the probability of continuing double-digit inflation.

This bill makes it certain that most farmers will have to dump their grain on the market at harvest time so that they can pay their bills, rather than holding it until prices improve.

This bill tells family farmers and ranchers that prices for their products will probably remain low. That does not cut margins for the big grain companies, the commodity speculators, or foreign farmers, whose prices are assured by their governments.

Free market agriculture, as espoused in this bill, will mean that the fat cats dependent on volume and foreign products subsidized by their Government will survive

Let me show you what I mean, Mr. President.

The Department of Agriculture tells us that in 1982, it will cost a farmer \$5.32 to produce a bushel of wheat.

Yet the target price set forth in this bill does not come into play until the price of wheat averages \$4.20 over a 5-month period.

The loan rate for wheat in this bill is set at \$3.50 for all 4 years of the bill. That is more than \$2 below the cost of production.

And what is the fair, parity price going to be for wheat next year—the price that would assure producers of a reasonable return on their labor and investmentthe fair price for American wheat next year will be \$7.64.

The Department of Agriculture's own figures show that for 1983 through 1985, a 25-cent higher loan rate for wheat would be translated in the marketplace to a price at least 40 cents higher, and would result in an increase in the value of wheat production of up to \$1 billion.

The action by the committee to guarantee only 70 percent of parity for dairy products will most assuredly save the Government about \$350 million in outlays next year, but will also cost dairy producers as much as \$600 million in cash receipts.

The difference in farm income between this bill and the one originally presented to the committee will cut income for wheat producers by \$850 million; cut income to corn producers by \$315 million; and take \$390 million from dairy producers.

Mr. President, this is a bad bill. This is a bill that will assure virtually every farm family that when the administration boasts of how many tons of grain are being exported, it will be with the knowledge that the grain is being sold abroad at less than what it costs to produce.

We will hear a lot of talk about how we must control Federal spending, but I have to ask what is better? Do we provide income protection for Americans, or do we pass a money saving bill that will provide subsidies to the Soviet Union and our other trading customers?

THE FARM BILL AND FEDERAL SPENDING

During the course of the debate on S. 884, some reckless charges were made by the administration with respect to the cost of the various proposals before the committee.

Secretary Block estimated the cost of Senator Helms' modest bill at \$7.8 billion over its 4-year life. The Secretary

estimated the cost of my own bill, S. 480. at \$83.2 billion over 4 years.

It is important that the Senate and the public at large understand the nature of the commodity credit price support loans so that they will understand that these charges of high costs are not true, but merely distortions designed to frighten Members of Congress into following the administration line.

The administration's cost assumptions depict these price support loans for wheat and feed grains as if they were nonrecoverable outlays, when in fact they are loans that are repaid with interest.

Generally, price support loans are made on a small percent of the total production of farm commodities. Only 11 percent of the 1980 crop of feed grains, 12.6 percent of the 1980 wheat crop, and 20.3 percent of the cotton crop from that year were placed under the CCC loan.

Historically, the loan utilization percentage has not been high. The highest use of the loan program for wheat was 47.5 percent in 1953, a year of huge surpluses. For corn, the highest program use was in 1961 when 18.3 percent of the crop went into the loan program, and for cotton, 61.7 percent in 1959.

In the past 10 years, use of the loan program was the highest in 1977, when 29.7 percent of the wheat, 18.1 percent of the corn and 31.7 percent of the cotton was placed under loan.

The forfeiture of commodities in satisfaction of price support loans in the past 10 years has been minimal. Since 1971, approximately 72.4 million bushels of feed grains, 33 million bushels of wheat and less than 50,000 bales of cotton have been forfeited to the CCC.

The loan rates on farm commodities are considerably less than the cost of production, as are the target prices. In the case of wheat, this bill provides for a loan rate that is \$2 a bushel below what it costs to produce. Yet, administration cost estimates assume the worst possible case where markets collapse and the Federal Government is left with billions of bushels of grain. This, despite the Department of Agriculture's own estimates that the 1980's will be a period of shortage rather than surplus.

The commodity price support loans are a recoverable cost. A distinction should be made between these loans, which will be repaid with interest, and other Federal program outlays, which once expended never return to the Treasury.

To continue to calculate the cost of these programs on the basis of loan outlays in any given year, rather than the net cost of the loan program, vastly overestimates actual expenditures.

For that privilege, we are to sacrifice our soil, break our producers, and hurt the U.S. economy.

Yet when it reaches Japan or our customers, wheat is sold to foreign millers at four or five times the price that was paid for it in the United States.

Since the loans are almost always repaid in full, sometimes even a gain for the Government, increasing the loan rates is not a burden for the U.S. Treasury. Yet the administration bitterly opposes increased loan rates to forcefully reduce grain prices.

If we continue this practice, then we

can expect to continue to legislate farm programs which are far from the fair, well-reasoned programs our Nation's

producers deserve.

I also question the value of cost estimates, price projections and other data supplied to the committee. The Congressional Budget Office and the Department must rely upon a number of assumptions to make cost projections, but, clearly, it is impossible to make hard and fast estimates of market prices, crop sizes, and costs.

Nevertheless, it has seemed that some of the cost estimates supplied to committee members, and used as the basis for considering the various bills, have verged on statistical sleight-of-hand.

It is difficult, in the first place, to try to make projections for 3 or 4 years in advance, but when the assumptions used include projections for wheat and feed grain yields which diverge substantially from historical trends, the validity of the estimates must be questioned.

I am also concerned about other assumptions made in casting out the various proposals considered by the commit-

I do not believe it was the intention of any member of the committee to devise an expensive farm program. We expect the program to be operated in such a way as to maximize market prices and minimize costs. In estimating the costs of various proposals, however, it seemed the assumption was made to maximize costs and minimize market prices.

S. 884 affords the Secretary of Agriculture a great deal of latitude to operate farm and commodity price support programs. He has the authority to adjust target prices, loans and the farmer-

held reserve.

He has the authority to use acreage limitations and paid diversions to control

In short, the Secretary has been given a kit of tools which may be used to manage farm programs so as to minimize costs.

I am troubled that the Secretary has been given too much discretion in S. 884 and I am concerned that this discretion not be abused.

Farm programs do not have to be costly. If operated efficiently, commodity priced support programs need bankrupt neither the taxpayer nor the farmer.

The Secretary should use all of the discretionary tools given him in S. 884 to do right by the American farmer, and to operate farm programs in a cost-effective manner.

Supply and demand for agricultural products should be balanced to derive market prices at or above the cost of production and to limit Treasury outlays.

THE MARKET IS NOT FREE

As a Senator from a major wheat producing State, I am concerned that discriminatory and unfair trade practices are being used by the European Economic Community (EEC) to the detriment of this Nation and our farmers and ranchers. The matter of concern involves EEC wheat subsidies, which are in viola-tion of international trade agreements. The practice strikes U.S. grain producers and reduces their exports which are basic to the economic health of the Nation. As a matter of fact, the net contribution of U.S. agriculture to the economy is \$28 billion annually, which is enough to pay for more than one-third of U.S. oil imports.

When exports are reduced, however, inflation accelerates. Treasury costs rise, and individual Americans suffer the economic consequences. The EEC subsidies have widespread effects, and are not restricted to agriculture alone but impact the U.S. economy as a whole.

In order to understand the nature of the EEC export subsidies, it is important to briefly summarize the methodology involved in the EEC system. There are enormously complex policies and a variety of mechanisms used to steer and control agricultural production and trade in the EEC. These operate to disrupt the export economies of other nations.

A prime example of these difficulties is the system of variable levies and export subsidies in the common agricultural pol-

icy (CAP).

These variable import levies are a means of shielding farm prices in the Common Market from world supply and demand. The levies are set at the level necessary to protect the European domestic wheat from lower priced imports and to generate revenues for subsidies needed to lower EEC wheat export prices.

The system is "variable" because it is manipulated to undercut competition. For example, U.S. Dark Northern wheat was quoted in Rotterdam at \$186.75 per ton August 31, 1981, but with the import levies, the price rose to \$259.10 per ton before it could enter the Common Market.

Externally, EEC traders have sold 50,000 tons of wheat to Brazil at \$140 a metric ton, free on board French ports.

This was \$8.50 a metric ton less than the lowest U.S. offering on Soft Red Winter. The French sale was made possible by an EEC export subsidy of \$70 per metric ton and a French Government 3-year credit offering. Currently, 2,000 tons of Common Market wheat have been allocated for sale to Latin America.

From this brief explanation of the CAP levies and export subsidies, the disruptive trade practice of the EEC becomes clear. More importantly, these practices are contrary to both the general agreement on tariffs and trade (GATT), of which the United States and the EEC belong, as well as to the U.S. Trade Act of 1974.

First, article XVI of the GATT provides that parties to the GATT specifically requires that-

Such subsidy shall not be applied in a manner which results in that contracting party having more than an equitable share of world export trade in that product (article XVI 3)

It is to be noted that present GATT rules provide that any country maintaining a subsidy which operates directly or indirectly to increase exports must report on the nature and extent of the subsidy, its estimated effects, and the circumstances which make it necessary. Any other country whose interests are prejudiced by the measure must be consulted with a view to limiting the extent of the subsidization.

Little use has been made of these provisions, and reports by individual countries have been infrequent and inadequate. Nor has the Common Market used export subsidies merely to maintain its traditional market share—it has adopted a policy of aggressively using export subsidies to expand its wheat exports in important foreign markets for U.S. wheat. This has been demonstrated by the fact that significant volumes of subsidized EEC wheat exports have been sold to Egypt, Portugal, Morocco, and Brazil.

In addition to these actual sales, the Community has made available large subsidies for wheat exports to Poland, the People's Republic of China, and Finland.

Second, in terms of the United States, the Common Market subsidy on wheat exports is a type of unfair trade practice specifically identified in section 301 (A) (3) of the Trade Act of 1974. That section provides that when the President determines that a foreign country provides subsidies on its exports of products to foreign markets, which have the effect of substantially reducing sales of the competitive American product in those foreign markets, he shall take all appropriate and feasible steps within his power to obtain the elimination of such subsidies.

In the case of the Common Market subsidies, neither the fact of the EEC subsidies themselves nor the effect on American grain exports to foreign markets would appear to be subject to dispute according to the GATT and Trade Act.

U.S. wheat producers depend on export markets for their livelihood because 2 out of every 3 bushels produced must be exported to have a viable wheat economy.

American farmers and ranchers have assessed themselves to develop overseas markets, idled acreage to prevent a supply glut, and stored excess supplies in reserve to build an inventory for future

They have taken the necessary market-oriented steps to improve the supply/demand equation for wheat, and their ongoing effort ought not to be canceled by unfair competition in important foreign markets. Yet, the European Economic Community has actively invaded traditional U.S. markets with its subsidy program, and American farmers and ranchers have been forced to accept the ultimate burden of these lost sales.

As we stand by, debating a farm bill that does not protect American pro-ducers, the European Community is expanding its subsidy program to still more countries.

It continues to market its subsidized wheat by placing political pressures on various nations. India is one such targeted country; and in the past, Brazil has proven to be a successful customer for the European Economic Community. Incidentally, the sale of wheat to Brazil occurred after a short-lived period of "restraint" agreed upon by the Common Market after U.S. producers formally complained about unfairness and disruption of sales from the arbitrary and excessive European export

Moreover, just this August, the administration states its aim was for "free trade and the elimination of all surpluses and subsidies." It is well known in general and to the administration that all exporting countries operate some government programs to support farm income and most are involved somewhat in export trade, yet no other major wheat exporter besides the EEC maintains comparably high internal prices and uses general revenues funds, including import levies, to manipulate its export prices.

While export subsidization is disturbing in itself, the EEC practice causes particular concern because adverse market conditions are placed on American producers and undercuts their voluntary efforts. American wheat producers are prepared and eager to compete for wheat sales to all foreign markets. But, it is essential that such trade be conducted on the basis of fair and effective competition.

Competitive trade is not possible when the Common Market uses unfair export subsidies

With the capabilities of the American farmer to produce and our capacity to market more volume than ever, the impediments of EEC wheat subsidies should not be allowed to hamper our economy and trade any longer.

Given this background I think that many of my colleagues will agree with me that the U.S. Government should do more to defend U.S. export commodities from unfair competition in world trade. Right now, we are considering a 4-year farm bill that straightforwardly withdraws support from American farmers and ranchers and insures that they will be more vulnerable to the disruptive trade practices of other nations in the years ahead.

The farmers of this Nation deserve more, not less support from the American people, and I think that it is our job to provide this support. We cannot continue to accept policies which fail to provide our farmers a fair profit, and we should not continue to drain the Nation's wealth by selling our farm exports to the world's importers at prices below the cost of production.

U.S. Department of Agriculture estimates 1981 production costs for American wheat farmers at \$5.32 per bushel, and the market price is now well below \$3.50.

It makes no more sense to tolerate barriers to the marketing of our crops in overseas trade than it does to fashion a national economic recovery program that neglects the Nation's farmers.

Let us be frank. The European Community's wheat subsidy program is partially responsible for a good portion of the projected costs associated with the Senate Committee's farm bill.

As their perverted system lowers export prices to move surplus wheat into the world market, it takes money out of the hands of our farmers, and when income drops too far, Federal assistance is required.

I am pleased to hear the Reagan administration talk about stopping EEC

wheat subsidies. But we cannot abandon our farmers while we go on talking. We need a farm bill that gives our farmers protection when they need it. Our farmers cannot survive on illusory promises of better days.

CONCLUSION

Agriculture is our most basic industry, and it can lead this country back to a sound economy.

American agriculture can make a major contribution to controlling inflation, and make the United States a world leader for freedom and progress. But in order for that to happen, we must give our producers a decent farm bill.

Second, the cost of borrowing money must come down.

While we have just corrected our inheritance laws so that they no longer force farm families to sell out, we must continue to look at our tax laws to see how they can be used to further the needs and interests of farmers and ranchers.

Members of the Senate will hear from some that these kinds of things are inflationary—that they will increase Federal spending at a time when the budget must be balanced.

They will be told to forget about the notion that American consumers must have adequate supplies of food at fair prices, and that American farmers and ranchers must be protected from volatile market conditions that they cannot control.

We will be told to forget that 75 percent of the budget of the European Common Market goes for subsidies for agricultural products that compete with American producers in the world market, while only 4 percent of the European Community's gross national product is derived from farming.

We will be asked to forget that American wheat sold and delivered to Japan at \$5 a bushel is sold to millers at twice that price and is then retailed in that country for nearly \$30 a bushel as an encouragement to Japanese wheat farmers.

American consumers will be expected to ignore the fact that prime grade beef in Japan is selling for \$24.24 a pound. That chicken breasts cost nearly \$3 a pound—that hamburger costs \$5.05 a pound—and fresh milk costs \$3.24 a gallon.

We will be asked to ignore the fact that retail food prices have increased an average of 8.3 percent a year during the past 10 years. Yet, in 7 of those 10 years, marketing costs—transportation, packaging, et cetera—led the price increases, not farm prices.

Food retailers in 1980 had after tax profits of just under 1 cent per dollar of sales. But returns to stockholders' equity for food retailers was higher than the national average for retailers—13.7 percent, as compared to the national average for other retailers of 13.3 percent.

Food manufacturers' aftertax profits average 14.7 percent of stockholders' equity, as compared to 14 percent for all manufacturers.

Yet for the past 3 years, income for farmers and ranchers has been devastatingly low.

So where does that leave us? Every-

body—the Japanese, our European competitors, the retailers, the manufacturers, the railroads—everyone seems to be making a decent living off American agriculture except farmers and ranchers.

Tell me about the free market. Everyone up the line is able to set his own price except our farm and ranch families.

Free markets for American producers are only foreign buzzwords for domestic disaster.

And on the other side of the coin we allow the importation of subsidized foreign casein that is crippling our dairy industry and costing the Government \$300 million in additional price supports.

We are allowing the importation of Australian kangaroo meat and horsemeat, posing as beef, while American cattle producers are losing their shirts.

Tell me about the free market? This bill is mean and unfair.

It does not recognize that farm and ranch income is under terrible stress.

It does nothing to deal with the policy that claims we must have cheap food, no matter what the impact on American farmers and ranchers.

It does nothing to assure that we should not export American food at less than it costs to produce.

It does not recognize that American agriculture is the backbone of our economy.

Mr. President, I intend to oppose any amendment that will make this bill weaker.

But I do intend to offer a number of amendments that will strengthen it.

I will offer an amendment to provide a loan rate for wheat of \$4 a bushel, compared to the \$3.50 in the bill.

I will offer a resolution to memorialize the International Trade Commission that the Congress believes that the dairy industry is being harmed by casein imports.

I will offer an amendment that will permit the distribution of excess dairy products to the elderly.

I will offer an amendment whose purpose is to insure that the United States is not hornswoggled into importing kangaroo meat dressed up to look like beef.

garoo meat dressed up to look like beef.

I will offer an amendment to restore
the Wool Act to its present, useful status.

I will offer an amendment that requires the President to begin immediate consultations with the Federal Reserve Board to get interest rates lowered by at least 3 to 4 percent. This must be done in the next 60 to 90 days.

I will offer an amendment to insure that farmland can continue to be bought at below market interest rates when the seller agrees to finance the property. This amendment was recently approved by the Senate by a vote of 100 to nothing, but was subsequently watered down in a House/Senate conference.

There are Members of this body who will go home and tell their farmers and ranchers that this was the best bill that could be obtained, given the spending constraints now imposed on us by the budget reconciliation.

But if we cannot improve this bill, I am going home to Montana and tell my people that Melcher voted "no."

Mr. President, S. 884 is a bad bill. We are going to be debating this bill perhaps next week or the week after. It is important, I think, that the Senate understand that what has happened is that the inflationary impact on agriculture production has driven prices very high. Interest rates are part of that but not the only reason. At the same time, overproduction or abundant supplies have brought about lower prices in the marketplace for those commodities.

We are suffering pretty badly.

The conclusion of this is that our American agriculture is the basic economy underpinning all our American economy, and if we cannot straighten it out how are we going to straighten out the entire economy?

Mr. President, interest rates must come down. That is just part of it. But besides that, we have to have a bill that operates on the basis that we want to improve farm and ranch income, not one

that wants to cut it back.

We have been holding meetings in the last couple of days, very interesting meetings, among members of the Committee on Agriculture where we were urged by the Secretary of Agriculture, representing the administration, to cut back more and more on S. 884.

Mr. President, it was a bad bill when it came out of the committee. If we make it worse by bowing to what the Secretary of Agriculture is advising us, we are going to completely crucify the farmers and ranchers of this country and further aggravate a very serious economic situation in the country.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, I was listening to the distinguished Senator from Montana speak about farm income. What he said is absolutely correct: farmers suffered very serious losses in the last couple of years. Last year was the worst in our history; as he said, the worst on a parity basis since 1932. The prospects for the farmer in the last year or two are very bad indeed. I spent 1 full day working on a dairy farm. Believe me, the hard work they do and the low rate of return is going to be a lesson for any Senator or anyone who does that.

Mr. President, I do want to refer to the editorial I spoke about, because it is a remarkable editorial. It is the lead editorial in today's New York Times. It

reads as follows:

BIG BAD WALL STREET

So now there is a Republican conspiracy theory: the villain is Wall Street. It's that recently sacred Republican cow-The Market—that's been spreading the economic gloom. It's a cabal of Eastern financiers that is driving up interest rates and undermining

the President's program.
"It's time indeed that the financial markets realize that they're playing a dangerous game," intones the Senate majority leader, Howard Baker, as his colleagues report on the voters' anxiety. "In 60 to 90 days some-thing's got to give," says the House Repub-lican leader, Robert Michel; if nothing gives, he warns, Congress may have to impose credit

controls or a windfall profits tax on interest.

The Republican leaders, it seems, not only believe in The Market, they have given it humanoid form. And how ungrateful it is for recent tax favors done. How unmindful of the Republican debacles to come. Socko!

It's all very silly, of course, but under-standable. After passing the largest tax and spending cuts in history a month ago, the

Republicans were popping with pride and already counting next year's election victories. But the prospect of ever-larger budget deficits could not be hidden from investors. Now, with the financial markets depressed, inflationary expectations still high and interest rates threatening recession, the President's party is seized with panic. For the first time since Ronald Reagan entered the White House, the crisis of confidence has struck Washington itself.

But King Canute had more chance of stopping the tides than Howard Baker has of intimidating The Market. Wall Street is not a few people, acting out of some spiteful political interest. It is thousands of institutions and millions of people, acting out of an infinite variety of financial interests. As any good Republican should know, it is a huge,

vital and efficient marketplace.

If long-term interest rates are soaring, it's because too many people don't trust the President's combination of tax cuts and defense spending increases. They won't bet their money without the promise of high return. And short-term rates remain high because the Administration and the Federal Reserve have no better answer for inflation than tight control over the money supply.

So the simplistic theories of summer will not be remedied by more simplicities in autumn. The threatened credit controls, for example, might reduce interest rates a bit if they are aimed at consumers. But that would erode demand and slow down economic growth just as much as high interest rates. What would be the gain?

A tax on interest would surely show Wall Street who's boss. But it would punish all savers, the objects of all those loving tax in-

centives last month.

And the Federal Reserve could be brought to heel by changing the laws under which it operates. But the Fed is now the only barrier against truly wild inflation. Just think of what tampering with its independence would do to confidence in The Market.

Then, Mr. President, a short paragraph that I hope every Senator will read and ponder. It says:

The way to earn Wall Street's confidence is to heed its message. Fight inflation with the budget and not just with tight money. That means spend less, much less, particularly on the military, and atone for last month's revenue giveaways by raising taxes, mainly on consumption. Wall Street-meaning America-would respond. If there's one thing The Market respects, it's courage.

Mr. President, I think that is one of the most significant editorials and a good answer to the kind of rhetoric we have been hearing on the floor of the Senate. Mr. President, I yield the floor.

ROY WILKINS REMEMBERED

Mr. DOLE, Mr. President, Roy Wilkins lived a life filled with accomplishment. Over fourscore years he made headlines and made history. When such a man dies, it may seem curious that a spirit of national mourning coexists with a sense of gratitude for the life.

But we do mourn Roy Wilkins, because we do know what we have lost. We will never stop needing men like him in American life. We can never spare his courage, his compassion, his commitment to making the old ideals we claim as our own a reality for all Americans. We can ill-afford to lose his lofty sense of the possible—or the brilliant realism that made the possible probable.

His leadership of the National Associa-

tion for the Advancement of Colored People coincided with the historic explosion of economic, social, and political justice for black Americans. Such explosions do not come about spontaneously. Roy Wilkins, as much as any man in this country, ignited the fuse and kept the powder dry through the long years of op-

His influence was rooted in the moral truth of his cause—and in the skillful way he convinced others of what he knew to be true. He was a friend to many in this body, a hero to everyone who believes in making the system work, an inspiration to millions of Americans whatever their color or politics.

He will be missed, as surely as he is mourned. But no good man, it has been said, ever really dies. Not as long as he bequeaths a legacy worthy of emulation. Not as long as he leaves an example, of words or deeds to move others. Roy Wilkins' bequest is enormous. He was there when we needed him, and our country is a better place because he lived. His life was triumphant-and perhaps his greatest achievement was in letting all of us share in that triumph.

RAYMOND LANE

Mr. PERCY. Mr. President, in July a tragic incident occurred in Glenview, Ill. Eleven-year-old Jimmy Larkin, while playing with friends in a playground, was severely burned on the upper half of his body by flaming gasoline from an ignited homemade flamethrower.

This terrible accident could have resulted in an even more tragic ending had it not been for the heroic actions of Jimmy's 13-year-old friend, Raymond Lane, who was visiting from Baltimore. Raymond rolled Jimmy in the grass, extinguishing the flames and enabling the two boys to run home for help. In so doing, Raymond himself suffered second degree burns on his thighs and arms.

Jimmy will be in Evanston Hospital for 12 weeks, undergoing special treatments such as skin grafts and tank therapy. The cost in terms of medical expenses and suffering to Jimmy and his family is staggering. An enthusiastic participant in football and hockey, Jimmy's plans for the upcoming season will have to be postponed. However, the quick-thinking and unselfish actions of Raymond Lane have saved the family from even greater despair. He is certainly a young man to be lauded for his courageous efforts. Perhaps, thanks to Raymond, young Jimmy will someday once again be out running across a football field or gliding across a hockey rink.

CUTBACKS IN BBC'S OVERSEAS BROADCASTING

Mr. PERCY. Mr. President, the information we have received that there may be cutbacks in the funding of the BBC's overseas broadcasting has caused concern among many of us who believe that international broadcasting by the Western democracies is very important in providing objective and comprehensive news coverage to the peoples of the world. While we understand the necessity to reduce government spending in Britain, as we seek to do the same in the United States, the proposal to cut the BBC budget for the seventh time in 8 years does not seem to take into account the immense value of BCC broadcasts both to Britain and other nations of the Western alliance.

In the United States, despite this year's significant reductions in Federal spending, we have given priority to the broadcasting of the Voice of America and expect to increase VOA funding. The Voice of America enjoys in our country the same admiration and respect that the BBC external service enjoys in Britain. I would hope that the proposal for cuts in the BBC budget might be reconsidered.

Mr. President, I ask unanimous consent to have printed in the Record various attachments to this statement.

There being no objection, the material was ordered to be printed in the Record, as follows:

JULY 2, 1981.

Senator CHARLES PERCY, U.S. Senate, Dirksen Senate Office Building,

Washington, D.C.

DEAR SENATOR PERCY: We were in touch in the autumn of 1979 when you very kindly drew attention to the implications of threatened economics within the BBC's External Services. The problem has returned again.

Proposals just announced by the British Government will, if implemented, stop BBC foreign language broadcasting to Somalia, Italy, France, Spain, Burma, Malta and Brazil. The total amount of money involved is less than six million dollars a year. The cuts are intended to be completed by April, 1982.

What happened in the autumn of 1979 was that after an international expression of alarm, the British Government decided not to close threatened broadcasting services but to save money by not spending on transmitters. Now the Government is stopping broadcasting to seven countries and restoring delayed investment in transmitters.

We believe there are good reasons why the

threatened services should continue. In general they are regarded as an unbiased source of news. In Somalia, for example, bus timetables are arranged so that passengers can alight at their destinations in time to hear the BBC news. In Spain, the BBC's service in Spanish was the only continuous service of information heard in the country during the recent attempted coup. The BBC's Burmese Service is the only Western voice heard in the closed community of Burma. Equally important, of course, is the BBC's voice in Europe. Every member country of the Warsaw Pact provides a service in Italian, each one substantially greater in volume than that provided by the BBC. China and Albania also broadcast extensively in Italian. There is, of course, a similar picture else-where in Europe with strong vernacular services from the Warsaw Pact broadcasting France, and with even Cuba broadcasting to Spain.

Some people will attempt to make a virtue of the fact that the BBC World Service is being maintained without economy. That proposition ignores two facts;

1. The World Service—only in Fnolish—cannot hope to command the attention of the widest cross section of a community. That is a fact readily understood by Warsaw Pact countries which have developed vernacular services while Britain proposes to contract foreign language broadcasting.

2. The World Service depends for much of

The World Service depends for much of its editorial strength on the BBC's news gathering and reporting expertise in all of the countries it serves. The ending of the seven threatened services would weaken the BBC's international reporting ability—as well as its world-wide reputation.

I enclose some background papers which I hope you will find interesting.

As you know, we were immensely grateful for your ready assistance eighteen months ago. We would be no less so for any help you feel you can give us now.

Yours sincerely,

MARSHALL STEWART.

[From the Sunday Times, June 28, 1981]
NATION SHALL SPEAK UNTO NATION?

The foreign language broadcasts of the BBC are one of the cheapest ways of getting the British message round the world. They are often the only way of getting it to people as well as governments. But the Foreign Office, which pays for these services, is imposing on the BBC cuts which will save little money and do much harm. Either it seriously underrates their value or it has bowed to Treasury pressures and prejudices.

bowed to Treasury pressures and prejudices. The saving is to be about £3 million. The costs include a service to Malta which costs a mere £10,000 a year; to Burma where it is the only trusted western voice addressing the Burmese in their own language; to Somalia where half the population stops work to listen to the BBC; and to Brazil where the saving will be minimal since broadcasting in Portuguese to Portugal is to continue.

All these cuts give some degree offence and so reduce goodwill for Britain. The last of them will have the disastrous consequence of suggesting that the largest country in Latin America—where Lord Carrington wants British exports to grow—is not worth talking to. The excision of the Maltese service comes on the eve of an election which may see a recrudescence in Libyan influence in opposition to ours. In Burma, which is beginning to emerge from a generation of sectusion, the silencer is being applied at a peculiarly inappropriate moment.

The government has already demonstrated its inept touch in this sphere. In 1979 it told the BBC to cut out its Turkish service, only to ask a year later for it to be enlarged. This is an area where government, heeding its own noninterventionist philosophy, should leave well alone.

[From the Sunday Times, June 28, 1981] THIS IS LONDON CALLING—PUT NOT, MAYBE,

FOR MUCH LONGER (By Kim Fletcher)

The BBC's Somali language service upheld the finest traditions of the corporation when it broadcast news of its own demise to thousands of listeners in the Horn of Africa. The news that the Foreign Office was to end Somali broadcasts took second place to an account of British defense cuts.

Abdullahi Maji, the senior producer, thought the news that the Somali service was to be cut was very important. "But we broadcast to Somalia in the sense that we are giving world news in Somali. British defence cuts was a more important world story."

Apart from the Somali service, the government plans to axe Italian, Burmese and Maltese programmes, too. Services for Portugese-speaking Brazilians and European broadcasts in French and Spanish will also be closed.

The government last week asked the BBC to save about £3 million a year from 1983. The Foreign Office has the responsibility of deciding where the cuts should be made. Cutting the Somali service would save £170,000. In return the government promised investment of about £100 million, aimed at improving the audiability of the external services.

BBC staff pointed out that proposed im-

provements such as new transmitters in the Seychelles would be of prime benefit to the threatened Somali service.

The seven members of the Somali team learned they were to lose their jobs when George Benett, head of the BBC's Africa Service, called a meeting of his 60 staff. Bush House, headquarters of the BBC's External Services, had been buzzing all morning after a report in The Times said that up to eight foreign language services were to go.

When the Somali journalists met in the canteen afterwards, their first concern was not for their jobs, but for the listeners in Somalia, Ethiopia, Kenya and the Arab states, who write about 500 letters each month to Bush House, and for whom the BBC's nightly bulletin in Somali is the only objective news service available.

The anger is echoed by Douglas Muggeridge, managing director of the BBC's External Services. "The cuts would greatly endanger the worldwide standing and effectiveness of the BBC's External Services," he said.

"The question is not one of a chop for six of us. Losing our jobs is not so important as the fact that people rely on this section to know what is happening in the world. To them it is an institution," said 35-year-old Mahamoud Hassan, who read the news the day the cuts were announced.

The proposed cuts have horrified the BBC. But there was a determination that no editorial comment should creep into the traditionally impartial foreign broadcasts. Somali listeners heard the news on Thursday night and it was not repeated the following evening. The cuts were the subject of a news commentary which followed Friday evening's news, but it was written with the Foreign Office and BBC viewpoints represented equally.

The Somali service will be 21 years old next year, at just about the time it is scheduled to close. What angers its staff is the knowledge that it serves an area of Africa where millions of illiterate people have no other accurate source of news.

Bush House was understandably anxious last week to point out the value of the service. Tim Llewelyn, the BBC's man in Nairobi, filed an account of the importance of the twice-nightly broadcasts to Somalis. Somali delegates at a Nairobi conference were said to have been stunned by the decision to cut the service. George Bennett and Abby Farrah, head of the Somali service, spent Friday lunchtime with the Somali ambass dor, and a member of the BBC's Swahili service came forward to describe how buses in his native northern Kenva had to arrange timetables around the 5:30 bulletins so that passengers and staff could tune in. The Somali staff attempted to carry on with their work last week as if nothing had happened, translating two news bulletins and news commentaries for each evening's broadcasting. Somali listeners tune in at 5:30 and 9 p.m.

Most staff are on renewable contracts of about three years. The BBC is anxious to keep a constant turnover of foreign staff to prevent its broadcasters getting out of touch with their own countries.

It is impossible to sav how many listeners tune in to Somali broadcasts. There has never been a census in Somalia, but it is known there are about 8 million Somali speakers. Visitors return with stories of whole villages sitting around the radio at 5:30, of the evening news being as important a ritual as the visit to the mosque.

There may vet be a reprieve for the Somali and other foreign services, In 1979 angry MPs managed to prevent planned cuts and already they are moving to do the same again. Three have already signed an all-party motion condemning the cuts and others have said they will do so.

[From the Sunday Telegraph, June 28, 1981] 100 MPs WILL FIGHT BBC CUTS

(By Norman Kirkham)

Determination among scores of backbench MPs to try to force the Government to reconsider proposed economies in foreign language broadcasting by the BBC was building up yesterday.

At least 100 of the protesters were expected

to sign an all-party motion attacking the cuts after BBC executives had described them as "disastrous and misguided."

The backbenchers were hoping to compel a full discussion in the House and to win substantial modification of the plan despite the apparent determination of the Foreign Office to go ahead.

The BBC Governors, whose chairman, Mr. George Howard, has made clear already his support for the criticisms, will meet on Thursday to consider a fresh approach, ask-

ing the Foreign Office to think again.
Under the proposals seven of the 39 languages services will be axed together with the transcription service supplying the best of British broadcasts to foreign radio stations.

While Britain lowers her voice, other major broadcasters are increasing their command of the air waves.

The British broadcasts will drop by 58

hours a week to 668 hours compared with 2,100 hours from Russia and 1,900 hours by the United States. Britain which had the most extensive

broadcasting system at the end of the 1939-45 war is now in fifth place among broadcasters and not far ahead of countries such as North Korea, Albania and Egypt.

Mr. Geoffrey Rippon, the former Conserva-tive Cabinet Minister, who is co-sponsoring the Commons motion, said yesterday that the proposed economies were absurd and he did not believe they could not be corrected.

SOURCE OF TRUTH

Mr. Greville Janer, Labour MP for Leicester West, who is also putting forward the resolution, added: "This is false economy on a grand scale. There is a massive following in the House for us that this is a most expensive way of losing good will."

The services to go in the £3 million worth of cuts will be French, Spanish and Italian for Europe; Portuguese for Brazil; Maltese,

Burmese and Somali.

In Brazil, critics of the rightwing government rely on the BBC as a check on the ac-curacy or truth of official statements. Somalia in an area of Africa threatened by spreading Soviet influence is likely to feel slighted.

Whitehall has countered the protests with promise that the economies will offset heavily by a future £100 million capital investment programme for transmitting, relay broadcasts and modernisation of Bush House, the BBC Overseas Services headquarters

Audience research figures available in London given for weekly international broad-casting recently were:

	Hours	Lan- guages		
Russia	2, 103	82		
United States	1,901	46		
China	1, 350	45		
West Germany	804	39		
Britain	719	39		
North Korea	597	8		
Albania	560	23		
Egypt	546	30		
Cuba	424	10		
India	389	25		
East Germany	375	13		
Poland	337	13		
Australia	333	9		
Netherlands	289	8		

	Hours	Lan- guages
Japan	259	21
Czechoslovakia	255	12
Spain	259	4
Bulgaria	236	15
Portugal	214	7
Israel	210	6

[From the Times, June 29, 1981] BBC EXTERNAL SERVICE CUTS (From Dr. Brendan Halpin)

Sir, for the best part of 1972 I was working in northern Somalia, during the period of maximum Soylet presence and influence. At certain times of the week it was impos-

sible to attract the attention of Somalis, whether in the normally bustling market of Hargeisa, in smaller villages or even in the tea-houses which are so characteristic a part of the Somali scene.

The reason for this temporary abstraction from work in hand was that all were gathered round their radios, drinking in every detail of the World News in Somali

from the BBC.
Faced with such a thirst for our programmes, we are contemplating stopping the Somali service! It seems to be an incredibly foolish thing to do!

Yours sincerely,

BRENDAN HALPIN.

[From the Guardian, June 29, 1981] MPS TRY TO SAVE FOREIGN SERVICES (By John Ezard)

Attempts will be made by MPs of all three major parties this week to save the BBC's seven threatened foreign language services. The aim of a strategy worked out over the weekend is to incite a substantial Conservative revolt against Mrs. Thatcher in the Commons.

Three senior MPs-the former Conservative Minister Mr. Geoffrey Rippon, Mr. Greville Janner (Labour), and Mr. Clement Freud (Liberal)—are sponsoring an early day motion as an immediate test of Commons opinion.

"I don't anticipate any difficulty in getting 100 signatures at the very least," Mr. Janner said last night. "I don't recall an occasion on which there was greater unanimity.'

They have also applied for an adjournment debate, which would get the broadcast-ing cuts raised on the floor of the House, and will try other ways of obtaining parliamentary time. Mr. Janner said: "We all believe this is false economy on a grand scale.

"It will throw away overnight the experience and international goodwill created ever since 1938, will be a disaster for foreign policy, and will erode one of the last remaining contributions which Britain makes to the peace of the world."

The £3 million cuts, announced on Thursday, could stop the BBC's French, Italian and Spanish broadcasts to Europe, its Portuguese transmissions to Brazil, and its services for Malta, Burma, and Somalia. The BBC's external services budget has been cut for seven years running, although an earlier parliamentary revolt with powerful Conser-vative support in 1979 saved some services.

The corporation's governors are due to meet on Thursday to discuss ways of putting pressure on the Government. Staff have pointed out that the French service has 2 million listeners, that the Spanish service was the only broadcasting source of information during the attempted coup in February, and the Somali transmissions are important at a time when Russia is trying to expand her influence in the Horn of Africa.

[From the Financial (Leader) Times, June 29, 1981]

BBC AND THE FOREIGN OFFICE

The external services of the BBC hold a peculiar place in the British heart. When government, and particularly a Tory Govern-ment, attacks Bush House it does so at considerable public relations risk. And yet this latest assault on the activities of the BBC in its role as the "voice of Britain" at least provides another opportunity to examine the objectives and costs of an aspect of the British Empire upon which the sun has yet to

It is essential to realise that the external services have a somewhat different relationship with government than do the domestic operations of the BBC. Programmes aimed at foreign audiences are paid for by the Foreign Office, which tends to regard Bush House as simply another contractor paid to do a job of work. The corporation retains editorial control but the Foreign Office pays the piper and expects to call the tune.

POSITION

This is not the way in which the BBC views the position. While the Foreign Office regards external services as an arm of Brit-ish foreign policy, the corporation looks upon them as the flagship of British culture and fair-mindedness which produces incidental benefits for the nation. Any policy on the external services' revenue, editorial policy or geographic distribution must start from a judgment about what these services are for.

If the Foreign Office view is accepted then the strengthening of transmission hardware, ensuring that the voice of Britain can at least be heard, and the concentration of that voice on those regions of the world which have least access to relatively free media is justified. Such activities as broadcasting to the French in their own language and ensuring that the Americans know the latest Test score become rather less important than making sure that the Poles, Afghans and Cubans have some idea of what is going on in the world.

The BBC argues that any concentration of services on nonfriendly territories would provide support for the view that external services are part of a British propaganda machine. The Government replies that when money is tight someone has to choose prior-

There is an uneasy relationship between the Foreign Office and the BBC which has worked quite well until now. As a result of worked quite well until now. As a result of the general pressure to cut government spending there has arisen a suspicion that the Foreign Office is trying to shorten the arms' length relationship it has with the BBC in this field—or possibly to offer a de-liberately unacceptable cut in its own budget to protect more vulnerable areas.

ARBITER

The position of the Foreign Office as final arbiter on BBC broadcasting to overseas audiences should not be in question. The corporation's performance in this field must be examined somewhere and the Foreign Of-fice is as good a place as any. The doubts arise over the degree of involvement. A touch on the tiller is one thing, the grabbing of the wheel is another.

In its external services Britain has something which is unique in international communications. Although financed by central government, the editorial activities of Bush House are independent of government. While it is impossible to quantify the benefits which the external services bring to the UK, whether in terms of exports or of foreign policy gains, there is no doubt that the quality of the service is widely appreciated throughout the world.

To be unique and precious is not, however,

to be insulated eternally from change, whether that change be forced by policy or economy. The key issues are, first, whether the financial arguments for cutting £3m off the external services' budget (out of a total expenditure of some £63m) are sufficiently compelling to offset the damage that will be caused, and, second, whether the delicate relationship between the Foreign Office and the BBC is being altered to the long-term detriment of the service. To sacrifice assorted vernacular services—three at least apparently chosen on the basis of one from each continent—seems arbitrary and ill-judged.

[From the Sunday Mirror, June 28, 1981]
(By Woodrow Wyatt)
THESE CUTS ARE MAD

Please will someone in the Government have some common sense?

Our most effective voice abroad is that of the BBC's foreign services. They give Britain enormous influence. As a result, they help mightly with our exports.

In combating Communist and Right-wing dictatorships, the BBC's broadcasts are worth more than the entire Royal Navy.

Yet some idiot has decided to save £2-3

million by slicing them.

For the axe are broadcasts in French, Spanish and Italian, Portuguese for Brazil, Maltese, Burmese and Somail.

The Kremlin will be delighted.

[From the Sunday (Leader) Times, June 28, 1981]

NATION SHALL SPEAK UNTO NATION?

The foreign language broadcasts of the BBC are one of the cheapest ways of getting the British message round the world. They are often the only way of getting it to people as well as governments. But the Foreign Office, which pays for these services, is imposing on the BBC cuts which will save little money and do much harm. Either it seriously underrates their value or it has bowed to Treasury pressures and prejudices. The saving is to be about £3 million. The

The saving is to be about £3 million. The costs include a service to Malta which costs a mere £10,000 a year; to Burma where it is the only trusted western voice addressing the Burmese in their own language; to Somalia where half the population stops work to listen to the BBC; and to Brazil where the saving will be minimal since broadcasting in Portuguese to Portugal is to continue.

All these cuts give some degree of offence and so reduce goodwill for Britain. The last of them will have the disastrous consequence of suggesting that the largest country in Latin America—where Lord Carrington wants British exports to grow—is not worth talking to. The excision of the Maltese service comes on the eve of an election which may see a recrudescence in Libyan influence in opposition to ours. In Burma, which is beginning to emerge from a generation of seclusion, the silencer is being applied at a peculiarly inappropriate moment.

The government has already demonstrated its inept touch in this sphere. In 1979 it told the BBC to cut out its Turkish service, only to ask a year later for it to be enlarged. This is an area where government, heeding its own noninterventionist philosophy, should leave well alone.

[From the Sunday Telegraph, June 28, 1981]

LOST LEADERS

The effects of the Government's proposal to save a comparatively small amount of money by abolishing seven of the BBC's foreign language services will be far-reaching and include a weakening of the World Service, which is heard and admired in Britain as well as overseas.

The Bush House services to go include the broadcasts in French and Spanish to Europe and in Portuguese to Brazil. A million or two pounds may be saved but what will be lost is incalculable. All must agree that the BBC helped as much as diplomatic organisations in the work of getting British aims and views understood.

It has been estimated in Europe that three million people listen regularly to the BBC broadcasts in French and Spanish. It must be doubted if these people could inform themselves anywhere about Britain except by listening to the BBC's broadcast, which are about to be taken away.

For residents in Britain, these economies would weaken the first-rate news and current affairs service now being put in the World Service. This service is to retain its present number of programmes, but the fact that there would be 200 fewer expert correspondents round the world (some are to receive notice to quit in a few weeks) to contribute to the news bulletins would amount to a noticeable dilution.

News programmes are the brightest ornament in the World Service's crown. Apart from quality of content, they are read in measured tones and all the words are so well pronounced that there is hardly ever a letter of complaint about the stress being put on the wrong part of such words as "research" and "protest." There are 17 of these news bulletins daily (amongst music and documentaries) and numerous current affairs programmes.

In Network UK, one of these current affairs programmes, I was horrified last week to hear of Belfast's hundreds of joyriders—young stealers of cars, some aged 11, who tear round in the cars at night, sometimes putting them back—but glad to hear of a private enterprise remedy; this consists of a children's car club where old bangers are allocated to members for repair, and driving is permitted on private ground.

In Meridian another World Service current affairs programme, I have heard reporting about the arts that is as lively as in Radio 4's "Kaleidoscope." And incidentally I was glad to note among the presenters of "Meridian" Gillian Reynolds, radio critic of the Daily Telegraph, and our own Peter Clayton.

[From the Observer, June 28, 1981] MPs PLAN TO FIGHT BBC CUTS (By Patrick Bishop)

Friends in Parliament of the BBC's beleaguered external services will meet tomorrow to plan their campaign to deflect the Government's proposed cuts in foreign-language broadcasts.

Tory MP Julian Critchley promised yesterday a repeat of the operation that prevented the extinction of seven services in 1979. 'There is no reason why we should not be successful again,' he said.

Anger at the news, coyly revealed during Thursday's defence announcement in the Commons, spreads across party lines.

Much of it has been aroused because the Foreign Office—which funds the external services—has chosen to make what is regarded as a trifling economy in one of its adjuncts rather than at the FO itself.

Seven foreign language transmissions are to be scrapped. They are the European French, Spanish and Italian services, Portuguese to Brazil and colloquial broadcasts to Malta, Burma and Somalia. The saving will be £3m out of an annual budget of £62m.

British embassy heads around the world are believed to have been asked which services they thought could be dispensed with. Mr. Critchley said yesterday: 'It should not be left to bureaucracies to decide.'

The authorities will not be dismayed. An official at the Somali Ministry of Information said yesterday they would not be unhappy to see the broadcasts end.

Closing the Somali service will deprive the country of its only source of untainted news. The Observer correspondent in Mogadishu, Bob Dietz, reports that outdoor radios there are tuned to the BBC and listened to by crowds of up to a hundred.

[From the Glasgow (Leader) Herald, June 27, 1981]

BAD RECEPTION

The last time that Mrs. Thatcher attempted to cut the BBC's overseas broadcasts she was said to be much surprised at the force of the opposition. This time she should at least be prepared for the outcry; indeed the surprising thing is that she should even consider trying again after the strong passions aroused last time on the Tory backbenches as well as elsewhere. Perhaps she thought to distract attention from the announcement by making it on the same day as the defense statement.

The service is, after all, a line of defense not in the sense that it is a propaganda machine but for precisely the opposite reason. What it uniquely offers the world is an overseas broadcasting service with freedom from State control, and it is its impartiality that gains it international respect and en-hances understanding of this country whether in the far corners of the earth or, sometimes just as necessary, across the Channel. The reports that Bush House rather than Moscow or Washington is the first choice of listeners in Afghanistan were sufficient vindication, if any were needed, of the decision 18 months ago to leave the services intact. It now appears that although the critics on that occasion won the day they did not make their case understood, for the same objections still apply with equal force and Mrs. Thatcher has not overcome them with the argument that "we think it better than some 33 language services should be properly heard rather than 40 languages improperly heard." The argument represents a false dilemma and a false economy. For £3m the BBC could have had its 40 languages properly heard, and that is a trifling price to pay for a service whose excellence is unmatched by the BBC's domestic broadcasts.

Instead the Government chose the day of the defense statement to signal to the world the low value it appears to place on international relations. The same message has already been conveyed by the increase in overseas students' fees.

[From the Scotsman (Leader), June 27, 1981]

There are not many cuts worth a mere £2,400,000 which guarantee the Government ferce, mocking or incredulous criticism from all the serious British newspapers, including the most Right-wing one; which arouse all-party protest, already taking shape, in Parlament; and which, after the expense of considerable political energy, may with luck be countermanded. We are of course writing our regular leader about plans to hack at the BBC's External Services, which are financed by the Foreign and Commonwealth Office. Seven times in the past eight years Governments of one kind or another have tried to cut the BBC's overseas broadcasts. Much of the demolition work has gone ahead, despite Britain's unbeatable reputation for providing the world with reliable radio news, and despite the vast expansion, over the same period, of other countries' foreign-language broadcasting services.

It is entirely mysterious why Mrs. Thatcher, who is not otherwise noted for her indifference to Soviet foreign policy and propaganda work, should cut what Russia builds up. It is

also very strange that she should be back again supporting proposals to trim the BBC's foreign-language services only 18 months after an almighty row when her Government tried to do this. At that time, the Greek and Turkish services were among the intended victims. Isn't the Foreign Office glad, as it looks at the current state of Greek and Turkish politics, that these services were among those reprieved last time around?

This time an 8 per cent cut would reduce the BBC's foreign-language output from 40 languages to 33. Burma and Somalia would lose their broadcasts from Britain, as if they were of no significance. So would Malta, which is not exactly brimming over with unprejudiced news sources of its own. It is almost unbelievable that the Government should want to cut the Portuguese service to Brazil, the most important nation of Latin America, and surely an independent British voice in French to France. in Spanish to Spain and in Italian would be worth preserving. All these cuts, mark you, are intended to save a piffling £2,400,000.

What is one to make of the mentality of a Government which stirs up so much irrita-tion among listeners abroad, and lays itself open to so much complaint from the friends of the BBC's external output at home? What the reasoning behind the closure of the BBC Transcription Service, which sells the best of British radio programmes abroad? And all this when the total budget for the BBC's External Services is only £62 million, or around £1 per person in the UK. Of course the answer is that it is the very same Government which pressed on regardless with its drastic raising of the fees in British universities for overseas students, regardless of the damage that this is now doing to Britain both at home and abroad. Politicians who don't seem to care how unpopular they make themselves in Britain and around the world are an entirely new phenomenon; but the official Opposition at Westminster is also in an unprecedented state.

BBC SOMALI SERVICE

For the past two decades, and especially during the last few years, the Horn of Africa has been in turmoil. There is the continuing dispute between Ethiopia and Somalia over the Ogaden issue as well as the guerrilla activities of the various liberation movements in Ethiopia such as the Western Somali Liberation Front; the Somali Abo Liberation Front; and the Eritrean, Oromo, and Tigre Liberation Movements.

There is a strong Soviet presence in Ethiopia along with 15,000 Cuban troops, mostly used to garrison the Ogaden region so as to release the Ethiopian armed forces for active service against the various libera-

tion movements.

In this vast area of the Horn, most people are illiterate and rely on the radio as their one source of news information for both internal and external events. This has meant that there is strong competition between various governments and political groups in the area to win over the minds of listeners through radio.

Since it began in July 1957, the BBC Somali Section has attained an importance in the Horn which is not commensurate with its comparatively short daily broadcasts to the area. The BBC Somali Section has built up a reputation for reliable and unbiased news reporting, so that the Somali-speaking listeners in Ethiopia, Somalia, Djibouti, East Africa, as well as the large communities liv-ing in the Middle East, rely on the BBC Somali broadcasts for confirmation of any major news events in both Africa and the rest of the world.

During the 1977-1978 Ogaden War between Somalia and Ethiopia, listeners relied on BBC Somali news more than on any other

radio stations, whether it be those broadcast in Somali from Moscow, Rome, Cairo, Addis Ababa, Nairobi, Mogadishu and Djibouti.

The Ogaden War was followed by the 1978-1980 drought and an exodus of over a million refugees from Ethiopia into Somalia. More than 30 refugee camps were set up and administered by personnel from the various international relief organizations in liaison with the Somali government.

The BBC Somali broadcasts have been pop ular in the refugee camps as well as throughout the Somali-speaking areas of East Africa and the Arabian Peninsula. Throughout the Somali-speaking world, Wednesday is known as BBC Day, because it is the day which is particularly devoted to broadcasting from London all the current events taking place in Africa, and particularly in the Horn.

In the past few years, a number of Somali dissident groups have been set up, including an Addis Ababa-based clandestine radio station (Radio Kulmis). All these groups have sought publicity over the BBC's Somali Service in order to enhance their own credibility. indicating how crucial the BBC Somali broadcasts are to the politics of the Horn of Africa

In the past year, President Hassen Guled of Djibouti and President Siyad Barre of Somalia have given exclusive interviews to the BBC Somali Service, both emphasising that in this way their message would get across not only to the Somalis in their own countries but to Somali-speaking people and exiles throughout the Horn of Africa.

Recent Soviet efforts to penetrate not only Africa but the oil producing countries of the Middle East, along with the resistance now being shown by the West, has given the strategic Somalia/Djibouti coast more promi-

The Somali Section is the main source for explaining to its listeners the political and economic views of successive British governments, and interpreting British viewpoints on Africa and their own region.

The closing down of the BBC Somali Section will not only disappoint the vast listen-ing audience built up over the years, but will delight the Soviet Union and its satellites by giving them a free hand to extend their own influence uncontested.

BBC BURMESE SERVICE

In winning and holding the attention of radio listeners in Burma, the BBC, which broadcasts in Burmese for one hour a day, competes with the greater volume of external broadcasting in Burmese from Peking and Moscow. Peking provides a daily service of 21/2 hours, Moscow 11/2 hours. Japan also has a Burmese service of half-an-hour a day, and India 11/2 hours.

As suspicions of Britain's imperial ambitions have faded, Burma has began to show a distinct partiality for British institutions and for British commercial contacts. The British Ambassador reported in 1977: "Our stock stands higher than that of most other European countries".

It is clearly in Britain's interests to exploit the commercial opportunities which appear to be opening up. It is in the interests of the West to help the Burmese to maintain their independence of China and Russia, to encourage stability in the region, and to keep open the lines of communication to Western attitudes and values. The BBC can play an important role in Burma, where normal em-bassy informational activities are strictly circumscribed, where few Burmese can travel to the West, and where the internal media are tightly controlled.

It is estimated that the number of radio sets in Burma is 1,100,000. While it has not been possible to conduct surveys in Burma there is substantial evidence that the BBC Burmese Service is widely heard and that the audience includes some of the most notable

and influential personalities, the profession-al classes, intellectuals, army officers and students. The Burmese President, U Ne Win, heads the list of important personalities who are known to be listeners. Visits to Burma by BBC staff members connected with the Bur-mese Service have been marked, in recent years by private dinner parties given by the president, at which other prominent guests, ministers, high officials and civil servants, have made it clear that they, too, are BBC listeners

British ambassadors in Rangoon have reported widespread and influential listening, even at times when, inevitably, the content of some broadcasts may be unpalatable to some Burmese. In his information report of June 1972, the ambassador wrote:

"... BBC broadcasts both in English and Burmese are widely listened to, the latter being virtually the only means we have left of reaching a wider public . . . The value of the BBC Burmese Service cannot be over-

estimated . . ."
The corresponding report of June 1973 confirmed this view:

". . . . We welcome the decision to retain the BBC's vernacular service to Burma . . ." In April 1975 the British ambassador again

stressed the importance of retaining the BBC Burmese Service and added that the knowledge of English in Burma was declining. In July 1975, the embassy's information report stated:
".... BBC broadcasts in both English and

Burmese are widely listened to . . television unlikely to be introduced for many years radio is an important medium .

In the autumn of 1977, the British embassy in Rangoon told the Foreign Office that the abolition of the BBC Burmese Service and the curtailment of the World Service would be seen as further evidence of declining British interest in Burma, and added that the BBC Burmese Service is regarded as providing a reputable window on the outside world for a closed society, and enjoying a

large appreciative audience.

BBC Burmese Service broadcasts are monitored by the Burmese Broadcasting Service and summaries are circulated to all government ministers, and to radio and news agency editors. Excerpts are frequently published in the press. Particular attention is paid to the dawn news transmission which, as the first comprehensive and trusted world news round-up of the day, seems to be regarded as particularly valuable in government ministries and newspaper offices. The BBC reporting on the demonstrations in Rangoon over the burial of U Thant, the late UN Secretary General, in December 1974, was the subject of a good deal of favorable comment from listeners, including Burmese government's director of information. He

. The BBC has scored very well with first-hand accounts, actualities and well balanced news during the riots here. Now almost everyone tunes in to the BBC-both the Burmese and the World Services. . .

During 1977, the BBC Burmese Service received 5,769 letters from listeners.

The following are typical:

". . . We tend to associate the BBC mainly with news and only those who listen completely to each transmission realise wealth of knowledge gained from programmes such as English by Radio Life in Britain, Science and Rural . . ." (Clerk, Bassein). ". . . I have been following the Medical

programme very closely and find the talks very useful, especially those concerning the development in research, prevention and treatment of diseases more common in our country . ." (Medical Student, Moulmein).

". . News broadcasts from the BBC are

always up to date and accurate. Our local radio station always gives distorted news and that is why most people in my town listen to the BBC ...

. . I was saddened by the announcement on 3rd August 1977 that the Burmese Service, among others, might have to close down as a result of some committee recommendations. We have always admired the way you handle the news with speed and accuracy, not to mention the wealth of knowledge gained from listening to programmes. We request you earnestly to continue the good work in giving us true facts without bias and prejudice . . . (Librarian, Taungdwingyi).

BBC ITALIAN SERVICE

Each member country of the Warsaw Pact has a longer service in Italian than the BBC. The USSR puts out 21 hours a week in Italsome of it in similar form to the BBC's Italian Service output and, on 256 metres, close to the medium wavelength of 251 metres used by the BBC. The output of the other Warsaw Pact countries is a further 94 hours. China has a weekly output in Italian of 7 hours for Europe (and a further 3½ hours for Africa), and Albania has 24½ hours. In contrast, the Western World, with the exception of Vatican City (16% hours a week), pays scant attention to Italy: the USA and France have no services in Italian, and Federal Germany's Deutschlandfunk broad-

casts in Italian for only 3½ hours a week.
A survey carried out in Italy in 1976 established that the BBC Italian Service had an audience of some 1,200,000 adults, including a regular audience, listening at least once a week, of about 500,000. The BBC Italian Service had the largest regular audience of the six external services mentioned in the survey.

A survey in Switzerland in 1973 revealed that the BBC Italian Service had about 120,-000 adult listeners there, of whom 40,000 were regular listeners.

The restless political situation in Italy is reflected in an upheaval in the field broadcasting. Private local radio and tele-vision stations have proliferated, notably since, in July 1976, Italy's Constitutional Court declared RAI's monopoly of local radio and television to be unconstitutional. Within RAI itself, there have been major changes linked in part with Communist demands for "more professionals and fewer political appointees". However, as the BBC's correspond-ent reported, "more, not less, political inter-ference seems to be the order of the day". In practice, as is now recognized semi-officially, the various RAI channels are separately controlled by the main political parties.

In addition to its direct listeners, the BBC

Italian Service reaches a large domestic audience in Italy and Switzerland through its regular programme contributions to RAI and the Italian language service of the Swiss Broadcasting Corporation. Since May 1980 items have also been sent regularly to Vatican Radio and a station in the USA has used ten editions of a science and technical programme. During 1980, 239 programme contributions were broadcast by RAI, including 130 current affairs talks and 11 longer features, and 52 editions of a weekly newsreel of dispatches from BBC corre-spondents throughout the world, introduced in the summer of 1977 under the title "Quadrante Internazionale".

In addition, since December 1977, the BBC Italian Service has been producing jointly with RAI a weekly programme entitled "Eu-rope 19—" and in 1980 39 editions were carried both by RAI and the BBC. The launching of these two programmes on the Italian in 1977 was given considerable press, radio and television publicity in Italy. An essay competition, on the theme "The Young Discover Europe", run fointly by the BBC and RAT as part of the "Europe 1981" series, has attracted much publicity in the Italian press as well as material help from the EEC. the European Parliament and a number of Italian official organisations. The ten top prize winners spent eight days in this country, where they were the guests of Sir Charles

Forte at the Cumberland Hotel and were entertained by the Foreign and Commonwealth Office. Another group of prizewinners were received in audience by President Pertini at the Quirinal in the presence of the BBC Italian Programme Organiser.

The Head of the South European Service has been awarded the Calabria prize, an award made by Italian press critics on radio and television, for his work in connection

with BBC Italian output.

RAI's third channel also carries the occasional major series prepared by the BBC's Italian Service. "Post Industrial Europe" and "The Cost of Sound Money" have already been broadcast. A further series, now in preparation, "America, Europe and the World"

Extracts from the weekly Science and Industry Programme are sent to RAI, to "Corriere Medico", an Italian medical journal, and to "L'Eco di Bergamo", a provincial daily.

Contact has been established with several private broadcasting stations, all of them members of the association ANTI. So far. a number of programmes on unusual aspects of Britain as well as English by Radio have been supplied, and the potential is considerable.

The Italian language service of the Swiss Broadcasting Corporation was similarly supplied with 106 programme contributions during 1980 and Vatican Radio with 34. Interviews with the Service have also been given by many distinguished Italians during the past few months. These include Giulio Andreotti, the then Prime Minister, Giovanni Marcora, the former Minister of Agriculture, Francesco Foschi, the then Minister of Labour and the writer Alberto Moravia.

During 1980, the BBC Italian Service received 1,668 letters from its listeners.

The threat to the BBC Italian Service posed by the CPRS Report in 1977, and the Gov-ernment's proposed economy measures in 1979, both provoked strong comment in the Italian press

'Il Resto del Carlino" carried a long article in November 1979 under the title "Goodbye to Radio Londra and to many memories" and which included the following passage:

'The disappearance of these threatened transmissions by the so-called 'government axe' will break a tradition and will place the foreign service of the BBC in the position of being under suspicion of being transformed into a propaganda station, broadcasting only to Communist and developing countries. Why deny daily contact between friendly Euro-pean countries? . . "
"La Stampa" carried a similar article while

the "Corrière della Sera" had this to say:

the decision to abolish programmes like "Quadrante Internazionale" a "Europa 79" (the first ever programme like its kind to be broadcast jointly by the BBC and Italian Radio) is, to say the least, strangely contradictory coming from a government which proclaims itself to be orientated towards Europe. . ."

And Mario Pinzauti, a leading RAI news

director, was moved to comment thus:

"For forty years the BBC foreign services have diffused over Europe the voice of democracy. Today they are an important contribution to European unity and a model of impartial information and quality. To suppress this contribution would be a political mistake for Britain and for Europe.

Italian officials' and listeners' reactions echoed these views and contained protests at the potential loss of reliable information. In a letter to the Managing Director of BBC External Broadcasting dated 12th September 1979, the Director General of Radio Vatican expressed "the utmost concern" at the fact that "the Italian programme is obviously threatened among others":

. . . The possibility that the BBC broad casts to Italy could cease seems to us a grave matter and we would like to think that the wide protests echoing around this proposal may induce those responsible to find other areas where 'trimming' is less

Over the past few years, the Service has suffered from an inadequate mediumwave signal from the VAO relay in Munich as the aerial there was not properly aligned. After lengthy negotiations, a special aerial is about to be installed aimed at the targe; area. When this is completed, the signal would be greatly improved and the impact of the BBC's Italian Service much enhance.

BBC SPANISH SERVICE

For many years, the Warsaw Pact countries have considered Spain to be a major target. The USSR contributes 21 hours of the 80 hours they broadcast in Spanish every week. Other Communist countries also recognize Spain's importance. Albania provides 24½ hours a week, Yugoslavia 10½ h China 14 hours and Cuba 43¾ hours. hours.

This compares with 7 hours by the BBC and by France and 101/2 hours by Federal

Germany.

A joint audience survey was carried out in 1976 for the BBC and Deutsche Welle by an independent Spanish research organisation. It was estimated that the BBC Spanish Serv ice had a regular audience of about 500,000 adults and a total audience, listening regularly or occasionally, of about 950,000 adults. The survey showed that the BBC audience had been increasing since a similar survey in 1971.

Results of a new survey are just being received and indicate that the audience is broadly similar to that in 1976.

In addition to the BBC Spanish Service's direct shortwave audience, the Service reaches the Spanish radio audience with programmes supplied to Spain's domestic radio services. During 1980, 752 programmes or programme items in Spanish were supplied to Spanish radio stations and a further 173 news or general contributions in Catalan were sent to Radio Nacional, Bar-celona. The Spanish programmes include: A fortnightly link-up programme, "Debate Europa", originated by the BBC and con-taining discussions on topics of European interest between British, Spanish, French, Italian and German radios, and a 30-minute weekly light magazine programme for young people, "Meridiano de Londres", it is us by about 40 stations in the SER network.

BBC Spanish Service transmissions are rebroadcast every day by Radio Gibraltar, and in addition 53 editions of "Semana In-glesa" were sent to Gibraltar for rebroadcasting during 1980. Radio Gibraltar can be heard by listeners on the adjacent Spanish mainland. The common problem of the future of Gibraltar has undoubtedly been clarified by the undistorted flow of informa-tion on Britain's and Gibraltar's own attitudes provided by the BBC's Spanish Service.

During 1980, the BBC Spanish Service received 2,344 letters from listeners, many of which were stimulated by the very successful DX programme, launched at the begin-ning of the year. Indeed this programme made such a mark that it received a high popularity vote outside its target area in a competition organized by the Buenos Aires DX Club ahead of many other well established DX programmes.

During the war, the Franco regime and the delicate period of transition to parliamentary democracy, the BBC Spanish Service built up a solid audience which relied on it for uncensored news; through the Service the views of Spain's own democratic politicians were available, views suppressed in Spain itself. Many of the listeners to London during those times are now in positions of power in Spain. Spain's application to join the EEC has focused particular attention and interest on pro-grammes dealing with the Common Market.

Another of Spain's preoccupations is with the problems of regionalisation. In 1980, Tarradellas, a father figure of Catalan Nationalism and past President of the Generalitat of Catalonia paid this tribute:

". . . the BBC has always been to all of us

hope for tomorrow . ."

Despite the political changes in Spain, listeners say that the BBC Spanish Service provides a more complete and credible news

service than Spain's own national media.

This criticism has been reflected in the British press. On 23rd February 1979, the "Spanish Daily Telegraph reported that "Spanish radio and television are receiving increasingly heavy criticism for their unequal coverage of the current general election cam-paign", and on 29th November 1978, the Financial Times recorded that "despite Spain's achievements in transforming itself from a dictatorship to a democracy, the powerful state-owned television service continues to act as a propaganda arm of the Government and ruling party .

More recently the Financial Times reported that the Director-General of RTVE had been removed from his post-and appointed Spanish Ambassador in London—because of grow ing protests over the Spanish TV's political bias. In February 1981, when Colonel Tejero of the Civil Guard, occupied the Spanish Parliament, the Spanish National Radio and Television stopped all news broadcasts.

A questionnaire sent to BBC contacts showed that these tuned to BBC Spanish broadcasts for the latest news. It can be assured that many more followed them.

On 30th August 1979, Radio Madrid in its European Service in Spanish, commented on the possible disappearance of the BBC's broadcasts in Spanish. For many years, the Service had been familiar to Spanish listeners "Searching for non-Sectarian news, free from any dogmatism and close to objectiv-The possible loss of the Service was bad news "which we would not wish to see definitely confirmed." The commentary paid tribute to those who had contributed for many years to the promotion of "a demo-cratic ideal." The BBC broadcasts had had a direction and feeling that converged with the aspirations of the Spanish people and "daily offered us a stimulating and natural image of Great Britain." The commentary concluded with the hope that the budgetary measures would be short lived "because we refuse to believe that the voice of the BBC in Spanish has been silenced for good.

The popularity of the BBC was very clearly demonstrated by attendance at two "BBC Week" exhibitions organized by the BBC in Madrid in April 1978 and in Barcelona in May. The event in Madrid, which was opened by the Mayor of the capital, was visited by some 4,000 people a day. The exhibition in Barcelona, which was opened by the President of the Catalam Regional Government, was seen by some 3,000 people a day. In 1979 the University of Pamplona organized "A Week with the BBC" which proved so successful that the authorities decided to extend the idea to coverage of other international

broadcasters

The leading Madrid newspaper El Pais car-ries daily the programme schedules of the BBC Spanish Service.

BBC BRAZILIAN SERVICE

Since March 1938, without interruption, the BBC has been broadcasting a daily serv ice in Portuguese to Brazil. Throughout this period a substantial number of people have acquired the habit of tuning in regularly to a service which provides them with, among other things, unbiased world news and comment based on unrivalled international network of sources and correspondents. In addition to the direct short wave transmission about eighty Brazilian stations receive recorded programmes which are broadcast reg-ularly on the local air.

The most recent independent surveys in Brazil measured the size of the BBC's audiences in Rio de Janeiro. São Paulo and five state capitals. The total audience to the BBC in Portuguese in these cities alone is some 865,000 adults of whom 180,000 listen regularly. The adult populations represented by the samples in all seven urban centres represent about a quarter of the adult popula-tion of Brazil, which with a total of 119 million has now the sixth largest population in the world.

The external broadcasting services of the Communist countries maintain a high volume of output in their Brazilian services Among Warsaw Pact countries, the USSR provides a Brazilian Service with an output of 23.30 hours a week; the remaining members of the Pact broadcast between them over 50 hours a week to Brazil. Also beamed to Brazil are 21 hours a week from Albania

and 14 from the Chinese P.R.
With its output of 15.45 hours a week, the BBC Brazilian Service is one of many Western voices competing for Brazil's attention. Included among the others are Federal Germany's Deutsche Welle, the Voice of America, Canada, the Netherlands, Portugal, Sweden, Switzerland, Japan, Italy, Greece and the Vatican.

The British Foreign Secretary's tour of Latin America in July last year-which took him first to Brazil and subsequently to Venezuela and Mexico-appeared to indicate the U.K.'s recognition of Brazil's growing importance, both as an economic power and as a leading Third World protagonist in the North-South dialog. In the United Nations Brazil vigorously deplored the Soviet occupation of Afghanistan.

For Britain to turn its back on the Brazil--while preserving a service to the Spanish-speaking countries of Latin America—is a policy statement which may

have unfortunate consequences

Times supplement on Brazil, issued in March 1978, ferfured an article headed "Broadcasting Informs the Masses Where Few Can Read" and commented: "...it is easier to find a Brazilian with a transistor pressed to his ear than with a newspaper under his arm. .

The article pointed out that only about 4 million out of a population (in 1978) of 115 million read a newspaper and that the real mass media in Brazil are radio and television. In April 1977 a full-page feature in the "Jornal do Brasil", one of the country's leading papers, on the inroads made in Brazil by ign broadcasting stations included various references to the BBC Brazilian Service. among them the following:

Promotion of national industry is stressed by some short-wave radio stations such as the BBC which broadcasts an indusprogramme with that specific purpose. Brazilian listeners are told of the latest technological advances in British industry and are even given addresses of firms to write to for fuller information or for importing a product.

In April 1978 the Finance Secretary of the State Government of Minas Gerais-an important industrial area-said in an inter-

"The BBC Brazilian Service is very influential not only in remote areas of the country, where people have less access to press, radio and TV, but also in the larger cities like Rio, São Paulo and Brasilia. I have heard a large number of people, both nalists and people not connected with the press, mention they heard a particular piece news or comment on the BBC. In my opinion, the BBC is not only extremely important for information, but also very influential as an opinion former.'

rn May 1980 the "Folha de São Paulo" headed an item on the BBC with the words: "The Foreign Station With the Largest Audience in Brazil".

In 1979 Brazilian listeners reacted with alarm to the news of possible cuts in the BBC's External Broadcasting activities. The following quotes are taken from letters received:

. . I have learned that the Brazilian Service might suner with the recently announced government cuts. I strongly protest against that decision. . . . I pray to God that the government will still change its mind as it would be a great loss if the Brazilian Service went, as I have learned a great deal, and am always learning, through its transmissions. . . ." (São Paulo).

". . If that happens, the most affected would not only be the BBC listeners but also the free world, as we all know the stations of the socialist countries are extending their programmes and frequencies. (Mato Grosso do Sul).

UNITED AIRLINES PILOTS APPROVE LANDMARK CONTRACT

Mr. PERCY. Mr. President, almost 4 years ago, Chicago-based United Airlines decided to break with the airline industry and support airline deregulation legislation. United courageously opted to fight to end the comfortable atmosphere of Federal regulation that limited competition. Instead, it wanted to be given the freedom of the marketplace; that is. the ability to add new routes, provide additional services, and price its product without Government interference. It was led by Ed Carlson, who is now chairman of UAL, Inc., and Richard Ferris, who is now chairman of United Airlines.

Without the support of United Airlines, and particularly, Monte Lazarus, who is now senior vice president for external affairs, I am afraid the struggle to pass deregulation legislation would have been much more difficult, if not impossible. Not only did United support the legislation, but it actively, vigorously and effectively delivered its message to

the Congress

Since the enactment of deregulation legislation in October 1978, a series of unforeseen and adverse events have overcome United and the rest of the aviation industry: Intractable fuel prices that continue their upward spiral, the grounding of the DC-10 fleet, a lengthy strike, a recession, high interest rates, and an illegal controllers strike.

Despite these negative events and new competition on many of its lucrative routes. United has remained supportive

of deregulation.

Finally, this commitment is beginning to pay dividends. Recently, United Airlines pilots approved a new labor contract that will reduce crew costs by 15 percent while guaranteeing job security for its pilots. The pilots have agreed to fiv twin-engine Boeing 737 aircraft with two crew members, instead of three. This should make United Airlines more competitive with the new entrants.

The contract should serve as a model for the airline industry on devising the best strategies to improve productivity without sacrificing job security.

As a result of the contract, United has announced a major expansion that will find it flying to such medium-size cities as Syracuse, Louisville, San Antonio, and Albuquerque, by October 1, 1981.

Additionally, it will institute low-fare

service along the west coast on the same

date called "Friendship Express."
Shortly, United Airlines is hoping to service Japan from the Pacific Northwest. It has waited many years for final approval of this new route, and it should not be subject to any further delays for any reason.

I would like to submit for the RECORD an explanation of United Airlines' new service as published in its Friendly Times newspaper of this month, and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD as follows:

GOOD NEWS FOR EVERYONE: UNITED WILL GROW, NOT SHRINK

In an aggressive move to expand the airline, Chairman Dick Ferris says before year end United will:

Add four new cities to its routine system. Establish high-frequency, low-cost Friend-ship Expres service between both Los Angeles and San Francisco and several cities in Cali-

fornia and other Western states.

Expand service at three cities that got their first scheduled United flights less than

Increase capacity in scheduled service to

Las Vegas by 20 percent.

The new flights will be accommodated within the government's flight-level guide-

Ferris attributes the expansion to productivity gains resulting from a new pilot contract ratified August 13 and other cost efficiencies the company has achieved in the past 12 to 18 months. Without the cost savings, it would have been necessary to shrink the airline by 30 percent.

Although optimistic, Ferris says timing of the expansion hinges on airways capacity as a result of the strike by air traffic controllers.
United currently plans to start service

October 1 at Albuquerque, Louisville, San Antonio and Syracuse.

The company plans two daily round-trip flights between Albuquerque and both Chicago and Denver and one daily round trip to San Francisco. Louisville, San Antonio and Syracuse will have two daily round-trip flights to Chicago.

United's ability to provide more same-airline connections beyond the major cities will enable the company to compete effectively with other airlines that provide service in the markets.

Frequent, low-cost flights in high-density markets from both Los Angeles and San Francisco also will begin Oct. 1, if airways capacity is available. The new Friendship Express service is designed to enhance United's position in the two major California cities

Productivity gains made possible by the new pilot contract will allow United to compete on a cost basis. Ferris said this ability to compete on a cost basis also will allow United to re-enter several markets, including Los Angeles to Sacramento and San Jose and San Francisco to San Diego

At Los Angeles, Friendship Express will include five daily round-trip flights each to Las Vegas, Phoenix, Reno, San Jose and Sacramento, six daily round-trip flights to Portland and 16 round-trip flights to San Francisco. Some of the six daily Los Angeles-Seattle flights also will operate with allcoach aircraft.

Friendship Express at San Francisco will include new non-stop service to both Las Vegas and San Diego with four daily roundtrip flights each and one additional daily round-trip flight to current service levels in Portland, Phoenix and Reno. Service between San Francisco and Boise, Eugene, Spokane, Los Angeles, Medford, Santa Barbara, Seattle and Salt Lake City will remain at current levels, but will operate in all-coach aircraft.

Ferris said United plans to expand service at three cities-Oklahoma City, Tulsa and Houston-which a year ago were not on United's route map.

On Oct. 1, the company plans to add a daily flight between San Francisco and both Oklahoma City and Tulsa. On Oct. 25, United will expand substantially at Houston, again subject to the possible restraints of the air traffic control system. Plans are to add three daily round-trip flights to Los Angeles, two daily round-trip flights to New York's LaGuardia Airport and one round-

trip flight to Philadelphia.

Recognizing the price-sensitive, low-yield nature of the Las Vegas travel market United will increase substantially the number of seats available to Las Vegas beginning Sept 9. By replacing current equipment with high-density DC-8-61 and all-coach Boeing 727-200 aircraft to routes from key cities, the change can be accomplished without affecting the airways system.

The company plans additional flights later in the year, specifically new non-stop Mil-waukee-Las Vegas service and equipment changes for service between Las Vegas and Philadelphia, Detroit, Baltimore/Washington, Cleveland, Omaha and Denver,

"With improved cost efficiency, United will be able to grow," Ferris says. "In an extremely price-conscious environment, we cannot compete on price alone. An airline must be cost competitive or it will lose the game in time.

"The actions we've taken in the past few months have paved the way for the growth we expect to begin this fall," he said.

FERRIS: WE WILL BE A DIFFERENT AIRLINE We're going to be a different kind of airline than we ve been in the past.

We have to be.

Deregulation has opened the way for new, low-cost airlines to compete with us on our busy, profitable routes. But that same deregulation has freed us to compete as hard our own will and smarts will let us.

But to compete in the market as it is today, we can't keep on doing business the way we used to. Of course, it's one thing to we can't be the kind of airline we were in the days of tight regulation. It's another thing to be able to describe what kind of airline we're going to become. Our vision of the United of the future is still evolving, just as the shape of the competitive marketplace is still evolving.

But here are at least some of the features of the United of the future that I can see right now:

To compete with the new low-cost airlines, we're going to become a low-cost operator ourselves, where we have to be.

Travelers today are looking for the lowest price. While we've traditionally sold the Mercedes of air service, in some markets we're finding out we can make more money and serve more people by selling Pintos.

If the customers want a Pinto, we're not going to get anywhere trying to sell them a Mercedes, because the customers aren't going to buy it. So we're not going to try to sell them a Mercedes, just because selling high-grade service makes us feel so good and

We're going to be an airline that finds new ways to work with employees and unions, so we can keep on competing, growing and pro-

viding jobs and good pay.

The old confrontation game with unions is no good anymore.

Unlike other airlines, nobody here is asking employees to give up pay raises. Nobody is asking employees to give up those really important working conditions everyone has worked so hard to get.

But if we're going to be a low-cost operator wherever we have to be, we—all of us—have to work together to find out how we can do away with some practices that push our costs out of bounds without really improving the quality of employees' working conditions or their work life.

We're going to need everybody's help to keep the airline's costs in line, and still keep the things that are important to employees.
In any market, whether we're giving Mer-

cedes service or whether we're giving Pinto service, we're going to be the best-run airline in the business

We already have the best airline people in the business.

You can run a low-cost airline like the Friendship Express better than anybody in the business.

You can run a first-class service better than anybody in the business.

By finding new ways to work togethertogether-to improve our efficiency, we can beat the low-cost airlines at their own game. We already know we can beat our traditional competitors at their game. What it all adds up to is the most important feature of the United of the future.

We're going to grow.

ASSIGNMENT "BLUE SKIES" YIELDS UNIQUE DOCUMENT

A pivotal point in the history of United. That's what Chairman Dick Ferris calls the new pilots' contract.

"Depending on what the pilots did, this airline could have taken one of two very different roads," Ferris says. "We could have taken the low road. We could have been forced to abandon routes to low-cost airlines and get a lot smaller—up to 30 percent smaller. Or we could take the high road. We could be free to compete and grow."

The company's aggressive expansion plans for the fall make it clear that United's now committed to the high road.

To get on that road, the company and the pilots' union (ALPA) negotiated a new contract—a contract that's far from a warmed-over version of the pre-deregulation model. The brand-new contract, from scratch, is the product of some unusual negotiations.

Here's how the new contract came about: Shortly before the old contract was up, it became apparent that "normal" negotiations wouldn't produce enough changes to make United cost-competitive with low-cost airlines. So rather than negotiate against a tight deadline, the company and the union agreed to extend the old contract for six months (at a 6 percent pay raise for pilots). The extension gave both sides time to look at "Blue Skies."

"Blue Skies" was the term applied to a cooperative effort by the union and the comany to improve United's competitive position by writing an entirely new contract suited to today's environment, rather than trying to modify the old contract and its layers of age-hardened inflexibilities.

The union wanted proof that the company asn't crying "wolf" over its competitive wasn't crying "wolf" over its competitive problems and its need for relief on crew costs. So the company opened up its financial and marketing data to both the union negotiating committee and to an analysis and verification committee specially appointed by the union. The analysis and verification committee members were pilots chosen for their particularly strong business back-

The first step was to determine how much crew-cost saving was needed to allow United to compete against low-cost airlines on its current routes. Once that needed cost saving was known, the company and union agreed on adjustments to pay practices, work rules and crew complement that would make the saving possible.

The result was a contract that allows the pilots to be more productive on the days they work. But the contract essentially preserves the pilots' traditional work patterns and days off. And the company agreed not to furlough any pilots now on the payroll and assured it would employ at least 4,539 pilots through the contract term.

PILOT CONTRACT IS AN INDUSTRY PACESETTER The pilots' union has ratified a new contract that will help United compete head-

to-head with low-cost carriers.

The new contract will cut United's crew costs by 15 percent, while providing pilots a guarantee against any further furloughs and a pay raise-24 percent over 26 monthsthat keeps United pilots among the best

paid in the industry.

The savings for the company come from relaxing work rules or "duty rigs."

The new contract permits the company to schedule pilots to fly 81 hours a month, up from the 77½ hours provided by the old contract. In addition, the company can schedule pilots' duty hours more flexibly.

The pilots also agreed to fly the Boeing 737 with a two-member crew instead of a three-

member crew.

"I want to thank the pilots on behalf of all United employees for having the wisdom to choose a very positive course of action," said Chairman Dick Ferris. He called the company's plans to dramatically increase fly-ing in the fall "the direct result" of the pilots' agreement.

All other airlines-except Western Airlines—have had a crew-cost advantage over United in small jets, because other airlines fly 737s and McDonnell Douglas DC-9s with just two pilots in the cockpit, while United's contract has required three. Many of the new low-cost airlines—such as New York Air and Midway Airlines—fly only 737s or DC-9s with two-member cockpit crews

To specifically counter those low-cost airthe new contract reserves its most sweeping work-rules changes for United's

737 crews.

The contract eliminates all 737 duty rigs, except that the company has to provide 737 pilots 15 days off a month and can't schedule their flying in such a way that pilots are "away from home" more than 275 hours a month. ("Away from home" time is counted from an hour before a pilot reports for work until a half-hour after he returns). The object of those stipulations is to assure that will schedule the pilots company

productively.

For crews of United's other aircraft, the contract reduces the hours of flight time pilots are guaranteed for each hour they're "away from home." That provides the company more flexibility in scheduling.

The pilots also agreed to fly the new Boeing 767 with a two-member crew, if the Federal Aviation Administration certifies that aircraft for operation by two pilots. United will take delivery of its first 767 next year.

HIGH INTEREST RATES HURT OUR FARMERS

Mr. BOREN. Mr. President, rampant inflation, high interest rates and declining farm commodity prices have combined to create a disastrous situation in our country's farm economy today. Farmers are faced with increased production expenses due to soaring credit costs for production loans. As a result, the demand for farm capital loan investments is down substantially because of high interest rates.

Bankers throughout the Nation re-

port that farmers are making do with existing machinery where possible and holding off on major building and other capital improvements. This loan demand picture is a direct result of high interest rate levels being charged to farmers. Also, because of higher production costs the American farmer has less funds available for paying down his outstanding loans.

Because of the increasing cost of credit. many farmers and ranchers are finding it increasingly necessary to use farm land equity to meet their credit needs. This type of agricultural borrowing is a distressing indicator signaling that farmers and ranchers are desperately trying to cope with spiraling interest rates.

Many bankers around the country report that this year will be a "make or break" year for the marginal and highly leveraged farm operator. Also, across the Southern States, bankers have indicated a noticeable increase in the number of farm operators that are liquidating because high interest rates have raised their production costs above break-even

High interest rates have also been responsible for depressing farm commodity prices. According to the August 3 issue of the Wall Street Journal high interest rates have played a significant role in depressing commodity prices, because when rates are high, farmers and processors often reduce inventories to pay debt or to invest their money in higher yielding, money market securities.

Farm commodity prices continued to slide in July, dropping 0.7 percent from June. Since the start of the year the farm commodity price index has dropped over 2.8 percent. As a direct result, meat producers in the cattle and hog industry are operating at severe losses. The staggering effect of high interest rates and depressed commodity prices are forcing many meat producers out of business.

Mr. President, the messages we are receiving from our Nation's farm economy are loud and clear: High interest rates pose a serious threat to our Nation's producers of food and fiber, if high interest rates prevail American agriculture will suffer its worst setback since the Great Depression. The effects of such a setback, because of high interest rates, would be devastating for years to come not only to our Nation's farm sector but also to the rest of our Nation as well.

FEDERAL COURT LIBRARIES

Mr. HELMS. Mr. President, a highly significant publishing event that occurred July 31, when William S. Hein & Co., Inc., of Buffalo, N.Y., published a two-volume set, Federal Court Libraries, which was prepared by Raymond M. Taylor, a respected lawyer and internationally recognized authority on law libraries and the law information indus-

Most of the material in this 2,049-page set was prepared when Mr. Taylor was project director of the Federal Judicial Center Study of Federal Court Libraries during the time between January 20, 1976, and September 30, 1977. More than 1,000 Federal judges and court personnel participated in providing information for this study, and there were contributions by law publishers, architects, librarians, personnel specialists, and others who recognize the importance of this mammoth undertaking.

Indeed, the study by the Federal Judi-cial Center under Mr. Taylor's direction is perhaps the most all-encompassing study of law libraries and law research

ever done.

The study has significance from several standpoints. It tells about the books used by Federal judges and where those books are located. It tells also about where our Federal courts operate and how our judges do their work. It gives much insight, therefore, into our judicial system, including its achievements and its shortcomings.

Mr. Taylor wrote that the methods and facilities for law research within our Federal courts are examples of "waste, inefficiency, and false economy." Those unwelcomed findings are supported by the documents included in the set just published. That presents a challenge to the courts, the Congress, and the present administration, Mr. President, because every possible effort should be made to eliminate waste and inefficiency in all parts of the Federal Government.

By tracing the history of the development of law libraries for the Federal courts, Mr. Taylor points out many causes of inefficiency. Federal court buildings, he says, are designed in a way that results in wasteful duplication of books and discourages the sharing of research resources by our court personnel. After finding no current General Services Administration standards for the architectural design of court law libraries, Mr. Taylor's study makes suggestions for appropriate standards.

Perhaps most important among the study's recommendations, Mr. President, is that a coordinated nationwide law information system be established to serve all Federal judges wherever they are and whenever they need information on the law. Such a system would bring together the resources of hundreds of lawbook collections and use both modern technology and skilled specialists to help Federal judges do their work more efficiently. Until this study was done, the emphasis seemed to be upon "procurement and property control," that is, procedures for contracting to buy books and then keeping records of them, rather than upon devising the most efficient and economical ways of providing information, whether from books or computers.

Because the study was done in 1976 and 1977, the documents prepared then are of special importance today, Mr. President, as a basis for determining what improvements, if any, have been made as a result of these findings and recommendations. Also, the Congress will find help here in providing means for our courts to keep up with their work in the future, and to do so efficiently and economically.

The information in Federal Court Libraries has not been available in conveniently useful form before now, Mr. President, because it consisted of many separate documents, appendixes, tables, photographs, and other materials. As an example of the capabilities of the free enterprise system, this valuable material subsequently has been organized, indexed, and published without cost to the Government. Not only is the public given convenient access to valuable information formery availbale to only a few Government employees, and even then without an index, but the libraries, law firms, architects, and others who desire this material now may purchase it at a reasonable price.

Private enterprise is making a genuine contribution by publishing material of this kind so that it easily may be obtained by members of the public who desire it and are willing to pay a fair price for it. Such publishing ventures place no burden on the taxpayers and are a service to both the public and their Government. Publishing of this kind should be encouraged, Mr. President, and for that reason I am particularly pleased to bring to the Senate's attention the recent publication of Federal Court Libraries.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

UNIFORMED SERVICES PAY AND BENEFITS ACT OF 1981

The PRESIDING OFFICER. The Senate will resume consideration of the pending business, which the clerk will state.

The bill clerk read as follows:

A bill (S. 1181) to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the hour of 9:45 a.m. having arrived, the Senate will now proceed with the consideration of the Matsunaga-Hatfield amendment dealing with the comparability pay raise for en-

try-level military personnel, on which there shall be 3 hours of debate.

The Senator from Hawaii is recog-

UP AMENDMENT NO. 354

(To provide a comparability pay raise for entry level military personnel by reducing the pay raise provided to commissioned officers)

Mr. MATSUNAGA. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Hawaii (Mr. Matsunaga), for himself and Mr. Hatfield, proposes an unprinted amendment numbered 354.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 39, beginning with the table in line 4, strike out all through the end of the table on page 41 and insert in lied thereof the following new table:

COMMISSIONED OFFICERS

Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
0-10	3, 513. 00 2, 919. 00 2, 163. 90 1, 746. 30 1, 478. 70 1, 374. 00	3,618.30 3,117.90 2,377.50 2,050.50 1,800.00 1,536.00	3, 704, 40 3, 117, 90 2, 532, 90 2, 192, 10 1, 920, 30 1, 641, 90	\$4, 530. 60 4, 065. 30 3, 704. 40 3, 117. 90 2, 532. 90 2, 192. 10 1, 920. 30 1, 833. 00 1, 588. 50	3, 704, 40 3, 257, 40 2, 532, 90 2, 192, 10 2, 016, 30 1, 920, 30	4, 704. 30 4, 168. 80 3, 980. 70 3, 257. 40 2, 532. 90 2, 192. 10 2, 106. 00 1, 989. 90 1, 621. 50	\$4, 704. 30 4, 168. 80 3, 980. 70 3, 446. 40 2, 532. 90 2, 309. 40 2, 230. 20 2, 096. 70 1, 621. 50	4, 168. 80 3, 446. 40 2, 532. 90 2, 390. 40 2, 345. 40 2, 181. 60	4, 168. 80 3, 618. 30 2, 736. 60 2, 550. 60 2, 452. 50 2, 215. 50	\$5, 427. 00 4, 704. 30 4, 341. 90 3, 980. 70 3, 033. 30 2, 741. 40 2, 515. 20 2, 255. 10 1, 621. 50	\$5, 427. 00 \$1 4, 704. 30 4, 530. 60 4, 254. 00 3, 188. 40 2, 899. 20 2, 562. 00 2, 283. 00 1, 621. 50	5, 790, 00 5, 064, 60 4, 704, 30 4, 254, 00 3, 257, 40 2, 986, 50 2, 562, 00 2, 310, 90 1, 621, 50	\$5, 790. 00 5, 064. 60 4, 892. 70 4, 254. 00 3, 446. 40 3, 090. 90 2, 562. 00 2, 310. 90 1, 621. 50	4, 892. 70 4, 254. 00 3, 738. 00 3, 090. 90 2, 562. 00 2, 310. 90	4, 892, 70 4, 254, 00 3, 738, 00 3, 090, 90 2, 562, 00 2, 310, 90
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	COMMISS	IONED OFFI	CERS WHO	HAVE BEEN	CREDITED	WITH OV	ER 4 YR A	CTIVE SERV	ICE AS ENI	LISTED MEN	MBER OR WA	RRANT O	FFICERS		
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	14 - No. 24	36				WARRAN	T OFFICE	RS			1	-			
Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 2	2 Over 26	Over 30
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Pay grade 2 or less	Over 2 Over	3 Over	4 Over 6	Over 8	Over 10	Over 12	Over 1	Over 16	Over 18	Over 20	Over 22	Over 24	Over 2	5 Over 28	Over 30
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Mr. MATSUNAGA. Mr. President, the Senator from Oregon is required to be at another function where he is presiding. I yield to the Senator from Oregon for his opening remarks.

Mr. HATFIELD. Mr. President, I thank the Senator from Hawaii for accommodating me, as I do have this conflict of chairing a markup of the Committee on Appropriations, beginning at 10 o'clock.

Mr. President, it is a privilege to stand, once again, with my good friend, Senator Matsunaga, in defense of the All-Volunteer Force. No Senator has been more thorough in his approach or firm in his commitment to this cause than the Senator from Hawaii. The amendment we

propose today is simple, essentially noncontroversial, and designed to alter the pay bill to a minimal degree. Our amendment brings the pay bill in line with the studied conclusions of the Department of Defense regarding long-term manpower needs.

The issue, put simply, Mr. President and there is one issue only that we can really focus on today—is comparability. Military pay should be consistent with the level of purchasing power in the private sector which prevailed when we launched the All-Volunteer Forte in 1972. Obviously, we must target certain areas with larger increments in pay in order to enhance retention.

Every Senator in this Chamber knows that men and women do not enlist in the armed services to get rich. Rather, they enlist out of a sense of patriotic duty, to develop new vocational skills, or for other reasons. We are not discussing the pros and cons of extravagance; we are discussing basic commitment. Congress has a commitment to young people who are looking for assurances that their families will not bear the burden of military service. They want to know that congressional adherence to the principle of comparability is not a temporary aberration, but an unwavering act of confidence.

For the purpose of insuring that this debate goes to the heart of the issue, I recommend that we expose our biases immediately. My advocacy of the All-Volunteer Force and my abhorrence of compulsory military service is well-known and understood. But I suggest that if any Senator here today has already concluded that the All-Volunteer Force is unaffordable and that we cannot possibly hope to garner sufficient funds to pay the enlisted ranks a decent wage, that he clarify that position now. For this is, to some extent, a referendum on the All-Volunteer Force. I might say it is really a back-door opening to the draft. I hesitate to carry this line of thought too far, as I do not believe that most Members of this Chamber have given as much thought to this amendment as they have to the larger arguments of voluntarism versus coercion.

Mr. President, in my view, the Senate Armed Services Committee has done a creditable job of insuring that pay levels for senior enlisted personnel, technical experts, and career officers are substantial and appropriately targeted. But with all of this fine work, there exists an exception which I find curious. While middle and senior enlisted personnel will receive pay increases ranging from 13 to 22 percent and all officers average around 12 percent, entry-level personnel are slated to receive pay increases of only 7 and 8 percent.

I assume that we can trust their own documentation. Their documentation starts with the O-10 general level at 12 percent. That is their own documentation. If this is a charade and they are going to explain this documentation away as meaningless, then let them come forth with accurate documentation.

I have documentation here showing O-10 at 12 percent increase, O-9 at 12 percent, O-8 at 12 percent, and down the line. This is from the Armed Services Committee itself. Yet, they give entry pay increases of only 7 percent to 8 percent.

The administration has determined that a 9.1-percent increase is the minimum necessary to keep military pay comparable with private-sector purchasing power. In order to correct this inadequacy, only minor modifications

need to be made in pay levels at the career officer level. Looking at the pay scale chart in the Senate bill, the four highest grades will receive a 12-percent pay increase with only one exception, which is the O-6 grade officer having served 14 years, who will receive 17 percent.

Moving down the chart to the next three grades, the average increases are even larger, with some officers receiving increases as large as 16.5 percent. Only at the O-1 and O-2 level do we see officers receiving pay increases at the approximate comparability level. Similarly, increases for noncommissioned officers and enlisted personnel above the E-3 level range from 10 to 22 percent. The point here, Mr. President, is that there is ample room to add an additional 1 percent to those at the entry level without disrupting the essential objectives of the Senate pay bill.

Mr. President, the Secretary of Defense wrote me recently and asked that I support the concept of a nontargeted, across-the-board, 14.3-percent increase so that the Department of Defense could allocate the money on the basis of a scientific approach. The House Armed Services Committee concurred with this logic and has done just that. While I also favor this approach, Mr. President, I do not stand in disagreement with the essential thrust of the Senate bill. The below-comparability pay for the lowest enlistment levels is the only glaring flaw which I see in the bill.

I would add that the Department of Defense has clearly stated that officer re-enlistment does not now pose, nor is it expected to pose, great difficulty for the future. The retention of noncommissioned officers, which had previously been a severe problem for the Armed Forces, has improved markedly. There is every expectation that this situation will continue to improve in the years ahead.

I stress, however, that this does not mean that we can lapse into a sense of comfort with respect to these areas. We must continue on the course which was begun in October of last year to reestablish the pay levels which were envisioned when the All-Volunteer Force was first formed. That was started by Senator Armstrong and Senator Matsunaga on the floor, and the Armed Services Committee only dealt with this issue at a later date in order to get into the act.

I also emphasize—and this is critical—that our amendment will not take a single cent from any of the noncommissioned officers or technical people. Where cuts are made, they are miniscule and only affect those who are substantially above the comparability level.

Mr. President, because this debate occurs at a time in which calls for a return to the draft are frequent and widespread, I take this opportunity to point out how incredibly well the All-Volunteer Force is doing. It is important to stress that these improvements have accelerated since October 1980, when Congress enacted the first long-overdue major pay increase. Between October 1980 and March 1981, Active Force strength actually exceeded the objectives.

The Army exceeded its strength re-

quirement by the greatest margin of any of the services. Reenlistment is up sharply, as our measurable quality indicators. These improvements occurred despite the stringent quality standards imposed by the Armed Services Committee and Congress on the forces. One such requirement is the minimum 65 percent high school graduates for first-term Army enlistments. The Army is now getting 68 percent high school graduates and an 80 percent overall high school graduate level.

The Department of Defense projection of the future size of the career force indicates that, based on the most recent retention statistics, each service can meet its aggregate career force objective even with a total force size increase if pay levels remain reasonable. These projections, however, are based on an assumed 14.3-percent, across-the-board increase.

The Army is expected to exceed its objective by fiscal year 1982, assuming a 5-percent growth in force size. The Marine Corps will exceed its objective by fiscal year 1983, assuming a 10-percent growth in strength. The Air Force will exceed its objective by fiscal year 1982, also assuming a 10-percent growth in strength. The Navy will exceed its objectives by fiscal year 1985, assuming a 15-percent growth in strength.

We can meet these requirements and, indeed, exceed them, but it cannot be done without maintaining at least comparability before all.

Because of these stringent quality standards and the Administration's call for a substantial increase in force strength, there is a growing body of opinion, including the Department of Defense itself, which holds that quantitative requirements, rather than quality and career retention, will pose the greatest challenge for the volunteer force in the 1980's.

Mr. President, there are indications that the comparability level will be even higher than that which was originally envisioned. If this is so—and I believe it only prudent to operate on the side of caution—we are shortchanging the first-term enlistees to an even greater extent than we originally thought. We have an All-Volunteer Force. That is the policy.

There are those who yearn to a return to the draft, and they are entitled to their opinions. I am not questioning the integrity of those who genuinely believe that this would be a more advantageous road to take. But we cannot allow this desire to affect the judgments and policies we make under the present arrangement. Let us debate that issue in a separate context. For now, we are deciding whether or not we will respect the requirements of the voluntary force concept.

Mr. President, I have a letter from the Bureau of Labor Statistics indicating that the 9.1 comparability figure may turn out to be a 9.7 figure for the base upon which we are making these judgments. So that would make for even greater discrimination.

We are going to hear about compression pay. This amendment does not af-

fect that one bit. We will still have between the E-3 and E-4 the differential necessary to attack the compression pay problem.

We are going to hear about the enlistee being comparable to an apprentice in the commercial world. There is a comparison one can make; but in the matter of apprentices, they are above or at the minimum pay level, which is higher than these figures we are talking about, the E-1's, E-2's, and E-3's.

Mr. President, I cannot comprehend why there is such reluctance. I would have thought that the leadership, which has made an outstanding contribution to this comparability pay problem in bringing this matter to the floor from the committee, would be the first to cosponsor this proposal or would have handled this in the committee. Why the discrimination against the enlisted raise at E-1, E-2, and E-3? One percent only will bring them up to a 9.1-percent base of comparability, and that is not asking very much.

Therefore, when we offer this amendment, we are doing so not only in the name of comparability, to make it more accurate, but also, we are doing so with the least disturbance to the work of this committee in targeting pay at those middle areas we need to retain by attacking the problems of compression pay. We are doing the least in disturbing their overall program.

At the same time, we are bringing equity where there is discrimination; I believe, we are also striking a note for the volunteer system.

I do want to make the very strong commitment here today which we made in 1972. That is, when we went to the volunteer system, we made a commitment that we were going to maintain comparability. Recruiting is going to be the problem of the 1980's, and recruiting is the issue we are attacking here.

If we fail to adopt this amendment, we are opening the back door for the return to the draft. We are also being discriminatory against the E-1, E-2, and E-3. We are not maintaining our commitment that we made in 1972 for comparability.

So it is only to right an injustice, to right a glaring flaw in this bill, and I am very hopeful that by the end of the debate the leadership of the bill will join in accepting this amendment because it in no way distrubs their basic thrust.

I thank the Senator from Hawaii for his leadership on this matter. I am honored to be associated with him. I assure him that as soon as we finish the markup on this appropriation measure I will be back in the Chamber to join him in the battle for this.

(Mrs. KASSEBAUM assumed the

Mr. HATFIELD. Madam President. I ask unanimous consent to have printed in the Record the letter from the Bureau of Labor Statistics to which I have referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D.C., September 9, 1981.
Hon. Mark O. Hatfield,
U.S. Senate.

Washington, D.C.

DEAR SENATOR HATFIELD: In response to a September 8 telephone request from Mr. Rick Rolf of your staff to our Office of Wages and Industrial Relations, I am enclosing a copy of the June 26 release on white-collar salaries. The information is from the Bureau's annual survey of professional, administrative, technical, and clerical pay (the PATC survey) which is used to compare Federal white-collar salaries with those in private industry, as required by the Federal Pay Comparability Act of 1970.

The first page of the release indicates the average percentage increase in salaries between March 1980 and March 1981 for those occupations providing comparable data from both surveys. The combined average—9.7 percent—provides a general indication of how salaries increased for the survey jobs.

You may also be interested to know that the Bureau's Employment Cost Index (a broader measure of pay change in terms of industries and occupations) showed whitecollar salaries increasing 9.3 percent over the same 12-month period. (See enclosed release dated May 28.)

If I can be of further assistance, please let me know.

Sincerely yours.

JANET L. NORWOOD, Commissioner

Mr. MATSUNAGA. Madam President, I thank the Senator from Oregon for his contribution. Without his advice and counsel I would not have been able to get as far as I have on this matter and on matters pertaining to the All-Volunteer Force. I wish to thank the Senator from Oregon.

Madam President, the amendment which the Senator from Oregon (Mr. HATFIELD) and I are offering to the Uniformed Services Pay and Benefits Act of 1981 is designed to restore a full comparability pay increase for entry level military personnel. It is clear to us that the below-comparability pay raises provided in S. 1181, as reported by the committee, for the junior enlisted grades will have a disastrous effect on military recruiting efforts and will, in the long run, undermine the All-Volunteer Force and result in the return to a peacetime draft. And as night follows day the committee will come before this body and say the peacetime draft is necessary to maintain our military manpower.

As reported by the Senate Committee on Armed Services, S. 1181 provides middle- and senior-enlisted personnel with substantial, above comparability pay increases ranging from 13 to 22 percent and generous increases to most officers averaging above 12 percent. At the same time, however, the committee bill provides entry level personnel in grades E-1, E-2, and E-3 with pay increases of only 7 and 8 percent. These levels of increase are below the 9.1-percent increase determined by the Reagan administration as necessary to keep military pay comparable to private sector wages. They are also far below the 14.3-percent increase for first-term personnel recommended by the Reagan administration and approved by the House Armed Services Committee in its version of the military pay raise bill.

The Matsunaga-Hatfield amendment would increase the pay raise for E-1's, E-2's and E-3's from 7 to 8 percent to 9.1 percent, which, as I have earlier indicated, is the fiscal year 1982 comparability figure. The amendment would offset the cost of these increases by reducing the pay raises for commissioned and warrant officers by 1 percent or less, depending on grade. The pay raises provided to officers in grades O-5 through O-10 wou d be reduced under our amendment by 1 percent. The pay raises for officers in grades O-3 and O-4, many of whom are at the career decision point of 10 years of service, will be reduced by only one-half of 1 percent under our amendment. And those officers in grades O-1 and O-2 who are only receiving 9percent pay raises under S. 1181, as reported by the committee, would be increased to 9.1 percent, again the comparability figure.

Madam President, I emphasize the fact that our amendment has a zero cost impact on S. 1181. That is relative to cost. The cost of bringing the entry level grades up to comparability is offset by the relatively small decrease in officer pay raises which I have just described.

And mind you, Madam President, that we are not suggesting a decrease in the pay of officers. We are merely suggesting a less pay raise, a smaller pay raise than they would otherwise get and only by one-half to 1 percent less pay increase.

Madam President, there has been a considerable amount of discussion over whether or not the Matsunaga-Hatfield amendment would, in any way, affect the targeted pay raise concept embodied in S. 1181; so I wish to briefly comment on this issue.

At the outset, let me say, and I wish I could have the attention of the floor manager on this matter because I know it is of big concern to him. If I may have the attention of the Senator from Iowa on this one statement which I am making, I would deeply appreciate it because this, as I know, is a matter of great concern to the chairman of the Subcommittee on Manpower.

At the outset, let me say that, except for trying to improve it, I strongly support the committee bill, and do intend to ask the distinguished floor manager and chairman of the Armed Services Manpower Subcommittee, Senator JEPSEN, to add my name as a cosponsor. I deeply share the committee's concern about retention of the skilled middle and senior enlisted personnel and wholeheartedly endorse the substantial pay raises provided to them in this legislation. As many of my colleagues know, and as the chairman well knows, I have, in the past, supported across-the-board increases in military pay. In 1979, I joined the distinguished Senator from Colorado (Mr. Armstrong) in offering the first amendment to provide military personnel with full, across-the-board comparability increases in pay.

At that time, I believed very strongly that because of successive pay caps and lack of benefits increases—which in effect constituted a failure on the part of the President and Congress to keep faith with the basic All-Volunteer Force concept of maintaining pay comparability—military personnel needed a substantial increase in pay across the board. After two Armstrong-Matsunaga amendments on pay comparability were defeated by the Senate Armed Services Committee and the full Senate, Congress finally recognized the need for pay comparability and provided such an increase last year for all personnel.

This year, I believe that some targeting of the pay raise is necessary in order to address the serious problem of career personnel retention and pay compression among the enlisted ranks, as the Senator from Iowa has advocated.

I do not have to repeat how serious these problems are and what improved retention of these skilled personnel means to the readiness of our Armed

The Senator from Iowa and the distinguished ranking member of the Manpower Subcommittee, the Senator from Nebraska (Mr. Exon), made this very clear to the Senate during yesterday's debate on the bill.

In supporting the Jepsen-Exon targeted pay bill, I do have some reservations, however. First, I am convinced that the catch-up pay raise for all personnel recommended by the Reagan administration is necessary if the All-Volunteer Force is going to have any long-term chance of survival.

What I am referring to is the need to restore the comparable relationship between military pay and private sector wages of 1972 when the Congress established the All-Volunteer Force.

I am proud to say that I was one of the two fathers, original authors, of that measure, which created the AVF, along with the late Congressman Steiger, Bill Steiger, of Wisconsin.

Although some of this catch-up pay raise is included in S. 1181 for some rates, many others fall far short.

I am hopeful that the committee will, in deciding on pay raises in fiscal year 1983, take this into account and make every effort to restore military pay in all grades to levels competitive with the private sector.

Second, the Senator from Oregon (Mr. Hatfield) and I are very concerned that in attempting to target substantial pay increases to the NCO grades and generous increases to officers, the Armed Services Committee has produced an unbalanced bill because the targeting was accomplished at the expense of the entry-level grades.

The amendment we are offering is based on this concern. But before I go any further to offer the reasons for our amendment, let me make one point very clear. The Matsunaga-Hatfield amendment does not in any way, shape, or form change or reduce the pay increases provided to middle and senior enlisted personnel, as provided in S. 1181. The pay raises for the NCO grades are left unchanged under our amendment. We strongly support these increases, which we believe are essential to improving enlisted retention and strengthening our career force.

The Matsunaga-Hatfield amendment has nothing to do with across-the-board increases, and it does nothing whatso-ever to change the overall targeted approach contained in the committee bill. The targeting of the pay raise is only affected to the extent that our amendment raises the entry-level pay raise by 1 or 2 percentage points and decreases officer pay raises by 1 percent or less. The officers involved would still get pay raises, and the committee's targeted pay scale is left largely intact.

Madam President, we are offering this amendment for two very important reasons: First, we are extremely concerned, as is the Department of Defense—which, I would add, is opposed to the targeted concept of the bill—that the below-comparability pay raises for recruits provided in S. 1811, as reported from the committee, will have a disastrous effect on the efforts of the military services to recruit high quality personnel.

Second, we are very concerned that the Senate, if it adopts S. 1181 without the Matsunaga-Hatfield amendment, will be going on record in support of below-comparability increases for personnel in a few selected grades despite the commitment made to active servicemen and the American public only last year that we would adhere to the basic principle of the All-Volunteer Force, the maintenance of pay comparability for all personnel.

Now, much has been said in the past couple of years about the seriousness of the retention problem. Although the military services for the first time in the history of the all-volunteer service failed to reach their recruiting goals last fiscal year, recruiting—and I repeat, recruiting—has not been considered as serious a problem as retention. But that is changing according to the Department of Defense, and the Members of this body should be aware of it.

I think it may come as somewhat of a surprise to some Senators, but the Department of Defense has testified before Congress this year that the most pressing military manpower problem now facing the All-Volunteer Force, one that threatens its very existence, is the recruitment of sufficient numbers of high school graduates.

In a statement before the House Armed Services Committee on July 8 of this year, Assistant Secretary of Defense for Manpower Lawrence Korb talked about the current and projected manpower situation and expressed the deep concern of the Department of Defense over the recruiting outlook and the future of the All-Volunteer Force.

Dr. Korb said that the major military manpower problems we will confront over the next 5 years will be somewhat different from those we have inherited from the recent past. No longer will the retention of career personnel be the overriding concern of the All-Volunteer

With the population of 17- to 21-yearold males declining by 15 percent over the next 5 years, Dr. Korb warned that recruiting will become, if it has not already become so, a serious problem for the military services.

The Pentagon's manpower chief em-

phasized in his testimony to the House committee that we cannot be misled by the current success we have been having in meeting our recruiting goals. He indicated further that recruiting has been aided to some degree by an unusually high youth unemployment rate and a sluggish economy. It is reasonable to expect that the youth unemployment rate will decline somewhat during the next few years, thereby placing additional pressure on the military in its competition with the private sector for the recruitment of high quality individuals.

Dr. Korb also said that some economists predict that civilian wage rates for youths are likely to rise relative to the wage rates of the general population over the next several years, thereby raising the cost of enlistment into the military to the potential recruit.

In view of these circumstances, and the fact that the Congress last year mandated the military services to recruit far more high school graduates and far less category IV enlistments in order to improve the overall quality of the force, Dr. Korb made the following statement which we consider to be crucial as we consider how to target the pay increases contained in S. 1181:

As we look out over the next 5 years, there is little doubt that recruiting and, in particular, recruiting for the Army, will be our major military manpower problem. This problem, though challenging, is not insoluble. A key element to the solution is to maintain a competitive level of entry pay. Any plan for targeting the October pay raise that reallocates the raise away from personnel in their first term of service fails to satisfy this objective.

In response to Assistant Secretary Korb's testimony, which was in support, I might say, of the administration's proposed 14.3-percent across-the-board pay increase with accompanying reallocation authority, the House Armed Services Committee took the following position in its report on its version of the pay raise legislation:

It has been suggested that (military personnel) in the lower grades with fewer years of service should receive a lesser percentage (pay) increase and that those in the higher grades should receive a higher increase. . . . If the All-Volunteer Force is to have a realistic chance of succeeding, a reasonably adequate level of entry pay must be provided. To shortchange the pay for those initially entering military service runs counter to the effort to recruit volunteers for the Armed Forces. . . Additional compensation for selected categories (or military personnel) should not be funded at the expense of increases in compensation needed to provide adequate pay to enable recruiters to compete in the marketplace for qualified young people needed to man the All-Volunteer Force.

Madam President, the fact of the matter is that S. 1181, as reported by the Senate Armed Services Committee does exactly what the House Armed Services Committee and the Assistant Secretary for Manpower warned against. The bill funds substantial increases for NCO's and generous increases for officers at the expense of junior enlisted personnel.

And Senators must realize that there is a price to be paid for taking this money away from the entry level grades; let no one tell this body that this is not

so. The price will be paid in terms of the recruitment of less high school graduates—the very people whom the Senate Armed Services Committee has stated time and time again are so very necessary to man our Armed Forces and to maintain and operate the elaborate and technologically complex weapons systems of our modern military force. There should be no mistake about this, Madam President.

When the sponsors of S. 1181 say it will not adversely affect recruiting, they are speaking in direct contradiction to the official position of the Department of Defense and the Reagan administration.

The fact of the matter is that the below-comparability pay increases for recruits in S. 1181 will seriously damage the effort to recruit high school graduates next year and in the years thereafter. The Department of Defense has testified to this effect time and time again, this year. It is a matter of record, Madam President.

Madam President, I have in my hand a copy of a letter sent to the chairman of the Senate Armed Services Committee on June 18, 1981, by Secretary of Defense Caspar Weinberger in which the Secretary warns that a 14.3-percent increase in recruit pay as opposed to a basic comparability raise of 9.1 percent will permit the military services to recruit 8,000 more high school graduates in fiscal year 1982 and 44,000 more by fiscal year 1987. would point out that, with the recruit pay raises in S. 1181 set at only 7 and 8 percent, nearly 2,000 more high school graduates would be lost to the military services if the Senate bill is enacted, bringing the total loss of high-quality recruits in fiscal year 1982 to 10,000.

Clearly, Madam President, the loss of such a large number of high school graduates would be catastrophic for the All-Volunteer Force. It is interesting to note that in past years when the military services experienced high school graduate recruiting shortfalls of even less magnitude, which would result from S. 1181, certain critics of the All-Volunteer Force were more than quick and more than eager to pronounce the AVF a failure and propose a return to the peacetime draft as the only answer to our military manpower problem. I fully expect such a scenario to happen once again if this legislation is enacted without the Matsunaga-Hatfield amendment.

Unfortunately for the All-Volunteer Force, its critics this time will be able to say that they have pumped the All-Volunteer Force full of all kinds of pay raises, of all kinds of allowance and benefits increases, and, perhaps, provided it with a new GI bill, and the volunteer military was still unable to met its quantitative and qualitative manpower goals.

I wish to say again, Madam President, that I wholeheartedly support all provisions of S. 1181 with the exception of its recruit pay raises. With these below-comparability increases, this legislation is not a "balanced" approach to our military manpower problems as its sponsors have made it out to be. It is an unbalanced approach which may, in the long run, prove to be a blueprint for the peacetime draft.

Madam President, it just does not make sense that the Senate's military pay raise bill should provide below-comparability pay raises for recruits when the All-Volunteer Force is going to be faced with severe recruiting problems over the next several years.

It makes even less sense when we consider the more immediate reality that the Army has only a 50-50 chance of meeting its quality goals for fiscal year 1982 with the full 14.3 percent pay raise for recruits, and will probably fall short of its recruiting goals in fiscal year 1983.

It is vitally important that Senators not lose sight of the fact that it was below-comparability pay raises, such as that contained in S. 1181 for recruits, which caused the severe recruiting and retention problems experienced by the AVF in the late 1970's. We must not start down that road again. It will only lead to recruiting shortfalls and the eventual abandonment of the All-Volunteer Force.

Madam President, the Matsunaga-Hatfield amendment would give the committee bill the balanced approach to both retention and recruiting that is necessary to make it an acceptable solution to our manpower problems. And, as I have said, it will do so without making any significant changes in the basic thrust of S. 1181 or in its pay table.

Madam President, as my colleagues know, in a "Dear Colleague" letter distributed to Senators last week, Senators Jepsen and Exon argued that our amendment would somehow dilute the effect of S. 1181. This is just not the case.

As we understand it, the main thrust of the committee bill is, and I am quoting from the committee report on S. 1181, to "Enhance pay rates for middle and senior enlisted grades to provide greater incentives for * * * retention," and to "Relieve pay 'compression' by providing larger pay differentials between first term and career members to provide a positive career inducement."

Now, it is our view that the only way that an amendment to this bill could dilute its effect would be by first, reducing the above-comparability pay raises provided in the bill to middle and senior enlisted personnel and second, drastically reducing the pay differential between first-term grades and career enlisted grades.

Well, the simple truth is that the Matsunaga-Hatfield amendment does not seek to accomplish either of the above.

As I have emphasized repeatedly, our amendment does not reduce any of the substantial pay raises provided in the bill to the NCO grades. It, therefore, has no effect on the efforts to S. 1181 to improve career enlisted retention.

And with respect to pay compression, our proposal to increase E-3 pay raises from 8 and 9 percent to 9.1 percent will not make any significant difference in the pay differential between that entry level grade and E-4, which would be receiving 13- and 14-percent pay increases. Moreover, it is my understanding that the crucial point in the enlisted scale for pay compression was between E-4 and E-5. Our amendment does not modify in any way the pay increases provided to these two middle enlisted grades and

has no effect on the pay differential that exists there. Our amendment, therefore, has no effect on the efforts of S. 1181 to relieve enlisted pay compression.

Senators Jepsen and Exon also downplayed the improvement in recruiting of high school graduates that would be realized by the adoption of our amendment. They called the additional 1.800 high quality recruits which would be generated by our amendment insignificant. Admittedly, 1,800 out of a possible 183,-000 does not seem like a great deal of personnel. However, it is our understanding that these 1,800 high quality recruits could man two full Army infantry battalions. One could argue that the establishment of two new fighting battalions is not insignificant when we are trying desperately to improve the combat readiness of the Army and expand the number of our combat units.

I recall one battalion in World War II the 100th Infantry Battalion, of which? was a member. If you talk to some of the members of that battalion, had it not been for that battalion, the war probably would have been lost in Europe.

In order to get these 1,800 recruits, our amendment takes a small percentage of pay raise away from officers in the full colonel and general range who are now earning good salaries and who would be receiving above-comparability pay raises under S. 1181. These high-level officers would be 1 percent less happy with their generous pay raise and the military services would get nearly 2,000 more high school graduate recruits. If that is not a good deal, I do not know what is.

We have, as you know, no real retention problems at those high grades.

Madam President, one of the most interesting arguments made against our amendment is one which quotes Gen. Edward C. Meyer, Chief of Staff of the Army. General Meyer is quoted as saying that S. 1181 will not adversely affect recruiting; that the difference in the recruit pay increases between S. 1181 and the administration's proposed 14.3 percent across-the-board pay raise will not affect a young person's decision whether or not to join the Army.

In support of General Meyer's opinion, a youth attitude tracking study prepared for the Department of Defense last fall is also cited to the effect that most young people are not more likely to enlist for military service after learning that recruit pay is actually higher than they thought.

Well, first let me say that General Meyer's conclusion that S. 1181 will not have any effect on recruiting is seriously challenged by the Department of Defense. According to the Department, the most recent empirical evidence shows the very strong impact of increases in firstterm pay on the supply of quality recruits to the Army. The value of this socalled pay elasticity has been estimated as high as 2 for new high-quality recruits to the Army in a recent study conducted by the Center for Naval Anaylsis. This means that for every 1percent increase in military pay, the re-cruit supply to the Army is increased by 2 percent. The Department of Defense and the Congressional Budget Office use an elasticity value of 1 and the Gates Commission, in its original work on the All-Voluntary Force concept assumed a 1.25 value.

This is all to say that those research organizations which have done careful analytical studies on the relationship of pay to accessions, such as the Gates Commission, the Rand Corp., the Center for Naval Analysis and the Congressional Budget Office, all hold the position that pay has a definite effect on high-quality recruits. I would strongly emphasize that this is also the official position of the Department of Defense.

The bottom line is this, Madam President: If all other factors which motivate a young man or woman to think about enlisting in the Armed Forces are held constant—for example, patriotism, family advice, and so on—entry-level military pay will definitely get a response. I do not see how this can be denied. General Meyer surely would not oppose increases in recruit pay, for the Army is, in fact, in danger of not being able to meet its quality recruitment goals next year.

Moreover, the Department of Defense has indicated that there is the possibility that the Army may fall short of its quality recruitment goal by a full 5 percent. This takes into account new information received from the Bureau of Labor Statistics which shows that true pay comparability may require a 9.7-percent increase, instead of the 9.1-percent figure earlier predicted by the administration.

It is also very interesting to note, Madam President, that the Army itself is on record—I repeat, the Army itself is on record—as choosing to suppress growth of its career force well below the maximum level that it could sustain, given current compensation plus either the House or the Senate pay raise bill. According to the Department of Defense, the Army has justified its failure to capitalize on the career growth for which the Congress is willing to pay by emphasizing quality. The Army wants to be selective and to retain only the best in building up its NCO corps, presumably by raising its reenlistment qualification standards. This is, indeed, admirable.

However, with this scenario, pay raises targeted on the career force will not contribute either to a more experienced force overall nor to a reduction in the demand for new recruits compared to an across-the-board pay raise.

Besides boosting recruitment, Madam President, we believe that the adoption of our amendment is necessary for another very important reason. That is, that Congress must maintain pay comparability for all military personnel, not just a selected group. Under S. 1181, only the recruit grades receive below-comparability pay raises—an out-and-out discrimination, I would say.

The practical effect of the Matsunaga-Hatfield amendment is to insure that in S. 1181, each and every service member, no matter what grade or year of service, will receive at least—I repeat at least—a full comparability pay raise of 9.1 percent. We think this is very important for two reasons.

First, with a full comparability increase, recruit pay will not fall too far behind inflation and the cost of living. It must be kept in mind that when pay did erode to below comparability during the late 1970's, the military services began experiencing severe recruitment and retention problems and we saw thousands of servicemen and their families relying on food stamps and other forms of welfare assistance to make ends meet. I am certain that every Member of this body believes that this is totally unacceptable and I submit that we must not begin to go down that road again.

Second, active members of the Armed Forces must be sure of the commitment of Congress to keeping military pay competitive with the private sector. If we demonstrate our willingness to drop one segment of our manpower below comparability, the question will surely be raised as to the seriousness of Congress's future commitment to maintain pay comparability for all personnel. This perception on the part of active members may even have an impact on our current efforts to improve career retention.

Third, with respect to potential enlistees, we must not send a signal to the young people of this Nation that Congress does not believe that recruit pay must be competitive with the private sector. That is precisely what we will be doing if we adopt S. 1181 as reported by the committee. If there is any way to discourage enlistments, particularly of intelligent high school graduates, it is to depress first-term pay and create the impression that the recruit is a second-class citizen in our military force.

Madam President, I have repeated this many times and I shall say it again here today: It is vital to the survival of the All-Volunteer Force that Congress keep faith with the fundamental principle of the volunteer concept—the maintenance of military pay comparability with the private sector.

The Senator from Oregon (Mr. HATFIELD) and I are convinced that S. 1181, upon adoption of our amendment, would be a much more balanced pay initiative.

Madam President, the Reagan administration, the Department of Defense, and the House Armed Services Committee support full comparability pay for all military personnel, particularly recruits. Consequently, they would support any movement in the Senate bill in that direction. We, therefore, urge strong support of our bipartisan amendment to achieve this objective.

Madam President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa has 19 minutes.

Mr. JEPSEN. Madam President, I ask unanimous consent that the names of the Senator from Rhode Island (Mr. Chafee) and the Senator from New York (Mr. MOYNIHAN) be added as cosponsors of S. 1181, the Uniformed Services Pay

and Benefits Act of 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Madam President, I thank my colleagues, Senator HATFIELD

and Senator Matsunaga, for their amendment and for the opportunity to further present to this body, to the American people, and especially those in the Department of Defense and those men and women in the uniform of our country, a fuller explanation and a better perception of this entire proposal, S. 1181.

At no time during this discussion—neither before nor after this discussion—should anything I say be interpreted as being judgmental of this amendment. I would not attempt to judge what is in the hearts or the minds of the proponents of the amendment; because, like myself and Senator Exon, they have very distinguished careers of serving their country, not only in the U.S. Senate but also in the military service.

I point out, for general public consumption, that the U.S. Senate has many Members who have served their country with great distinction in time of war. In the next 60 to 90 days, there will be many critics in this country who will be pointing fingers and will be talking about warmongers and people who are pushing strong defense, as we debate this very frustrating, emotional, and agonizing problem of how to balance budgets and at the same time maintain the level of defense we need to keep the peace and to prevent war. But this debate and the comments and the actions that occur in this body will not be engaged in by people who do not know about war.

At the rear of the Senate Chamber is Senator Dole, who lay on his back for 3 years in a hospital because he was nearly cut in half by a machine gun while serving this country. On the Manpower and Personnel Subcommittee we have a new member, Senator Denton, who fought for his life every day for 7½ years, as a prisoner. Purple Hearts are worn on the lapels of many Members of this body.

I suggest, in advance, to those who would be critical of anything that comes up by way of discussion or debate or difference of opinion in this body in the next 60 to 90 days that folks think twice before they point the finger at anyone in this body and think they do not know what war is. There are few things worse than war, not many, but I point out that every one of those things comes with defeat.

Senator Matsunaga and Senator Hat-FIELD state that limiting pay raises for first-term enlisted personnel will run counter to military recruiting efforts. This assertion is based upon one study performed years ago by the Center for Naval Analysis utilizing Navy data only. This study is outdated, has never been validated and there is no evidence to suggest that it could apply to the Army or to any other service. That, primarily, is the basis upon which the Department of Defense is making a serious challenge to this bill. I repeat: This study is outdated and has never been validated, and there is no evidence to suggest that it could apply to the Army or to any other service. The Rand Corp. doubts its validity. On the other hand, the overwhelming weight of evidence indicates that entrylevel pay levels have far less influence in attracting personnel initially into the service than on the decision of skilled and experienced service members to make the military a career.

A recent youth attitude tracking study, a survey prepared for the Defense Department, of 10,000 service-age young people, found the average estimate of starting military pay to be only \$315. Even more startling, a full third of those questioned estimated entry-level pay to be only \$75 a month. In fact, a new recruit immediately starts earning \$501.30 in basic pay.

I point out at this point that, in many instances, certain 17-year-olds today can enter the service and in the first 3 months, working things just right, receive more pay and benefits than most corporate presidents in my State of Iowa—in the neighborhood of \$7,000 in the first 3 months. That includes base pay, allowances, educational benefits, and bonuses. That is not bad for 17-year-olds coming into the service or any other particular occupation, and that amounts to approximately \$2,400 a month. It is very good pay just for starters.

Is this misperception responsible for past difficulties in bringing young people into the military? Apparently not, since the vast majority of those surveyed responded that they would not be more likely to consider joining the military on the basis of actual starting pay. According to the survey, other incentives for military service, such as career pay, educational and training opportunities and patriotism and challenge, weigh more heavily on the career decisions of today's youth. This is not hard to understand when 71 percent of today's youth still rely upon their parents' advice when making a career decision.

There is absolutely no evidence to suggest, as the proponents of this amendment would have you believe, that last year's pay increase had anything to do with the dramatic increase in recruiting. If it did, I submit that it was because the services retained more highly motivated enlisted career NCO's. After months of manpower hearings and briefings, the Subcommittee on Manpower concluded that bonuses, a test educational program for new recruits, the economy and a growing positive attitude among our youth concerning the military are the primary reasons for the turnaround in recruiting.

The Congressional Budget Office, the Chief of Staff of the Army, and the commanders of the Army and Navy recruiting commands fully agree with these findings and have stated that targeting the pay raise as done in S. 1181 will allow the services to recruit virtually the same number of quality personnel over the next 5 years as a 14.3-percent across-the-board raise. In a letter to me dated August 20, 1981, Gen. Max Thurman, then the Chief of Army Recruiting, states:

The variance in starting pay differential (between S. 1181 and a 14.3-percent across-the-board increase) which you mention should not impact adversely on the Army's ability to attract quality youth. . . The Army should experience an increase of approximately 6,500 additional reenlistments over FY 81 levels as a result of the proposed target pay increases.

I should also point out to the Senate that the House Appropriations Committee is also convinced that the approach in S. 1181 is correct and has indicated that they will move to amend the House Armed Services Committee pay bill—that is, the Appropriations Committee in the House—with the pay tables contained in this bill.

The advocates of this amendment also have inadvertently, in my opinion, incorrectly represented and confused the issues of comparability and inflation. Let me first point out that comparability has nothing to do with inflation. Unfortunately, all of us, military and civilian, are subjected to inflation. Comparability pay increases are not designed or intended to overcome the effects of inflation, but rather, to keep military pay on a par with Federal civilian employee salaries. Federal civilian employee salaries, in turn, are annually compared to a private sector group known as PATCprofessional, administrative, technical, and clerical workers. This year the President has proposed that Federal employees salaries be capped at 4.8 percent.

However, because of the armed services' manpower problems, the committee felt that a higher increase for the military was justified. Senator Matsunaga and Senator HATFIELD are concerned, however, that the pay raises proposed for E-1's through E-3's are below comparability. In reaching this determination, they only consider basic pay and refer to the tables rather than the many items of military pay that make up regular military compensation (or RMC). The Department of Defense has always utilized regular military compensation in computing comparability for the lowest private and the highest general. Although most privates do not receive certain cash allowances, they do so in kind, in the form of quarters, meals, clothing, medical care, and so forth. Utilizing RMC, an E-1 under this bill would receive 9.1 percent.

And that is the way this entire bill was put together, and I might say put together with all of the cooperation and all of the expertise and all of the work of the research of all branches of the services. Under this the E-1 would receive 9.1 percent. That is the way the total picture has been figured.

It must also be noted that a young service member just entering the service would realize within 12 months of enlistment an 18-percent increase as a result of existing rapid promotion procedures to pay grade E-3.

Senator Matsunaga would also have us believe that recruiting is more of a problem than retention in the armed services, if I heard correctly. This is simply not factually correct. First of all, I point out to the Senate that Dr. Korb has said, and I am quoting not verbatim but from his own report and his recruiting summaries, that during the first 6 months of fiscal year 1981 the military services achieved 101 percent of the Department of Defense-wide recruiting objective as compared to 99 percent for the same period a year ago. A year ago it was not bad; this year 101 percent, and as of this quarter it is about 105 percent. The

Navy, Air Force, and Marine Corps met or exceeded their objective for the first half of fiscal year 1981. The Army achieved 99 percent of its overall objective.

But I suggest and point out to this august body that all the services are seriously short of skilled personnel.

Senator Matsunaga would also have us believe that retention in the armed services is not a problem. This is simply not factually correct. All the services are seriously short of skilled personnel. Some Army divisions have been rated "not combat ready" because of manpower shortfalls. The Navy is short 22,000 petty officers and must juggle crews in order to send ships to sea. Air Force maintenance personnel shortages reduce the number of planes we can put into the air. For example, the career portion of maintenance force in the military airlift command has declined 8 percent since 1976. Currently, the MAC maintenance force has 12.3-percent more first termers and 9-percent fewer career airmen. This has resulted in significantly reduced supervision and training ability. In the avionics field, maintenance and airplane general ratings, manning is at a critical

In its March 31, 1981 report to Congress, the General Accounting Office stated that:

As a result of declining retention rates for experienced NCO's, the Army is not only losing its experienced trainers but it is also forced to replace the NCO's with personnel who are less experienced and trained. It is the absence of just these kinds of people that has prompted the Army Chief of Staff to characterize his force as "hollow."

This problem is further evidenced by the fact that in fiscal year 1982 reenlistment bonuses alone will approach a cost of \$700 million. These bonuses are intended to meet critical shortages. In 1982, 80 percent of all reenlistees in the Navy will receive a bonus. In the Air Force the percentage has jumped 400 percent in 2 years. I would state that based upon these statistics we clearly have a very serious retention problem and one that is not being met by our antiquated pay tables. In fact, the bonuses are being used to address the very problems that S. 1181 is designed to correct.

It is not difficult to understand why qualified young men and women are not joining the military career force. The relationship between career and entry pay has significantly eroded over the years to the point that today a promotion to sergeant, the beginning of the career force, will gain an individual only \$20 a month in basic pay. In 1908 and 1941 the pay of a senior noncommissioned or chief petty officer earned respectively 6.6 and 4.2 times the pay of a recruit. Currently it stands at less than 2.5. An E-7 with 20 years of service receives only \$276 more each month than his E-6 subordinate with 10 years of service. That is not the way to convince a young person that the military can be a rewarding life.

The pay tables contained in S. 1181 were very carefully designed in cooperation with the various services. Their input was instrumental in the development

of the tables. Each pay cell was reviewed in detail and in depth over and over again and checked and rechecked with each and every service in order to make adjustments that would relieve pay "compression" by providing larger pay differentials between first term and career members in order to provide a positive career inducement. Further, enhanced pay rates for middle and senior enlisted grades will provide greater incentive for promotion, career advancement, and retention

Ironically enough, Senator Matsunaga's amendment would effectively restore some of the pay compression that S. 1181 is so carefully designed to alleviate. It is even more disturbing to realize that it would aggravate the existing compression problem by making across-the-board cuts in officer pay raises even though we do have a shortage of field grade officers in all branches of the services. Such an indiscriminate reduction would upset the bill's purpose to encourage mid-career officers to remain in the military.

Senator Marsunaga would cut 1 percent from the raises given grades O-5 through O-10 and reallocate the savings to E-2's and E-3's. However, there is one problem with that and it is that any pay raise due to the pay cap, that point is made on page 39 of the bill in footnote 1, part of the \$54 million in savings that is reallocated to the lower enlisted ranks simply does not exist. Therefore, it is incumbent upon the authors of this amendment to explain how they arrived at their cost estimates. In particular, they should inform their colleagues that contrary to their "Dear Colleague" letter, that the vast majority of generals and admirals will not receive a pay raise.

Now, Senator HATFIELD indicated that there is a charade going on here, that admirals and generals were getting a 12percent pay increase.

Well, the only charade—as it was alluded to by Senator Hatfield—I would suggest was a charade he verbally laid on the Senate this morning, one he would have us believe that generals and admirals are getting a 12-percent increase.

Everyone knows, as I hope does Senator Hatfield, that there is by law a pay cap, and this pay cap allows a zero increase, and even though the schedule for obvious planning reasons, that is, pay compression and other things down the line, shows a 12-percent allocation, you could take 12 percent of nothing today and 12 percent of nothing tomorrow and 12 percent of nothing through eternity and it is still going to be nothing.

I do not know where the charade is coming from. I repeat it is just a charade. They have been using the word comparability. Comparability, again I repeat, is composed of what we call regular military compensation. What is regular military compensation? It is base pay, allowances, and tax advantages associated with military pay, and that is what should be used when talking about pay comparability. This is used by the Department of Defense whether it is an E-1 or a general. In addition to all that, it is incorrect to claim that we are not meeting pay comparability.

It is also incorrect to say that recruiting goals were not made last year because, for the first time in many years, they were made. It is not the numbers with which we have a problem at the present time. I do not know to whom Senator Matsunaga or Senator Hatfield must be talking—it must be some of those new folks in civilian clothes over there who get their information from the think tanks and the Rand Corp.—because we have been talking with the veterans with 20 and 30 years of service who say that retention is the problem and who finally say "Amen, that S. 1181 is exactly what the doctor ordered, exactly what we need."

We designed the bill, I repeat that this bill has been carefully designed, so that the E-1 is getting a 9-percent increase in comparability pay. In fact, I again point out, that in 1 year with the new promotion policy it will be 18 percent.

Before I yield the floor I want to point out that in these times of financial crunch, and for the record I would say, Mr. President and Mr. Stockman and Mr. Secretary of Defense, please note that S. 1181 is \$0.5 billion less than the amount of money submitted by the administration in its proposed budget—\$0.5 billion less.

In addition to that, it is 100-percent supported by the military forces of our country and that, sir, is what the American people want, good money management on the one hand, and better morale and more resolve by our men and women in uniform at the same time. That is a pretty good deal.

Madam President, I would now yield to my distinguished colleague, the ranking member of the Manpower Subcommittee of the Armed Services Committee of the Senate, who has taken the lead in the development of what we are presenting here today. I say that unabashedly and not only with respect but with a great deal of thanks.

It is much easier to be the chairman of a committee and look like you are really making progress, when your righthand ranking member has already gone up front and is leading the way.

I appreciate that very much. I now yield the floor to my distinguished colleague from Nebraska, Senator Exon.

The PRESIDING OFFICER (Mr.

D'AMATO). The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my
friend from Iowa for those remarks. The
fact of the matter is, and I would like to
keep the record straight, that the bill
that we are proud to report to the Senate was the joint work of both the majority and the minority, with excellent
staff work.

I just want to echo the thanks of those of us on this side of the aisle for the total and complete nonpartisan effort that went into the formulation of this bill after many hearings, after many hours of study, and a genuine belief that we had to do something to meet the primary needs of manpower in the Armed Forces. Certainly the chairman of the Manpower Subcommittee played a lead role in that endeavor, Mr. President, in reporting the bill before us to the Senate.

Mr. President, the basic argument, it seems to me, of those who propose the amendment to this bill is that they believe S. 1181 is anti-All-Volunteer Force. This is an emotional argument that might have great political appeal. But I hope the U.S. Senate will act by defeating their amendment and passing S. 1181 on the basis of fact and not emotion.

It is not a legitimate argument that S. 1181 is anti-All-Volunteer Force. This bill was reported from the Armed Services Subcommittee and to the Senate by the full Armed Services Committee in an attempt to address a problem that most people know exists in our manpower requirements as we face the future.

It is a fallacious contention for others to say that this was crafted in some way to destroy the All-Volunteer Force. The sponsors of the amendment seemingly wish to continue to play the numbers game of believing that we attract and keep the people whom we need in the military by baiting the trap early and generously. If we have learned one thing, Mr. President, with regard to upgrading our manpower in all of the services it is that that will not work.

Mr. President, when the Armed Services Committee reported out this military pay bill, all of us on the committee felt that this bill made a real beginning in addressing the serious problem of pay compression and restoring a sense of proportion to the military pay system. The amendment being offered here today undermines this very important concept.

This amendment would reallocate a portion of this pay raise from the basic pay of middle-grade officers to the basic pay for junior enlisted personnel in grades E-1, E-2, and E-3.

The sponsors of the amendment do not seem to understand the purpose of this bill or the way that all of the elements of military compensation are related to each other. The pay tables recommended in the committee bill represent a carefully crafted, balanced proposal. Amending even a small section of this proposal without considering the overall consequences can seriously undermine what the committee has tried to do. This amendment falls into that trap.

Let me give some examples, Mr. President. Basic pay is just one portion of regular military compensation, which is defined in law. The proponents of this amendment have not considered the fact that the committee has increased all of the elements of regular military compensation. Both the basic allowance for subsistence and the basic allowance for quarters increase by 14.3 percent for junior enlisted personnel. If we take an E-2, for example, the increase in his regular military compensation under the committee proposal will be 10.5 percent—well above the so-called comparability figure of 9.1 percent which the sponsors of this amendment think is so important. So, the 9.1 percent comparability figure with respect to basic pay alone, which is the foundation upon which this amendment has been constructed, is simply wrong standard of measure.

Another important point which the sponsors of this amendment have over-

looked is the relationship between promotion policies and military pay. An E-1 recruit does not stay an E-1 for very long. In the Army, for example, the E-1 recruit will be an E-2 within 6 months and an E-3 within a year.

What do these promotion policies mean in terms of pay raises? Let us suppose somebody enters the military service today. On October 1, he will get a 7-percent increase in basic pay. Over the next 12 months he will get two promotions which will give him a further increase in basic pay of 18 percent. Altogether the person who enlists today in the military will receive a 26 percent increase in basic pay during the next 12 months. Mr. President, while we stand here and bicker over a 2-percent difference between entry pay in the committee bill and the entry pay in the pending amendment, the important—and al-ways overlooked—fact is that a recruit joining the service today can expect a 26-percent increase in basic pay over the next 12 months. The increases in regular military compensation would be approximately the same. No matter how you calculate comparability or inflation. I suggest that that is a very large increase.

Mr. President, yesterday we discussed how the front-loading of first-term pay in recent years has led to the problem of pay compression. My colleague, the chairman of the Manpower Subcommittee, made a point of that in his remarks that were just heard on the Senate floor. Obviously, the proponents of amendment do not consider pay compression to be the problem that it is, since their proposal contributes to this problem. I think this is a serious mistake

The problem of pay compression is complicated and one that I recognized early on. There is an intricate relationship between a person's decision to remain in the service based on his perception of future benefits. When the steps along the promotion ladder are squeezed closer and closer together because of the irresponsible front-end loading of pay, the implications can be serious and the reverberations in the personnel system can be felt for years.

After getting tired of waiting for the Defense Department to tackle this problem, the Senate has finally taken the bull by the horns. While it is tempting to reduce officer pay and give that money to first-term people, the Matsunaga-Hatfield amendment would damage the committee's carefully balanced solution to a serious problem which has existed for

Mr. President, the sponsors of this amendment have charged that the committee's proposal will hurt the services recruiting efforts in fiscal year 1982. They make the statement that even with a 14.3 percent increase in recruit pay, the Army has only a 50-50 chance of meeting its quality recruiting goals in fiscal year 1982. Mr. President, that is certainly news to me. The Army has testified before the Manpower and Personnel Subcommittee that they should make their qualitative and quantitative recruiting goals in 1982 and the Congressional Budget Office agrees.

In the event that unforeseen recruiting difficulties do arise, S. 1181 increases the enlistment bonus for those in critical skills from \$5,000 to \$7,500. The Secretary of Defense can designate these critical skills. Today, for example, infantrymen are considered to be a critical skill. But even more important, our legislation, by significantly increasing retention in our career force, will do much more to relieve pressure on military recruiters than the extra 35 cents per day which the Matsunaga-Hatfield amendment would provide to a new recruit. Let us be realistic. Mr. President—the more people who stay in the service, the less we will have to recruit.

The Congressional Budget Office has concluded that S. 1181 will retain 19,000 more careerists over the next 5 years than the House bill containing a 14.3percent across-the-board raise for all personnel. This is the way to help recruiting and the All-Volunteer Force while at the same time improving the experience level of our career enlisted force.

Mr. President, we need to stop throwing money at our military manpower problems and take a sensible approach. S. 1181 is not some back-handed effort to undermine the All-Volunteer Force. I firmly believe that this bill will enhance the All-Volunteer Force by providing incentives all along the career path-from the beginning to the end.

Mr. President, it is time that we in the Congress and the leadership in the Pentagon wake up and realize that, whether the source of manpower for our Armed Forces is the voluntary approach or conscription, we need experienced, motivated people to serve as a cadre for whatever original source of manpower this Nation chooses. This cadre is lacking today and is vital whether we operate under an All-Volunteer Force or conscription. The committee's bill goes right to the heart of this problem. If the All-Volunteer Force will not work under S. 1181, it will not work at all.

I urge my colleagues to reject the Matsunaga-Hatfield amendment. It represents a percentage solution to a human problem. It is also reckless tinkering with a carefully-crafted product which has been the subject of extensive work by the Armed Services Committee, And, most of all, it represents a return to the business at usual approach, which has not served us well in the past.

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. JEPSEN. I ask unanimous consent to suggest the absence of a quorum and that the time not be allotted to either

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I commend the chairman of the subcommittee (Mr. JEPSEN) and the ranking minority member (Mr. Exon) for an excellent job on a difficult subject. We have been strug-gling in the Armed Services Committee on this question of recruitment, retention, volunteer force, and incentive pay for 4 or 5 years. The struggle certainly is not over, but I think that these two Senators and their staffs have done a real service to the country by going into this in depth, by talking not just to the official witnesses from the Department of Defense or the services, but to many different individuals in the services to try to come up with a bill that gets the most for the money.

I strongly endorse their positions in the way they have allocated the pay. The targeting makes sense from any point of view. It makes sense from the point of view of retention; it makes sense from the point of view of the overall viability of continuing the volunteer effort. I am well known to be a skeptic on that subject, but I think if the volunteer force is going to survive, if it is going to work, it has to be beefed up by a great increase in retention.

That is what this bill does.

They have spent hours and hours, and their staffs have spent hours and hours, interviewing people at every level of the military. I have not attended every hearing they have had, but I have attended most of them. I have talked to many different people in uniform in the Navy, the Air Force, the Army, and the Marine Corps. Although opinion on this subject of whether to go across the board or whether to target is not unanimous, and I do not pretend it is unanimous, the overwhelming number of people in the service I have talked to believe that the approach that has been taken by this subcommittee and by the Armed Services Committee is the correct approach, and it is going to result in a much more beneficial pay package for the military than would an across-the-board in-

I know this is not the official view of the Department of Defense, but I think if you took any kind of off-the-record poll, you would find overwhelming numbers of people in the service agree with this approach.

So I commend the Senator from Iowa and the Senator from Nebraska, and their staffs, for doing a superb job on a difficult subject. I strongly urge that the Members of the Senate support this position, both in terms of voting against the pending amendment and in terms of final passage.

The Senator from Iowa made an excellent presentation a few moments ago. I was here for most of it and I listened to it. He has done a superb job of delving into this subject and other personnel subjects with a great deal of intensity, not just since he has been chairman, but when he was ranking minority member and I was chairman.

The Senator from Nebraska has been one of our most diligent members on the Armed Services Committee and the Subcommittee on Personnel. He is now ranking minority member. He has taken a real leadership position in this subcommittee. He is becoming a real expert in this area.

I would hope that the committee would be backed. I would hope that the subcommittee's amendments in this area would be recognized by the Senate and I urge my colleagues to stick with the committee's position. It is well founded and based on, I think, the best interests of the services, the best interests of men and women in the services, and certainly in the best interests of our national security.

The PRESIDING OFFICER. The Sen-

ator from Iowa.

Mr. JEPSEN. Mr. President, I thank my distinguished colleague for his fine remarks and for the trailblazing which was done under his leadership for many

years in this area.

As he indicated, this bill, S. 1181, is not just the result of many hours, many days, and many months of staff work and work by committee members this year; it has been the result totally of many years of research and work in hearings that were conducted under the very able and distinguished leadership of the former subcommittee chairman (Mr. Nunn). I thank him for his support and his remarks.

Mr. President, I suggest the absence

of a quorum.

The PRESIDING OFFICER. On whose

Mr. JEPSEN. I ask that it be on our time.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll. Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER, Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, several points were made by the floor manager and the ranking minority mem-ber with respect to the Matsunaga-Hatfield amendment.

One point is the contention that our amendment would go contrary to the two intended purposes of the committee bill: One, to improve retention in the careerenlisted ranks. We make no change in the proposal made by the committee with respect to the noncommissioned officers. So our amendment in no way would affect the retention purpose intended by the committee bill.

As I indicated earlier in my prepared statement, I fully support the committee bill except for the provision which would give less than comparable pay to the recruitment level. That is the only concern the Senator from Oregon and I

The other contention made by the floor manager is that we are concerned more about recruiting than about retention. That is not a correct statement. We are as much concerned about retention as about recruiting.

What I said was that the Department of Defense believes that in the next 5 years, recruitment will be a greater problem than retention. With the 11.7-percent raise we gave, which was targeted to the different levels, and the various benefits given by the 96th Congress, the retention problem has pretty much been licked, according to the Department of Defense, to the point where recruitment is going to be the major problem.

Pay compression was another issue brought up by the floor manager as well as by the ranking minority member of the subcommittee. I must say, also, that our amendment will have no effect upon compression pay, particularly with reference to the area in which the committee was most concerned—that is, between the E-3 and E-4. We do not touch

All we are doing is reducing the pay increases. We are not reducing the salary of any of the officers. We are merely reducing the pay increase, by 1 percent and less, of officers in grades O-3 through

The point also was made that we are playing with figures and not with facts: Because of the pay cap, those in grades O-9 and O-10 do not receive any increase under this bill. In fact, our proposal shows a saving of \$600,000, which would mean that even if we completely disregard the savings which would come from reducing the pay increase of the generals by 1 percent, that would be a mere \$530,000.

So what we are saying here is that the Matsunaga-Hatfield amendment would not in any way increase the cost of the bill. As a matter of fact, there would be

a saving.

I commend the Senator from Iowa for taking pride in reducing the cost of the bill below the amount proposed by the administration. I, too, take pride in the fact that our amendment will reduce the cost even further, by about \$60,000.

Those are some of the things that I believe needed to be brought out.

I put this question to either Senator: How does the committee explain away the argument of the Secretary of Defense that the committee bill will cause the loss of 10,000 high school graduates next year and 44,000 over the next 5 years, as compared to the administration bill?

I yield to the Senator from Nebraska for a response.

Mr. EXON. I will be glad to try to re-

The economic assumption made by the administration—the man in the administration to whom the Senator from Hawaii has referred—is an unproven economic theory.

In my remarks, I cited reports from the CBO and other groups that indicated that we were not going to have any serious problem with recruits.

Let us assume, for a moment, that the Senator from Hawaii is correct. He also agrees with me, I believe, that we are talking about only a 2-percent difference, or basically 35 cents a day.

I turn the question around and ask the Senator from Hawaii if he truly believes that we are going to get 10,000 more enlistees just by paying them 35 cents more per day? I suggest that that is a rather shortsighted unrealistic opinion whether it is stated by the Secretary of Defense

Mr. MATSUNAGA. I must say to the Senator from Nebraska that those are not my figures I quoted. I quoted the Secretary of Defense and, of course, he was then comparing the committee bill as reported by the Senate committee with the House bill and the difference, of course, between the committee bill and the Matsunaga-Hatfield amendment would be in much smaller proportion. That will be just about 2,000.

But then my biggest concern and really the only concern with the committee bill is that it fails in that one respect to give comparability to all levels and is discriminating against the recruit. The recruit is the only one who does not get a comparability pay increase. Every other officer and enlisted personnel gets a pay raise equal to or more than comparability. This is the thing that bothers

Of course, the only conclusion that we can arrive at is that perhaps the subcommittee and the committee members felt that it was not necessary to bring up the recruit level to comparability in order to recruit, but here we have the figures of the Department of Defense which say that as compared to the total of the administration, which was 14.3 percent across the board, the committee bill will mean 10,000 less recruits, and we are talking about high-level high school graduate recruits, and by 1987, 44,000 less high-quality recruits.

Mr. JEPSEN. Mr. President, will the

Senator yield?

Mr. MATSUNAGA. I am happy to yield to the Senator.

Mr. JEPSEN. Mr. President, the Department of Defense, according to all records and all information we can gather, has never consulted with their own services recruiting chiefs to ascertain the impact of S. 1181 on recruiting. If they had done so, they would have found out there would be no adverse effect on recruiting as a result of the entry-level pay proposed in S. 1181.

In a letter of July 27, 1981, and I am repeating myself, General Thurman, Chief of Army Recruiting, stated that S. 1181 will not adversely impact on the Army's ability to attract quality youth.

The Navy has indicated that S. 1181 will provide 11,000 additional reenlistees over a 5-year period. The Navy has also the most serious retention problem. The Congressional Budget Office has stated that under S. 1181 the services will be able to recruit virtually the same number of quality personnel over the next 5 years.

So whatever information is gathered, it is difficult to respond to a hypothetical question, and so therefore I will not.

I now yield to our distinguished colleague from Arizona, Senator Gold-WATER.

Mr. MATSUNAGA. Mr. President, I remind the Senator that I have the floor at this time. If the Senator wishes to yield, I will be happy to yield the floor so that the Senator may yield. I have about, I think, 10 minutes remaining.
Mr. JEPSEN. I have been talking on

the Senator's time?

Mr. MATSUNAGA. Yes.

I yield.

Mr. JEPSEN. I thank the Senator. Excuse me.

Mr. MATSUNAGA. So if the Senator will agree to yield equal time from his time, because the Senator does have much more time than I do, then I will be happy to yield.

Mr. JEPSEN. I yield full time to the

Senator from Arizona.

Mr. MATSUNAGA. I yield.

Mr. JEPSEN. I thank the Senator. Mr. GOLDWATER. Mr. President, I thank my friend and I hope to not take

The PRESIDING OFFICER. Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, the bill which we are considering today is the best bill attacking the problems of military pay that has come before this body in many years.

We are constantly hearing this argument in support of comparability. I remind you, Mr. President, that comparability is an impossible point to achieve. If we are to look at ourselves, for example, and try to compare our salaries with the salaries of people with responsibilities less than 1/1000th of what we have, our pay is not comparable to the lowest paid bank president in this country.

When we talk about comparability of pay as being a solution in the military, I suggest, Mr. President, this is not the case. Our problem today in the military rests more with discipline and respect: How do you get this? It does not start with the lowest recruit. It starts with the highest ranking man in uniform and unless that man has served and served well, unless he has gained the respect of those people under him and those people, the people under them and down, down, down to where the lowest recruit has great pride in putting the uniform of the United States on, I do not care how much we pay them, we are not going to get them.

This is one of the problems I find as I go across this country of ours visiting military posts, Air Force bases, and naval installations, as I do most of my spare time. We have a lack of discipline down below. We have a lack of respect down below for those officers above them, and I suggest this amendment will actually decrease the pay of some of our officers when, if there is a lower paid group of people in this country, I do not know who they might be than the officers who

man our Armed Forces.
When I think of a four-star general, responsible for the expenditure of \$30 billion, making \$45,000 a year and looking at people hired by this Congress responsible for nothing making \$50,000 a year, I am proud of the man who wears those stars who is willing to wear his uniform out of pride, pride in serving his country.

And this amendment, Mr. President. does nothing, not one thing to help the dilemma that the Armed Forces now face through the lack of men willing to sign up.

I suggest we have to start at the right place. We have to recognize ability. We have to recompense reliability. We have to begin instilling respect for the uniform, respect of our flag, and respect of our country. Then when these young men come on duty they are going on duty like a lot of us did when we were young men with respect for those people above us and will serve as they will serve during the time they have to, and money is not going to enter into it, although it does have its place. Comparability cannot be achieved, and it will never help a bit in the lower recruiting levels.

I thank my friend from Iowa for

vielding.

Mr. JEPSEN. I thank my distinguished

colleague from Arizona.

I yield to the distinguished Senator from Illinois, Senator PERCY.

Mr. PERCY. Mr. President, if I may have just a minute to comment on Senator Goldwater's statement, I wish to say, first of all, that I think that every time the Senator goes to a military installation, and that goes also for Senator Tower, the chairman of the Armed Services Committee and its other members as well, every time they go it helps morale. It means a great deal to our servicemen.

I know every time the President speaks about the military service and builds pride in our military service he has done a tremendous amount of good. I have never seen the morale higher because of the backing and support that the President has given and the Armed Services Committee of the Senate have given to our military forces today.

It takes me back to the 1950's when through promoting better morale we tried to build up our school teaching

force in this country.

But we cannot always substitute morale for adequate pay. We cannot have good morale unless we pay adequately. We cannot indefinitely retain qualified people in a position, no matter how high that position, unless we pay them and compensate them fairly. We get in the end what we pay for.

What we have found with Federal judges is that we are losing them at a faster rate than we ever have before. If we look at the retirement benefits for Federal judges, they no longer can af-ford to stay on the bench. They cannot afford to die while serving on the bench. Their survivors have the lowest benefits I think of any Government employee. I think survivors of any employee in the Senate have higher benefits than the survivors of Federal judges. I have talked to Supreme Court Justices about this as well as the district court judges and commend the Senator for what he is doing in espousing this military pay bill.

The PRESIDING OFFICER (Mr.

QUAYLE). The Senator from Idaho.

Mr. JEPSEN. Mr. President, I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I will be very brief. I want to commend Senator JEPSEN for the splendid job he has done as chairman of the subcommittee that has crafted this bill, and equal thanks and commendation to Senator Exon, the ranking minority member, both of whom have worked diligently on this issue, not just in this session of Congress, but in the last Congress as well.

This is a very, very carefully crafted bill, based on the experience the committee has had on the whole question of military pay. As a matter of fact, we

addressed ourselves to this last year as a congressional initiative, and the fact that we were able to get a pay raise that did favorably increase retention rates was because the Armed Services Committees of the Senate and the House took the initiative to make sure we got pay raises that did, in fact, aid us in maintaining or improving our retention rates.

I would say that the Committees on Armed Services of the two Houses, and particularly the Armed Services Committee of the Senate, have real long-term experience in this, more than the present leadership of the Defense Department. We understand what is nedeed for reten-

tion.

We all know that the professional military are virtually unanimously in support of this bill as it is, and I hope, because this is a carefully considered and crafted bill, that this amendment will be decisively rejected because it simply is a mischievous amendment.

The idea of taking money out of the officers' pockets and giving it to the enlisted men may have some demagogic appeal when, in fact, we need to retain officers and give some career incentive

to officers.

Even though this may not be much money out of the officers' pockets, it indicates that it is symbolic that we may not fund officers' pay raises or officers' pay at adequate levels.

In fact, senior officers of the military are faced now with the pay cap. The Chief of Naval Operations now does not make more than a captain of a nuclear

ballistic missile submarine.

So I think we should consider the bill as it has been drafted and crafted and approved by the committee; that we should reject this amendment, and go to conference with a good, strong bill that is designed to retain NCO's, not just in the 8- to 12-year bracket but the 16- to 20-year bracket as well. We need that senior experience. We need the middle management core of our junior officers, and this bill is the best means to achieve that end.

I urge the Senate, therefore, to reject the amendment offered by the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, will the Senator from Texas yield, the chairman of the Armed Services Committee? Mr. TOWER. I am delighted to yield

on the Senator's time.

Mr. MATSUNAGA. Yes. Is it not true that the administration supports a 14.3-percent across-the-board increase and, in fact, that the Department of Defense is opposed to the bill as reported from the committee?

Mr. TOWER. Well, the Senator is right in asserting that the administration supports another version of the pay bill. But it has not been my experience that the Senate of the United States always goes blindly along with the administra-tion, especially on defense matters, and this is one Senator who respects the experience that has been vested in the members of the Senate Armed Services Committee over the years in this area. The past experience we have had and our experience dictates to us that the bill proffered to the Senate by the Senators

from Iowa and Nebraska is the best bill to achieve the kind of result we seek and, therefore, I thoroughly and totally endorse it.

Mr. MATSUNAGA. I must say that the Department of Defense is primarily concerned about the low recruitment, and they are not—

Mr. TOWER. Well, the professional recruiters do not find anything in this bill that they feel will adversely impact

on their ability to recruit.

I suggest to the Senator from Hawaii that he talk to some of the men in uniform who are responsible for recruitment. Recruitment is running at very high levels now not just in quantitative but in qualitative terms, and the biggest problem that we have, and the one we must address ourselves to, if we are going to maintain any standard of combat readiness, is retention, and this bill addresses itself to that problem and we should not monkey around with it here on the Senate floor.

Mr. MATSUNAGA. I must say that I have no argument with the Senator about retention. I am in full support of the retention provisions of the bill. I might point out to the chairman of the Armed Services Committee that according to the Department of Defense, recent empirical evidence shows, and I am quating now.

The very strong effect of increases in firstterm pay on the supply of quality recruits to the Army and the value of the so-called pay elasticity has been estimated as high as 2.0 for new quality recruits to the Army, in a recent study conducted by the Center for Naval Analysis.

This means that for every 1 percent increase in military pay the recruit supply to the Army is increased by 2 percent.

We cannot in the face of these facts deny that giving comparability to the recruit is not going to increase quality recruits.

Mr. TOWER. Mr. President, will the Senator permit me to respond to that? Mr. MATSUNAGA. Yes.

Mr. TOWER. What the Senator just recited is based on Rand Corp. data which are outdated and which have never been validated. It is based largely on old naval data and does not necessarily apply to the other services and therefore, I do not believe that what the Senator is reciting is authoritative. I think we had better proceed on the best judgment of the professional military and the Armed Services Committee in this matter and get on to the passage of the Jepsen-Exon bill.

Mr. MATSUNAGA. If I may ask, Mr. President, if the members of the committee feel that they cannot depend upon the figures cited by the Center for Naval Analysis or the Rand Corp., on what do they base their analysis? What is it that they are depending upon in quoting the figures they have been quoting?

Mr. JEPSEN. We base our figures on the statements of fact presented by the recruiting chiefs, presented by the Chief of Staff of the Army, and presented by those people who have served our country in uniform for many, many years. I point out to you that in a letter to Congressman Nichols, the Non-Commissioned Officers Association of the United States of America, which represents over 300,000 active duty members, said this:

Frankly, the association has but minimal faith in the Department of Defense. Its record over the past 8 to 10 years proves beyond a doubt its concern has not been with the career enlisted force. We believe the same pattern will continue if Defense is allowed to make its own decision in targeting the October 1, 1981, proposed pay increase.

The Non-Commissioned Officers Association

The Non-Commissioned Officers Association has no choice but to place its faith with Congress to do the right thing.

We have received across-the-board support from all people, all forces in the military, in the uniform of this country.

That is where we have been getting our information, not from some birdhatching, outdated think tank sort of analysis that is made not on across-theboard data that has never been validated. We repeat that time and time again—it is nearly a hypothetical case. It is a strawman they have put up and they keep using it to point to their reasons for wanting to have the across-the-board pay increase and that is they want to allocate the thing. They have not done it before but lead you to believe they would do it new.

Mr. EXON addressed the Chair. The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Nebras-ka?

Mr. EXON. Mr. President, if I could get recognized, I would like to ask the Chair how much time is remaining on each side.

The PRESIDING OFFICER. We will give you recognition and tell you that Senator Jepsen has 22 minutes and 54 seconds remaining and Senator Matsunaga has 10 minutes and 1 second remaining.

Mr. EXON. Does the Senator from Nebraska have any time remaining?

The PRESIDING OFFICER. The Senator has no time.

Mr. JEPSEN. The Senator from Nebraska has 22 minutes. We are on the same time.

The PRESIDING OFFICER. Correction. The Senator from Iowa and the Senator from Nebraska have 22 minutes and 54 seconds.

Mr. EXON. I yield myself 5 minutes. The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I will try and summarize, because I am hopeful that we can come to a vote on this in the near future.

First, I would like to quote from a prepared statement by Senator Carl Levin, a very distinguished member of the Armed Services Committee. In a moment, I will ask that this be entered into the Record on behalf of Senator Levin.

But I want to read two or three paragraphs that I think are particularly important, since, during debate on this, this morning, there has been a thread

running through the debate that somehow this measure that came out of the Armed Services Committee is against the All-Volunteer Force. I will quote now from Senator Levin's statement.

Mr. President, today the Senate will consider and vote on the Matsunaga/Hatfield amendment to the Uniformed Pay and Benefits Act of 1981, S. 1181 as well as on final passage of this bill.

As a member of the Committee on Armed Services, I want to take this opportunity to urge my colleagues to reject this amendment and pass S. 1181 itself.

This amendment has a laudable purpose. It seeks to increase the pay of the three lowest enlisted ranks in an effort to attract more recruits into the armed services.

However, it is an unnecessary amendment, since the committee has addressed this issue already in S. 1181, and has also focused its efforts at what now appears to be a more immediate manpower problem for the All-Volunteer Force—retention of experienced, senior enlisted personnel.

Continuing to quote from Senator Levin's statement:

I think my colleagues know me well enough to feel secure that, as a member of the Armed Services Committee, I would not be a party to any legislation which paves the way for a return to conscription until I was convinced that the All Volunteer Force was a failure and that a draft is needed to meet our national security requirements.

Certainly, those of us who have worked with Senator Levin know if there is a proponent of the All-Volunteer Force on the Armed Services Committee it is Senator Levin.

Mr. President, if I might return and attempt to answer some of the arguments that have been made against this

First, I would like to say that I think one of the shortcomings of the arguments that have been made against the bill and for the amendment is that those who have offered that amendment seem to be preoccupied with the basic pay problem, with basic pay as it affects E-1's, E-2's, and E-3's. They are so preoccupied with that they fail to take a look at the overall picture.

I would first state, as I said in my prepared remarks earlier today, that if we take an E-2, for example, the increase in his regular military compensation under the committee proposal will be 10.5 percent, well above the so-called comparability figure that we have heard so much about here on the floor this morning, which is 9.1 percent, according to the sponsors of this amendment.

Mr. President, I would just like to say, once again, that if we start to become so preoccupied with basic pay, then we ignore the other considerations that the manpower subcommittee has given in this measure. For example, if we are going to have a shortfall in recruits, as has been hinted at this morning, then those who propose this amendment seem to be saying: "But we do not want to recognize that the Armed Services Committee has proposed an increase in bonuses to meet that very problem from \$5,000 last year to \$7,500 this year."

I would say to my friend from Hawaii that we have recognized this need. Cer-

tainly we feel that after talking with people in the armed services—and the Senator questioned on what our figures were based—after looking at the CBO reports, after listening to the Chief of Staff of the Army and other experts, we who have studied this long and very hard feel that we have put together a measure that is fair. And if there are those who are still truly concerned that we have not taken into consideration the E-1's, E-2's, and E-3's, let us look at the record once again that I established earlier this morning and that I want to recite once again.

In so doing, I want to remind those who do not agree with me on this—and I am sure they are well-intentioned, that they have not looked at the broad picture. If you simply look at the basic pay figure, you might be right. But you are wrong because you have not looked at the broad picture.

Let me quote once again what I said this morning:

Altogether the person who enlists today in the military will receive a 26 percent increase in basic pay during the next 12 months. Mr. President, while we stand here and bicker over a 2 percent difference between entry pay in the committee bill and the entry pay in the pending amendment, the important—and always overlooked—fact is that a recruit joining the service today can expect a 26 percent increase in basic pay over the next 12 months. The increases in Regular Military Compensation would be approximately the same. No matter how you calculate comparability or inflation, I suggest that that is a very large increase.

I think it is justified but I think it is adequate.

Mr. President, I reserve the remainder of the time on this side.

The PRESIDING OFFICER. Who yields time?

Mr. JEPSEN addressed the Chair. The PRESIDING OFFICER. The

Senator from Iowa.

Mr. JEPSEN Mr. President I would

Mr. JEPSEN. Mr. President, I would like to inquire of the amount of time remaining.

The PRESIDING OFFICER. Senator Jepsen and Senator Exon have 16 minutes and 7 seconds remaining; Senator Marsunaga has 10 minutes and 1 second remaining.

Mr. JEPSEN. Mr. President, I would say, in what I hope will be my closing remarks, that I share the sincere and genuine concern that the Senator from Hawaii, Senator Matsunaga, has for the level of defense that we must attain and maintain to keep the peace. In fact, all of the sophisticated weapons systems would be for naught if we did not have the individual soldiers, sailors, and pilots to man them and the fact that we must have as a lifeblood in developing and maintaining the All-Volunteer Force a steady flow of recruits.

As chairman of the Manpower and Personnel Subcommittee, I can assure the Senator from Hawaii that we have been, are, and will be most concerned and very vigilant by way of requesting monthly reports, by way of following this very, very closely and at any point in time that we see or feel that there is a move in a direction that would endanger that very necessary and continual flow

of new recruits, we would put top priority and the full force of staff research and whatever else necessary to rectify and correct that situation.

The facts are that, at the present time, with about 105 percent of the recruiting goal quota, with a very marked jump in quality, with everything pointing toward the momentum for that continuing, and that is by way of advice, counsel, reports from all branches of service, we feel that we are on target now with our built-in 9.1 comparability pay increase that exists in this Senate bill 1181.

I appreciate what the Senator is saying. I agree 100 percent with what he is saying. We have some disagreement at this given point in time as to what is sufficient to arrive at that goal, but I commend him for his diligence in pursuing and in verbalizing this. It is something which will remain in the record and be long remembered. It will serve a very important purpose.

I am ready to yield back the time remaining on our side, subject to agreement by the Senator from Nebraska. I wonder if the Senator from Oregon and the Senator from Hawaii are ready to yield back their remaining time.

The best way we express ourselves in this country is not by yelling but by voting.

Mr. EXON. Mr. President, I would generally agree with the statements which have been made by my colleague from Towa

At this time I know of no one on this side of the aisle who wishes to address the problem further.

I would merely pose the question to the Senator from Hawaii if he has any more statements from his side on this particular issue.

Mr. President, I reserve the remainder of our time.

Mr. HATFIELD addressed the Chair. The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. May I inquire how much time remains on our side?

The PRESIDING OFFICER. Ten minutes remain.

Mr. MATSUNAGA. Mr. President, I yield to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, once again I am sorry I was not able to be here during the opening comments. I was forced to preside over the markup of an appropriations measure.

I have been given an outline of some points which have been made by various speakers on this amendment. I would like to respond to some of those remarks.

First of all, I think we should understand clearly what this amendment does not do. In no way does it touch the carefully crafted bill, as it has been referred to, of the Armed Services Committee in reference to compression. I think we all recognize that as a problem. I want to emphasize that this does not in any way impinge upon that particular objective.

Second, it in no way inhibits the part of the committee bill that has addressed the career retention problem.

Third, in no way does it deemphasize the emphasis which has been placed on the noncommissioned officers and the way the committee has addressed that question.

I would like to merely say that if this bill is so precise and so carefully crafted, as has been claimed by the members of the committee, what is the committee going to do when we find that the comparability base is not 9.1 but 9.7? Having targeted only 7 and 8 percent for the enlistees there is going to be an even larger gap. It is going to lead to bigger problems for military recruitment.

I want to make one further observation about this matter because I do not think the track record of the committee has been very good in anticipating pay problems. I would only observe for the record that the committee had failed to recognize this problem and its October pay increase was initiated long ago from the floor by amendment process by two people who are not on the committee; namely Senator Armstrong and Senator Maysunaga, in which I joined.

This was the real origin of the pay increase. It did not come from the committee. The committee finally got on the pay increase bandwagon in order to release it as their initiative.

It was not the committee's initiative but it was a floor action. The committee has not had a good record of recognizing the need when it was already apparent. I only make that as a comment.

I think the committee is failing again to recognize the significance of the comparability base upon which they are crafting the rest of their program. I have the documentation of the 9.7 figure from the Department of Labor Statistics.

Mr. President, I ask unanimous consent to have printed in the Record a document dated September 9, 1981.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR, September 9, 1981.

Hon. Mark O. Hatfield, U.S. Senate, Washington, D.C.

DEAR SENATOR HATFIELD: In response to a September 8 telephone request from Mr. Rick Rolf of your staff to our Office of Wages and Industrial Relations, I am enclosing a copy of the June 26 release on white-collar salaries. The information is from the Bureau's annual survey of professional, administrative, technical, and clerical pay (the PATC survey) which is used to compare Federal white-collar salaries with those in private industry, as required by the Federal Pay Comparability Act of 1970.

The first page of the release indicates the average percentage increase in salaries between March 1980 and March 1981 for those occupations providing comparable data from both surveys. The combined average—9.7 percent—provides a general indication of how salaries increased for the survey jobs.

You may also be interested to know that the Bureau's Employment Cost Index (a broader measure of pay change in terms of industries and occupations) showed whitecollar salaries increasing 9.3 percent over the same 12-month period. (See enclosed release dated May 28.)

If I can be of further assistance, please let me know.

Sincerely yours,

JANET L. NORWOOD, Commissioner. particular, it has been determined that

the graduated pay increase for new per-

sonnel would not have any significant ad-

verse impact on recruiting. This conclu-

sion is fully supported by the Army, Navy,

of the fact that usually within 12 months

after enlistment the E-1 inductee has

risen to the E-3 pay level. This represents

an increase of over 18 percent in pay

Further, the Senate should be aware

and the Congressional Budget Office.

Mr. HATFIELD. I am absolutely appalled at the remark which I understand has been made on the floor that we cannot possibly achieve comparability. If that is the committee's lack of vision, then I think they ought to review their commitment, along with the other Members of this Congress, to the 1972 action of getting an all-volunteer service in which we committed ourselves to comparability.

I also say that those who claim that this is demagogic have certainly not carefully reviewed the intent of the two sponsors of this amendment, the historic record of support for pay increases. It is not demagogic. We are addressing dis-

crimination.

This discriminates against the enlistees at the E-1, E-2, and E-3 level. There is no way to create a smokescreen. It is discrimination.

The administration asked for 14.3 percent across the board. The committee adopted a targeted program rather than across the board and used a 9.1 base as

a comparability.

It is interesting how many people of the committee do favor the draft and have publicly expressed themselves. So I say that this is a back-door approach to the draft because of our failure to live up to the comparability compensation commitment that we made in 1972 under the all-volunteer services.

I feel very strongly, Mr. President, having been a member of the armed services for 3 years in World War II, that we have had too many years when we asked the armed services to subsidize their own service. And I also recall, and I do not think they have changed that much, the distinctions between enlisted and com-

missioned people.

I was a commissioned officer in the U.S. Navy and I know the pay that an ensign received and I also knew the pay that an apprentice seaman received. It is a caste system to begin with. I am not saying the military can be democratic, but I am saying that we are dealing with a caste system, and a caste system is more than just a matter of rank, title, and privilege that exists between commissioned and noncommissioned people in the military. We are adding further discrimination to an inherently discriminatory system by our failure to recognize the comparability requirement for the E-1. E-2. and E-3.

A slight adjustment is what we are

pleading for.

I cannot understand this overreaction from the committee as if, somehow, there is some major tampering going on here with their carefully crafted product, when we are only suggesting a 2 percent—2 percent, Mr. President—change in here in order to reach comparability for the E-1, E-2, and E-3.

Mr. President, I reserve the remainder of my time.

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment which would increase the current pay of E-1 through E-3 personnel by 9.1 percent, as opposed to the committee recommendation of 7 percent for E-1's, 8 percent for E-2's, and 9 percent for E-3's.

Mr. President, this bill has been care-

from the date of enlistment. Thus, within 1 year, if the servicemember has proven a satisfactory person, he or she will be getting the 9-percent raise that is proposed in this amendment. Another point

getting the 9-percent raise that is proposed in this amendment. Another point worthy of special attention by the Senate is the provision in S. 1181 which increases the maximum enlistment bonus from \$5,000 to \$7,000 for those qualified to serve in a critical skill. This increased bonus will enable the services to fill openings in a large number of critical skills. These numerous slots include infantry

assignments which are not easily filled. Mr. President, I urge that the Senate stand with the committee on this amend-

ment.

(By request of Mr. Exon the following statement was ordered to be printed in the RECORD.)

 Mr. LEVIN. Mr. President, today the Senate will consider and vote on the Matsunaga-Hatfield amendment to the Uniformed Pay and Benefits Act of 1981, S. 1181, as well as on final passage of this bill.

As a member of the Committee on Armed Services, I want to take this opportunity to urge my colleagues to reject this amendment and pass S. 1181 itself.

This amendment has a laudable purpose. It seeks to increase the pay of the three lowest enlisted ranks in an effort to attract more recruits into the armed services.

However, it is an unnecessary amendment, since the committee has addressed this issue already in S. 1181, and has also focused its efforts at what now appears to be a more immediate manpower problem for the All-Volunteer Force—retention of experienced, senior enlisted personnel.

Contrary to statements by supporters of the amendment, the most pressing problem facing the All-Volunteer Army of today is retention of these individuals—the senior sergeants and technical specialists whose skills, experience, and leadership are so important to our overall military capabilities.

Although the amendment's supporters cite testimony from the Defense Department to support their claim, it was only recently that the Army Chief of Staff, Gen. Edward C. Meyer, stated that retention, not recruiting, is his most serious manpower dilemma.

Our committee's bill directly attacks this problem by targeting significant pay raises for the senior enlisted ranks.

In so doing, the committee also has answered the contention of supporters of the amendment that this bill is an assault on the All-Volunteer Force and a blueprint for a return to the peacetime draft.

I think my colleagues know me well

enough to feel secure that, as a member of the Armed Services Committee, I would not be a party to any legislation which paves the way for a return to conscription until I was convinced that the All-Volunteer Force was a failure and that a draft is needed to meet our national security requirements.

I do not believe the All-Volunteer Force is a failure at this point. The evidence remains mixed. Nor do I believe that we only can meet our present national security requirements by returning to con-

scription.

On the contrary, I think that, at this point in time, the prospects for the viability of the All-Volunteer Force are enhanced rather than diminished by the pay, bonuses, and benefits increases embodied in S. 1181.

The retention increases projected from the targeted pay raises to senior enlisted personnel actually will contribute to the strength of the All-Volunteer Force by reducing the number of recruits required.

In addition, S. 1181 also contributes to improved recruiting by expanding enlistment bonuses from \$5,000 to \$7,500 and by initiating a 1-year test of a \$3,000 bonus for individuals enlisting for 3 years in critical skills.

The Matsunaga-Hatfield amendment, on the other hand, does not contribute significantly to recruitment, according to the Defense Department's own figures. DOD estimates that only 1,800 more recruits will enlist in fiscal 1982 if it passes.

The amendment's sponsors point to the importance of their small additional pay raises for the first three ranks to attracting new personnel to the Armed Forces. DOD's own position is that it is pay during a full first-term enlistment, not just when a recruit holds the ranks between E-1 and E-3, which is more important.

The committee's proposal raises E-4 pay between 10 to 14 percent, and most recruits achieve the E-4 rank in the Army in less than 2 years. They become E-3's by the end of the first year and are only E-1's for 4 to 6 months and E-2's for 6 to 8 months. The minuscule percentage raises that the amendment proposes—0.1 to 2.1 percent for these short periods of time—will have little impact on recruiting.

Lastly, the sponsors of this amendment contend that their amendment would maintain comparability between military and civilian wages for these lowest ranks in fiscal year 1982. They argue that the principle of comparability in wages which supports the All-Volunteer Force must not be weakened symbolically by any departures in the pay tables.

Yet this amendment does not restore the comparability to which the Defense Department refers when it talks about recruiting thousands more individuals in fiscal 1982. That comparability figure is 14.3 percent, because it includes a 5.3-percent wage increase to bridge the gap between the pay bill we passed last year and the 9.1-percent raise needed just for fiscal 1982.

Only restoring wages to 9.1 percent in the lowest ranks still is far short of comparability in an across-the-board sense, and thus, the amendment accomplishes little toward that standard. The committee, by targeting its pay raises between 7 and 22 percent has maintained an average comparability figure of 14.3 percent in its wage increases.

Mr. President, this bill is a good reconciliation between addressing concerns about recruiting and addressing concerns about retention. It is a constructive package of pay raises, increased special pays, expanded bonuses and additional benefits all designed to address the major manpower problems facing our armed services.

I urge my colleagues to support it and to reject the Matsunaga-Hatfield amendment.

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. Mr. President, I had intended to ask for a record vote, but in view of assurance on the part of the chairman of the subcommittee in private conference that he will make every effort in conference to arrive at what we have tried to do here, I shall not ask for a record vote.

Also, in view of the fact that so many have been unable to be here today, who have had to leave for other commitments, if the floor manager, the chairman of the subcommittee, can give me some assurance that every effort will be made to strike some compromise in conference, which would bring the final bill somewhat closer to what we are advocating, then I shall not ask for a record vote.

Mr. EXON. Mr. President, I have been trying to move to a vote on this. There are some Senators who would like to vote. I just cannot agree to leave in the Record the statement that the Senator from Hawaii has just made with regard to an understanding with the chairman of the Manpower Subcommittee.

I know of no arrangement or agreement that we are going to take up this consideration in conference with the House. I object to having that go in. If it does and if that is the understanding, then I shall ask for a rollcall vote.

Mr. President, I think, since the matter has been raised by the Senator from Hawaii, I should like to ask my colleague and friend from Iowa whether or not there have been arrangements made as just outlined by the Senator from Hawaii?

Mr. MATSUNAGA. Mr. President, will the Senator take his own time on this? Mr. JEPSEN. I shall take my own time on this.

Mr. President, I think there has been some misunderstanding. In the discussions going on, four or five persons were here on the floor.

I tried to make my position explicit and very, very clear when, in my remarks, I indicated that I sympathize with Senator Matsunaga and what he is attempting to do. I am also very concerned about the continual failure to maintain the level of manpower we need in our voluntary force. But I also pointed out that at this particular point in time, the evidence and the facts are that we do not have the problems.

All the indications from the various branches of the service indicate that; we have memos saying they do not anticipate any problems there. Also, we disagree, feeling that we have a 9.1-percent comparability base when we consider everything by way of pay and benefits, which the Defense Department has always done.

So, being most sympathetic, being very complimentary—again, I extend congratulations to the Senator from Hawaii for his efforts—with that, that is my position. To go to a conference and compromise on something that we do not have anything to compromise on at this time, other than to assure the Senator that we, too, share his concern for the necessity for continued appropriate pay, we do not see it as a problem at this particular time.

With that understanding, we can now either have a rollcall vote or a voice vote.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. JEPSEN. I yield.

Mr. MATSUNAGA. The point I was trying to make is that what we had discussed was that, in the view of the chairman of the subcommittee, recruitment is as important as retention, just as the offerors of the amendment have conceded from the very beginning that retention is as important as recruitment; that we need a balanced bill; and that, in conference, the chairman of the subcommittee will take into consideration the importance of recruitment, just as he will take to the conference the thought of the importance of retention.

With that in mind, Mr. President, that the chairman will give equal consideration to recruitment as to retention and, with this thought in mind, going to conference and carefully—

The PRESIDING OFFICER. The Senator from Hawaii must be informed that

his time has expired.

Mr. JEPSEN. Mr. President, I yield the Senator what time he needs, hoping that we can wind this up.

Mr. MATSUNAGA. It is this assurance that I was hoping to put into the record.

Mr. JEPSEN. Mr. President, let me assure the Senator that we are equally concerned with all aspects of manpower—recruitment, retention, morale, esprit de corps.

Mr. MATSUNAGA. Unless the Senator from Oregon is—if the Senator will continue to yield.

Mr. JEPSEN. Mr. President, I shall not yield. We have gone over our time. I have yielded some of our time to the Senator. Unless the Senator from Oregon specifically requests a specific amount of time—

Mr. MATSUNAGA. Will the Senator from Iowa yield to me for a question that I shall put to the Senator from Oregon? That is, unless the Senator from Oregon or some other Senator insists on a record vote, I shall not at this time.

Mr. JEPSEN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Iowa has 7 minutes and 24 seconds remaining. The Senator from Iowa has the floor.

Mr. HATFIELD. Mr. President, will the Senator yield to me?

Mr. JEPSEN. Yes, Mr. President. I

Mr. HATFIELD. There has been so much discussion, Mr. President, I was

not able to hear what the Senator from Hawaii was saying. Is the Senator willing to pull the amendment down on the basis of that assurance.

Mr. MATSUNAGA. That I shall not ask for a record vote. If the Senator will agree with me, I can even go to the extent of pulling the amendment down.

Mr. HATFIELD. With the assurances

Mr. HATFIELD. With the assurances given by the chairman of the subcommittee that this matter will be discussed in conference and also that he will raise the question of the new issue of a 9.7 comparability rate as indicated by the Bureau of Labor Statistics. I urge the Senator that that matter be incorporated.

Mr. JEPSEN. I assure the Senator from Oregon that all matters will be discussed in conference, including any new information

Mr. HATFIELD. With that, Mr. President, I urge my colleague at this time to withdraw and I shall withdraw our amendment.

Mr. MATSUNAGA addressed the

The PRESIDING OFFICER. The Senator from Iowa controls the time.

Mr. MATSUNAGA. If the Senator from Iowa will yield.

Mr. JEPSEN. I yield to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I shall agree to pulling the amendment down, but only with the understanding that no commitment has been made and no indication given that we are going into conference with the House agreeing to compromise on this basic issue.

I have been listening very carefully to the discussion, and I am fearful that the proponents of this amendment are fearful that they cannot win, but they want to get it into the record so that, when we go to conference, they can say, "Yes, but we agreed to consider this."

Mr. President, we shall agree to consider everything in conference, of course, but there is no implied concept that we shall cave in on this issue. If that is the understanding, Mr. President, I shall not agree to pull down the amendment.

Mr. HATFIELD. Mr. President, if the

Mr. HATFIELD. Mr. President, if the Senator will yield, I do not thing he has to give his agreement to pull the amendment down in the first place. We shall withdraw the amendment on our own without his support. But I do feel that anyone who has been here for any length of time recognizes that no one is committed in conference to an amendment or to the essence of an amendment that has been raised on the floor and then withdrawn.

I believe it may have served the purpose of bringing before the Senate some information that perhaps the committee did not have.

At this point, I suggest that we withdraw the amendment, with the assurances that the committee has not closed its mind to new information that it will be considered carefully in conference.

Mr. MATSUNAGA. Mr. President, will the Senator from Nebraska yield?

Mr. JEPSEN. Mr. President, has there been a request to withdraw the amendment?

Mr. MATSUNAGA. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JEPSEN. Mr. President, I ask for the yeas and nays on passage of S. 1181.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered. Mr. DOMENICI. Mr. President, will

Mr. DOMENICI. Mr. President, whithe Senator yield?

Mr. JEPSEN. I yield.

Mr. President, the Uniformed Services Pay and Benefits Act of 1981, legislation critical to the personnel problems faced by every branch of the armed services, needs to be enacted as soon as possible.

Critics of the all-volunteer military have called for a return to the draft to solve our critical manpower shortage. But the problems they point to, though varied in scope, can be summed up in these statements: Our armed services need to attract quality recruits, especially in areas of high technology, to serve their country and protect our national security. Furthermore, once trained. these highly valuable volunteers must be provided with incentives that encourage them to remain in the military. Too often we have lost quality personnel simply for the reason that better pay awaited them in the private sector.

S. 1811 aims to correct some of these current inequities with incentives that appeal to every member of our Armed Forces, especially those who have been trained in our newest technology. It aims to work from within, to encourage a longer term of service for volunteers, and from without, with more attractive enlistment terms for outstanding re-

cruits.

Some of these provisions include permission for nuclear qualified officers to execute new agreements to take advantage of higher continuation bonuses, increasing aviation career incentive pay for long-term officers, and suspension of 1 year of the linkage between military pay and the pay of Federal civil service employees.

Besides targeted pay raises aimed at those military groups with the most difficulty meeting manpower requirements, there will also be additional benefits for those persons with critical and hazardous duties, and compensation for those in the military who are required to resettle several times in the course of their duties. Allowances will be increased for dependents' travel and moving expenses, storage expenses, temporary lodging, and reimbursement for travel to family in the event of personal emergencies.

There is a twofold method in this legislation to attract more quality volunteers—those more likely to remain for a career of dedicated service in our Nation's defense. First, by improving the selection of candidates through the selective service registration and improving the administration of military justice, we will be better able to take care of those who faithfully serve our country and continue recruiting the same kind of volunteers that now distinguish themselves as top officers in the Armed Forces.

Second, and more important, are the incentives that will attract these quality recruits and keep our armed services the best and highest trained in the world. These include an increase in ROTC scholarships, and an increase in the maximum enlistment bonus for recruits, with some of the payment to be made on a periodic installment. This bill would also allow the Defense Department to collect high school directory information to determine the fitness of volunteers for the Armed Forces or special programs of the Armed Forces.

In short, Mr. President, this is a bill whose time has come. No longer can we stand on our past history of simply taking what we want. Today's Armed Forces are highly trained, quality personnel, and the cost of training replacements in our complex national defense is prohibitively high. Encouraging those already in the Armed Forces with incentives, salary increases, and allowances, and attracting a higher quality of volunteer to serve in the Armed Forces with enlistment bonuses and ROTC scholarships, is indeed a small price to pay for our national security. Though it does increase our defense spending, it is money well spent when the alternative is higher defense costs of constantly replacing and training new personnel.

• Mr. MITCHELL, Mr. President, I rise in strong support of S. 1181, the uniformed services pay and benefits bill.

Everyone who has discussed the problem of morale with members of our Armed Forces is aware of the tremendous problems which result from inadequate pay and substandard benefit packages.

We must reverse the present trends. Our military simply cannot withstand the present situation in which a substantial portion of our junior enlisted personnel earn an amount no more than the minimum wage, and many military families may be eligible for welfare assistance.

If we do not address our manpower difficulties, we run the risk that the men and women we have trained—at great expense—will leave. Who then will operate and maintain the sophisticated hardware that we continue to purchase?

While it remains necessary for our military services to possess high technology, state-of-the-art weapons systems, we cannot and must not continue to ignore the personal financial needs of the men and women who will operate these systems.

If our ships, aircraft, and Army vehicles are to remain "mission-ready," we will have to pay a decent wage to the mechanics charged with maintaining them. We cannot expect these technicians to remain in the service when they and their families may receive half again as much, or twice as much, outside the military.

S. 1181 goes a substantial distance toward correcting the pay and benefits difficiencies which presently exist. The bill also provides special incentive pay for those people who possess special talents and who now are being lured away from military service by private sector employment offers. This bill will also provide an inducement for the lower grade volunteers to join the Armed Forces and to remain after they have completed their initial tours of duty. Such an inducement is absolutely essential if the All-Volunteer Force concept is going to work. I believe that the AVF should be given such a chance.

Thank you, Mr. President.

• Mr. DENTON. Mr. President, I rise today in support of S. 1181, the Uniformed Services Pay and Benefits Act of 1981, as reported by the Armed Services Committee. I would also at this time like to commend Senator Jepsen, chairman of the Subcommittee on Manpower and Personnel, and Senator Exon, ranking minority member of that subcommittee for their tireless efforts in producing a comprehensive pay and benefits package, which directly addresses the demonstrated needs of our Nation's military personnel. As a member of the Manpower Subcommittee, I can attest to the responsible, conscientious, bipartisan deliberation that undergirds this legislation.

The pay and benefits package embodied in S. 1181, taken as a whole, addresses itself to the major, fundamental needs of the All-Volunteer Force. This legislation does not in any way neglect or shortchange any segment of military manpower. It does, however, give increased emphasis to a group that has been shortchanged in the past: career enlisted and middle grade officer personnel. While quality recruitment has in the past been, quite properly, the major thrust of All-Volunteer Force policy, we must recognize that retention of a career force, adequate in both numbers and skill levels, is paramount to national security.

The NCO corps and middle officer ranks are the keystone of unit level leadership and training. These individuals have made a career commitment, and it is the responsibility of this body to insure that this commitment is recognized. Any continued depletion of these ranks attributable to a lack of recognition for the service they perform is unconscionable.

It is also important to reiterate that S. 1181 does not neglect the adequate compensation of the junior enlisted ranks. While the percentage pay increase for these ranks is considerably lower than those in the career ratings, junior enlisted personnel will also benefit from the 14.3-percent increase in BAQshould they live off base—and a similar increase in BAS. Moreover, the issue of recruitment has been addressed by an increase in the enlistment bonus ceiling from \$5,000 to \$7,500. Individuals receiving this bonus will in their first year of service realize greater compensation than an E-5 with over 4 years of service. Along these same lines, it should be noted that an individual who enters the military and successfully completes basic and advanced individual training can expect promotion to E-3 within the first year, thus realizing a 25-percent increase in base pay.

Mr. President, if we have earned any-

thing in the past 9 months, it is the fact that the pie has finite limits. It is my firm belief that the Armed Services Committee has come to terms with this truth and reported a bill that is fiscally responsible, which at the same time successfully addresses the pressing needs of our Nation's military. It also puts renewed emphasis on the sound principle of increased compensation based on levels of achievement. This legislation does not send a "signal," it sends substance. The time for vacillation has passed. I urge my colleagues to join with me in voting for S. 1181 as reported by the Armed Services Committee.

• Mr. PRYOR. Mr. President, I rise in support of those provisions in the Uniformed Services and Benefits Act of 1981 dealing with special pay for unusually hazardous duty or duty performed under unusually severe working

conditions.

It is encouraging to see that the Committee on Armed Services in the Senate has added additional personnel categories eligible for special pay to those already authorized by title 37 of the United States Code. These cover personnel whose duties have been determined to be not only hazardous but also involving personal sacrifice and danger from such threats as toxic, lethal, or carcinogenic substances. Specifically, people included by the committee are those serving on aircraft or missiles with highly toxic fuels or propellants, flight deck personnel on air-capable ships other than aircraft carriers, and those exposed to highly toxic pesticides or viruses and bacteria in laboratories.

In addition, the committee recommends that the rate of hazardous duty incentive pay be increased by 50 percent for enlisted personnel, from \$55 per

month to \$83 per month.

The House Committee on Armed Services, in reporting its Armed Forces Pay Act of 1981, included a similar, although more general, provision allowing Secretaries of the various services to pay special pay to those determined to per-form unusually hazardous duties or duties performed under unusually severe working conditions. The House Committee provided that rates of pay would be the same as now authorized for other hazardous duty specifically identified in

Mr. President, legislation of this nature is necessary because it recognizes in substantial and material terms the extensive personal sacrifice made by uniformed service members whose daily duties place them in danger. In January of this year, I introduced legislation identical to the House-passed bill. My specific concern at that time was to compensate those who perform unsually hazardous duties on Titan II missiles. It implemented recommendations made in safety reports following a tragic explosion of a Titan II missile silo in Damascus, Ark.

In those reports, we found that safety is a major factor in the low reenlistment rate for the Titan career field. Of the 51 authorized positions in maintenance at the Little Rock Air Force Base, only 38 people were assigned to duty at the beginning of this year. And of these 38, people were decertified and ineligible for duty, leaving only 31 of the 51 positions active. In addition, only 4 of the 38 were serving in their initial tours of duty in the Air Force. Certainly experi-ence in this crucial field has been lacking.

In light of this situation, and of others involved in hazardous duty, it seems necessary that we provide incentives and encouragement for those we need on the job. The ultimate beneficiary, of course, is not only the armed service person and his family and dependents, but also the resident who lives near an air base or a

missile silo.

Mr. CHAFEE. Mr. President, as a cosponsor of S. 1181, I wholeheartedly support this military pay raise bill because it is designed to substantially improve the retention of high-quality officers and NCO's with the critical skills required for a strong national defense. Yet, it does so in a cost-effective manner by targeting those military grades where the retention problem is most severe.

Furthermore, it will ease recruitment through more attractive long-term career pay and by reducing the need for new recruits through improved retention.

In my view, this legislation offers solid solutions to our country's most pressing armed services manpower problems and I urge its passage.

Mr. PELL. Mr. President, in connection with the pending military pay raise bill, I would ask my colleagues to consider the serious personnel problems which are faced by the Coast Guard.

The Coast Guard, as the world's sixth largest ocean-going force, is a vital part of our Armed Forces, and is the Navy's right arm in times of war or national emergency. The Coast Guard has in place a large force of ships, aircraft, boats, and shore stations, which can be immediately and easily brought to bear in a military threat situation. In many ways, the Coast Guard is another kind of Rapid Deployment Force, a multimission organization with seagoing expertise and flexibility, ready to join the Navy at the command of the President or Secretary of Defense.

In my view, the military value of the Coast Guard has been greatly overlooked, and should receive greater emphasis by Congress.

Maintaining the expertise of the Coast Guard is a constant problem, as it is for the other services. And in the case of the Coast Guard, maintaining quality performance is especially difficult because of the many new tasks we in the Congress have haphazardly assigned to it-tasks that today are stretching the Coast Guard's limited resources to the very limit. The superior quality of personnel traditionally has been the hallmark of the Coast Guard. Today, however, the personnel problems of the other armed services are the Coast Guard's problems as well. They face the same recruiting outlook in terms of competing for more sophisticated and demanding skills from a shrinking pool of available young men and women.

Every bit as severe for the Coast Guard

is the retention problem-reenlistments have declined by 50 percent since 1976. and half of all Coast Guard enlisted personnel today have fewer than 2 years of experience. The retention problem has been especially critical for trained petty officers, where the lack of pay comparability has allowed the private sector to drain off scores of key, mid-level personnel in the midst of what should be promising lifetime careers in the Coast Guard. Poor retention directly affects the Coast Guard's operational capabilities and is a great obstacle to maintaining the high degree of professionalism demanded of the young men and women serving in today's Coast Guard.

Coast Guard members and their families, living in essentially the same environment as the other military services, are concerned with exactly the same issues-adequate pay and compensation, educational opportunities, medical benefits, fair evaluation and promotion systems, dealing with the economic sting of frequent transfers and costly housing, retirement security, special services privileges, and the challenge and adventure of different duty assignments.

I would hope that the committee will, in the future, keep in mind the unique military capabilities—and problemsfaced by a very important member of our Armed Forces. At a time of greater national emphasis on military preparedness, it would be foolish indeed to overlook the importance of the Coast Guard as a full partner in our seapower strength.

The PRESIDING OFFICER. Without objection, the committee amendment, as amended, is agreed to.

Is all time yielded back?

Mr. JEPSEN. All time is yielded back. The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. Abp-NOR), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Missouri (Mr. Danforth), the Senator from Utah (Mr. HATCH), the Senator from Maryland (Mr. Mathias), the Senator from Oklahoma (Mr. Nickles), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Idaho (Mr. Symms) are necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH), would vote "aye."

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENT-SEN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Nevada (Mr. Cannon), the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Connecticut (Mr. Dopp), the Sena-

tor from Kentucky (Mr. Ford), the Senator from Massachusetts (Mr. Ken-NEDY), the Senator from Tennessee (Mr. SASSER), the Senator from New Jersey (Mr. Williams), and the Senator from Nebraska (Mr. Zorinsky), are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. Cannon), the Senator from Illinois (Mr. Dixon), the Senator from Connecticut (Mr. Dopp), the Senator from Tennessee (Mr. Sasser), and the Senator from New Jersey (Mr. WILLIAMS), would each vote "yea."

The PRESIDING OFFICER (Mr. WARNER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 81, nays 0, as follows:

[Rollcall Vote No. 253 Leg.]

YEAS-81

Andrews Baker Baucus Biden Boren Boschwitz Bumpers Burdick

Byrd, DeCo Harry F., Jr. Dent Byrd, Robert C. Dole DeConcini Denton Demenici Durenberger Chiles Eagleton East Cochran Cohen D'Amato Exon

Garn Glenn Goldwater Grassley Hart Hatfield Hawkins Hayakawa Heflin Heinz He ms Hollings Huddleston Humphrey Inouye Jackson Jepsen Johnston Kassebaum

Quayle Randolph Riegle Kasten Laxalt Levin Roth Rudman Long Lugar Matsunaga Sarbanes Schmitt Mattingly Simpson McClure Melcher Specter Stafford Metzenbaum Stennis Mitchell Stevens Thurmond Moynihan Murkowski Tower Tsongas Nunn Packwood Pell Wallop Warner Percy Proxmire Weicker Pryor

NOT VOTING-

Abdnor	Dixon	Press!er
Armstrong	Dodd	Sasser
Bentsen	Ford	Symms
Bradley	Hatch	Williams
Cannon	Kennedy	Zorinsky
Cranston	Mathias	The state of the state of
Danforth	Nickles	

So the bill (S. 1181) was passed, as follows:

S. 1181

An act to amend titles 10 and 37. United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Uniformed Services Pay and Benefits Act of 1981".

INCREASE IN BASIC PAY AND ALLOWANCES

SEC. 2. (a) In this section "uniformed services" has the same meaning given to that term by section 101(3) of title 37, United States Code.

(b) Any adjustment required under the provisions of section 1009 of title 37, United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective. Effective with the first pay period beginning after September 30, 1981, the rates for each element of compensation specified in section 1009(a) of such title shall be as provided in subsection (c) of this section.

(c) (1) The monthly basic pay authorized members of the uniformed services, based on years of service computed under section 205 of title 37, United States Code, shall be as

"COMMISSIONED OFFICERS 1

"Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 16	Over 20	Over 22	Over 26	Over 30
0-10 2 0-9 0-8 0-7 0-6 0-5 0-4 0-3 1 0-2 2	3, 913, 80 3, 544, 80 2, 945, 40 2, 184, 00 1, 761, 00 1, 485, 00 1, 380, 00 1, 160, 40	1,807.80 1,542.00	4, 101, 90 3, 737, 70 3, 146, 10 2, 555, 70 2, 211, 60 1, 929, 00 1, 649, 10 1, 522, 80	4, 101, 90 3, 737, 70 3, 146, 10 2, 555, 70 2, 211, 60 1, 929, 00 1, 841, 10 1, 602, 90	4, 101, 50 3, 737, 70 3, 286, 50 2, 555, 70 2, 211, 60 2, 025, 00 1, 928, 70 1, 636, 50	4, 206, 00 4, 016, 40 3, 286, 80 2, 555, 70 2, 211, 60 2, 115, 00 1, 998, 60 1, 636, 50	4, 206. 00 4, 016. 40 3, 477. 00 2, 555. 70 2, 329. 50 2, 239. 60 2, 106. 00 1, 636. 50	4, 381, 20 4, 206, 00 3, 477, 00 2, 555, 70 2, 411, 70 2, 355, 00 2, 191, 20 1, 636, 50	4, 381, 20 4, 206, 00 3, 651, 00 2, 760, 00 2, 573, 10 2, 463, 00 2, 225, 40 1, 636, 50	4, 746, 00 4, 381, 20 4, 016, 40 3, 060, 00 2, 765, 70 2, 526, 00 2, 265, 00 1, 636, 50	4, 746, 00 4, 571, 40 4, 292, 40 3, 217, 20 2, 924, 70 2, 573, 40 2, 292, 00 1, 636, 50	5, 110. 20 4, 746. 00 4, 292. 40 3, 286. 80 3, 013. 20 2, 573. 40	5, 110, 20 4, 936, 60 4, 292, 40 3, 477, 00 3, 118, 20 2, 573, 40 2, 320, 80 1, 636, 50	5, 475, 00 4, 936, 80 4, 292, 40 3, 771, 00 3, 118, 20 2, 573, 40 2, 320, 80 1, 636, 50	5, 475.00 4, 936.80 4, 292.40 3, 771.00 3, 118.20 2, 573.40 2, 320.80 1, 636.50

[&]quot;1 Basic pay is limited to the rate of basic pay payable for level V of the Executive Schedule,
"2 While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval
Operations, Chief of Staff of the Air Force, or Commander of the Marine Corps, basic pay for
this grade is \$6,848.10 regardless of cumulative years of service computed under section 205 of title
37 of the United States Code.

Pay grade			Over 4	Over 6	Over 8	3 Over	10 Ov	ver 12	Over 14	Over 16	Over 1	8 Over	20 0	ver 22	Over 26	Over 30
0-3 0-2 0-1		1	, 829, 70 , 603, 20 , 267, 50	\$1, 917. 00 1, 636. 50 1, 379. 10	\$1, 986. 00 1, 723. 20 1, 459. 50	\$2,093. 1,812. 1,512.	10 \$2,19 .00 1,8 .00 1,5	97. 20 \$3 82. 50 64. 80	2, 285. 10 1, 934. 10 1, 636. 20	\$2, 325, 00 1, 934, 10 1, 636, 20	\$2, 353. 8 1, 934. 1 1, 636. 2	0 \$2,379 0 1,934 0 1,636	.00 \$2, .10 2, .20 1,	379. 00 934. 10 536. 20	\$2, 379. 00 1, 934. 10 1, 636. 20	\$2, 379. 00 1, 934. 10 1, 636. 20
14 BH				Sec.	18	1	"WARR	ENT OFFI	CERS			1				
"Pay grad	0	2 or less	Over 2	Over 3	Over 4	Over 5	Over 8	Over 10	Over 1	2 Over 1	4 Over 1	6 Over 18	Over 20	Over 2	2 Over 26	Over 30
W-4 W-3 W-2 W-1		\$1, 409, 40 1, 281, 00 1, 079, 70 899, 40	1, 167, 00	1, 167.00	1, 233, 70	1, 290, 90	1, 389, 00	1, 442. 1	0 1, 495, 20	0 \$1,969.50 0 1,723.20 0 1,546.80 0 1,424.10	1,600.80	1, 653.00	1, 706, 10	1,775.		1, 775. 10
							"ENLIST	ED MEMB	ERS							
"Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26	Over 28	Over 30
E-91 E-8 E-7 E-6 E-5 E-4 E-3 E-2 E-1	734. 70 663. 90 632. 70	1, 054, 50 920, 10 799, 50 726, 90 667, 50 603, 30 536, 40	\$1, 093. 80 958. 50 838. 20 769. 20 694. 20 603. 30 536. 40	885, 00 821, 70 715, 20 603, 30	\$1, 180. 20 1, 047. 60 952. 80 854. 10 715. 20 603. 30 536. 40	1, 682. 40 1, 455. 90 1, 256. 70 1, 125. 60 1, 020. 30 854. 10 715. 20 603. 30 536. 40	\$1, 720. 50 1, 494. 60 1, 297. 80 1, 183. 50 1, 046. 10 854. 10 715. 20 603. 30 536. 40	\$1, 759. 50 1, 533. 60 1, 354. 50 1, 221. 00 1, 050. 90 854. 10 715. 20 603. 30 536. 40	1, 573. 80 1, 394. 70 1, 260. 30 1, 050. 90 854. 10 715. 20 603. 30	1, 615. 20 1, 436. 70 1, 279. 20 1, 050. 90 854. 10 715. 20 603. 30	\$1, 875. 90 1, 664. 10 1, 479. 90 1, 279. 20 1, 050. 90 854. 10 715. 20 603. 30 536. 40	\$1, 974. 60 1, 746. 60 1, 547. 70 1, 279. 20 1, 050. 90 854. 10 715. 20 603. 30 536. 40	\$2, 025, 00 1, 785, 00 1, 587, 60 1, 279, 20 1, 050, 90 854, 10 715, 20 603, 30 536, 40	1, 941. 6 1, 740. 0 1, 279. 2 1, 050. 9 854. 1 715. 2 603. 3	0 1,740.00 0 1,279.20 0 1,050.90 0 854.10 0 715.20 0 603.30	\$2, 221, 50 1, 941, 60 1, 740, 00 1, 279, 20 1, 050, 90 854, 10 715, 20 603, 30 536, 40

[&]quot;1 While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, or Coast Guard, Chief Master Sergeant of the Air Force, or Sergeant Major of the Marine Corps, basic pay for this grade is \$2,633.10 regardless of cumulative years of service computed under section 205 of title 37 of the United States Code.".

[&]quot;Does not apply to commissioned officers who have been credited with over 4 years active service as enlisted members or warrant officers.

(2) The basic allowances for subsistence authorized members of the uniformed services shall be as follows:

"Officers	\$94.39
[Per day]	
"Enlisted members:	
"When on leave or authorized to mess separately	4. 50
"When rations in-kind are not available	5.09
"When assigned to duty under emergency conditions where	
no messing facilities of the United States are available	6. 73".
(a) The monthly hade allowance t	or duar-

ters authorized members of the uniformed services shall be as follows:

	Without de		
"Pay grade	Full rate	Partial rate 1	With
Commissioned officers: 0-10	\$489.00 489.00	\$50.70 50.70	\$611.70 611.70

	Without de				
"Pay grade	Full rate	Partial rate t	With dependents		
0-8	489.00	50, 70	611, 70		
0-7	489.00	50.70	611.70		
0-6	438, 90	39, 60	535, 50		
0-5	404.70	33.00	487, 20		
0-4		26.70	434.70		
0-3	316.80	22, 20	390, 90		
0-2	275, 10	17.70	348, 00		
0-1		13.20	279, 60		
Warrant officers:	44.11,00		6,0100		
W-4	347, 10	25, 20	419, 10		
W-3	309.60	20,70	381.60		
W-2	269, 10	15, 90	342, 60		
W-1	243.00	13. 80	314.70		
Enlisted members:	A SERVICE	20.00			
E-9	268, 20	18, 60	377, 40		
E-8	247.20	15. 30	348, 60		
E-7	210, 30	12.00	324, 30		
E-6	191.10	9.90	298, 20		
E-5	183, 60	8.70	274, 20		
E-4	158.10	8. 10	235, 50		
E-3	141.30	7. 80	205, 50		
E-2	124, 80	7. 20	205, 50		
Ē-1	117.90	6.90	205. 50		

"1 Payable to a member without dependents who, under section 403(b) or (c) of title 37. United States Code, is not entitled to receive a basic allowance for quarters.".

MONTHLY PAY OF CADETS AND MIDSHIPMEN

SEC. 3. Section 203(c) (1) of title 37, United States Code, is amended by striking out and inserting in lieu thereof "\$313.20" "\$448.80".

SPECIAL PAY FOR CERTAIN HAZARDOUS DUTY SEC. 4. (a) Section 301(a) of title 37, United States Code, is amended—

(1) by striking out "or" at the end of clause (9); and

(2) by striking out clause (10) and inserting in lieu thereof the following:

"(10) involving frequent and regular participation in flight operations on the deck of an aircraft carrier or on a ship other than an aircraft carrier from which aircraft are launched:

"(11) involving frequent and regular exposure to highly toxic pesticides or involving laboratory work which utilizes live dangerous viruses or bacteria; or

"(12) involving the servicing of aircraft or missiles with highly toxic fuels or propellants."

(b) The table contained in section 301(b) of such title is amended to read as follows:

"ENLISTED MEMBERS

	Years of service computed under section 205													
"Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26	Over 3
E-3	\$131 131 100 88 83 83 83 83 83 83	\$131 131 106 94 88 83 83 83 83	\$131 131 106 94 88 83 83 83 83	\$131 131 106 100 100 88 83 83 83	\$131 131 113 106 100 94 83 83 83	\$131 131 119 113 106 100 83 83 83	\$131 131 131 119 113 100 83 83 83 83	\$131 131 131 119 119 100 83 83 83 83	\$131 131 131 125 119 100 83 83 83 83	\$131 131 131 125 119 100 83 83 83 83	\$131 131 131 125 119 100 83 83 83 83	\$131 131 131 125 119 100 83 83 83 83	\$131 131 131 125 119 100 83 83 83 83	\$131 131 131 125 119 100 83 83 83

- Section 301(c) of such title is amended-
- (1) by striking out "or (10)," and inserting in lieu thereof "(10), (11), or (12),"; and (2) by striking out "\$55" and inserting in

lieu thereof "\$83"

(b) (1) The tables in clause (1) of section 301a(b) of such title are amended to read as follows:

"PHASE I

"Years of aviation service (in-

cluding flight training) as an officer:	Month!
2 or less Over 2 Over 3 Over 4	- 156 - 188 - 206
Over 6 "Phase II	_ 400
"Years of service as an officer as com puted under section 205:	
Over 18	340

Over 25 (2) The table in clause (2) 301a(b) of such title is amended to read as

"Years of aviation service as an officer:	Monthly rate
2 or less	\$125
Over 2	156
Over 3	188
Over 4	206
Over 6	400"

YEARS OF SERVICE COMPUTATION FOR SUBMARINE DUTY INCENTIVE PAY

SEC. 6. Paragraphs (3) and (4) of section 301c(a) of title 37, United States Code, are amended by inserting ", not including, in the case of an officer, periods as an enlisted member prior to initial appointment as an of-" after "title", each place it appears.

SPECIAL PAY FOR DIVING DUTY

SEC. 7. Section 304 of title 37, United States Code, is amended to read as follows:

"§ 304. Special pay: diving duty

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay is entitled to special pay, in the amount set forth in subsection (b) of this section, for periods during which such member—

(1) is assigned by orders to the duty of

diving;

"(2) is required to maintain proficiency as a diver by frequent and regular dives; and "(3) actually performs diving duty.

"(b) Special pay payable under subsection (a) of this section shall be paid at the rate of not more than \$200 a month, in the case of an officer, and at the rate of not more than \$300 a month, in the case of an enlisted member.

"(c) A member may be paid special pay under his section and incentive pay under section 301 of this title for the same period of service only if that member is assigned by orders to a hazardous duty described in section 301(a) of this title in addition to a duty described in subsection (a) of this section. However, if a member is paid special pay under this section, that member is not entitled to more than one payment of incentive pay under section 301 of this title.".

ENLISTMENT BONUSES

SEC. 8. (a) Section 308(a) of title 37,

SEC. 8. (a) Section 308(a) of title 37, United States Code, is amended— (1) by striking out "\$5,000" and inserting in lieu thereof "\$7,500"; and (2) by striking out the second sentence and inserting in lieu thereof the following: "The bonus shall be paid in periodic installments.

as determined by the appropriate Secretary, except that the first installment may not exceed \$4,000 and the remainder shall be paid in equal periodic installments which may not be paid less frequently than once every 3 months.'

(b) (1) Chapter 5 of title 37, United States Code, is amended by inserting after section 308e the following new section: "§ 308f. Special pay: bonus for enlistment in

the Army "(a) Under regulations prescribed by the

Secretary of the Army, a person—
"(1) who is a high school graduate or has been awarded high school education equivalency credentials;

"(2) whose score on the Armed Forces Qualification Test is at or above the fiftleth percentile; and

"(3) who enlists in the Army for a period of at least 3 years in a skill designated as critical,

may be paid a bonus in an amount prescribed by the Secretary of the Army, but not more than \$3.000. The bonus may be paid in a lump sum or in equal periodic install-ments, as determined by the Secretary of the Army.

"(b) (1) Under regulations prescribed by the Secretary of the Army, a person who voluntarily, or because of his misconduct, does not complete the term of enlistment for which a bonus was paid to him under this section or a person who is not technically qualified in the skill for which a bonus was paid to him under this section (other than a person who is not qualified because of injury, illness, or other impairment not the result of his own misconduct) shall refund to the United States that percentage of the bonus that the unexpired part of his enlist-

ment period for which the bonus was paid.
"(2) An obligation to reimburse the United States imposed under paragraph (1) of this subsection is for all purposes a debt owed

to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1981.

"(c) No bonus may be paid under this section with respect to any enlistment in the Army made after September 30, 1982."

(2) The table of sections at the beginning such chapter is amended by inserting after the item relating to section 308e the following new item:

"308f. Special pay: bonus for enlistment in the Army.".

(c) The amendments made by this section shall apply to enlistments or reenlistments made after September 30, 1981.

ACTIVE-SERVICE AGREEMENTS FOR NUCLEAR QUALIFIED OFFICERS

SEC. 9. Notwithstanding subsections (a) and (b) of section 312 of title 37, United States Code, and under regulations prescribed by the Secretary of the Navy, the Secretary may permit an officer of the naval service who is performing obligated service as the result of an active service agreement executed un-der such section before January 1, 1981, to cancel that active-service agreement effective on the day before any anniversary of the day on which that agreement was executed and execute a new active-service agreement under such section for one period of not more than four years. Any such cancellation of an existing agreement and execution of a new agreement may be effective on the day before an anniversary date occurring on or after January 1, 1981.

TRAVEL AND TRANSPORTATION ALLOWANCES

SEC. 10. (a) (1) Section 404 of title 37, United States Code, is amended by striking out "Under regulations prescribed by the Secretaries concerned" in subsection (a) and inserting in lieu thereof "Except as provided in subsection (f) of this section and under regulations prescribed by the Secretaries concerned".

(2) Subsection (c) of such section is amended-

(A) by inserting "(1)" after "(c)";

(B) by redesignating clauses (1) and (2) as (A) and (B), respectively;

(C) by inserting "and as provided in paragraph (2)" before ", select his home"; and

(D) by adding at the end thereof the fol-

- lowing new paragraph:

 "(2) A member described in paragraph
 (1) of this subsection may select as his home
- "(A) any place within the United States;
 "(B) the place outside the United States from which such member was called or ordered to active duty to his first duty sta-

"(C) any other place.

However, if a member selects as his home a place described in clause (C) of the preced-ing sentence, the travel and transportation allowances authorized by subsection (a) of this section may not exceed the allowances which would be payable if the place selected as his home were in the United States (other than Hawaii or Alaska).".

(3) Subsection (f) of such section is amended to read as follows:

"(f)(1) The travel and transportation allowances authorized under this section may be paid or provided to a member upon his separation from the service or release from active duty for travel which is actually performed and only if-

"(A) the member, on the date of his separation from the service or release from active duty, has served on active duty for a period of time equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

"(B) the member's separation from the service or release from active duty is under honorable conditions, as determined by the Secretary concerned.

"(2) Clauses (A) and (B) of paragraph (1) of this subsection shall not apply to any member-

"(A) described in subsection (c)(1) of this section;

"(B) discharged under section 1173 of title 10; or

"(C) separated from the service or re-leased from active duty under unusual circumstances, as determined by the Secretary concerned.".

(b) (1) Subsection (a) of section 406 of title 37. United States Code, is amended—(A) by inserting "(1)" after "(a)";
(B) by inserting "paragraph (2) of this subsection and" before "subsection (1) of this section"; and

(C) by adding at the end thereof the following new paragraphs:

The transportation and allowances authorized under paragraph (1) of this sub-section may be paid or provided to a member upon his separation from the service or release from active duty only if-

"(A) the member, on the date of his sepa ration from the service or release from active duty, has served on active duty for a period of time which is equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve: and

"(B) the member's separation from the service or release from active duty is under honorable conditions, as determined by the

Secretary concerned.

The requirements of this paragraph shall not apply to any member (i) described in subsection (g)(1) of this section, (ii) discharged under section 1173 of title 10, or (iii) separated from the service or released from active duty under unusual circumstances, as determined by the Secretary concerned.

(3) The allowances authorized under this subsection may be paid in advance."

(2) Subsection (b) of such section is

amended-

(A) by inserting "(1)" after "(b)";(B) by striking out "In" and inserting in lieu thereof "Except as provided in para-graph (2) of this subsection, in";

(C) by adding at the end of paragraph (1), as designated by clause (A) of this paragraph, the following new sentences: "Temporary storage in excess of 180 days may be authorized. In those cases of permanent change of station in which the Secretary concerned has authorized transportation under section 2634 of title 10 of one motor vehicle owned by the member or his dependents and for the personal use of the member or his dependents, the member is entitled to transportation of that motor vehicle to the point at which transportation auhorized under section 2634 of title 10 commences and from the point at which transportation authorized under such section terminates, or to reimbursement therefor.": and

(D) by adding at the end thereof the following new paragraph:

"(2)(A) The transportation and allowauthorized under paragraph this subsection may be paid or provided to a member upon his separation from the service or release from active duty only if—

"(1) the transportation (including the packing, crating, drayage, temporary storage, and unpacking) is commenced not later than 90 days after the date of such separation from the service or release from active

"(ii) the member, on the date of his sepaation from the service or release from active duty, has served on active duty for a period of time which is equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

"(iii) the member's separation from the service or release from active duty is under honorable conditions, as determined by the

Secretary concerned.

The requirements of this paragraph shall not apply to any member (i) described in subction (g) (1) of this section, (ii) discharged under section 1173 of title 10, or (iii) separated from the service or released from active duty under unusual circumstances, as deter-

mined by the Secretary concerned.

"(B) If nontemporary storage is authorized under subsection (d) of this section for a member to whom subparagraph (A) of this paragraph applies, the 90-day period pro-vided for in clause (1) of such subparagraph shall not begin until such authorization for nontemporary storage expires."

(3) Subsection (g) of such section is

amended-

(A) by inserting "(1)" after "(g)"; (B) by redesignating clauses (1) and (2)

(A) and (B), respectively; and (C) by striking out all after the second

sentence and inserting in lieu thereof the following new paragraphs:

"(2) If a shipment is made to a home described in section 404(c)(2)(C) of this title or to a location other than the home selected by the member and the cost of such shipment is in excess of that which would have been incurred if the shipment had been made to a location in the United States (other than Hawaii or Alaska), the member

shall pay that excess cost.

"(3) If a member authorized to select a home under section 404(c) of this title accrues that right or any entitlement under this subsection but dies before he exercises it, that right or entitlement accrues to and may be exercised by his surviving dependents, or his baggage and household effects may be shipped to the home of the person legally entitled thereto if there are no surviving de-pendents. However, if a shipment is made under circumstances described in paragraph (2) of this subsection in which the member would have been required to pay the excess cost of such shipment, the surviving dependents or the person legally entitled to the baggage and household effects, as the case may be, shall pay that excess cost.

"(4) Subsection (h) of such section is amended by striking out "and for this or his dependent's personal use" in clause (2) and inserting in lieu thereof "or his dependents and for the personal use of the member or his dependents.".

(c) (1) Except as provided in paragraphs (2), (3), and (4) of this subsection, all amendments made by this section shall take effect on October 1, 1981, and shall apply to members who are separated from the service or released from active duty on or after October 1, 1981.

(2) The amendments made by subsection (b) (1) (C) which add a new paragraph (3) to section 406(a) of title 37, United States Code, shall take effect on the date of enactment of this Act.

(3) The amendments made by subsection (a) (2) and subsection (b) (3) of this section shall take effect on October 1, 1981, and shall apply to members who are retired, placed on the temporary disability retired list, discharged, or involuntarily released on or after October 1, 1981, except that such amendments shall not apply to any member who before October 1, 1981, had completed eighteen years of active service.

(4) The amendments made by subsection (b) (2) (C) of this section shall take effect on the date of enactment of this Act.

TEMPORARY LODGING EXPENSES

SEC. 11. (a) (1) Chapter 7 of title 37, United States Code, is amended by inserting after section 404 the following new section:

"§ 404a. Travel and transportation allowances: temporary lodging expenses

"(a) Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is ordered to make a change of permanent station from any duty station to a duty station in the United States (other than Hawaii or Alaska) may be paid or reimbursed for subsistence expenses actually incurred by the member and the member's dependents during a period not exceed-ing four days while occupying temporary quarters incident to that change of permanent station.

"(b) Regulations prescribed under subsection (a) of this section shall prescribe average daily subsistence rates for purposes of this section for the member and for each dependent. Such rates may not exceed the maximum per diem rates prescribed by or under section 404(d) of this title for the area where the temporary quarters are located. However, a member may not be paid or reimbursed more than \$110 a day under this section."

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404 the following new item:

"§ 404a. Travel and transportation allowances: temporary lodging expenses.".

(b) Section 411(a) of such title is amended by inserting "404a," after "(d)-(f),".

ADVANCE PAYMENT OF EVACUATION ALLOWANCES

SEC. 12. Section 405(a) of title 37, United States Code, is amended by inserting after the second sentence the following new sen-"Such allowances may be paid in advance.".

ADVANCE PAYMENT OF DISLOCATION ALLOWANCE

SEC. 13. Section 407(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "An allowance payable under this section may be paid in advance.".

TRAVEL AND TRANSPORTATION FOR MEMBERS SERVING CONSECUTIVE ASSIGNMENTS OVER-SEAS

SEC. 14. Section 411b(a) of title 37, United States Code, is amended-

- (1) by inserting "(1)" after "(a)";
 (2) by inserting "who is ordered to a consecutive tour of duty at the same duty station or" after "District of Columbia" the first time it appears; and
- (3) by adding at the end thereof the follow new paragraph:
- "(2) If, because of military necessity, a member authorized travel and transportation allowances under this subsection is denied leave between the two tours of duty overseas, the member shall be authorized to use such travel and transportation allowances from his current duty station at the first time the member is granted leave.".

ENVIRONMENTAL AND EMERGENCY TRAVEL

SEC. 15. (a) Chapter 7 of title 37, United States Code, is amended by inserting after section 411b the following new sections:

"§ 411c. Travel and transportation allowances: travel performed in con-nection with leave from certain stations in foreign countries

"(a) Under uniform regulations prescribed by the Secretaires concerned, a member of a uniformed service, while serving at a duty station outside the United States in an area specifically designated for purposes of this section by the Secretary concerned, and each dependent of such member authorized to reside at his duty station, may be paid for or provided transportation—

"(1) to another location outside the United States having different social, cli-matic, or environmental conditions than those at the duty station at which the member is serving; or

(2) to a location in the United States. "(b) The transportation authorized by this section is limited to transportation of the member and each dependent of the member for one roundtrip during any continuous two-year tour and two roundtrips

during any continuous three-year tour. "§ 411d. Travel and transportation allowances: transportation incident to certain emergencies for members stationed abroad

"(a) Under uniform regulations prescribed by the Secretaries concerned, transportation for a member of a uniformed service stationed outside the United States (other than Hawaii and Alaska) may be provided from the area of the member's duty station to the United States, Puerto Rico, the Virgin Islands, or the possessions of the United States, incident to a personal emergency of the member.

"(b) Transportation under this section may be authorized only upon a determina-tion that Government transportation is not reasonably available, considering the nature of the personal emergency involved. The cost of transportation authorized under this section may not exceed the cost of Governmentprocured commercial air travel from the international airport nearest the location of the member at the time notification of the personal emergency is received or the international airport nearest the member's duty station-

"(1) to the international airport within United States (other than Hawaii and Alaska) closest to the international airport from which the member departed; or

"(2) to an airport in Alaska, Hawaii, Puerto Rico, the Virgin Islands, or the possessions of the United States, as determined by the Secretary concerned,

and return to either the international airport from which the member departed or to international airport nearest the duty station of the member.

"(c) In this section, 'personal emergency of the member' means the death, serious injury, or serious illness of-

"(1) the spouse of the member;

"(2) a child of the member (including a stepchild, an adopted child, or an illegitimate child whose alleged member-parent has been judicially decreed to be the parent of the child or judicially ordered to contribute to the child's support, or whose parentage has been admitted in writing by the member):

"(3) a parent of the member (including a stepparent, parent by adoption, or any person, including a former stepparent, who has stood in loco parentls to the member at any time for a continuous period of at least five years before the member became 21 years of age); or

"(4) a brother or sister of the member (including a stepbrother or stepsister, a half brother or half sister, or a brother or sister through adoption).

"§ 411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty

"(a) Under uniform regulations prescribed the Secretaries concerned, a member of a uniformed service who is performing temporary duty away from his permanent duty station or is assigned to a ship or unit operating away from its home port may be provided transportation in kind, reimbursement therefor, or a monetary allowance at the rate prescribed in such regulations, from his place of temporary duty or his ship or unit to his permanent duty station, the home port of the ship or unit, or any other location, and return (if applicable), incident to a personal emergency of the member.

"(b) Transportation under this section

may be authorized only upon a determination

that Government transportation is not reasonably available, considering the nature of the personal emergency involved. The cost of transportation authorized under this section may not exceed the cost of Governmentprocured commercial air travel from the member's place of temporary duty or ship or unit to the member's permanent duty station or the home port of the ship or unit, and return (if applicable).

"(c) In this section, 'personal emergency of the member' means the death, serious injury, or serious illness of a dependent of

the member."

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411b the following new items:

"411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries.

"411d. Travel and transportation allowances: transportation incident to certain emergencies for members stationed abroad.

"411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty.".

UNIFORM ALLOWANCES AND ADVANCE PAY FOR MEMBERS OF THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 16. (a) Subsection (a) of section 415 of title 37, United States Code, is amended-(1) by striking out "or" at the end of paragraph (2):

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ; and

(3) by adding at the end thereof the fol-

lowing new paragraph:

"(4) upon reporting for the first period of active duty required by section 2121(c) of title 10 as a member of the Armed Forces Health Professions Scholarship program."

(b) Section 1006 of such title is amended by adding at the end thereof the following new subsection:

"(i) Under regulations prescribed by the Secretary concerned, not more than one month's pay may be paid in advance to a member of the Armed Forces Health Professions Scholarship program upon reporting for a period of active duty required by section 2121(c) of title 10."

MILITARY JUSTICE AMENDMENTS

SEC. 17. (a) Chapter 40 of title 10, United States Code, is amended-

(1) in section 701(a)-

(A) by striking out "and" at the end of clause (2);

(B) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and"; and

(C) by adding after clause (3) the following new clause:

"(4) involuntary leave required to be taken under section 706 of this title.";

(2) by adding at the end thereof the following new sections:

"§ 706. Involuntary leave: appellate review of certain court-martial convictions

"(a) Under regulations prescribed by the Secretary concerned, a member of an armed force who has been sentenced by courtmartial may be required to take leave pending completion of action under subchapter IX of chapter 47 of this title if the sentence, as approved by the officer exercising general court-martial jurisdiction under section 864 or 865 of this title, includes an unsuspended dismissal or dishonorable or bad-conduct discharge. The member may be required to begin such involuntary leave at any time on or after the date on which such sentence is approved by the officer exercising general court-martial jurisdiction. Such leave may

be continued until any time on or before the date on which action is completed under sub-chapter IX of chapter 47 of this title.

"(b) Any period of leave required to be taken under this section shall be charged first against any accrued leave to the member's credit on the day before the day such involuntary leave begins, unless the mem-ber elects to be paid for such accrued leave under subsection (c). If a member does not elect to be paid for such accrued leave under subsection (c) or does not have sufficient accrued leave to his credit to cover the total period of involuntary leave, the leave not covered by accrued leave shall be charged as excess leave. If a member elects to be paid for accrued leave under subsection (c), the total period of involuntary leave shall be charged as excess leave.

"(c) (1) A member who is required to take leave under this section and who has ac-crued leave to his credit on the day before the day such leave begins may elect to be paid for such accrued leave on the basis of the basic pay to which he was entitled on the day before the day such involuntary leave begins or, if he does not so elect, is entitled to pay and allowances during any period of such accrued leave required to be

taken under this section.

"(2) Except as provided in paragraph (1) and in section 707 of this title, a member shall not accrue or receive any pay or allowances during any period of involuntary leave required to be taken under this section.

- "(d) No member required to take leave under this section shall become entitled to any right or benefit under section 2021 of title 38, United States Code, solely because of any employment during such leave.
- "(e) The provisions of section 974 of this title shall not apply to any member required to take involuntary leave under this section during any period of such involuntary leave. "\$ 707. Payment for excess leave: disapproval

of certain court-martial sentences "(a) A member-

"(1) who is required to take involuntary leave under section 706 of this title, any period of which is charged as excess leave; and

"(2) whose sentence by court-martial to dismissal or dishonorable or bad-conduct discharge is set aside or disapproved by a Court of Military Review under section 866 of this title or by the United States Court of Military Appeals under section 867 of this title, shall be paid, as provided in subsection (b), for the period of leave charged as excess leave, unless a rehearing or new trial is ordered and a dismissal or dishonorable or badconduct discharge is included in the result of the rehearing or new trial and such dismissal or discharge is later executed.

"(b) A member entitled to be paid under this section shall be deemed, for purposes of this section, to have accrued pay and allowances on each day of involuntary leave charged as excess leave (except days of accrued leave for which the member has been paid under section 706(c)(1) of this title and which have been charged as excess leave). Such pay and allowances shall be deemed to have accrued in the lower of the pay grade held by the member on the day before the date his court-martial sentence was approved by the convening authority, or any lower pay grade to which the member was reduced as a result of the court-martial sentence (including any reduction under section 858a of this title) if such reduction has not been set aside, disapproved, or otherwise vacated. Such a member shall be paid the amount of pay and allowances which he is deemed to have accrued, reduced by the total amount of his gross earnings from wages, salaries, tips, other personal service income, or unemployment or other public assistance benefits from any government agency during the period such member is deemed to have accrued pay and allowances

under this subsection. Except as provided in the following sentence, when a member's sentence by court-martial to dismissal or dishonorable or bad-conduct discharge has been ordered set aside or disapproved-

"(1) payment shall be made within two months from the date of such order if no rehearing or new trial has been ordered;

(2) payment shall be made within six months from the date of such order if a rehearing or new trial has been ordered but charges have not been referred to a rehearing or new trial within four months from the date of such order;

"(3) if a rehearing or new trial has been ordered and a dismissal or dishonorable or bad-conduct discharge is not included in the result of such rehearing or new trial, payment shall be made within two months of the announcement of the result of such re-

hearing or new trial; or

(4) if a rehearing or new trial has been ordered and a dismissal or dishonorable or bad-conduct discharge is included in the result of such rehearing or new trial, but such dismissal or discharge is not later executed, payment shall be made within two months of the order which set aside, disapproved, or otherwise vacated such dismissal or dis-

If a member is entitled to be paid under this section but fails to provide sufficient information in a timely manner regarding his gross earnings received from wages, salaries, tips, other personal service income, and unemployment or other public assistance benefits from any government agency when such information is requested under regulations prescribed under subsection (c) the periods of time established in the preceding sentence shall be extended until one month after the member provides such requested informa-

"(c) This section shall be administered under uniform regulations prescribed by the Secretaries concerned. Such regulations may provide for the method of determining a member's gross earnings during any period such member is deemed to have accrued pay and allowances, including a requirement that the member provide income tax returns and other documentation to verify the amount of his earnings."; and

(3) by adding in the table of sections at the beginning of such chapter after the item relating to section 705 the following new items:

"706. Involuntary leave: appellate review of certain court-martial convictions.

"707. Payment for excess leave: disapproval of certain court-martial sentences.

(b) Section 813 (article 13) of such title is amended-

(1) by striking out "Subject to section 857 of this title (article 57), no" and insert-ing in lieu thereof "No"; and (2) by striking out "or the result of trial".

(c) Section 832(b) (article 32(b)) of such title is amended by striking out the second sentence and inserting in lieu thereof "The accused has the right to be represented at that investigation as provided in section 838 of this title (article 38) and in regulations prescribed under that section.'

(d) Section 838(b) (article 38(b)) of such

title is amended to read as follows "(b) The accused has the right to be represented in his defense before a general or special court-martial or at an investigation under section 832 of this title (article 32) as follows:

(1) The accused may be represented by

civilian counsel if provided by him.

"(2) Subject to paragraphs (3) through
(6), the accused may be represented by—

"(A) military counsel detailed under sec-

tion 827 of this title (article 27); or

"(B) military counsel of his own selection if that military counsel is reasonably avail-

"(3) When the accused is represented by civilian counsel, military counsel detailed or selected under paragraph (2) shall act as associate counsel unless excused at the request of the accused.

"(4) When the accused is represented by military counsel of his own selection under paragraph (2) (B), any military counsel de-tailed under paragraph (2) (A) shall, subject

to paragraph (5), be excused.

"(5) An accused is not entitled to be represented in his defense by more than one military counsel. However, a convening authority may, in his sole discretion—

(A) detail additional military counsel as

assistant defense counsel; and

'(B) approve a request from the accused that military counsel detailed under paragraph (2) (A) act as associate defense counsel when the accused is represented by mili-

tary counsel of his own selection.

(6) The Secretary concerned may, by regulations, define 'reasonably available' and may, under such regulations, establish procedures for determining whether military counsel selected by an accused under paragraph (2) (B) is reasonably available. Such regulations shall establish uniform policies to the fullest extent practicable, recognizing the differences in the circumstances and needs of the armed forces and shall be reported to the Committees on Armed Services of both Houses of the Congress.'

(e) Subsection (c) of section 867 (article 67(c)) of such title is amended to read as

follows:

"(c) The accused may petition the Court of Military Appeals for review of a decision of a Court of Military Review within 60 days from the earlier of-

"(1) the date on which the accused is notified of such decision of a Court of Mili-

tary Review; or

(2) the date on which a copy of such decision of a Court of Military Review, after being served on appellate counsel of record for the accused (if any), is deposited in the United States mails for delivery by first class certified mail to the accused at an address provided by the accused or, if no such address has been provided by the accused, at the latest address listed for the accused in the accused's official service record.

The Court of Military Appeals shall act upon such a petition promptly in accordance with

the rules of the court."

(f) Section 869 (article 69) of such title is amended by adding at the end thereof the following sentence: "When such a case is considered upon application of the accused, the application must be filed in the Office of the Judge Advocate General by the accused-

- "(1) on or before October 1, 1983; or
 "(2) within two years after the date the
 sentence is approved by the convening authority or, in a special court-martial which requires action under section 865(b) of this title (article 65(b)), the officer exercising general court-martial jurisdiction, whichever is later, unless the accused estab-lishes good cause for failure to file within that time.".
- (g) (1) The amendments made by this section shall become effective 60 days after the date of enactment of this Act.
- (2) (A) The amendments made by subsection (a) shall apply to members whose sentences by court-martial are approved by the officer exercising general court-martial jurisdiction under section 854 or 865 (article 64 or 65) of title 10, United States Code, on or after the effective date of this section.

(B) The amendments made by subsection
(b) shall apply to all persons held as the result of a court-martial sentence announced on or after the effective date of this section.

(C) The amendments made by subsection (c) shall apply to investigations under sec tion 832 (article 32) of title 10, United States Code, which commence on or after the effective date of this section.

(D) The amendments made by subsection (d) shall apply to trials by courts-martial in which all charges are referred to trial on or after the effective date of this section.

(E) The amendments made by subsection (e) shall apply to any accused with respect to a Court of Military Review decision which is dated on or after the effective date of this section.

(F) The amendments made by subsection (f) shall apply to applications received in the Office of the Judge Advocate General on or after the effective date of this section.

MILITARY RECRUITING INFORMATION

SEC. 18. (a) The Congress finds and declares that in order for the Congress to carry out effectively its constitutional authority to raise and support armies, it is essential—

 that the Secretary of Defense obtain and compile directory information pertaining to students enrolled in secondary schools throughout the United States; and

(2) that such directory information be used only for military recruiting purposes and be retained in the case of each person with respect to whom such information is obtained and compiled for a limited period of time.

(b) Section 503 of title 10, United States Code, relating to enlistments, is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end thereof the following new subsection:

"(b) (1) The Secretary of Defense is authorized to collect and compile directory information pertaining to each student who is seventeen years of age or older, or who is in the eleventh grade (or its equivalent) or higher regardless of age, and who is enrolled in a secondary school in the United States, its territories, possessions, or the Commonwealth of Puerto Rico.

"(2) Directory information collected and compiled by the Secretary of Defense under this subsection may be made available to the armed forces for military recruiting purposes

only.

"(3) Directory information pertaining to any person may not be maintained for more than three years after the date the information pertaining to such person is first collected and compiled by the Secretary of Defense under this subsection.

"(4) Directory information collected and compiled under this subsection shall be confidential and no person who has had access to such information may disclose such information except for the purposes described

in paragraph (2).

"(5) The Secretary of Defense shall prescribe regulations necessary to carry out the provisions of this subsection and may authorize each Secretary concerned to issue further implementing regulations necessary to administer the program established under this subsection. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of both Houses of the Congress. Any regulations issued by the Secretaries concerned shall be as uniform as practicable.

"(6) In this subsection, 'directory informa-

"(6) In this subsection, 'directory information' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, academic grades and class standing, and the most recent previous educational agency or institution attended by

the student.".

(c) (1) The heading of section 503 of such title is amended to read as follows:

"§ 503. Enlistments: recruiting campaigns; compilation of directory information"

(2) The item in the table of sections at the beginning of chapter 31 of such title relating to section 503 is amended to read as follows:

"503. Enlistments: recruiting campaigns; compilation of directory information.".

(d) (1) Chapter 31 of title 10, United States Code, relating to enlistments, is amended by adding at the end thereof the following new section:

"§ 520. Criminal history information for military recruiting purposes

"(a) Each State and each unit of general local government of a State is requested to make available, upon request, to the Secretary concerned any criminal history information maintained by or available to such State or unit of General local government which pertains to (1) any person who, within 90 days before the date on which such information was requested, has made application for enlistment in the armed forces, or (2) any person who, within 90 days before the date on which such information was requested, has in connection with an application for enlistment also has made application for participation in a program of the armed forces which requires a determination of trustworthiness of persons who participate in such program.

"(b) In this section, 'criminal history in-

"(b) In this section, 'criminal history information' means the following information with respect to any juvenile or adult arrest, charge, citation, or conviction of any person referred to in subsection (a): (1) offense; (2) date; (3) place; (4) age; (5) disposi-

tion; and (6) court.

"(c) Criminal history information received under this section shall be confidential and no person who has had access to any information received under this section may disclose such information except to facilitate military recentification.

military recruiting.

"(d) The Secretaries concerned shall prescribe regulations necessary to carry out the provisions of this section, which shall be as uniform as practicable. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of both Houses of the Congress."

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"520. Criminal history information for military recruiting purposes.".

COMPUTING AUTHORIZED DAILY AVERAGE NUM-BER OF ENLISTED MEMBERS IN PAY GRADES E-8 AND E-9

SEC. 19. Section 517(a) of title 10, United States Code, is amended—

(1) by inserting "the combined" before "pay grades"; and

(2) by striking out "2 percent and 1 percent, respectively," and inserting in lieu thereof "3 percent, but not to exceed 1 percent in pay grade E-9,".

INCREASE IN RESERVE OFFICERS' TRAINING CORPS
SCHOLARSHIPS

SEC. 20. Section 2107(h) of title 10, United States Code, is amended by striking out "6,000" and "6,500" and inserting in lieu thereof "8,000" and "9,500", respectively.

CLARIFICATION OF AUTHORITY TO TRANSPORT CERTAIN MOTOR VEHICLES

Sec. 21. Section 2634(a) of title 10, United States Code, is amended—

- (1) by striking out "and for his personal use or the use of his dependents" in the first sentence and inserting in lieu thereof "or his dependents and for the personal use of the member or his dependents"; and
- (2) by inserting "or his dependents" in the second sentence after "motor vehicle of the member".

NOMINATIONS BY THE SUPERINTENDENTS OF THE SERVICE ACADEMIES

SEC. 22. (a) Section 4342 of title 10, United States Code, is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) Subject to paragraph (2), the Superintendent may nominate persons for appointment as cadets at the Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)-(7). (9). or (10) of subsection (a) and may not cause the total strength of the Corps of Cadets to exceed that authorized by sub-

sections (a) and (b).".

(b) (1) Chapter 403 of such title, relating to the Military Academy, is amended by inserting after section 4341 the following new section:

"§ 4341a. Cadets: appointment by the President

"Cadets at the Academy shall be appointed by the President alone. An appointment is conditional until the cadet is admitted.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4341 the following new item:

"4341a. Cadets: appointment by the President.".

(c) (1) Section 6953 of title 10. United States Code, relating to appointment of midshipmen at the United States Naval Academy, is amended by adding at the end thereof the following new sentence: "An appointment is conditional until a midshipman is admitted."

(2) Section 6954 of title 10, United States Code, relating to appointment of midshipmen at the United States Naval Academy, is

amended-

(A) by redesignating subsections (d) and
(e) as subsections (e) and (f), respectively;
(B) by inserting after subsection (c) the following new subsection:

- "(d) (1) Subject to paragraph (2), the Superintendent of the Naval Academy may nominate persons for appointment as midshipmen at the Naval Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.
- "(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)-(7), (9), or (10) of subsection (a) and may not cause the total strength of midshipmen at the Naval Academy to exceed that authorized by subsections (a) and (b)."; and
- (C) by striking out "Effective beginning with nominations for appointment to the Academy in the calendar year 1964, the" in subsection (f) (as redesignated by clause (A)) and by inserting in lieu thereof "The".
- (d) Section 9342 of title 10, United States Code, relating to the appointment of cadets at the United States Air Force Academy, is amended by striking out subsection (d) and inserting in lieu thereof the following:
- "(d)(1) Subject to paragraph (2), the Superintendent may nominate persons for appointment as cadets at the Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.
- "(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)-(7), (9), or (10) of subsection (a) and may not cause the total strength of the Air Force cadets to exceed that authorized by subsections (a) and (b)."
- (e) (1) Chapter 403 of such title, relating to the Air Force Academy, is amended by inserting after section 9341 the following new section:

"§ 9341a. Cadets: appointment by the President

"Cadets at the Academy shall be appointed by the President alone. An appointment is conditional until the cadet is admitted.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9341 the following new item:

"9341a. Cadets: appointment by the President.".

(f) The amendments made by this section shall apply to nominations for appointment to the first class admitted to each Academy after the date of enactment of this Act.

COMPANY COMMANDERS AT THE UNITED STATES MILITARY ACADEMY

SEC. 23. Section 4349(a) of title 10, United States Code, is amended by inserting ", Navy Air Force, or Marine Corps" after "Army". AUTHORITY OF THE SECRETARY OF THE NAVY TO ISSUE REGULATIONS

SEC. 24. (a) (1) Section 5031 of title 10, United States Code, is amended by adding a the end thereof the following new subsec-

"(d) The Secretary of the Navy may pre-scribe regulations to carry out his functions, powers, and duties under this title. The au-thority of the Secretary under the preceding sentence is in addition to the authority of the Secretary under section 6011 of this title.".

(2) Section 6011 of such title is amended by striking out "with the approval of the President"

(b) United States Navy regulations issued under section 6011 of such title before the effective date of this section shall remain in effect in accordance with their terms until amended or revoked by the Secretary of the

PER DIEM FOR MEMBERS OF THE NAVAL RESEARCH ADVISORY COMMITTEE

SEC. 25. Section 5153 of title 10, United States Code, is amended by striking out subsection (c) and redesignating subsection (d) as subsection (c).

ELIMINATING DATE FOR NOMINATIONS TO THE NAVAL ACADEMY

SEC. 26. Section 6956 of title 10, United States Code, is amended by striking out sub-sections (b) and (c) and redesignating subsections (d), (e), and (f) as (b), (c), and (d), respectively.

REIMBURSEMENT FOR ACCOMMODATIONS IN PLACE OF QUARTERS FOR MEMBERS ON SEA DUTY

SEC. 27. (a) Section 3 of Public Law 96-357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982."

(b) Section 7572(b) of title 10, United States Code, as amended by section 3 of Public Law 96-357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended to read as follows:

"(b) Under such regulations as the Secretary prescribes, any member of a uniformed service on sea duty who is deprived of quarters on board ship because of repairs or because of other conditions that make the member's quarters uninhabitable and for whom it is impracticable to furnish accommodations under subsection (a), may be reimbursed for expenses incurred in obtaining quarters in an amount not more than the total of-

"(1) the basic allowance for quarters of member of the same pay grade without

dependents; and

"(2) a variable housing allowance which could be paid to a member of the same pay grade under section 403 of title 37 at the location where the member is deprived of quarters on board ship.

A member entitled to receipt of basic allowance for quarters may not be reimbursed for expenses under this subsection when deprived of quarters on board ship at a location at which the member can reside with such member's dependents. The total amount of such reimbursement may not exceed \$9,000,000 for the fiscal year ending September 30, 1981, and may not exceed \$6,300,000 for the fiscal year ending September 30, 1982.".

LIMITATIONS ON AMOUNTS PAYABLE TO AVIATION CAREER OFFICERS

SEC. 28. (a) (1) An officer who receives special pay for any period under an agreement executed and accepted under section 301b of title 37, United States Code, shall not be entitled to aviation career incentive pay under section 301a of such title during such period at a rate which exceeds the rate in effect on the day before the effective date of the increase in the rate of aviation career incentive pay provided for by section 5 of this Act.

(2) From the date of enactment of this Act until September 30, 1982, only agreements executed by officers of the Navy or Marine Corps under such section 301b may be accepted.

(b) Section 301b of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

(e) Special pay may be paid under this section only for agreements accepted before October 1, 1982.".

(c) This section shall become effective on the date of enactment of this Act.

\$3,000 ACCESSION BONUS FOR SURFACE NUCLEAR POWER APPLICANTS

SEC. 29. Section 312b of title 37, United States Code, as amended by the Uniformed Services Pay and Allowances Benefits Act of 1980, is amended by striking out "submarine" in paragraph (a) (1).

SEA PAY TO MEMBERS OF TWO-CREW VESSELS SEC. 30. Section 305a of title 37, United States Code, relating to career sea pay, as amended by the Military Pay and Allowances Benefits Act of 1980, is amended by inserting "such service to include periods as a member of the off crew of a two-crewed submarine" after "underway" in paragraph (d)(1).

AMENDMENTS TO THE MILITARY SELECTIVE SERV-ICE ACT TO PERMIT PERSONS OVER 65 YEARS OF AGE TO SERVE ON LOCAL DRAFT BOARDS

SEC. 31. Section 10(b)(3) of the Military Selective Service Act (50 U.S.C. App. 460(b)(3)) is amended by striking out "who has attained the age of 65 or" in the sixth complete sentence thereof.

EFFECTIVE DATES

SEC. 32. (a) Except as provided in subsection (b) and otherwise in this Act, the amendments made by this Act shall take effect on October 1, 1981.

(b) (1) The amendments made by section 11 shall take effect on April 1, 1982.

(2) The amendments made by sections 6, 9, 12, 13, 14, 16, 19, 21, 22, 23, 24, 29, 30, and 31 shall take effect on the date of enactment of this Act.

Mr. JEPSEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I ask unanimous consent that I be added as a cosponsor to S. 1181.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Mr. President, very briefly, I wish to express by gratitude to all those on the Armed Services Committee staff and all those on the various liaison groups from the various branches of the services who assisted the Armed Services Committee staff, the ranking member, all of the members of the Armed Services Committee who worked so hard and so long to prepare this justpassed military pay bill.

Finally, Mr. President, I would like to express gratitude to the entire Senate which voted on an 81 to 0 basis.

Mr. President, I ask unanimous con-sent that Senator Warner be listed as a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. I thank the Chair.

ERADICATION OF PLANT PEST AND CONTAGIOUS OR INFECTIOUS ANIMAL AND POULTRY DISEASES

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 4416, an act to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases. I ask unanimous consent that the measure be deemed to have been read the first and second times.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will

state the bill by title.

Mr. ROBERT C. BYRD addressed the Chair.

PRESIDING OFFICER. The Chair states that the request by the Senator from California is to proceed to the consideration of H.R. 4416, and before the Chair rules, the Chair will entertain a statement by the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

I have no objection, but I will reserve the right to object merely to say for the record that the taking up of this measure has been cleared with the Committee on Agriculture and with the senior Senator from California (Mr. CRAN-STON), Mr. HUDDLESTON, and Mr. CHILES. The

PRESIDING OFFICER. The clerk will state the bill by title. The legislative clerk read as follows:

A bill (H.R. 4416) to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry

There being no objection, the Senate proceeded to consider the bill.

Mr. HAYAKAWA. Mr. President, the battle to control the Mediterranean fruit fly in California continues to be a concern of primary importance for myself and all of California agriculture. Currently, all or part of seven counties are under State and Federal quarantine. More than 3.000 square miles are regulated in the State and 1,200 square miles are being sprayed from the air to eliminate the fly.

The Medfly infestation in California is a concern of national importance. Over 50 percent of our Nation's fruits and vegetables come from the Golden State. If in fact the fly is not contained and eradicated the possibility of a state-

wide quarantine is very real. Such a quarantine would be a tremendous hardship on the farmers of California and consumers across the Nation. Short supplies of essential fruits and vegetables would cause grocery prices to skyrocket. The resulting effect on the Consumer Price Index would be disastrous.

I think I can add at this point that California provides 25 percent of the fruits and vegetables consumed within

the United States.

The U.S. Department of Agriculture has wisely chosen to participate jointly with the California Department of Food and Agriculture in many of the efforts aimed at eradicating the fly. The USDA has also committed itself to funding 50 percent of the joint eradication efforts. Indeed a significant but warranted expenditure in light of the national implications of an uncontrolled Medfly in-

festation in our country.

The legislation before us today is of great importance in the Medfly fight. Specifically it will authorize the Secretary of Agriculture to transfer funds within the Department's budget for use in emergency pest situations. The Secretary must be able to respond swiftly and effectively to plant pest outbreaks which threaten our Nation's primary industry-agriculture. A quick response requires that the Secretary have not only the authority to marshal needed resources to the battle zone but also the dollars to fund eradication efforts.

Our efforts to rid the State of the Mediterranean fruit fly are long from over. We have no assurance that more flies will not be found. In fact, given our past success with eradication-we should anticipate further infestations. It pains me to say this but we must be realistic. I would like to take a minute to look back on the battle from where we stand

The history of the Medfly infestation in California in scientific and political terms is an interesting study. What started out as a matter of man versus insect degenerated into a battle between agriculture and environmental extremists.

The mismanagement of the project by the California Department of Food and Agriculture from the start has been an embarrassment for all of us working for the public good. Governor Brown in his efforts to resist the aerial application of malathion brought the level of battle to politician versus politician. Mr. Brown was attacked viciously by members of both political parties-all quite appro-

His efforts to continue along the path of using integrated pest management practices to control the fly were without scientific basis. But there was a political basis indeed—and by putting politics before problem solving, he did something that a responsible public servant should not have done.

Integrated pest management is a valuable tool in agriculture but it is simply not effective in controlling the Medfly. Several months after initiating the integrated pest management program of fruit stripping and ground spraying, \$25 million and a hundred fly finds later—virtually everyone agreed that the integrated pest management experiment was a failure. Why did the Governor resist spraying and continue down the ineffectual path of integrated pest management? The answer is simply politics. We must be grateful that Secretary Block, with his tremendous commitment to our Nation's agriculture was able to provide the leverage needed to get the spray program off the ground.

Governor Brown has attempted to blame the mistaken release of fertile Peruvian Medflies for the continued growth of the infestation. This is a highly questionable assertion. At best it is a poor

excuse.

Let me give you some facts about the Peruvian flies. They were released over 10 grid areas in San Jose. Larval infestations were found later in 47 grid areas a far greater area than that in which the Peruvian flies were released. These flies are the sterile flies which mate and nothing results. If nothing results over two or three generations, you have got them licked. To date, checks of over 2,000 Peruvian flies released at the same time have turned up only two fertile flies-a ratio of more than 1,000 to 1. This ratio far exceeds the 100 to 1 ratio ordinarily used to eradicate the Medfly. So this argument that fertile Peruvian flies have been released simply does not hold up. The infestation has spread to a far greater area than would have been expected if such a theory had been correct.

Mr. President, the measure now before the Senate is vitally needed by USDA to facilitate their dollar support of the eradication program in California. It is difficult, if not impossible to determine at this point just what the total costs of eradication will be in the case of the Medfly. It is easy to recognize that the costs of eradication will be minimal when compared to the alternative of economic devastation for the farmers and skyhigh produce costs for consumers if we are not successful in destroying the

Medfly.

For those Senators who might be reluctant to vote for this measure for fear of giving the Secretary a "blank check," I would say to them, "you can rest at ease." The Secretary has had similar authorities in dealing with animal disease problems for the last 20 years. Over all these years the Secretary has exercised his authority in only one instance—that was in the case of an outbreak of exotic Newcastle disease in poultry. USDA has a proven record of responsibility in dealing with plant pest infestations and animal epidemics.

The emphasis of our eradication efforts to date has been mainly defensive. This is regrettable. In order to stop the fly it is my opinion that we must take the offensive in the battle. To sit and wait until we find fertile flies in our traps means we are committing ourselves to a course of reactive management instead of taking defense. This I find totally unacceptable. We must initiate a program of preventative spraying in areas of likely infestation and expand and perfect our trapping programs.

Swift consideration and passage of this measure will guarantee that the con-

trol efforts will continue with all due speed.

I thank the Chair.

Mr. HELMS. Will the Senator yield? Mr. HAYAKAWA. I yield to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Chair recognizes the distinguished Sen-

ator from North Carolina.

Mr. HELMS. Mr. President, the people of the great State of California, indeed, the people of this Nation, owe a debt of gratitude to the able Senator from California for his efforts in this connection. He has eloquently stated the case for speedy approval of the legislation.

know that the able Senator from California, with whom I have the privilege of serving as a member of the Agriculture Committee, is and has been particularly concerned that this legislation be rapidly approved. As he indicated, H.R. 4416 would allow the Secretary of Agriculture to transfer funds from agencies or corporations of the Department of Agriculture for use only in emergency situations for the eradication of plant pests or contagious animal diseases.

This authority is of critical importance. The Mediterranean fruit fly outbreak in California now poses a grave threat not only to the fruit and vegetable industry in that State, but to the produce

of every State in the Nation.

I understand that the administration strongly supports this legislation. The Department of Agriculture has already committed itself to sharing expenditures with the State of California in its efforts to eradicate the Medfly, however, all funds available within the Department for this purpose are almost exhausted. It is imperative that eradication efforts not stop now.

It is my understanding that a provision similar to H.R. 4416 has also been incorporated into the House-passed agriculture appropriations bill. The Senate has not yet taken action on that matter. The provision in that bill would extend for 1 year the authority which the Department has had for some time now to transfer funds for emergency use in animal disease eradication. It would also extend this authority to plant pests. H.R. 4416, which we are now debating, would make both of these authorities perma-

Mr. President, it is crucial that this legislation be speedily approved. It does not call for additional appropriations of money. It merely provides transfer authority. We cannot afford any further delays in the current California eradication efforts. Moreover, we need this transfer authority in the event of future emergency situations.

Mr. President, I thank the able Senator from California for yielding to me.

Again, I commend him.

 Mr. CRANSTON. Mr. President, as Members of this body are aware, there is a serious infestation of the Mediterranean fruit fly in California. This out-break directly threatens California's \$14 billion fruit and vegetable industry and is of great concern to growers in other States and consumers as well.

Since the Medfly was discovered in California in June 1980, the U.S. Depart-

ment of Agriculture has been working closely with the State of California on a cooperative project to eradicate this highly destructive pest. The Federal Government has agreed to pay for 50 percent of the eradication project costs. This includes reimbursement for past and future costs of spraying, trapping and monitoring, and quarantine and detection efforts. To date, USDA has paid for less than its full share. I understand that for September 1981 alone USDA's half may amount to \$6 million. However, the Department of Agriculture advises that it will run out of available funds in just a few days. It is critical that there be no interruption in Federal assistance at this point if the program is to be successful and that USDA be able to meet the commitment made earlier this year to share half the costs of the project.

Under current law, the Secretary of Agriculture has the authority to transfer funds from other sources available to USDA in emergencies to combat outbreaks of animal diseases. But there is no similar authority to transfer funds to combat outbreaks of plant pests like the Mediterranean fruit fly. This bill before us today, H.R. 4416, would retain the current authority re animal diseases and extend it to cover emergencies involving eradication of plant pests. I want to make it clear that the legislation does not provide for increased funding. But it gives the Secretary of Agriculture the needed flexibility to deal with this urgent problem or any future plant pest threat to our food supply.

Mr. President, any moneys spent under this authority would be a national investment to insure that the Mediterranean fruit fly is controlled and eradicated in those locations where it is now found in the continental United States. While the cost is in the millions of dollars, these sums are much less than would be incurred by American farmers and consumers if the Medfly were not eradicated.

I greatly appreciate the cooperation of the majority leader and the Senate Agriculture Committee in permitting this bill to be brought up at this time. It is important to the people of California and the Nation. I urge this bill's adoption.

Mr. HUDDLESTON. Mr. President, I am pleased to support H.R. 4416, a bill that would give the Secretary of Agriculture authority to transfer Agriculture Department funds for use in emergency pest control situations such as the Mediterranean fruit fly outbreak in California.

As I am sure my colleagues will agree, this emergency measure is vitally important to our producers and consumers. If the Mediterranean fruit fly is not eradicated as soon as possible, other States will suffer the same costly consequences as California.

The proposal to give the Secretary authority to transfer Department funds for emergency situations has been used for the arrest and eradication of infectious or contagious diseases of animals or poultry. This legislation would extend his authority to cover the emergency arrest or eradication of plant pests as well.

It is my understanding that the administration strongly supports the adop-

tion of this legislation. I urge my colleagues to join me in supporting this bill.

Mr. HATFIELD. Mr. President, I support the passage of this bill. It will address a very troubling problem which arises from the establishment of new or unanticipated emergency plant pest infestations which threaten American agriculture, by granting the Secretary of Agriculture limited authority to transfer funds within the Department to arrest or eradicate the pest.

This is identical to authority which currently exists in the Department for the control of animal diseases, an authority which the administration has been very prudent in exercising. The emergency authority is used when a new plant or animal pest problem is identified which requires immediate action to control or eliminate. The cost of undertaking these control efforts can be considerable, but without swift action, the ultimate cost to agricultural producers and to the consumers can be enormous.

The Nation is currently confronted with a typical example of the circumstances in which this authority is needed: The infestation of the Mediterranean fruit fly in California. Early this summer, the U.S. Department of Agriculture was almost forced to terminate its participation in the eradication effort because all available reserve and contingency funding was exhausted. Fortunately Congress was considering a supplemental appropriations bill at the time, and additional funds were provided in time to continue the program. Had Congress been out of session, or occupied with other legislation at that time, the Federal Government would have had no alternative but to halt its spray program.

Mr. President, as a general rule, I do not favor the granting of discretionary authority to obligate funds without prior specific appropriations by the Congress. In this case, however, I recognize that there are good and compelling reasons why a limited exception to this rule should be granted. It should be made clear that Congress will continue to exercise its oversight responsibilities, including the requirement that prior to the exercise of this emergency authority that the Appropriations Committees of the Congress be notified for their concurrence.

With these safeguards and limitations I believe that the bill should be adopted.

Mr. HAYAKAWA. Mr. President, there is no objection from the other side of the aisle. I have been informed that the senior Senator from California (Mr. Cranston) approves of this measure and has no objection to it. I believe the same is true of the Democratic members of the Agriculture Committee. I request that we submit this to a voice vote since there does not seem to be enough objection to it.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 4416) was ordered to a third reading, was read the third time, and passed.

Mr. HELMS. Mr. President, I move to

reconsider the vote by which the bill was passed.

Mr. HAYAKAWA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HIGH INTEREST RATES AND THE NATIONAL DEBT

Mr. HARRY F. BYRD, JR. Mr. President, the Treasury Department this morning testified before the Subcommittee on Taxation and Debt Management of the Committee on Finance. The Treasury and the administration say that it will need an increase in the current debt ceiling, which is now \$985 billion. It will need an increase to \$1,079,000,000,000. That represents an increase in the debt of roughly \$90 billion during the fiscal year 1982. The current debt is now \$985 billion. The proposal is to increase the debt ceiling, the amount of debt permitted, to \$1,079,000,000,000 for the upcoming fiscal year.

Under questioning by me, the Department of the Treasury stated that the rollover of present debt during the new fiscal year will be \$252 billion. Another way of saying that is that Treasury must go into the money market to the extent of \$252 billion to refinance existing debt. On top of that, it will need to go into the money markets for a minimum of \$60 billion for new debt.

The reason I say a minimum of \$62 billion, Mr. President, is the Treasury Department said it would be approximately \$60 billion of new debt that would need to be financed during fiscal 1982, but the figures that are submitted show that it will be approximately \$90 billion, somewhere between \$85 billion and \$90 billion of new funds that will be needed. The Office of Management and Budget has submitted figures showing that the Federal funds deficit for the new fiscal year will be, in round figures, \$68 billion. On top of that, there are off-budget debts of \$18 billion. So, when you add those two together, you come up with a Federal funds deficit, as differentiated from a unified budget deficit, of \$86 billion.

In estimating the amount of money that will be needed and the new debt ceiling that will be needed for fiscal year 1982, Treasury assumed, I was told this morning at the committee hearing, an interest rate of between 11 and 12.5 percent. Mr. President, the Treasury is now paying between 15 and 16 percent for money, so the assumption may be very optimistic at 11 to 12.5 percent. My guess is that it is too optimistic. But if the interest rates continue anywhere near what they are now, then, for every percentage point above that 11 to 12.5 percent. it will add \$4 billion, the Treasury testified today, to the cost of servicing the debt.

The cost of servicing the debt, the committee was told today by the Treasury, for fiscal year 1982 will be \$108 billion. So, Mr. President, I think our Government is in a very serious financial position. The business community and the stock market and the investment funds recognize this and have recognized

it. It has had an extremely undesirable effect on the economy. President Reagan, I think, recognizes it, also. I have not talked with him personally, but, judging from the news accounts, the White House is prepared to ask for additional reductions in spending over and above the reductions that Congress already has agreed to.

Mr. President, I hope the President does ask for additional reductions in spending. If he does, I plan to support him. Although great strides have been made, I admit, although significant reductions have been made by this Congress, I think further reductions need to be made if we are to get interest rates

Over the weekend, Mr. President, prominent Members of Congress have said that if interest rates do not come down within x number of days, something must be done about it. Well, what can be done about it? Does anybody believe we can legislate a reduction in interest rates? I do not know of anyone who believes that. I do not know of any economist who believes that. There may be politicians who believe it.

Mr. LONG. Will the Senator yield at that point?

Mr. HARRY F. BYRD, JR. Yes, Mr. President, I yield.

Mr. LONG. Is not the Senator aware the Chairman of the Federal Reserve Board is using his influence to keep the interest rates high and the chairman is keeping the money supply as tight as possible? Does that not make interest

rates high?

Mr. HARRY F. BYRD, JR. The Federal Reserve Board is attempting to cool the tremendous inflation that is eating into the pay check of every man and woman. That is what the Federal Reserve Board is trying to do, curb inflation.

Mr. LONG. If one wants to cooperate with the Manhattan bankers making the interest rate as high as it can go, that is the way to do it, to make money as tight as possible. The ability to protect the economy from further high interest rates is in the power of the Congress. It is in the lawmaking process, which is Congress and the President. Previous Congresses created the Federal Reserve Board. That is an act of the Congress. It is not a part of the Constitution. That act can be amended or re-

pealed entirely.

If anybody is going to do anything about high interest rates, it should be this Government, acting on behalf of the people of the country, who are the borrowers and who have to borrow money. Some people would have us believe that these big banks are eleemosynary institutions, that they are in the charity business. If you believe that, just read that corporate charter. It says banks are in business to make money. They are

making money very well indeed. I think the Senator knows the long-

term interest rate tends to be 3 points above inflation. Right now, it is 8 points above inflation. This Government should

do something about it.

I hope the Senator is not going to defend these high interest rates, because the President is not defending them. All I am saying is that the President should do something about them.

Mr. HARRY F. BYRD, JR. The Senator from Virginia has been condemning high interest rates perhaps longer than any other Member of the Senate. I have been condemning high interest rates for a long time, and I have said we have them because of the irresponsibility of the Congress of the United States, over a period of years, in squandering and spending the money of the American taxpayers. That is why we have these high interest rates and this high inflation—because of the irresponsibility of Congress.

If anyone in Congress has plans for legislation that can bring down interest rates, fine. But I do not know of any legislation that can bring down interest rates. The way to bring down interest rates is what the President is trying to do and what Congress has reluctantly followed him in doing-namely, to reduce the huge increase in the cost of Government.

I wish to pay tribute to the President for the initiative and the leadership and the determination he has shown, during the short time he has been in office, in bringing down the tremendous increase in the cost of Government.

This year, Congress approved a \$35 billion reduction. The Senator from Louisiana and the Senator from Virginia voted for that program. Both of us feel that we do need to reduce Government spending, and that is what the President is trying to do. So I applaud and defend the President in his efforts to reduce Government expenditures. That is the way, as I see it, in the long run, to get interest rates down. I believe these interest rates are absolutely devastating.

Mr. LONG. Mr. President, one of the principal reasons we do not have a balanced budget and are not going to have one-and have no hope of having oneis high interest rates.

The Senator from Virginia seems to think that the way to do that would be to balance the Federal books. The Federal books will never be balanced with interest rates so high.

I do not believe that we are going to solve this problem merely by making conditions attractive for the Wall Street bankers and the big money interests in America. These money lenders represent less than 1 percent of the people of this country. I do not believe it is in our power to make the economic conditions so attractive that interest rates will come down.

In my judgment, to bring down interest rates, you will have to look at the kinds of things Presidents Franklin D. Roosevelt and Harry Truman did when they used the powers that were given the Federal Government by the Constitution to create money and to regulate the value of it. You will have to use those powers for the benefit of the 99 percent of the people in this country who happen to be the money borrowers.

If interest rates continue to be kept high with the approval of this White House and the approval of the administration so far, then those Wall Street bankers can write their own tickets. This is exactly what has happened.

I suggest that the President talk to the money lenders the way he talked to the air traffic controllers. He should say: "I appreciate your help in getting me in office, but after all, I represent more than you. I have responsibility to all 223 million in this country. If you think you can continue to take advantage of this situation the way you have been, I'll have to take the side of the 99 percent of the people who are getting the worst of it."

I believe that if a vote were to be taken on Wall Street right now, the majority there would be in favor of bringing down these interest rates and using the power of the Government, if need be, to do it. They know that is the only way it can

be done.

Mr. HARRY F. BYRD, JR. Will the Senator elaborate on how the Government should or could bring down the interest rates?

Mr. LONG. I am not the President. I am frank to say that nobody is going to become excited about the Senator from Louisiana (Mr. Long) saying anything about that. They will say, "He is just reverting to form. He came here as a populist, to begin with."

However, the President of the United States says he is concerned about this matter. Our friends on the other side of the aisle and the Senator from Virginia are expressing concern about these high interest rates. The President should say, "Enough."

I know that the Senator from Virginia does not believe in the Reconstruction Finance Corporation, but, to a large degree, the money is the people's money. The money is coming from the Federal Government in rediscounting these notes, and the credit is the people's credit. We may have to find some other ways of doing business in order to use the people's credit to the benefit of the majority of the people. We may have to recreate the Reconstruction Finance Corporation to make some of these loans that money lenders do not want to make, except at 25 percent interest.

Mr. HARRY F. BYRD, JR. The Government itself is paying 16 percent for short-term money. So it is not just the

I do not defend the bankers. As a matter of fact, during the time I have been in the Senate, I believe I have been more critical of them than any other Member of the Senate. I do not know of anyone who wants these high interest rates. There may be some people who do, but I do not know who they are. It hurts everybody.

Mr. LONG. I am not happy about it, but the natural gas industry has had to live with price controls for more than 30 years. It is not fair; it is not right. They have had to suffer from price controls for more than 30 years.

Mr. HARRY F. BYRD. JR. There is quite a difference. As the Senator knows, every State in the Union had a usury law. I voted for it when I was in the Virginia Senate—a usury law for the State of Virginia, by which no one could lend money above a certain rate. But in the last few years, Congress got into the act and said, in effect, "You must set

aside all your usury laws, because if you don't, there won't be any economic activity." There is no way you can force anyone to lend money at a particular

Mr. LONG. The Senator from Virginia is making the argument that nothing except balancing the Federal budget will lower interest rates. Many things have been done to lower interest rates under Presidents who had the will to act, and I refer to Franklin D. Roosevelt and Harry Truman. They were criticized severely for using the powers of this Government to benefit the people.

Mr. HARRY F. BYRD, JR. They did not have anything similar to what we face today, nothing whatsoever, with regard to the interest rates we face today. They did not have anything in regard to the accumulated deficits and huge deficits we have today. It was an entirely

different situation.

Mr. LONG. Mr. President, I thank my dear friend from Virginia for yielding to me. He knows I love him devoutly.

Mr. HARRY F. BYRD, JR. It is mutual. Mr. LONG. He is a great Senator. I will trespass on his time no further, except to express my admiration for him; and I reserve my right, as a very dear friend, to have a different opinion about this matter.

Mr. HARRY F. BYRD, JR. The Senator from Louisiana and the Senator from Virginia very seldom have a difference of opinion. I am not sure that we have a difference of opinion in this matter. Both of us feel that interest rates are too high. Both of us feel that interest rates must be brought down. Both of us want to do whatever is reasonable and possible. It is just a question of how it can be done. There might be some difference of opinion on that.

The Senator from Louisiana, as the chairman of the Senate Finance Committee for many years, showed an ability and a dedication that few persons in the history of the Senate have shown, and I have great admiration for him. Perhaps by talking to each other, we can find some proposal we can make which will bring down interest rates at an early date.

I must say that I am very doubtful that any proposal that Congress could makeor, for that matter, that the administration could make-could bring about a reduction in interest rates in a very short time, unless we want to run the risk and probability of stimulating inflation simultaneously.

Mr. LONG. I thank the Senator for his courtesy. He is always generous and kind. It is a great pleasure for me to work with the Senator from Virginia. I am happy to say that in working with the Senator on the Finance Committee, many times we started out with a divergence of views and managed to arrive at a conclusion we could support, and I hope we can do so at this time.

I thank the Senator.

Mr. HARRY F. BYRD, JR. I thank the Senator from Louisiana

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished majority leader, I ask unanimous consent that there be a period for the transaction of routine morning business, for not to exceed 1 hour, and that Senators may speak therein.

The PRESIDING OFFICER (Mr. HUMPHREY). Without objection, it is so ordered.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, on Friday, July 31, I spoke on the early history of Senate committees, and today I continue my series of statements on the United States Senate, it being a time when the Senate is not engaged in the transaction of business and with no other Senator seeking the floor.

I wish at this time to elaborate a bit on the evolution of the Senate committee system and certain Senate rules, and in this regard may I express appreciation to Judy Schneider who is in the Government Division of the Library of Congress, Congressional Research Service, and also to Dr. Floyd Riddick, Parliamentarian Emeritus of the United States Senate.

Efforts to secure changes in organization and procedure have been a continuing trend in the history of Congress, Even in an institution such as the Senate, with a high regard for the role of tradition, organizational and procedural changes have occurred throughout its development. In the 96th Congress, Senate attention was drawn to efforts to improve legislative efficiency, to increase the public accountability of the Senate, and to enhance its institutional stature.

In many ways, the modern Senate is much like the Senate of the 18th and 19th centuries. Traditions of extended debate and of collegiality in decision-making have remained influential to the present day. In other respects, the Senate has seen fit to modify its practices. In recent years, efforts have been undertaken to modify the seniority system, to open Senate committee meetings to the public, to increase the availability of staff assistance for Members, and to require the disclosure of information about Senators' personal finances. Other efforts have been directed toward reasserting the role of Congress in formulating national policy.

The modern Senate committee system dates from the passage of the Legislative Reorganization Act of 1946, which marked the culmination of efforts by a Joint Committee on the Organization of Congress. Hearings by a second such joint committee in 1965-66 led to the enactment of the 1970 Legislative Reorganization Act, which focused primarily on congressional information and analytic resources, committee staffing, and congressional procedure. The Congressional Budget Act and Impoundment Control Act of 1974 established Senate and House Budget Committees, a Congressional Budget Office, and a process to achieve more coordinated congressional action in fiscal policy making.

Several additional changes were made in Senate committee operations during the 94th Congress. The previous requirement that Senate committee meetings be open to the public was extended to conference committee meetings unless a majority of the House or Senate conferees voted otherwise. Senators who previously had not been able to appoint committee staff were permitted to name staff to aid them with committee business. The Senate Democratic Conference voted to provide that, beginning in 1977, one-fifth of the Democratic Senators could anonymously request a secret vote of the Conference on any prospective committee chairman nominated by the Democratic Steering Committee. Republican committee leaders are chosen by their party colleagues on each committee, subject to Republican Conference approval.

Early in the 95th Congress, the Senate approved a major revision in its committee system. In 1976, a Temporary Select Committee to Study the Senate Committee System had been appointed. Under the leadership of Sen. Adlai Stevenson and co-chairman, Sen. Bill Brock, the committee recommended reorganization and consolidation of the Senate's committee. The committee re-forms, as embodied in S. Res. 4 of the 95th Congress, were considered and amended during four days of Senate debate, and were approved by the Senate on Feb. 4, 1977. Among the provisions of S. Res. 4 were:

Reduction in the number of Senate standing committees from 18 to 15;

Adjustments in committee jurisdic-

Limitations on Senators' committee and subcommittee assignments:

Increased committee staff assistance for minority party members;

Recommendations that duties of joint committees be transferred to Senate standing committees wherever possible;

Establishment of procedures to secure referral of legislation to more than one committee; and

Establishment of a permanent Select Committee on Aging, and of a Select Committee on Indian Affairs for the 95th Congress.

Subsequent to passage of S. Res. action was taken to abolish the Joint Committee on Defense Production and the Joint Committee on Congressional Operations. The Joint Economic Committee and the Joint Committee on Taxation were retained, as were Joint Committees on the Library and on Printing. At the end of the 95th Congress, the Senate acted to continue the Select Committee on Indian Affairs for an additional two years.

The Senate acted to implement additional provisions of its committee reform resolution during the 96th Congress. Additional committee and subcommittee assignment limitations became effective with the start of the new Congress. Some Senators were forced to relinquish committee assignments they held in preceding Congresses. By 1979, the Senate also came half-way (from a 1977 base) toward achieving a one-third minority party committee staffing ratio.

Delay of business on the Senate floor remained an issue of continuing concern. Changes in the cloture rule (Rule XXII) by which debate on the Senate floor is terminated have been suggested for several years. In 1975, the Senate revised its rule to permit cloture if three-fifths of its Members vote to bring debate on legislation to a close; previously, the support of two-thirds of the Senators present and voting had been necessary. In the 94th Congress, a record number of 14 successful cloture votes were taken. During the 95th Congress, opponents of measures delayed Senate business for substantial periods of time even after cloture was invoked. A resolution (S. Res. 9. 1977) to eliminate or to reduce the impact of these "post-cloture filibusters" failed to gain passage after four days of Senate debate. In October 1977, a series of parliamentary rulings by the Vice President, sustained by the Senate, partially limited the impact of post-cloture filibusters. Additional efforts to modify the Senate cloture rule were begun in the 96th Congress.

During the 95th Congress, several proposals were considered to revise the administrative operations of the Senate. At the end of 1976, the Commission on the Operation of the Senate, appointed the previous year, issued its final report. The Commission recommended the appointment of an Administrator of the Senate responsible for routine management functions; the reallocation of space for Senators, committees, and administrative units; more efficient use of time through early organizational meetings, computerized scheduling of committee meetings and designation of days exclusively for committee or floor business: experimentation with broadcasting of floor proceedings; and public financial disclosure for Senators and key administrative staff.

A resolution (S. Res. 166, 1977) embodying most of the Commission's recommendations was considered in committee, but not reported to the full Senate. Some of the Commission's recommendations were implemented, however. Computerized scheduling of committee meetings began during the 95th Congress and Senate debates on the Panama Canal treaties were broadcast by public radio.

The Senate also acted in the 95th Congress to increase accountability of Senators for their personal finances. S. Res. 110, adopted Apr. 1, 1977, established a more comprehensive financial disclosure requirement for Senators and senior staff, proscribed the receipt of gifts valued in excess of \$100 from foreign nationals or from persons with a direct interest in legislation, limited most sources of Senators' outside earned income to no more than 15% of their Senate salaries, limited the use of the congressional frank, prohibited foreign travel by "lame duck" Senators, prohibited the establishment of unofficial office accounts, and added language to the Senate rules prohibiting discrimination in the hiring and promotion of staff.

Enforcement and oversight responsibilities for the Code of Conduct were assigned to the Select Committee on Ethics. Some modifications in the code were subsequently adopted by the Senate, and many of the Code's provisions (especially the financial disclosures requirements) were subsequently incorporated into the Ethics in Government Act, P.L. 95–521, which was signed into law on Oct. 26, 1978.

Proposals were also made to enhance the non-discrimination portion of the ethics code by establishing a Senate Fair Employment Relations Board to receive and screen complaints, and to offer appropriate remedies. No final action was taken on the proposal during the 95th Congress.

96TH CONGRESS

On Jan. 15, 1979, introduced S. Res. 9, a proposal to expedite Senate consideration of legislation. The resolution, as introduced, contained the following provisions:

 a. Offering of non-debatable motions to approve or correct the Journal would be permitted;

 b. Debate on motions to proceed to consider a particular bill would be limited to 30 minutes;

c. Demands for the reading of an amendment would not be in order if copies of the amendment were available in printed form;

d. The offering of non-debatable motions requiring three-fifths vote to enforce rule of germaneness of future amendments to a bill would be allowed;

e. Post-cloture debate time would be limited to 100 hours, with time for quorum calls, votes, and parliamentary rulings and appeals counted against the 100 hours:

f. Post-cloture debate time could be extended or reduced, but not below ten hours, by a three-fifths vote of the full Senate;

g. After Sept. 1 of each year, a cloture motion could be brought to a vote the same day as introduced, after a maximum of five hours of debate;

h. The demand to read a conference report in full could not be entertained, if printed copies of the report were available:

i. "Three-day rule" for availability of committee reports would be changed to a "two day rule," with Saturdays, Sundays, and holidays included; and

j. The Committee on Rules and Administration would be directed to provide for the installation of an electronic voting system in the Senate.

The respective party leaderships appointed committees to study the Byrd resolution and to report their recommendations to the party conferences. The Republican committee was chaired by Sen. Ted Stevens and the Democratic committee was chaired by Sen. Gaylord Nelson. The committees met individually and jointly with the party leaders in an effort to devise an acceptable compromise.

On Feb. 7, 1979, the Senate agreed to a unanimous consent request by me to limit consideration only to those portions of his resolution dealing with post-cloture regulations. An alternate resolution, S. Res. 61, embodying points (e) and (f) above, was made in order for purposes of amendment. Under terms of the agreement, S. Res. 61 became the pending order of business. If a final vote on the disposition of the new resolution did not occur by 6 p.m. on Feb. 22, 1979, the original language of S. Res. 9 would again become the pending business before the Senate.

During its consideration of S. Res. 9 and S. Res. 61, the Senate recessed rather than adjourned at the end of each day's session. This was done maintain the procedural fiction that the Senate was still in its first day of business. It has been maintained that the Senate is not bound by rules adopted by the Senate in previous Congresses, and that a majority of Senators can vote to end debate on rules changes on the first day of a new Congress. This ruling was temporarily upheld by the Senate in 1975, but later was overturned as part of the cloture rule reform compromise of that year. However, continuation of the Senate in its first legislative day maintained the possibility that this contention could have been used to end prolonged debate on cloture rule reform.

On Feb. 22, 1979, the Senate agreed to S. Res. 61 by a vote of 78-16. As finally approved, the resolution establishes a cap of 100 hours of consideration once cloture has been invoked on a measure. At the expiration of the time limit, the Senate would proceed to the final disposition of the measure: no amendments then not pending would be in order. A motion to table, a motion to reconsider, and motions necessary to establish a quorum would be in order, however. The Senate may, by a three-fifths vote, increase the amount of post-cloture time, with the additional time to be equally divided and controlled by the Majority and Minority Leaders, or their designees.

Under the resolution, each Senator is entitled to one hour of time. Senators may yield their time to the majority or minority floor managers of the bill, or to the Majority or Minority Leaders. None of the designated four Senators may have more than two additional hours yielded to him or her. These Senators, in turn, may yield their time to other Senators so requesting. If all available time expires, a Senator who has not yielded time and who has not yet spoken on the matter on which cloture has been invoked, may be recognized for ten minutes for the sole purpose of debate.

The resolution provides that no Senator shall call up more than two amendments until every other Senator has had the opportunity to call up two amendments. The Chair is directed to recognize Senators who have not called up two amendments, and who wish to do so, in preference to a Senator seeking recognition to call up a third amendment.

After cloture is invoked, the resolution stipulates that the reading of the Journal shall be dispensed with and that the Journal shall be approved automatically for the duration of post-cloture consideration of a measure. Similarly, after cloture is invoked, the reading of

amendments available in printed form will be dispensed with routinely.

The former cloture rule made in order amendments introduced prior to the completion of the cloture vote. S. Res. 61 would make in order first degree amendments-amendments to a bill-submitted by 1 p.m. of the day following submission of a cloture motion; second degree amendments-amendments to amendments-would be in order if submitted in writing 1 hour prior to the cloture vote.

After the Senate passed S. Res. 61, it agreed to place S. Res. 9 on the Senate calendar. The Senate also adjourned, thus completing the first legislative day of the 96th Congress. As I explained, this action would guarantee that if the Senate resumed consideration of S. Res. 9, a two-thirds vote would be required to invoke cloture on the measure, a two-thirds vote being necessary because the measure involved changes in the Senate rules.

On Mar. 8, 1979, the Senate adopted S. Res. 93, postponing from Jan. 1, 1979, until Jan. 1, 1983, the effective date for limitations on the outside earned income of Senators and certain senior Senate staff members. The limit on earned income (15% of a Senator's or staffer's salary) was adopted in 1977 as part of the Senate's Code of Official Conduct. S. Res. 93 was introduced on Mar. 7, 1979, and was made the pending order of business by unanimous consent. There was no roll-call vote on final passage. Senators are still limited by statute to honoraria fees of \$2,000 per appearance. and a total of \$25,000 per annum from such fees.

On Oct. 31, 1979, the Senate adopted S. Res. 271 which eliminated certain congressional class requirements for membership on the Select Committee on Ethics.

On Nov. 14, 1979, the Senate adopted S. Res. 274, Revised Standing Rules of

On Dec. 13, 1979, the Committee on Rules and Administration reported S. Res. 281 and S. 2018, a package to revise committee funding procedures by requiring all standing committees to submit one comprehensive funding resolution to incorporate all operating expenses for the year. The resolution, which becomes effective in the 97th Congress, passed the Senate Mar. 11, 1980, by voice vote.

On Dec. 11, 1980, the Senate passed S. Res. 448, as amended, which extended the life of the Select Committee on Indian Affairs until 1984.

THE 1969 CREDIT CONTROL ACT

Mr. ROBERT C. BYRD. Mr. President, the 1969 Credit Control Act gives the President extremely broad powers to use the Federal Reserve Board to lower interest rates, among other things. The 96th Congress voted to terminate the act as of June 30, 1982.

The act is brief and to the point, say-

Whenever the President determines that such action is necessary or appropriate for

the purpose of preventing or controlling inflation generated by the extension of credit in excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

The powers of the Federal Reserve Board, upon being authorized by the President, are many, but include the ability to:

Prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extensions

The act has been invoked only once, by President Carter in March 1980. A major debacle resulted, and the economy shrank dramatically. Unfortunately, Congress terminated the act. Nothing in the act required the President or the Federal Reserve to act in the particular way they did-some form of credit control powers are an important stand-by function of the Government.

If one suggested that the President invoke the act, his advisers might rely on the peculiar phrasing of the act and respond that excessive credit is not causing current inflation; therefore, no justification exists for the invocation of the

One might respond that excessive credit is being extended to large corporations for speculative takeovers, and to wealthy individuals for speculation on money markets and in commodities, while insufficient affordable credit is available to the small businessmen who provide the vast majority of jobs in this country.

Mr. President, I ask unanimous consent that a copy of the Credit Control Act be printed in the RECORD.

There being no objection, the act was ordered to be printed in the RECORD, as follows:

CHAPTER 20-CREDIT CONTROL

1901. Definitions.

1902. Rules and regulations by the Board of Governors of the Federal Reserve System.

1903. Interest.

1904. Credit controls. 1905. Extent of control.

1906. Reports; production of records.

1907. Injunctions for compliance.

1908. Civil penalties.

1909. Criminal penalty.

§ 1901. Definitions.

(a) The definitions and rules of construction set forth in this section apply to the

provisions of this chapter.

(b) The term "Board" refers to the Board of Governors of the Federal Reserve System.
(c) The term "organization" means a corporation, government or governmental sub-

division or agency, trust, estate, partnership,

cooperative, or association.
(d) The term "person" means a natural

person or an organization.

(e) The term "credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

The term "creditor" refers to any person who extends, or arranges for the extension of, credit, whether in connection with loan, a sale of property or services, or otherwise.

The term "credit sale" refers to any sale with respect to which credit is extended or arranged by the seller. The term includes

any rental-purchase contract and any contract or arrangement for the bailing or leasing of property when used as a financing device.

(h) The terms "extension of credit" and "credit transaction" include loans, credit sales, the supplying of funds through the underwriting, distribution, or acquisition of securities, the making or assisting in the making of a direct practice, or otherwise participating in the offering, distribution, or acquisition of securities.

(i) The term "borrower" includes any per-

son to whom credit is extended.

(i) The term "loan" includes any type of credit, including credit extended in connection with a credit sale.

The term "State" refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(1) Any reference to any requirement imposed under this chapter of any provision thereof includes reference to the regulations of the Board under this chapter or the provision thereof in question.

(Pub. L. 91-151, title II, § 202, Dec. 23, 1969, 83 Stat. 376.)

SHORT TITLE

Section 201 of Pub. L. 91-151 provided that: "This title [enacting this chapter] may be cited as the 'Credit Control Act'."

§ 1902. Rules and regulations by the Board of Governors of the Federal Reserve System

The Board shall prescribe regulations to carry out the purposes of this chapter. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this chapter, to prevent circumvention or evasion thereof, or to facilitate compliance there-

(Pub. L. 91-151, title II, § 203, Dec. 23, 1969, 83 Stat. 376.)

§ 1903. Interest

Except as otherwise provided by the Board, the amount of the interest charge in connection with any credit transaction shall be determined under the regulations of the Board as the sum of all charges payable directly or indirectly to the person by whom the credit is extended in consideration of the extension of credit.

(Pub. L. 91-151, title II, § 204, Dec. 23, 1969, 83 Stat. 377.)

§ 1904. Credit controls

(a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

(b) The Board may, in administering this Act, utilize the services of the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(Pub. L. 91-151, title II, § 205, Dec. 23, 1969, 83 Stat. 377.)

§ 1905. Extent of control

The Board, upon being authorized by the President under section 1904 of this title and for such period of time as he may determine, may by regulation

(1) require transactions or persons or classes of either to be registered or licensed.

(2) prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) provide for suspension of any such

registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens, or any relevant documents.

(5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.

(7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.

(8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.

(10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans, of one or more types or of

all types.

(A) to deposits of one or more types or of all types.

(B) to assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

(Pub. L. 91-151, title II, § 206, Dec. 23, 1969, 83 Stat. 377.)

REFERENCES IN TEXT

This Act, referred to in pars. (3) and (5), is Pub. L. 91–151, Dec. 23, 1969, 83 Stat. 377, which is classified generally to this chapter. For complete classification of this Act to the Code, see Tables volume.

§ 1906. Reports; production of records

Reports concerning the kinds, amounts, and characteristics of any extensions of credit subject to this chapter, or concerning circumstances related to such extensions of credit, shall be filed on such forms, under oath or otherwise, at such times and from time to time, and by such persons, as the Board may prescribe by regulation or order as necessary or appropriate for enabling the Board to perform its functions under this chapter. The Board may require any person to furnish, under oath or otherwise, complete information relative to any transaction within the scope of this chapter including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person.

(Pub. L. 91-151, title II, § 207, Dec. 23, 1969, 83 Stat. 378.)

§ 1907. Injunctions for compliance

Whenever it appears to the Board that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation under this chapter, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Board, any such court may also issue mandatory injunctions commanding any

person to comply with any regulation of the Board under this chapter.

(Pub. L. 91-151, title II, § 208, Dec. 23 1969, 83 Stat. 378.)

§ 1908. Civil penalties.

(a) For each willful violation of any regulation under this chapter, the Board may assess upon any person to which the regulation applies, and upon any partner, director, officer, or employee thereof who willfully participates in the violation, a civil penalty not exceeding \$1,000.

(b) In the event of the failure of any person to pay any penalty assessed under this section, a civil action for the recovery thereof may, in the discretion of the Board, be brought in the name of the United States.

(Pub. L. 91-151, title II, § 209, Dec. 23, 1969, 83 Stat. 378.)

§ 1909. Criminal penalty

Whoever willfully violates any regulation under this chapter shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

(Pub. L. 91-151, title II, § 210, Dec. 23, 1969, 83 Stat. 378.)

ENERGY INSECURITY

Mr. ROBERT C. BYRD. Mr. President, the major energy story of the day would appear to be news of an oil glut. This summer there has been a plentiful supply of gasoline and the price has even slipped several cents a gallon. Foreign oil imports in the first 6 months of this year have declined by 20 percent, to an average of 5.9 million barrels a day. For the first time since the Arab oil embargo of 1973, domestic oil production actually increased slightly during the months of June and July. Prodded by higher prices resulting from decontrol, drilling activity has reached an all-time high.

So with all of this encouraging news,

where are we going wrong?

First, it appears that the Reagan administration has determined that no energy policy is the best energy policy. This goes beyond the decontrol of domestic crude oil prices and the accompanving curtailment of a complex regulatory scheme. Unlike Presidents Nixon, Ford, and Carter, the Reagan administration apparently does not see energy as an urgent problem requiring Federal action. Rather, market forces are now deemed to be the panacea for our energy ills. Despite warnings by the most informed experts that the current oil surplus is only temporary, there has been no effort to devise a workable response to a cutoff of Persian Gulf imports. In contrast to the optimistic statistics, the United States continues to import approximately 12 percent of its total oil supplies from Arab OPEC nations. There seems to be little recognition of the economic and foreign policy consequences of this continued energy vulnerability.

The shortsightedness of this nonpolicy has been noted by Daniel Yergin, the kell-known Harvard professor. In a recent New York Times book review. Yergin wrote that the Reagan administration "seems to have made a sharp and potentially dangerous distinction between energy policy, which it more or less seems to want to forget, and foreign and security policies, about which it is quite concerned." Given the high probability of further disruptions in oil

supplies before the decade is out, the tendency to separate security and energy policies may prove most unwise. Citing our enormous expenditures on military equipment, Yergin notes that the probability of Soviet tanks rolling across the North German plain is much lower than the likelihood of an interruption of oil supplies stemming from various conflicts in the Middle East. But we are far less prepared for a severe energy emergency than a military attack.

At the end of this month, the Emergency Petroleum Allocation Act will expire. This legislation empowers the Federal Government to impose oil price and allocation controls in the event of a severe supply shortfall. A variety of alternatives have been proposed, including an emergency energy tax to insure that the drastically higher prices that would result from a shortage do not unduly benefit OPEC or the oil companies. There must also be some mechanism to assure that essential defense, police, medical, and agricultural activities are adequately supplied. The need for emergency safeguards to ease the economic dislocation of a severe oil supply disruption has been recognized on both sides of the aisle. But so far, the administration has failed to submit its recommendations on what new authority the Government should have.

Ever since President Nixon launched Project Independence in response to the 1973 Arab oil embargo, successive administrations and Congress have repeatedly supported efforts to reduce oil imports through the development of alternate energy technologies. However, the Reagan administration now contends that continued dependence on oil imports may be acceptable in lieu of the development of more expensive energy sources. The National Energy Policy Plan, submitted by the Department of Energy to Congress in July, actually states:

A low level of U.S. oil imports at any cost is not a proper criterion for the nation's energy security and economic health The Nation would be remiss if it did not press the search for less expensive domestic alternatives. Yet its vision would be equally narrow if market forces were distorted through indiscriminate subsidies for alternatives that cost more than imported oil now . . .

This philosophy has translated into lukewarm support by the Reagan administration for the Federal synthetic fuels program and the repudiation of policies to mandate or encourage energy conservation—policies enacted with overwhelming bipartisan support during the 96th Congress. Promising energy research and development programs, such as coal liquefaction, advanced solar technologies and cogeneration, have suffered drastic budget cuts. The administration has terminated four synfuel demonstration projects, including SRC II. and funding for the remaining SRC I project is at a minimal level. The Synthetic Fuels Corporation is not even operational because all of the six members of the board of directors have not been appointed. As a result, decisions on funding for most synfuels projects have been inordinately delayed.

The oil glut psychology may afford the Nation the temporary luxury of imagining that it is possible to return to the good old days when oil was cheap and abundant, but the statistics belie this hope.

Production of oil in the United States is still declining, albeit, for the moment, at a slower rate. Many experts predict that the current frantic drilling pace will not be sustained in the long run, as promising fields are played out. Virtually every respectable energy forecast predicts that the level of U.S. oil production has begun an irreversible decline. This is in contrast to the unsubstantiated claims of Secretary Edwards that "somewhere along the way, we're going to find some big, big fields."

Even with the current market surplus, the oil companies are now saying that declining profits may demand increases in the price of gasoline of as much as 6 cents per gallon. The onset of the winter heating season, combined with announced cutbacks in OPEC production, may soon spell the end of the oil price respite that Americans have enjoyed for the last several months. Oil price hikes will almost certainly add heat to the inflation fires, causing the Consumer Price Index to soar once again.

The wrenching experiences of the past decade, with two recessions and unprecedented inflation resulting from oil shortages, should have caused us to recognize that oil supply interruptions are probable, if not inevitable. The shortterm price stability we are now experiencing does not reflect a corresponding political stability in the ever-volatile Persian Gulf region. Surely the economic and political dislocations which would result from a severe oil shock mandate the development of reasoned and responsible energy policies, rather than strict adherence to an economic philosophy of unproven reliability.

Some tough decisions lie ahead. Will nuclear power be promoted at the expense of the increased use of coal and the development of new energy technologies? How quickly should Federal lands be developed and is the energy to be found worth the attendant environmental risks? How do we provide for our industrialized allies, who will remain dependent on OPEC oil? And finally, how will we adjust for the transfer of wealth which is taking place within the economy and among regions of the country between producers and consumers of energy?

These are difficult questions for which no easy answers are forthcoming. It is easy to be distracted by small savings in price or production that can create a glut or a shortfall in world oil markets almost overnight. The Nation's economic and national security demand a balanced energy policy based on fact rather than unfounded speculation. We need an energy policy geared to improving the Nation's long-term security while preparing for sudden crises. Continued dependence on OPEC oil, at a cost of \$65 billion, \$70 billion or more a year, will not provide the basis for economic recovery and sustained growth. Moreover, our national defense will be undermined.

Mr. President, I yield the floor.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

THE APPOINTMENT OF A NEW NATIVE HAWAIIANS STUDY COMMISSION

Mr. MATSUNAGA. Mr. President, I am happy to announce that President Ronald Reagan today appointed a new Native Hawaiians Study Commission. My colleagues will no doubt recall that legislation providing for a study of the needs and concerns of native Hawaiians passed the Senate unanimously on two different occasions before it was finally enacted into law in December 1980. A ninemember study commission appointed by President Carter in January of this year was summarily dismissed by President Reagan in March, and the commission has since remained without members.

A General Accounting Office report, provided at my request in April, revealed that the study commission's primary mission is legislative in that it is required to report its findings and recommendations to the Congress. The GAO observed that the authority of the President of the United States to fire a commission that is primarily legislative and not an executive agency is limited. The Hawaii congressional delegation subsequently wrote to President Reagan, enclosing a copy of the GAO report and urging him to appoint a new commission. An indication that the President was preparing to comply with this request became evident when his political adviser, Lyn Nofziger, observed in Honolulu last month that the Native Hawaiians Study Commission was established by the Congress for legislative purposes and could not be unilaterally abolished by the Pres'dent.

Mr. President, I wish to congratulate and commend President Reagan for proceeding to aproint a new Native Hawaiians Study Commission. The native Hawaiian people are the only native Americans whose historic claims have not yet been considered by the Federal Government. They have waited nearly 90 years to present their case, and I am confident that the study authorized by Congress will shed light on the overthrow of the Hawaiian Monarchy in 1893 and recommend an equitable resolution of the claims of the native Hawaiian people.

The eight members of the Commission named today by President Reagan are:

First. Vice Chairman: Stephen Shipley, of Littleton, Colorado, an Executive Assistant to the Secretary of the Interior;

Second. Winouce Beamer, of Honolulu, Hawaii;

Third. H. Rodger Betts, of Makawao, Hawaii;

Fourth. Carol Dinkins, of Houston, Tex., the Assistant Attornev General for Land and Natural Resources, U.S. Department of Justice;

Fifth James Handley, of Springfield, Ill., a Special Assistant to the Secretary of Agriculture;

Sixth. Kina'u Boyd Kamali'i, of Honolulu, Hawaii;

Seventh. Diane Morales, of Houston, Tex., Deputy Assistant Secretary for Policy, Territorial and International Affairs, U.S. Department of the Interior; and Eighth. Glenn Schleede, of Potomac, Md., the Executive Associate Director of the Office of Management and Budget.

As a principal cosponsor and introducer of the resolution which created the Commission, I thank President Reagan in behalf of the people I represent in the Congress.

CONSUMPTION TAX

Mr. HART. Mr. President, given the deteriorating conditions in financial markets and the related bleak prospects for future deficits and interest rates, it is essential that the magnitude and timing of the personal income tax cuts be reconsidered. But the debate on our tax system should not stop there. The Reagan-Kemp-Roth cut in personal income taxes may be significant in dollar terms, but it is only an attempt to patch up a system that is basically flawed. The country's future economic health depends on genuine reform of the tax structure.

A principal element of that reform is to replace the current personal income tax code with a consumption tax. For several years, I have proposed we undertake this basic and essential reform. I am working on legislation which I intend to introduce this year, and I hope it will serve to stimulate debate on genuine tax reform.

A consumption tax system would impose a tax only on income that is consumed, and not on income saved or invested. Expenditures on consumption would be calculated indirectly as the difference between income and net saving. Net saving would be determined as the difference between the amount saved or invested in assets and the amount borrowed during the same period. The tax rate could be proportional or progressive, and would not be imposed on a subsistence amount of income (perhaps the first \$10,000) to allow for necessities and to protect the poor. The rate structure and the exemptions would be indexed to inflation.

A personal tax system based on consumption, which could be implemented within 5 years, has many advantages over our current tax code:

It encourages saving and investment. Savers pay no taxes on income directed into savings and investment until such funds are used for consumption. By exempting from taxes all income put into savings rather than just the income from savings as we do now, there are greater incentives to save and invest.

It is simpler. A household could easily report its income, plus changes in qualified assets—including financial assets, land, homes, and durable goods—and borrowing. We can do away with special forms and itemized deductions on expenses, tax shelters, "unearned" income, and so forth.

It is more equitable and removes inefficiencies and distortions in capital markets. The current tax code is littered with special preferences for tax-sheltered investments in oil wells, cattle herds, real estate, and so forth. These tax-shelter schemes increase after-tax incomes for those rich enough to afford them, but have almost no effect on gen-

erating new oil reserves, more beef, or a greater stock of rental housing. These distortionary tax preferences will be substantially reduced under the simplified list of assets qualifying as saving. Moreover, all saving will be treated equally.

As with major new ideas, there are unanswered questions and details which need to be resolved with this concept. We need to insure it will raise adequate revenues and not put a greater burden on working people than the current system does. There are also problems remaining in determining a fair, complete set of assets to be included as saving.

But it is clear our current complicated tax code needs a comprehensive overhaul. Patchwork and quick-fix schemes such as Reagan-Kemp-Roth may be very expensive but do not serve the long-term needs of this Nation. They only serve political expediency. If we are to recapture our role as world leaders in the 1980's, we must address our present problems with boldness, not bandaids.

Mr. ROBERT C. BYRD, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

Mr. BAKER. Mr. President, there may be other business to be transacted by the Senate this afternoon. I do not expect, however, that any major item of legislation or other matter will be presented to the Senate. Indeed, there will be no more

votes today.

However, while we examine the prospect of other business to be conducted today, and perhaps an announcement about the schedule on Monday, I ask unanimous consent that the Senate now stand in recess until the hour of 3 p.m.

There being no objection, the Senate, at 2:37 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HAYAKAWA)

The PRESIDING OFFICER. The Senate will come to order.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate pro-

ceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he had approved and signed the following acts and joint resolutions:

On August 4, 1981:

S.J. Res. 28. Joint resolution designating the week beginning March 7, 1982, as "Women's History Week'

On August 6, 1981:

S. 1040. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized as the Federal payment to the District of Columbia; and

S.J. Res. 64. Joint resolution designating August 13, 1981, as "National Blinded Veterans Recognition Day

On August 7, 1981:

S. 1104. An act to amend the International Investment Survey Act of 1976 to provide an authorization for further appropriations, to avoid unnecessary duplication of certain surveys, and for other purposes.

On August 14, 1981:

S. 547. An act to enable the Secretary of the Interior to erect permanent improve-ments on land acquired for the Confederated Tribes of Siletz Indians of Oregon;

S. 640. An act to amend the District of Columbia Self-Government and Governmental Reorganiztaion Act to extend the authority of the Mayor to accept certain interim loans from the United States and to extend the authority of the Secretary of the Treasury to

make such loans; S. 694. An act to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation, to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemen-tal appropriations for such fiscal year for construction at certain military installations, and for other purposes

S. 875. An act to authorize the generation of electrical power at Palo Verde Irrigation

District Diversion Dam, California, and S. 1278. An act entitled the "Saccharin Study and Labeling Act Amendment of 1981".

On August 20, 1981:

S.J. Res. 87. Joint resolution to authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1879. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Eforts To 'mprove School Lunch Programs-Are They Paying Off"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1880. A communication from the Secretary of Agriculture, transmitting, pursuant to law, an evaluation of the Economic Emergency loan program; to the Committee on Agriculture, Nutrition, and Forestry. EC-1881. A communication from the Act-

ing Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Review of Financial Statements of Commodity Credit Corporation"; to the Committee on Agriculture, Nutrition, and For-

EC-1882. A communication from the Clerk of the United States Court of Claims, transmitting, pursuant to law, a certified copy of the Court's judgment in the case "Blackfeet Tribe of Indians v. the United States of America"; to the Committee on Appropria-

EC-1883. A communication from the Director of the Defense Security Assistance Agency. transmitting, pursuant to law, a report the Department of the Army's proposed letter of offer to Turkey for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1884. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to the United Arab Emi-rates for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1885. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a re-port concerning the Department of the Navy's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1886. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services

EC-1887. A communication from th Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed

EC-1888. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of offer to Oman for defense articles estimated to cost in excess of million; to the Committee on Armed Services.

EC-1889. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Less Costly Ways To Budget And Provision Spares For New Weeapon Systems Should Be Used"; to the Committee on Armed Services.

EC-1890. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to eliminate general or flag officer grade requirements from certain statutory positions. and for other purposes; to the Committee on Armed Services.

EC-1891. A communication from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the Dare County Bomb Range Operations functions at Seymour Johnson Air Force Base, N.C., and the decision that performance under contract is the most cost-offentian method. the most cost-effective method of accom-plishment; to the Committee on Armed

EC-1892. A communication from the Secretary of Commerce, transmitting, pursuant to law, the semiannual report on the extent of known and estimated compliance with the provisions of the Magnuson Fishery Con-servation and Management Act of 1976; to the Committee on Commerce, Science, and Transportation.

EC-1893 A communication from the Secretary of Transportation, transmitting, pursuant to law, the calendar year 1980 report on the activities of the Coast Guard under section 5 of the Port and Tanker Safety Act of 1978; to the Committee on Commerce, Science, and Transportation.

EC-1894. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, reports on the proposed use of certain NASA funds for two new 34-meter antennas; to the Committee on Commerce, Science, and Transportation.

EC-1895. A communication from the Secretary of the Interior, transmitting, pursuant to law, a notice on leasing systems for the Oil and Gas Lease Sale No. 60, Lower Cook Inlet/Shelikof Strait; to the Committee on Energy and Natural Resources

EC-1896. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the U.S. Govern-ment Comptroller for the Virgin Islands on the Financial Condition of the Government of the Virgin Islands of the United States for the transition quarter and fiscal year 1979; to the Committee on Energy and Natural Resource

EC-1897. A communication from the Under Secretary of the Interior, transmitting, pursuant to law, five applications for refunds of excess royalty payments; to the Committee on Energy and Natural Resources. EC-1898. A communication from the Dep-

uty Secretary of Commerce, transmitting, pursuant to law, his comments and proposed actions to meet the budget level authorized for the Economic Development Administra-tion; to the Committee on Environment and

EC-1899. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Laws And Regulations Applicable To Imports From Nonmarket Economies Could Be Improved"; to the Committee on Finance

EC-1900. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the statistical appendix to the annual report of the Secretary of the Treasury on the state of the finances fiscal year 1980; to the Committee Finance

EC-1901. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting a draft of proposed legislation to amend the Tariff Schedules of the United States to permit the free entry of materials certified by the National Aeronautics and Space Administration to the Commissioner of Customs as intended to be launched into space or to be spare parts or necessary and uniquely associated support equipment for use in connection with such launch, and for other purposes; to the Committee on Finance.

EC-1902. A communication from the Secretary of the Treasury as Chairman of the National Advisory Council on International Monetary and Financial Policies, transmitting, pursuant to law, the annual report of the Council for fiscal year 1980; to the Committee on Foreign Relations.

EC-1903. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report en-titled "U.S. Strategy Needed For Water Sup-ply Assistance To Developing Countries"; to

the Committee on Foreign Relations. EC-1904. A communication from the Acting Comptroller General of the United States.

transmitting, pursuant to law, a report entitled "Pension Losses Of Contractor Employees At Federal Installations Can Be Reduced"; to the Committee on Governmental Affair.

EC-1905. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report en-titled "GSA's Cleaning Costs Are Needlessly Higher Than In The Private Sector"; to the Committee on Governmental Affairs.

EC-1906. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981; to the Committee on Governmental Affairs.

EC-1907. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981; to the Committee on Governmental

EC-1908. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 28, 1981; to the Committee on Governmental Affairs.

EC-1909. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981: to the Committee on Governmental Affairs.

EC-1910. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 28, 1981; to the Committee on Governmental Affairs.

EC-1911. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981; to the Committee on Governmental Affairs.

EC-1912. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981; to the Committee on Governmental Affairs.

EC-1913. A communication from the President of the Jewish War Veterans U.S.A. National Memorial, transmitting, pursuant to law, the annual audit report of the Jewish War Veterans U.S.A. National Memorial, Inc. for the year ended March 31, 1981; to the Committee on the Judiciary.

EC-1914. A communication from the Chairman of the United States Commission on Civil Rights, transmitting, pursuant to law, a report entitled "The Voting Rights Act: Unfulfilled Goals"; to the Committee on the Judiciary

EC-1915. A communication from the Director of the National Science Foundation, transmitting, pursuant to law, the statistical report entitled "Federal Support to Universities, Colleges, and Selected Nonprofit Institutions, Fiscal Year 1979"; to the Committee

on Labor and Human Resources. EC-1916. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, legislative proposals relating to certain decisions of the Court of Appeals for the District of Columbia Circuit; to the Committee on Rules and

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HEINZ, from the Committee on Banking, Housing, and Urban Affairs: with amendments:

S. 868. A bill to amend the Export-Import

Bank Act of 1945 to authorize the Bank to engage in the use of extraordinary measures of export finance to counter and ultimately discourage the use of such measures by other major trading countries (together with additional views) (Rept. No. 97-188).

EXECUTIVE REPORTS OF COMMITTEES

following executive reports of comm!ttees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources

Robert P. Hunter, of Virginia, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 1985.

(The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Sen-

REFERRAL OF S. 1598

The bill (S. 1598) to establish a National Commission on Interest Rates, introduced by Mr. STENNIS (for himself and Mr. SASSER), on September 9, 1981, and held at the desk by unanimous consent, was read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PERCY (by request):

S. 1611. A bill to amend Public Law 90-553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes; to the Committee on Foreign Relations.

By Mr. EAGLETON: 1612. A bill to establish a trust fund which is financed from revenues from the windfall profit tax and which is used as a reserve for the Social Security Trust Fund, and for other purposes; to the Committee on Finance.

By Mr. DECONCINI:

S. 1613. A bill to confer jurisdiction on the United States Court of Claims with re-spect to certain claims of the Navajo Indian Tribe; to the Select Committee on Intelli-

By Mr. INOUYE: S. 1614. A bill for the relief of Drs. Benja-min C. and Paulita M. Mahilum; to the Committee on the Judiciary.

By Mr. HART:

S. 1615. A bill to provide that the individual income tax rate reductions provided by the Economic Recovery Tax Act of 1981 shall not take effect until the Federal budget

is balanced; to the Committee on Finance. By Mr. HAYAKAWA (for himself, Mr. INOUYE, Mr. SPECTER, Mrs. HAWKINS,

and Mr. CRANSTON):

S. 1616. A bill to enable producers and importers of flowers and plants to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for flowers and plants; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PERCY (by request):

1611. A bill to amend Public Law 90-553, to authorize the transfer, conveyance, lease, and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL CENTER ACT

o Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to amend the International Center Act which would expand and bring to completion the planned International Diplomatic Center.

This legislation has been requested by the Department of State and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated August 25, 1981.

There being no objection, the bill and letter were ordered to be printed in the

RECORD, as follows:

8. 1611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act approved October 8, 1968 (Public Law 90-553, 82 Stat. 958), is amended-

(1) in the first sentence by striking out "sell or lease" and inserting in lieu thereof: "develop in coordination with the Administrator of General Services for, or to sell, ex-

change, or lease,";
(2) by striking out "Van Ness Street, Reno Road, and Tilden Street" and inserting in lieu thereof: "Yuma Street, 36th Street, Reno Road, and Tilden Street, except that portion of lot 802 in square 1964, the jurisdiction over which was transferred to the District of Columbia for use as an educational facility"; and

(3) by striking out "he" and inserting "the

Sec. 2. Section 2 of such Act of October 8, 1968 (Public Law 90-553), is amended to read as follows:

"SEC. 2. Upon the request of any foreign overnment or international organization government and with funds provided by such govern-ment or organization in advance, the Administrator of General Services is author-ized to design, construct, and equip a headquarters building or legation building or related facilities on property conveyed pur-suant to the first section of this Act".

SEC. 3. Section 3 of such Act of October 8, 1968 (Public Law 90-553), is deleted, and sections 4 to 6 of such Act, inclusive, are renumbered as sections 3 to 5, including references thereto. The first sentence of re-

numbered section 3 is amended to read as follows "The Act of June 20, 1938 (DC Code, secs. 5-413 to 5-428), shall not apply to buildings constructed on property transferred or conveyed pursuant to this Act including section 3 of this Act as in effect January 1, 1980.".

Sec. 4. Section 4 of such Act of October 8,

1968 (Public Law 90-553), as renumbered by

this Act is amended by—

(1) inserting "demolition or removal of existing structures, site preparation, and the" immediately after "The";
(2) striking out "and" immediately before

"(d)";
(3) inserting "(e) other utilities, and (f) plish the purposes of this Act," immediately after "the fire alarm system,"; and

inserting "or contiguous to" after

SEC. 5. Section 5 of such Act of October 8, 1968 (Public Law 90-553), as renumbered by this Act is amended by-

(1) inserting ", exchange," after "sale" in the first sentence, and by inserting ", exchanges," after "sales" in the second sentence thereof; and

(2) adding at the end thereof the follow-

ing:
"The Secretary may retain therefrom a reserve for maintenance and security of those public improvements authorized by this Act which have not been conveyed to a government or international organization under the first section of this Act, and for surveys and plans related to development of additional areas within the Nation's Capital for chancery and diplomatic purposes. Amounts in the reserve will be available only to the extent and in such amounts as provided in advance in appropriations Acts."

SEC. 6. The Act of October 8, 1968 (Public Law 90-553), is further amended by adding at the end thereof the following new section:

"Sec. 6. This Act may be cited as the 'International Center Act'".

DEPARTMENT OF STATE Washington, D.C., August 25, 1981. Hon. George Bush,

President of the Senate. Washington, D.C.

DEAR Mr. PRESIDENT: Enclosed for your consideration and appropriate reference is a legislative proposal to amend the International Center Act (Public Law 90-553, enacted on October 9, 1968) which would expand and bring to completion the planned Interna-tional Diplomatic Center within the fed-erally-owned Bureau of Standards site at Van Ness Street and Connecticut Avenue in northwest Washington, D.C. This project. with the amendments proposed herein, will be con:pleted without cost to the American taxpayer.

This legislation was previously introduced in the House (H.R. 6550) and the Senate (S. 2302) during the 96th Congress, and was passed by the House with amendments (House Report 96–1208, July 30, 1980). Senate action, however, was unable to be completed before the end of the last session. The legislation proposed herein is the same as the Bill passed by the House, with an additional amendment to extend the time in which project-related costs can be funded from surplus lease proceeds, to the extent provided

for in appropriations acts.

The need for this legislation has become pressing. The United States Government, as part of its international obligations, is required to assist foreign governments to obtain suitable premises for chanceries in the nation's capital. Of equal importance, there is a growing need for reciprocity involving the substantial problems of the United States missions overseas. The Department of State is currently unable to meet its obligations due to the unavailability of suitable chancery sites in Washington because of security, costs, and restrictive zoning problems. This situation has created an adverse impact on our national security interests and the ability of the United States to support our needs abroad.

The planned Diplomatic Center is intended to partially alleviate the critical shortage of suitable space for location of chanceries and related facilities of foreign governments in the nation's capital. The project is currently under development, and sites for ten governments have been completed by the General Services Administration. It is anticipated that all presently available space for chanceries at the Center will be reserved by the end of 1982.

The Department urges your support of the legislation and requests that consideration be given to its expeditious passage.

The Office of Management and Budget has advised the Department that there is no objection to the submission of this proposal to the Congress, and its enactment would be consistent with the Administration's objec-

Yours sincerely,

RICHARD FAIRBANKS. Assistant Secretary for Congressional Relations.

By Mr. EAGLETON:

S. 1612. A bill to establish a trust fund which is financed from revenues from the windfall profit tax and which is used as a reserve for the social security trust fund, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY RESERVE TRUST FUND

Mr. EAGLETON. Mr. President, I am introducing today a bill to earmark \$50 billion of the revenues from the oil windfall profits tax to serve as a social security reserve trust fund.

The purpose of this fund will be to serve as a cushion for the three social security programs against unforeseen economic adversities of the kind which created the system's present short-term difficulties.

Frankly, I do not anticipate that much, if any, of this windfall reserve will be needed to finance current expenditures, assuming authorization of in-terfund borrowing. Nevertheless, given the untried and highly suspect nature of this administration's economic recovery program, I think it is prudent to prepare against every eventuality.

My bill provides that such part of the reserve as is not required to cover benefit outlays be invested in the highestyielding Government or Governmentbacked securities. In this regard, the reserve should prove to be a valuable source of income for the social security trusts.

Mr. President, as is apparent, the bill am introducing provides for a form of general revenue sharing with the social security system. I am not persuaded in the least by arguments that such an approach would depart from the original purpose of social security which was to establish a self-financed old age retire-ment system. That argument should have been made in 1956, when we grafted onto the retirement purpose of the system the disability program and in 1965, when we added medicare. Clearly, those add-on programs are needed, but provisions should have been made at the time for offset financing from general revenues.

Having acknowledged the similarities with other general revenue proposals, I want to underscore the important differences between my bill and others.

First, the most common objection to using general revenues to assist social security is that the same wage earner pays both social security and general taxes. In effect, using general revenues is a back door way of raising payroll

That objection does not apply to the use of windfall tax revenues. That tax is paid only by oil producers and, given the ceiling price enforced by OPEC competition, the tax is not and cannot be

passed on to the consumer.

Second, unlike other taxes, the windfall tax expires by law in 10 years, or when \$227 billion has been collected. Thus, my proposal involves only a temporary infusion of outside funds and is not a permanent departure from the goal of making social security a self-

sufficient system.

Finally, Mr. President, the real choice we face regarding the windfall tax revenues is not whether we use some part of them for social security but whether we use them at all-whether we do not simply give them back to the oil companies. That seems to be the inclination of this administration and its allies in Congress. The last tax bill saw \$33 billion in tax breaks for oil companies which hardly meet the test of "truly needy." During Senate debate, an amendment was offered to phase out or repeal the windfall tax for new oil, heavy oil, and certain other kinds of oil. The total price tag was estimated at between \$40 and \$50 billion. That amendment actually had a majority on a test vote but was withdrawn for tactical reasons. I have no doubt, however, that efforts to kill this tax will be renewed.

Mr. President, originally the windfall tax revenues were to be earmarked for specific purposes related to conservation and development of new energy resources. In fact, the funds have never been earmarked. They are separately accounted for by the Treasury but, after that, go into general revenues for gen-

eral purposes

My bill will assure that about 20 percent of these revenues go for the specific objective of firming up the social security system. I find this an entirely fitting and even ironic use of the oil tax funds, given the role of runaway energy prices in creating the stagflation which has impacted so heavily on the budgets of re-tired citizens and on the financial health of the social security system itself.

Mr President, I am convinced that the bill I am introducing today, taken to-gether with interfund borrowing, will erase the short-term problems of the social security trusts. As opposed to the radical benefit cuts advocated by some in this administration, I believe my bill will have the overwhelming support of those covered by the social security

I ask that the text of the bill I now send to the desk be printed at this point in my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SOCIAL SECURITY RESERVE TRUST FUND.

Title II of the Social Security Act is amended by inserting after section 201 the following new section:

"SOCIAL SECURITY RESERVE TRUST FUND

"SEC. 201A. (a) There is established in the Treasury of the United States a trust fund to be known as the Social Security Reserve Trust Fund (hereinafter in this section referred to as the 'Trust Fund') which shall consist of amounts transferred to the Trust

Fund under this section.

"(b)(1) There is appropriated to the Trust Fund for each fiscal year an amount equal to 25 per centum of the taxes imposed by section 4986 of the Internal Revenue Code of 1954 for such fiscal year, except that the aggregate amount appropriated to the Trust Fund under this paragraph for all fiscal years shall not exceed \$50,000,000,000.

The amount appropriated paragraph (1) shall be transferred to the Trust Fund by the Secretary of the Treasury at least quarterly on the basis of estimates made by the Secretary. Proper adjustment shall be made in the amounts subsequently transferred to the extent prior estimates were not equal to the amounts required to be transferred.

"(c) There is created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section called the 'Board of Trustees') the members, Managing Trusand Secretary of which shall be the individuals serving as members, Managing Trustee, and Secretary of the Board of Trustees created under section 201(c). The Board of Trustees shall meet at least once each calendar year. It shall be the duty of the Board of Trustees to-

(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the next five fiscal years;

"(3) report immediately to the Congress whenever the Board of Trustees is of the opinion that the amount of the Trust Fund

is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of the law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected payments to, and disbursements from, the Trust Fund during each of the next five fiscal years, and a statement of the actuarial status of the Trust Fund. Such report shall be printed as a House document of the session of the Congress in which the report is made.

"(d)(1)(A) It shall be the duty of the Managing Trustee to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals, and such investments shall be made so as to secure the maximum possible interest yield, commensurate with the safety of the Trust Fund. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price.

(B) The purposes for which obligations of a United States may be issued under the

Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase the Trust Fund. Such obligations issued for purchase by the Trust Fund shall have maturities fixed with due regard for the needs of the Trust Fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on-

"(i) all marketable interest-bearing obligations of the United States then forming

a part of the public debt,

"(ii) all marketable interest-bearing obligations which are not obligations of the United States but which are guaranteed as to both principal and interest by the United

"(iii) all marketable federally sponsored agency interest-bearing obligations that are designated in the laws authorizing their issuance as lawful investments for fiduciary and trust funds under the control and authority of the United States or any officer of the United States;

except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield.

"(C) The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, where he determines that such purchase is necessary to secure the maximum possible interest yield, commensurate with the safety of the Trust Fund, and that such purchase is in the public interest.

"(D) The Managing Trustee shall secure such equipment and enlist the services of such experts as may be necessary for purpose of allowing the Board to make investments which will secure the maximum

possible interest yield.

"(2) Any obligations acquired Trust Fund (except public-debt obligations issued exclusively to the Trust Fund) may be sold by the Managing Trustee at the market price, and such public-debt obliga-tions may be redeemed at par plus accrued interest.

The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall credited to and form a part of the Trust Fund.

"(e) The Secretary shall transfer, out of any amounts in the Trust Fund, to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Fund such amounts as may be provided by appropriation Acts.".

SEC. 2. APPLICATION WITH CRUDE OIL WIND-FALL PROFIT TAX ACT OF 1980.

Subparagraph (B) of section 102(c)(1) of the Crude Oil Windfall Profit Tax Act of 1980 is amended-

(1) by striking out the period at the end of clause (ii) and inserting in lieu thereof ". plus", and

(2) by inserting immediately after clause

(ii) the following new clause:

"(iii) any amount appropriated to the Social Security Reserve Trust Fund under section 201A(b)(1) of the Social Security

SEC. 3. APPLICATION WITH SOCIAL SECURITY ACT.

SEC. 201. (a) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(1) There shall be transferred to the Federal Old-Age and Survivors Insurance Trust Fund and to the Federal Disability Insurance Trust Fund such amounts as may be appropriated for such purpose from the Social Security Reserve Trust Fund.".

(b) Section 1817 of the Social Security Act is amended by adding at the end thereof

the following new subsection:

"(j) There shall be transferred to the Trust Fund such amounts as may be appropriated for such purpose from the Social Security Reserve Trust Fund.".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to fiscal years beginning after September 30, 1981.

By Mr. DECONCINI:

S. 1613. A bill to confer jurisdiction on the U.S. Court of Claims with respect to the claims of the Navajo Indian Tribe; to the Select Committee on Indian Affairs.

JURISDICTION OVER CERTAIN NAVAJO

INDIAN CLAIMS

• Mr. Deconcini. Mr. President, the proposed legislation that I am introducing will require the U.S. Court of Claims to hear the merits of a group of claims against the United States filed in 1950 by the Navajo Tribe. These claims were filed pursuant to the Indian Claims Commission Act of 1946, alleging that the United States breached its legal and treaty obligations, as well as its general responsibility to deal fairly and honorably with the Navajo Tribe. The Navajo laims include allegations of mismanagement of tribal resources and specific breaches of the treaty.

Jurisdiction over the claims was accepted when they were filed in 1950, reaffirmed by the Indian Claims Commission in 1975 and at the trial level of the Court of Claims in 1978, following their transfer to that court under Public Law 95–69. Ultimately, the claims were dismissed on a further appeal by the Government, without reaching trial on the merits, when the Court of Claims in May 1979 decided on purely technical grounds that its jurisdiction was barred.

The technical dismissal was based on the purported withdrawal in 1969 of seven claims by a former claims attorney for the tribe. Even if the withdrawal occurred its validity is questionable because neither the Navajo Tribal Council nor the Secretary of the Interior approved it, which was a requirement in the claims attorney contract.

The Indian Claims Commission in 1975 permitted the seven claims to be put back in the petition by the present claims counsel because the factual allegations "which were the substance of those claims" had never been withdrawn. After the case was transfered to the Court of Claims, the trial judge to whom it was referred upheld the action by the Commission.

However, on June 13, 1979, the Court of Claims overturned the two previous decisions and held that the tribe was bound by its former counsel's voluntary dismissal of the seven claims 10 years previously.

The primary purpose of the Indian Claims Commission Act was to provide a forum where old claims by Indian tribes could be heard on their merits without regard to technical legal restrictions or jurisdiction. The Department of the Interior in recommending passage of the act urged that if those claims were ever

to be put to rest, the act must confer jurisdiction broad enough to avoid the lack of finality attending dismissal of a case by the Court of Claims on technical legal grounds without consideration of the claim on its merit. The Department therefore urged passage of the act to overcome the defect in the present system under which many of the claims of the Indians are precluded from a hearing on the merits, on technical legal grounds, even though the claims may be such as would challenge the conscience of a court of equity.

The Navajo Tribe was forced to wait nearly 100 years to present its claims to the Indian Claims Commission for a fair hearing. Now after 30 years of litigation, a fair hearing on a group of those claims has been denied. This bill merely carries out the intent of the Indian Claims Commission Act by insuring that these duly filed claims, like those of other Indian tribes, will have the hearing contemplated by the act.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1613

Be it enacted by the Senate and House of Be it enacted by the Sellett States of Representatives of the United States of Congress assembled, That not withstanding sections 2401 and 2501 of title 28, United States Code, or section 12 of the of August 13, 1946 (60 Stat. 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment on the claims of the Navajo Indian Tribe against the United States which were timely presented under section 2 of the Act of August 13, 1946 (60 Stat. 1050; 25 U.S.C. 70a) and later withdrawn without authority with respect to claims that (1) Navajo reservation lands were taken by the United States or disposed of to others without payment of adequate compensation; (2) the United States failed to fulfill Article 6 of the Treaty of June 1, 1868, 15 Stat. 667, and to deal fairly and honorably with the Tribe in providing educational facilities and services through August 13, 1946, and (3) that the United States mismanaged the lands and resources of the Tribe: Provided, that jurisdiction is conferred only with respect to claims accruing on or before August 13, 1946, and all such claims must be filed within six months after the date of the enactment of this Act.

By Mr. HART:

S. 1615. A bill to provide that the individual income tax rate reductions provided by the Economic Recovery Act of 1981 shall not take effect until the Federal budget is balanced; to the Committee on Finance.

LEGISLATION MAKING THE INDIVIDUAL INCOME
TAX CUTS CONTINGENT UPON BALANCING THE
FEDERAL BURGET

Mr. HART. Mr. President, the legislation I am introducing today, designed to address this Nation's rapidly deteriorating economic situation, would defer the massive personal income tax cuts passed by Congress earlier this year until the Federal budget is in balance.

Mr. President, it has been slightly more than 1 month since the Congress passed the administration's tax cut bill. Since then, interest rates have risen to record levels, bond prices have hit record lows, and stock values have dropped substant.ally. The impact of the adoption of the administration's tax cut bill is becoming only too clear.

Responsible observers have said for years that our first order of business should be to reduce the Federal deficit, then to cut taxes once the budget was in greater balance. This has been my position—a position first articulated in 1978 to make any future tax cuts contingent on sufficient cuts in Federal spending.

Based on the theory of "supply-side spending," however, this administration claimed such a cautious approach to controlling inflation was not necessary. Administration experts claimed that cutting taxes would not increase the deficit, but would, instead, actually create additional revenues and restore the health of our troubled economy.

We are now seeing that even the President does not believe this will be the case. Less than a month after hailing the passage of his budget and tax cut proposals, the President is now forced to admit more work needs to be done, and he is seeking further cuts in social programs or defense spending.

With the help of Congress, this administration has painted the Nation's economy into a corner. The options it is considering—large cuts in defense spending, reductions in social security benefits, a deficit higher than any we have seen in the last decade—are all unacceptable.

The only sensible solution is to delay the implementation of the so-called Kemp-Roth personal income tax cuts until the budget is balanced, and I am introducing legislation today for that purpose. Unless we delay the revenue loss of these tax cuts—projected to be \$26.9 billion in fiscal year 1982 alone—we only invite continued high deficits, high interest rates, and high inflation.

Mr. President, this is not only the concern of Democrats and those who opposed the President's plan. There is wide-ranging concern about the President's program from Wall Street, from his supporters in Congress, and from the public. Let me cite a few examples:

In the September 7, 1981, issue of Business Week, it was reported that:

The stock market and money markets are sending a message to the Administration that its program is not expected to work. The money markets are clearly saying that inflation will be worse than the government believes, while the stock market is also worrying about recession and its impact on earnings.

Secretary of Defense Caspar Weinberger commented in the September 14, 1981, issue of Newsweek that:

A lot of recognition that many of the (budgetary) estimates given to the President earlier are turning out to be wrong.

The Wall Street Journal reported today that:

Since Concress passed the tax bill, the Dow Jones industrial average has plunged more than 80 points, and bond prices have hit record lows.

The article also said that many on Wall Street now regret their role in helping the tax cut get passed.

Of greatest concern, of course, is the anticipated continuation of steep interest rates. Without a dramatic reduction in interest rates, there is the very real possibility that thousands of farms and businesses will go into bankruptcy in the near future. Few Americans can buy even an average-priced home at the interest rates we have seen this year, and the effects on the housing and automobile industries have been devastating.

How can we reverse the trend toward even higher interest rates and other negative indicators in the economy? We must reduce the Federal deficit in 1982. The Congressional Budget Office is now projecting a deficit next year of about \$65 billion, but that projection assumed somewhat brighter forecasts for interest rates, unemployment, and the rise in GNP than other, private forecasters have predicted.

I reject the administration's apparent view that the only way to tackle this deficit is to cut billions more from already hard-pressed domestic programs, or social security, or reduce our defense capabilities. The more direct—and more responsible—approach would be to delay the personal income tax cuts Congress passed earlier this summer.

We all know that a deficit caused by a tax cut damages the economy no less than a deficit caused by executive Government spending. As the financial experts point out, both kinds of deficits force the Government to compete for money that would otherwise be available to the private sector for business expansion, home buyers, and farmers and drives up interest rates.

Most Americans know that the tax cut is no bargain if it leads to record high deficits and interest rates. A tax cut of \$500 or \$1,000 will not do much for the potential homebuyer who is facing mortgage rates of close to 20 percent. A tax cut of \$500 will not do much for a farmer who cannot afford the cost of borrowing to keep his farm in operation.

Postponing the personal income tax cuts so soon after they were passed may be an unusual step, but I believe it is completely warranted given our current economic situation. I urge the administration to support this proposal and make it clear to the Nation that it is committed to restraining the Federal deficit and bringing down interest rates.

By Mr. HAYAKAWA (for himself, Mr. INOUYE, Mr. SPECTER, Mrs. HAWKINS, and Mr. CRANSTON):

S. 1616. A bill to enable producers and importers of flowers and plants to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for flowers and plants; to the Committee on Agriculture, Nutrition, and Forestry.

FLORAL RESEARCH AND CONSUMER INFORMATION ACT

• Mr. HAYAKAWA. Mr. President, flowers and plants are an integral part of the American lifestyle. They contribute natural beauty, especially in urban areas, to what is an increasingly manmade, artificial environment. I feel very

fortunate to represent California, our Nation's No. 1 flower-producing State.

Today I am introducing a bill which would allow the floral industry to establish a promotion, research, consumer education, and marketing program. I do this with the hope that American growers will be allowed to decide if they wish to follow in the direction of other agricultural groups which have successfully utilized similar research and promotion programs.

Known as the "Floral Research and Consumer Information Act," or "Floraboard," my bill comes from the need of the industry to stimulate consumer demand for floral products. While floricultural production capability and product quality have both steadily increased, our domestic flower and plant industry continues to fall short of its potential in the marketplace. In fact, demand for flowers has remained constant for the past 6 years.

Yet other agricultural commodity groups have had similar problems. The egg, wheat, wool, cotton, and potato industries all faced trends of declining demand for their products. For these industries, research and promotion programs have been instrumental in reversing these trends.

I believe that my legislation will likewise provide the necessary assistance to the many small and medium-sized businesses that make up our domestic flower industry—at no cost to the taxpayer. Through "Floraboard," these businesses could pool their resources and accomplish together what they cannot do individually. The program would be financed by an assessment paid by producers.

The "Floraboard" is a program conceived, created, and directed by the industry. Because of a refund provision, this bill does not in any way force participation. Flowers and plants imported from other countries will not be limited. They will be assessed in the same manner as the domestic products and will share the benefits of the program.

The maintenance and expansion of existing markets and the development of new or improved ones is vital to all who work in, or are affected by, the floral industry. It is willing to use its own resources, both personal and monetary, to increase the demand for its products. The Floral Research and Consumer Information Act which I am introducing today will enable producers to band together for this purpose, and in this way, assure that the American public will have continued access to an adequate and affordable supply of quality plants and fresh flowers.

ADDITIONAL COSPONSORS

S. 52

At the request of Mr. HAYAKAWA, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 52, a bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles.

S. 450

At the request of Mr. Matsunaga, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 450, a bill

to amend the Internal Revenue Code of 195½ to provide that the investment tax credit shall apply to the acquisition of work and breeding horses to the extent that the cost of such horses does not exceed \$100,000 for the taxable year.

At the request of Mr. Chafee, the Senator from New York (Mr. Moynihan) the Senator from Vermont (Mr. Leahy), the Senator from New York (Mr. D'Amato), and the Senator from Delaware (Mr. Biden) were added as cosponsors of S. 1018, a bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 1096

At the request of Mr. Kasten, the Senator from Pennsylvania (Mr. HEINZ), the Senator from Illinois (Mr. FERCY), the Senator from Vermont (Mr. LEAHY). the Senator from Georgia (Mr. NUNN). the Senator from Ohio (Mr. METZEN-BAUM), the Senator from Tennessee (Mr. SASSER), the Senator from Illinois (Mr. Dixon), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from South Dakota (Mr. AbdNor) were added as cosponsors of S. 1098, a bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

S. 1181

At the request of Mr. Heinz, h's name was added as a cosponsor of S. 1181, a bill to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

At the request of Mr. Jepsen, the Senator from New York (Mr. MOYNIHAN), the Senator from Virginia (Mr. Warner), and the Senator from Phode Island (Mr. CHAFEE) were added as cosponsors of S. 1181, supra.

S. 1485

At the request of Mr. Roth, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 1485, a bill to amend section 21 of the act of February 25. 1920. commonly known as the Mineral Leasing Act.

SENATE JOINT RESOLUTION 59

At the request of Mr. ROBERT C. BYRD, the Senator from Arkansas (Mr. BUMPERS), the Senator from Arizona (Mr. DECONCINI), the Senator from Wisconsin (Mr. PROXMITE), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of Senate Joint Resolution 59, a joint resolution designating the square dance as the "National Folk Dance of the United States."

SENATE JOINT RESOLUTION 83

At the request of Mr. Chaffee, the Senator from Michigan (Mr. Levin), the Senator from Washington (Mr. Jackson), and the Senator from Minnesota (Mr. Durenberger) were added as cosponsors of Senate Joint Resolution 83, a joint resolution to authorize and request the President to call a White House Conference on Education not later than January 15, 1982, and for other purposes.

At the request of Mr. Hayakawa, the Senator from North Carolina (Mr. East),

and the Senator from New York (Mr. D'AMATO) were added as cosponsors of Senate Joint Resolution 93, a joint resolution to clarify that it is the basic policy of the Government of the United States to rely on the competitive private enterprise system to provide needed goods and services.

SENATE JOINT RESOLUTION 104

At the request of Mr. MELCHER, the Senator from Nevada (Mr. CANNON), the Senator from Michigan (Mr. Riegle), the Senator from Oklahoma (Mr. BOREN), the Senator from South Dakota (Mr. PRESSLER), the Senator from Kentucky (Mr. Huddleston), the Senator from Tennessee (Mr. Sasser), the Senator from Maryland (Mr. Sarbanes), the Senator from North Dakota (Mr. An-DREWS), the Senator from Alabama (Mr. HEFLIN), and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of Senate Joint Resolution 104, a joint resolution directing the President to consult with the Governors of the Federal Reserve System for the purpose of substantially reducing interest rates within the next 90 days.

SENATE JOINT RESOLUTION 106

At the request of Mr. ROBERT C. BYRD, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of Senate Joint Resolution 106, a joint resolution to authorize and request the President to designate June 20, 1981, as "Bicentennial Emblem Day."

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. Hollings, the Senator from California (Mr. Cranston) was added as a cosponsor of Senate Concurrent Resolution 29, a concurrent resolution disapproving certain coastal zone management Federal consistency regulations.

SENATE RESOLUTION 198

At the request of Mr. Percy, the Senator from Michigan (Mr. Levin), the Senator from Michigan (Mr. Riggle), and the Senator from New Mexico (Mr. Domenici) were added as cosponsors of Senate Resolution 198, a resolution expressing the sense of the Senate that Benedict Scott (Vytautas Skuodis) be released from imprisonment in the Soviet Union.

SENATE RESOLUTION 200

At the request of Mr. Hollings, the Senator from Wyoming (Mr. Wallop) and the Senator from Utah (Mr. Garn) were added as cosponsors of Senate Resolution 200, a resolution expressing the sense of the Senate with respect to the scheduled meeting of the Interparliamentary Union in Havana, Cuba, in September 1981.

SENATE RESOLUTION 207

At the request of Mr. Denton, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of Senate Resolution 207. a resolution to disapprove of District of Columbia Act 4-69, relating to the reform of the sexual assault laws of the District of Columbia, and for other purposes.

SENATE RESOLUTION 209—RESOLUTION RELATING TO SELECTION AND REPRESENTATION ON THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. JEPSEN (for himself and Mr. Garn) submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 209

Whereas the Board of Governors of the Federal Reserve System directly oversees the growth of the monetary aggregates, the availability of credit and monetary policy generally, all of which substantially affect every sector of the national economy:

Whereas the Federal Reserve Act of 1913, as amended, decrees that not more than one Governor shall be selected from any one Federal Reserve District, and that due regard shall be given to a fair representation of financial. arricultural, industrial, and commercial interests, and geographical divisions of the country:

Whereas the present composition of the Board does not conform to the spirit of these statutory provisions and no President since 1959 has appointed an individual from either the agricultural or commercial sector to the Board of Governors:

Whereas the impact of Federal Reserve policy is particularly significant on those constituencies which by law are to be represented on the Board:

Whereas small businesses constitute the largest part of the agricultural and commercial sectors of the economy;

Whereas the problem lies not with the statutory language of the Federal Reserve Act:

Whereas the United States Senate, in Senate Resolution 434, 96th Congress has already expressed its concern about past insensitivities to the requirements of the Federal Reserve Act; and

Whereas the next vacancy on the Board of Governors of the Federal Reserve System will occur January 31, 1982, and preparations for the nominations will commence soon; Now, therefore, be it

Resolved, that in recognition of the fair representation provision in the Federal Reserve Act of 1913, as amended, the President of the United States, the United States Senate and the Senate Committee on Banking, Housing, and Urban Affairs should assure that the specific provisions of the Federal Reserve Act providing for agricultural, commercial (including small business) and broad regional representation on the Board of Governors are, henceforth, followed.

Mr. JEPSEN. Mr. President, today I rise to submit a resolution which expresses the sense of the Senate that the President of the United States, the U.S. Senate, and the Senate Committee on Banking, Housing, and Urban Affairs, should pay careful deference to the specific provisions of the Federal Reserve Act that require diverse economic and regional representation on the Board of Governors of the Federal Reserve System, in considering nominees to that Board.

This measure, if adopted, will put the agricultural and commercial sectors, which play such a vital role in the economic life of our country, on notice that they will not be ignored when the next

vacancy on the Board of Governors occurs less than 4 months from today.

I cannot think of a more timely moment for the submission of this resolution. All of us in the Senate heard the same thing when we were back home over the recess: If interest rates do not come down, there will be serious repercussions by the end of the year. Failed businesses, people out of work, and general uncertainty about the economy will not be a cakewalk for any of us. We need to send a signal to the American people that we are doing something. Suggesting the nomination to the Board of Governors of the Federal Reserve of an agricultural or small business representative is an excellent first step. After all, these two groups currently have no say in the monetary policies which are affecting them more dramatically than any other group. It appears a good idea to give them that say.

Congress specifically acknowledged the contribution of those sectors in section 10 of the Federal Reserve Act of 1913, as amended. At the same time, it also recognized the need for regional diversity of the Board. The language of the original legislation is precise and unambiguous.

In selecting members to the board ... the President shall give due regard to a fair representation of financial, agricultural, industrial and commercial interests and the geographical divisions of the country.

That reads rather clear to me. The agricultural and commercial sectors have a statutory right to representation on the Board of Governors of the Federal Reserve System as do the different regions in the United States. That law has been consistently ignored. This is not a question of interpretation, but of fact.

Of the 60 individuals who have served on the Board of Governors longer than 6 months, only 7 can claim agricultural experience. In over 20 years, not one appointee has come from a farming background.

Since 1959, 23 individuals have been appointed to the Board of Governors. Four have had business experience; only one could legitimately point to a connection with American small business.

The consistent disregard of geographical divisions within the country is equally indisputable. Although many appointments over the years have technically conformed to section 10 of the Federal Reserve Act through place of birth, education or limited residence in diverse areas of the United States, the detailed biographies of past and present Governors supplied by the Federal Reserve paint a far different picture. Since 1959, almost half of the Board of Governors have been from the east coastthis judgment is made according to residence during the majority of each individual's professional life. A quarter can be called midwesterners, slightly less were from the South. Only 2 of 23 came from the Far West.

What this data tells us is plain enough. The Governors of the Federal Reserve System have traditionally been picked from the same vine. Approximately 13 of the last 23 members were educated at Ivy League schools-nine at Harvard University. Sixteen were either economists or bankers in their professional lives; three others were Government workers. The overwhelming majority lived on the east coast: The West was hardly represented at all. In other words, the intent of Congress has been ignored. We owe this change to the two groups who feel the impact of monetary policy most immediately-farmers and small businessmen.

How significant a role do they play in our economic life? The facts speak for themselves.

According to the Small Business Administration, 98 percent of American commercial businesses are classified as "small" enterprises. These 10.8-million individual businesses produce almost 40 percent of our gross national product and provide over 66 percent of all new jobs created each year in the United States.

Agriculture is an equally significant partner in the national economy. There are 3.4-million farmers in America. The sector directly employs 3.7-million people or 3.4 percent of the work force. An additional 19.2-million workers are employed in related fields—farm machinery, chemical fertilizer, natural fibers, food processing, and transportation—and depend almost exclusively on the farming community for their jobs. In 1980, agricultural production contributed 5.5 percent of the gross national product.

To summarize, farming and small commercial enterprises are directly responsible for almost half of the aggregate national income and some 53 percent of national employment. These are not small numbers. Agriculture and small business define the success or failure of our economic system. That success or failure is in turn closely tied to monetary aggregates and monetary policy generally. In the absence of credit, a farmer cannot plant a crop, a car dealer may have to cease operating, and a retailer depletes inventories.

With the highest interest rates in the history of our country threatening the survival of America's heartland, it is important that the Senate demonstrate a commitment to letting agriculture and small business have a say in the proceedings which determine those levels. I want to clarify exactly what the resolution does and also what it does not do.

It makes the statement that the U.S. Senate recognizes that the language of the Federal Reserve Act has not been strictly adhered to in the past and alerts those previously ignored groups that we want their active input in future formulations of monetary policy. Most importantly, it honors the role of agriculture and small business in the economy.

What the resolution does not do is equally important. It is not a statement

of monetary policy. It merely addresses an abuse of congressional intent. Nor does it in any way restrict the President's prerogative of nominating whom he chooses. It emphasizes only that the Senate feels certain regions and backgrounds have been ignored for too long. Neither does the resolution impinge on the jurisdiction of the Committee on Banking, Housing, and Urban Affairs. Again, legislative prerogative is respected.

Finally, the measure does not wed the Senate as a whole to any particular course of action. It puts us on record as wanting to correct inequities of the past—nothing more. It is a sense of the Senate resolution, not a binding legislative directive.

Last May, the Senate adopted Senate Resolution 434. Its intent was very similar to the one I am submitting today. Several events prompted my reconsideration of the issue. This is far from a redundant gesture.

To begin with, we have both a new President and a new Senate. It seems appropriate to reaffirm that at least on this issue the Senate has not changed its position dramatically. It is also proper to invite the participation of the many new Members who were not with us last May.

Second, I do not believe that the previous resolution was either as strong or as precise as it might have been. At a time when agriculture and small business are suffering more directly than other groups from monetary variables in the economy, it is important to give them a clear message of support.

Third, economic policy appears to lead the national agenda. Monetary questions, therefore, need to be addressed.

Finally, the issue is a timely one. In Business Week, it was reported that the administration has been discussing a replacement for the outgoing member for sometime now. Four months is not as far away as we might wish.

As a senior agricultural advisor to the President's transition team and as co-chairman of the Reagan-Bush Congressional Advisory Committee on Agriculture, I cannot deny a partisan interest in this subject. But that is not why I have submitted this measure. I have introduced it for the simple reason that the law provides for fair representation on the Board of Governors of the Federal Reserve System and that law has been ignored. It is not a monetary policy recommendation but simply a reaffirmation of what technically is already law.

If the Federal Reserve Act did not provide for the fair representation of financial, agricultural, commercial, and industrial interests and the geographical divisions of the country, neither Senator Garn nor myself wou'd be introducing this resolution. But that, in fact, is the language of the law and it should be respected. When four of five specific provisions in a statute show historical neglect, as in this case, it is time for the Senate to act. I ask my colleagues to join the Senator from Utah and myself in support of this resolution.

SENATE RESOLUTION 210—RESOLUTION TO COMPILE AND PRINT A HISTORY OF THE COMMITTEE ON THE JUDICIARY

Mr. THURMOND submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 210

Resolved, That a compilation of materials relating to the history of the Committee on the Judiciary be printed, with illustrations, as a Senate document, and that there be printed such additional copies not to exceed \$1,200 in cost of such document for the use of the Committee.

AMENDMENTS SUBMITTED FOR PRINTING

AGRICULTURE AND FOOD ACT OF 1981

AMENDMENT NO. 530

(Ordered to be printed and to lie on the table.)

Mr. MELCHER submitted an amendment intended to be proposed by him to the bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

SURPLUS COMMODITIES TO NUTRITION PROJECTS

Mr. MELCHER. Mr. President, I am submitting an amendment today to provide surplus commodities to nutrition projects operating under the authority of the Older Americans Act and the schools. It would be an amendment that would be attached to the farm bill.

Very briefly, Mr. President, the amendment would provide that surplus commodities that we have in storage would be available for schools and senior citizens centers for their nutrition programs under a bonus situation.

I think it is a very timely type of amendment to offer at this time when we are cutting back on most of the Federal participation in school lunch programs and trying to hold, under the Older Americans Act, the appropriations for that program.

For the past 3 years USDA has provided bonus dairy commodities to schools serving school lunches free of charge—save for transportation costs—the schools can have all they can use without waste. OMB has been pressing to cease the bonus.

The Melcher amendment requires USDA to make bonus commodities available to schools and extends the bonus program to the elderly and expands the bonus program to all 416 price support commodities.

The amendment is important because: Schools need assurances of receiving bonus commodities. Currently the program is on a yearly basis. Schools are in a tight position financially. Deep budget cuts have resulted in losses in revenue at the local level. The 40 percent cut in per lunch assistance to 21½ cents jeopardizes the child nutrition programs. Bonus commodities will help schools

cope with cuts and keep their lunch programs in operation while helping farmers at the same time.

The elderly program will not be served by bonus unless required by legislation.

The elderly program provision includes a take home of cheese, nonfat dry milk, and butter. Legislation is needed to allow this without violating food stamp law.

The bonus program will operate only when there is a surplus.

American School Food Service Association supports and welcomes the amendment. Commodity distribution of dairy products is greatly increased by the bonus program. The National Milk Producers Federation supports and welcomes the amendment.

Mr. President, I ask unanimous consent that an editorial in today's Washington Post be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

SCRIMPING ON SCHOOL LUNCHES

The Agriculture Department proposed a regulation last week that was supposed to be helpful to the 94,000 or so schools now providing free or reduced-price meals to their students. With the budget cuts scheduled for Cctober, these schools will lose about \$1 billion in federal support for the school meal program.

Under the new law, some of this loss could be passed on to students by requiring those from families with yearly incomes of more than \$10,990 to pay somewhat more for their lunches. Current Agriculture Department regulations, however, require school meals to meet general nutritional standards. The price of food and labor costs being what they are these days, this means the schools would have to make up most of the reduced federal subsidy out of their own budgets—an alarming prospect to states and localities facing multi-billion-dollar losses in other forms of federal aid.

The Agriculture Department now proposes to ease this concern by the simple expedient of allowing the schools to provide poorer meals. While each school sets its own menus, the program's guidelines now aim to provide about one-third of a child's daily nutritional needs—a modest enough goal since the school lunch is the main meal for many children. Translating this nutritional standard into edible meals was never easy, and when you realize that schools now pay between \$1.30 and \$1.65 per meal—including costs of preparation and serving—you will see what they are up against.

Now comes the new regulation. Its main effect would be to reduce the minimum required quantities of each food group—less meat, vegetables and so on. Schools would also be given more flexibility in planning menus, and paper work would be cut. These changes, the administration estimates, would save schools about \$350 million a year.

The possibility of the new diets coming up a little short on this vitamin or that doesn't worry us as much as it probably should—we always suspected the school lunchroom's clientele left the Brussels sprouts on the plate anyway. And it seems sensible to try to simplify the thankless job of attempting to feed reasonably palatable and sustaining meals to hordes of youngsters whose palates have been trained on a diet of fast food. It was when we got down to the specified food quantities that we came to harbor the gravest doubts. We'll give you one example.

For the average kindergarten child the new daily menu would require only the following: four ounces of milk (that's half an average glass), one-half a piece of bread (not allowing for the part that ends up on the floor), one-half cup of fruit or vegetable, and one ounce of meat (a quarter of a modest-sized hamburger). We don't know what would happen if the little ingrates had the temerity to ask for more.

Of course, as the administration hastens to add, the schools wouldn't have to be this chintzy. They could maintain their standards and make up the difference from their own pockets. Some schools, however, would surely cut back, and these are likely to be in areas where local budgets are most limited and poverty is most entrenched. We know that balancing the budget won't be easy, but surely the nation—awash in government-supported surpluses of grain and dairy products—can afford a full glass of milk and a whole piece of bread for every child.

Mr. MELCHER. Mr. President, I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 136, between lines 9 and 10, insert the following new section 107:

"DISTRIBUTION OF SURPLUS COMMODITIES"

"Sec. 107. Notwithstanding any other provision of law, whenever government stocks of surplus commodities acquired under the price support programs under sections 210 and 416 of the Agricultural Act of 1949 exceed amounts needed to fulfill requirements for distribution to domestic commodity programs and commitments for food aid under the Agricultural Trade Development and Assistance Act of 1954, and amounts anticipated to be purchased by the commercial trade under the Commodity Credit Corporation's unrestricted resale program, such commodities shall be made available without charge or credit to nutrition projects under the authority of the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) and to schools providing food service. Such distribution may include bulk distribution to congregate nutrition sites and to providers of home delivered meals under the Older Americans Act. The Commodity Credit Corthe Older poration is authorized to use available funds to operate the program under this section and to further process products to facilitate bonus commodity use."

AMENDMENTS NOS. 531 THROUGH 533

(Ordered to be printed and to lie on the table.)

Mr. GRASSLEY submitted three amendments intended to be proposed by him to the bill S. 884, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. DANFORTH. Mr. President, the Subcommittee on Federal Expenditures, Research, and Rules of the Committee on Governmental Affairs will hold a hearing on Friday, September 18, 1981, to consider S. 719, the Consultant Reform and Disclosure Act of 1981. The hearing is scheduled to begin at 9:30 a.m. in room 3302 of the Dirksen Senate Office Building. The hearing was previously scheduled for September 17.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public the

scheduling of public hearings before the Subcommittee on Energy Research and Development.

On Monday, September 21, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the Subcommittee will hold a hearing to consider the Department of Energy's photovoltaic program.

On Friday, September 25, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the Subcommittee will hold a hearing to consider the viability of the domestic uranium mining and milling industry.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510. For further information regarding

For further information regarding these hearings you may wish to contact Mr. Paul Gilman of the Subcommittee staff at 224-4431.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public, that S. 1605 has been added to the agenda of the subcommittee hearing scheduled for Thursday, September 17 at 10 a.m. in room 3110 of the Dirksen Senate Office Building. S. 1605 provides for the reinstatement and validation of U.S. oil and gas lease numbered E.S. 20644.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224–4236.

Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Energy and Mineral Resources.

The subcommittee will continue consideration of S. 1542, a bill to amend the Mineral Lands Leasing Act of 1920, on Thursday, October 1, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-4236.

Mr. President, I would like to announce for the information of the Senate and the public that the subcommittee hearing previously scheduled for Tuesday, September 15 at 10 a.m. to consider S. 1516, to amend the Geothermal Steam Act of 1970, has been postponed until a later date.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public that the Senate Small Business Committee will hold a second day of hearings on interest rates and business credit needs on Thursday, September 24, 1981. The first day of hearing on this subject will be held on Wednesday, September 23, 1981.

The hearings will convene on both days at 9:30 a.m. in room 424 of the Russell Senate Office Building. Senator

WEICKER will chair.

For additional information please contact Jim O'Connell of the committee staff at 224-5175.

SUBCOMMITTEE ON ENERGY REGULATION

HUMPHREY. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of public hearings before the Subcommittee on Energy Regulation. These oversight hearings to consider the implementation of title I of the Natural Gas Policy Act of 1978 will be held on Monday, November 2 and Tuesday, November 3, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy Regulation, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings you may wish to contact Mr. Howard Useem or Ms. Marilyn Burkhardt of the subcommittee staff at 224-

5205.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BAKER. Mr. President, I ask unanimous consent that the Environment and Public Works Committee be permitted to meet during the session of the Senate today, September 11, for a markup on the Clean Water Act Amendments of 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Energy and Mineral Resources of the Energy and Natural Resources Committee be authorized to meet during the session of the Senate on Friday, September 11, to hold a hearing of S. 1542, to repeal section 2C of the mineral leasing act of 1920.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE FEDERAL RESERVE BOARD

• Mrs. HAWKINS. Mr. President, interest rates are at record levels at least in

part because of policies of the Federal Reserve. It is time for a change.

Let me give you some history on the Federal Feserve. It was established by Woodrow Wilson in December 1913 under the Federal Reserve Act to contribute to the attainment of U.S. economic and financial goals through its ability to influence the availability and cost of credit in the economy.

The Federal Reserve is the Nation's central bank. As such, its major role is to assure that money and credit growth over the long run is sufficient to provide for an improving standard of living for all Americans. In the short run, Federal Reserve policies aim at combating inflation or deflation.

The Board of Governors is at the apex of the Federal Reserve System. The Board formulates monetary policy and supervises and regulates some banks. Currently, the seven-member Board is appointed by the President, on approval of the Senate, to staggered 14-year terms. The Chairman is appointed for a 4-year term. Recently, however, Congress required confirmation of the Chairman as Chairman and the Vice Chairman as Vice Chairman.

That is the current structure: however, under the original act, the President appointed five members to the Board and two of these were the Secretary of the Treasury and the Comptroller of the Currency. In the 1930's, an attempt was made to make the Federal Reserve more "independent" of the President and more responsive to Congress.

The restructuring which occurred in the 1930's saw both the Secretary of the Treasury and the Comptroller of the Currency dropped from the Board, and its size increased from five to seven members. Terms for members were lengthened, and Senate confirmation was required.

A main question is whether the monetary authority should be responsive to the President and the President's policies, or should be apart from or independent of, the President. We must have a stable currency and that cannot occur with interest rates at their now impossible levels.

It is time for a change in the structure of the monetary authority of the United States.

That is why today I am calling for immediate and positive legislative action to restructure the Federal Reserve Board. I am calling for an increase in the size of the Board and a shortening of the length of their terms

My proposal to restructure the Federal Reserve includes increasing the number of members to insure that the broad cross-section of America's economy is represented. For too long the Federal Reserve has been responsive only to Wall Street. It is time it listened to those of us on main street.

At the same time, I strongly support the need for a full inquiry into the structure and workings of monetary authority. The aim of the inquiry would be to strengthen the institutional ability to

manage the money supply of the United States.

GEORGETOWN, DEL., ALL STARS MAKE A WORLD-CHAMPION COMMUNITY

Mr. BIDEN. Mr. President, on August 22, 1931, the Georgetown, Del., senior little all stars—the first Delaware team to compete in the Senior Little League Basebail World Series-gave Delaware its first world championship by winning the series playoffs in Gary, Ind.

The people of Georgetown-a town of 1,710 which is the county seat of Sussex County, the southernmost of Delaware's counties-are understandably three proud of the victory of their all-star team. The young members of the team themselves deserve the pride they feel in their hard-won accomplishment. They have won the acclaim of all of the people of Delaware.

But, Mr. President, as impressive as it is for a small, essentially rural community like Georgetown and as small a State as Delaware to win a world championship, I believe that victory represents something more than a good day on the playing field for a baseball team.

It represents, in the first place, the willingness of a group of youngsters and their coaches and managers to dedicate themselves to the time-consuming hard work that results in a championship performance in a highly competitive enter-prise. The record of the Georgetown all stars reminds us that there are not shortcuts to excellence-and that excellence is within the reach of any community, large or small, that will make the investment required to achieve it.

We should not forget, Mr. President, that to a significant degree such a victory represents the involvement of an entire community—not only of the young players who brought the world championship home to Delaware, but also of their families, their coaches and the people of Georgetown who supported them so warmly throughout the competition.

In a time when the headlines seem to focus only on the problems our young people face, it is more important than ever to provide youth with the constructive challenges that develop character and self-discipline and with the opportunity to learn that those values are deservedly a permanent American heritage. Strong, healthy individuals who become good citizens are the product, most of all, of their own families and communities. If we expect our young people to compete successfully in all of life's arenas, we must do everything within our power to cultivate and support the families and communities that are the backbone of America.

I believe, Mr. President, that in this light the Georgetown senior little league all star baseball team, their families and coaches, and all of the people of the Georgetown community are world champions and an example all Americans can treasure and admire. They have reas-sured us that the traditional American values still survive and succeed among

RIPPLES AND WAVES IN THE NATIONAL SECURITY TIDAL BASIN

 Mr. GOLDWATER. Mr. President, the August 1981 issue of the Armed Forces Journal contains an excellent article by the editor of Armed Forces Journal, Mr. Benjamin Schemmer. We are now making an effort to put this Nation's military forces back on their feet but a recent television production by CBS and a new book on national defense by James Fallows would have you believe that the effort is completely misdirected. Ben Schemmer has stirred up a few hornet's nests around this town and I hope that he gets some attention with this article. He makes good sense and points out clearly that Fallows, CBS, and others have provided: "A simplistic view of an enormously complicated problem in a world that is uncertain, uneasy and unpredictable."

Mr. President, I urge that every Senator take the time to read this clear-cut, hard-hitting article written by someone who really knows the defense business and who does his homework. I ask that the full text of Mr. Schemmer's article be printed in the Record.

The article is as follows:

RIPPLES AND WAVES IN THE NATIONAL SECURITY
TIDAL BASIN

(By Benjamin F. Schemmer)

The hot topic in American journalism today is "national defense." As Ronald Reagan and Defense Secretary Caspar Weinberger begin to "rearm America," our TV sets, newspaper op-ed pages, and favorite magazines warn us that the trillion and a half dollars they plan to spend defending us over the next five years won't buy much more security because the Pentagon inevitably will foul things up.

That's true. Just like our lawyers, our stockholders, and (less occasionally) our doctors. (I'm still trying not to pay for a set of chest X-rays which a local hospital took when I went to the emergency ward one day for a bad gash in my knee.) A trillion and a half dollars is a lot of money, and it makes good copy at a time when the public wonders if new tanks will come only at the expense of social security and welfare checks; it makes even better copy when the tanks and planes and submarines don't quite work as advertised, but cost from a million to a billion dollars each.

Defense has become such a popular topic that CBS TV News late in June devoted an unprecedented five consecutive, prime-time, one-hour specials to the subject.

Regretfully, many of the pundits bringing you all this insight into how well the President and his generals are going to defend you don't know their ass from their elbow. Take Dan Rather's "hype" on CBS TV Evening News on Wednesday, June 17th for Richard Threikeld's "complete investigation" of the military/industrial complex that CBS aired at 10 o'clock that night. He showed a dramatic clip of the Air Force's F-16 fighter with this voice-over: "The planes used by the Israelis to bomb Iraq were US F-16s, developed by General Dynamics. They are widely acknowledged to be the world's best fighter-bombers; they are also the most expensive, technologically sophisticated and requiring massive maintenance."

Airmen the world over must be wondering whom CBS polled to conclude that the F-16 is the "world's best fighter-bomber"—good though it is. Dispassionate pilots debate such issues to no end, and even General Dynamics has never flaunted such a claim

for the F-16—although it may now that Dan Rather has pronounced it Gospel.

CBS VERSUS THE FACTS

But while that description of the F-16 is debatable, CBS' first statement that it is also the world's "most expensive" fighter-bomber is not: it is just plain wrong. In fact, the F-16 may be the world's cheapest fighter-bomber. (Northrop's F-5 costs us less, but the US doesn't use it except in small numbers to simulate Soviet Mig-21s for realistic air-to-air training.) An F-16 bought in this year's defense budget costs about \$14-million in so-called fly-away prices (without spare parts or amortizing research and development costs); an Air Force F-15 costs about \$28-million; the Navy's F-18 costs about \$34-million; the British-German Tornado (its embassies here claim) costs about \$23-million.

CBS must have worked hard to make that error; ones that far off base don't come easy. I can't think of anyone anywhere in the world who would call the F-16 the world's "most expensive" fighter-bomber.

CBS was right on, however, when it said the F-16 is "technologically sophisticated." That's one reason it performs so well. Every time it (and the F-15 and F-18) flew at the Paris Air Show in June (usually just before or after the French demonstrated their new Mirage 2000 and Mirage 4000 delta-wing fighters), the president of Dassault Aviation must have turned to his chief engineer and asked him, "What's wrong with you?" (As Time magazine's aerospace specialist, Jerry Hannifin, said of the Mirage when we watched it mush around in wide, high-speed turns one day, "I think the French have finally perfected the F-102." Hannifin was referring to the delta-wing US interceptor which first flew in 1953 but is now being used for target practice.)

As for the F-16's "massive maintenance," the plane had the third lowest maintenance man hours per flight hour of all eight USAF first line fighters or bombers last year. And that was its first year of operational use. Its design goal is 25 maintenance man hours per flight hour—once the plane and its spare parts pipeline are "mature": in its first year of operational use ending last September 30th, the F-16 beat that goal by 17 percent.

So why did CBS use the description, "massive maintenance"? Was it to back up Dan Rather's contention, when he introduced Threlkeld's "complete investigation" that what is "disturbing" about the "one-point-three trillion dollars" we will spend to defend ourselves in the next five years, "besides the cost, is that many of the weapons we're already building don't work as well as they're supposed to"?

THE JAIL CELL DOGFIGHTS

Later in the broadcast, Threlkeld cited results of the Air Force/Navy "ACEVAL" tests at Nellis Air Force Base, NV, six years ago to contend that "high technology is not much help" in the air-to-air combat arena, suggesting that we should be aiming for "quantity over quality." He called ACEVAL "the most realistic dogfight in American history."

That's not what the pilots flying those tests said of it. The final chart of their briefing said simply, "ACEVAL Bottom Line: The tests did not achieve the objective of quantifying the influence of numbers versus performance on the outcome of the engagements." In fact, the pilots objected repeatedly and strenuously that the dogfights were limited to day-only visual flight rules, thus

¹Even adding inflation projected for the years ahead, the cost of the US planes will decrease from 23 percent to 50 percent because of "learning curve" effects as more are built and, in some cases, more efficient production rates are achieved.

totally negating the impact of all-weather radar and weaponry which the "technologically sophisticated" F-15, F-14, and F-18 carry, and which the F-16 will. (At no time in the tests, for instance, was the F-14 ever allowed to use the full capability of its longrange radar, around which the plane is designed; or even turn it on until it got within the "ring" for close-in engagements. Thus, its long-range Phoenix missiles [which account for much of the plane's unique capabilities and cost] were of no advantage whatsoever. To the contrary, they became dead weight, degrading the plane's ACEVAL performance.)

The ACEVAL pilots also objected because they were not allowed to "engage" their opponents until the "enemy" had been visually identified (a rule of engagement that Robert McNamara and Lyndon Johnson imposed on US aircrews flying over North Vietnam, and one reason the US spent three years, 22-billion dollars, and 3,091 lives—after the Paris peace talks began—to oring home 566 American prisoners of war from the dungeons of Hanoi.) The visual identification requirement further nullified any advantage of the technology that differentiates planes like the F-14, F-15, and F-16 from ones like the F-5 and Mirage 2000: their radars were blinded and their long-range missiles rendered inert by the very rules under which the planes were tested against "small, simple, and cheap" ones like the F-5.

Finally, Threlkeld falled or forgot to note, the Nellis tests were flown literally over the runways from which the planes took off—thus the extra range built into America's "sophisticated" fighter-bombers counted for naught.

THE JAIL CELL TESTS

"The most realistic dog fight in American history"? I doubt that CBS could produce one pilot who flew those tests who would do much more than puke at the statement. The most common way they describe ACEVAL is that it was like trying to evaluate a pistol against a rifle by firing them within the confines of a jail cell.

CBS' widely touted in-depth study of your national security rates about a B+ for theater, a D for journalism, and an F for accuracy. (Time magazine said it got 30 percent of the viewing audience, "a virtually unheard of performance for a documentary." It hailed the CBS series as "thoughtful" and "incisive." That's cause for concern, since a separate Time article in the same issue noted that "more people [71 percent] believe that network television does a better job of providing accurate, unblased news than anyone else." and that "a sizable portion of the television-news audience reads no newspapers or magazines and learns what little it knows of events from television alone.")

Toward the close of Richard Threlkeld's "investigation" that evening into horror stories about the way the Pentagon buys weapons, he told us, "But we couldn't find a single instance of the Pentagon ever recommending canceling one of its programs!"

THEY COULDN'T FIND WHAT?

Who does CBS use for "investigators"? Doesn't the network have anyone run even a superficial check of its "facts"? (CBS' own regular Pentagon correspondent, Ike Pappas, a knowledgeable reporter, never even appeared in the series.) One phone call from Threlkeld or his writers to even the most Threlkeld or his writers to even the most obvious sources would have produced a top-of-the-head list of scores of major programs the Pentagon has canceled in recent years (on its own, not just because of Congressional or White House objections)—the Army's Cheyenne helicopter, its IMAAWS Infantry Manportable Anti-Tank Assault Weapons System (right after contracts to develop it were awarded last fall), its Roland air de-

fense missile (a decision Harold Brown made last fall, but which Caspar Weinberger has since reversed); the Navy's F-111B. Captor mine (another Brown decision reversed by Weinberger), and the Marine Corps' AV-8B jump jet (a Brown decision which Congress overruled three years running); the Air Force's B-1 (Brown recommended that Carter kill it in favor of air launched cruise missiles), Medium Range Mobile Ballistic Missile, Manned Orbiting Laboratory, KC-10 cargo tankers (a Brown decision overruled by Weinberger), or A-10 close support planes (a Brown decision overruled by Congress and later by Weinberger).

CBS could have done an entire program on the money the Pentagon has spent developing weapons which it later decided to cancel outright or quit buying far earlier than expected. That subject would have been worthy of comment: One reason defense costs so much is that under tight defense budgets, there has been little "constancy of purpose" in the way we buy things. Even when weapons work as advertised (the F-16, Roland, KC-10, our nuclear subs, and the AV-8B are but a few examples), we buy so few of them at such low production rates or abort the projects so prematurely that the individual cost of what few weapons do reach the field soars higher than the apogee of some sat-ellites.

CBS' special series on "Defense of the US" was unprecedented: Never has a network invested so much prime time to ruin its own reputation. To some, it was ironic that CBS set its new standard for defense reporting right after naming former Defense Secretary Harold Brown to its board of directors: to others, it was poetic justice. He must be catatoric

THE NEW GURUS ON NATIONAL DEFENSE

But CBS has no monopoly on bum dope. You'll be reading a lot of it about national defense in the months ahead: and some of the worst dope will come from people who know better, but are just as loose with their "facts."

Retiring Comptroller General Elmer Staats said in a widely quoted swan song early this year that the Army's new M-1 Abrams tank was to have cost \$507.000 in 1972, but "now costs \$2.8-million." Priced on the same basis as the 1972 number, the M-1 now costs \$568,-900 per tank. Staats was off by a factor of five—and he was Congress' "watchdog" on government procurement! (When he announced with great fanfare some years ago a new "uniform cost accounting system" for government contractors, we asked Staats what it would cost to implement the system, and what it would save the taxpayer. Neither he nor his staff had an answer to either question: apparently they never considered those issues.)

Former CIA Director Stansfield Turner wrote in the New York Times Magazine recently on "Why We Shouldn't Build the M-X." It was a provocative, thoughtful piece, well written—and punctuated with gross errors. Turner said, for example, that building bases for the M-X would "require, according to some estimates, 40 percent of the country's total cement production for three years." He must have gotten his numbers from the same sources who persuaded him in mid-1978 that the Shah of Iran would remain in power for another decade. Turner was off by a factor of eighty. The largest number I can track down that anyone has ever estimated for M-X cement needs is about one half of one percent of US production. Turner is writing a book, the Times told us, on "military strategy." It ought to be hilarious.

But the subject is not funny.

President Jimmy Carter's chief speech writer has just come out with a widely quoted and now best-selling book called National Defense. Like so much of the rash of "reporting" now making print on national security matters, James Fallows fails to heed an admonition which Joe Califano cites in his book, Governing America, to those who would try to understand American politics. Califano cautions: "Try to tell the difference between tides, waves and ripples."

Most of Fallows' book is about a lot of ripples. His horror stories of how the Pentagon screwed up its last five or six two-car funerals (the M-16 rifie, F-16 fighter, etc.) are fascinating, engagingly written—but not new, or even that important.

TIDES AND WAVES VS. RIPPLES

It's the tides and waves that should concern America.

How can we get our allies to contribute a proportionate share of their national treasures to their own defense in Western Europe? If Japan refuses to increase its defense spending above nine-tenths of one percent of its gross national product, while we spend over five percent of ours helping guarantee Japan's petroleum lifeline, would Japan consider an alternative? Like investing 4 percent of its gross national product finding a way to gasify or liquefy coal economically (something Congress has authorized \$81-billion in capital investment for us to try doing, and for which it's already appropriated \$19-billion). Japan could then use all those empty ships returning from delivering millions of Datsuns to America to haul coal back to Japan—so we can buy it back as synthetic coal liquids. If the US really wants to sell China arms so it can continue tying down 47 Soviet divisions along its border, but without risk of having Sinkiang Province bumped off one night, why not ask China-as friendly quid quo—to recognize South Korea—and thus let us redeploy some of the forces now tied down there to where they could better protect our Persian Gulf oil supplies?

Those are the kinds of national defense issues we should expect Presidential speech writers to be addressing; those are the kinds of strategic initiatives which could ease our defense burdens by multi-billions of dollars. Fallows doesn't touch on them; instead, he assaults us with relative trivia—for which his publisher wants you to pay six cents a page.

Fallows' indictment of the "ripples" which is the Pentagon's way of doing business has cau-ed in our national defense (valid though much of it is) would ring truer had he given equal time to the tidal waves which micromanagement by the White House and Congress have caused (and continue to cause) in national security affairs. A President should be concerned about multi-billion dollar issues like MX vs. Trident subs, or the B-1 vs. cruise missile—issues where survival is at stake. But Fallows doesn't tell us of the years his boss, Jimmy Carter, spent micro-managing a \$6½-million defense issue into a \$40-million international flap—all over a little commercial air terminal in Iceland. Accounts vary, even among those closest to the flasco, but they add up to a story like this:

CARTER'S ICELANDIC DIPLOMACY

Soon after Carter took office and asked NATO's 15 nations to contribute more to their common defense. Carter turned down a .6½-million Pentagon request to build a civil air terminal at Keflavik, Iceland—so that nation's civil air carrier, Icelandic Airways, wouldn't have to process its passengers through the small (and slightly dingy) U.S. Navy terminal there. The Icelanders, he objected, could build their own terminal or continue using ours: If it was good enough for the U.S. Navy, it ought to be good enough for the Icelanders.

Carter scoffed at arguments that the Icelanders have a deep-rooted and strong dis-

inclination, to say the least, to things military; couldn't afford the air terminal out of their meager \$600-million annual govern-ment budget; represented one of NATO's most critical allies (because of its location right in the center of the Greenland-Iceland-United Kingdom gap, through which Russia's Northern Fleet and Backfire bombers would have to pass before they could interdict the trans-Atlantic resupply of NATO); and had not asked for U.S. aid in a long, long time. Pentagon and State Department planners considered the \$61/2-million air terminal a bargain in international good will, and a way of demonstrating to the Icelandthat their reluctant membership in NATO had its peacetime dividends too. (Not inconsequentially, it would also let the Navy improve security at Keflavik, which was about to become an increasingly sensitive base. NATO's first AWACS Airborne ing and Control System planes would be deployed there, and scores of long range antisubmarine patrol planes would be operating from Keflavik in periods of tension.)

Defense Secretary Harold Brown almost a year and then appealed to Carter to let the civil air terminal go ahead; its cost, he reported painfully, would now be \$111/2 million: the Icelanders had come up with a better design, or whatever, Carter wrote on this appeal something like, "I've already said No!" Brown's NATO advisors persuaded Brown to go back to the President still again; by the time he did, the terminal's cost was up to \$23-million. Carter reacted quickly: "No!" During Carter's last months in office, Brown resubmitted the proposal for a fourth time; the cost had grown to almost \$40-million. To the Pentagon's surprise, Carter approved the project with a hand-scrawled "OK," signed, "JC." But he told one of his military assistants: "Make sure Harold understands that I'm still against this. The only reason I'm approving it is that he's never argued with me four times on the same issue before, so I guess it must be important to him.'

That's a weird way to decide important national security issues. Writing so rejoratively about the way the Pentagon handles them, Fallows might have shared with his readers some insight on what happens when those decisions reached the desk of the President he served as chief speech writer.

THE OAKLAND RAIDERS AUDITORS

Like CBS, Fallows spends a lot of time indicting the F-16 for its sophistication and complexity, along with its F-15 "high cost" Air Force counterpart and its sister fighters in the Navy, the F-14 and F-18. Fallows relies openly (as CBS seems to have done, without saying so) for much of his insight into the complex problem of tactical air warfare on a Pentagon document prepared by a Defense Department analyst named Franklin C. Spinney, formally entitled "Defense Facts of Life"—a 56-page single-spaced tome, with 87 briefing charts attached, whose thesis is summarized: "The evidence presented reveals that:

Our strategy of pursuing ever increasing technical complexity and sophistication has made high technology solutions and combat readiness mutually exclusive."

Fallows apparently never asked Spinney's Pentagon boss for his view of all Spinney's "facts": Former Assistant Defense Secretary Russell Murray II might have told Fallows that one of the big mistakes he made between 1917 and early 1981 was not heeding the advice of a deputy who told him he ought to listen to the briefing Spinney was giving on his behalf throughout the Pentagon to (as Spinney himself put it) "anyone who would listen." A few weeks before he left office, Murray now acknowledges, he finally listened to Spinney's briefing. He was lightly chagrined. Many, perhaps most, of Spinney's facts were solid; but a great many of them.

Murray says, were "irrelevant"; some of them didn't support the conclusions drawn; other equally important facts might have sup-

ported dramatically different conclusions.

Spinney gave his briefing a few weeks ago to the four star officer who commands the US Air Force Tactical Air Command, General Wilbur Creech. Creech told him that the four-hour briefing was fascinating and contained lots of useful data; but, Creech said, he wasn't quite sure how it related to his real world problem of trying to field a fighter-bomber force that could cope with a Soviet air threat which out-numbers NATO Europe 2,800 to 1,500 in combat airplanes rapidly becoming as modern as ours. Spinney or a control of the c

To Air Force generals, comments like that aren't very funny. If they could buy combat aircraft as fast as the Soviets have been producing them in recent years (one every 10 hours, compared with a new Air Force plane once every 70 hours), they could reequip the United States Air Force in Europe every seven months, or completely modernize their entire active inventory every 18

Creech cites an analogy to the Spinney report: cost analysts looking at the Oakland Raiders football team. They would tell the coach and owner: "I am not responsible for war-fighting strategy; you are. I am telling you, these are the cost trends." Cost analysta looking at the Raiders would likely say to the owner, "Get rid of your quarterback and wide receivers, and buy more guards." the owner to answer, as might be expected. "But I can't win in this league with more guards," an analyst would tell him: "Don't bother me with those kinds of details; you ought to get rid of the quarterback and your wide receivers—they cost too much and break too often."

"SIMPLE" VS. "COMPLEX"

But whatever Spinney's prescription is, Fallows would have the United States design its fighter forces around it—simple, cheap, non-radar carrying planes like the Korean War F-86, planes the US could buy in vast quantities and fly often because they are simple to maintain and thus generate more combat flights than "hangar queens" like the F-15.

Spinney and Fallows ought to read a little more history. The F-86 had an accident rate which varied from eight to 26 times higher than today's F-15: In its first seven years of use, the Air Force lost 1,972 of them—just in accidents. (The "complex" F-15, which incidentally has 188 fewer "black boxes" than the plane it is replacing, has the lowest accident rate of any fighter ever produced, and the "sophisticated" F-16 has the lowest accident rate of any single engine fighter ever produced.) In one single year, 1954, the Air Force lost 437 F-86s—one and a half a day— because pilots couldn't bring the simple little Mother down to a safe landing: that's onethird of all the F-16s and about half of all the F-15s the Air Force hopes to buy, ever. That year the F-86 had an accident rate of 61 planes lost for every 100,000 hours flown; the F-15 averages 5.18. (For three years in a row, the Air Force lost more than one F-86 a day in major accidents.)

As for "sortie rates" (how many missions any one plane can fly in a given day or month), Spinney and Fallows (and the other "fighter Mafia" analysts they both quote widely, like former Pentagon whiz kid Pierre Sprey) would really have the Air Force go back to World War II's propeller-driven P-47 Thunderbolts or P-51 Mustangs, not even the Korean War F-86 jet. A fascinating thesis simple is good, more simple is better. fact is that F-15s regularly fly two to three sorties per plan per day in realistic wartime

'surge' exercises in Germany, in weather that grounds \$45-million civil air liners. The highest World War II sortie rate which Europe's 9th Tactical Air Force P-51s and P-47s ever attained was less than one mission per plane per day. During the Battle of the Bulge, when Omar Bradley and George Patton prayed for all the air support they could get, 9th Air Force averaged only about one half a sortie per plane per day. At one juncture, the planes didn't get off the of a sortie per plane per day; at another juncture, the planes didn't get off the ground for nine days in a row.

One reason those simple planes flew so few sorties is that the weather was bad; the P-51s and P-47s couldn't take off, couldn't find their targets, or couldn't return safely to base. Bad weather rendered them inert. Spinney and Sprey and Fallows forget one thing that "sophisticated" airplanes have going for them: their radars and complex avionics let them take off, land, and attack targets when the weather is bad. The battlefields of western Europe (and, as Desert One proved, even ones in the Persian Gulf) are not noted for their idyllic climates: few Germans sport sunburns; most Iranians have complexions scarred by desert wind and dust or savage winters.

UBIQUITOUS JOURNALISM

Like plasmodial slime mold, the impressions created by all of this new defense "reporting" will stick around for a long time. Borne of the same kind of fictional alchemy that created the monster Frankenstein, Turner's cement estimate, for instance, already taking on a life of its own. An article in the June 22nd issue of New York maga-zine, "\$1.5 Trillion for Defense?" reads like a seven-page summary of Fallows' book, with a few new facts. One of them reads in full. Construction of the MX complex would tie up 40 percent of the nation's concrete capacity for three years." What the hell: if Stans field Turner said so, it must be true. (Not that many Americans, after all, are aware that Turner's four years as CIA Director almost made the phrase "American intelli-gence" the biggest contradiction in the English language.) New York didn't credit Turner with the cement estimate; so investigative reporters looking into the Pentagon's corner on the cement market now have two hard sources to cite. The Washington Post sometimes doesn't even require one.

The New York article, like a similar Texas Monthly June feature on the F-16 ("The Plan the Pentagon Couldn't Stop"), reads straight Fallows. It's very attractively laid out. A big sell line across one two-page spread tells you, ". . The top military brass likes sophisticated weapons, but technology has become the new Maginot line . . ." Someone names Michael Kramer by-lined the New York piece; a Michael Ennis wrote the Texas Monthly one. Neither magazine identified who they are, but their articles read as if Fallows has cloned himself. Fallows is ubiquitous. A big interview in a recent issue of People magazine ("Is the Reagan Defense Boom a Bust? It's flying too high on Tech-nology, warns Jim Fallows"); a feature article in the Boston Globe excerpts his book: Atlantic Monthly ("America's High Tech Weap-onry") and Washington Monthly—all have helped turn his modest work into the Holy Writ. (Fallows is Washington editor of the former and a contributing editor to the latter.) The only thing surer now than getting your IRS 1040 form on time is that, like it or not, James Fallows' National Defense is going to be quoted for a long time. It just made the best-seller list.

I've never met the man, but I wish my publisher would hire him as an ad salesman: the guy really knows how to hype books. (Guess what's first on the New York "Defense (Guess what's first on the New York "Defense Reading List" that ends its June 22nd fea-ture? You got it: "The very best overall critique of America's defense posture is National

Defense by James Fallows . . . ")

Fallows isn't the only new Moses of the defense world whose tablets you'll be reading for months to come. Former Pentagon analyst Pierre Sprey, father of the simple little air-plane (the lightweight fighter that became the "complex" F-16) and mastermind of the close support A-10 (which the Air Force is now trying to fix so it can operate in bad weather), was quoted eight times in the New York article and 19 times in Texas Monthly.

AND NOW, AN OBJECTIVE VIEW

Editors who don't have time to bog down in all those facts that Fallows, Turner et al. are throwing at them will owe a special debt to the Center for Defense Information, a tax exempt project of the "Fund for Peace." It's just what the need if they want to editorialize about all this money Reagan is stacking up on top of Ground Zero (Turner used all the cement, so we'll have to make the National Military Command Center in-National Military Command Center in-vulnerable by hiding it underneath a mil-lion dollar bills). A 12-page newsletter it circulated late in June had this headline across the front page: "Military Budget Up \$80 Billion in Two Years." Just below that was a box summarizing the facts inside. "The first paragraph [bulleted, to get your attention] read in full: "The Department of Defense is embarking on a vast spending spree of over \$1.5-Trillion in the next five years. Most of this money will not be spent on the defense of the U.S." Although I haven't read every word of the newsletter yet (I'm out of No-Doz), I honestly could not find, after scanning it carefully three times, what the Center for Defense Information thinks the Pentagon will spend that money for. But the boxes on its inside pages give you a culck feel for its analysis "Frightening Waste in Defense" and "Runway Costs" decorate page three; "Vast Opportunities for Savings" tops page 5; CDI's List of for Savings" tops page 5; CDI's List of Unjustified Nuclear Weapons Programs" grabs you on page 7 (a modest \$12.5 bil-"Future Economic Dangers," Wrong King of Navy," Damaging the Economy" and "Need for Arms Limitation" round out the analysis.

If Ben Bradlee repackages the thing right, he could have another Pulitzer Prize on his hands. The only thing I could find missing from the document was one digit about how Russian forces have changed in the past decade.

Today's "production lead times" mean that it now takes from 18 months to two years, once an order is placed, to get the first new simple weapon off the assembly line and on its way to the troops. But long new Reagan defense budgets before the produce their first new bolt, CBS and Fallows are creating the subconscious impression that Caspar Weinberger ordered the wrong one, too many of them, and has run warehouses to store the ones sent him last week. Americans are likely to soon wonder, "We've spent all this money beefing up our armed forces. Isn't it time to throw out money down some other rat hole?" Your daily newspapers really haven't told you that the first new money Wein-berger as d for last January, a \$3.04 billion "supplemental" for the Fiscal Year 1981 defense budget now underway, still hasn't been fully approved by Congress.

Stanfield Turner, Pierre Elmer Staats. and James Fallows are just a few of the "authorities" reporting to you today on national defense issues who would have you believe that war now boils down an issue of quantity versus quality, and that to win one now, we have only to buy more less expensive weapons.

They don't tell you where we will find or how we will pay all the extra pilots needed to fly all those extra simple airplanes, or where we will find the airfields to park them in Western Europe, or that bachelor quarters for an F-86 pilot costs just as much as for

an F-15 pilot.

They tell you horror tales of the F-15's and F-16's engine reliability and mainteand F-10's engine reliability and mainte-nance problems; they don't tell you that those problems with the "complex" F-100 have been reduced by a factor of two to 10 in the past two years. (The F-100 engine is complex: but at eight-to-one, it has the highest thrust-to-weight ratio of any aircraft engine in the world, one reason the planes it powers perform so well.) They tell you that on an average day in 1978, 44 percent of the Air Force's F-15s were not fully ready for combat. They don't tell you that under the tight defense budgets of recent years, no one budgeted enough spare parts for them, while Congress cut much of the spares support which the Air Force did request; they don't tell you that today, F-15s are fully mission capable over 64 percent of the time, or that only one Air Force plane now has a higher combat readiness rate, or that the F-15 is now more combat ready than the fighter it replaces.

They don't tell you that one reason Navy officers prefer to hunt Soviet submarines with the costly DD-963 destroyer is that the much simpler little FFG-7 frigate can't carry a sonar big enough to do much more than locate schools of fish. They don't tell you that nuclear ballistic missile submarines cost a lot, for one thing, because the 41 boats were built to last; they just finished their 2,000th combat patrol, almost 50 each totaling more than 100,000 days—275 years—under water since 1961. They don't tell you that many skippers of those boats will tell you they have never been detected by a Soviet submarine, surface ship, or aircraft; their boats cost a lot because they are also very quiet, virtually undetectable; their Russian counterparts don't cost as much to build, but trail "signatures" about as silent or invisible as four-alarm fires.

Fallows, Turner, and CBS give you a simplistic view of an enormously complicated problem in a world that is uncertain, uneasy, and unpredictable. When confronted by ex-Aristotle once wrote, the prudent man chooses the middle ground.

CBS, Turner, and Fallows have not.

You deserve to be better informed on trillion and a half dollar issues like national defense.

DEATH OF ROY WILKINS

• Mr. KENNEDY. Mr. President, with the passing of Roy Wilkins, America has lost a lion in the fight for human dignity and a leader in the struggle to overcome the prejudice of the past and the dis-crimination that still blights our present day. The patient, persistent prodding of our national conscience by Roy Wilkins led us far on the road toward equal justice under law for all our people. President Kennedy looked to Roy Wilkins during the civil rights struggle of the 1960's. In my own life Roy Wilkins has been a trusted adviser, a voice of hope, and a steadfast colleague in countless battles for equality.

Those in our society who are poor or disadvantaged or discriminated against have lost a strong advocate with the death of Roy Wilkins. But in a larger sense, all Americans will feel the loss of his voice and the stilling of this powerful force for reason and human dignity.

Mr. President, I ask that the articles on Roy Wilkins that appeared in the Boston Globe, the New York Times, and

the Washington Post may be printed in the RECORD.

The articles follow:

[From the Boston Globe, Sept. 9, 1981]

ROY WILKINS IS DEAD AT 80

(By Lee May)

New York.—Roy Wilkins, who carved into an art form the strategy of using the federal courts to attack racial discrimination on all fronts, died of kidney failure yesterday in New York University Medical Center. He was

Mr. Wilkins, who headed the National Assn. for the Advancement of Colored Peo-(NAACP) for 22 years, was admitted to the hospital Aug. 18 with a cardiac condition and several other medical problems complicated by the kidney problem. He had a history of heart trouble.

From the White House, President Ronald

Reagan led the tributes.

"Roy Wilkins worked for equality, spoke for freedom and marched for justice. His quiet and unassuming manner masked his tremendous passion for civil and human

rights.
"He once said, "The heritage of a man of peace will endure and shine into the darkness of this world.' Although Roy's death darkens our day, the accomplishments of his life will continue to endure and shine forth."

Rev. Joseph Lowery, president of the Southern Christian Leadership Conference, lauded Mr. Wilkins as "a statesman, scholar and servant in the area of civil rights.

"He served during the toughest of periods," said Rev. Lowery. "He served when there were lynchings. He watched the white pri-Ithe exclusion of blacks from votingl fade into history and he lived to see the crumbling of the wall of official segregation."

Mr. Wilkins successor, Benjamin Hooks, at his Memphis, Tenn., home, said: "I'm shocked at the passing of a man who meant so much to the civil-rights movement and, for that matter, to America."

Mr. Wilkins devoted his life to turning his knowledge of the governmental system into an armful of legislation benefiting minor-

Among the bills Mr. Wilkins' strategies guided through Congress were the Civil Rights Acts of 1957, 1960 and 1964 and the Voting Rights Act of 1965.

As a young man, he traveled from New York to the Deep South, posing as an indi-gent to conduct an undercover investigation of the treatment of blacks working on flood-control projects along the Mississippi River.

During the 1930s, that foray easily could have meant death for a black, but Mr. Wilkins lived to detail the injustices he found. His published report led to a congressional investigation and legislation against unequal pay and exploitation by employers.

But it was the 1954 US Supreme Court

decision directing public schools to desegregate that Mr. Wilkins called his greatest

victory.

The desegregation suit, filed by the NAACP, embodied Mr. Wilkins' deep-rooted belief in integration as the route to black progress in America, a belief that sometimes put him at odds with other rights activists.

Mr. Wilkins, grandson of a slave, was born Aug. 30, 1901, in St. Louis. His mother died when he was 4, and his father sent him and his younger sister and brother to St. Paul, Minn., where they lived with an aunt and

Mr. Wilkins majored in sociology at the University of Minnesota and was night editor of the school paper. That helped him land a job after graduation in 1923 at the

Kansas City Call, a black weekly newspaper.
Preferring quiet diplomacy to tablepounding, Mr. Wilkins, in one of earliest

campaigns, crusaded against the lynching of blacks, using the NAACP as a forum. He left Kansas City and began work in New York with the nation's oldest civil-rights organization in 1931 as an assistant executive secretary. He later added the job of editor of the Crisis, the NAACP official publication. He was named executive secretary in 1955. Later, the title was changed to executive director.

While he was better known as the man behind negotiations, Mr. Wilkins also could found on the front lines, marching on Washington in 1963 and on Selma in 1965. Like other demonstrators, he was occasionally arrested, the first time in Washington in 1932.

Mr. Wilkins, a frugal man of immaculate yet conservative dress, was, like other legend-ary rights leaders, a valued adviser to presidents. He helped Harry S. Truman end segregation in the armed forces. And, wellknown to White House switchboard operators and secretaries, he could pick up his tele-phone and talk with John F. Kennedy and Lyndon B. Johnson almost at will.

Richard M. Nixon was another matter.

Referring to the Nixon Administation's announcement that it intended to allow some schools to slip past a deadline on desegrega-tion, Mr. Wilkins said, "It's almost enough to make you vomit."

While Nixon was poking thorns in Mr.
Wilkins' right side, some black activists were

driving nails into his left. Many in the rights movement claimed he was too moderate, too slow and too accommodating with whites. But it was to Mr. Wilkins that whites often

turned for explanations of black rage that led to urban riots during the 1960s. He appeared on NBC's "Meet the Press" in July 1987 soon after the Newark, N.J., disturbances, and was asked by an interviewer how

the riots could have been prevented.

Mr. Wilkins' answer: "Jobs and better housing and better schools and better treatment" by police. On the same program he re-jected "black power" because "the essence of it is separatism," which he would disdain until the end.

Ten years later, on July 31, 1977, he retired after weathering an intense battle to oust him because of his age and questions about his ability to lead the troubled NAACP out of its problems, including declining membership.

Mr. Wilkins and his wife Aminda (Bedeau), whom he married in 1929, lived in Jamaica, Queens, and would have celebrated their 52d anniversary next Tuesday. They had no children.

A funeral service will be held Friday at 11 a.m. in the Community Church of New York.

[Editorial] ROY WILKINS

He was, quite simply, one of the outstanding figures of 20th century America, one of the giants of the civil rights struggle.

Roy Wilkins, who died yesterday, served quarter century as executive director of the National Association for the Advancement of Colored People. During his tenure blacks scored advancements in their acceptance into American society unprecedented since the end of the Civil War. The NAACP was at the center of the push for those achievements.

The days when blacks were routinely excluded from restaurants and overtly ex-cluded from neighborhoods are, if not gone considerably less frequent than they just 20 years ago. Few deserve more credit for that, for the enactment of the laws that did change the hearts and minds of Americans, than Roy Wilkins.

Even his most notable achievement, the challenge to segregated education, is now

almost universally accepted; only the means to that end remain debated.

In the 1960s Wilkins was routinely criticized for being too moderate, for being too close to "the white establishment." However, when more militant blacks had made their run and retired to the sidelines, Wilkins remained solidly in the center of the struggle. "It's just a name," Wilkins said of the "Uncle Tom" label occasionally affixed to him. "All you have to do is look around at what has been accomplished—at great odds and they were great—to realize that name-calling is just an exercise."

Wilkins did not take the civil rights battlefield for the exercise. He participated in the struggle to achieve results. He succeeded.

"We do not cry out bitterly that we love another land better than our own or another people better than than ours," Wilkins told an NAACP convention 30 years ago in a speech that embodied his life-long view and set him apart from those advocating black separatism. "This is our land, This is our nation. We helped to build it. We have defended it from Boston Common to Iwo Jima."

It would be a disservice to his memory to portray Roy Wilkins as a black leader. He was an American leader who was black.

[From the New York Times, Sept. 9, 1981]
ROY WILKINS IS DEAD AT AGE OF 80; LED CIVIL
RIGHTS FIGHT FOR 50 YEARS

(By Albin Krebs)

Roy Wilkins, leader of the National Association for the Advancement of Colored People and an activist in the cause of civil rights for more than 50 years, died yesterday at the age of 80.

The cause of Mr. Wilkins' death, at New York University Medical Center, was uremia, or kidney failure. He was admitted to the hospital Aug. 18 with a heart problem; the kidney complications developed later.

In a half-century devoted to improving the social, political, and economic status of his fellow blacks, Roy Wilkins, the grandson of a Mississippi slave, became a skilled politician as well as statesman.

LED N.A.A.C.P. FOR 2 DECADES

His singular dedication to the cause of civil rights began when he was still in college and culminated in his forceful and productive leadership of the N.A.A.C.P. during the turbulent two decades that followed the Supreme Court school desegregation decision of 1954. He retired in 1977 after his health began to fail.

Leading the tributes to Mr. Wilkins was President Reagan, who said at the White House: "Roy Wilkins worked for equality, spoke for freedom and marched for justice. His quiet and unassuming manner masked his tremendous passion for civil and human rights. Although Roy's death darkens our day, the accomplishments of his life will continue to endure and shine forth."

Vice President Bush said: "Our nation has suffered a great loss with the death of Roy Wilkins. His dedication to the poor, to those bypassed by our society and to those threatened by discrimination and hate were based upon a deep and burning conviction that all Americans must be guaranteed equality and opportunity."

A CALM AND REASONED MAN

Mayor Koch said of Mr. Wilkins: "The special ingredient he had was an ability to convey a spirit of cooperation, affection, reasonableness, intelligence and courage. He will be missed by whites, blacks, Hispanics, everybody in this country who is decent and dedicated to better racial relationships."

A calm and reasoning man, Mr. Wilkins did not avoid the limelight, and Presidents and governors sought his counsel on racial matters. But Mr. Wilkins did avoid "both"

words and deeds that would seem to cast him in the role of a firebrand.

Because he believed in a racially integrated America, he fought the doctrine of separatism espoused by black militants with the same zeal that he had brought earlier to his battles with the dogmas of segregation and white supremacy.

LEGALISTIC APPROACH STRESSED

He was the chief planner of the legal battle that resulted in the 1954 Supreme Court decision outlawing "separate but equal" public schools.

He did not hesitate, when he thought it would do any good, to take the civil rights cause into the streets. He was first arrested in a demonstration in 1934, and in later years he was a leader of sometimes violently resisted rights marches in Washington; Selma and Montgomery, Ala.; Jackson, Miss., Memphis and other cities.

But under his leadership, the N.A.A.C.P. chose a predominantly legalistic approach, using legislation and the courts as its chief weapons in the struggle for equality and constitutional rights. The Wilkins way was to work within the law, within the system, to achieve voting rights, integrated schools, fair housing laws, increased job opportunities and many other goals.

and many other goals.

Less patient blacks, in later years, condemned that approach, made militant demands for black power and accused Mr. Wilkins of Uncle Tomism. Mr. Wilkins firmly rejected the concept of black power, saying, "We of the N.A.A.C.P. will have none of this; it shall not now poison our forward march."

ARGUED WITHOUT BOMBAST

In the process of guiding the N.A.A.C.P., Mr. Wilkins traveled more than half of each year, visiting branches of the organization and giving lectures in which he espoused civil rights causes.

His sparse gray hair and gray mustache and his slim figure clad in conservative suits were familiar to millions of Americans who saw him on television as he argued, literately and eloquently but without bombast, for the emancination of his people

emancipation of his people.

During his tenure as a top official of the N.A.A.C.P., membership rose from about 25.000 in 1931 to more than 400,000 in July 1977, when he retired as the organization's executive director. Annual income increased from about \$80.000 to \$3.6 million, and the number of N.A.A.C.P. branches rose from 690 in 1931 to about 1,700 in 1977.

Roy Wilkins was born Aug. 30, 1901, in St. Louis. His father, William, and mother, the former Mavfield Edmondson, had moved there from Holly Springs, Miss. William Wilkins was a college graduate and a Methodist minister but was forced to earn a living tending a brick kiln.

INFLUENCED BY HIS UNCLE

When he was 4 years old, Roy Wilkins' mother died of tuberculosis, and he and his younger brother and sister were sent to live with an uncle and aunt. Mr. and Mrs. Samuel Williams, in St. Paul. His uncle instilled in the youth the idea that in America blacks could get ahead but that to do so it was necessary for them to adopt middle-class white attifudes, which included getting a good education and living in a state of moral rectifude.

Perhaps because there were few blacks in St. Paul, Mr. Wilkins suffered no blatant discrimination. He attended the integrated Mechanic Arts High School and edited the school newspaper.

At the University of Minnesota, from which he was graduated in 1923, he malored in sociology and minored in jouralism while supporting himself as a redcap, a slaughterhouse worker and, in summers, a Pullman car waiter.

Busy as he was, Mr. Wilkins found time

to serve as night editor of the university's Minnesota Daily, to edit The St. Paul Appeal, a black weekly, and to take an active part in the N.A.A.C.P. branch.

While at Minnesota, Mr. Wilkins became incensed over the lynching of a black in Duluth and entered the university oratorical contest to deliver an impassioned antilynching speech, which won first prize. By graduation time, he had vowed to take part directly in the fight for black rights.

MET JIM CROW IN KANSAS CITY

"I needed a means of expressing my views," he said years later, "and so I applied for a job on an influential Negro weekly, Chester A. Franklin's Kansas City Call. I got the job. In those days there weren't many young Negroes trained for newspaper work, and since I was, I suppose that's why I soon found myself managing editor."

It was in Kansas City that Mr. Wilkins first met widespread segregation. "Kansas City ate my heart out," he said. "It wasn't any one melodramatic thing. It was a slow accumulation of humiliations and grievances. I was constantly exposed to Jim Crow in the schools, movies, downtown hotels and restaurants."

The crusading young editor used the columns of The Call to urge blacks to assert their strength at the polls, voting out of office any politicians considered white supremacists. Blacks constituted a sizable minority in Missouri, and in 1930 enough of them heeded the advice of The Call and Mr. Wilkins to vote against, and defeat, United States Senator Henry J. Allen, described by Mr. Wilkins as "a militant racist."

The campaign brought Mr. Wilkins to the attention of Walter White, executive secretary of the N.A.A.C.P., who brought him to New York in 1931 as his chief assistant.

"One of my first jobs was to go South to investigate conditions among Negroes who were working to rebuild the levees on the Mississippi River," Mr. Wilkins said. "They made 10 cents an hour. I lived in the camps and earned 10 cents an hour. We tried to sneak pictures of the work. You didn't say you were from the N.A.A.C.P. It would have meant being lynched."

SLAVE LABOR REPORT PRAISED

The experience, which, Mr. Wilkins said, "took all the theory out of the race relations business for me and put it on a realistic basis," resulted in his widely publicized 1932 report entitled "Mississippi Slave Labor." It was credited with bringing Congressional action that improved wage and working conditions for blacks in the levee labor camps.

In 1934 he led the first of his dozens of demonstrations for civil rights, the picketing of the United States Attorney General's office in Washington. The picketing, undertaken because the Attorney General, Homer S. Cummings, had not included lynching on the agenda of a national conference on crime, resulted in Mr. Wilkins's first arrest for civil rights activities.

The same year Mr. Wilkins succeeded W.E.B. Du Bois as editor of The Crisis, the official N.A.A.C.P. magazine, while continuing as a writer, lecturer and organizer for the association. In 1949 his mentor, Mr. White, took a year's leave and Mr. Wilkins became acting executive secretary. On Mr. White's return, Mr. Wilkins became administrator of internal affairs, a post he held until Mr. White died in 1955. At that time the N.A.A.C.P. board voted unanimously to make Mr. Wilkins executive secretary, a title later changed to executive director.

From then, Mr. Wilkins was to serve as the guiding force behind an organization that was founded in 1909 to obtain the constitutional rights of blacks and to push for full equality of the races. (The N.A.A.C.P. grew out of a memorandum issued by a

group of blacks and such prominent whites as John Dewy, Rabbi Stephen S. Wise and Lincoln Steffens, who had become outraged by the widespread passage of Jim Crow leg-islation, denial of voting rights to blacks in the South and the rise in the number of lynchings.)

LYNCHINGS BECAME CHIEF TARGET

Lynchings, which occurred at a rate of about 35 a year in the early 1930's when Mr. Wilkins went to work for the N.A.A.C.P., were the chief targets of the organization at that time. "We had to provide physical security first," he said.

Mr. Wilkins never won passage of the significant signi Wilkins never won passage of one of bill, but, in no small part because of the educational and propaganda activities of the N.A.A.C.P., lynchings became uncommon as

the years passed.

Mr. Wilkins and the N.A.A.C.P. membership could then focus their efforts on a wide variety of ills, such as discrimination in housing, segregated schools, disfranchise-ment and bias in employment. He once explained his approach in attacking those in-

equities:

The Negro has to be a superb diplomat and a great strategist. He has to parlay what actual power he has along with the good will of the white majority. He has to devise and pursue those philosophies and activities which will least alienate the white majority opinion, and that doesn't mean that the Negro has to indulge in bootlicking. But he must gain the sympathy of the large ma-jority of the American public. He must also seek to make an identification with the American tradition."

With these tenets in mind, Mr. Wilkins became the chief exponent of the use of constitutional means to achieve black civil rights. He sought to involve Presidents, governors, mayors, legislatures and the courts in the legislative framework for integration.

HIS GREATEST SATISFACTION

He was the architect of the legal assault on school segregation that culminated in a monument to the Wilkins method, the historic 1954 Supreme Court decision that over-turned the doctrine of "separate but equal" facilities in public education.

The integration case was argued before the Supreme Court by the N.A.A.C.P.'s general counsel, Thurgood Marshall, who later became an Associate Justice of the Court. Mr. Wilkins said the decision gave him his greatest satisfaction because it reaffirmed the constitutional rights of Negroes as equal citizens and was the greatest document since Abraham Lincoln's Emancipation Proclamation.'

Mr. Wilkins was one of the of most able and articulate spokesmen for blacks, and often conferred with Presidents, gave his views on civil rights matters to Congressional committees and stumped the country to persuade his fellow Americans, in his quiet but firm way, to accept one another on equal terms.

He was an optimist who counseled blacks to be proud to be Americans, "We do not cry out bitterly that we love another land better than our own or another recoile better than our own." he told the N.A.A.C.P. na-tional convention in 1949. "This is our land. This is our nation. We helped to build it. We have defended it from Boston Common to Iwo Jima."

A MORE MILITANT CALL

Those were comforting and comfortable sentiments, but in later decades, with the burgeoning of the civil rights movement, with the procession of events from Mont-gomery's bus boycott, the lunch counter sitins in the South, the marches in Selma and the assassination of the Rev. Dr. Martin Luther King Jr. in Memphis, Roy Wilkins sounded a progressively militant call.

"We condemn the propaganda that Negro citizens must 'earn' their rights through good behavior," he said on one occasion. Good behavior wins the respect of our fellow citizens, which we value and seek, but no American is required to 'earn' his rights as a citizen. His human rights come from God and his citizenship rights come from the Constitution.'

On another occasion he said, "Negroes want in in American society, and they want the ways opened now." And, testifying in 1963 in support of the public accommodations section of President Kennedy's civil rights bill, Mr. Wilkins said bluntly:

The players in this drama of frustration and indignity are not commas or semicolons in a legislative thesis. They are people, human beings, citizens. They are in a mood to wait no longer, at least not to wait patiently and silently and inactively."

The rhetoric was militant, yet, Mr. Wilkins continued to adhere to his belief that social justice could best be won by constitutional means. That attitude, in the late 1960's, angered some young black militants.

UNGRATEFUL AND FORGETFUL

He reacted with cool disdain, calling his

attackers "unfair, ungrateful and forgetful."
".n my youth, gcddamn it," he said in an interview in 1969. "there were no demonstrations and parades. Who the hell did it? Who got them to allow the demonstrations? What is allowed today is affected by today's climate—the opportunities opened up for the kids by the people taking part in the civil rights fight 20 years ago. It used to be that picketing, except for a labor cause, was against the law. We went to court over that and won the right for these kids to march and picket now. I understand their impatience. I share it, but they should have some idea what it has taken to get them their right to raise hell."

Having spent all his adult life battling for racial integration, Mr. Wilkins opposed the young militants' demand for separatism. He denounced black students for carrying guns on the Cornell University campus and threatened to challenge in the courts the concept espoused by some black students of separate courses of black studies and segregated black dormitories.

"If the country gives racial control to a dormitory or an art center," he said, "finally everything in the country will be racially controlled and we'll be right back at the point where we started."

He condemned the concept of "black power" as "the father of hatred and the mother of violence," and added: "Black power, in the quick, uncritical and highly emotional adoption it has received from some segments of a beleaguered people, can mean only black death. Even if it should be enthroned briefly, the human spirit would die a little."

A MAN OF STAMINA

Mr. Wilkins enjoyed the constant controversy he seemed to be in, partly, he once said, because "I retain remarkable stamina even when in hot water up to my second chin." In 1946 he underwent surgery for cancer of the stomach but managed to snap back to health, although he had to give up his chain-smoking of cigars and the occasional bourbon and water he enjoyed. He gave so much time to his job that he had no hobbles except driving his high-powered sports car.

In the 1970's Mr. Wilkins was critical of both the Nixon and Ford Administrations. He was one of several N.A.A.C.P. officials to assert that President Nixon had "turned back the clock on racial progress" with his appointment of "strict constructionists" to the Supreme Court, "separationist" education policies and "weakening" of the enforcement of civil rights laws.

Mr. Wilkins was in the forefront of the successful effort to persuade the Ford Administration not to use the Boston school busing case in 1976 as a vehicle for seeking reconsideration by the Supreme Court of busing as a means of integration. And the N.A.A.C.P. chief later lamblasted President Ford for proposing legislation to restrict the power of the courts to order busing as a remedy for segregated schools. He criticized the proposals as a "craven, cowardly, despi-cable retreat."

Nor did Mr. Wilkins countenance what he regarded as oppression by blacks. He was one of a number of black American leaders who jointly castigated then President Idi Amin of Uganda for his "savage" repression of human rights.

RESISTED OUSTER MOVES

By the early 1970's Mr. Wilkins had to beat back several attempts within the N.A.A.C.P. to wrest leadership from him. Some younger members charged that he had failed to change within the times and had outlived his usefulness in the movement, leaving the association adrift. But Mr. Wilkins insisted on retaining the reins of the N.A.A.C.P., saying that he had the experience "to move our people forward."

After acrimonious and sometimes public feuding over the organization's policies and management and its financial and membership problems, as well as the timing of his departure, the ailing Mr. Wilkins retired after the 68th annual convention in July 1977. He had served the association 46 years, 22 as the man in charge of the N.A.A.C.P. in St. Louis.

Wilkins was succeeded by the Rev. Benjamin L. Hooks, who resigned from the Federal Communications Commission to take the post. But few observers of civil rights organizations expect that Mr. Hooks or any other individual will again hold the unquestioned power within the N.A.A.C.P. that was wielded by Mr. Wilkins in earlier decades.

Mr. Hooks said yesterday: "Mr. Wilkins was a towering figure in American history and during the time he headed the N.A.A.C.P. It was during this crucial period that the association was faced with some of its most serious challenges and the whole landscape of the black condition in America was changed, radically, for the better."

Vernon E. Jordan, president of the Na-tional Urban League, said: "Roy Wilkins was a giant whose contributions over a lifetime of dedicated service to the cause of equality leaves us all in debt. He led the N.A.A.C.P through a period of national change and kept it in the forefront of the struggle to integrate our society."

INSPIRED AND INSPIRING LEADER

In Chicago, the Rev. Jesse Jackson Jr. of Operation PUSH praised Mr. Wilkins as a man of integrity, intelligence and courage who, with his broad shoulders, bore more than his share of responsibility for our and the nation's advancement."

Bertram H. Gold, executive vice president of the American Jewish Committee, called Mr. Wilkins "an inspired and inspiring leader, whose aspirations of yesterday today's realities."

Ramsey Clark, a former Attorney General of the United States, praised Mr. Wilkins as "a man of gentleness and integrity who en-riched all our lives with justice." He added, We have to hope from his example that new generation can find inspiration in

a new generation can find inspiration in the principles to which he devoted his life."

On behalf of the National Conference of Christians and Jews, Dr. David Hyatt, its president, said of Mr. Wilkins: "He had a diplomat's skill and he had the respect of our nation's citizenry, from governmental and business leaders to the man and woman in the community. in the community. His contributions to America are immeasurable."

HONORED BY QUEENS COLLEGE

Mr. Wilkins was awarded an honorary doctor's degree by Queens College in 1978. The citation accompanying the degree said his "strength and stability" were "in inspiration to the world." And he was among 17 elderly blacks honored by President Carter at a White House luncheon.

"You have helped to write history," Mr. Carter told his guests, "and you have proved that the strength of the human spirit can achieve excellence even in the face of extraordinary obstacles.

Mr. Wilkins lived in Queens Village with his wife, the former Aminda Badeau, a social worker he met in St. Louis and married in 1929. They had no children.

A funeral service will be held Friday at 11 a.m. at the Community Church of New York, 40 East 35th Street.

ROY WILKINS: A COOL, SOLID AND RESPECTED

(By Paul Delaney)

When the question was asked, it did not bother him. It had been brought up, in general by younger blacks, at nearly every convention of the National Association for the Advancement of Colored People since the civil rights movement spawned the black power movement.

"Mr. Wilkins, why does the N.A.A.C.P. still use the word 'Colored' in its name?"

Once again, Roy Wilkins patiently explained that he had no problem with the word and that it included all "people of color in the world, not just black people."

Keeping his cool was one virtue that made

Keeping his cool was one virtue that made Mr. Wilkins the pre-eminent civil rights leader of his day. He did not possess the charlsma or preaching ability of a Martin Luther King Jr. He was not a militant of the James Farmer mold. Alliteration did not roll off his tongue in the style of a Jesse Jackson Jr.

But Mr. Wilkins was regarded as a solid leader, consistent, stable and thoughtful. He was respected by Presidents and workingclass blacks alike. His manner seemed something out of Kipling: He kept his head when

all about him were losing theirs.

He ran the organization in that fashion, and neither Young Turks inside the association who disagreed with his leadership style nor young militants outside who were frustrated with the moderate rhetoric and pace of the N.A.A.C.P. could shake his belief that his and the organization's stance was the correct one.

Intellectually, he was far ahead of some other leaders in grasping the dynamics of the times and in his knowledge of the country, its institutions and how to exploit them for the welfare of his constituency. He was also far more familiar with his opponents than some of his colleagues in the leadership

His most difficult period was in the days of the civil rights movement. He had weathered the Communist infiltration campaign of the 1950's and the challenge to his leadership by younger members who wanted to take the association further to the left than Mr. Wilkins wanted. But at the height of the civil rights movement he and the association were regarded by many blacks as being out of step with the reigning philosophy and direct action tactics of the day. The thousands of students who protested and picketed and sat in and were arrested were the combat troops in the war against Jim Crow, and the vast majority were not members of the N.A.A.C.P.

MAINTAINING ALLEGIANCES

But in the end, when they landed in jail and needed legal counsel to see their cases through the criminal justice system or through the civil process, it was the battery of lawyers from the association, among others, who were called upon. And the association's tactics of quiet confrontation were proven correct.

In that struggle, Mr. Wilkins had to maintain the allegiance of nearly half a million members, his black working supporters. This he did with his steady abilities and firm control of the reins of leadership, demanding the strong support of the board of directors, which in his day was almost 50 percent white and more middle-class and liberal than the rank and file.

After the deaths of Dr. King and Whitney M. Young, Jr., director of the National Urban League, Mr. Wilkins became the old man of the movement. In a rather tragic development, he refused for some time to give up leadership of the N.A.A.C.P., even when he became too ill to function adequately. Although it appeared vain at the time, his resistance might have been prophetic: There was no one to succeed him.

THE NEW BLACK AND WHITE ISSUES

The times have changed, the struggle is different and maybe Mr. Wilkins himself would have been confused by the problems of infiation and unemployment, lack of housing, resurgence of conservatism and cooling of interest in minority rights, as against simpler black and white issues.

His successor, the Rev. Benjamin L. Hooks, is still suffering because the problems have changed and because the organization is still trying to get over the influence of Mr. Wilkins.

Mr. Wilkins was so strong and he so dominated his board of directors that some members vowed not to allow another director such a role. And the movement is still looking for a leader of such stature.

[Editorial]

RACISM WAS THE ENEMY

Roy Wilkins made history, and made America a more just and decent place, for whites as well as blacks.

In his 46 years with the National Association for the Advancement of Colored People, he held steadfastly to a belief in the power of reason and the rule of law rather than force. Racism was the enemy, whether by intolerant whites or impatient blacks.

Though he saw the value of peaceful picketing, he preferred the path of litigation and legislation, fearing that victories resulting from confrontation would prove transitory. He assessed his extraordinary achievements with a modest comment: "We did what we could do when we could do it." It was a shrewd formula for success.

Through the years that the N.A.A.C.P. grew from 25,000 members to a national organization of half a million, Roy Wilkins combined unwavering commitment to principle with careful pragmatism. When he joined the organization in the 1930's, night riders commonly terrorized blacks. An aggressive N.A.A.C.P. campaign led to state anti-lynching legislation; it was the first of many legislative victories that would eventually mark the organization as the secretariat and chief lobbvist for the civil rights movement.

lobbyist for the civil rights movement. It was Roy Wilkins's painstakingly orchestrated legal strategy that ultimately persuaded the Supreme Court in 1954 to outlaw school segregation. And he was a leader in the civil rights coalition that cajoled and pressed and persevered until Congress finally banned discrimination in the great civil rights enactments of the 1960's.

He hardly had time to savor those triumphs, however, before being challenged by disgruntled black activists who disavowed nonviolence and called for black power.

Roy Wilkins understood how cheap—and chic—militant talk could be. Eloquently, he denounced black separatism. Even if black power should be enshrived briefly, he warned, "the human spirit, which knows no color or geography or time, would die a little, leaving for wiser and stronger and more compassionate men the painful beating back to the upper trail."

Racism was blatant and legal when he began his career. It is neither of these now, thanks in large part to his leadership. What a monument to one man.

[From the Washington Post, Sept. 9, 1981] U.S. Civil Rights Leader Roy Wilkins Dies at Age of 80

(By Warren Brown)

Roy Wilkins, 80, a Mississippi slave's grandson who helped shape many of the most important moments in U.S. civil rights history as executive director of the National Association for the Advancement of Colored People, died of uremia yesterday at New York University Medical Center in New York City.

He was hospitalized Aug. 18 for treatment

of heart and kidney ailments.

Mr. Wilkins guided the NAACP, the nation's largest and oldest civil rights group, through its time of greatest growth and prestige. He also presided over what many regard as the beginning of the NAACP's political and financial decline.

From 1931, when he joined the organization's staff as assistant secretary, until 1977, when he retired as executive director after 22 years in that post, Mr. Wilkins and the NAACP were one. He and the association were at the forefront of the drive for antilynching laws in the 1930s, when lynching was a familiar occurrence in backward reaches of the South and Midwest.

He was the administrator of the NAACP in 19 4 when it won the historic Brown vs. Board of Education decision in the U.S. Supreme Court. The ruling overturned the court's 1896 decision in Plessy vs. Ferguson which, under its "separate but equal" doctrine, had provided the legal jurisdiction for racial segregation in the United States.

Mr. Wilkins was a key supporter and organizer of the March on Washington on Aug. 28, 1963. That dynamic lobbying effort brought nearly 250,000 people to the nation's capital. Largely influenced by the march, the assassination of President John F. Kennedy on Nov. 22, 1963, and consultation with Mr. Wilkins throughout those events, President Lyndon B. Johnson pushed for and won approval of the landmark 1964 Civil Rights Act. This made support for voting rights, equal employment and equal access to public accommodations a matter of federal law.

Many who remember the 1963 event place another famous civil rights leader, the Rev. Dr. Martin Luther King, Jr., at its center. A gifted orator, Dr. King "stole the show," as many blacks said, with his "I Have a Dream" speech. Five years later, on April 4, 1968, Dr. King was assassinated on a balcony of the Lorraine Motel in Memphis, Tenn.

But the role of Mr. Wilkins in organizing

But the role of Mr. Wilkins in organizing the demonstration was enormous. To the chagrin of friends such as Joseph L. Rauh, a Washington lawyer who has been active in behalf of civil rights and civil liberties all his professional life, the public and the media often made comparisons between Dr. King and Mr. Wilkins, contrasting their styles and commenting on their effectiveness.

"I hated that. But you were always driven to make those comparisons," Rauh said. "I guess you can say Martin was the front man who changed public opinion. But Roy was the one who was able to use that shift in public opinion to bring about legislation and legal rulings that benefited blacks, as well as any number of other people."

Mr. Wilkins and Dr. King "complemented one another, but not in an intentional way." Rauh said, adding, as others have, that there was some style-based "antipathy between the two men."

"Rauh said."

On the death of Mr. Wilkins, President

Reagan and other leaders hailed not only what he did in his life, but the way he did

it and what he stood for.
The president said that Mr. Wilkins "worked for equality, spoke for freedom and marched for justice. His quiet and unassuming manner masked his tremendous passion for civil and human rights."

Vice President Bush said that the dedication of Mr. Wilkins "to the poor, to those bypassed by our society and to those threatened by discrimination and hate were based on a deep and burning conviction that all Americans must be guaranteed equality and opportunity."

Benjamin Hooks, the current NAACP exe cutive director, said Mr. Wilkins was "a towering figure in American history. His name will stand on top of the list of those His who loved their country and did their best to make it better."

Carl Holman, the president of the National Urban Coalition, said that "Roy was the last of a very special breed of black leader who saw himself as a kind of quiet militant very much concerned about—and devoted to—his people. And he was just as much a convinced patriot who believed his country could never be all that it was meant to be as long as it denied some of its people their rights.

Mayor Marion Barry of Washington said, Wilkins was a personal inspiration to me and countless other young people in the civil rights movement" who "left behind a legacy of achievement, of cooperation and of

progress."

The Rev. Jesse Jackson, the head of Operation PUSH, said Mr. Wilkins "bore more than his share of his responsibility for the nation's advancement."

The Wilkins way of getting things done usually was a slow, studied process, often involving expensive legal fights. Progress and setbacks frequently walked hand-in-hand, a frustrating fact to those who did not share his dedication to working within the system.

Frustration led to anger among many blacks; and anger led to the urban riots that set the 1960s ablaze on American soil.

In those turbulent days, Mr. Wilkins would remind his usually young and militant critics that he and his organization were working for civil rights long before they joined the cause. But NAACP membership rolls continued to decline, from a high of more than

500,000 in the 1960s to about 400,000 today.
Ironically, both Mr. Wilkins and his organization were victims of their own success. In many cities, black and white children go to school together today as if they had always been allowed to do so. Though a disproportionate number of blacks are in the nation's lower economic strata, a new generation of middle class blacks, largely beneficiaries of the battles fought by Mr. Wilkins, enjoys education, job and housing privileges once withheld from many of their parents.

In Marshall, Tex., for example, a black father recently told this reporter that once he "couldn't believe" that his children would ever be allowed to attend the formerly allwhite, now integrated, Marshall High School.

"But, damn, my girl is going to be teaching there this year," the man said. "Can you believe that? We used to walk way around that school when I was here," said the man, who taught at the formerly all-black Pemberton High School (now an integrated inter-mediate school) in Marshall, but who now works for the federal government in Los Angeles. "Things really have changed."

The man's daughter is in her early 20s. She knows about Roy Wilkins and his fight for civil rights because her parents taught her about the man and his work. But many of her black peers in Marshall say they never heard of Roy Wilkins, or have little knowledge of who he was.

"That's not only the case in places like Marshall. There are blacks in many cities

who knows little or nothing of Roy Wilkins and the NAACP," said Nathaniel Jones, who was the chief counsel of the NAACP for 10 years and now is a judge on the 6th U.S. Circuit Court of Appeals in Cincinnati.

"Roy used to say that the NAACP is in business to go out of business," the judge said. "Many of the people who don't know anything about him are where they are today because of his work."

Mr. Wilkins was a complicated man, ac-cording to those who knew him. Behind the doors of his New York City office, "he might explode" over a staff flub, one friend and associate said. "But he would never explode in public combat. He was a very smooth, uncompromising strategist in that the friend said.

The Wilkins manner was evident during the racial discord that erupted in Boston in 1974 and 1975 as a result of a school desegregation program requiring busing. The incumbent administration of President Gerald Ford, eyeing the upcoming 1976 election, critics say, indicated that it might side with antibusing forces led by the Boston School Committee. Vocally militant civil rights leaders such as the Rev. Jackson strongly attacked the Ford administration's approach to the Boston busing problem.

But Mr. Wilkins worked behind the scenes, urging his civil rights, business and labor allies to talk to Ford and Attorney General Edward H. Levi. The administration, which was leaning toward supporting the committee's request to delay implementation of the busing order, backed off.

Style can carry a lobbyist a long way in the corridors of Washington power, as Mr. Wilkins discovered in his relationship with

the late President Johnson.

Never were two men more different, Mr. Wilkins was the urbane scholar and editor he had worked as managing editor of the black Kansas City Call and had edited The Crisis, the NAACP magazine, from 1934 to 1949-who had spent more of his young adult life in an integrated neighborhood in St. Paul, Min. Johnson was the archetypical Texan, a political gute-fighter up from South Central Texas who twisted legislative arms with all the grace of a cowboy branding

With the civil rights cauldron coming to full boil in the mid-1960s, President Johnson needed an influential black he could trust much as Mr. Wilkins needed the power of the presidency to push civil rights programs through Congress. Mr. Johnson was attracted to Mr. Wilkins' penchant for thoroughly researching issues and options, his understanding of the uses of power, and his lack of an appetite for the limelight.

Roger Wilkins, an assistant attorney general in the Johnson administration, a jour alist and a nephew of Roy Wilkins, recalled that his uncle and Mr. Johnson "were always talking to one another, checking with each other.

The younger Wilkins said that he met Mr. Johnson at a reception in New York City six months before the former president died of a heart attack on Jan. 22, 1973.

"He asked me what I was doing, and I told him," Roger Wilkins said. "Then, I asked him what he was doing. He said he had left the presidency and was looking for work. So I told him that, as a private citizen,

he should speak up for civil rights.
"He said, 'That sounds like a good idea, but who can I talk to about it?' I told him he should speak to someone he knows and trusts, my uncle. He said, 'Of course, you're right about that.'"

A month before he died, after having talked with Roy Wilkins, Mr. Johnson addressed a civil rights conference at the Lyndon Baines Johnson Library in Austin, Texas, and "gave one of the best, goddamndest civil rights speeches you ever heard," Roger Wilkins said.

Roy Wilkins was born Aug. 30, 1901, in St. Louis, His parents were William D. Wilkins and Mayfield Edmondson Wilkins. His mother died of tuberculosis when he was 3. His father, alone and unable to care for Mr. Wilkins and his younger brother and sister, sent the three children to live with

an aunt and uncle in St. Paul.

The neighborhood in St. Paul where Mr. Wilkins lived was poor, but ethnically diverse, affording him an early opportunity to experience other cultures. He attended the city's nonsegregated schools, edited his high school newspaper and, in 1919, enrolled in the University of Minnesota, where he studied journalism and sociology.

Then as now, and even at a public institu-tion, college was expensive for the poor. Mr. Wilkins paid for his education by out stockyards and working as a dining car waiter and redcap, while holding down a position as night editor of the school news-

paper, the Minnesota Daily.

After receiving his bachelor's degree in 1923, Mr. Wilkins joined the staff of the Kansas City (Missouri) Call, one of a number of newspapers then exclusively dedi-cated to the interests of black Americans. He quickly became managing editor of the newspaper. But more than that, he developed a sense of moral outrage, largely because of the strick racial segregation that

existed in Kansas City.

"He came from a place which was relatively free of racial prejudice, for the times," said Lucille Bluford, a longtime friend of Wilkins who worked with him on The Call. "Black people couldn't go to certain places, live in certain places or do certain things in Kansas City then, and that really

got on Roy's nerves."

In addition to his writing, Mr. Wilkins began to work for the Kansas City branch of the NAACP. His efforts attracted the attention of NAACP national secretary Walter White, then the association's top official. White brought Mr. Wilkins to New York to work for the national organization.

To continue his education about what it was like to be a black in the Deep South in those days, Mr. Wilkins would disguise him-self as a laborer and travel through the region. On one of these trips, he and a black companion tried to get work on a federally funded construction project in Mississippi. Both got hired and both experienced poor

reatment on the job. The fact that Mr. Wilkins had no callouses on his hands aroused suspicion among white foremen that he was no ordinary field hand. Mr. Wilkins said he had been working lately as an elevator operator. His reports to the NAACP about his experiences led to a Congressional inquiry into racial discrimination on federal projects.

"Roy really loved his job," said Henry Lee Moon, who spent most of his adult life working as Mr. Wilkins' press secretary. "He was reluctant to leave office, and some people criticized him for trying to hold on to the position too long. But he was kind of that

This was his life's work," Moon said. "He was dedicated to it. It really meant a lot to

Mr. Wilkins is survived by his wife of 51 years, the former Aminda (Minnie) Badeau of Jamaica, Queens, N.Y.

THE JOY AND THE POWER-REMEMBERING ROY WILKINS' STUBBORN STRUGGLE

(By Roger Wilkins)

There is a picture downstairs in the family room in our house of a tall black man holding a little black baby. It was taken about 49 years ago on the day when my Uncle Roy and I were getting acquainted.

My mother, father and I lived in Kansas City then and Uncle Roy had just gone to New York to work for the great black scholar W. E. B. DuBols, at the NAACP magazine, The Crisis. During those years, my father,

Uncle Roy's younger brother, was very sick and my uncle would come from New York to visit us as often as he could. He was the tallest and handsomest man I knew and he would hang his pants on the closet door. I thought that was wonderful and so when I got tall enough, to my mother's dismay, I too, would hang my pants on the closet door.

Roy Wilkins wasn't famous in those days, and when he came to Kansas City for my father's funeral 40 years ago, he was just my kind uncle from New York. He took care of both Grandpa and me at the funeral and when they read thanatosis for Daddy, he touched my hand while Grandpa was ing. I didn't cry because Uncle Roy had told me that little men weren't supposed to do that.

As the years passed and my uncle became more prominent, I saw him through a double lens. He was the closet thing I had to my father, so I would watch him closely for hints of what my father might have been. And then when I grew up and went to the Justice Department, working on the northern urban riots, though he still hung his pants on the closet door, he was also my senior colleague in the civil rights move ment. He didn't want the world to think that he had created me and I didn't want the world to think I had a special pipeline to him. In fact, he hadn't and I didn't, but kept our distance so the appearance

would match the reality.

But there would be Christmas dinners when Uncle Roy would carve the turkey and slice the ham and Aunt Minnie would tell my children and me wonderful stories about my father and grandfather. Uncle Roy and I would talk baseball. He was a Dodger fan long before Jackie Robinson came into the league and he would use those long, graceful hands of his to show me how Pee Wee Reese

used to lay down a bunt.

Those long, graceful hands almost got him killed once. Thurgood Marshall told me that in the '30's, when he and Uncle Roy disguised themselves as sharecroppers and went to Mississippi to investigate conditions there, a white storekeeper in a little town noticed those hands and knew they were not a field

man's hands.
"Come on, Roy, let's get the hell out of here," Justice Marshall recalls saying.

So the two of them escaped, but Thurgood says they had been there long enough to get

what they were after anyway

Before he went to the NAACP, Uncle Roy edited a black weekly paper in Kansas City. He always loved the English language and through his years at the NAACP he kept an old battered Underwood next to his desk on which he would compose elegant statements and send or take them out to do the battle for justice to which his life was committed. He did other things in the movement, of course. He marched in demonstrations, he orchestrated the March on Washington in 1963, he met in rooms from battered in Alabama to the Oval Office on Pennsylvania Avenue to help shape strategies to secure more justice for Americans.

But it was the word he loved and used with joy and power in his life's fight.

In the '60s, people in the Kennedy administration would tell me that he was the civil rights professional on whom they relied. After that, he and Lyndon Johnson grew to love each other. They were men of the same generation, and both of moderate origins. Those associations enabled Uncle Roy to translate the turbulence in the streets into visions of future that were comprehensible to Washington policy-makers. In that way, Uncle Roy and Martin Luther King were closer partners than either of them ever acknowledged. They had different ways of pursuing freedom, you see, because Martin usually fought with the masses behind him on the streets, and Uncle usually fought behind closed doors. They didn't always

understand each other's way.
Uncle's hand was large in the Civil Rights Act of 1964, the Voting Rights Act of 1965 and the Fair Housing Act of 1968. And so was Martin's. They were opposite sides of an honorable coin. And they did support each other. I ran into Uncle Roy one day in the mid-'60s at the shuttle terminal at a did dia Airport. "Where you going?" I asked. mid-'60s at the shuttle terminal at La Guar-"Down to see [J. Edgar] Hoover," he replied,
"to try to get him off of Martin's back."
A couple of weeks later I saw Martin at a meeting where young militants were calling my uncle an "Uncle Tom" because of his rce belief in integration.
"Tell Roy I'm with him," Martin said.

Uncle Roy won a lot of honors, the greatest of which was the love and the trust of the people in the NAACP who could afford only to pay \$2 for their memberships. Some of my most vivid memories of him were in airports with redcaps shaking his hand and thanking him earnestly for the work he was doing. He loved that because he had once been a redcap himself.

He always had time for the longest local NAACP chapter meetings and then for the last person in the room who wanted to talk to him after that. When I was a kid in Harlem, he would sometimes take me to nearby meetings and when I would come home hours later, I would tell my mother: "Uncle Roy stayed to talk to the last old lady again."

And he was stubborn. Once when he was down at the LBJ Ranch, near the end of the president's life, Uncle Roy decided that he was tired and started up to bed. President Johnson told him it wasn't time to go to bed because the late news hadn't come on yet.
"Mr. President," Uncle Roy replied, "no-

body has told me what time to go to bed since my mother died, and that was a long time And then he went to bed with the same dogged stubbornness which he had brought

dogged stubbornness which he had brought to the civil rights struggle. We were very different, Uncle and I, but we loved each other very much. Now he has gone to his final rest and the family is gathering. So it is time for me to get my pants

down from the closet door and go.

[Editorial] ROY WILKINS

Today's young Americans of all races may read with a certain understandable detachment about life in this country 50 years ago, when Roy Wilkins began his distinguished career with the National Association for the Advancement of Colored People, Lynch law and Jim Crow were teamed in a cruel reign through southern and border states that slammed doors and gates in the faces blacks. Restaurants, hotels, theaters, drinking fountains, beaches, pools and entire neighborhoods were blatantly segregated— and heaven help any Negro objector because the law certainly wouldn't. Mr. Wilkins, who died yesterday at the age of 80, had more than a routine role in all that has changed

Through those dangerous days down South and on into the years of more subtle but persistent discrimination in all regions of the country, Mr. Wilkins kept up the battles for equal justice under the law. In the courts, in the legislatures, in the city halls and in the schools, this ardent and idealistic man approached each of these challenges with intelligence, unshakeable faith, grace, rage and plenty of research.

Because Roy Wilkins chose not to rail but. to persuade, not to tear down but to con-struct, not to shoot from the hip but to and resources, there were some in the civil rights movements of the '60s and '70s who became impatient with his style and pace. But for the most part, they still respected Mr. Wilkins for his incalculable contributions during so many of the most important moments in U.S. civil rights history-and for the fact that he guided the country's oldest civil rights organization through its greatst growth and period of prestige.

It was the successes of this pioneer, in fact, that made the issues confronting the NAACP and other newer organizations that much more complex and the views of black Americans that much more diverse. The days are past when the NAACP could set directions almost by itself. And if Mr. Wilkins could not comprehend or countenance some of the methods and directions of certain of those groups in his later years, he nevertheless spoke out for freedom and understanding: "All dedicated hands are needed and welcome in this fight," he once said, the NAACP would be less than human if it did not take a special pride not only in what it has done but in what it is doing today."

There is no question that this is a better country for those deeds-and for the guid-

ing hand of Roy Wilkins.

OIL DEREGULATION PROVES FREE MARKET IS BEST SOLUTION

Mr. McCLURE. Mr. President, I want to bring to the attention of all my colleagues a front page story that appeared in the New York Times on Tuesday, September 8

Headlined, "Economic Gains Tied to Ending Oil Price Curbs," the article by Douglas Martin deals with the many benefits which have resulted from the Executive order issued by President Reagan on January 28, 1981, removing price controls on crude oil.

One sentence from the story succinctly sums up its findings:

Interviews with more than 40 Government officials, industry leaders, economists and analysts clearly suggest that removal of crude oil controls, in place since 1971, has helped improve the United States' energy and economic picture.

Benefits linked to decontrol include a decrease in the demand for gasoline and other petroleum products, a decrease in oil imports, an improvement in the Nation's balance of trade and a lessening of the decline in U.S. domestic oil production.

These facts are particularly significant because when the President removed controls, many voices were raised denouncing the move and issuing dire predictions of economic chaos. In fact, none of those warnings, issued with such certainty and buttressed with learned studies and econometric models from some of our leading financial and economic institutions, have proven to be correct, including the assertion that decontrol would result in an immediate and astronomical jump in the price of gasoline. Mr. Martin states that the average price of a gallon of gas in July, the latest available figures, is identical to what it was in February immediately after decontrol.

Besides improving our total energy picture, the results of decontrol over the past 7 months prove once again that the free market mechanism is a far better alternative than a falsely manipulated economy with stringent price controls or cinillar adjustments.

That is the most important lesson to be learned from this experience and one which I hope will be borne in mind by

my colleagues as we confront our other economic problems.

The entire news article follows:

ECONOMIC GAINS TIED TO ENDING OIL PRICE
CURBS

(By Douglas Martin)

Since the Reagan Administration removed controls on crude oil prices more than seven months ago, Americans have substantially curbed their demand for petroleum, oil imports have fallen by a fifth and evidence is mounting that decontrol may help stem the long decline in United States oil production.

As a result, the White House now boasts that oil decontrol—greeted with storms of disapproval when it was announced on Jan. 27—may be the Administration's third-biggest victory, trailing only Congress's approvals of its budget and tax proposals.

The response has been terrific," Secretary of Energy James B. Edwards said in an interview. "We're not free yet, but we're certainly moving in the right direction."

ANALYSTS ARE OPTIMISTIC

"If we had predicted all these gains in January, everyone would have said we were just a bunch of crazy right-wingers," said a White House official who declined to be identified

Some consumer groups complain that oil companies are reaping huge profits at a time when many people will be hurt both by price increases and cutbacks in social welfare programs. But the White House's enthusiasm over oil decontrol is shared by others.

Interviews with more than 40 Government officials, industry leaders, economists and analysts clearly suggest that removal of crude oil controls, in place since 1971, has helped improve the United States's energy and economic picture.

In particular, some economists argue that the nation's balance of trade has been aided by the oil import reduction, that this has helped to strengthen the dollar and that inflation has therefore been somewhat less than it otherwise would have been.

Moreover, these benefits have occurred with relatively little of the consumer pain many predicted when the President lifted controls. Gasoline and heating oil price rises have not exceeded the general inflation rate, and energy experts are convinced that the ending of price controls has helped put the brakes on world oil prices.

To be sure, President Reagan's decision to end oil controls simply accelerated a program President Carter began on June 1, 1979. Without Presidential action, controls would have expired on Sept. 30, when a gradual phaseout of controls would have moved prices to the world level.

The policy has not been without critics. Consumer groups, which adamantly fought the Carter Administration's initial policy, assert that the cost far outweighs the benefits. Critics also charge that oil companies are reaping huge undeserved profits, that with the Administration cutting "safety-net" social welfare programs, poor people will be severely hurt this winter and that there is not much oil to be found in this country regardless of price.

"CHARGING EXTORTION PRICES"

"What we have is a handful of companies charging extortion prices," said Ellen Berman, executive director of the Consumer Energy Council.

In any case, what some economists and others see as the apparent success of decontrol is partly a matter of some long-range rends prodded by the elevenfold increase in prices since 1973. Americans had already begun to use less gasoline, heating oll and other petroleum products, while oil executives have followed the lure of higher prices to look for oil in more difficult surroundings.

One result is that analysts agree there could scarcely have been a more propitious

moment for decontrol. Currently, worldwide oil inventories are at near-record highs, oil demand in the United States is down 7 percent this year following an 8 percent drop last year and output by members of the Organization of Petroleum Exporting Countries has dropped by a third in just two years.

"Decontrol was a desirable thing to do, but the Administration has been frightfully lucky," James R. Schlesinger, a former Secretary of Energy, said in an interview.

Perhaps the most cheering news is on the price front. After shooting up by more than 10 cents a gallon immediately after decontrol, pump prices have dropped and lagged behind the infiation rate over recent months. The Energy Information Agency reports that the national average gasoline price in July, the latest figure available, slipped to \$1.35 a gallon, the same average price as in February.

FIERCE COMPETITION CITED

Industry analysts attribute the weakness in gasoline prices to fierce competition among refiners and marketers, who have been unable to pass on more than half of the 20-cent-a-gallon increase in the cost of crude

Consumers are also being helped by the tough posture United States oil companies have begun taking in price negotiations with producing nations. In large part, this results from the end of a feature of the controls program that required refiners of low-cost domestic oil to reimburse refiners of high-cost foreign oil in an attempt to equalize all crude oil acquisition costs in the United States.

Oil analysts trace the companies' hardnosed bargaining with Nigeria, which recently cut its oil prices by \$4 a 42-gallon barrel, to this change.

Moreover, a number of experts contend controls had the perverse effect of actually increasing consumer prices, rather than holding them down. An analysis by William C. Lane, former head of the Energy Department's Office of Competition, found that, in the \$15 price runup that accompanied the Iranian revolution in 1979, price controls in this country may have been responsible for more than \$6 of the increase in world prices.

Among other things, Mr. Lane argues that price controls artificially increased demand in this country, spurring United States oil companies to bid up prices on the spot, or noncontract, market early in the crisis. In turn, OPEC members quickly raised their official prices to the spot level.

Economists thus suggest that the removal of oil price controls is actually contributing to the fight against inflation. "We would have been better off to have done it earlier," said Otto Eckstein, the president of Data Resources Inc., who once opposed decontrol because of fears of its inflationary potential.

The import reduction, partly the result of reduced demand caused by decontrol, has been dramatic. The American Petroleum Institute reports that imports in the first six months of this year plunged 20 percent, to an average of 5.9 million barrels a day. That follows a 25 percent drop in 1980, when controls were being phased out.

This sharply lower demand, which has been accelerated by a worldwide recession, is cutting into OPEC's output. Its production has dropped by a third over the last two years, to around 20 million barrels a day. "Demand for OPEC oil is going to be lower, and there will be less room for OPEC to dictate prices," said Lawrence Goldstein, research director of the Petroleum Industry Research Foundation.

Not all the apparent good news is on the production side. Evidence is building that the United States may be on the way to at least partly stemming the steady decline in its oil reserves that has persisted for more than a decade. Prodded by higher prices resulting from decontrol, some 4,194 drilling

rigs, the most in history, were boring holes in the ground on Aug. 31.

Moreover, the Petroleum Information Corporation, an A. C. Nielsen subsidiary that follows industry trends, reports that the number of new field wildcats, those wells most likely to discover big new finds, increased 32.5 percent in the first six months of 1981, leading optimists to predict the United States may ultimately be able to produce more oil each year than it uses, something that has not happened since 1970.

FIRST TWO-MONTH INCREASE

This hope is buttressed by the fact that, in both June and July, domestic oil output increased compared with levels of a year earlier, the first two-month increase since the Arab oil embargo of 1973.

"Somewhere along the way, we're going to find some big, big fields," Energy Secretary Edwards said.

Nonetheless, production of oil in this country is still declining, albeit at a slower rate. The American Petroleum Institute reports that the rate of decline in the first six months of this year was 50,000 barrels a day, compared with an average 300,000 barrels a day in each year of the 1970's.

Skeptics suggest this apparent turnaround does not mean more oil is being found. Rather, they argue, fields are simply being produced faster in response to higher prices.

"We're still headed down, and we're going to be headed down for a long, long time to come." John F. O'Leary, Deputy Energy Secretary in the Carter Administration, said. He further predicts that the industry will not be able to sustain its frantic drilling pace, and that activity will subside in about a year.

Just as ample world oil supplies have so far cushioned the impact of decontrol, energy experts point out that the new free-market energy environment has not yet been tested in the winter months, when oil use historically increases by some four million barrels a day.

"The human cost in the summer is that people drive a little bit less," said Dennis Hayes, until recently director of the Solar Energy Research Institute. "The human cost in the winter is cold rooms."

The oil industry is not wholly enthusiastic about every aspect of decontrol. In particular, oil executives lambast the so-called windfall profits tax, which takes about 80 cents of each additional dollar they make from decontrol, garnering for the Federal Treasury more than \$16.7 billion this year alone. The tax has been weakened by Congress.

"What we have is pseudo decontrol," John K. McKinley, chairman and chief executive officer of Texaco Inc., said. He added that, in the second quarter of 1981, Texaco paid \$320 million in "windfall profits" taxes, surpassing its total earnings in the United States by more than \$100 million. Texaco's worldwide second-quarter earnings were \$555.7 million.

The refining industry has particularly suffered under decontrol. Consumer demand has softened unusually while crude oil costs have been allowed to rise. The result is that about 50 refineries, with a capacity of processing about one million barrels dally, have closed or suspended operations this year.

Accordingly, the Oil and Gas Journal predicts that oil company profits will only increase 2.8 percent this year, compared with increases of 28.2 percent in 1980 and 73.4 percent in 1979.

"It obviously has not been a bed of roses for the oil industry," Charles DiBona, the petroleum institute's president, said. Nonetheless, nobody disputes that the oil industry has benefited tremendously from the enormous runup in oil prices since 1973. Oil companies—many of which were struggling in the 1960's—now account for about a third of corporate profits.

KARL G. SMITH, FRIEND OF THE SOUTH CAROLINA FARMER

• Mr. HOLLINGS. Mr. President, I would like to take this opportunity to say a few words about a friend who has contributed greatly to the State of South Carolina and in public service to our country. I refer to Karl G. Smith of Lake City, S.C., the director of South Carolina's Farmers Home Administration

programs from 1977 to 1981.

Better known by his friends as "K. G.." Mr. Smith, an amiable, hard-working man, became a proven friend of the South Carolina farmer during his tenure with Farmers Home. Due to his experience in running a tobacco, corn, soybean, and cotton farm and a farm equipment sales and services company, which in-cludes seed, feed, and mobile feedmill functions, K. G. came to Farmers Home with a keen insight into the needs of farmers and with an understanding of the technological innovations necessary to make farms more productive. As the Farmers Home Administration's chief administrator in South Carolina, he showed that he did not only know the farmer but he knew how to make Farmers Home work more efficiently and effectively to serve the farmers and South Carolina's rural communities.

Under K. G., the Farmers Home Administration in South Carolina made a record number of loans, improved reachout and communications with the farming community, and streamlined its own management. From 1977 to 1981 over 22,000 loans amounting to nearly \$1 billion were made. In 1980 alone, 5,516 loans amounting to \$303.2 million were made to farmers and farm-related businesses. Seventy-five of the loans in 1980 went to rural businesses and industries creating nearly 1,000 new jobs. The Farmers Home Administration, also during this period, provided a record number of housing and farming loans to minorities. Forty-two percent of all housing loans in 1980, 1,209 of 2,873, went to minorities and an additional 318 farming loans were made to minorities in that same year. And still further, K. G. Smith's efforts with the rural health initiative loans became a model for the Nation making loans of \$8,160,000 in 1979 and 1980 to develop comprehensive planning for rural development.

I know in some respects these facts and figures may be difficult to comprehend but the farmers of South Carolina are comprehending them every day. As a result of K. G. Smith's effective leadership at the Farmers Home Administration, the South Carolina farmer is doing better and will continue to do better for years to come. I thank him for his dutiful public service and his dedication to

South Carolina's farmers.

OLDER AMERICANS EMPLOYMENT OPPORTUNITY WEEK

• Mr. HAYAKAWA. Mr. President, as Robert Browning said: "Grow old with me; the best is yet to be."

September 6-12 is a special week in the lives of American senior citizens. I was especially pleased to sponsor Senate Joint Resolution 92, which officially declared this week "Older Americans Employment Opportunity Week." I began my fourth career at age 70 when I was elected to the U.S. Senate. I would like to examine the valuable role of older workers throughout our history and encourage employers to take advantage of the great untapped potential of the older worker's tremendous experience and knowledge.

Older Americans' employment is not a new idea in the United States. Many of our Founding Fathers fought for independence and shaped a new government during their senior years. Benjamin Franklin was 70 years old when he was appointed to the committee that wrote the Declaration of Independence, and he pursuaded France to recognize the United States as a country when he was 72. Probably his greatest contribution to this country came when he was 81 years That is when he almost singlehandedly convinced the factions of Congress, and of course we know there are always factions, to compromise on our Constitution. It is a good thing he stayed in the labor force past 65. We might not have a Constitution or a country today.

Thomas Jefferson founded the University of Virginia when he was 76. Thomas Alva Edison kept inventing long after his 65th birthday. George C. Marshall was 67 when he designed the European recovery program, for which he received the Nobel Prize. In many other parts of the world people hold their elder statesmen in high esteem. Winston Churchill and Chancellor Adenauer served their countries and the world for many years while a prejudice was growing in the United States toward more youthful elected officials. I am glad to say that this prejudice has been greatly reduced in recent years. Our President is managing our country beautifully at age 70. Certainly for him the best is yet to be.

There is always something new to tryand we only have one life in which to try it. To the surprise of some of my acquaintances, I have taken up scuba diving, and am now fully certified. I found beginning dives both exhilerating and frightening. I find it extremely exhilerating that I am doing this, and I do not find any difference in my sensations under these circumstances that I would be experiencing if I were 25, 50, or 60. It is just an exciting thing to do. It is also frightening. But if you cease to do the frightening, then you become old. You might as well retire. I, personally, am not ready to retire. There is scuba diving, and not only that, there is the U.S. Senate, which is one tremendous learning

I have had several careers as a semanticist, teacher, and university president. I am currently in my fifth year of my first term as a Senator, and actively campaigning for election to my second. After all, my mother is 97 years old, and still doing quite well. My father died at age 91. I will be well into my fourth Senate term when I reach 90. Think of the great Japanese painter, Hokusai. When he was about 96 years old he was still a productive painter. He said:

If God only grants me to live until I'm 100, maybe I'll learn to draw.

This idea of the years beyond the age of 70 being years of fulfillment and challenge and excitement, these are things, I think, that come from the inside. It comes your cultivation throughout your whole life.

My own father is an example of the potential contributions of employed older Americans. He made a decision to get busy, after his entire business in Japan was wiped out by the Second World War. After the war he went to work for others, which was very difficult for him. In 1950, he decided to start all over again and reincorporate his own firm. He was a real free-enterpriser. I was at that time teaching in Chicago. He wrote to me about his decision, and I was very impressed, that at the age of 66, he would want to start his own company. He asked me, "What do you suggest I call this company?'

I remembered a slogan of his since he was in international trade, and I suggested to him, because of the slogan, "World Unity Through World Trade," and I said, "Why don't you call your company Unifast Trading Co.," and he thought that was a very fine idea.

He started out. He died in 1976 at the age of 91. The company—he was an old fashioned importer, and did not share in the export boom, but he did manage to put together a company that survived. It still is in existence, although he retired from it about 8 years ago.

I remembered that time, and I told myself that I should never let the matter of age stand in the way, and that has been a very inspiring example to me.

I reached the age of 65 while I was still at San Francisco State as president, and because of the system they had there, there was no mandatory retirement, but after 65 we were appointed on 1-year terms. So, I stayed until I was 66. Then in 1973 I accepted retirement, and I think my students and my colleagues

gave a great sigh of relief. When you are 65, you have proved yourself already or you have not. It does not matter any more. You have proved yourself as much as you can. So in a very important sense, those of us who are past the age of 65, we are no longer on the make. We are no longer the kind of opportunitist we were at 40. In a very important sense, it seems to me we are not as prone to succumb to temptations of power, influence and money, as we might have been after 25 or 30 years of living. But we bring something else to the job that the 40-year-old cannot bring, and that is a perspective, shall I say wisdom, from not only having lived through other things, being alive through many things that young people have read only in text books, but were actually happening when we were alive. The New Deal is not something we read about in text books. We lived through that.

Therefore, political life, and whatever else, it seems to me, to be something which we can contribute a lot simply because we can devote our tasks to different attractions.

There are certain people who work who have proved to me to be a constant inspiration. I am a student and collector of art, and so I will just take some examples from that. But if you look at something you realize that that artist got past all of his inhibitions, and arrived at a freedom of expression.

If you look at Picasso's career, at a very late age he picked up ceramics for the first time, and everything he touched he turned to magic, and he went on and on and there was a whole series of little periods in Picasso's artistic career. As he got to be 80 or 85, new things were beginning to happen constantly in Picasso's life.

So why have an Older Americans Employment Opportunity Week? It recognizes older workers as capable individuals who have contributed much to our society through their services to others. Only one person in five over age 60 is now employed, but millions more older Americans would like full or part-time work. It is my hope that the national recognition provided will help to break down the stereotyping and discrimination that too often influences employers' attitudes toward the older worker.

For all senior citizens who want a first, second, or third career the best is yet to

be.

THE VOTING RIGHTS ACT

• Mr. HART. Mr. President, yesterday the U.S. Commission on Civil Rights issued an important report adding weight to a growing consensus that Congress must extend the full force of the Voting Rights Act for 10 more years.

The report, based on an extensive review of court cases, Justice Department files, and interviews provides ample evidence that minorities in this country continue to face substantial barriers to full political participation. The Voting Rights Act has not outlived its usefulness, as some would suggest. It is working, but its goal is not yet fulfilled.

The Civil Rights Commission is an independent, bipartisan agency established by Congress to, among other things, appraise Federal laws with respect to discrimination. Its findings concerning the Voting Rights Act deserve our careful attention. I urge my colleagues to study these findings, and join the effort to insure this historic act is extended and enforced until its promise is permanently realized.

I ask that the findings of the Commission be reprinted in the RECORD, at this

point.

The findings follow:
THE VOTING RIGHTS ACT: UNFULFILLED
GOALS

(A Report of the United States Commission on Civil Rights, September 1981)

FINDINGS

Results of the Voting Rights Act

- The number of minorities who have been elected to public office has increased since the Voting Rights Act was extended in 1975.
- a. In 1974, 964 blacks held public office in the six States, plus North Carolina that were subject to preclearance in 1965 and 1970. In July 1980, 2,042, blacks served as elected officials in these states.
- b. In 1979-80, 1,138 Hispanics had been elected to public office in Arizona and Texas, the two States made subject to preclearance by the 1975 amendments to the Voting Rights Act.

Despite considerable progress, however, minorities continue to constitute a small percentage of elected officials in virtually all states covered under the preclearance provisions. Blacks constitute no more than 8 percent of all elected officials in Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas and Virginia. Hispanics constitute 13 percent of all elected officials in Arizona and 6 percent in Texas. Most minority elected officials are in local positions, such as school board members. Few minorities have been elected to the U.S. Congress, to State senates, to county governing boards, or to law enforcement positions, such as sheriff or county judge.

as sheriff or county judge. 2. The number of minorities who have registered since the initial passage of the Voting Rights Act has been substantial. For example, 7 percent of voting age blacks in Mississippi were registered immediately prior to the passage of the Act. Within two years, 60 percent of voting age blacks in Mississippi were registered. Registration rates for minorities continue to lag well behind the rates for whites, however. According to a 1976 Bureau of the Census survey of registration in jurisdictions covered by the preclearance provisions of the Voting Rights Act, between 63 and 78 percent of whites were registered in these jurisdictions, contrasted with between 44 and 69 percent of minorities. Only two States under statewide preclearance cov-erage (Louisiana and South Carolina) and North Carolina maintain registration data by race. In two of these States-Louisiana and North Carolina-black registration rates in 1980 continued to be substantially lower than white registration rates. In Louisiana. South Carolina, and North Carolina the white registration rates were 76 percent, 62 percent, and 72 percent; in contrast, the black registration rates were 61 percent, 56 percent, and

55 percent.

Continuing problems in registration

3. In the Commission's study of voting problems in 70 jurisdictions covered by the preclearance provisions, some minorities found registration officials discourteous or openly hostile and intimidating when they attempted to register. Requests for unnecessary personal information by officials also were found to intimidate minorities. Building on the blatant and pervasive discrimination against them in the past, the present attitudes of registrars deter minorities from registering.

4. Registration in the jurisdictions studied often took place in locations (e.g., county courthouses) or at times that were particularly inconvenient for minorities, a disproportionate number of whom are poor and live in rural areas unserved by public trans-

portation.

- 5. Alternative registration procedures, including the use of deputy registrars and satellite registration offices in minority communities, could result in substantial increases in minority registration. Minority organizations, however, have had a difficult time convincing registration officials of the need for such alternative procedures. Some have had to appeal to State legislators or to other officials or organizations to obtain more accessible registration.
- 6. In two instances the section 5 preclearance process prevented the implementation of purging and reregistration procedures that could have had a negative effect on the number of minorities who were registered to vote.

Continuing problems in voting

- 7. In several jurisdictions studied, all polling places were located in predominantly white communities or in buildings that housed all-white organizations or were in areas not served by public transportation. Such locations deter minorities from voting.
- 8. Two States, Louisiana and Mississippi, enacted legislation restricting assistance to

illiterates. The Department of Justice objected to the legislation submitted by Mississippi, but not to that from Louisiana. Commission interviews in Louisiana indicated that some blacks in that State who needed assistance at the polls were unable to vote as a result of this legislation.

9. Minorities continued to be harassed or

Minorities continued to be harassed or intimidated by election officials when they

attempted to vote.

Continuing problems in fair representation

10. In jurisdictions subject to preclearance that were included in the Commission study, minorities faced numerous barriers to electing the candidates of their choice. These barriers included the following:

riers included the following:

a. Minorities have rarely been able to win elections in the large number of jurisdictions subject to preclearance that have at-large election systems and where racial bloc voting exists. The use of at-large election systems severely limits the ability of minority communities to elect the candidates of their choice.

b. Numerous voting rules continue to limit the ability of minorities to be elected to public office. These rules, which dilute minority voting strength, include majority vote requirements, anti-single-shot voting rules, numbered posts, residency requirements, and staggered terms. These rules often are coupled with at-large election systems. The result is that minority voting strength is substantially weakened in jurisdictions where racial bloc voting continues to be the predominant political pattern, and minority candidates have little or no opportunity to win election.

little or no opportunity to win election.

c. Annexations and consolidations have had a negative effect on minority voting strength. Some jurisdictions have attempted to annex predominantly white areas or areas zoned for middle income housing, thereby decreasing minority voting strength in the annexing jurisdiction. Other jurisdictions have refused to annex predominantly minority areas even though these areas have sought annexation.

- d. Jurisdictions have drawn boundaries with the purpose or effect of diluting minority voting strength. They have split areas with a high concentration of minorities into several districts, so that minorities do not represent a substantial proportion of the population in any district. They also have created redistricting plans in which minority voting strength in the new districts is less than that in existing districts.
- e. Some minorities who attempt to run for political office are intimidated, harassed, or threatened. Often they do not have the same access to all voters as do white candidates because predominantly white civic and partisan organizations do not support their candidacies.

Preclearance and noncompliance

- 11. The Department of Justice issued objections to over 700 proposed changes submitted by jurisdictions subject to preclearance between 1975 and 1980. Most of these proposed changes involved election rules which, if they had been implemented, would have diluted minority voting strength. The largest number of proposed changes involved attempts to annex predominantly white areas or areas zoned for middle-income housing. Other changes to which the Department of Justice frequently objected included changes to at-large election systems and to the use of the majority vote rule, which requires winning candidates to receive a majority of the votes cast rather than a plurality.
- 12. Although covered jurisdictions are required to preclear all proposed changes in election rules which with the Department of Justice or the U.S. District Court for the District of Columbia, this requirement is sometimes violated. Moreover, some jurisdictions have enforced changes to which the Department of Justice has interposed objections without obtaining the required declaratory judgment of nondiscrimination from the U.S.

District Court for the District of Columbia, in violation of section 5 of the Voting Rights Act.

Minority language provisions

13. Lack of bilingual voter education services, bilingual oral assistance for registering and voting, and the lack of publicity about the availability of bilingual election services severely hampers the effectiveness of the minority language provisions and limits the ability of language minorities to register and vote.

14. There has been minimal enforcement of the minority language provisions by most of the 8 U.S. Attorneys interviewed.

THE POLITICAL MOVEMENT OF THE NEW RIGHT

Mr. GOLDWATER. Mr. President, during the past 18 months to 2 years, the so-called New Right has proclaimed itself to be a fundamentally moral force to enhance the Biblical concepts in our everyday lives. There is nothing wrong with a strong dose of Biblical morality in our lives, a concept which I agree with, but, I do object to the idea of using religion as a political force. And this is precisely what these new religionists have decided to do. Just a few blocks from this building is an office set up by these people as a leadership training center established to show men and women of this supposedly religious movement how to register, organize, and mobilize the voters.

Mr. President, in a recent article in one of their own magazines the political aspirations of these people is clearly laid out. And, after reading the article it is pretty clear that we should call a spade a spade and put the accurate label of a political movement on these people. If we continue to mislabel them as religious factions then we will only delude ourselves into a trap that we may not be able to get out of.

Mr. President, I ask that this article be entered on the Record, for this is the best way that we can learn, from their own words, exactly what they have in mind.

The article follows:

WORLD EVANGELISM—MORAL MAJORITY: HERE TO STAY

"Moral Majority is not an election year phenomenon," declared Dr. Ronald Godwin, vice president and chief operations officer as he addressed a cadre of leaders from all 50 states during a summit meeting in Lynchburg, Virginia. "We are gearing up for the long haul," he continued. "We're here to stay!"

After the clear, concise conservative victory in the November election, much of the media credited such organizations as the Moral Majority and the Round-table for creating the dramatic upheaval in the presidential landslide and radical change in the make-up of the Senate. But, these organizations are not claiming credit.

"Isn't it funny that the media has never given God any credit for the election turnaround?" asked Dr. Charles Stanley, pastor of First Baptist Church, Atlanta, and a member of the board of directors of Moral Majority. "The Bible clearly states that He rules in the affairs of men," he continued.

Eighteen months ago, a group of religious leaders headed by Dr. Jerry Falwell became alarmed at the declining morals in our country. Together with Falwell, Dr. Greg Dixon, pastor, Indianapolis Baptist Temple, Dr. Tim

LaHaye, founder of Christian Heritage College, El Cajon, Calif., Alan Dye, tax attorney, Dr. Bob Billings, past president of Hyles-Anderson College, Dr. Charles Stanley, pastor, First Baptist, Atlanta, and Dr. James Kennedy, pastor of Coral Ridge Presbyterian Church, Ft. Lauderdale, Fla., organized Moral Majority.

"Despite the moral sickness which pervades our soc.ety," Falwell said, "God is not finished with us as a nation. America has more God-fearing citizens per capita than any other nation on earth. There are millions of Americans who love God, and decrease and Bible morality." he helicros.

any other hation on earth. There are linilions of Americans who love God, and decency, and Bible morality," he believes.

During its first year of operation, Moral
Majority emphasized voter registration and
the acquiring of name recognition. "These
goals have been met several times over," says
vice president Ronald Godwin. "Three million plus taxpayers have been influenced by
the Moral Majority to register. The Moral
Majority and its product, the swelling tide of
evangelical political activits, have been the
in subject for the national media."

One of the top priorites of the Moral Majority national office, located only a few blocks from the nations capitol in Washington, is in leadership training. Their goal will be to develop men and women to know how to register, organize and mobilize previously passive voters. This leadership cadre will be taught how to raise funds for their state affiliate, how to work with the press, radio and television, how to inform the electorate about key legislative issues, how to work with incumbents, how to conduct successful training seminars and rallies on the state and local levels and many other immediately practical political skills.

Beginning in January, Moral Majority, Inc. will hold a series of regional conferences for state chairmen, board members, executive directors, key pastors and lay supporters of the movement. The conferences will feature a series of outstanding workshops, panel discussions, and debates. Television, radio, and press interviews will be demonstrated by Mr. Cal Thomas, Vice President of Communications for Moral Majority, and Mr. Harry Covert, Editor of the Moral Majority Rejort. Conference attendess will practice conducting press conferences and interviews via the use of closed circuit color television equipment.

Pastors and professional and lay leaders will profit from the political expertise and wisdom of a blue ribbon panel of seminar speakers. Of course, Dr. Jerry Falwell, president of Moral Majority, will often be the featured speaker.

In conjunction with regional conferences and training seminars, Moral Majority, Inc., plans to immediately begin producing literature and material for educating and informing the great volunteer army across America. Every pastor, every school principal, and every concerned layman will be encouraged to develop a personal library of political awareness materials.

"We are engaged in a battle for the minds of men." said Ron Godwin. "The citizen leader who wants to be effective must accept the responsibility for his own education. The problem is that the information and the training that the concerned citizen needs is not available in any college or high school classroom in America. Therefore, the Moral Majority, Inc. will make available to its constituents a wide variety of reliable books, tapes and materials."

Beginning this summer, Moral Majority, Inc., in concert with Liberty Baptist College, plans to sponsor the most successful candidate training program in America. Their goal is to raise the moral conscience of this nation and to create the climate necessary to successfully provide moral leadership. Any goal less ambitious is not worthy of the movement. "It is not enough for us to simply op-

pose liberals and bad government. We must elect moral leaders," Godwin believes.

In order to dramatically prove the ability of their Washington office to react to fast-breaking legislative events, they plan to install a phone bank there. The phone bank will give the Washington staff the capability of phoning legislative alerts to their constituency in any or all 50 states at an hour's notice.

When incumbents on the Hill learn that the Moral Majority not only has 50 strong, viable affiliates in every state in America but also has the latest tools for communicating with and activating that vast volunteer army of moral citizens, their task of creating a climate in which it is easier for politicians to vote right than wrong will be much enhanced.

ADDRESS BY DR. DAVID ABSHIRE AT JAPANESE-U.S. OCEAN FORUM

O Mr. Deconcini. Mr. President, during the August recess, in addition to several trips to Arizona, I had the pleasure of being asked to participate in the Japanese-United States Ocean Forum held in Tokyo, Japan, August 29-September 2. The trip was not funded at Government expense. During this forum a number of outstanding speeches were delivered, including one by Senator Sam Nunn.

The Chairman of the Georgetown University Center for Strategic and International Studies, Dr. David Abshire, delivered to the full delegation and other observers an outstanding dissertation which I commend to my colleagues. Mr. President, I ask that Dr. Abshire's statement entitled "Speech for Maritime League" be printed in the RECORD.

The statement follows:

DAVID ABSHIRE: SPEECH FOR MARITIME LEAGUE

Ten years ago we began our program of collaboration on maritime and security issues. For our part, from the beginning, we have felt that, aside from the high quality of our mutual exchanges, we have had the opportunity to exchange views, to understand each other better, and, above all, to become better friends.

Aside from our long-term relationship, we have had another unusual element in our dealings with each other. That has been our willingness to sit down at the same table, to discuss matters of concern to both sides, even if those subjects might go beyond maritime or military issues to include discussions of the future shape of the Japanese-American alliance relationship itself. In a way this bilateral forum has been ahead of many others, in that we have sought from the beginning to place our mutual ties in a broader context—on a level which reflects the changed and more complex nature of the new US—Japan relationship. In fact, our joint institutional perspective on US—Japan affairs may well have stimulated others to energe in similar programs.

engage in similar programs.

Beyond that, our long association gives our meetings a special significance, in that we might be able to look at our bilateral relations from a broader perspective. The Center has been seeking to engage in its programs a variety of people, to draw on a variety of viewpoints, and to appeal to a variety of audiences that will enable us to fill a key role in influencing American policy

toward Japan.

In addition to our many programs at the Center, we have augmented our staff and have stimulated our programs over the past decade on the energy and security areas. Recently we have engaged three senior people at our Center—Henry Kissinger, James

Schlesinger, and Zbigniew Brezinski-in discussions on key foreign affairs questions, especially on Japan and the United States.

We have started a new program on U.S.-Japan relations. Dr. Michael Blaker, who has been a senior research associate at Columbia University's East Asian Institute and director of a U.S.-Japan project at the Council on Foreign Relations, will now be directing Japan-related programs at the Georgetown Center.

At the moment our plan is to focus on four key dimensions of the evolving U.S .-Japan security relationship, with "security" defined in the broadest sense: energy politics, approaches toward Asia, military-defense, and styles of diplomatic communicaand interaction. Each of these facets of the relationship, in turn, will be linked, and examined against a background of the emerging directions of U.S.-Japan relations, the persistent problems encountered in the two countries' interactions, and the feasibility of proposed approaches aimed at improving the quality of their dealings with each other.

We expect that the association of both Dr Blaker and Mr. Okazaki, Director General for Foreign Relations at the Defence Agency of Japan who will be in residence at the Center during 81-82, will help CSIS to play a prominent role in the process of improv-

U.S.-Japanese relations.

Just ten months have passed since Ronald Reagan was elected by a landslide to be President of the United States. Only a year and three months have elapsed since your Prime Minister Zenko Suzuki was selected after a conservative electoral landslide to lead the Japanese government. Obviously, this is a very short period of time upon which to make judgments about either of our countries' policies, or the future shape of our bilateral alliance—and here, I might add, as a private citizen I am going to use the word "alliance" freely.

While there has been a changing of the

guard in both our countries, Japan and the United States continue to confront the same thorny problems as before—on energy, trade, foreign aid, as well as on just keeping our bilateral security relations on an even keel. On these subjects we have many views in common, of course, and this should not be surprising because our countries are deeply committed to democratic ideals, free trade, global and regional stability, and a healthy bilateral security relationship founded upon our Mutual Security Treaty. But our viewpoints on these matters also differ in some respects, and this, too, should be understandable in light of our differing cultures, historical backgrounds, and geographical situations

The differences we have, stem in part, from different perceptions. Particularly since the end of the Pacific War, the United States has loomed large to the Japanese. Even after its defeat in the war, and even after the Occupation era had passed, Japan decided to cast its fortunes in the security area with those of the United States. To paraphrase your first very great postwar statesman Shigeru Yoshida, "If you like the shade, find yourself a big tree." Well, even though we were a "big tree" at that time, since then another "big tree"—the Soviet Union—has appeared, and a forest of third world "trees' has grown. The forest environment, in short, has changed and, for any of us, find-ing the shade is a difficult task indeed. In fact, from an American perspective, some feel that we are scarcely able to take care of ourselves, much less to protect others. I am happy to say that this is not the view of the Reagan Administration.

For most Japanese, however, it seems to me the perception of the United States as the "big tree" or "the big brother" in the

relationship between our countries continues to prevail. But looking from the perspective of the US, we are not a "big tree," and

Japan looks bigger every day.

Japan is taken seriously in the United States, and American expectations of Japan are high, not only because of the high quality of Japan's manufactured goods, its high level of productivity, its intense competi-tiveness, and huge amounts of spending on foreign investment. Our expectations high also because we are confident that Japanese economic successes will continue, that the yen will continue to be strong, that Japan's products will continue to proliferate global markets, and that its domestic economy will continue to flourish. Americans—again unlike many Japanese I have met—believe very profoundly that Japan can and should play a larger political and diplomatic role than it has played in the past—a role reflecting its hard-won position as an economic superpower. We feel that Japan already is moving in that direction, and are confident that it has the ability to assume the responsibilities, take the initiatives, and accept the burdens that its enlarged international role will require.

Where we-that is, American and Japanese-differ is on two points-first of all, how vigorously Japan should be pressed into assuming a larger role than it is playing at the moment in security affairs and, second, how much of Japan's new international responsibilities should encompass or contain

a military dimension.

On the first point, it seems that there is a good deal of confusion as to the value of exerting pressure on Japan to do more in the defense area. The record seems to show that changes in Japanese defense spending, and force structures, have not resulted from shifts in the domestic Japanese political climate, nor from alterations in Japan's regional strategic environment, nor even from variations in Japanese perceptions about the depth of America's commitment to defend Japan. Instead, in the past, these changes have stemmed from American urging. American Pressure on Japan, in other words, has worked.

This manner of interaction-which has vorked in the past and may well work in the short-run future in achieving some immediate goal—may be in the long run, un-helpful to the development of a mature Japanese-American relationship. It is for this reason that the Reagan Administration, in dealing with Japan on defense-related questions, has chosen not to resort to at-tempting to wring concessions from Tokyo by public blandishment and exhortation.

The present Administration, instead, has quite consciously adopted an approach to-ward Japan—as well as toward our other al--which seeks to avoid falling into public haggling over the precise percentage of GNP being allocated for defense, or the exact percentage increase year-to-year in defense expenditures.

This sort of street-vendor-style haggling, in any case, ignores the main question of what higher Japanese defense expenditures will be used for, and to some degree may have diverted Japan from formulating and articulating its own concept of security and its own preferred policies in the security

In saying this, however, let me make it clear that the expectations of this Administration remain high for Japan in the security field.

We want to hear your views, to cooperate with you in translating those views into meaningful policy action, while we—for our part—try to clarify our own centinuing com-mitments to Japanese and East Asian peace and security. Despite those commitments, as I am sure you are all aware, we are stretched very thin militarily, and our state of readiness to respond to the dramatic rise in Soviet capability in Asia requires reinforcement.

in short, the first question is how can the United States and Japan work cooperatively and most effectively to assure that their responses to shifting internal and external conditions proceed in an intelligent and sensible fashion, without jeopardizing our many shared interests through unnecessary crises, "shocks", and friction.

The second key issue in current US-Japan security relations concerns the degree of Japan's commitment to increasing its defense expenditures and its involvement in military operations. First, let me say that the United States does not wish Japan to become a major military power, or change its constitution. United States does not want Japan to acquire nuclear weapons. The United States has no desire that Japan abandon its present reliance on the American nuclear umbrella and the Mutual Security Treaty and go its own way in the area of defense.

Americans recognize the many constraints that influence Japan's defense efforts: continuing pacifist sentiments among the Japanese people, your intense sense of vulnera--as a resource-poor nation—to possible limits or curtailment of external markets or scurces of supply, your "no war" Constitu-tion, and particularly Article IX of that document, the slow process of consensus building in Japan, the "non-nuclear principle" articulated by recent Japanese administrations, and—above all—your desire to remain a peaceful nation closely allied with the United States, dedicated to maintaining the peace and stability of East Asia.

Most knowledgeable Americans recognize these deeply rooted Japanese feelings, and realize how significantly they affect Japan's role in the defense area. Still, from our per-spective, Japan's overall self defense efforts are overly modest. Our wishes, if spelled out in specific terms, would be that you-

Improve your defense chair of command; Increase your share of expenditures for the support of American forces in Japan;

Raise your stockpiles of conventional weapons and ammunition:

Increase your anti-submarines warfare cap-

Promote defense cooperation with the

United States in such operations as the RIMPAC exercises of last year;
Develop your capacity to take responsiover time for defense of the Soga, Tsugaru, and Tsushima Straits;

Expand somewhat your defense perimeters to take the pressure off the U.S. Navy in the Pacific; and

At bottom, take upon yourselves the basic responsibility for your own defense, both of the Japanese islands and the surrounding

On the American side, our direction is toward increasing awareness of the limits of American capability in Asia and a related concern about pressing Japan to shoulder a larger portion of the responsibility for its defense. Japan's global economic ascedence has raised expectations abroad that it should arsume an enlarged political role, particularly in Asia, and has aroused an enhanced Jap-anese awareness that its economic accomplishments themselves are not enough either to quell foreign dissatisfaction with Japan's contributions, or to assure the protection of its national security interests. Despite an immense amount of attention devoted to the defense question in both countries, a mutually acceptable accommodation has yet to be reached.

The problem for our political leaders in both countries is how to gain the public support needed to sustain the security of both our nations. To gain this support in the future, perhaps we must develop an entirely new concept of national security.

In the past, national security was perceived only in military terms—nuclear deterrence and defense of national borders. Today, this kind of security problem is more critical than ever before, given the Soviet Unions' excessive military buildup and its search for strategic superiority.

Since 1973, however, another dimension of national security has been added to the picture-energy. Nations can now be brought to their knees by oil outoffs. Even a temporary interruption of oil supplies can lower employment and standards of living. Japan is

especially vulnerable.

These are happenings that politicians can communicate to the people. As a response, Japan's "comprehensive security" program certainly fits into this category. Your aid to such countries as Pakistan, Oman, and Turkey is critical to the stability of the Middle East and the oil-producing countries.

By the same token, most of our immediate

\$38 billion upsurge in our defense spending is going for conventional forces, especially shipbuilding—which will help keep open our energy sealanes—and your energy sealanes

as well.

Thus, in the economic-energy dimension of national security, both "comprehensive" and national security conventional forces are absolutely essential. Otherwise, you will lose your standard of living and unemployment will rise.

If such a new concept of national security can be conveyed to the people of Japan, perhaps they will better realize why it is so ssential to Japan's standard of living that it do more in building its own conventional defense capacity, so that that expanded conventional capability can be complemented by US forces in keeping open the sea lanes, and in providing a Western military presence in Southeast and Southwest Asia which will contribute to the peace and stability of those regions.

I should point out that at our Center, in our new program on Japanese affairs, we will be addressing the major issues I mentioned earlier-defense, trade, energy, development assistance and methods of bilateral diplomatic interaction. I emphasize the final topic, because in dealing with other problems, both Japan and the United States must in the future be more sensitive to matters of "style" in their diplomatic interactions. Throughout the post-Occupaperiod in US-Japan relations, though disagreements on such diverse issue as steel, textiles, automobiles, nuclear energy, and defense spending were largely resolved, the processes by which controversial issues settled have created resentments—on both sides. Despite the many shared interest of our two countries, and our long history of bilateral interaction, the basic question has remained: are Japan and the US dealing with each other more effectively than, say, ten or twenty years ago?

Part of the problem is a tendency on the part of the Japanese to see themselves as the weaker side, and they use this as an apology for what they cannot give. This reduces their credibility, for they often seem to be "crying wolf." And when the inevitable crisis is reached in our dealings—whether on tariffs, defense spending, or boycotting the Olympics—it also tempts the Americans to try to bully Japan. In the end, Japan submits, but only after an intense, sometimes frantic search for some way of salvaging the heart of the Japanese position without major concessions. The approach, in any case, leaves Americans with the impression that Japan is disinterested in reaching fair agreements. unwilling to appreciate another party's viewpoint, and incapable of having a truly international sense of responsibility.

For their part, it has seemed to me that the Japanese are often puzzled by American inconsistencies and surprise shifts in policies affecting Japan, resentful at apparent U.S. discrimination against Japan (say, for instance, on nuclear fuel supplies under the Carter Administration), and bewildered at American missionary zeal in pursuing goals that tend to strike Japanese as dubious, risky, and quixotic. Above all, Japanese are angered at the habitual U.S. resort to pressure factics in order to wring concessions sure tactics in order to wring concessions from them. In short, how the two countries have dealt with each other over the years has often generated distrust and ill-will on both sides, with each feeling the other as failing to be a forthcoming, reliable, or supportive ally.

In my judgment, we must, to make our relationship more healthy, make adjustments and give ground on both sides. We need to move towards a more equal partnership that reflects Japan's growing strength. While we Americans must be sensitive to style, our Japanese friends, I submit, must be more willing to shoulder the responsibilities that

partnership implies.
You may have noted that I have not been very specific in suggesting change for Japapolicy-either on defense, energy, foreign development assistance, or trade questions. I have purposefully refrained from offering such concrete recommendations because I believe that a truly mature alliance relationship between our two countries will require that the U.S. side listen more carefully than in the past to what Japan desires in the security area. Japan, after all, for a variety of reasons, has tended to seek out and react to American advice—advice which, as will not surprise anyone in this room, Americans have been only too eager and willing to provide. But the time has come for Americans to ask Japanese what they think, what they want and what they wish of us, on all of the key issues facing us in our current alliance

I thank you for your attention and for the opportunity to tall with you this morning on these topics-and I might add that these are subjects that concern me deeply. Put I would like to say in conclusion that despite the fact that our two countries' opinions occasionally differing, at the same time our common viewpoints and interests are so extensive that our relationships will surely continue to be strong and healthy. Neither of us can afford that it be otherwise.

Thank you, my dear friends of the Maritime League.o

IMPOUNDMENT

. Mr. HART. Mr. President, the recently reported proposal to give the President impoundment authority is ill-conceived and dangerous public policy from both a budgetary and constitutional point of

Under the spending clause of the Constitution, Congress is given the power and responsibility to appropriate and spend Federal money. To share that power or abdicate a portion of it to another branch of government seriously weakens our institution and completely undermines the congressional budget process which those of us on the Budget Committee among others have worked so hard to establish. Congress, as the people's representative, must be directly accountable for the way Federal dollars are spent or not spent. Presidential impoundment authority dilutes such congressional accountability.

It is particularly ironic that this impoundment proposal has been put forward at this time. So far the congressional budget process has given the President exactly what he wanted by rapidly adopting the level of budget cuts which he proposed. Proponents of the impoundment proposal now apparently feel that the President should get exactly what he wants without even having to ask Congress.

Even if Congress had not cooperated with the President on reducing Federal spending, impoundment would still be a bad idea. Congress constitutional authority over Federal spending does not depend upon the executive's satisfaction. Presidential impoundment has less to do with the budget than with the separation of powers. In 1969, William Rehnquist then at the Department of Justice. advised the White House on the constitutional authority for impoundment:

With respect to the suggestion that the President has a Constitutional power to decline to spend appropriated funds, we must conclude that the existence of such a broad power is supported by neither reason nor precedent." He found it difficult, he added, "to formulate a Constitutional theory to justify a refusal by the President to comply with a Congressional directive to spend.

During the congressional debate over impoundment in 1973 Senator Sam Ervin also discussed the constitutional issues at stake in allowing the President to withhold appropriated funds:

I do not believe that we should allow him to nullify acts of Congress by Executive fiat. There is not one syllable in the Constitution which authorizes the President to exercise such powers.

I urge my colleagues to oppose any impoundment proposals which would undermine the congressional budget process. If we allow a President to use impoundment to modify or even nullify laws passed by the legislative branch, we give up a policymaking function reserved exclusively to the Congress. This institution should stand united against such a massive transfer of its constitutional power to another branch of government.

PROPOSED ARMS SALES

 Mr. PERCY. Mr. President, section 36 (b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of \$25 million or, in the case of major defense equipment as defined in the act, those in excess of \$7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. Any portion which is classified information has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room 4229, Dirk-

sen Building.
The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., June 30, 1981. Hon. CHARLES H. PERCY,

Chairman, Committee on Foreign Relations,

U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 81-59, concerning the Department of the Army's proposed Letter of Offer to Japan for defense articles and services estimated to cost in excess of \$25 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely.

ERNEST GRAVES, Director.

[Transmittal No. 81-59]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Japan.(ii) Total estimated value:

[Deleted] Major defense equipment*____ [Deleted] Other

> __ [Deleted] Total --

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: [Deleted].

department: Army (VFI, Military Amendment No. 1)

(v) Sales commission, fee, etc, paid, of-fered or agreed to be paid: None. (vi) Sensitivity of technology contained in

the defense articles or defense services pro-

posed to be sold: None. (vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: June 30, 1981.

POLICY JUSTIFICATION

Deleted. Deleted.

This sale will further the close mutual se curity relationship between Japan and the United States by contributing to commonality and interoperability. The mutual security relationship is governed by the 1980 Treaty of Mutual Cooperation and Security, and is a vital factor in the political stability of the Pacific Ocean Area.

[Deleted.]

The sale of this equipment will not affect the basic military balance in the region.

Deleted 1 Deleted.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., July 1, 1981.

Hon. CHARLES H. PERCY, Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the re-porting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-60, concerning the Department of the Air Force's proposed Letter of Offer to Japan for defense articles and services estimated to cost \$54 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES. Director. [Transmittal No. 81-60]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Japan.

Million (ii) Total estimated value: Major defense equipment*____ \$38

As included in the U.S. Munitions List, a part of the International Traffic in Arms

- Regulations (ITAR). (iii) Description of articles or services of-red: Two C-130H aircraft with initial
- spares, support, and training. (iv) Military department: Air Force (SCU).
- (v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.
- (vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.
- (vii) Section 28 report: Case not included in Section 28 report.
- (viii) Date report delivered to Congress: July 1, 1981.

POLICY JUSTIFICATION

Japan-C-130H aircraft and support

The Government of Japan has requested the purchase of two C-130H aircraft with initial spares, support, and training at an estimated cost of \$54 million.

Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring the peace and stability of that region. It is vital to the U.S. national interest to assist Japan in developing and maintaining a strong and ready self-defense capability which will contribute to an acceptable military balance in the area. This sale is consistent with these U.S. objectives and the 1960 U.S.-Japan Treaty of Mutual Cooperation and Security.

These C-130H aircraft will be used in a transport role in support of the Japan Self Defense Force.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Lockheed Corporation of Marietta, Georgia.

Implementation of this sale will require the assignment of approximately one additional U.S. Government and three U.S. contractor personnel to Japan for a minimum

There will be no adverse impact on U.S. defense readiness as a result of this sale.

> DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., July 6, 1981.

Hon. CHARLES H. PERCY, Chairman, Committee on Foreign Relations,

U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the re-porting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-62, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost \$60 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

> ERNEST GRAVES, Director.

[Transmittal No. 81-62]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

- (i) Prospective Purchaser: Saudi Arabi.
- (ii) Total Estimated Value:

Major defense equipment*___ \$60 Total _____

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

- (iii) Description of Articles or Services Offered: This sale will provide the telecommunications equipment, automated data processing equipment, and hardware items required for the Royal Saudi Naval Forces Command, Control, and Communications (C³) system. The equipment is to be in-stalled in facilities which were designed and constructed under previously approved sales agreements.
- (iv) Military department: Army (HAQ, Notice No. 6).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.(vi) Sensitivity of technology contained

the defense articles or defense services

proposed to be sold: None.

(vii) Section 28 report: Case not included

in Section 28 report.

(viii) Date report delivered to Congress: July 6, 1981.

POLICY JUSTIFICATION

Saudi Arabia-Communications and data processing equipment

The Government of Saudi Arabia has requested amendment of an existing sales agreement to include the purchase of shorebased telecommunications equipment, automated data processing equipment, and hardware items for the Royal Saudi Naval Forces (RSNF) Command, Control, and Communications (C3) system at an estimated cost of \$60 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to pro-vide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to im-prove the security of the country through modernization of Saudi naval forces. In a regional context, enhancement of the defen-sive capabilities of Saudi Arabia will also contribute to overall Middle East security.

Saudi Arabia is in the process of enlarging and improving its naval assets and operations through its Saudi Naval Expansion Program (SNEP) with the United States. The SNEP includes the purchase of 29 ships and craft, shore facilities, equipment, and training. This sale will provide the telecommunications and data processing equipment for a U.S.-designed C³ system which is essential for the effective operations of Saudi naval forces. This sale will not introduce a new military capability into the region since neighboring countries have C3 systems with similar capabilities.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Science Applications, Incorporated of Arlington, Vir-

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., July 8, 1981. Hon. CHARLES H. PERCY,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-64, concerning the Department of the Army's proposed Letter of Offer to Tunisia for defense articles and services estimated to cost \$92 million. Shortly after this letter is delivered to your office, we plan to notify the news media. Sincerely,

ERNEST GRAVES, Director.

[Transmittal No. 81-64]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Tunisia.

(ii) Total estimated value:

(Million) Major defense equipment*_____ \$80 Other _____ 12 Total __

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

- (iii) Description of articles or services offered: Fifty-four M60A3 tanks with support equipment and services.
- (iv) Military department: Army (UDY). (v) Sales commission, fee, etc. paid, offered

or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 March 1981.

(viii) Date report delivered to Congress: July 8, 1981.

POLICY JUSTIFICATION

Tunisia-M60A3 tanks

The Government of Tunisia has requested the purchase of 54 M60A3 tanks with support equipment and services at an estimated cost of \$92 million.

This sale supports the foreign policy objectives of the United States by helping to provide a friendly country with the means to maintain its own defense.

The incorporation of these tanks into the Tunisian inventory will enhance its capability to protect itself from the Libyan tank threat. Libya's hostile intent toward Tunisia was amply demonstrated by the Libyan-backed dissident attack on the Tunisian city of Gafsa in January 1980. Tunisia's armed forces are currently equipped with outmoded weaponry and are inadequate to meet the growing threat from neighboring Libya. The purchase of these tanks will be one of the first steps in Tunisia's current five year pro-gram to upgrade its defense establishments.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Chrysler Corporation of Warren, Michigan.

Implementation of this sale will require the assignment of the following U.S. Government personnel: 12 for 15 days as a Quality Assurance Team, 12 for 180 days as a Technical Assistance Team, and eight for 120 days as a Training Team.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., July 6, 1981. Hon. CHARLES H. PERCY,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-65, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost \$255 million. Shortly after this letter is delivered to your office, we plan to notify the news media. Sincerely,

ERNEST GRAVES, Director.

[Transmittal No. 81-65]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

- (i) Prospective purchaser: Saudi Arabia. (ii) Total estimated value:

(Million) Major defense equipment*____ Other Total

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description or articles or services of-This case amendment is for the continuation of U.S. Navy project management support, supply support assistance, engineer-ing and technical services, and feasibility and technical studies for the Saudi Naval Expansion Program.

(iv) Military department: Navy (GAT, Amendment No. 1).

(v) Sales commission, fee, etc. paid, of-

(v) Sales commission, ree, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None. (vii) Section 28 report: Included in report

for quarter ending 31 March 1981.

(viii) Date report delivered to Congress: July 6, 1981.

POLICY JUSTIFICATION

Saudi Arabia-Management support and assistance

The Government of Saudi Arabia has requested continuation of U.S. Navy project management support, supply support assistance, engineering and technical services, and feasibility and technical studies for the Saudi Naval Expansion Program (SNEP) through 1985 at an estimated cost of \$255 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of Saudi naval forces. In addition, enhancement of the defensive capabilities of Saudi Arabia in a regional context will also contribute to overall Middle East security.

Saudi Arabia is in the process of enlarging and improving its naval assets and opera-tions through its SNEP with the United States. This program started in 1972 and is scheduled to be completed in the mid-1980's. The SNEP includes the purchase of 29 ships and craft, shore facilities, equipment, and

training. This sale will provide for the continuation of the management and technical assistance required to ensure the SNEP progresses to an orderly and successful completion.

The sale of this support will not affect the

basic military balance in the region.

The support services purchased under this agreement will be provided by U.S. military and civilian personnel and employees of various commercial firms in the United States.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE, Washington, D.C., July 8, 1981.

Hon. CHARLES H. PERCY.

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHARRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-66. concerning the Department of the Air Force's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost \$75 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely.

ERNEST GRAVES, Director

[Transmittal No. 81-66]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

- (i) Prospect purchaser: Saudi Arabia.
- (ii) Total estimated value:

(Million) Major defense equipment *_____ Other Total _.

- * As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).
- (iii) Description of articles or services offered: One AN/TPS-43G(V) radar system, modification of three existing Royal Saudi Air Force TPS-43 radar units to the 43G(V) configuration, and associated equipment to permit remote operation of the radars.
- Military department: Air Force (iv) (DDA)
- (v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.
- (vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None. (vii) Section 28 report: Included in re-
- port for quarter ending 31 March 1981.
- (viii) Date report delivered to Congress: July 8, 1981.

POLICY JUSTIFICATION

Saudi Arabia-AN/TPS-43G(V) radar system

The Government of Saudi Arabia has requested the purchase of one AN/TPS-43G (V) radar, modification of three previously pur chased AN/TPS-43 radar units to the 43G (V) configuration, and the associated equipment to permit remote operation of the radar units at an estimated cost of \$75 million.

This sale is consistent with stated U.S. policy of assisting other nations to provide for their self-defense by allowing the transfer of reasonable amounts of defense articles

and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of the Saudi Armed Forces.

A May 1979 survey report, prepared by the U.S. Air Force for the Government of Saudi Arabia, identified inadequacies in existing Saudi radar coverage, and recommended in-stallation of the requested type of equipment to provide more responsive and timely information for air defense operations. This sale will not provide a new capability in the region since AN/TPS-43 or comparable radar systems are presently in the inventory of most of the countries in the region.

The sale of this equipment and support will not affect the basic military balance in the

region.

The prime contractor will be the Westinghouse Defense and Electronics System Center of Baltimore, Maryland.

Implementation of this sale will not re quire the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., July 8, 1981.

Hon. CHARLES H. PERCY, Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-67, concerning the Department of the Navy's proposed Letter of Offer to Portugal for defense articles and services estimated to cost \$29 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES, Director.

[Transmittal No. 81-67]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Portugal. (ii) Total estimated value: Major defense equipment*_____ 29 Other -

* As included in the U.S. Munitions List, part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services of-fered: Additional initial spare parts, ground support equipment, and equipment staging associated with the support of one A-7P squadron increasing the cost of this case from \$20 million to \$29 million.

(iv) Military department: Navy (BEE, Amendment No. 1).
(v) Sales commission, fee, etc. paid, offered

or agreed to be paid: None.
(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: July 8, 1981.

POLICY JUSTIFICATION

Portugal-Support for A-7P Squadron

The Government of Portugal has requested the purchase of additional initial spare parts, ground support equipment, and equipment staging associated with the support of one A-7P squadron increasing the cost of this case from \$20 million to an estimated cost of \$29 million.

This sale will contribute to the foreign policy and national security objectives of the

United States by improving the military ca-pabilities of Portugal; furthering NATO ra-tionalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

This sale is part of a total program of \$103 million involving the acquisition of twenty A-7P aircraft and other support equipment. The A-7P program is part of the NATO Military Committee plan to improve the capability of the Portuguese armed forces in the collective defense of the Alliance. This sale will support the squadron until an indigenous capability is developed.

The sale of this equipment and support will not affect the basic military balance in

the region.

The prime contractor will be the Vought

Corporation of Dallas, Texas.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Por-

There will be no impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., July 8, 1981. Hon. Charles H. Percy, Chairman, Committee on Foreign Relations,

U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forward-ing herewith Transmittal No. 81-69, concerning the Department of the Army's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost \$16 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES. Director.

(Million)

[Transmittal No. 81-69]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: United King-

(ii) Total estimated value:

Major defense equipment*_____ __ \$14 2 16 *As included in the U.S. Munitions List, a

part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Eighteen thousand rounds of 155mm ammunition.

(iv) Military department: Army (VQF) (v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.
 (vi) Sensitivity of technology contained in

the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 30 June 1981.

(viii) Date report delivered to Congress: July 8, 1981.

POLICY JUSTIFICATION

United Kingdom-155mm ammunition

The Government of the United Kingdom has requested the purchase of eighteen thousand rounds of 155mm ammunition at an estimated cost of \$16 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the United Kingdom; further-NATO rationalization, Standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The United Kingdom needs this ammunition to replenish its stocks and maintain its military capability.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be determined by competitive bidding.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to the United Kingdom.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., July 8, 1981.

Hon. Charles H. Percy, Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the re-porting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81–70, concerning the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost \$60 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely.

ERNEST GRAVES. Director.

[Transmittal No. 81-70]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Jordan.

(ii) Total Estimated Value: Major defense equipment*____ Other __ Total .

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services of-fered: One hundred eighteen M60A3 tank conversion kits.

(iv) Military department: Army (VCL).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.
 (vi) Sensitivity of technology contained in

the defense articles or defense services pro-

posed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 March 1981.

(viii) Date report delivered to Congress: June 8, 1981.

POLICY JUSTIFICATION

Jordan-M60A3 tank conversion kits

The Government of Jordan (GOJ) has requested the purchase of 118 M60A3 tank conversion kits at an estimated cost of \$60 million.

The sale will further U.S. foreign policy objectives by assisting a friendly country to deter hostilities and defend itself in a region where it is vital to U.S. interests to reduce the probability of open conflict and to promote peace and stability. The sale will assist the GOJ in meeting its legitimate defense requirements and reaffirm to the Jordanian military and political leadership that the United States is responsive to the priority modernization objectives of the Jordanian Armed Forces. This modernization effort is consistent with U.S. views on Jordanian security needs, the regional military balance, and long-range peace and stability in the region.

The sale of M60A3 tank conversion kits will upgrade and standardize Jordan's existing inventory of M60 series tanks. Each conversion kit includes improvements for the tank automotive and fire control systems.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor is unknown at this

Implementation of this sale will require the assignment of three additional U.S. Government personnel to Jordan for 30 days.

There will be no adverse impact on U.S.

defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY, Washington. D.C., July 8, 1981.

Hon. CHARLES H. PERCY, Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-71, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost \$30 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES, Director.

[Transmittal No. 81-71]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(1) Prospective purchaser: Saudi Arabia.

(ii) Total estimated value:

Total _____

(Million) \$ 0 Major defense equipment*____ 30

* As included in the U.S. Munitions List, a part of the International Traffic in Arms

Regulations (ITAR).

(iii) Description of articles or services offered: Cooperative logistics supply support for major items of equipment provided to the Saudi Arabian Land Forces (SALF) under previous FMS agreements.

(iv) Military department: Army (KHU). (v) Sales commission, fee, etc. paid, offered

or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 March 1981.
(viii) Date report delivered to Congress:

July 8, 1981.

POLICY JUSTIFICATION

Saudi Arabia-Cooperative logistics supply support agreement

The Government of Saudi Arabia has requested the purchase of follow-on repair parts support for major items of equipment provided to the Saudi Arabian Land Forces (SALF) under previous FMS agreements at an estimated cost of \$30 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support Saudi Arabia by providing the materiel required to maintain SALF equipment in an operational status.

This sale will provide the Saudi Arabian Ordnance Corps the capability to obtain the repair parts required to maintain major items of equipment previously provided to the SALF by requisitioning directly against U.S. Army inventories during the period 26 November 1981-25 November 1982. The sale does not introduce a new weapons capability into the region.

The sale of this equipment and support will not affect the basic military balance in the region.

Procurement of these items and services will be from the many contractors who provide these items to the U.S. forces.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S defense readiness as a result of this sale since a companion sales agreement provides the funds necessary to increase Army inventories to the level required to support this

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

• Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of \$25 million, or in the case of major defense equipment as defined in the act, those in excess of \$7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that eight such notifications have been received.

Interested Senators may inquire as to the details of these prel'minary notifications at the office of the Committee on Foreign Relations, room 4229 Dirksen Building.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY. Washington, D.C., June 24, 1981. Dr. Hans Binnendijk,

Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Con-gress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively esti-mated to cost in excess of \$25 million. Sincerely,

ERNEST GRAVES,

Director.

DEFENSE SECURITY ASSISTANCE AGENCY. Washington, D.C., June 26, 1981.

Dr. Hans Binnendijk, Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of \$25 million. Sincerely.

ERNEST GRAVES. Director.

DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., June 26, 1981.

Dr. Hans Binnendijk,

Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Wash-

ington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of \$7 million.

Sincerely.

ERNEST GRAVES. Director.

DEFENSE SECURITY ASSISTANCE AGENCY. Washington, D.C., June 26, 1981.

Dr. HANS BINNENDIJK, Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of \$25 million

Sincerely.

ERNEST GRAVES. Director.

DEFENSE SECURITY ASSISTANCE AGENCY, Washington, D.C., June 29, 1981.

Dr. HANS BINNENDIJK,

Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.
DEAR DR. BINNENDIJK: By letter dated

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ERNEST GRAVES, Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., July 8, 1981.

Dr. Hans Binnendijk, Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Wash-

ington, D.C.

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The Department of State is considering an offer to a Middle Eastern country for major defense equipment tentatively estimated to cost in excess of \$7 million.

Sincerely,

ERNEST GRAVES,
Director.

H'MONG REFUGEES

• Mr. DURENBERGER. Mr. President, Minnesota is home to some 9,000 H'mong, a distinct ethnic group whose members originally came from the mountains of Laos. The H'mong, better known to many Americans as the "Meo," have come to the United States not as immigrants but as refugees fleeing the most brutal sort of terror and mass murder. At a time when we have become numbed to stories of systematic extermination campaigns, whether carried out in Cambodia, Afghanistan, or elsewhere, it is worthwhile to recount the story of the H'mong.

The H'mong were caught up in the conflict in Indochina, and they fought with distinction in Laos against North Vietnamese and Pathet Lao forces in support of our war effort. In the course of this fighting, which went on for the better part of a decade, the H'mong suffered enormous casualties. While precise figures can perhaps never be known, most estimates indicate that more than 30,000 H'mong—nearly 10 percent of their entire population—died in combat.

The war in Indochina remains a subject of bitter controversy to most Americans. But no American can feel anything except gratitude for a people who, at great personal risk, routinely went deep into Communist-controlled territory to rescue downed American pilots. Like our prisoners of war, the H'mong remind us that, in the midst of tragedy and warfare, individuals can and do conduct themselves with dignity and courage. But unlike our prisoners of war, the H'mong have largely been forgotten by the United States. When we withdrew our forces from Southeast Asia, the H'mong were left to their own fate despite their service in a cause which our Government had promoted.

As we know, the American withdrawal from Vietnam did not mark the end of the war. The killing only intensified. Entire populations, such as the Cambodians, were killed either directly by fanatic barbarians or indirectly through disease, starvation, exposure, and neglect. The H'mong appear to be suffering the same fate. And they are suffering for the simple reason that they believed in and sup-

ported the United States.

As Dr. Jane Hamilton-Merritt, a noted journalist, has written in a recent Reader's Digest article, the total H'mong population in 1960 was estimated at 500,000. Today, 100,000 H'mong reside outside of Laos, either in squalid refugee camps in Thailand, where some 55,000 people are now housed, or in various Western countries. The United States has taken in roughly 45,000 of these refugees. With 100,000 H'mong now living outside of Laos, and with some 30,000 killed in combat, one would expect that some 370,-000 H'mong-or more, allowing for population growth since 1960-would thus remain in Laos. But refugee reports indicate that as few as 100,000 H'mong are now alive in Laos.

Even allowing for unreliable figures, the point is clear: Tens of thousands of H'mong have simply disappeared. And the reason is not hard to determine. The Laotian Government, assisted by its Vietnamese allies, has sought out and killed an entire ethnic group in a campaign which borders on genocide. As Dr. Hamilton-Merritt notes in an article published in the New York Times on September 4, 1979, those H'mong who wish to flee Laos rather than being forcibly relocated from their tribal homelands, are systematically followed and killed by Laotian and Vietnamese forces. Perhaps worst of all, there have been repeated stories that lethal chemical weapons-weapons which are uniquely appropriate for a campaign of mass extermination against unprotected civilbeen used against ians—have H'mong.

But what Dr. Hamilton-Merritt has referred to as this "tragic legacy" has not ended for those H'mong who have endured and moved to the United States. Once here, they face a set of challenges ranging from culture shock to unique and fatal health problems. For instance, many H'mong have literally dropped dead in their tracks, vict'ms of a mysterious sudden death syndrome which is baffling our authorities at the Centers for

Disease Control in Georgia. And many others suffer from chronic and potentially lethal respiratory problems deriving from their exposure to chemical weapons. Tragically, however, the Centers for Disease Control have been unable to notify physicians around the United States to examine H'mong patients for such respiratory problems, for the U.S. Government has thus far been unable to obtain what it considers incontrovertible evidence of the use of chemical weapons in Laos.

Perhaps just as important, many physicians who might wish to examine H'mong patients on their own initiative—physicians who, for instance, have read press accounts of the gas warfare—often cannot do so because, like many Americans, they do not know how to identify a refugee as a H'mong rather than as, for instance, a Vietnamese or Cambodian. Far too little is known by most Americans about the unique story of the H'mong. In the mass exocus from Indochina over the past few years, the H'mong have gotten lost in the shuffle.

Indeed, it is ironic that many H'mong refugees, who have spent years in camps throughout Thailand, have been given a lower visa preference than the boat people from Vietnam who have become refugees more recently. I am not suggesting, of course, that we can or should attempt to measure suffering with such precision that we somehow establish a "misery-quota" for refugees. But it is nonetheless tragic that people who have been homeless for years must remain so because we are not aware that they are a distinct people with distinct problems.

Fortunately, more information will become available to the public about the H'mong in the future. As Senator Chafee has already noted, the Roger Williams Park Museum of Natural History in Providence, R.I., is about to open a center for H'mong lore. I am proud to announce to my colleagues that the St. Paul Science Museum will undertake a comparable program early next year. The museum will draw upon the substantial H'mong community in Minnesota for exhibits of H'mong folk art, music and so forth. I am delighted that through the efforts of these museums the entire Nation will come to appreciate the richness and uniqueness of this proud, ancient and little-understood culture.

Mr. President, I ask that the articles which I have referred to, and a recent article in Time magazine concerning Soviet production and distribution of chemical weapons, be printed in the Recent

The material follows:

[From the August Reader's Digest]

TRAGIC LEGACY FROM LAOS (By Jane Hamilton-Merritt)

No longer can the gassing of the H'mong be considered a faraway problem in Southeast Asia. Now the problem is here, on our own doorstep, among the H'mong refugees who have settled throughout the United

States.

In the five years I reported on refugees in northern Thailand, I heard countless detailed accounts of poison-gas attacks by the Soviet-backed Lao-Vietnamese regime on H'mong villages—and of the deadly results.

In 1960, there were an estimated 500,000 H'mong in Laos. Today, some 100,000 are either in Thai refugee camps or resettled in Western countries, including about 40,000 who have come to the United States since 1976. A number of refugees experts fear that fewer than 100,000 are alive in Laos. Many died of starvation, but thousands were killed by gas attacks, which still continue. I crisscrossed America recently, inter-

I crisscrossed America recently, interviewing H'mong refugees, and I discovered a new dimension to their story of terror.

One H'mong leader estimates that of those who have arrived here, about 20,000 may have been exposed to the "poisonous rains" of chemical warfare. Many are chronically -because of the gassings, they believe They complain of pulmonary problems, constant headaches, painful muscles and joints, eye and hearing disorders. Medical and public-health personnel who have worked with the H'mong are persuaded that their infantmortality rate is high and that a large percentage suffer from cancer. More frighten-ing, in the last few years in the United States, at least 35 young H'mong men and women have succumbed to a mysterious sudden death that occurs during sleep. The Centers for Disease Control in Atlanta have confirmed that 20 of these deaths are indeed unexplainable. (The other 15 were insufficiently documented.) Studies made in Portland, Ore., a large H'mong resettlement area, show the H'mong death rate to be five times that of the non-Lao population.

Some of the heartbreaking cases I have witnessed:

A woman on the West Coast, age 49, suffers from constant, terrible headaches. Her husband has pain in all his muscles. They have three children. The other eight were killed in gas attacks or in fighting.

killed in gas attacks or in fighting.

A 33-year-old man lives in a rundown apartment in a Midwest city. He moves slow-ly and has obvious difficulty breathing. "If I stand up or sit down fast, I faint," he says.

In a housing project, also in the Midwest, a 24-year-old man suffers from heavy coughing and shortness of breath, and complains, "After the gassing, my mind is slower."

These are the survivors, the lucky ones, but also the pathetic, lonely victims of chemical warfare. "Few Americans know who we are, what we did for the United States during the Vietnam war," says one young H'mong man. "Many think we are Vietnamese or boat people. Many of us still suffer from being gassed, but American doctors either don't believe us when we try to tell them or never ask us about our life in Laos."

"Why aren't Americans concerned about the gassing?" the H'mong ask. The answer, in large part, lies with the U.S. State Department's position that no "conclusive evidence" exists that gassing is occurring in Laos.

Consider the State Department's response under both the Carter and Reagan administrations to those who have asked about the gassing of the H'mong. The letter, still being mailed out as this article went to press, falls to acknowledge the H'mong as U.S. allies. It presents instead the Pathet Lao (communist) government's propaganda, without comment or explanation:

"The Lao government has used a combination of persuasion and force to bring the H'mong out of their highland homes to new settlements in the lowlands. The Lao government argues that the H'mong method of agriculture destroys valuable hardwood forests, Laos' principal natural resource. The Lao also argue that, by bringing the H'mong population to the lowlands, the government can better limit the production of oplum, a principal H'mong crop which supplies the heroin markets of the world through illicit channels."

Those unfamiliar with Laos could infer from this official letter that the H'mong were wretched traffickers of heroin and conclude that gassing might be their just deserts. To be sure, the H'mong did grow opium popples—opium has long been used medicinally by many tribal groups in Southeast Asia. But H'mong tribespeople do not convert poppy sap into heroin or traffic it through the illicit drug channels of the world.

Anyone who has studied the H'mong, from U.S. Drug Enforcement Agency investigators to on-the-scene diplomats, knows that these people are not involved in the heroin business. "Associating the H'mong with heroin is a part of the Big Lie," says former U.S. ambassador to Laos G. McMurtie Godley.

The State Department letter continues: "By 1978, the United States had enough information to bring the matter (of chemical warfare) to the attention of the government of Laos, which denied the validity of the reports. We received the same response when we asked the Soviet and Vietnamese governments to look into the reports and end the practice if true."

Did our government really expect the Lao, Vietnamese or Soviet governments to acknowledge the use of chemical warfare—a practice banned by international treaty and abhorred by most of the world?

EYEWITNESS TESTIMONY

A 1980 State Department publication, "Country Reports on Human Rights Practices," says of Laos: "During the past three years, there has been limited improvement in some aspects of human rights. There is no evidence that the government is seeking to destroy any particular ethnic group, per se, such as the H'mong. There have been numerous refugee accounts of attacks using lethal chemical agents against the H'mong.

This charge has been denied by the Lao government." That is the only reference to the use of chemical agents in the entire section on Laos.

Not surprisingly, Gen. Vang Pao and other leaders of the H'mong community in this country are appalled by the report. "There has been overwhelming eridence of the gassing of men, women and children in Laos for years." says the general. "Yet the State Department not only avoids the subject but doesn't recognize the fact that my people are being eliminated because we were the U.S. allies in Laos."

While the State Department keeps telling the inquiring public, including members of Congress, that there is no "conclusive evidence," it fails to mention its own recently prepared report, which records the testimony of scores of eyewitnesses to chemical attacks in Laos, documenting over 13,000 dead from gassing.

And if that were not enough, evidence is now available from the communist side itself. For example, last November, a Pathet Lao pilot who defected to Thailand admitted flying numerous gas missions between 1976 and 1978 to "cause the H'mong people to die out completely." He adds that pilots flying these missions were granted special privileges and were closely monitored by doctors and nurses after each mission.

Will the Reagan Administration continue to honor the avoid-the-H'mong policy generated during the Carter years? In a meeting with several members of the foreign diplomatic corps, John Holdridge, newly appointed Assistant Secretary of State for Asian and Pacific Affairs, said that the United States has no evidence to bring to "court" on

Yet, human and moral considerations aside, the chemical agents used against the defenseless H'mong should be of considerable national-security concern to the United States. The fact is we don't know what these agents are. Even Defense Department experts are baffled. Victims suffer from profuse bleed-

ing from the nose, throat, eyes, stomach and intestines—resulting in death by hemorrhaging.

Recently, I spoke with Col. Charles W. Lewis, M.D., a member of the Department of Army Surgeon General's team sent to Thailand in 1979 to interview survivors of chemical attacks in Laos. I asked what chemicals he thought could be causing such profuse bleeding. "That's what I want to know," he said. "I hope someone is working on finding out. Nerve agents don't cause hemorrhaging. These are all new symptoms. When I returned from this investigation, I talked to people in the chemical-warfare business and no one knew. Everyone was surprised. We had better find out in order to be able to defend against them."

In early December 1980, the U.N. General Assembly by a vote of 78-17 adopted a resolution calling for a U.N. investigation into the use of chemical warfare in various parts of the world. Among those voting against the resolution were Laos, Vietnam, Afghanistan, the Soviet Union and Cuba. However, the project appears to be on the back burner, and in any case, Laos can reject U.N. requests for on-site investigations.

SUDDEN DEATH

Meanwhile, the gassing attacks against the H'mong continue. H'mong who crossed into Thailand in February 1981 reported that between January 6 and 20, 1981, Soviet-made helicopters flew 20 chemical missions, killing 1260 H'mong friendly to the Pathet Lao. On April 2, 1981, a Soviet M-17 dropped yellow chemicals on Ban Thong Hak, killing 24 H'mong outright, including 11 children. Two weeks later, a H'mong party reached Thailand with samples of the chemical residue gathered from stones, ground and leaves. The samples were given to U.S. authorities on April 23 but didn't arrive in the United States until the second week of May.

Under the best of circumstances, a chemical analysis is difficult. Experts say that, since gas disappears into the atmosphere, samples gathered from an exposed area may not contain any identifiable lethal properties. Incredibly, there is no U.S. team of chemical-warfare experts in Thailand to conduct on-the-spot analysis.

The H'mong in this country continue to suffer as well. In early 1981, the U.S. press picked up on the mysterious "sudden death" syndrome, and some public-health personnel became interested. But the interest is limited only to the sudden deaths. According to the Centers for Disease Control, there is no nationally coordinated plan to study the problem of the chronically ill H'mong who believe they are sick because of the gassings.

On the other hand, Richard Harruff, a doctor with special training in pathology who spent six months last year in a H'mong refugee camp in Thailand, is concerned about the long-range effects of the lethal agents used on the H'mong. According to Dr. Harruff's research on survivors who were exposed, "Males complain of impotence, and females report a high rate of spontaneous abortions. Infants born to exposed mothers are often very weak and lethargic, and die within a few days to months of apparent respiratory failure. These victims of unknown poisons need special care." Harruff is outraged that no one in the U.S. health conmunity has systematically investigated the medical condition of those H'mong exposed to chemical agents.

What is the answer? What can—what must—be done?

First, public hearings should be held before all relevant committees in the House and in the Senate, presenting the situation in its totality.

Second. Secretary of Health and Human Services Richard Schweiker should designate an agency to alert all doctors to the potential H'mong health problems, to establish guide-

¹ All population figures are approximate, as precise information is unavailable.

lines for conducting appropriate biopsies and treatments, and to establish a way for the H'mong exposed to the chemicals to report their problems.

Third, the United Nations should be used as a forum to keep the issue of poison gas before the international community until it

Fourth, our government should tie any arms-control negotiations with the Soviets to their curtailment of chemical warfare by client regimes.

Fifth, the Administration should assign the highest priority to the identification of these lethal agents. This is crucial in developing strategic defenses and medical treatment for those exposed.

For too many years, the United States has swept the gassing in Laos under a cover of words. Now, the problem is our responsibility and we must deal with it. "There is no place to hide from the poisonous rains." This H'mong saying has become our harsh reality.

GAS WARFARE IN LAOS: COMMUNISM'S DRIVE TO ANNIHILATE A PEOPLE

(By Jane Hamilton-Merritt)

The place is not a pretty sight. I.V.s drip fluid into skinny arms. Doctors and nurses scurry from one wooden-slab bed to another, responding to pleas for help. I am at Ban Vinai, a refugee camp along the Mekong River just inside northern Thailand. It is populated by some 35,000 H'mong (pro-nounced Mong) tribal refugees from the mountains of Laos. They suffer from severe malnutrition, malaria, amoebic dysentery. tuberculosis, pneumonia and a host of parasites. For many there is a tragic complication: they have been gassed.

One of them is a friend of mine; yet I don't recognize him, although I have passed his pallet at least 20 times. Finally, through his pain, he recognizes me and sends a rela-

tive to bring me to him.

Nhia Yang Vang, about 40, had once been vigorous, energetic. Now he is a skeleton with sunken, haunted eyes. In a weak voice he tells me he had returned to Laos after I saw him in January. Concerned about relatives, he had gone back there with a party of 19 men for three months. During that time, he says, his team had been in areas sprayed by poisonous chemicals nine times.

Every few minutes his talk is broken by a racking cough that nearly strangles him. He spits bloody sputum into a tin can. A H'mong nurse tells me that he has chest pains, finds breathing difficult, cannot eat

Nhia continues: "They hit us at the end of May at Nam Khing with the yellow chemicals. It was a white plane like a Soviet helicopter—low enough so that I could see the figures of two pilots. Immediately when they dropped the gas I fell to the ground vomiting blood. My eyes burned; I could not see. I have the 'red' diarrhea.

"It was a powder. When it touched my skin it became sticky, like an ointment, and when water is put on it, it becomes liquid." He stops for another bout of coughing. "You know, after a rain the chemicals will get into the water and poison it. Now that it is the rainy season, it will be so easy to poison us

JUST LIKE THE JEWS

In 1960, there were at least 500.000 H'mong in Laos. Today, perhaps 70,000 are still alive there, many of them sick or dying of malnutrition. Another 50.000 are in Thai refugee camps, and some 35,000 have been re-settled in Western countries. The H'mong survivors in Laos now face a terrible future, for they are the targets of a deliberate, cal-

culated policy of extermination.

This policy is the tragic heritage of the H'mong commitment to America's effort to prevent a communist takeover in Vietnam and Laos. The United States, unwilling to send its own troops into Laos, opted for an-

other kind of army—a guerrilla army re-cruited mostly from the H'mong, but also from other Laotian tribes, such as the Yao. Lahu, Lao Teung. Trained by the U.S. military and the CIA, the H'mong formed the backbone of the resistance against the communist forces in Laos that were supported by North Vietnam, China and the U.S.S.R. They sabotaged war supplies moving south along the Ho Chi Minh Trail, and rescued American pilots shot down in Laos. They proved adept at intelligence work, gathering vital information on troop, tank and supply movements.

Gen. Vang Pao, who commanded the H'mong forces and now lives in the United States, told me recently that his forces destroyed millions of dollars' worth of military equipment, medical and food supplies moving down the Ho Chi Minh Trail into South Vietnam between 1962 and 1975. "To do Vietnam between 1962 and 1975. that," he said, "my people gave 12,000 lives. All of that was secret, but now I want the American people to know."

When the Americans pulled out of Vietnam and Laos, the H'mong-and the sacrifices they had made-remained largely unknown. But the Vietnamese and Pathet Lao did not forget. Li Chai, who now lives in Denver, Colo., and is a leader of the H'mong refugee group there, tells why: "The communists know that we were the Americans' hands, arms, feet and mouths. That's why they believe they must kill all H'mong—soldiers, farmers, children. We suffer and die just like the Jews in World War II, but the world ignores us."

HIDE IN THE CAVES

Gen. Vang Pao says, "Communist gassing of the H'mong people began in August 1975, at Mung Om and Nam Fen, south of Phu Bia, where 17,000 men, women and children were killed. I learned from a Pathet Lao defector that from 1975 to 1978 the gassing had killed 50,000 H mong in the Phu Bia area alone. During that time some 45,000 died from starvation and disease, or were shot trying to escape to Thailand."

Today, in tribal refugee camps in northrotay, in tribat refugee camps in north-ern Thalland, H'mong refugees tell of star-vation, rape, the crippling of children whose fathers worked for the United States, of massacres. But what frightens them most are the poisons, which they call "rain," "gas," or "smoke," for they cannot hide from the chemicals that poison them, their water,

animals, plants and fields.

Survivors speak of several kinds of "rain." Yellow and red are very serious, and a direct hit means sure death. Green and bluegreen rains are not as immediately lethal. small bit of opium often enables victims to survive, but they suffer vomiting, bloody diarrhea, fever, bleeding through the nose, and dizziness.1

Recently, still another chemical, a lightyellow powder, has been dropped by fourengine planes or by helicopters. The latter, a U.S. military spokesman tells me, resemble Soviet MI-4s or MI-8s.

A H'mong farmer, looking much older than his 40 years, says "For two years they attack my area in Laos. The planes cover us with red smoke, and the people and animals die. We cannot grow rice or farm. We must hide

"They drop poison on us 200 times in 1978 and 1979. The first time five people die immediately. Red smoke rolls over the area and everyone is sick. It smells like burning rubber. I swallowed a bit of opium, but slide to the ground unable to move. In about an hour I can get up, but I cannot eat or drink. I become very skinny. Twelve more people in my village die of being skinny."

CHRONICLE OF HORROR

The stories are countless. One man sits before me in Ban Vinai refugee camp in Thailand carrying "evidence" of the continued gassing in Laos. Trained by the Americans in intelligence in the 1970s, this former H'mong lieutenant had crossed the Mekong River to Thailand on June 6. From a miniature dairy that he miraculously managed to

bring, he quietly reads:
"On 15 May 1980, two Soviet helicopters dropped yellow powder on a H'mong village of 200 at coordinate TF 9376. Thirty-five died within seven days; the remaining are very

He recites another attack. Then, carefully turning the tattered pages of his diary to check dates, figures and locations, he chroni-cles what happened to him after the American withdrawal from Laos in April 1975:

"The first gas attack was in October 1975. The communists couldn't take our village by fighting, but they came back with airplanes. One carried red gas, another yellow. Those near where the chemical rockets exploded fell unconscious, with bleeding from the mouth and nose. Many died. Soon afterward, a yellow water flowed from their bodies.

They hit us with gas for three days. Seventy-five people died immediately. Five hundred more died within a short time. I was lucky, for I was not in the village at the

"For three years we were constantly attacked like this. We must live in the jungle like animals. Since early 1980, people are so hungry that they eat leaves exposed to the chemicals, and 715 people have died in my area. I dig in the ground for roots and water, but many are too weak to do this. We have no cloth to cover our bodies from mosquitoes. so we all have malaria. We have no medicine, so we are all sick."

SHOT IN THE ARM

On a visit to Thailand in January, my friend Nhia Vang, who had just escaped from a Vietnamese prison camp in Laos, told me a story not only of genocide, but of an added horror: medically supervised experimentation that uses chemical agents on imprisoned H'mong men, women and children:

"In November 1978, a Vietnamese force of 3500 captured about 1200 H'mong men, women, and children-including mine-in the jungle where the red and yellow smoke had forced us to live. We were taken to a camp called Tong Mien, which held 2000 H'mong prisoners. We were given only a small portion of rice every 15 days, and many of my people were shot trying to get to the forest for

'Then, on March 25, two MiG jets flew low over our prison camp and sprayed us with white rain. One hundred people died immediately. The rest of us had diarrhea for 20 days, then fever; we cannot walk or raise our arms. Many more people die.

"In May, four Pathet Lao medics gave injections in the arm to 30 H'mong, including me. It was the color of water. I immediately became dizzy and could not breathe. Blood spurted from my nose and I fell to the ground unconscious. A relative blew opium smoke over me for several hours and finally the bleeding stopped. In 12 hours I could see again and by the next day I could walk.

'The next day four new medics came. This time they had injections and pills for 40 gassing victims. Some medics gave my people injections and green pills, others injections and white pills. Nothing happened for 12 hours; then they have trouble seeing, can't speak and black out. Fifteen died; the rest are very sick for a long time. The medics wrote reports on the people given medicine.

What has been the response of the United States to these atrocities? In my view, it has been appallingly weak and ineffectual.

The House Subcommittee on Asian and Pacific Affairs has taken testimony on the

¹ Opium has for centuries been used medicinally for severe gastro-intestinal disturbances.

gassings. And the State Department and Department of Defense have made their own investigations. But they and other U.S. officials, including those in the White House, refuse to acknowledge that the evidence is conclusive.

After listening to testimony at the subcommittee hearings in April, Congressman
Jim Leach (R., Iowa) stated: "I personally
interviewed these refugees. I read State Department and Defense Department reports
which are so numerous and so persuasive
that they cannot be denied. No one in the
White House ever saw a person being gassed
in Auschwitz, but we know it occurred. I
think this Administration has a moral responsibility to tell the people of the world
what is happening."

URGENT MISSION

What government agencies want for "conclusive evidence" is a body for autopsy. But there are serious logistical difficulties in obtaining recently gassed victims and fresh chemicals because the gassing occurs in the remote mountains of Laos, many days' walk through enemy territory to the Thai border. One H'mong found a dispensed gas canister, wrapped it heavily in old clothes, and started to walk it out of Laos to Thailand. The chemical residue in the canister killed him before he reached the Mekong.

I asked Vang Neng, H'mong chief at Ban Vinai, about the U.S. insistence on having a body for autopsy. In a voice of frustration and anger, he said, "Yes, I have bodies for autopsy. I learned yesterday that the communists gassed a village on May 14, killing ten immediately. This is many days' walk from the Mekong. By the time we carry one

body out, it will be spoiled."

Last fall, a step in the right direction was made when a team from the office of the Army Surgeon General was sent to Thailand to investigate the gassing allegations. They interviewed 40 men, two women and a 12year-old girl, all of whom were witnesses to, and survivors of, gassing attacks in Laos, and concluded in a report withheld from the public that chemical agents had been used against the H'mong. Two recommendations were: to "develop a plan whereby blood, tissue or other specimens may be rapidly transported from the suspect area to the Bio medical Laboratory for analysis, and to establish a medical team, on a standby basis, prepared to travel to the site of future allegations to conduct interviews/examinations." final recommendation read: "From a military defense position, it would seem to be an extremely urgent mission to initiate every effort possible to identify the chemical agents that have been used and to develop appropriate countermeasures, antidotes, etc.

Unfortunately—indeed, unbelievably—those recommendations have been ignored. On June 30, 1980, I reported to the U.S. embassy in Bangkok that I had located two men in a refugee-camp hospital who reported being gassed in the latter part of May. The timing for testing was within the six-week limit recommended by the Surgeon General. After 14 days of evasive and false information by the embassy and other U.S. officials in Thailand, I returned to the camp myself to speak directly to the two men recently gassed and to the camp medical personnel.

Only then did I learn that medical experts familiar with gassing had not conducted the investigations. We had sent a Thai nurse and an American public-health worker, who admitted he was a "novice" with regard to chemical warfare and, in his own words, had "very little" instruction even in how to collect samples. When I left Bangkok on July 18, the specimens were still there.

WILL YOU HELP?

While the West refuses to acknowledge the use of lethal chemical agents by the Soviet-backed regimes of Hanoi and the Pathet Lao.

the Vietnamese government applauds its army's chemical-warfare branch by awarding it a Ho Chi Minh medal. According to Hanoi radio monitored in Thailand in April 1980, Gen. Le Trong Tan told the unit: "Chemical weapons contributed to winning the great victory in the great anti-U.S. salvation resistance struggle" and in "tasks in the new situation." The "new situation" undoubtedly refers to Laos, Cambodia—and possibly to Afghanistan.

The State Department calls evidence suggesting a Soviet role "circumstantial," but it is more than that. Independent intelligence sources have confirmed the presence of Soviet Gen. V. K. Pikolov's chemical-warfare forces in Laos—and subsequently in Kabul, Afghanistan. In addition, Soviet chemical-warfare experts are said to have visited several cities and areas in Laos to inspect "chemical explosives"—artillery shells, bombs, rockets. In sum, it is hard to escape the conclusion that the Soviets are involved, certainly in the production and distribution of chemical agents, and probably in on-site surveillance and medical experimentation.

Meanwhile, the H'mong continue to die. A H'mong leader who is responsible for almost 30,000 civilians in Laos recently crossed into Thalland. His words haunt me: "I have come to see if anyone has food, clothing or medicine to protect us from the gassing. Someone must help, soon, or we will all die. We are friends of the Americans. We fought for freedom. Will you help?

Will we? How?

First, a fully publicized Congressional hearing—both Senate and House—into the gassing of the H'mong should be held. This would inform the U.S. people and attract world-press coverage of the atrocity. And the U.S. government should make communist gas warfare a major issue before the United Nations and every international forum.

Second, direct pressure should be applied on Hanol by Free World industrial nations on whom Hanol greatly relies for the technology and financial aid to rebuild Vietnam. This must be done at the highest private "hot-line" leader-to-leader level. Hanol should be told that this inhuman policy must stop or aid will be halted.

Finally, since Vietnam is a client state of the Soviets (apparently the source of the lethal chemicals), the United States should inform the Soviets that any discussion of other issues will be put off until we are satisfied that chemical warfare in Laos has ceased.

At Ban Vinai camp. Vang Chue, an 18-year-old boy who has been gassed, is carried into the hospital. His chest heaves with erratic contractions and he struggles to breathe. His face is heavy with sweat and I see a tear looming—the first H'mong-soldier tear that I have ever seen. I lean down to talk with him.

"I'm so sorry that my country is dying." he says in a voice of pain, "Please do something."

[From the New York Times, Sept. 4, 1979] FLIGHT FROM LAOS

(By Jane Hamilton-Merritt)

The plight of the H'mong, a hill-tribe people in Laos—or Meo, as the people are known in the Western press—is one of desperation. Little news about these people who fought so long for the Americans in Laos reaches that press. Meo refugee camps in Thailand are remote and inaccessible.

July 27, 1979.—The river and freedom are in sight. A group of 189 Meo—30 men and 159 women and children—have endured a two-month trek through the mountainous high jungles of Laos, running from the Pathet Lao and Vietnamese soldiers.

Tonight, they sit by the edge of the Mekong River waiting for darkness to provide cover for a crossing into Thailand—the final

obstacle to freedom. Adults have not eaten for many days to preserve food for the children. Small amounts of the remaining rice are forced into mouths of children—many only skeletons. Afraid to light fires for fear of detection by enemy soldiers, they wait in the monsoon darkness. Children are given more opium to keep them quiet: Any noise may alert soldiers known to patrol the banks of the Mekong searching for Meo trying to escape.

Meo who have escaped Laos tell of Pathet Lao and Vietnamese soldiers killing children for nothing, women for their silver necklaces, men because they are soldiers. They say that enemy soldiers take their rice, chickens and buffalo; that poisonous gases are dropped from planes on their villages and that their people die. They are convinced that the soldiers intend to kill all the Meo. Yet these Meo continue to fight the Communists in Laos although they have few weapons left and no meaningful support from outside.

July 28, 1979.—At the darkest time of night, they cross the Mekong, only to discover as the dawn mists lift that they have miscalculated and have crossed at a very wide part of the river. They land on a long river island and still far from the Thai banks. Hurriedly the Meo gather vines to weave into ropes to attach to mounds of sand and patches of river reeds to make a link to shore and safety. There is so little time, for the river is rising noticeably and storm clouds hang over the mountains to the north. They could all drown if the river suddenly rose. Now that they believe themselves off Lactian territory and safe, they build fires to boil water in United States Army canteens. Women take off their blouses and, with sticks for frames, make shelters for the sick, babies, and old women.

Many Thai soldiers appear on the Thai bank along with a machine gun mounted on a jeep. Soon a patrol in two boats lands on the island to inform the Meo leader that the Meo must go back to Laos—they cannot cross into Thailand. The Meo tell the Thai soldiers that they will build bamboo rafts and leave during the night. Since the Thai side of the island is lower than the Laotian side, the Meo huddle on the lower side hoping that enemy soldiers from Laos will not see them.

Men and women cut bamboo from small clusters on the island while others continue to make survival ropes. In the afternoon, Thai soldiers in boats cut the vines, the Meo lifelines to freedom. Night falls and the Meo take up guard. They have no food and the river is rising.

river is rising.

July 29, 1979.—Day breaks and they continue to build rafts, but not, as the Thai soldiers want, to cross back to Laos, but to continue downstream in hope of passing undiscovered into Thailand. All the Meo are convinced that if they are forced back to Laos they will be killed—including the chil-

About midday, another American journalist manages to obtain a wooden boat from a Thai villager upstream and paddles to the island. The Meo leader gives him a note to take to Vong, Yee, chief of the Meo residing in a nearby refugee camp, Ban Vinai. The note tells of their location and that the Thai soldiers will not allow them to go to the Thai police station (a standard debriefing procedure for new arrivals before allowing them to enter refugee camps), and requests urgent assistance from the chief at the camp to obtain permission for them to enter Thailand.

July 30, 1979.—The day is hot and there are many who are sick and starving. They eat grass and drink boiled water. That soldiers come again and insist that they leave tonight. The Meo explain they don't have enough rafts to ferry all the people, but the Thai insist.

July 31, 1979.—The situation remains the same.

Aug. 1, 1979.—Morning brings signs of another torrid day. The Mekong continues to rise. Thai soldiers remain vigilant. Many rafts have been built. The stranded Meo believe that Vong Yee will send help soon.

As I stood watching the Meo marooned on the island, I remembered the stories of so many Meo who, like those out there, had fled Laos under the most terrifying circumstances. Drumming in my mind were the words of one young Meo: "I feel sad for my wife. Her clothes are shreds and she's sick with malaria, yet she cares for my brother's five chil-dren. The youngest is four and he's so weak he can not stand alone; she must carry him. My brother and his wife are dead. His wife disappeared while searching for food. I often think of my American friends. They gave me their addresses but I've lost them. It seems so long ago that the Americans left-maybe four years, and now the fighting is even more difficult, with so few weapons and no one to We Meo are all so tired. So many Meo are dead. We Meo people are so pitiful."

The Meo who fought under Gen. Vang Pao

for the Americans in Laos against the munists since the early 1960's find it difficult to accept that no one cares about them, hardly anyone writes about their tragedy, no

American friends seek to help.

Aug. 2, 1979.—A group of 30 to 40 Pathet Lao land on the island. Shooting breaks out and the Meo are massacred. It is not known whether there were any survivors. These 189 brave Meo men, women and children did not know that the island on which they had landed was Laotian territory.

After so long a struggle, freedom never

came.

As Vong Yee, the Meo chief said to me: "We Meo fight, work like buffalo, run, starve and die-and no one knows.'

[From Time magazine, Sept., 1981] YELLOW RAIN-SOVIET CHEMICAL WARFARE

American intelligence experts have long suspected that chemical poisons developed in the Soviet Union have been used in military operations in Afghanistan, Laos and Cambodia. Eyewitnesses in all three countries have reported seeing "yellow rain" fall from the skies. Shortly afterward, victims on the ground have suffered burning sensations, convulsions and massive internal bleeding. Many have died painful deaths. Still, there had never been scientific evidence that the poison came from the Soviet Union. So the U.S. has withheld any official accusation of Soviet violations of a 56-year-old interna-tional agreement banning chemical weapons.

Time has learned that in at least one instance, the use of a Soviet chemical agent has been proved beyond any scientific doubt. The site of the offense, by Vietnamese troops, was in Cambodia. Military patrols from Thailand gathered samples of foliage, soil and water from Cambodia and sent them to the U.S for analysis. The State Department, in turn, sent the samples to private American laboratories without revealing the source of the evidence or why it was to be examined. The civilian scientists found that the samples contained the chemical agent trichothecene toxin, known as T₂. Soviet scientists have published articles on how to mass pro-To, which occurs naturally in grain molds common in the Soviet Union.

The T2 connection was first made by writer Sterling Seagrave, who presents a persuasive circumstantial case for the Soviet violations in his forthcoming book "Yellow Rain." Seagrave interviewed victims of chemical attacks in Southeast Asia, Yemen and Afghanistan, as well as the doctors who treated them. In Afghanistan soldiers fighting the Soviet invaders told him about being attacked by rockets fired from helicopters.

The rockets released a "yellowish-brown" cloud that caused victims to "die quickly, vomiting blood and fouling their clothes." The State Department is still reluctant to level public accusations at the Soviet Union. Some officials would like to do so on the humane grounds that public disclosure might prevent further use of the poison and avoid more such deaths in both Southeast Asia and Afghanistan. More cautious U.S. officials prefer to await similar verification that the chemical has been used in both Laos and Afghanistan.

That may not be long in coming. At least three more samples of the yellow powder produced by the "yellow rain" are under study in private U.S. laboratories. If those tests lead to the same conclusions, the State Department presumably will make the de-tails public and then make more formal charges against the Soviet Union.

RECESS UNTIL 3:45 P.M.

Mr. BAKER. Mr. President, it appears that the next items of business to be transacted by the Senate are not yet ready and the principals involved are not yet ready. I ask unanimous consent that the Senate stand in recess until the hour of 3:45 p.m. today.

There being no objection, the Senate, at 3:26 p.m., recessed until 3:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer

(Mr. HAYAKAWA).

The PRESIDING OFFICER. In my capacity as Senator from California, I suggest the absence of a quorum. The clerk will call the roll.

The bill clerk proceeded to call the roll. Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so

ordered.

PROGRAM

Mr. BAKER. Mr. President, I have a number of housekeeping details to proceed with. Before I do that, however, I might advise the Senate of the plans of the leadership for the business to be presented to the Senate on next week.

Shortly I will dispose of these routine matters and ask the Senate to recess over until Monday. On Monday, it is my intention, at about 1 o'clock in the afternoon, to ask the Senate to proceed to the consideration of the farm bill. I hope that at that time we can arrange a unanimous-consent agreement to facilitate the disposition of that measure by limiting time on amendments and perhaps on the bill itself. I will not make that request at this time, but I wish to put Senators on notice that we will attempt to arrange such unanimous-consent request for presentation shortly after we convene on Monday.

Mr. President, in addition to that, after the farm bill is disposed of, or perhaps earlier, in any event when it is available to the Senate and qualifies, I hope the Senate will agree to go into executive session to consider the nomination of Judge O'Connor to be an Associate Justice of the Supreme Court of the United States.

That is as much as I can preview for the business of the Senate next week, but I wish to make that statement at this time so Senators can be aware of the intention of the leadership to attempt to proceed to the consideration of the farm bill and to take up the O'Connor nomination as it becomes available.

Other matters will be dealt with as they become available. One other matter in particular that I had hoped we might be able to proceed to today but certainly should be an item of legislative consideration next week is the Interior appropriation bill. I would not expect the Interior appropriation bill to be presented to the Senate before the middle of the week, but I will have a further announcement to make on that after conferring with certain Senators who have a special interest in that matter on Monday.

ORDER FOR RECESS UNTIL MON-DAY, SEPTEMBER 14, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon on Monday.

The PRESIDING OFFICER, Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR PROXMIRE ON MONDAY, SEPTEMBER 14, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that, after the recognition of the two leaders under the standing order on Monday, the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized under a special order for not to exceed 15 minutes.

The PRESIDING OFFICER. Without

objection, it is so ordered.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, there are certain items on the Executive Calendar that are cleared on our side. I would invite the attention of the distinguished minority leader to four names appearing on page 2 of today's Executive Calendar under New Reports, U.S. Synthetic Fuels Corporation, and inquire if he is in a position to clear those nominations for consideration at this time.

Mr. ROBERT C. BYRD. Mr. President, the minority is ready to proceed with the nominations under New Reports.

Mr. BAKER. I thank the distinguished minority leader.

Mr. President. I ask unanimous consent that the Senate go into executive session for the purpose of considering the nominations appearing under New Reports on page 2 of the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. SYNTHETIC FUELS CORPORATION

The assistant legislative clerk read the nomination of Robert A. G. Monks, of Maine, to be a member of the Board of

The PRESIDING OFFICER. Without

objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was

agreed to.

The assistant legislative clerk read the nomination of Victor M. Thompson, Jr., of Oklahoma, to be a member of the Board of Directors.

BOREN. Mr. President, I commend President Reagan for nominating my fellow Oklahoman, Victor M. Thompson, Jr., as a Director of the U.S. Synthetic Fuels Corporation.

Victor was born and raised in Thomas. Okla. He served his country in the South Pacific with distinction as a corporal in the U.S. Marine Corps Reserve, First Marine Division during the Second World War. Upon his return to Oklahoma, he attended the University of Oklahoma where he graduated with a B.S. in finance and economics.

Vic Thompson has spent his professional life in the banking business and he is well known and respected throughout the financial community in Oklahoma and beyond. He is president and chief executive officer of the Utica National Bank, one of our States major financial institutions. He is a man of deep moral character and personal integrity, a man who is a great credit to his profession, his community and his country.

Victor Thompson's service to charitable, civic and religious organizations is far too extensive to detail to you today. I will list but a few. He is deacon in the First Baptist Church of Tulsa, a member of the board of directors of the National Conference of Christians and Jews, the Oklahoma State Chamber of Commerce, the Higher Education Alumni Council of Oklahoma, a member of the American Legion, and a member of the Tulsa Psychiatric Center Board of Trustees.

As Governor of Oklahoma and now as Senator, I have called upon Vic Thompson often for his counsel and advice. I have constantly been impressed by the breadth of his knowledge and by his ability to apply sound commonsense in approaching the solution to a problem.

Vic's 30-plus years in banking and finance should prove an invaluable asset to the Synfuels Corporation. His experience, insight and judgment should contribute enormously to the effective functioning of this fledgling organization and the success of the project it assists.

I cannot think of a person more qualified to serve as a Director on the Board of the U.S. Synthetic Fuels Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of C. Howard Wilkins, of Kansas, to be a member of the Board of Directors.

Mr. DOLE. Mr. President, I rise today in support of the nomination to the Board of Directors of the U.S. Synthetic Fuels Corporation of a fellow Kansan of outstanding character and accomplishment, my good friend, Howard Wilkins.

Howard will bring the Synthetic Fuels Corporation board a proven record of business accomplishment and substantial financial experience. By the time Howard was 30 years old he had already built, owned, and operated 13 Pizza Hut franchises in the State of Kentucky and acted as president of Pizza Huts of Louisville, Inc. Within 6 years through brilliant entrepreneurship he parlayed this into a \$50 million corporation that merged with Pizza Hut, Inc. In September of 1974 and served, at the age of 37, as vice chairman of the board of Pizza Hut, Inc., the largest pizza restaurant chain in the world.

Howard has also been active in community and civic affairs, serving on the Yale Alumni Fund, the Yale Class Council, and the Young President's organization. Additionally, Howard served as chairman of the Kansas Economic Development Commission from 1974 to 1978. During that time Kansas ranked fourth in the Nation in new jobs and had one of the lowest unemployment rates in the country. I might also mention that he has done an amazing job as finance chairman of the Republican Senatorial Campaign Committee over the past 4 years.

Mr. President, in my opinion, Howard Wilkins is precisely the type of individual we need to involve in the operations of Government. He is young, aggressive, innovative, and successful. His understanding of the unique problems of business start-ups and considerable financial sophistication will be a tremendous asset to the development of a synthetic fuels industry in America. I am confident that he will well and truly serve the Synfuels Corporation, and the country, and encourage all Senators to support his nomination.

The PRESIDING OFFICER. Without objection, the nomination is confirmed. Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, move to lay that motion on the table. The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Victor A. Schroeder, of Georgia, to be a member of the Board of Directors.

The PRESIDING OFFICER. Without objection, the nomination is confirmed. Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, move to lay that motion on the table. The motion to lay on the table was agreed to.

STATEMENT ON THE NOMINATIONS TO THE BOARD OF DIRECTORS OF THE U.S. SYNTHETIC FUELS CORPORATION

• Mr. McCLURE. Mr. President, on September 10, 1981, the Committee on Energy and Natural Resources favorably reported four Presidential nominations to the Board of Directors of the U.S. Synthetic Fuels Corporation. The nominees are Victor A. Schroeder, C. Howard Wilkins, Victor M. Thompson, Jr., and Robert A. G. Monks. The committee's vote on each nominee was 19 to 0. The votes followed a nomination hearing held on the same date.

The legislative and programmatic foundations for the Synthetic Fuels Corporation were laid in the Congress and in the executive branch over a 7year period beginning in 1974 with President Nixon's proposed project independence, followed by President Ford's 1975 state of the Union message, and Vice President Rockefeller's proposal in 1975 for establishment of the Energy Independence Authority.

What was new, during the 96th Congress, was bipartisan congressional support for creation of a special purpose Federal entity that would provide sufficient financial incentives to private industry to expedite commercial development of a synthetic fuel production capability in the United States. This support, spurred on by the 1979 cutoff of Iranian oil, led to congressional establishment of the Synthetic Fuels Corporation by the enactment on June 30, 1980, of the Energy Security Act. This action represents an unprecedented national commitment to the energy future of the United States.

However, following enactment there developed a basic disagreement between Senate Republican leadership and the Carter White House on how best to proceed with the appointments to the board of directors. Consequently, 4 months transpired before the recess appointment of the initial Board of Directors.

But more importantly, 14 months have transpired since enactment of the Energy Security Act. And due to various events, including a national election, the Synthetic Fuels Corporation still is in the throes of initial start-up. There has yet to be a Senate-confirmed Board of Directors and for the last 7 months there has been no Board of Directors at

We have lost valuable time in this effort to increase our national security by reducing the threat of economic disruption from oil supply interruptions. The Synthetic Fuels Corporation was created to demonstrate at the earliest practicable time the practicality of commercial production of synthetic fuels in the United States. That is still our objective.

President Reagan recognized the important role that synthetic fuels must serve as future energy supplies when he recently approved the award of financial assistance to three synthetic fuels projects under the current interim program. His action followed extensive Cabinet review of national synthetic fuels policies.

We must now turn our attention to full implementation and operation of the Synthetic Fuels Corporation. The Energy Security Act concisely sets forth the goals and objectives for the Synthetic Fuels Corporation as a special purpose Federal entity. And the Congress provided the Corporation with the powers necessary to carry out its defined mission. Similarly, the Congress identified areas in which the Corporation was not

to become involved. In some instances, explicit limitations were imposed on the powers and authorities of the Corporation.

The standard by which this Board of Directors will, and indeed must, be judged will be whether there is an expeditious, but responsive, implementation of the Energy Security Act. This will require the Board to act early on the currently outstanding solicitation and award financial assistance to a diversity of technologies so that national energy policy can benefit from the activities of the Synthetic Fuels Corporation.

This will be the first Board of Directors to be confirmed by the Senate and, as such, these appointments take on special significance.

Mr. President, I submit the biographical statements of the four nominees and ask that they be printed in the RECORD at this point in my remarks.

The biographical statements follow:
BIOGRAPHICAL STATEMENTS OF THE NOMINEES
TO THE BOARD OF DIRECTORS OF THE U.S.
SYNTHETIC FUELS CORPORATION

Victor Schroeder has been Manager of Development for the Atlanta Apparel Mart and Executive Director of the Peachtree Center since 1978. He has also been President and Chief Executive Officer of Aplomb, Inc., consulting in real estate analysis, planning, leasing, operating, management and building of real estate development. In 1975-78 he a consultant and contract manager to various business clients. In 1971-74 Mr. Schroeder was Senior Vice President for Development of the Phipps Land Company. In 1970-71 he was President of Resort Properties, Jasper, Georgia. Mr. Schroeder attended Oklahoma State University and graduated from Officer Candidate School at Fort Benning, Georgia. He is married, has five children, and resides in Atlanta, Georgia. Mr. Schroeder was born in Rosedale, Kansas, on

C. Howard Wilkins is Founder and Managing Partner of the Maverick Company. In 1966 he built, owned and operated 13 Pizza Hut Restaurants in the State of Kentucky and acted as President of Pizza Huts of Louisville, Inc. Later, he merged his Kentucky-based Pizza Hut franchises into Pizza Corporation of America, a 50 million dollar corporation that eventually became Pizza Hut, Inc., in September 1974. He served as Vice Chairman of the Board of Pizza Huts, Inc., until leaving to found the Maverick Company. Mr. Wilkins was graduated from Yale University (1960). He is married, has five children, and resides in Wichita, Kansas. He was born in Wichita on February 19, 1938.

V. M. Thompson, Jr. is Chairman of the Board of Chief Executive Officers of Utica National Bank & Trust Company and Utica Bankshares Corporation, Tulsa, Oklahoma. He was President and Chief Executive Officer of Utica National Bank & Trust Company in 1970-77. In 1973-77 Mr. Thompson was Vice Chairman of the Board, First National Bank & Trust Company, Stillwater, Oklahoma. In 1957-73 he was President and Chief Executive Officer. He recently served on the Oklahoma City branch of the Federal Reserve Board. Mr. Thompson was graduated from the University of Oklahoma (1948) and served in the U.S. Marine Corps in 1942-46. He is married, has three children, and resides in Tulsa, Oklahoma. He was in Thomas, Oklahoma, on November born

12, 1924.

Robert A. G. Monks has been Chairman of the Board of Directors, of the Boston Company, Inc., Boston, Massachusetts, since

1975. In 1975-76 he was President of the Maine Wood Fuel Company, Portland, Maine. He has been President of Ram & Company, a real estate investment firm since 1972. In 1967-71 Mr. Monks was President of C. H. Sprague & Son Company, a coal and oil distribution firm in Boston. During 1967-71 Mr. Monks held directorships with Westmoreland Coal Company, Imperial Smoke-less Coal Company, Winding Gulf Coal Comand Penn-Virginia Corporation. In 1973-76 he was Chairman of the Finance Committee of Sulpetro of Canada, Ltd., a natural gas company. Mr. Monks was graduated from Harvard College (1954) and Harvard Law School (1958). He is married, has two children, and resides in Cape Elizabeth. Maine, and Boston, Massachusetts. He was born in Boston on December 4, 1933.

Mr. McCLURE. Mr. President, during the hearings on these nominees, I was pleased to receive the assurance of Mr. Schroeder and the other nominees regarding the policies and practices of the Synthetic Fuels Corporation in several areas. The matters involved issues which have arisen since enactment of the Energy Security Act.

These areas include: First, with regard to the interim fast start program of the Department of Energy pursuant to the Federal Nonnuclear Energy Research Development Act, the committee received the assurances from the nominees that the Board of Directors would not support transfer of the contract for the Great Plains coal-gasification project from the Department of Energy to the Synthetic Fuels Corporation. This is consistent with existing law provided in the Supplemental Appropriations Act of 1980. It is also consistent with the clarifying amendment included in the Interior and Appropriations bill that will shortly be considered by the Senate.

Second, with regard to the two awards made by the Department of Energy pursuant to the Defense Production Act, the committee received assurances from the nominees that should the Board of Directors decide in favor of transfer of the two projects involved from the Department of Energy to the Corporation, as provided by the Supplemental Appropriations Act of 1980, that every effort would be made to assure early finalization of these contracts.

Third, when the Congress enacted the Energy Security Act it carefully fashioned the Corporation powers to carry out its defined mission. The act closely restricts the powers of the Corporation to the provision of financial assistance to synthetic fuels projects. Enforcement of the act is provided by means of suits by the Attorney General or Comptroller General. Both criminal as well as civil sanctions against Directors, officers, and employees of the Corporation are provided where there is a violation of the provisions of the act.

The nominees are aware of these provisions and the important role their inclusion in the act served in achieving the ultimate congressional compromise creating a Corporation.

In this regard the committee received assurances from the nominees that the new Board of Directors would not enter into certain types of activities which were initiated by the previous Board of

Directors, prior to the appointment of Chairman Noble. The activities of concern relate to earlier attempts by the Corporation to enter into energy mobilization type activities for which statutory authority does not exist in the Energy Security Act.

The earlier Board also entertained various requests to the Corporation for grant assistance to fund such activities as the analysis of individual State regulatory programs and the development of regional energy development plans, for example, in the Rocky Mountain area. Funding such activities clearly would violate the statutory prohibitions in the Energy Security Act.

The nominees assured the committee that the Corporation would not engage in such activities in the future. However, this would not preclude the Corporation from cooperating with the States and project sponsors regarding permitting and licensing requirements associated with projects awarded financial assistance, provided any cooperative activities are consistent with the limitations in the Energy Security Act.

Fourth, the committee also received assurances from the nominees that the Board of Directors would turn early attention to proceeding with the award of financial assistance pursuant to last year's initial solicitation by the Corporation. It is the committee's judgment that the initial solicitation was conducted by the Corporation consistent with the provisions of the statute and congressional intent.

Additionally the committee received the assurance of the nominees that should any decision be made to undertake either a supplementary solicitation. or an amended solicitation, the Board of Directors would carefully tailor such action so as to preserve the validity of the initial solicitation and the standing of the 63 proposals currently pending before the Corporation. The committee and the nominees share the concern that any delay in the solicitation could equate to undermining the program. In this regard the committee received assurance from the nominees that the Board would move as fast as reasonably possible to complete the initial solicitation and award financial assistance.

Finally, the committee received assurances from the nominees that there would be a continuing dialog with the committee on the formulation of the Corporation's policies and practices. In particular the Corporation will consult with the committee on such matters as proposed project selection criteria, en-vironmental and socioeconomic issues, organization of the Corporation, establishment of officers (including the possibility of a new chief operating officer) salaries for officers and employees, and administrative issues. Through such advance consultation it is anticipated that we can avoid the types of problems that arose due to some of the policies and practices of the previous Board of Directors.

Mr. President, during the hearings the nominees demonstrated to the committee their commitment to the goals and objectives of the Synthetic Fuels Corpo-

ration. On behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of the Presidential nominations of Victor A. Schroeder, C. Howard Wilkins, Victor M. Thompson, Jr., and Robert A. G. Monks to the Board of Directors of the U.S. Synthetic Fuels Corporation. I hope that immediately following confirmation and appointment of the Board of Directors, the Corporation can be declared fully operational.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nomina-

THE PRESIDING OFFICER. Without objection, it is so ordered.

PRODUCT LIABILITY RISK RETENTION ACT OF 1981

Mr. BAKER. Mr. President, I have another item on the legislative calendar cleared for action on this side. I inquire of the minority leader if he is in the position to proceed to the consideration of S. 1096, the Product Liability Risk Retention Act of 1981.

Mr. ROBERT C. BYRD. Mr. President, the minority is ready to proceed.

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate Calendar Order No. 239, S. 1096.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1096) to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation with amendments, as

On page 3, line 19, strike "until", and insert "before";

On page 6, line 1, after "process", insert the following: and, upon request, furnish such commissioner a copy of any financial report submitted by the risk retention group to the commissioner of the chartering or licensing jurisdiction;

On page 6, line 20, strike "within 30 days": and

On page 10, strike line 7, through and including line 11, and insert the following:

SEC. 5. (a) The ownership interests of members in a risk retention group shall be-

- (1) considered to be exempted securities for purposes of section 5 of the Securities Act of 1933 and for other purposes of section 12 of the Securities Exchange Act of 1934;
- (2) considered to be securities for purposes of the provisions of section 17 of the Securities Act of 1933 and the provisions of section 10 of the Securities Exchange Act of 1934.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Product Liability Risk Retention Act of 1981".

DEFINITIONS

SEC. 2. (a) As used in this Act-

(1) "completed operations liability" means liability arising out of the installation, main-tenance, or repair of any product at a site which is not owned or controlled by-

(A) any person who performs that work:

(B) any person who hires an independent contractor to perform that work;

but shall include liability for activities which are completed or abandoned before the date

of the occurrence giving rise to the liability,
(2) "insurance" means primary insurance,
excess insurance, reinsurance, surplus lines insurance, and any other arrangements for shifting and distributing risk which is determined to be insurance under applicable State or Federal law:

(3) "product liability" means liability for damages because of any personal injury, death, emotional harm, consequential economic damage, or property damage (including damages resulting from the loss of use of property) arising out of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product, but does not include the liability of any person for those damages if the product involved was in the possession of such a person when the incident giving rise to the claim occurred;

(4) "risk retention group" means any corporation or other limited liability associameans any tion taxable as a corporation, or as an insurance company, formed under the laws of any State, Bermuda, or the Cayman Islands-

(A) whose primary activity consists of assuming and spreading all, or any portion, of the product liability or completed operations liability risk exposure of its group members;
(B) which is organized for the primary

purpose of conducting the activity described

under subparagraph (A);

(C) which is authorized to engage in the business of insurance either through chartering or by being licensed under the laws of any State or, before January 1, 1985, Bermuda or the Cayman Islands: Provided, That a group subpoised in Bornate. That a group authorized in Bermuda or the Cayman slands must also certify to the in-surance commissioner of at least one State that it has met the capitalization require-

ments of such State;
(D) which does not exclude any person from membership in the group solely to provide for members of such a group a competitive advantage over such a person; and

(E) which is composed of members each of whose principal activity consists of the manufacture, design, importation, distribution, packaging, labeling, lease or sale of a product or products;

(5) "purchasing group" means any group of persons which has as one of its purposes the purchase of product liability or com-pleted operations insurance on a group basis;

(6) "State" means any State of the United

States or the District of Columbia.

(b) The definition of "product liability" in paragraph (4) of subsection (a) of this section shall not be construed to affect either the tort law or the law governing the interpretation of insurance contracts of any

RISK RETENTION GROUPS

Sec. 3. (a) Except as provided in this section a risk retention group is exempt from any State law, rule, regulation, or order to the extent that such law, rule, regulation, or order would-

(1) make unlawful or regulate, directly or indirectly, the operation of a risk retention group except that the jurisdiction in which it is chartered may regulate the formulation and operation of such a group and any State may require such a group to-

(A) comply with the unfair claim settlement practices law of the State;

(B) pay, on a nondiscriminatory basis, applicable premium and other taxes which are levied on admitted insurers and surplus lines insurers, brokers, or policyholders under the laws of the State;

(C) participate, on a nondiscriminatory basis, in any mechanism established or au-thorized under the law of the State for the equitable apportionment among insurers of product liability or completed operations insurance losses and expenses incurred on policies written through such mechanism;

(D) submit to the appropriate authority reports and other information required of licensed insurers under the laws of a State relating solely to product liability or completed operations insurance losses and ex-

penses;

(E) register with and designate the State insurance commissioner as its agent solely for the purpose of receiving service of legal documents or process and, upon request, furnish such commissioner a copy of any financial report submitted by the risk retention group to the commissioner of the chartering or licensing jurisdiction;

(F) submit to an examination by the State insurance commissioner in any State in which the group is doing business to determine the group's financial condition, if-

(i) the commissioner has reason to believe the risk retention group is in a financially impaired condition; and

(ii) the commissioner of the jurisdiction in which the group is chartered has not begun or has refused to initiate an examination of the group; and

(G) comply with a lawful order issued in a delinquency proceeding commenced by the State insurance commissioner if the commissioner of the jurisdiction in which the group is chartered has failed to initiate such a proceeding after notice of a finding of financial impairment under subparagraph (F) of this subsection.

(2) require or permit a risk retention group to participate in any insurance insolvency association to which an insurer licensed in the State is required to belong.

(3) require any insurance policy issued to a risk retention group or any member of the group to be countersigned by an insurance agent or broker residing in that State; or

(4) otherwise discriminate against a risk retention group or any of its members: Provided, however, That nothing in this section shall be construed to affect the applicability of State laws generally applicable to persons or corporations.

(b) The exemptions specified in subsec-

tion (a) apply to

(1) product liability or completed opera-tions insurance coverage provided to—

(A) a risk retention group; or

- (B) any person who is a member of a risk retention group; and
 - (2) any person who provides-
- (A) product liability or completed opera-tions insurance coverage;
 - (B) insurance related services; or

(C) management services

to a risk retention group or member of the group.

(c) A state may require that a person acting, or offering to act, as an agent or broker for a risk retention group obtain a license from the State, except that a State may not impose any qualifications or require-ment which discriminates against a nonresident agent or broker.

PURCHASING GROUPS

SEC. 4. (a) Except as provided in this section, a purchasing group is exempt from any State law, rule, regulation, or order to the extent that such law, rule, regulation, or order would-

(1) prohibit the establishment of a pur-

chasing group:

(2) make it unlawful for an insurer to provide or offer to provide insurance on a basis providing, to a purchasing group or its members, advantages, based on their loss and expense experience, not afforded to other persons with respect to rates, policy forms, coverages, or other matters;

(3) prohibit a purchasing group or its members from purchasing insurance on the group basis described in paragraph (2) of

this subsection;

(4) prohibit a purchasing group from obtaining insurance on a group basis because the group has not been in existence for a minimum period of time or because member has not belonged to the group for a minimum period of time;

(5) require that a purchasing group must have minimum number of members, common ownership or affiliation, or a certain legal

(6) require that a certain percentage of a purchasing group must obtain insurance on a group basis;

- (7) require that any insurance policy issued to a purchasing group or any members of the group be countersigned by an insurance agent or broker residing in that State;
- (8) otherwise discriminate against a purchasing group or any of its members.

(b) The exemptions specified in subsection (a) apply to-

(1) product liability or completed opera-tions insurance, and comprehensive general liability insurance which includes either of these coverages, provided to-

(A) a purchasing group; or (B) any person who is a member of a purchasing group; and

(2) any person who provides

(A) product liability or completed operaliability coverage;

(B) insurance related services; or

(C) management services to a purchasing

group or member of the group.

(c) A State may require that a person acting, or offering to act, as an agent or broker for a purchasing group obtain a license from that State, except that a State may not impose any qualification or requirement which discriminates against a nonresident agent or

APPLICABILITY OF SECURITIES LAWS

SEC. 5. (a) The ownership interests of members in a risk retention group shall be-

(1) considered to be exempted securities for purposes of section 5 of the Securities Act of 1933 and for other purposes of section 12 of the Securities Exchange Act of 1934; and (2) considered to be securities for purposes

of the provisions of section 17 of the Securities Act of 1933 and the provisions of section 10 of the Securities Exchange Act of 1934.

A risk retention group shall not be considered to be an investment company for purposes of the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.).

Mr. KASTEN. Mr. President, the Senate is now considering S. 1096, the Product Liability Risk Retention Act. On May 4, 1981, Senator Packwood and I introduced this bill. Senator Cannon introduced an earlier revision of this legislation, S. 69, in January of this year.

The Risk Retention Act would facilitate the ability of manufacturers, wholesalers, distributors, and other product sellers to form self-insurance cooperatives. It accomplishes this goal by eliminating multistate insurance regulations

that are directed at large commercial insurers and are inappropriate for product seller self-insurance groups. Under the act, a group chartered or licensed in a State, Bermuda, or the Cayman Islands, can do business in all other States. The groups do not have to contend with multistate capitalization and other requirements.

On the other hand, the act protects the interest of the nonchartering States; it permits those States to collect revenue taxes and to protect the rights of claimants. The act also helps assure that the groups are adequately capitalized and engage in fair competition with commercial insurers.

Apart from facilitating the formation of product seller self-insurance cooperatives, the act enables product sellers to band together and purchase commercial product liability insurance on a group basis. That practice is currently forbidden in a number of States due to anticompetitive legislation called fict:tious group laws.

Mr. President, this legislation involves no new Federal bureaucracy or expenditures.

The legislation does provide busi-esses—particularly smaller ones—with nessesalternative means for insuring product liability risks. It will help assure that product liability rates and premiums are competitive. It will also help protect smaller and medium size businesses against a highly cyclical insurance marketplace. In the past, the marketplace has produced some erratic pricing and unavailability of coverage. This, in turn, has forced many businesses to go "bare" on product liability coverage.

From a policy standpoint, a dependable insurance mechanism is vital to the interests of both product users and sellers. This legislation resulted from an intensive study of the product liability problem by a Federal interagency task force chaired by the Department of Commerce. During the 96th Congress both the House and Senate held intensive hearings on the subject. The result of those hearings was to refine and develop the Risk Retention Act.

To date, over 200 organizations interested in the product liability, problem, including product sellers, consumer groups, and trial lawyers, strongly support this legislation.

With the inclusion of certain language in S. 1096 modifying the period of time during which Bermuda and the Cayman Islands can charter groups, almost all remaining insurer opposition to the enactment of the bill has been withdrawn.

Mr. President, this bill is a good example of bipartisan cooperation. I want to thank the chairman of the Commerce Committee, Senator Packwood for his scheduling this bill for early consideration by the committee. Also, I want to acknowledge the assistance given to me by the Senator from Nevada (Mr. CAN-NON) who has worked long and hard for passage of this legislation.

Finally, Mr. President, I want to thank Marilyn Richmond and Cindy Douglas of the Commerce Committee staff for their help. In particular, though, I want

to express my appreciation to Mike Mullen and Steve Halloway whose tireless efforts during the past 2 years helped make this legislation a reality.

In closing, Mr. President, let me say that this legislation is the first step in our efforts to achieve balance and equity in product liability. The Consumer Sub-committee which I chair, has already begun work on product liability law reform legislation—the next and, I hope, final step to achieving a resolution of this problem.

Mr. NUNN. Mr. President, today I rise to join Senators Kasten, Packwood, Cannon, East, and Riegle in support of the Product Liability Risk Retention Act,

S. 1096.

I, too, have joined in cosponsorship of this bipartisan effort to provide product sellers with relief from the high costs and uncertainties associated with the pur-chase of product liability insurance.

As ranking minority member of the Small Business Committee, I am pleased to add my name to this bill. I am confident its passage will benefit thousands of small- and medium-sized businesses which have been the hardest hit by the product liability insurance problem.

During the mid-to-late 1970's manufacturers, wholesaler-distributors, and other product sellers were confronted with difficult and uncertain insurance market conditions in the product liability area. Many were faced with substantial premium increases or policy terminations, while some could not obtain such insurance at any price.

The Senate and House Small Business Committee, both conducted lengthy hearings on this problem when it first developed. Due to the cyclical nature of the property-casualty insurance market, a return of these difficult conditions

is probable.

The Risk Retention Act will make a substantial contribution to reducing the impact of changing market conditions on small- and medium-sized businesses. It will provide additional market underwriting capacity and encourage greater competition, insuring ample availability and realistic pricing of this crucial insurance protection.

Keeping in step with the times, the Risk Retention Act is a deregulatory solution. It requires no expenditure of Federal funds or unnecessary Federal intrusion, and eliminates the application of specific insurance laws and regulations where they are clearly not needed. Simply put, S. 1096 will provide the States with a framework for encouraging the formation of product liability group selfinsurance or purchasing entities. The concept, when enacted, will be a highly attractive alternative insurance mechanism for small business.

Passage of this legislation by the Senate represents over 2 years of effort by product seller groups to develop a fair and equitable bill to all parties concerned. Special credit goes to Senators KASTEN. PACKWOOD, and CANNON for their efforts on the Senate Commerce Committee to develop this fine legislation. Their initiatives underscore their deep sensitivity to the needs and concerns of small business.

Their staffs also deserve mention for the many hours they have spent in refining S. 1096.

As a result of these collective efforts over 200 organizations representing over 1 million businesses now support S. 1096. Of these, most notably the National Association of Wholesaler-Distributors, the National Machine Tool Builders Association, the American Mining Congress, the National Association of Manufacturers, and the National Federation of Independent Business should be acknowledged for their determination to see this legislation through to its enactment.

The American Insurance Association, the National Association of Casualty and Surety Agents, and the Alliance of American Insurers must also be thanked for their constructive contributions to the development of a balanced bill. Finally, the National Association of Insurance Brokers, the Insurance Company of North America, and the Crum and Forster Insurance Companies should be congratulated for their early recognition of the value and need for this legislation.

It should also be added that the administration strongly supports S. 1096. Trial attorneys and consumer groups have also lent their support to this worthwhile legislation.

In summary, this legislation is an ideal beginning to resolving the product liability problem. The House has already passed the companion version of this legislation, H.R. 2120. All that remains is this vote. I commend this legislation to my colleagues and urge unanimous support.

Mr. CANNON. Mr. President, I am pleased to speak in support of S. 1096 today. As a sponsor of S. 69, the first risk retention bill introduced in the 97th Congress, I fully support S. 1096 which incorporates all of the elements of S. 69. as well as an additional provision limiting the authority to obtain offshore charters in Bermuda and the Cayman Islands to the groups who have obtained charters before January 1, 1985.

This is appropriate. It will allow the States time to consider amending their laws.

I also support the committee amendments which will increase the authority of State insurance commissioners to monitor these groups' solvency and deter fraudulent activities which are helpful amendments that have been suggested by the incurance industry and other witnesses. I think they improve the bill.

Mr. President, when it was first considered last year, the bill provided for Federal chartering and Federal regulation of these groups. As I said then to a group of manufacturers, I was sympathetic to the need for creating new insurance options for product sellers. I was reluctant to create any new Federal regulatory authority or Federal expenditure if the need could be met some other way.

The bill we are considering today is totally consistent with my view that we avoid any new Federal regulation or expenditure and rely on existing State regulation, streamlined to address the spe-

cific needs for regulating these self-insurance groups.

This bill provides a much needed alternative solution to an immediate problem facing all product sellers today—the opportunity to secure protection against product liability loss at competitive rates.

Adoption by the State courts of new and expanded theories of liability has imposed a disproportionate legal burden on small businesses who find themselves exposed to enormous risk of loss with little or no means of obtaining competitively priced insurance protection against that risk of loss.

Sudden and dramatic increases in premium rates, inconsistently applied, have created a crisis for product sellers today insofar as their ability to absorb such increases. The alternatives heretofore available to the product seller have indeed been very bleak. One alternative, forced upon far too many product sellers, has been to do business without insurance protection. The consequences of such an alternative, both as to injured parties and as to product sellers, are so severe as to make this a totally unacceptable alternative.

Nevertheless, the product seller faces a significant availability problem with respect to obtaining protection against risk of loss. The real issue is not whether the product seller can obtain any insurance protection at all—but rather it is whether such insurance protection is competitively affordable.

Nonaffordability translates into non-availability for the product seller, especially the small businessman who has neither the resources to absorb the prohibitive costs of insurance protection nor the ability to pass these costs on in a competitive manner.

The Product Liability Risk Retention Act of 1981 provides an acceptable alternative to the affordability problem that is immediately available to those who need it most. It provides an opportunity for product sellers of all sizes to participate in a form of self-insurance on a group basis that will result in more competitive insurance protection costs that are more closely related to their particular form of operation and risk of loss.

The hills and valleys created by panic pricing and by inconsistent applications of ratemaking criterion will dissipate as competitive forces in the marketplace return. Product sellers will be assured of objective evaluations of risk and commensurate premium rates based on such evaluations.

S. 1096 is supported by over 200 national business organizations, including the National Association of Wholesaler-Distributors, the National Association of Manufacturers, the National Machines Tool Builders Association, the National Federation of Independent Businesses, and the Small Business Legislative Council.

The bill accomplishes its purposes without creating any new regulatory agency by utilizing the existing mechanisms of the State insurance departments.

This does not change under the Product Liability Risk Retention Act of 1981.

However, today a self-insuring group is required to comply with various State countersignature laws and to utilize a fronting company to do business in other States where requirements of minimum business longevity exist. Thus, such self-insurers must comply with the same regulation as a full line insurance company selling to the public. But, these self-insuring groups are not full line insurance companies selling to the public at large. Exacerbating the problem is that self-insuring groups composed of a small number of small businesses find it economically unfeasible to pool their resources because of this unnecessary regulation.

Instead, such companies that make up a self-insuring group are utilizing a mechanism for pooling their resources to meet a possible loss from a particular type of risk—product liability. In doing so, these companies are protecting not only their own resources, but also the rights of wrongfully injured parties to compensation. Under this bill, unnecessary regulation is removed, but necessary State regulation of the domicile is retained, and an opportunity is afforded for small companies to secure risk protection not consistently available to them on a competitive basis.

The small businesses who have been impacted so severely by the product liability problem need the immediate relief this bill can give them. I urge you all to support this proposal so as to provide that relief.

Mr. President, I would like to mention one other point. Section 3a(1) of the Product Liability Risk Retention Act of 1981 contemplates that State regulations applicable to association captives prohibiting a group from exposing itself to any loss on any one risk in excess of a certain percentage of its surplus will apply to risk retention groups. The control of the financial condition of the group is within the jurisdiction of the State insurance commissioner. This is consistent with the laws, regulations, practices, and procedures of the great majority of States.

Also a risk retention group is not authorized or permitted to participate in any State guaranty fund.

Finally, Mr. President, I want to express my appreciation to Senator Kasten for recognizing the importance of this issue.

The House passed a virtually identical bill this week by voice vote with no apparent opposition. I hope it will receive the same strong support and approval by the full Senate. Many manufacturer, wholesaler, distributor, and retailer groups have worked with the insurance industry to perfect this bill. All of this effort has been helpful in developing a very good bill which has a broad consensus of support.

I urge its approval.

Mr. BAKER. Mr. President, I ask unanimous consent to indefinitely postpone Calendar Order No. 239 in order to take up the identical House bill which is at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, I ask

that the Chair lay before the Senate the House measure

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as

follows:

A bill (H.R. 2120) to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

Mr. BAKER. Mr. President, I ask that the bill be considered as having been read the first and second time and that the Senate proceed to the consideration of the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2120) was ordered to a third reading, and was read the third

time, and passed.

Mr. BAKER, Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table. The motion to lay on the table was agreed to.

BICENTENNIAL OF WASHINGTON COLLEGE

Mr. BAKER. Mr. President, there is a resolution that I am prepared to ask the Senate to consider. I invite the attention of the minority leader to Senate Resolution 206, a Senate resolution marking the bicentennial of Washington College, I will inquire if the minority is prepared to proceed.

Mr. ROBERT C. BYRD. The minority

is prepared to proceed.

Mr. BAKER. I thank the minority

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 206, the resolution marking the bicentennial of Washington College.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 206) to mark the bicentennial of Washington College.

There being no objection, the Senate

proceeded to consider the resolution. The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 206) agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 206

Whereas Washington College is the first chartered college in the State of Maryland and the tenth chartered college in the United States: and

Whereas the Maryland Provincial Assembly did authorize the establishment of the Kent County Free School by law in 1723, creating the visitors to supervise and operate such school; and

Whereas the Reverend Doctor William Smith, noted educator and clergyman, did become master of the Kent County School in 1780: and

Whereas by his energy and dedication did succeed in advancing the stature of that school thereby causing its student body to increase in numbers to such a degree that he encouraged the visitors of the Kent County School to petition the Maryland General Assembly to grant a collegiate charter to the

Kent County School; and Whereas General George Washington, Commander in Chief of the American Army, from his headquarters in Newburgh, New York, did give his consent to name the new seminary of learning Washington College; and

Whereas the Maryland General Assembly, on May 24, 1782, did enact legislation granting a charter to the visitors of the Kent County School, in the name of Washington College, in honorable and perpetual memory of His Excellency General George Washing-ton, the illustrious and virtuous Commander in Chief of the Armies of the United States;

Whereas George Washington did contribute the sum of fifty guineas as an earnest of his wishes for the prosperity of the seminary;

Whereas George Washington did visit the college in 1784 at which time he signed his name as a visitor and governor of the college and in 1789 did accept the honorary degree of doctor of laws conferred upon him by the college; and

Whereas the college during its long history has been proud to bear the name of the founder of this country; and

Whereas through the years the college has prepared many men and women who later distinguished themselves in government, the ministry, business, law, medicine, and educa-

Whereas three Presidents of the United States in addition to George Washington have honored the college with visits to the campus, namely Franklin Delano Roosevelt, Harry S Truman, and Dwight D. Eisenhower; and

Whereas numerous Governors, Senators, and Representatives of Congress have similarly honored the college; and

Whereas the visitors and governors of Washington College will set aside the aca-demic year 1981 through 1982 to commemorate their two centuries of service to the State and Nation: Now, therefore, be it

Resolved, That this body pay tribute to Washington College and congratulate the visitors and governors, the president and administration, the faculty and students, the alumni and all friends of the college for their long, devoted, and faithful commitment to excellence in American higher edu-

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECORD OPEN UNTIL 5 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that the Record remain open today until the hour of 5 p.m. for the insertion of statements and the introduction of bills and resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, SEPTEMBER 14, 1981

Mr. BAKER. Mr. President, I have no other business that I believe the Senate can transact today. I will inquire of the minority leader if he has other business that he wishes to present.

Mr. ROBERT C. BYRD. I thank the leader for his kindness, majority thoughtfulness, and courtesy. I have

nothing.

Mr. BAKER. In view of that, Mr. President. I move, under the order previously entered, that the Senate stand in recess until the hour of 12 noon on Monday.

The motion was agreed to, and, at 4:37 p.m., the Senate recessed until Monday, September 14, 1981, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate September 11, 1981:

DEPARTMENT OF STATE

Langhorne A. Motley, of Alaska, to be Ambassador Extracrdinary and Plenipotentiary of the United States of America to Brazil.

Richard F. Staar, of California, for the rank of Ambassador during his tenure of service as representative of the United States of America for Mutual and Balanced Force Reductions Negotiations.

OFFICE OF PERSONNEL MANAGEMENT

Loretta Cornelius, of Virginia, to be Deputy Director of the Office of Personnel Management, vice Jule M. Sugarman, resigned.

DEPARTMENT OF DEFENSE

James F. Goodrich, of Maine, to be Under Secretary of the Navy, vice Robert J. Murray, resigned.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. James V. Hartinger xxx-xx-xxxx FR, U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. James Arthur Williams, xxx-xx-x... Army of the United States (brigadier general, U.S. Army).

IN THE MARINE CORPS

The following-named temporary officers of the Marine Corps for permanent promotion to the grade of major general, pursuant to title 10, United States Code, sections 5780 and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

James L. Day David B. Barker George B. Crist D'Wayne Gray

Richard A. Kuci Thomas R. Morgan Ernest C. Cheatham, Jr.

John V. Cox John Phillips Wesley H. Rice Gregory A. Corliss Harold G. Glasgow

The following-named temporary officers of the Marine Corps for permanent promotion to the grade of brigadier general, pursuant to title 10, United States Code, sections 5780 and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Pub. I. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

Donald J. Fulham Joseph E. Hopkins William H. J. Tiernan Eugene B. Russell Walter D. Fillmore John I. Hudson Anthony Lukeman Jacob W. Moore James R. Vandenelzen

William R. Etnyre Donald L. Humphrey William A. Bloomer Paul D. Slack George H. Leach Hugh T. Kerr Joseph B. Knotts William G. Carson, Jr. John H. Gary III

Edwin J. Godfrey

Lloyd W. Smith, Jr. The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of major general under the provisions of title 10, United States Code, section 5902:

Kenneth W. Weir John B. Hirt The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5902:

John J. Krasovich Ronald K. Nelson John J. Salesses

Constantine Sangalis William H. Gossell

IN THE NAVY

The following-named temporary officers of the U.S. Navy for permanent promotion to the grade of commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5780, 5782, and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

Abbot, Charles Armitage, Charles Stevenson Edmund Abler, Ronald John Armstrong, Douglas Abraham, Michael, III Ackerson, Jeffrey McLean Armstrong, Richard Townsend Carl Affeld, Richard Arnold, James Lorman Laurence Airlie, Jack Gibson, Jr. Arsuaga, Miguel Jose Alderink, James Ashby, Gary Lee Ashford, Richard F., Wesley Aldrich, James Hunter, Jr. Atkinson, Harvey Alexander, Samuel Eugene, III John Aunchman, Leman Allman, John Chelsea, John, Jr. Austin, Gary Lee Jr. Alvarez, Joseph AlbertBadger, Richard Lee Ameel, Frederick Baggett, Donald Donald William Amerault, James Bailie, James Matthew Frederick Anderson, Gerald Baird, Leo James Barrett Michael Anderson, Jon Eric Baker, William David Andrews, Roger Baldy, Mark Bernard Marshall Balling, Chris Mark Aranyos, John Bandy, Robert Frank Richard Bankert, Harlan Arcari, Joseph Peter Roland, Jr. Arendt, Steven Banks, Bruce Maurice Arey, Sheldon Craig Christian
Arje, Andrew Coulter Bardsley, George Paul

Arluck, Richard

Michael

Barker, Joseph Henry,

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Bunch, Gerald

Bunton, Ray Lincoln

Douglas

Bodenweber, William

Bodie, Jeffrey George

Kneer, Jr.

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David Joseph

Nickolai Slate

Robert Louis

Craig Allan

Lash, William Joseph

Langknecht.

Larson.

Frederick

Thomas

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Theodore

Wikstrom, Raymond Wood, Stephen Carl Melvin Wood, William Allison Woodall, Stephen Russell Woodson, Walter Browne, III Woolard, Richard Trusty P. Wooldridge, Francis Rust Woolrich, Raymond Dudley Worthington, Richard Ogle Wright, Clinton Ernest Wright, John Richard Wright, Peter Warren Wrynn, John Patrick Wyatt, James Colquitt, III Wyman, Bruce Dana Yakeley, Jay Bradford, III Wire, Keith Raymond Yarbrough, Earl C. Yasutome, Kenneth Kiyoshi Yockey, James William York, Gerald Lee York, Russell Clayton Zahalka, Joseph Harold, Jr. Zettle, Charles Emerson Ziller, Gay Marion, Jr. Zuch, Ronald Charles Clayton George Zvacek, Robert Dale Zveare, Dennis Leeth Judice, Donald Joseph Kaires, Pamela Ann

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Jepson, Francis

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Simkovich, John Shelburne Snell, Byron Elwood, Sorensen, Jon Arthur Tabacco, Michael J. Tarquino, George Joseph Turner, Johnnie E. Waytena, James Richard Weiner, David Eugene Widlak, Ronald Adam Wright, Thomas Gridley

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Austin, Stuart R., Jr. Mitchell, Mary

Baker, Carolyn Marie Catherine Mocarski, Frances Baker, Deirdre Jean Bloshinski, Elizabeth Jane Patee, Karen Martin Peace, Velia Decicco Rose Bohn, Randolph Joseph Clifford, Betty Jean Corboy, Mary Cornelia Cords, Marvin Dale Crist, Margery Weitzel Feris, Mary Margaret Finley, Frances Lee Griffith, Joanne Simon Hamilton, Dorthea Carolyn Harris, Marina June Hildebrand, Carol Thorson Holman, Diane M. Jacobsen, Jayne W. M. Kondash, Anna Marie Willhelm, Patricia Krauser, Sheila Ann

Prue, Phyllis Erma Rex, Anita Carmelita Richter, Maryellen Agnes Rist, Susan Elizabeth Robinson, Ida Marie Ryan, Kathleen Veronica Sattazahn, Mary Della Schneider, Karen Sue Sherrard, Marcia J. Shields, Roberta Jean Smith, Maureen Moloney Stokes, James Edmond Sulcer, Bert Reid, Jr. Thomas, Thelma Ann Vering, Wilma Gertrude Ellard

The following-named temporary officers of the Naval Reserve for permanent promotion to the grade of commander in the line and various staff corps, as indicated pursuant to title 10, United States Code, sections 5783, 5791, 5911, and 5912, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

Abbott, Alfred Jenkins, Eddie Lee Elisha, Jr. Keith. Stephen Aigermissen, Joseph Henry, Jr. Ashford, Ervin Alvin Thomas Kelly, William Vaughn Aune, Steven Donald Kraus, George William Krough, Carl Walter Kuchinski, John Banks, Martin Luther, III Birzer, Norman William Gerald, Jr. Letcher, Jerry Lee Mayfield, Lynn Carter McMorrough, John D. Bock, James Lincoln Cadenazzi, Michael Paul Campbell, Horace Medulan, John Joseph Merritt, Hardy L. Miller, David William Julian Carbary, Forrest Rand Carson, Cary Drake Chamberlain, Glenn Mortensen, Ivan Jed Moyer, Homer Llewellyn, Jr. Mumby, Morice Odell, Childers, Clement Scott Chilton, Robert Navickas, Richard G. Nichols, Nick Eugene Ozbirn, James S. Palmer, Timothy Gale Parnell, Harold R., Jr. Patten, Leo G. Eugene Clark, James D. Colucci, Robert Joseph Craig, David Lowell Peek, Kenneth Creighton, Larry William Donald Preiss, Paul Whalen Crowley, John Charles, Jr. Ramsey, Larry Ross Robinson, William Crum, James Ralph Lawrence Ditto, Charles Schultz, Arthur Victor, Jr. Scully, Thomas J Segur, Don Walter Francis Duncan, Larry Lee Eichorn, Robert Peter Estes, William Ralph Simonson, Scott T Spangler, John Henry Feller, Rainer Swift, Frank Richard Forrester, Joseph G., Tansky, William II Foss, Larry Bryon Joseph Gagin, Robert Carmer Taylor, Gary Windsor Garge Thomas C. Threlkeld, Walter George, Thomas C. Graber, Stanley Dean Fred, Jr. Hampe, Walter R. Hankel, Johnny Trandal, David Warren Tucker, Charles William Hargis, David Clayton Vincent, Nelson L Lawrence Harris, Oscar Voss, Richard Carl Ingram, Jr. Hayden, Daniel F. Walsh, Robert E Woodfield, Jeffrey R Young, Joe Morris Henderson, Leon Coy Zilinsky, Thomas J Zinger, David Ransford Howard, John D. Huml, Vincent Gustav James, James Edward

MEDICAL CORPS

Abary, Alexander Villasana Bulusu, Narayana Venkata Burns, William W Butler, William M Adman, Raymond Lance Carolla, Anthony F Catron, Phillip Wood Apthorpe, John R Arayata, Concepcion Choi, Ivan Chiu Romero Sheung
Clark, Michael Allen
Cobb, Gregory Wayne
Collins, Daniel
Corral, Cathryn Jean
Cowall, David Eric Beck, Bruce David Bennett, William E Berlinger, Norman Thomas Bliss, Donald Lee Bottomy, David P Brooks, Viola Pataki Coy, Gene Earl Culpepper, Donnie Brotherton, William D, III Dale Danitschek, Carl Broughton, Warren Norman Lewis Bulota, William Reed Dodek, Marvin I

Dresser, Thomas Purinton Dsouza, Aloysius Francis Duhaylungsod, Toribio M Erwin, Carol M Evans, David R Faber, Myron Morris Feir, Alan Navarro Forth, David S Francisco, Eduardo Gatmaitan Gambone, Joseph C. Georges, Theodore Nickolas Gerrardgough, Brodie Giroux, Arthur Steven Goeltsch, Robert Eduard Griffiths, Richard Craig Grunert, George McCloy Gutierrezdelgado. Edmundo A. Hamrick, John Douglas Hanna, Mary M. Hardman. Jane McWilliams Harrell, Donald Pierrepont Hayhurst, Edward Guerard Henderson, Peter Louis, Jr.

Hierlwimmer, Ulf Rainer Hoffman, Harry Pitts. Holohan, Thomas V. Horn, John Russell Hyder, Ghouse Syed Jayne, John Lawrence, Jr. Joern, Albert Terry Foley, Richard Walter Joswig, Bill Chester Jung, Byung Il Kennedy, Harold Lee Kent, Roderick Sidney Kilian, Gary McVay King, Monroe James Kragh, Gero Spencer Kun , Martin Datung Kunkler, James Robert Kurzbach, Elmar Kusic, Gregory Rudolph Lai, Kang Jeih Lake, Michael Henry Lang, Richard Gordon Latimer, William Eugene Lin, Fang Ling Hsu Loh, Nora Patrizia London, Barry Ellis Lopez, Virgilio Dizon Lozner, Jerrold Stanley Lunetti, Thomas Louis

Mace, Samuel Veirs Rafans Macht, Steven Daniel Raval, Malstrom, Robert Helmer Martin, James Edward Means, James F. Menon, Padman Achutha Miller, Ronald H. Miremadi, Arjang Kamjani Morte, Paul David Moy. Eng W. Moyer, David B. Muldong, Estelita T. Natale, William Kenneth Nimlos, John Edward O'Donnell, James Kevin, Jr. Orejudos, Benjamin Corpuz Panganiban, Rudy Park, Gregory P. Patel. Tha orbhal Gordhanbha Patterson, John Frank Peddicord, Clifford R. Peniston, Reginald Le Roy Peterson, Wilbur Robert Petway, Joseph Keill, Phelan, Jeffrey Patrick Pyle, Robert Bradford

Narendrakumar M Rodning, Charles Bernard Rodriguez, Bella Royas Schroeder, Robert Walter Seagle, Finley Alexander Serate, Tersito Sabaduquia Sohn, Steven Samuel Spitz, Luis Fernando Splinter, Raymond J. Stern, Lewis James Stock, Richard J., Jr. Supnet, Benbrigido M. Supnet, Leonora Defante Swank, Michael Tidball, John S. Tuason, Olivia Alcantara Tuason, Plato Alcantara Umfrid, Richard Paul, III Vasquez, Nora de Leon Vielbig, Roger Edward Villegas, Remigio C., Jr. Wei, Wellington Cheng Hsiang Weiss, Fred H. Welliver, Gary Evan

Widman, Larry Allen

Yaldua, Ramon

Young, Walter C.

Rafanan, Manuel O.

SUPPLY CORPS Callaghan, James George Glace, Kenneth W., Jr. Kalbfleisch, Larry Leroy JUDGE ADVOCATE GENERAL'S CORPS Dunlan, John Frederick DENTAL CORPS White, Dan R.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 11, 1981:

U.S. SYNTHETIC FUELS CORPORATION

Robert A. G. Monks, of Maine, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 3 years, vice Frank Savage, resigned.

Victor M. Thompson, Jr., of Oklahoma, to

be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 4 years (new position).

C. Howard Wilkins, of Kansas, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 5 years, vice Joseph Lane Kirkland, resigned.

Victor A. Schroeder, of Georgia, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 6 years (new position).

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSION OF REMARKS

THE PROPOSED LEGISLATION WOULD WEAKEN EXISTING FEDERAL GUN CONTROL LAWS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 11, 1981

• MR. McCLORY. Mr. Speaker, last year, I expressed grave concern to my colleagues about proposed legislation which would substantially weaken existing Federal gun control laws in several respects. Such legislation, the Federal Firearms Reform Act (H.R. 3300), has been reintroduced in this Congress, with some changes. For the benefit of my colleagues in their consideration of these proposals, I am submitting today an evaluation of some of the key provisions of H.R. 3300 by the law firm of Wilmer, Cutler, and Pickering:

I. THE BILL WOULD WEAKEN EXISTING CONTROLS ON ILLEGAL TRANSFERS OF FIREARMS

Foremost among the changes are the provisions that would allow any person who meets minimum federal eligibility requirements to purchase a firearm in any state and would allow persons other than federally licensed manufacturers, importers, dealers and collectors to make the transfer, as long as it did not violate the state and local law at the place of residence of the transferee and at the place of transfer. These provisions would eviscerate the current system of ederal controls on illegal trafficking in firearms, would increase the likelihood that criminals and other ineligible persons could own firearms, and would hamper the effective operation of state and local gun control laws.

II. THE BILL WOULD INTERPERE WITH STATE LAWS GOVERNING THE TRANSPORTATION OF FIREARMS WITHIN STATE BORDERS

The bill would establish a new mandatory federal standard governing the transportation of firearms that would require states to allow the transportation of firearms within their borders under conditions inconsistent with the requirements of their own gun control laws. This federal standard represents an intrusion into the rights of states to control illegal and dangerous gun traffic.

III. THE BILL WOULD REDUCE PENALTIES FOR FEDERAL FIREARMS LAW VIOLATORS

Although the asserted purpose of the bill is to strengthen criminal penalties, it would actually reduce, and in some cases eliminate, the additional penalties established under current law for use of a firearm in connection with a felony. In addition, the bill provides a substantial exception to the mandatory penalty section by allowing relief in the event of the use of a firearm for self-defense or to protect another person or property. To the extent use of the firearm is justified for self-defense or to protect another, that justification constitutes a defense to the offense itself and should not be allowed to be raised in connection with sen-

tencing. Moreover, under well-settled law, the use of deadly force to protect property is not justified except when defending one's home; when not justified, it should not be a basis for limiting the criminal penalty.

IV. THE BILL WOULD MAKE IT EASIER FOR CON-VICTED FELONS AND OTHERS TO OBTAIN FIRE-ARMS

The bill weakens the procedure by which persons prohibited from firearm ownership (e.g., convicted felons, fugitives from justice, drug users) may obtain relief from such restrictions. It would have the effect of giving such persons an absolute right to obtain relief from the prohibition unless the Secretary of the Treasury could affirmatively prove that they were a threat to public safety.

V. THE BILL WOULD WEAKEN THE ENFORCEMENT OF FEDERAL FIREARMS CONTROLS

The bill contains many provisions aimed at controlling, either directly or indirectly, the ability of the Bureau of Alcohol, Tobacco and Firearms [BATF] to implement and enforce the federal firearms laws. These provisions would hamper the effective operation of that agency. For example, the bill would prevent the BATF from employing one of its most effective enforcement tools—the routine inspections necessary to determine whether federal licensees are complying with the law.

VI. THE BILL IS PREMISED ON A MISUNDERSTANDING OF THE CONSTITUTION

The preamble to the bill suggests that individual citizens have a constitutional right to keep and bear arms. In fact, the courts have repeatedly concluded that the Second Amendment does not guarantee that right to individuals.

In assessing the consequences of enacting this legislation, one must also consider the compound effect of the various provisions taken as a whole. Thus, for example, the effect of the provisions that weaken existing law governing firearms transfers is compounded by the provisions restricting the ability of the BATF to enforce the remaining standards and further by the provisions restricting the opportunities for the states to step in and ensure that tougher standards apply within their own borders and to their own citizens. Similarly, the effect of the bill's provisions making it easier for criminals to obtain relief from firearms ownership restrictions is magnified by the provisions that increase the likelihood that even those remaining in the prohibited catewill have less difficulty obtaining access to firearms.

I. THE BILL WOULD WEAKEN EXISTING CONTROLS ON ILLEGAL TRANSFERS OF FIREARMS A. Interstate transfers by persons other than Federal licenses

The centerpiece of the current federal system to control illicit trafficking in firearms is the general prohibition against out-of-state firearms purchase by, or sales to, individuals other than federally licensed manufacturers, importers, dealers and collectors. Only federal licensees are permitted to transport firearms in interstate commerce. 18 U.S.C. §§ 922(a) (1)-(2). Individuals may not receive or transport into their home state firearms purchased in another state,

18 U.S.C. § 922(a)(3), nor may an individual or a federal licensee sell to an individual from another state. 18 U.S.C. §§ 922 (a)(5), (b)(3). These prohibitions, which are subject only to certain narrow exceptions, seek to ensure that only persons who have undergone a federal eligibility check through the licensing process and are subject to continuing federal oversight are permitted to purchase and sell firearms outside of their home state.

The bill, assertedly in furtherance of the goal of administrative simplicity, would dismantle this system. It would permit any person meeting minimum federal eligibility standards to purchase a firearm in any state, subject to the requirement that the person could not receive or transport the firearm into his home state if the purchase would violate the state or local law at his place of residence or the place of purchase. § 102(c). Further, it would permit any person to transfer a firearm to a federally eligible person from any other state as long as the transferor did not know or have reasonable grounds to believe it would violate the transferee's state or local law or the law at the place of purchase. § 102(d).

These changes would virtually eliminate federal control over illegal interstate commerce in firearms and would greatly increase the likelihood that persons ineligible under federal or state law could purchase guns. These provisions would also undermine the ability of law enforcement authorities to trace guns used in crimes because interstate transfers between non-licensees would not be subject to recordkeeping requirements of the kind imposed on licensees.

The bill would substitute for existing law a system that is essentially unworkable. It is obviously unrealistic to expect transferors in, for example, California, particularly nonlicensed individuals without comprehensive

knowledge of state and local gun control laws, to know whether a transfer to a Delaware resident violates state and local law in Delaware. Yet they are under no obligation to ascertain whether the transfer is permitted under Delaware law. As long as they do not "know [] or [have] reasonable cause to believe" the transfer is improper, they are free to sell 1 As a practical matter, this suggested provision is unlikely to be enforced effectively, thereby subverting the bill's purpose of having the lawfulness of interstate firearms transfers determined principally by state law.

Moreover, a system that allowed nationwide purchases by individuals who also inhibit effective enforcement of federal firearms eligibility standards. Section 102(f) of the bill prohibits persons from selling to someone they know or have reasonable

¹ Indeed, a major inconsistency in the bill is created by the addition of new section 102(d) in conjunction with the retention of old section 922(b)(2). Under the latter, a licensee is not permitted to sell in violation of the state or local law at the place of transfer unless he knows or has reason to believe the sale is lawful. Section 102(d) undercuts this affirmative obligation to ensure compliance, however, by permitting the licensee (like any other person) to sell unless he has reason to believe the sale is unlawful.

cause to believe does not meet the minimum federal eligibility requirements (i.e., a person convicted of a felony, an illegal alien, etc.). Under current law, where federally licensed dealers, importers, manufacturers and collectors are subject to that standard with respect to sales to persons within their state, there is at least some possibility that the federal licensee may know or have reasonable cause to believe that the person is ineligible. See 18 U.S.C. § 922(d). Under the new proposal, however, where the potential customer can be from any state and the transferor can be a person without any federal responsibilities, the effectiveness of this prohibition is virtually eliminated.

B. The 'lawful" purpose exception

As shown above, the bill permits non-licensed persons to provide a firearm to another person, subject to the requirement that the transferor does not know or have reasonable grounds to believe that the transferee would violate a law in his home state by acquiring the gun. The bill creates an exception to this requirement, however, for the loan or rental of a firearm for temporary use for "lawful" purposes. § 102(d).

The new "lawful purposes" loan provision bears a superficial resemblance to the "lawful sporting purposes" loan provision of existing law. One exception to the present prohibition on out-of-state transfers of firearms to nonlicensees is that a gun may be loaned or rented for "lawful sporting" purposes. 18 U.S.C. §§ 922 (a)(5)(B), (b)(3)(B). This limited exception applies to permit a sportsman to make temporary use of a gun in another state, a type of "transfer" that does not interfere with the purposes of the general prohibition against the interstate transfer of firearms to unlicensed persons.

The new exception for out-of-state loans, however, has no rational purpose in the proposed system where out-of-state transfers are already permitted. The implication of the exception is that a Maryland resident may provide a gun to a Virginia resident even if the transferor knows the recipient is prohibited by either Virginia or Maryland law from such receipt, as long as it is intended to be a temporary loan for a "lawful purpose." Obviously, if someone is properly prohibited by state or local law from receiving a gun, there should not be a broad exception in federal law to permit such receipt, even as a temporary loan.

Even if some exception for loans is desirable the expansion of the exception from "lawful sporting" purposes to "lawful" pur-poses creates a substantial potential for abuse. Congress wisely limited the exceptions in sections 922 (a)(5) and (b)(3) when it passed the original statute in 1968, fearful of the potential abuses that broader exceptions might engender. In contrast to these narrower exceptions, the "lawful purposes" formulation is subject to varying interpretations. For example, it could permit virtually free transfers between persons in the form of "loans" for the avowed purpose of self-defense, regardless of whether such transfers are consistent with state law. There is no legitimate federal interest in allowing an otherwise unlawful loan of a gun to a person

II. THE BILL WOULD INTERFERE WITH STATE LAWS GOVERNING THE TRANSPORTATION OF FIREARMS WITHIN STATE BORDERS

who intends to roam the streets of New York City carrying the gun with the "lawful

purpose" of "protecting" himself and his

fellow citizens.

Another provision of the proposed legislation that could give rise to illegal gun traffic

is the suggested change to 18 U.S.C. § 927. This section now provides that Congress does not intend to preempt state firearms law unless the particular state and federal provisions directly conflict and cannot be reconciled. Section 107 of the bill, however, specifically preempts any state law prohibiting the transfer of an unloaded, inaccessible gun through that state.

Such a provision would clearly fly in the face of the rights of states to limit the gun traffic within their borders. To take a single extreme example, a state may wish to regulate or prevent the shipment through its ports of crates of guns that may be destined for either domestic or international terrorist groups. Such guns could very easily qualify under the proposed legislation as unloaded and inaccessible, yet Congress surely has little interest in insisting that a state provide a staging ground for the shipment of such weapons.

III. THE BILL WOULD REDUCE PENALTIES FOR FIREARMS LAW VIOLATORS

The bill purports to represent an effort to stiffen federal penalties for firearms crimes. In fact, it will have the opposite effect, Under current law anyone who uses a firearm to commit a felony is sentenced to a one- to ten-year term in addition to the punishment for the felony. 18 U.S.C. § 924(c). Section 104(b) of the bill deletes this provision. Moreover, the proposed legislation provides no prison sentence for firearms felonies that are not within the exclusive jurisdiction of the federal courts. Thus, criminals who commit crimes over which both state and federal courts have jurisdiction, such as extortion while using a handgun or using a machine gun during a robbery. would not receive the more severe sentences that current federal law now mandates.

The bill also gives felons a new opportunity to avoid the stiffer sentences associated with firearm use. Under section 104(b) a felon is given the chance to convince the court that he should not receive the increased sentence because he acted to protect property from conduct constituting felony. This notion is seriously flawed. It is settled law that, except in defending one's home, deadly force is not permitted in the defense of property. LaFave & Scott, "Criminal Law" 400-01 (1972). This bill flies in the face of this established principle and would mean, for example, that a person could shoot someone stealing his mail,3 yet seek to pursuade a judge not to impose the increased sentence otherwise mandated by current law. If the felon had lawfully used deadly force to protect person or property, he would have had a valid defense that would have resulted in his acquittal; giving a convicted felon the chance to convince a judge at sentencing of the merit of a defense that failed at trial serves no legitimate purpose.

DR. RANDOLPH L. BRAHAM, AUTHOR OF UNPRECEDENTED HOLOCAUST STUDY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 11, 1981

Mr. LANTOS. Mr. Speaker, the distinguished scholar Randolph L.
 Braham has just published the second volume of his definitive work, "The Politics of Genocide: The Holocaust in Hungary."

Professor Braham, who is chairman of the department of political science at the City College of the City University of New York, has written a gripping and scholarly account of the destruction of Hungarian Jewry by the Nazis and their Hungarian accomplices. His unprecedented study details the ultimate barbarity of the Nazi extermination program in Hungary.

Professor Braham is the author, coauthor or editor of more than 20 books, including the acclaimed threevolume "Hungarian-Jewish Studies." His latest work combines his traditional high level of historical scholarship with a commitment to teaching future generations the meaning of the final solution.

I strongly commend "The Politics of Genocide: The Holocaust in Hungary" to my colleagues, and congratulate Professor Braham for his exemplary achievements.

EASING OF HAZARDOUS EXPORTS STUDIED

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Friday, September 11, 1981

 Mr. MILLER of California. Mr. Speaker, I was shocked to read in yesterday's paper that the Reagan administration is considering the elimination of efforts to notify foreign companies of dangerous products imported from the United States.

Coming on the heels of the outrageous vote by this administration in the United Nations in support of the irresponsible distribution of infant formula to developing nations—the only such vote in the entire General Assembly—the new proposal raises the ugly specter of a total disregard for the health and safety of hundreds of millions of people throughout the world.

This is not an imagined threat. Products which have been determined to be too dangerous for domestic use have been dumped in unsuspecting nations for years with tragic results. In 1976, over 160 million pounds of unregistered pesticides were dumped abroad, and there were reports of 500,000 poi-

² A person committing extortion in the District of Columbia, for example, could be prosecuted under D.C. law, 22 D.C. Code § 2306, or federal law, 18 U.S.C. § 1951. Use of a machine gun during a robbery would be punishable under 22 D.C. Code § 3202 or 18 U.S.C. § 924(c).

³ Pursuant to 18 U.S.C. § 1708 (1976), stealing mail is a felony.

sonings and 5,000 deaths from these pesticides.

There were 2½ million pieces of Tris-treated childrens' sleepwear, 450,000 infant pacifiers, and 400,000 faulty IUD's sold abroad after they were determined to be too dangerous for use in our own country.

Is this administration so desperate for an economic revival that it will rebuild the American economy on the graves of unsuspecting foreign custom-

ers?

Only last week we learned that the National Institute for Occupational Safety and Health has concealed severe occupational hazards from millions of innocent American workers.

Is this administration so single minded that it will reindustrialize our Nation on the unsuspecting American

worker?

It is not too early to begin to ask whether these policies together indicate a shocking disregard for human life by an administration which is all consumed by economics.

[From the Washington Post. Sept. 10, 1981]

Easing of Hazardous Exports Studied

(By Caroline E. Mayer)

The Reagan administration is drafting plans to ease the way for U.S. companies to export hazardous goods that have been banned or restricted in this country.

In a draft policy statement obtained by The Washington Post, high ranking officials at the State and Commerce departments are proposing the elimination of almost all rules that now require manufacturers to notify foreign governments before they ship goods abroad that have been deemed too dangerous for widespread use in the United States.

The types of products and materials that may be affected by the new policy range from such tightly regulated chemicals as PCBs (polychlorinated biphenyls) and chlorofluorocarbons to banned pesticides such as DDT, lindane and endrin. Consumer products that also have been banned, such as children's sleepwear treated with the flame retardant chemical Tris, may also be

According to the draft statement, a policy change is needed because the current preexport notification rules "have placed U.S. exports at a competitive disadvantage."

Noting that the United States is "the only country currently requiring notification of the export of hazardous substances," the draft concludes that such rules should be replaced by a broader information and educa-

tion campaign.

Instead of notifying foreign governments at least once a year when a shipment of banned or restricted goods is to be exported, the Reagan officials propose simply providing "brief summary information" to either foreign governments or international organizations when U.S. Government agencies ban or restrict a product's use, even though that notice may be years before that product is exported to another country.

uct is exported to another country.

"In the long run, international information sharing will have more beneficial results for the U.S. than procedures requiring specific export notifications . . . A unified, international approach will provide a more comprehensive basis for importing nations to make decisions without jeopardizing the competitive position of U.S. exporters."

The proposed policy change may require some amendments to existing laws, according to the draft report.

State and Commerce Department officials, upset that the draft report had become public, cautioned that the policy is only a draft and could be changed before it is sent to President Reagan. Commerce Department officials said they hope to complete the report within a month.

One official involved in writing the report said there was a great deal of internal debate in both agencies over the proposed policy, with several staff members arguing that it does not protect the public's health and safety and the environment.

The two departments themselves are locked in a dispute over just who should be notified about U.S. regulatory actions to

ban a product.

State Department officials argue that they should notify individual governments about each action, while Commerce officials contend that such information should go only to international organizations, such as the United Nations.

Commerce argues that it is not the U.S. Government's role to keep all other foreign governments informed about hazardous products; instead, it is up to the United States merely to furnish the information to an agency so any interested government

would be able to obtain it.

The policy recommendations on hazardous exports was requested by Reagan last
February when he struck down an executive
order issued by President Carter just five
days before he left office. That order sharply restricted the export of products that
either have been banned or whose use has
been restricted in this country. Among
other things, the order would require
anyone exporting such products to obtain
an export license from the Commerce Department before such goods were shipped
abroad.

Despite the revocation, exporters are still required in many cases to notify U.S. Government agencies before they export tightly regulated chemicals, banned products, pesticides that are not registered in the United States and medical devices that do not comply with U.S. standards. In turn, these agencies proceed to notify the officials in the foreign country for which these products are destined, either directly or through the State Department.

"In no case can it be documented under the existing shipment specific notification system that a foreign government has taken specific regulatory action in response to notification of a U.S. export," the draft report says in explaining why the current rules

should be dropped.

LOWER SPENDING EQUALS LOWER INTEREST RATES

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES Friday, September 11, 1981

• Mr. GINGRICH. Mr. Speaker, we in Congress must do something about the interest rates. The current double digit rates will cripple the economy if we do not act immediately.

In the next 5 weeks, we have got to show the American people we recognize their pain, that we are going to do something about it. We must take the

steps necessary to get the prime rate down to 9 percent by next summer.

The benefits of our progrowth approach we successfully argued and voted for earlier this session will be realized—in time. But these benefits will mean nothing to the people if they cannot survive the present interest rates long enough to reach them.

We have four alternative routes we can take to achieve that 9-percent target. First, we can just live with the high interest rates and hope they go away-and hope the economy does not collapse in the meantime. Eisenhower tried this approach in 1958 and suffered the consequences. Second, we can implement wage and price controls. We already know their dismal historical track record. From ancient times to Richard Nixon's, wage and price controls have been tried and have failed. Third, we can pressure the Fed to expand the money supply. We would get lower interest rates in the short run-and higher inflation in the long run.

The fourth prescription—and the one I recommend we follow—is to cut Federal spending further, get the Government out of the money markets and thereby stop crowding out the private sector. The historical record shows that is the way for us to go.

I suggest that instead of stumbling into a big deficit and then figuring out what that means for the prime rate, we ought to instead set a prime rate target first. And then we can set the deficit figure necessary to hit that target. I am suggesting we set a 9-percent prime rate target for the third quarter of next year.

Furthermore, we must turn the debate into a fight between those of us who favor lower spending and lower interest rates and those who want higher spending and higher interest rates. Our aim must be to force those who favor higher spending to stand up and communicate to the American people that they are for higher interest rates.

In the process we can illustrate that Republicans are compassionate, that we have compassion for those Americans who want a better America. Our message must be that, in the long run, compassion for working Americans will strengthen the economy and will thus help the poor far more than compassion for the poor at the expense of working Americans.

So we are faced with a choice. We can approach the upcoming budget cuts fight as an opportunity to show the people we are on their side for lower interest rates and a stronger economy. Or we can approach the battle negatively, and let the liberals label us as the side of higher interest rates and unnecessary budget cuts—while they evade the steps necessary

to solve the American people's prob- me about his community and I will

TRIBUTE TO A NEWSPAPERMAN

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES Friday, September 11, 1981

• Mr. RATCHFORD. Mr. Speaker, it is with great sadness that I rise to report to this body the recent death of fine newspaperman and a rare human being, August L. Loeb.

Al, as he was known to his hundreds of friends, was editor and publisher of the Cheshire Herald, a sophisticated small weekly in my district, when he died suddenly on August 21 at the age of 72. He had guided the Herald for 18 years-a student of people, government, and the arts who never tired of the lessons he learned and conveyed each week in the pages of his paper. Because of Al Loeb, the Herald was, and is, a smart, thorough, highly literate journal-a reflection of the extraordinary qualities of the man in

And because of the Herald, the town of Cheshire was enriched. Its people saw themselves and their neighbors and officials through the eyes of Al and his staff, and they improved for that image. Cheshire, the town he loved, is better for his work-immeasurably better.

Al's career was as diverse as his interests. Before he ran the Herald, he edited and published the Southington News and the Plainville News. Before that, he worked for the Associated Press and the New York Times, and for Forbes magazine-a 40-year career that took him from Shreveport, La., where he worked for the local daily Times, to Connecticut by way of schools and journalism jobs in Pennsylvania and New York, and a stint overseas in the Second World War that had him editing the Italian edition of Yank magazine and writing for Stars and Stripes from Egypt.

Al was a nimble writer and a scholarly editorialist-but he was never dogmatic, never preachy, never pretentious. In a career that sometimes forms calluses and toughens gentle souls, Al Loeb had the unique ability to remain true to a rare humility, an unusual concern for the problems of his fellow inhabitants of this Earth. He had a kindness too seldom seen in the newsroom-or the boardroom or clubhouse.

I spent hours and hours with Al over the years, talking over national poli-

tics, talking about Connecticut, talking the way politicians and newspapermen talk when they know each other well and long. I will miss those conversations with this gifted and gentle man-I will miss what he was able to teach

miss his humor and his friendship. His passing strips my State of yet another public servant, yet another warm and rare human being.

MAGNUSON-MOSS ACT

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Friday, September 11, 1981

• Mr. LEE. Mr. Speaker, in December 1974, Congress passed the Magnuson-Moss Warranty Federal Trade Commission Improvement Act. Section 109(b) of that act directed the Commission to initiate a rulemaking proceeding dealing with warranties and warranty practices in connection with the sale of used motor vehicles.

In response to this mandate, the Commission initiated a rulemaking proceeding in this matter by publishing its proposed rule. As originally proposed in December 1975, the rule would have required a window sticker disclosure on used vehicles offered for sale by a dealer. The original rule would have further required a mandatory inspection of the vehicle, disclosure of inspection results and creation of an express warranty and use of a specified inspection procedure.

Following a review of the Commission's proposal the House Commerce Committee, through its report on 'The Federal Trade Commission Improvements Act of 1979," expressed concern that the proposal was not in compliance with the letter of the law or with the intent of Congress as expressed in the legislative history. The concerns were expressed in greater detail in additional views signed by 21 members of the committee, which briefly restated the intent of Congress regarding section 109(b) of the Magnuson-Moss Act.

A fair and impartial reading of the Magnuson-Moss Act and the legislative history accompanying it would require a clear and concise disclosure that a used motor vehicle was being sold without any warranty, if such was the case, and if a warranty were given, further, disclosure as to the nature, extent, and limitations of such warranty.

The Senate also addressed this question in its companion bill and adopted a provision expressly prohibiting the mandating of inspections and/or warranties

In response to congressional concerns, the Commission altered its rule and on May 16, 1980, the Commission tentatively adopted what was termed an "optional inspection" rule, with only three of the five Commissioners voting for the rule.

Under the "optional inspection" rule, published for technical comments on August 7, 1980, the "Buyers Guide" window sticker contained a requirement for disclosure of any warranty coverage and a list of 14 automotive systems, such as frame and body, engine, electrical system, and the like. The dealer would have been required to check one of the following for each automotive system: "OK," "Not OK" or "We Don't Know."

Notwithstanding some improvement in form, the Commission again failed to comply with the intent of Congress. In response, 51 U.S. Senators, in correspondence to FTC Chairman Pertschuk dated September 25, 1980, expressed grave concerns over the substance and burdensome nature of the rule. Subsequently, additional correspondence from various individual Senators and Congressmen urged the Commission to reject the optional inspection rule.

On April 14, 1981, the Commission met to consider final adoption of an optional inspection rule. Due to the lack of a second to a motion for final adoption, the optional inspection rule was rejected by the Commission.

In place of the rejected rule, however, the Commission on August 14, 1981, issued a final rule in this matter. Despite repeated expressions of concern by both the House and Senate Committees on Commerce, as well as expressions of concern by a number of individual Senators and Congressmen, the Commission once again decided to issue a rule which clearly fails to comply with the congressional intent in this matter.

The Commission did include in its rule a warranty disclosure provision which does comply with the clearly expressed congressional intent. However, it also included provisions which clearly are outside of, and circumvent, the congressional direction given to the Commission. These provisions require dealers to disclose known defective components through a sticker on the window of the vehicle.

My concern regarding this proposal is with the requirement to disclose known defects. First, neither the Magnuson-Moss Act nor the legislative history authorizes the Commission to promulgate any known defect disclosure rule for dealer sales of used motor vehicles. The clear intent of the act is to require warranty disclosure.

Second, the Commission has circumvented the clearly stated congressional intent prohibiting any provision that would directly or indirectly require an inspection of the vehicle. Despite the representations of the Commission that the rule only requires a disclosure of known defects, the direct language of the rule provides that a dealer or his agent or employee has knowledge of a defect if they have "obtained facts or information about the condition of a vehicle which would lead a reasonable person in similar circumstances to believe that the car contained one or more defects as defined in section 455.6 of the rule."

In many cases this puts a dealer back into a position of having to dismantle the vehicle in order to discover the specific defect. For example, if the dealer has a used vehicle that leans to one side when viewed from the front, it is obvious to anyone that a defect exists in the vehicle, but this condition could be caused by a number of different things. It could be caused by any the following defects included within the 52 listed in the rule or by other things such as: spring broken; frame damage; shock broken; wrong tire size; and structural part bent or damaged.

The only possible way for the dealer to know which defect is causing the car to lean is to inspect the vehicle. He cannot just state that the car leans to one side. He must find the precise cause of the defect and list it. If he does not he is subject to a \$10,000 fine.

The Commerce Committee report. through the additional views referred to above, clearly directed the Commission on this point. It stated:

Congress never intended to give the Commission authority under the provisions of Public Law 93-637 or any other provision of law to require inspections of vehicles or to require that any used motor vehicle or any of its components be warranted.

This is without question a case of the Federal Trade Commission totally ignoring the instructions of the Congress and openly circumventing the clearly expressed intent of Congress in this matter.

Therefore, in order to allow Congress to address this issue as provided by law I am introducing a concurrent resolution which would disapprove of the Federal Trade Commission's used car rule. I would encourage my colleagues to review carefully this matter and to support House concurrent resolution.

DENNI HLASATEL NEWSPAPER CELEBRATES 90TH YEAR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 11, 1981

• Mr. DERWINSKI. Mr. Speaker, recently the well-respected newspaper, the Denni Hlasatel, the only daily Czechoslovak newspaper in the free world, commemorated its 90th year of existence. Its leadership in the Czechoslovak-American community and its especially progressive and spirited reporting of the news has made the Denni Hlasatel the largest foreign language daily newspaper in the United States.

On numerous occasions, I have spoken out on the floor of the House, directing attention to the continued suppression that exists in CzechoslovaEXTENSIONS OF REMARKS

kia Throughout their struggle to remove the chains of Soviet oppression, the Czechoslovak people have effectively maintained their nationalistic spirit and religious faith against consistent repression by the Communist Government. This undaunted determination demonstrates their heroic struggle to resist russification.

It is especially appropriate and meaningful that in the United States, the Czechoslovak Americans have demonstrated the same ability to maintain the culture, language, and unique talents of their homeland. The Denni Hlasatel has been a driving force and a great asset in the Czechoslovak community. I am especially pleased to join in commemorating this important milestone and to honor the many contributions that have been made in this country by our Czechoslovak community

I wish Denni Hlasatel many more successful years of reporting the news for our Czechoslovak community and in preserving the heritage and culture of their people. I am hopeful that one day freedom will be restored to their homeland of Czechoslovakia.

In closing, I wish to insert an article which appeared in the Suburban Life newspaper, serving the southwest suburban area of Chicago, telling of the history of the Denni Hlasatel, and in addition a copy of a resolution introduced by Illinois State Representative Judy Barr Topinka in honor of this special commemoration:

DENNI HLASATEL PAPER CELEBRATES 90TH YEAR

(By Ethel Carrako)

Hailed as the largest foreign language daily newspaper in the United States, and the only Czechoslovak daily newspaper in the free world, the Denni Hlasatel (Czechoslovak Daily Herald), now based in Cicero, is currently celebrating its 90th year of exist-

Founded in Chicago in 1891 as a result of a printer's strike which caused the folding of the Chicagske Listy (Chicago reporter) and opened the way for a new paper, the Denni Hlasatel launched its career in offices on Chicago's West Side at the corner of Racine Avenue and 19th Street.

The continued migration of Czechs to the Chicago area assured good readership for the new publication. Several other Czech dailies were started, including the Svornost, but the Hlasatel remained among the lead-

ing publications.

In 1900, a new building designed by architect Frank Randak became the home for the publication at 18th Street and Ashland Avenue. The Hlasatel remained there until March of 1979

The original founding fathers included people from all walks of life. Among them were Dr. Edwin Hare, Frank Sirovatka, Frank Stejskal and Vladimir Spatny Sr., the first president. Their relatives are still actively involved with the paper today. The late Vladimir Spatny Jr. was president during the 1950s.

NOTED SUBSCRIBERS

Over the years the Hlasatel's contributors and subscribers included such noted citizens as Cook County Treasurer John Toman: Gov. Otto Kerner; Chicago Mayor Anton J. Cermak; Cook County House of Corrections director Edward Denemark; Dr. Andrew Toman; and U.S. Rep. Adolf Sabath.

The Denni Hlasatel also operated a radio station

On the occasion of the paper's 50th anniversary in 1941, the directors noted it was a time of "thanksgiving, and we are grateful for the opportunity to be in a free land of democracy where we have the right to freedom of workship and free speech and press. And on this day we have hope that soon the world will be at peace again, where all peoples will be free and able to determine their own destinies as we here in America.

The aim of the Hlasatel today, according to a paper spokesman, is to present the news, but also to propogate a rich Czechoslovak heritage and culture and to assist in the struggle for freedom in communistruled Czechoslovakia, a once prosperous and progressive eastern European nation with a proud history.

State Rep. Judy Baar Topinka (R.,7th) presented a resolution to the House of Representatives, in Springfield which was adopted May 21 calling attention to the paper's modest beginning and its rise to over 100,000 in circulation during the two World Wars.

Its reputation for excellence and outstanding service to the Czechoslovak community is being continued today, the resolution noted, by the dedication and energy of Frantisek Hrala, circulation manager; Martin Podhrazsky, assistant circulation manager, Rose Kucera, advertising manager; Erich Jaksch, managing editor; Vladimir sky, expedition; Dagmar Meixner, Dana Hoffman and Marie Cermak, graphics; and other dedicated members of the staff and board of directors

COPY PRESENTED

A copy of the resolution was presented to the Denni Hlasatel signed by George H. Ryan, speaker of the House, and Anthony J. Leone Jr., clerk of the House.

Members of the board of directors of the paper include Josef Kucera Jr., president; Karel Samal, vice president; Frantisek Hrala, treasurer; Ella Tollefson, secretary, and Antonin Slovacek, Josef Kucera Sr., and Josef Krninsky, board members.

The Denni Hlasatel also publishes a condensed weekly version of the daily paper. Its history and many of its papers are on file in the University of Chicago archives of Czechs and Slovaks abroad.

STATE OF ILLINOIS, EIGHTY-SECOND GENERAL ASSEMBLY, House of Representatives Resolution No. 326—Offered by Representative Topinka

Whereas, May 1, 1981 marked the 90th anniversary of the founding of the Denni Hlasatel (Czechoslovak Daily Herald), the only Czechoslovak daily newspaper in the free world: and

Whereas, Ever since its founding in 1891 as a result of a printer strike which caused the folding of another Czechoslovak newspaper, the Denni Hlasatel, which presently operates out of Cicero, Illinois in the heart of the Czechoslovak community, has been a Chicago institution and a dependable source of information as well as a forum for discussion of issues important to the Czechoslovak community, and

Whereas, The original founders of the newspaper included Dr. Edwin Hare, Frank Sirovatka, Frank Stejskal and Vladimir Spatny Sr., whose relatives are still actively involved with the newspaper; and

Whereas, Although the Denni Hlasatel had a modest beginning, its circulation rose to over 100,000 during the period between the two World Wars and by the late 1960's could be proclaimed the largest foreign language daily newspaper in the United States; and

Whereas, Over the years its contributors and subscribers have included such noted citizens as Governor Otto Kerner, Chicago Mayor Anton Cermak, Cook County Treasurer John Toman, Cook County House of Corrections directors Edward Denemark, Dr. Andrew Toman and Congressman Adolf Sabath; and

Whereas, Besides fulfilling the function of presenting the news, the Denni Hlasatel has been a highly effective instrument for propagating the rich Czechoslovak heritage and culture as well as assisting in the struggle for freedom in the Communist-ruled Czechoslovakia; and

Whereas, Its reputation for excellence and outstanding service to the Czechoslovak community is being continued today by the dedication and energy of the Circulation Manager Frantisek Hrala, Assistant Circulation Manager Martin Podhrazsky, Advertising Manager Rose Kucera, Managing Editor Erich Jaksch, Expedition Manager Vladimir Lasky and the many dedicated members of the staff as well as the members of the board of director; therefore, be it

Resolved, by the House of Representatives of the Eighty-Second General Assembly of the State of Illinois, That we join the friends and supporters of the Denni Hlasatel in celebrating its 90th anniversary; that we congratulate all those who had a role in making this celebration a reality; that we commend the newspaper for 90 years of outstanding service to the Czechoslovak community as well as to the general public; and be it further

Resolved, That a suitable copy of this preamble and resolution be presented to Denni Hlasatel, with the best wishes of the people of Illinois and the members of the House.

Adopted by the House of Representatives on May 21, 1981.

GEORGE H. RYAN,

Speaker of the House.

Anthony J. Leone, Jr.,

Clerk of the House.

DEFICIT SPENDING STEALS MONEY FROM SMALL COMPANIES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Friday. September 11, 1981

• Mr. DANNEMEYER. Mr. Speaker, the latest news reports indicate that the administration's official estimate of the fiscal year 1982 budget deficit may be significantly short of what the deficit is likely to be next year. Even if the administration is correct, the Federal Government will be forced to borrow \$42.5 billion in the Nation's credit markets. If interest rates are higher than presently assumed in the deficit forecast and if economic recovery is slower as a result, the deficit will exceed \$42.5 billion as Federal reve-

nues shrink below the target level and Federal spending increased in economic-sensitive categories. Economists are now not discounting the possibility of an onbudget deficit in the \$60 to \$70 billion range. All of this despite the cuts made through the reconciliation process.

As the debate on the budget deficit continues, let us not lose sight of the reasons for concern over budget deficits. Our preoccupation with the deficit itself, while justified, tends to obscure the real economic impact that the deficit has on the very people we are here to represent. The deficit is not just of interest as an accounting designation or an academic exercise. As the following article outlines, the deficit chokes off money for small businesses. Small business operations are important because they frequently contribute a disproportionately large percentage of new job opportunities and technological innovation. If a huge budget deficit, and the high interest rates which result from Federal borrowing to cover the deficit, choke off small businesses, then they also restrict jobs and productivity. Such a situation cannot be tolerated both for its impact on people directly and because of the adverse economic impact.

The article in question is entitled, "Deficit Spending Steals Money From Small Companies." It appeared in the August 1981 issue of INC. magazine and was written by Robert E. Berney, a professor at Washington State University. The policy prescription to the problem posed by Professor Berney, and a solution which he endorses in the article, is a balanced Federal budget. While I do not agree with every sentence in the article, I commend it to my colleagues for their consideration, at this point in the Record:

DEFICIT SPENDING STEALS MONEY FROM SMALL COMPANIES

Republicans have always paid lip service to the idea that federal budget deficits are inflationary. But what's this new tune the Reagan team is whistling? Deficits are okay, they say, just so long as the Federal Reserve keeps the money supply in check.

Really? Does this mean you can shuck your worries about a growing federal debt? Not if you're a small business owner, Even if the Reagan Administration achieves its basic economic objectives—slower monetary growth, lower spending, lower tax rates, and reduced regulation—an unbalanced federal budget will be bad news for small companies.

The federal deficit during this fiscal year is expected to approach \$55 billion. The deficits in fiscal years '82 and '83 will depend upon how much of the Reagan economic program Congress finally adopts, but the Administration itself has projected a \$45-billion shortfall next year. It could be higher. In any case, the Federal Reserve has just two options, and the first one is clearly inflationary.

The Fed could, as it has done in the past, monetize portions of the debt, which amounts to printing money. The Fed buys government securities held by banks, thus

increasing the banks' cash reserves. The banks use the reserves to create loans, leading to a multiple expansion of the country's money supply. All this would boost inflation, and interest rates would rise along with expectations of still more inflation. You could then expect the Fed to respond with a set of tight money policies similar to those imposed twice in the last two years. If you have any doubt about the effect of tight money to interest rates and on the small business sector, check the increases in bankruptcy filings that followed the Fed's moves in October 1979 and March 1980.

Of course the deficit doesn't have to be monetized. By not making offsetting debt purchases from banks, the Fed can force the government to compete for credit with private borrowers. Who do you think will come off best in that competition?

As conservative economists correctly reminded earlier Democratic administrations, the government will always crowd private borrowers out of a tight credit market. Big companies can still raise capital by issuing stock. Or they can tap the Eurodollar market, insurance companies, trust and pension funds, or commercial credit instruments. Small companies will still have to go to the bank, where interest rates will probably be setting new record highs and where adequate credit supplies probably will not be available at any price.

For small companies, therefore, there is but one basic difference between the two policies. Credit supplies will dry up more quickly if the Fed does not monetize the federal deficit. If it does, they'll still dry up, but not as soon. In either case, the economic effects of the Administration's supply-side policies will be swamped by the size of the federal budget deficit.

The problem could be avoided without dramatically altering Reagan's economic plan. Since cuts in the personal income tax rate are less effective in stimulating additional output than are accelerated depreciation or other business tax cuts, the first cuts in personal tax rates should be delayed at least until January 1982. Then the 30 percent reduction should be spread over five years instead of three. This gradual approach to cutting personal taxes would still generate the incentives to work harder and save more, but it would avoid the problems associated with large budget deficits. In addition, Congress would be under pressure to continue to reduce the size and spending burden of government.

How quickly and how thoroughly supplyside adjustments operate depends upon the competitiveness of the economy. The more dynamic the small business sector, the more dynamic the small business sector, the more rapidly innovations and productivity increases will spread throughout the economy. Small and rapidly growing businesses, however, benefit most from adequate supplies of capital and credit and a rapidly growing, noninflationary, free-market economy. That is why balancing the budget is still as important as reducing regulation, slowing monetary growth, cutting taxes that restrain entrepreneurial activity, and cutting the level of government expenditures.

Republicans should not be so eager to abandon their belief in the value of a balanced budget, now that they have the clout to balance one.

EFFECTS OF HIGH INTEREST RATES

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES Friday, September 11, 1981

• Mr. SWIFT. Mr. Speaker, the loggers in the Northwest have not worked in months. High interest rates stole their jobs.

You see, where I come from timber still makes up a big part of the economy. So when interest rates soar, our people not only hurt in the homebuilding field and in real estate, but it backs up right through the lumber-yards to the mills and into the woods. We get a double and triple whammy.

But the viciousness of high interest rates does not stop with the wood products industry. Everyone is hurting. Savings and Loans, auto dealers, consumers, farmers, everyone.

But especially, the small businessman is being killed. There he sits, the forgotten giant of our economy. While Mr. Volcker of the Federal Reserve tells us we must bear a little pain, that small businessman is in agony. All of them are in difficult times, many are facing bankruptcy. Too many have lost that battle already.

Yet, the small businessman is the backbone of our free enterprise system. He provides more jobs than all of the big businesses combined. He provides our best opportunity for the economic growth our Nation needs. Yet is is being strangled by high inter-

est rates.

If interest rates of 20 percent were something totally out of our control, it would be easier to understand why nothing is done about them. But to a very major degree, interest rates are adjustable by the Federal Reserve. And after years of demonstrating clearly that such a high interest rate policy has not and will not reduce inflation—but, rather, adds to it—the Fed still persists in damaging our economy with that failed and misguided policy.

And where is the President? Awfully silent these days. But we can still hear the echo of his last statement—a ringing endorsement of this policy that seems to say we'll beat inflation by bankrupting America's housing industry, the wood products industry, the automobile industry—dealers and all—and by driving out of the marketplace thousands upon thousands of small businessmen all over America.

It is time for President Reagan to demonstrate his ability to change policy without blinking an eye and sit down with Chairman Volcker and talk as tough to him about high interest rates as he did with Robert Poli about wage increases for the air traffic controllers. The silence from the White House on this issue must end.

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And the Congress cannot sit idly by either. The Federal Reserve Board is an independent agency. It was designed that way, in order to protect it from the whimsy of political influence. But that protection can also be used—abused, in fact—as a defense against commonsense policy being urged upon it by millions of Americans.

Congress can reduce that degree of independence. And if the Fed will not listen to reason we may have to do just that. One would hope we would not be irresponsible and go too far. But some-

thing has to happen.

I do not know where Mr. Volcker was during August. We know where the President was: Isolated on his ranch. Would that both of them had been with us—in our districts—talking to people who are sinking in the quagmire created by the policies of Volcker and enthusiastically supported by the White House. If they had met these people face to face, they might well see the light—and give the American people some relief from this awful, awful policy of slow economic death by suffocation from high interest rates.

DR. GOLDBERG'S REMARKS ON A KEY PROBLEM

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES Friday, September 11, 1981

• Mr. SIMON. Mr. Speaker, this week the Subcommittee on Postsecondary Education which I chair, completed hearings on teacher preparation and retention. It is an issue of prime importance to the future of our Nation, but one which is rarely addressed beyond recent media headlines crying "Public Schools Are Flunking," and "Help! Teachers Cannot Teach."

A veterinarian receives twice the postsecondary schooling as a teacher, and is paid far more than twice as much on the average. My dog is treated by a more highly educated and more highly paid professional than the professionals who teach my children. In Florida, a barber must complete more specialized courses than a candidate for a teaching degree. Our best young people are not attracted to teaching-a profession that is poorly paid, highly stressful, often physically dangerous, and unstable in terms of career growth and retention. It is no wonder students choose to pursue fields of computer science, law, or veterinary medicine when they see the lack of reward and career drawbacks in teaching.

Dr. Milton Goldberg, Acting Director of the National Institute of Education, summed up the problem and possible direction of improving teacher skills and the attractiveness of the

profession of teaching. I am placing Dr. Goldberg's remarks made before the subcommittee in the Record, and commend my colleagues to examine a problem which can effect our Nation for generations to come.

Dr. Goldberg's statement follows:

STATEMENT OF MILTON GOLDBERG, ACTING DIRECTOR, NATIONAL INSTITUTE OF EDUCATION

Mr. Chairman, members of the subcommittee, I am Milton Goldberg, Acting Director of the National Institute of Education, and I appreciate the opportunity to participate in these important hearings on the status of teachers today, including their preparation and retention.

As a teacher and administrator in the public school system in Philadelphia for 25 years, I experience first-hand both the joys and frustrations of teaching, and it is a truism to state that on the shoulders of teachers rest both heavy burdens and great

opportunities.

Yet teachers, the first line in our effort to improve the quality of education in this society, are under attack now as never before. In June of last year, Time magazine's cover read "Help! Teacher Can't Teach." This April's Newsweek focused on teachers in its cover story, "Public Schools are Flunking." And in April, also, the Washington Post published a lengthy piece entitled "Faulty Teaching Fails Children."

It is perhaps, inevitable that the public has come to view the teaching profession and its membership with increasing skepticism and that the crisis of confidence in American education has been laid at the

teacher's door.

Concerns about test score decline, school discipline problems, and the lack of motivation in young people, are frequently attributed to teachers who are often derided as bureaucratic, tenured, union activists, unwilling to discard demonstrably weak practices in favor or promising new techniques.

But before we accept that picture, I think it wise to remind ourselves that each of us probably had the benefit of at least one exceptional teacher during our time in school, and that there are still many outstanding teachers going to extraordinary lengths to motivate classes, often in the face of nearly overwhelming difficulties and frustrations.

I want today to focus upon three con-

A portrait of the average teacher today, including the conditions under which they

Then I want to touch upon what we know about the quality of those now planning on entering the teaching profession as well as those leaving it:

Finally, I want to briefly mention proposals to improve both pre- and in-service teacher education.

THE TEACHER TODAY

Last year, the National Center for Educational Statistics estimated that there are 2,430,000 classroom teachers in our Nation's elementary and secondary schools, with slightly over 10 percent of that total in nonpublic institutions.

Contrary to the popular accounts, they are an extremely hard-working group: elementary school instructors average 44 hours each week, and secondary school teachers, 48 hours, in activities directly related to instruction, that is to say, teaching before a classroom, preparing lesson plans, and correcting homework. In addition, teachers are expected to help monitor lunchrooms,

attend teacher meetings, and lead activities such as chorus and the yearbook.

They are well prepared in terms of academic backgrounds. Sixty-two percent possess the bachelor's degree, and 34 percent the master's degree.

The average teacher today is 37 years old, has been teaching for eight years, and earns \$11,800 on average at the elementary level and \$12,196 at the secondary level for the 9-month school year, Not to put too fine a point on the issue: those are hardly generous salaries for individuals with 5 to 6 years of training beyond high school and 5 to 10 years experience.

Teachers today have a much different job than the one I undertook three decades ago when I stood in front of my first classroom.

I do not want to overstress the differences because the basic teaching function has not changed greatly in the last generation.

That is to say that schools today are organized much as they have always been: age-graded, self-contained classrooms, with individual teachers instructing groups of children. The textbook and the blackboard continue to be the primary technology of teaching, and instruction is still largely teacher-centered and teacher-dominated.

Nevertheless, the environment for teaching has changed in significant ways.

Declining enrollments undercut the job security once offered in the teaching profession. Last week's Washington Post carried a story of the insecurity local teachers experience as they receive annual notices that their contracts may not be renewed for the following year. One eight-year veteran of the Arlington County schools—by all indications, an extremely competent teacher recently elected president of the teacher's association—described the anxiety she experienced with the arrival of this notice each Spring, and stated that she was getting out of teaching.

Additional tasks have been added to both the curriculum and the miscellaneous activities expected of teachers. Not only are they expected to transmit the "traditional" curriculum which most of us encountered, but also to deal with new concerns such as metric education, environmental issues, drug and alcohol abuse, and other new problems in society. Moreover, these demands come on top of more severe requirements in terms of additional paperwork and increased assessment and evaluation of students.

Schools mirror society and the crisis of authority in our homes and communities has its counterpart in the schools. According to NIE's Safe Schools, Violent Schools, each month one out of four teachers is either threatened, assaulted, or robbed in the school. When I started teaching, the teacher's authority in the classroom, with few exceptions, was unquestioned. Today, it is openly questioned by students who regularly challenge, defy, or ignore it.

The school population has changed in ways that most of us would agree is for the better, in terms of increased diversity. Nevertheless, the traditional teaching force has been poorly trained to cope with changes such as those required by desegregation, mainstreaming of handicapped children, and the addition of new groups of children, and the addition of new groups of children, students who were earlier suspended or expelled—discipline problems, or pregnant teenagers—now assert their rights to continue to receive services from the public schools, and quite rightly, they are receiving

Mr. Chairman, I cite these statistics on what we know about the typical teachers, and the conditions under which they perform their task, not because there is anything startling or novel about this information. Most of us are vaguely aware of the changes in the condition of teaching, as well as the fact that teacher's salaries are not, on average, what they might be, and that there is a middle-aged bulge in the teaching profession.

I cite them because I have been asked to discuss the quality of those planning on entering teaching as well as those who are leaving it. On both sides of that equation there is some disquieting news: on average, those entering are not terribly promising, and those leaving it are amongst the best in the profession. But I want to suggest that the fault may lie not in the profession, but in the rewards available to those in it.

The salary averages I quoted at the outset are certainly not an incentive to enter teaching, much less stay in it.

The psychological satisfaction a teacher enjoyed as a respected member of the community, whose voice was unchallenged in the classroom, is simply a thing of the past.

Job prospects do not encourage young high school graduates to aspire to be teachers, and even established teachers worry each Spring about the prospects for the following year. It may be true that none of us can expect much in the way of job security these days. But I believe the point I am trying to make still possesses some merit: job security was once one of the advantages of teaching: it no longer is.

THE ASPIRING TEACHER

Mr. Chairman, the evidence of NIE has collected in the last year on the quality of those entering and planning to enter teaching is sobering. Put briefly, the academic ability of education majors is both low and declining, and teaching appears to be attracting the least academically able students.

To take, first, those high school graduates planning to major education as undergraduates:

Between 1972 and 1980, average verbal scores on the Scholastic Aptitude Test (SAT) among entering education majors, declined from 418 to 339; average SAT math scores fell from 449 to 418—both declines steeper than the average drop of 20 points in both verbal and math scores experienced overall by all majors;

Of 19 fields of study for entering college freshmen analyzed by the American College Testing Service (which provides a testing service similar to the SAT) education was tied for 17th place in math scores and 14th place in English scores;

A National Longitudinal Study sample of graduating high school seniors in the class to 1976 indicates that prospective education majors were 14th out of 16 fields of study in SAT verbal scores, and 15th out of 16 in mathematics.

The picture is equally bleak at the end of four undergraduate years;

Verbal and nonverbal scores on the Graduate Record Examination have declined significantly since 1970:

Scores on the Educational Testing Service's National Teacher Examination—an eight hour test of general knowledge, specific subject matter, and teaching techniques—declined between 1970 and 1975; and

In 1975, Graduate Record Examination results for education majors were lower than those of eight other professional fields compared.

Mr. Chairman, before I turn my attention to the evidence we have on the quality of those leaving teaching, I do want to make the point that a large part, if not all, of the decline in the quality of those high school seniors planning on entering teaching can be accounted for by distinguishing between male and female high school graduates.

Most of the decline is found among the young women planning on entering teaching. That does not mean that the SAT results of women, in general, have declined precipitously; what it does mean is that talented young women who used to plan on entering teaching are now turning increasingly to other fields in which opportunities have opened up to them in the past decade: law, medicine, business, and the sciences. To put it another way: academically-able young women who once contributed to raising the average scores of entering education majors are now entering other fields.

TEACHER DROPOUTS

The evidence we have available on the quality of those leaving teaching is very slim, but it does seem to indicate that the teaching profession is losing some of its most capable members.

We have available only one recent study examining the quality of those leaving teaching.

A recent study examined the attrition rates of all North Carolina teachers between 1973 and 1980. On average, the findings were the following: (1) only one-half of those who had started teaching 7 years before were still teaching in 1980; and (2) two-thirds of those in the bottom 10 percent of the NTE test were still teaching after 7 years, compared with only one-third of those in the top ten percent. With regard to the second finding, the results were remarkably consistent: regardless of race or sex, the higher the NTE score when the teacher began teaching, the less likely that teacher was to be in the classroom seven years later.

You might well ask where these classroom teachers are going. I suspect that many of term are following the traditional route of teachers out of the classroom, that is, they are going into administration at the school and school district level.

But in the last 15 to 20 years, new opportunities have also opened up for teachers: the transition to community college instruction is relatively easy for highly academically-trained secondary school teachers, careers are available in administration of colleges and universities, research and development centers, and in service and sales occupations in the private sector.

In addition, the corporate world is attractive to teachers trained in mathematics and science and may in part account for the severe shortage of such teachers at the secondary school level.

OTHER ISSUES

Before suggesting some possible remedies for the problems I have been outlining, I do want to mention a few other teacher workforce issues that appear significant.

First, although there is a general oversupply of teachers, that is not true in all areas and all fields.

Communities in the West and Southwest witnessing burgeoning growth as a result of oil and energy development, are experiencing serious teacher shortages in all subjects.

Second, school districts find certain teachers almost impossible to hire: mathematicians, scientists, bilingual teachers, and experts in certain areas of special education.

Third, today's oversupply may well turn to a shortage in ten years as the result of a decline in the past decade in the number of students completing teacher education programs; over the last ten years the numbers of education majors completing college has fallen by 50 percent.

Fourth, because fewer new teachers are being trained, and even fewer are able to find jobs, our teaching force is aging, with the result that it is more expensive since teachers are tenured and at the top of the

salary scale.

Finally, I want to point out that those districts most in need of excellent teachers are having the hardest time finding them. Urban areas, with the highest concentrations of low income, disadvantaged youngsters, find that teachers are transferring out of their schools, because suburban schools are able to offer better salaries and working conditions.

NEW DIRECTIONS

Mr. Chairman, it seems to me that there are two issues in this entire situation of concern to the teaching profession and those interested in improving it. The first has to do with the preparation and training of teachers in their undergraduate and graduate programs-what professionals in this field call pre-service training. The second has to do with the continuous upgrading and renewal of the skills of the 2.4 million

teachers already in the classroom.

With regard to pre-service training, the issues involved here, including the qualifications of those entering schools of education, the quality of the training provided to them, and their certification as competent to teach in the classroom, are almost entirely issues in the hands of the institutions themselves, or of state and local educational agencies and national accrediting bodies.

State leaders, deans of colleges of education, and professionals concerned with the quality of teacher preparation, have suggested a number of ways to which teacher education and credentialing might be improved ranging from requiring successful passage of entry-level qualifying examinations, to completing a one-year internship for the new teacher, similar to the training a physician receives, in effect, adding an additional year to the aspiring teacher's training. Entry level examinations involve testing either before students receive their degree, or before they are hired. Two types of tests are frequently suggested: (1) tests of basic subject matter competence; e.g., mathematics; (2) tests of skill in teaching. At least 15 states now require some form of teacher competency testing and six of those require the National Teachers Examination.

With respect to such tests, it does not seem to me unreasonable to expect new teachers to demonstrate mastery of the subject-matter they are expected to teach. In the past two years, two widely reported examinations of teachers in Texas caused

great public concern.

Half of a sample of first-year teachers in Dallas failed a test of verbal ability, and half of Houston's teacher applicants scored lower than the average high school junior in mathematics.

I am not, however, convinced that we know what skills to look for in a prospective teacher, much less how to test for them.

Perhaps one of the most promising developments in pre-service education today is teacher education institutions and schools both realize that they must do a better job in training teachers, We are, therefore, seeing more and more instances

of school districts and schools of education cooperatively planning undergraduate courses of study including practical experience in classrooms, so that beginning teachers can be better prepared for the day-today problems they will experience as they begin their careers.

Turning to the nearly two and one-half million teachers already in our classrooms, there is a great deal that can be done with

in-service education.

I am well aware that many teachers look upon in-service programs with ill-disguised contempt. Such programs have been, frequently, served up with little sensitivity to what teachers needed, or to the real problems and issues facing them in their schools and classrooms.

Nevertheless, new possibilities for staff development have recently been opened up by a body of research published in the last year or two, and I want to take just a moment to

explain its significance.

The research has been supported at NIE on the two general questions of "what makes an effective school?" and "what constitutes effective teaching?" The results of these two lines of inquiry run along similar lines and I want to concentrate on the characteristics of effective teaching. To summarize these findings, which may appear annoyingly self-evident, they are the follow-

Keep the students enagaged in academic

tasks;
Use highly structured questions in order to elicit a relatively high rate of correct answers from students;

Provide immediate, academically oriented feedback to students, encouraging correct answers and exploring incorrect ones

Accurately diagnose student skill levels, monitor student performance with frequent assessments, and individualize these assessments:

Expect that students will do well and let them know of those expectations

I want to take just the first of those characteristics-keep the students engaged in academic tasks-because as obvious as it appears, we don't seem to be doing it very well in our schools.

We have been supporting a major multivear study in California for the California Teacher Licensing Commission which began as an effort to identify desirable teacher characteristics so that the Commission, at whose request the study began, could look for those characteristics in new teachers.

It quickly became apparent that teacher behaviors in the classroom varied so widely that the search for desirable characteristics should be abandoned in favor of simply trying to describe what the typical teacher actually does.

A finding emerged which so surprises most teachers that they initially refuse to believe it: it is possible for one student to receive five times as much instruction as another in topics such as reading comprehension even though both are in the same school, at the same grade level, and supposedly, following the same curriculum.

How does this come about? First, only about 50 to 60 percent of the limited time available in a school day is devoted to academic subjects, reading, social studies, mathematics and science. The rest, in elementary schools, is devoted to music and art, storytelling, and sharing, along with lunch, recess, classroom changes and so on.

Of the time available for academic subjects, individual teachers vary enormously in the amount of that time actually engaged in academic work. Taking roll, moving from one activity in the same class to another, getting out books, preventing students from talking and day dreaming-all of these things eat into the few minutes available to the teacher. Good teachers keep students engaged; the less successful teachers are busy coping with disruptions.

This study found that some 5th grade students receive, over the course of an academic year, 5,000 minutes of instruction in reading comprehension, compared with other classes, supposedly following the same texts and curriculum, receiving less than 1,000.

The practical significance of this is that it is relatively straightfoward to provide training so that teachers actually devote more time in the classroom to academic work than they had previously.

We have now in hand four studies which compared the achievement of students in two kinds of classes: (1) classes with teachers who received training in how to increase academic learning time; and (2) classes with teachers who did not receive the training.

In all four, teachers with the training increased the amount of engaged learning time for their students and student achievement increased.

In another staff development exercise, the Austin, Texas school district, knowing of the results of this academic time on task research, verified that the California experience was also true in Austin. After overcoming widespread disbelief on the part of the faculty regarding the accuracy of the findings, the District mounted a district-wide program to help schools and teachers increase the amount of time actually allocated for learning as well as the amount of engaged learning time.

Both the enagaged learning time and student achievement increased. The Austin schools estimate they have added \$4 million worth of instructional time for Austin's Title I children without spending one additional dollar or lengthening the school day.

To conclude, Mr. Chairman, it seems to me clear that teachers are now facing a more difficult assignment than at any time before in the history of our schools. And I think we are properly concerned about the quality of those planning on entering the teaching force.

But I also believe that the most important issue facing us today with respect to the teaching force is the question of improving and maintaining the skills of the millions of men and women already in our schools

That may involve upgrading their skills in specific subjects such as science and mathematics which are changing rapidly.

It may also require specialized efforts to ensure that teachers are acquainted with new technologies which are likely to play a greater role in education in the years ahead. Quite evidently, they are destined to play a greater role in our society.

But I also like to think that organizations such as the National Institute of Education can play a significant role to encourage teachers to make the most of what they have in time and material for teaching.

For I am convinced that the time on task research, and the practical training activities which have been developed from it, have the potential to significantly increase the quality of education in our schools and ultimately the satisfaction teachers derive from their jobs as well as the respect they receive in the community.

I will be pleased to answer any questions you might have.

SAUDI ARMS PACKAGE MUST BE BLOCKED

HON. JONATHAN BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Friday, September 11, 1981

• Mr. BINGHAM. Mr. Speaker, I testified this afternoon before the Subcommittee on Foreign Operations of the House Appropriations Committee, chaired by the Honorable CLARENCE Long, in opposition to the proposed sale of \$8.5 billion in airplanes, radar, and equipment to Saudi Arabia. As this issue will be the center of controversy for the next 6 weeks, I thought other Members might be interested in my remarks:

STATEMENT BY THE HONORABLE JONATHAN BINGHAM

Mr. Chairman, thank you for this opportunity to testify before this subcommittee on the proposed sale of airborne and ground radar, fighter airplane equipment and tankers to Saudi Arabia. I compliment you on the speed with which you have arranged this hearing, underlining the urgency and seriousness of the issues involved in this \$8.5 billion sale of some of the free world's most sophisticated military equipment.

I share your opposition to this sale and am proud to have cosponsored your resolution of disapproval which demonstrated the strength of the opposition in Congress. only wish the administration had heeded this warning.

In this testimony, let me make just a few

brief points:

(1) The proposed sales constitute a major threat to Israel. The Israelis have time and again demonstrated their courage and their willingness to take on all comers in the Arab world in the face of overwhelming numerical odds. So when the Israeli defense experts say that the F-15s beefed up with additional fuel capacity and improved Sidewinder missiles and the five super-sophisticated AWACS planes would constitute a major threat to their security we ought to pay attention to them. Given the Saudis implacable hostility to Israel, their commitment of forces on the Arab side in 3 of the last 4 wars against Israel, and their active opposition to the peace process begun between Israel and Egypt, the alarms being sounded in Jerusalem over this sale are understandable. Israel is clearly and indubitably our closest and most precious ally in the Middle East, and we ought not to countenance a grave threat to its security without overwhelming reasons to the contrary. Are there such overwhelming reasons in this

(2) The military justification for the sales weak. The Administration has simply failed to make a convincing case that the beefed up F-15s and the AWACS planes are essential to Saudi Arabia's security from external threats. In the first place, it is never clear from the Administration's presentation just what kind of an external threat is being talked about. There are vague references to Iraq, Iran and South Yemen as potential attackers, but no discussion of the likelihood of such attack or the reality of any such danger. Underneath there always the implication that the Saudis need the new planes as a deterrent against Soviet aggression, but again there is no attempt to discuss the reality of the situation: the fact that the risk of global conflict operates as an infinitely more powerful deterrent to the Soviets than the addition of some capacity to the Royal Saudi Air Force, and the fact that there is no way the Saudi forces could be strengthened to the point where they could cope with a Soviet attack

The Administration's briefing book in support of the sales is full of weaknesses and contradictions. For example, the AWACS planes are said to be needed to protect oil installations along the Persian Gulf from air attack because conventional ground radars can't give enough warning time. No mention is made of the fact that the 62 F-15s we have already agreed to supply to the Royal Saudi Air Force will be equipped with superb "look-down" radars of their own with a range of 100 miles. And the administration's own briefing books claim only a 150 mile range for the AWACS against lowflying aircraft, which hardly seems to warrant an expenditure by the Saudis of \$5.8 billion for the AWACS radar. Again, the Administration dismisses Israel's fears by claiming the Saudis would be foolish to deploy the new planes against so superior a

lieve that they will be deployed against possible Soviet threats in the region. This kind be of logical inconsistency can found throughout the case being made for this sale. The command, control and communications capabilities of the AWACS are praised when discussing imagined threats from Iraq. Iran or Yemen but pooh-poohed

foe as Israel, yet they would also have us be-

when discussing Israel's concerns.

The real justification for these proposed sales is political: the Saudis insist. Saudi Arabia is important to us, for a number of reasons; there is no question about that. But does that mean that we have to say yes to whatever fancy modern weapons and facilities the Saudis decide they would like to have? What if they were to ask to buy a nuclear aircraft carrier, fully equipped with aircraft and accompanied by the necessary escort vessels, and made the purchase a matter of pride and a test of our friendship? Would we have to say yes?

To ask the question is to answer it. The United States has every right to interpose its own judgment as to the types of military sales to Saudi Arabia that make military sense and do not pose a serious threat to our

closest ally in the region.

(4) The proposed sale puts some of our most sophisticated aircraft and equipment at risk of Soviet acquisition. probably hope these sales go through, providing them with opportunities for getting their hands on our top of the line hardware and computer technology. After our disastrous experience with Iran, I don't see how anyone can be confident that the security of this sensitive equipment is assured. Saudi Arabia is a feudal monarchy lurching into the 20th Century and undergoing tremendous economic, social and political strains. Its economy depends on huge numbers of foreign laborers, including tens of thouof Palestinians, whose lovalties cannot be assumed to mirror the pro-western views of the royal family. The stability of this sprawling sheikdom is an open question, and the tens of billions being spent on military bases and hardware will not help in the short or long run.

is wishful thinking to suppose that arms sales of this magnitude and sophistication will serve to moderate Saudi Arabia's policies or ensure her security and stability.

(5) The Congress is duty-bound to exercise its own judgment in this matter and not simply rubber-stamp the President's decision. Recently in the Washington Post the distinguished former counsel to the President, Lloyd N. Cutler argued that the whole procedure of Congressional vetoes is improper, and that, particularly in a case such as the AWACS sale, the Congress should not undertake to overrule a Presidential decision

While I have the greatest respect for Mr. Cutler, I would suggest that his point of view reflects his recent service as a close adviser to a President.

In effect what Mr. Cutler is saying is that the President's decisions in the field of foreign policy should be automatically supported by the Congress. Not many Members of Congress would agree with that. Every argument Mr. Cutler makes for letting the President have his way could be made with equal validity for ratification of every negotiated treaty or for providing the funds to support a program of military or economic assistance that a President has agreed to.

A little background as to the present Congressional veto procedure may be in order. In 1973 a number of us in the Congress became concerned that the control the Congress had been able to exercise over military assistance programs through the authorization and appropriation process was being eroded by President Nixon through increasing use of the FMS, or foreign military Accordingly, Senator procedure. Nelson proposed in the Senate and I proposed in the House an amendment to the Arms Export Control Act, which would give the Congress a degree of control over large and significant military sales. The amendment was adopted as Sec. 32B and the amended Act was signed into law by the President on December 30, 1974.

As a result of this procedure being in place, Executive Branch consultation with the Congress on proposed arms sales has been much closer than would otherwise have been the case and the character of some sales, notably the sale of advanced Hawk missiles to Jordan in 1975, was modified to meet strong Congressional objec-

In the case before us, the Administration, in the face of known widespread opposition to the AWACS sale, as well as to the additions to the F-15s, the Administration has stubbornly gone ahead.

If the 32B procedure is to have any meaning and if Congress is not to be simply a rubber stamp for the President in matters of this kind, members of the Congress must vote as they believe the national interest demands.

The Administration's attitude may be summed up in the phrase "Poppa knows best"—and Mr. Cuter appears to support that point of view, regardless of who the President is, and perhaps that is natural for one who has served in the White House.

What is more surprising, for a person of Lloyd Cutler's sophistication and discernment, is his effort to dismiss the AWACS deal as the sale of just "five aircraft", as if it were a routine matter. Obviously, these are not run-of-the-mill aircraft. For their significance to the military equation in the Middle East, I submit we have to listen to the Israeli defense experts who insist that the proposed sales pose a grave danger to Israel's security. True, the Saudis insist the aircraft are not intended to be used against Israel, but in the world of the military it is not intentions, but capability that counts.

HIGH INTEREST RATES

HON, ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 11, 1981

• Mr. DYSON. Mr. Speaker, high interest rates are crippling the U.S. economy. News reports are constantly pointing to the difficulties encountered by all segments of the population due to the pressures of interest rates. In the first three quarters of 1981 over 10,000 businesses have failed and closed their doors—a 41-percent increase over 1980 figures. Housing starts are far below normal. Estimates of new home construction are expected to reach only 1.1 million this year.

Deficit spending is a major cause of inflation. Government borrowing is a major cause of high interest rates. In Maryland, those interest rates, reflected in above average mortgage rates, are crippling housing markets. The dreams of the First District's future homeowners have been shattered because interest rates have eliminated that possibility.

Mr. Speaker, I am an ardent advocate of a balanced budget. I also am very aware of the necessity of the tax cut we enacted in late July. Even so, with interest rates remaining at their current level, businesses in the First District are suffering severely.

This past week the Coastal Board of Realtors sponsored Interest Rate Crisis Week. During this week I have received hundreds of letters and telephone calls requesting that immediate action be taken to ease interest rates. The First District is very conscious of damage being done by high interest

In closing, I would like to submit a letter from Mr. R. Hursey Porter, Jr., president of the Maryland Association of Realtors, Inc., and a factsheet on the value of the all-savers certificate to the housing markets.

MARYLAND ASSOCIATION OF REALTORS, INC., September 9, 1981.

Hon. Roy Dyson, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN DYSON: In order to bring down mortgage interest rates it is crucial that you adhere to the commitment of your First Concurrent Budget Resolution to hold 1982 budget spending to no more than \$695 billion and a deficit of no more than \$38 billion.

We urge you to take appropriate action in the coming weeks as the Congress completes its actions on the Second Concurrent Budget Resolution and the major appropriations bills.

We are also concerned with the actions of the Federal Reserved Board in tightening the money supply excessively. We urge you to encourage the Fed to ease the overly re-

EXTENSIONS OF REMARKS

strictive actions which are crippling the interest-sensitive housing market.

Respectfully,

R. HURSEY PORTER, Jr., President.

NATIONAL ASSOCIATION OF REALTORS

On August 13, 1981, President Ronald Reagan signed into law the tax bill.

It has many provisions which affect the real estate industry but in the short term one component stands out as having the widest effects and that is the All Savers Certificate.

On October 1, 1981, savings and loans, mutual savings banks, credit unions and various other depository institutions will be authorized to issue the certificates, referred to by some as the tax exempt savers certificate.

The one-year certificate can be sold between October 1 this year and December 31, 1982. Purchasers will be able to exclude up to \$1,000 in interest on an individual's tax return, and \$2,000 on a joint return.

Interest rates would be up to 70 percent of the yield rate on the latest auction of 52week Treasury Bills (at recent rates a certificate could bear 10 to 11 percent interest).

When Congress gave its approval to the All Savers proposal, it specifically required that 75 percent of the net proceeds of the deposited funds would go for residential mortgages and agricultural loans.

During the first full year of the certificate's use it is anticipated that gross flows could be \$170 billion, but some of these funds would be transfers from other accounts within the depository institutions. However, net new inflow could exceed \$35 billion, about one-third of new mortgage funds needed in 1982.

Fact—Housing has borne the brunt of poor federal fiscal and economic policy: high deficit spending and excessively slow money growth.

Fact—Residential housing has declined both in new production and total sales to a point where the shelter needs of new families is in jeopardy. Shortages are already evident which will cause housing inflation in the future.

Fact—Existing single-family home sales have declined 47 percent in two years, making it the largest and longest drop in our lifetime.

Fact—Mortgage interest rates are currently 16 to 17 percent, creating an affordability problem for million of Americans making it impossible for most people to be eligible for their first home and making it unattractive for current homeowners to leave the lower interest of their currently inadequate home.

Fact—Savings outflows at all thrifts and mutual savings banks surpassed deposits by \$11 billion in the last six months.

Fact—The Congress has cleared the way for depository institutions to help themselves, to assist savers and to make more affordable mortgage funds available.

Fact—There is a 15-month period for issuing these certificates and any attempts to extend the certificates will be measured by our industry on the strength of its use in the manner mandated by the Congress.

It is essential that local depository insitutions make available these certificates of deposit and do so promptly. Congress intends that 75 percent of the net proceeds from the certificates be earmarked for residential mortgages and agricultural loans.

It is imperative that they active by market the certificates, make available additional mortgage funds and fully take advantage of

the lower cost money by offering the mortgage funds at reduced rates.

Savings and loans and other depository institutions issuing the certificates will be obtaining funds at a cost to them which will enable issuance of mortgage loans 2 to 3 percentage points below current market levels, and still improve their profitability.

Government officials actions needed are:
(1) The Federal Home Loan Bank Board must take swift action to implement the full authority of the bill in the spirit in which it was passed by the Congress and approved by the President.

(2) The Federal Reserve Board, the Comptroller of the Currency and the National Credit Union administration should likewise act to assure prompt and full utilization of the authority.

(3) All key public officials should identify the importance of the utilization of the certificates to help both the troubled savings and housing industries and as a way to save with safety at an attractive yield. This should include the President, Governors, Mayor and county officials.

THE UNITED STATES OLYMPIC DEVELOPMENT FUND CHECK-OFF ACT

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 11, 1981

• Mr. FIELDS. Mr. Speaker, it is with great pleasure that I introduce the United States Olympic Development Fund Checkoff Act of 1981.

As the 1984 Olympics approach, the U.S. Olympic Committee has found it increasingly difficult to raise the necessary funds to train American athletes.

In a recent letter, the executive director of the U.S. Olympic Committee, F. Don Miller, wrote that:

As a result of our nonparticipation in the 1980 Olympic games in Moscow, public contributions were severely curtailed, leaving us with a deficit of nearly \$1.5 million. This, coupled with the increased budgetary requirements necessary to field what we know will be the best Olympic team in our history for the 1984 games in Los Angeles, requires that every effort must be made to seek new sources of income.

While several of our colleagues have suggested the minting and selling of, special commemorative coins, I believe a more direct and efficient approach would be to allow taxpayers to check off, on their yearly tax form, a \$1 or \$2 contribution to the U.S. Olympic Committee.

By giving taxpayers this opportunity, the U.S. Olympic Committee would receive vital financial support to supplement its traditional sources of income.

At the same time, the cost to the Federal Government would be minimal. For, according to the Treasury Department, the current checkoff system for Presidential campaigns has resulted in an increase in neither the

Department's processing time nor administrative costs.

What has resulted, however, is over 25 million taxpayers, in 1979 alone, choosing to contribute a total of \$38.8 million to the Presidential campaign fund. In fact, since the checkoff program was initiated in 1972, \$246 million has been donated to the fund.

I would like to duplicate that kind of success for our Olympic Committee so American Olympic teams can make us all proud to be Americans.

Unfortunately, the financial burden has become too great on those individuals who finance our future Olympic stars. While as a nation we have learned to expect excellence from our Olympic athletes; the realities are that training, travel, and other expenses have become prohibitive.

For instance, such costs for a competitive swimmer may total \$3,000 a year. For an individual gymnast, these costs may run as high as \$10,000 annually, and a world class figure skater may require as much as \$15,000 to \$20,000 a year in order to train properly. Because of these ever-increasing costs, many potential Olympians are given three difficult choices: To undergo and make due with inferior, but more affordable, training; to spend their own and friends' and families' money for their training; or to watch the Olympics on television from their homes.

Clearly, if we desire to continue to excel in Olympic competition, we must give the American people this opportunity to contribute to the U.S. Olympic Committee through the use of this checkoff plan.

Mr. Speaker, as a child growing up in Texas, I remember vividly watching television coverage of past Olympics and feeling a deep sense of pride from those magic moments when our national anthem was played to commemorate achievements of our athletes.

Who can ever forget that memorable moment at Lake Placid when our underrated hockey team defeated the highly favored Soviet team, thereby reinstilling universal pride and patriotism among our people?

Mr. Speaker, I fear that these magic moments may be threatened in the future unless we get the American public actively involved in the Olympic program.

I believe one way we can do this is to give Americans an opportunity to give of themselves to these dedicated young men and women who represent us at the Olympics. This is indeed a painless way to demonstrate our support for their many long hours of lonely preparation for international competition.

I urge the adoption of this most important legislation.

Thank you, Mr. Speaker.

DEFENSE SPENDING

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 11, 1984

 Mr. STARK. Mr. Speaker, during our August recess an editorial appeared in the Oakland Tribune that I would like to share with my colleagues.

When President Reagan took office he began cutting the budget with a vengeance. He slashed funding, eliminated programs, and "reduced waste," all in the name of a balanced budget. We have yet to see that balanced budget, and now Mr. Reagan is being forced to consider cuts in an area that has, up until now, remained sacrosanct—the defense budget.

But thus far the President has approached his budget cutting with his eyes closed. No one has ever seen, or been able to piece together, a clear-cut plan. Programs were cut with no regard to their importance, or the impact their reductions might have. There was never a game plan.

And now we will be asked to cut the defense budget the same way—arbitrarily. The administration has not studied our needs, in war or in peacetime. We are going ahead with the production of a missile that we cannot even decide where to locate.

I am tired of being asked to back programs or budget cuts with no sense of the impact my actions may have. It is like removing a healthy organ with no regard as to its need or the impact its elimination may have.

Americans must be told where we are going, and why. It is fine for our symbol of justice to be blindfolded, but I would prefer our President was not.

Spending No Guarantee of Security (By Tom Wicker)

New York.—The Reagan administration's difficulty in deciding what to do about the MX missile is symptomatic of a larger problem—that a decision has been made to spend hundreds of billions of dollars in a vast military buildup without a comprehensive study of what the money is most needed for, and how best to meet those needs.

Close examination of the MX apparently suggests, even to this military-minded administration that its high cost will not buy much, if any, additional security. Similarly, unless all those other billions—a 7 percent increase in military spending in each of the next five years—are specifically targeted upon real needs, they may not add as much security as the dizzying numbers suggest.

Spending does not, in short, necessarily produce security. And before the administration gets too far into the former, it needs a clearer idea of what constitutes the latter. Here, for example, are some of the critical problems confronting Mr. Reagan and Secretary Weinberger, decisions on which will profoundly affect both spending and securi-

Whether to develop, modify or abandon the MX missile, or to blend it and Trident II into a "common" missile, and how to base and launch any new missile. At root, this is a question whether ANY new land-based missile is needed.

Whether a given decision on the missile question would require development of an anti-ballistic missile defense system and, if so, whether abrogating the ABM treaty with the Soviets and forcing them into an ABM program would add or subtract from national security.

national security.

How to proceed on modernizing the allied missile force in Europe in the face of growing political opposition there and European insistence on including the subject in a new round of arms control talks with the Soviet Union.

Whether overall arms control talks should wait on a specific level of military strength or be an intergral part of a continuing search for added security, through negotitation as well as arming.

When and if to deploy in Europe the neutron warhead just ordered into production. How does that decision affect the theater missile question? Is the neutron possibly to be used elsewhere?

What to do about a new manned bomber—the old B-1, the new Stealth, both, or something else? And what about "Big Bird," the proposed airbrone alternative to a landbased MX?

With money appropriated for nine Trident submarines, are more needed?

Note that these are primarily weapons questions, not touching on such matters as the volunteer force vs. conscription, or to what degree military spending decisions ought to be influenced by budgetary questions and the nation's economic health, or how military developments serve foreign policy objectives.

It's no reflection on the Reagan administration to suggest that such complex matters almost demand calm and judicious appraisal by relatively disinterested but authoritative persons, capable of seeing the whole problem as well as its individual parts. For that purpose, Reagan might well serve the nation's security and foreign policy interests and his own budget problems by appointing a bipartisan study commission, composed of former service chiefs, former secretaries of defense and perhaps others who command respect on military matters.

General Maxwell D. Taylor, formerly Army chief of staff and chairman of the joint chiefs, has proposed a similar study—not necessarly by a special commission—to determine (1) the principal dangers and threats that may require military force to deter or resist them, (2) armed forces tasks and missions arising from these threats, and (3) the force levels and weapons systems required by the agreed-upon tasks and missions.

This has never really been done, with the result that presidents could not be sure how much military strength was enough, and the armed services could seldom be sure what was required of them. Taylor pointed out, for instance, that the Pentagon is still scrambling to give military credibility to President Carter's political decision to defend the Persian Gulf region.

Participants like Taylor, former secretaries of Defense Clark Clifford and James Schlesinger, and other military and civilian figures of like stature would lend great credibility to such a study. Without specific service or administrative responsibilities,

EXTENSIONS OF REMARKS

they could approach it with impartial public spirit and provide Reagan, Weinberger and Congress with something like a "master plan" for national security.

offer experienced judgment and sound guidance; above all, such respected figures could approach the task more objectively and comprehensively than any administration, with its annual budgetary problems and political interests on the three courses. That plan would not necessarily have to be followed in every detail, but it would litical interests, or the three services, with

their built-in rivalries and biases. They might even save the taxpayers a lot of money, while adding to national security.

[Note. Tom Wicker writes for The New York Times.]

HOUSE OF REPRESENTATIVES-Monday, September 14, 1981

The House met at 12 o'clock noon.
The Chaplain, Rev. James David
Ford, D.D., offered the following
prayer:

O God Almighty, Creator of Heaven and Earth, may Your breath of life touch and stengthen all who turn to You for sustenance. May Your Spirit lift us when we fail, forgive us when we transgress, encourage us to do right, and accompany us through all the moments of good times and bad. Though we admit we too often turn away from Your truth and leading, You never turn from us. For this continued love and renewal that we experience each new day, we offer this our word of praise and thanksgiving. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2120. An act to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; and

H.R. 4416. An act to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 859. An act to amend mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes.

HOUSE CONCURRENT RESOLU-TION 163, NATIONAL STRATE-GY OF PEACE THROUGH STRENGTH

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I rise to speak in favor of House Concurrent Resolution 163 which asks the Congress to adopt a national strategy of peace through strength. This statement reminds the world of the U.S. resolve to live in genuine peace while preserving the integrity of the free world. Seven State legislatures have adopted this resolution, including my home State of Kansas.

Mr. Speaker, it is important for the United States as the leader of the free world to demonstrate a real willingness to oppose Soviet expansionism throughout the globe. Soviet leadership has continually flaunted international law in recent years with direct and indirect intervention in Afghanistan, the Horn of Africa, Indochina, Central America, and the Middle East. The Soviet military buildup, which has reached record proportions, threatens all free people militarily, politically, and economically. This activity must be halted.

I urge my colleagues to support House Concurrent Resolution 163.

INTEREST RATES

(Mr. McCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCURDY. Mr. Speaker, yesterday, the interest rate on home loans issued by both the Farmers Home Administration and the Veterans' Administration rose to an incredible 17½ percent. That represents a 4-percent increase since the beginning of the year.

It also represents the final clamp on the housing industry in my district and surely, those of my colleagues. High interest rates have closed down the construction of new homes all across the country.

More importantly, the prospect of young people ever securing a home loan has become a distant dream much like the President's distant dream of 8.9-percent interest rates in 1982.

Those homebuilders and potential homebuyers were among the small businessmen, farmers, and Government employees I spoke with during a visit to my district last March. I asked each of them if they believed, like the President, that the prime interest rate would drop to 8.9 percent by early 1982.

Almost unanimously, they rejected such a forecast as too unbelievable.

I would like to suggest today that these hard-working Americans showed more economic savvy in the early days of this administration than the President's closest advisers. Perhaps Mr. Stockman would do well to walk a few Main Streets in Oklahoma.

REVOLUTION NEEDED IN DEFENSE THINKING

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, we need a revolution in defense thinking even greater than the Reagan revolution in defense rhetoric and defense spending. The weekend decision to avoid internal defense budget cutting is an even bigger mistake than the earlier social security proposals. If President Reagan and Secretary Weinberger will not cut the defense budget decisively, then the Congress will have to do that job for them.

The current Pentagon proposals for defense budget cuts represent the same tired old game. We currently cannot win any major war with the Soviet Union on the Eurasian Continent. None of the current increases in defense spending change that reality.

Secretary Weinberger's plan, in fact, simply makes defeat slower and more expensive.

It is vital that we send a message from the House and from the other body that this Congress will demand a revolution in defense structure, defense planning, and defense thinking, as well as an increase in defense spending.

PERFORMANCE OF SECRETARY WATT

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, since the appointment of James Watt as Secretary of the Interior Department, it has become increasingly obvious that Mr. Watt does not plan to take what I like to call the "balanced approach" to resource management.

As president and chief legal officer for the Mountain States Legal Foundation, Mr. Watt established a reputation as a spokesman for development interests and his firm intervened in a number of cases involving leasing and exploitation of wilderness areas.

Mr. Watt has moved quickly to dispel hopes for moderation at Interior. He has stated that he intends to allow oil and gas production in wildlife

[☐] This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

[•] This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

refuges and wilderness areas; he opposes the acquisition of additional parklands; and he has opened offshore areas to oil and gas leasing that the previous administration had wisely excluded, including tracts off the coast of California.

Mr. Watt's apparent disregard for the interests of future generations is not compatible with the long-time U.S. policy of effective land management. I urge President Reagan to curtail Mr. Watt's environmentally wasteful habits and balance America's resource budget.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McCurdy). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall vote, if postponed, will be taken on Tuesday, September 15, 1981.

AUTHORIZING A BUST OR STATUE OF MARTIN LUTHER KING, JR., TO BE PLACED IN THE CAPITOL

Mr. HAWKINS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 153) authorizing a bust or statue of Dr. Martin Luther King, Jr., to be placed in the Capitol.

The Clerk read as follows:

H. CON. RES. 153

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on the Library is authorized and directed to procure a bust or statue of Dr. Martin Luther King, Jr., and to cause such sculpture to be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

SEC. 2. Expenses incurred by the Joint Committee on the Library in carrying out this concurrent resolution, which shall not exceed \$25,000, shall be paid out of the contingent fund of the House on vouchers approved by the chairman of the joint committee.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. Hawkins) will be recognized for 20 minutes, and the gentleman from Georgia (Mr. Gingrich) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 153 authorizes a bust or statue of Dr. Martin Luther King, Jr., to be placed in the U.S. Capitol Building.

As many of you know, the proposal for a memorial honoring Dr. King is not a new one. Congressman Jonathan Bingham first introduced legislation in the 92d Congress with 61 cosponsors and has reintroduced the bill in each successive Congress, with increasing numbers of cosponsors each time. House Concurrent Resolution 153, reintroduced in the 97th Congress, has 144 sponsors.

The legislation was passed by both the House and Senate during the 94th Congress, but because Senate passage was immediately prior to adjournment, the House was unable to consider the resolution as amended in the Senate. The resolution was passed again by the House in the 95th and 96th Congresses.

House Concurrent Resolution 153 would authorize the Joint Committee on the Library to procure a bust or statue of Dr. Martin Luther King, Jr. The statuary will be placed in the U.S. Capitol in a suitable location as determined by the joint committee, in consultation with the Architect of the Capitol. The final format of the artistic design will necessarily influence the site for such a memorial in the Capitol. The expenses in carrying out the resolution shall not exceed \$25,000, a modest sum, which will be paid out of the contingent fund of the House.

It is indeed fitting to honor Dr. Martin Luther King, Jr., in this manner, as well to honor the varied and rich contributions by black citizens to our Nation's history and heritage. At this time, no work of art displayed in the Capitol memorializes a black American.

This bill has wide, bipartisan support. It has the support of all the Members of the Congressional Black Caucus. It has passed the House of Representatives in the three preceding Congresses. I strongly urge passage of this legislation.

Mr. BINGHAM. Mr. Speaker, will

the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from New York (Mr. Bingham), who I think has been perhaps the most outstanding individual in the House in behalf of this legislation. I wish to commend him on the great contribution that he has made and the very persistent support which he has given in providing the leadership in this issue.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I thank the distinguished chairman for violding

Mr. Speaker, the resolution before us, House Concurrent Resolution 153, authorizes the placement of a bust or statue of Dr. Martin Luther King, Jr., in the Capitol Building at a cost not to exceed \$25,000.

I would like to express my appreciation to the gentleman from California (Mr. Hawkins), chairman of the Committee on House Administration, and to the members of the committee for bringing this resolution before us today.

House Concurrent Resolution 153, which I introduced on June 23, 1981, and which I first introduced in 1972, has a total of 144 cosponsors, including Members of both political parties and all the members of the Congressional Black Caucus. A list of their names follows this statement.

It is altogether fitting that we so honor Dr. King. He was a man who might have lived out a worthwhile but obscure life as a minister. Instead, he was beckoned by the challenge to win equality for all the people in this country.

On December 1, 1955, Mrs. Rosa Parks, a seamstress with tired feet, was arrested in Montgomery, Ala., for refusing to give up her seat on a local bus to a white man. Her arrest triggered the first great civil rights test of power, and launched Dr. King's quest for equality. Dr. King, then an unknown minister in Alabama, led the Montgomery black community that year. Mrs. Parks' arrest ended 382 days later with the capitulation of the Montgomery busline to the doctrine of racial equality. Dr. King had begun his march.

In the years that followed, Dr. King's influence grew. He set out to correct specific injustices, but also to educate our country and win the hearts and minds of our people. His marches awakened our country and aroused our sympathy.

Who will ever forget that horrible spectacle in 1963 when Dr. King and his marchers, dressed in their Sunday clothes, met fire hoses, truncheons, and police dogs in Birmingham. A few months later, in his famous "I Have A Dream" speech, Dr. King addressed thousands of people gathered at the Lincoln Memorial, and said:

When we let freedom ring, we will speed the day when all God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing the words of the old Negro spiritual: "Free at last/Free at last/Thank God Almighty, we're free at last."

In 1964 Dr. King became the 14th American and the youngest person ever to win the Nobel Peace Prize.

A firm believer in Christian ideals and Gandhi's principle of peaceful nonviolent protest, Dr. King set out to fulfill a dream to give life to this country's highest ideals. He spoke of "getting to the mountaintop" and "reaching the Promised Land". He was indeed one of the truly great figures of our American history.

But there are other reasons why this memorial should be authorized for placement in the U.S. Capitol Build-

Of all the black Americans who have contributed to our country's greatness, not one is featured among the 681 works of art in the Halls of the Capitol. Is it any wonder that, in the absence of any such recognition, so few black families are to be seen among the millions of tourists who flock to our Capitol Building each year? Is it not distressing that a nation, striving to set right the wrongs of the past, has blotted out, here at the very seat of government, any recognition of the role of black people in building this great country?

This memorial to Dr. King would present a perfect opportunity to begin to correct this injustice. This civil rights leader deserves to receive this official recognition and appreciation.

Although Dr. King's violent death is a tragic blot on our recent history, his life is a shining example for us all. He had the courage of his convictions, and for over a decade his hopes and his dreams guided the Nation in the struggle for equal justice, equal opportunity, and basic rights. He carried that struggle as far as any man or woman in this century.

A permanent memorial to Dr. King in the U.S. Capitol Building would remind America and the rest of the world, over the years to come, of the inspiring leadership of this great man.

I want to say for the record that this resolution is in no way a substitute for H.R. 800, introduced by the gentleman from Michigan (Mr. Conyers) which would designate January 15, the birthday of Dr. King, as a national holiday. I strongly support Mr. Conyers' bill and I urge my colleagues to do so. Certainly the accomplishments and contributions of Dr. King are worthy of commemoration by the passage of both pieces of legislation.

I appreciate the action of the Speaker in placing this resolution on the suspension calendar. This will be the fourth time that the House has passed such a resolution. A similar version was passed by the Senate in the 94th Congress. but Congress recessed before the differences (only minor ones) could be resolved in conference. While it was not considered by the full Senate in the last Congress, the Senate Committee on Rules did report it favorably.

In the past there has been some question as to whether or not there are certain restrictions on the erection of memorials on the Senate side after the death of the subject. The memorandum from the Congressional Research Service (CRS) included here should clear up this matter once and for all. As will be seen, there are no restrictions which would preclude the erection of such a memorial to Dr. King.

The list of cosponsors of House Concurrent Resolution 153, and the CRS memorandum, follow:

COSPONSORS OF MARTIN LUTHER KING STATUE RESOLUTION

Mr. Addabbo, Mr. Akaka, Mr. Barnes, Mr. Bedell, Mr. Beilenson, Mr. Benjamin, Mrs. Boggs, Mr. Boland, Mr. Bolling, Mr. Bonior, Mrs. Bouquard, Mr. Brodhead, Mr. Brown of Ohio, Mr. Brown of California, Mr. Phil Burton. Mrs. Chisholm, Mr. Clay. Coelho.

Mrs. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Corrada, Mr. Cotter, Mr. Courter, Mr. James Coyne of Pennsylvania, Mr. Crockett, Mr. Daub, Mr. Dellums, Mr. de Lugo, Mr. DeNardis, Mr. Derwinski, Mr. Dixon, Mr. Downey, Mr. Duncan, Mr. Dwyer, Mr. Dymally.

Mr. Edgar, Mr. Edwards of California, Mr. Ertel, Mr. Fascell, Mr. Fauntroy, Mr. Fazio, Mrs. Fenwick, Mr. Findley, Mr. Fish, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fowler, Mr. Frank, Mr. Frenzel, Mr. Frost, Mr. Gejdenson, Mr. Gibbons, Mr. Gilman.

Mr. Gingrich, Mr. Ginn, Mr. Gore, Mr. Gradison, Mr. Gray, Mr. Green, Mr. Guarini, Mr. Hall of Ohio, Mr. Hawkins, Mrs. Holt, Mr. Howard, Mr. Hughes, Mr. Jacobs, Mr. Kastenmeier, Mr. Kemp, Mr. Kildee,

Mr. Kastenmeier, Mr. Kemp, Mr. Kildee, Mr. Kogovsek, Mr. LaFalce. Mr. Lederer, Mr. Leland, Mr. Long of Maryland, Mr. Lowry of Washington, Mr. Luken, Mr. Markey, Mr. Marks, Mr. Mattox, Mr. Mavroules, Mr. Mazzoli, Mr. McCloskey, Mr. McHugh, Mr. McKinney, Ms. Mikulski, Miller of California, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moffett.

Mr. Mollohan, Mr. Neal, Mr. Nowak, Mr. Oberstar, Mr. O'Brien, Mr. Ottinger, Mr. Panetta, Mr. Patterson, Mr. Pepper, Mr. Peyser, Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Rangel, Mr. Ratchford, Mr. Reuss, Mr. Richmond, Mr. Rodino.

Mr. Roe, Mr. Roemer, Mr. Rosenthal, Mr. Roybal, Mr. Sabo, Mr. Savage, Mr. Scheuer, Mrs. Schroeder, Mr. Schumer, Mr. Seiberling, Mr. Shamansky, Mr. Shannon, Mr. Simon, Mr. Solarz, Mr. Stark, Mr. Stokes, Mr. Studds. Mr. Sunia.

Mr. Swift, Mr. Tauke, Mr. Traxler, Mr. Udall, Mr. Vento, Mr. Walgren, Mr. Washington, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Whitehurst, Mr. Williams of Montana, Mr. Wilson, Mr. Wirth, Mr. Wolpe, Mr. Won Pat, Mr. Wyden, Mr. Yates.

CONGRESSIONAL RESEARCH SERVICE Washington, D.C., July 16, 1981. To: House Administration Committee. Attn:

Ms. Cindy Szady. From: American Law Division.

Subject: Time limitations on the raising of memorials to private citizens in the Cap-

Reference is made to your request for information about a possible 21 year limitation on the erection of memorials in the Capitol after the death of the subject.

There is no limitation on the House side nor in statuary hall.

There is no statutory limitation.

There is no Senate Rule adopted by the Senate as a whole containing a limitation.

The Senate Commission on Arts and Antiquities, created by Senate Resolution in 1968, has adopted a policy that no permanent memorial acquired by the Commission (i.e., marble, bronze, oil painting etc.) will be erected in the Senate wing of the Capitol former Senator unless twenty-one years have elapsed since the service of the Member or as respects distinguished nonmembers, unless twenty-one years have elapsed since the death or retirement of such persons. There is an exception for Vice-Presidents. This policy applies only to acquisitions by the Commission. It does not apply to memorials authorized by joint action of both Houses.

Concurrent resolutions authorizing the erection of memorials to persons such as the Reverend Martin Luther King can be considered in both Houses and, as noted, in such instances there is no time limitation that must be observed before the authorization is enacted. In the 94th Congress, the House passed H. Con. Res. 96, authorizing the erection of a bust of the Reverend King, on January 20, 1976. The resolution was referred to the Senate Committee on Rules and Administration which reported it out favorably without amendment on September 29, 1976 (S. Rept. 96-1370). The resolution was, however, amended on the floor of the Senate by the adoption of a provision authorizing the Senate Commission on Arts and Antiquities to provide for a sculpture of former Senator Carl Hayden, of Arizona who retired on January 2, 1969, to be placed in the Senate wing or in a Senate office building (the sculpture of the Reverend King would have been placed in the House wing). No action occurred thereafter on the resolution

In the 96th Congress, the House, on July 30, 1979, passed H. Con. Res. 80, authorizing a similar sculpture respecting the Reverend King. The resolution was referred to the Senate Rules and Administration Committee which reported it out, without amendment, on December 29, 1979 (S. Rept. 96-543). No action was taken on the resolution.

Incompletion of the legislative process in both of these instances was not due to any time limitation.

ROBERT L. TIENKEN. Senior Specialist in American Public Law

Mr. GINGRICH. Mr. Speaker, I yield 5 minutes to my good friend and colleague, the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK, Mr. Speaker, I just want the record to show that there is one Member here who opposes this legislation and will vote against it. I do not anticipate that my remarks this afternoon will have a great deal of effect on the final outcome. The last time we debated this measure, in 1979, only one Member-this Memberspoke in opposition. The vote was 408 to 11. Nevertheless, I think it is important for the record to show that support for this ill-advised resolution is not unanimous.

I am certain that some of the liberal interest groups and some of the civil rights groups will use the vote today as a test vote of some kind, as a civil rights vote. It is not. We are not debating civil rights here today. We are deciding whether or not to honor the late Martin Luther King, Jr., with a statue in the U.S. Capitol. I submit that M. L. King is not worthy of such an honor. I have studied his record as extensively as has any other Member of Congress and I can say without reservation that an affirmative vote on this measure is a mistake.

Most Government records on M. L. King have been sealed in the Archives by court order. If they are ever opened, and we are still around, I have no doubt that my colleagues will regret the vote they cast today. I am certain.

I would say to my colleagues that if they do nothing else, they study Dr. King's 1967 speech at the Riverside Church in New York City. It was one of the most vicious, ruthless, dishonest speeches in modern times. King, in that inflammatory speech, went so far as to accuse the United States of conducting a napalm war in Peru. Even the ultraliberal Washington Post chastised him in an editorial following those remarks. Proponents of this legislation cite a part of his record to justify a bust. I only suggest his whole record be considered. Let us wait until his sealed record is made public.

Mr. Speaker, in the past, supporters of this legislation have argued that it is needed because no black American is honored in Statuary Hall. Like those Members, I am dismayed that the Congress has not taken action to honor black American patriots in such a manner. But I am also dismayed that the House is voting today to bestow this high honor on a man who, in my opinion, was not a patriot. He was a man who repeatedly voiced anti-American sentiments. He was a man who repeatedly sought to divide this Nation with his inflammatory rhetoric during one of the most tumultuous periods in our history.

Mr. Speaker, I oppose this legislation and I urge my colleagues to defeat it.

□ 1215

Mr. GINGRICH. Mr. Speaker, I yield myself such time as I may consume

I think the central issue is not Martin Luther King, Jr. I think the central issue is the right of millions of Americans to have designated clearly beyond question the symbol they would like to have in the U.S. Capitol. For too long it has been possible for American schoolchildren who happen to be black to walk through a building in which they could see many white Americans honored, some Indians honored, even a Hawaiian chief honored, but despite black Americans who died in World War II, in Korea, in Vietnam and earlier wars, despite the commitment of black citizenry to make this a country in which freedom can stand, they have not been able to see anyone in this Capitol stand for them.

Whatever we may think in detail of Martin Luther King's excesses, and all leaders of great movements share in excess, all leaders have moments which in history look dubious, the reality is that for black Americans Martin Luther King, Jr., is unequivocally the symbolic spokesman, the moment in history, the representation

of the change from segregation to integration.

For any other figure to be imposed upon black Americans as the symbol white American decided to put in the Capitol would make a mockery of that symbol. Indeed, I suspect most black American leaders would say if the only choice we can have in the Capitol for black America is the white man's choice, let us have no statue at all.

Martin Luther King, Jr., is dead. Whatever excesses on occasion he may have engaged in are long gone. The reality is in my State of Georgia black Americans vote who did not, black Americans now eat in restaurants who could not, black Americans have jobs who were not eligible, and black American young people are educated in schools they could not get into. In many, many ways that would not be true had it not been for Martin Luther King, Jr. That in the end is why he, rather than any other figure, is the symbolic choice of the black community, and why, if we are to have any sense of integrity in putting any statues or bust in the Capitol to represent our commitment to the black community, it has to be their choice, and not ours.

Thank you, Mr. Speaker.

Mr. HAWKINS. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. McDonald).

Mr. McDONALD. I thank the chairman for yielding me this time.

Mr. Speaker, I rise in opposition to House Concurrent Resolution 153, a resolution authorizing a statue of Martin Luther King, Jr., to be placed in the U.S. Capitol. At best, Martin Luther King's prior associations and activities are questionable. Until all information is available, passage of this measure could prove an embarrassment to this Congress and the American people.

Under court order in 1977, the FBI's surveillance records and tapes on Reverend King were sealed in the National Archives for 50 years or until the year 2027. The supporters of this resolution might want to ask themselves why this action was taken? Before acting prematurely, we should either request that the records be made available or delay consideration until the information is released. At this point in time we should not authorize putting a statue of Martin Luther King, Jr., in a place of honor in our Nation's Capitol until all the facts are before us.

Rev. Martin Luther King, Jr., who professed nonviolence, in fact was wedded to violence. He sought out violence; he courted and provoked violence against his followers and by his followers because he believed violence was necessary to the achievement of his ends. Reverend King said as much in an article he wrote for the Saturday Review of April 3, 1965.

In this article he wrote:

The goal of the demonstrations in Selma, as elsewhere, is to dramatize the existence of injustice and to bring about the presence of justice by methods of nonviolence.

He continued by writing that that goal can be achieved when four things occur:

- 1. Nonviolent demonstrators go into the streets to exercise their constitutional rights.
- 2. Racists resist them by unleashing violence against them.
- 3. Americans of conscience in the name of decency demand federal intervention and legislation.
- 4. The Administration, under mass pressure, initiates measures of immediate intervention and remedial legislation.

In other words, the demonstrations were a staged media event, a dramatization to attract the newspaper reporters and television cameramen and make a local event into a national issue. But the second necessary ingredient for Reverend King's scenario was violence.

In communities where ad hoc gangs of thugs did not appear to attack demonstrators, night marches were staged to lure out nightriders. And when all else failed to provoke violence, demonstrators led by Reverend King and his Southern Christian Leadership Conference deliberately violated the laws by holding marches and parades without permits, violating court injunction and provoking police officers. In some areas such as Birmingham and Selma, Reverend King was successful in provoking the violence he felt was necessary for him to win his goals.

During the Albany, Ga., protests in 1962, where the law enforcement authorities avoided confrontation despite provocations, King generated little publicity. When he was eventually arrested leading an illegal demonstration in July, Reverend King refused to pay the fine so that he could remain in jail as a so-called martyr. After a black man paid Reverend King's fine and he had to leave jail, he called the event having been "kicked out of jail."

In Birmingham, Reverend King welcomed truant students from high schools and even younger into the demonstrations although they were in great danger. Let us remember what he said after the murder of four young girls attending Sunday school in a bomb explosion and after two teenaged boys were shot to death during the riot that followed. In the Nation of March 9, 1964, Reverend King wrote:

The keys to victory in Birmingham were the refusal to be intimidated; the indomitable spirit of Negroes to endure; their willingness to fill the jails; their ability to love their children—and take them by the hand into battle; to leave on that battlefield six murdered Negro children, to suffer the grief, and resist demoralization and provocation to violence.

And so for Reverend King, "six murdered Negro children" were "keys to victory." In other words, martyrs helped him achieve his ends and he saw this, and he deliberately continued to court violence.

In his book, "Why We Can't Wait,"

Reverend King wrote:

Looking back, it is clear that the introduction of Birmingham's children into the campaign was one of the wisest moves we made.

But the New York Times editorially disagreed, stating that—

The presence of hundreds of children among the marchers made all these marches especially perilous adventures in brinksmanship.

It is also appropriate to question whether or not Rev. Martin L. King, Jr., really found racism repugnant in light of his support of discrimination in jobs and housing so long as the discrimination was in favor of blacks; in light of the formation in February 1966, in Chicago of what Reverend King called a common front with the violence-oriented, virulently racist Nation of Islam (NOI) or Black Muslims; and in light of the statements of some of Reverend King's closest aides such as Rev. James Bevel.

During the 1963 Birmingham disorders, Reverend Bevel told students:

We need an army of captains and sergeants and privates to fight the white man this summer. I want captains to march whole schools to jail after graduation.

While Reverend King did not advocate race hatred, he did not bar alliances with racists and he did not keep them from his personal staff.

In 1966 during the Chicago housing campaign, the association of Reverend King and his Southern Christian Leadership Conference with violence was even more open. With Reverend King's knowledge, his aide, Reverend Bevel, showed films of the violence during the Watts riots in Los Angeles to Chicago residents being recruited to participate in his equal housing campaign. Among those particularly singled out for contacts and for those film showings were the leaders and members of Chicago's notoriously violent criminal youth gangs.

Reverend King told newsmen that the film showings had been intended "to show the negative results of rioting" and to demonstrate that rioters who destroyed their own communities accomplished nothing. But that is not how the Chicago street gangs interpreted the films. Whenever the film showed a black rioter attacking a police officer, they cheered. And whenever law enforcement officers were shown, they hissed and booed. In fact, Reverend Bevel's film shows for youth gang members were nothing other than audiovisual seminars in mayhem.

One might have expected after the riot that Rev. Martin L. King, the noted advocate of nonviolence, would

have broken all contact between SCLC and the gangs; but that is not what happened. Instead Reverend King and SCLC executive director Rev. Andrew J. Young met with the gang leaders for several hours. The gang leaders pledged a truce and said they would "try nonviolence." The truce did not last till the end of that day. Five young men were shot and violence increased to include 2 deaths and 13 wounded so that a State curfew was imposed 2 weeks after the truce.

As one of Rev. Martin L. King, Jr.'s, critics, Dr. Joseph Harrison Jackson, then president of the National Baptist Convention, noted at the time:

There is a danger of using nonviolence in such a way that it will create violence.

One of these ways is to teach the young contempt for the law. Reverend King's "nonviolent civil disobedience" taught that any law an individual personally and subjectively disagrees with or feels is unjustly restrictive can be arbitrarily broken at will.

This is not the lesson we should teach young Americans, but it is the lesson we would teach them by making a hero of Rev. Martin L. King, Jr., and by placing a statue of him in our Nation's Capitol.

COMMUNIST MANIPULATION OF REVEREND KING AND HIS MOVEMENT

The Communist Party, U.S.A., has attempted to use virtually every real or imagined grievance of every segment of American society—the young, the old, women, American Indians, blacks, Latinos, and European ethnic groups—to develop and exacerbate divisions among us. The Communists made the most of the opportunity to stir up race hatred provided by the civil rights movement, and the man around whom the Moscow-line Communists collected was Rev. Martin L. King.

The whole range of Communist Party members, sympathizers, and front groups were mobilized to aid Reverend King's campaigns.

Some of the support was via the former Highlander Folk School, now the Highlander Research and Education Center. In sworn testimony before the Senate Internal Security Subcommittee in 1954, Paul Crouch, a former CPUSA official and organizer described Highlander as being run "ostensibly as an independent labor school, but actually working in close cooperation with the Communist Party." Prominent among Highlander's supporters was the old International Union of Mine, Mill & Smelter Workers, now merged with the United Steelworkers of America. Mine-Mill was found by the Subversive Activities Control Board to be Communist-infiltrated.

Reverend King, in a very famous photograph, is shown attending a 1957 Labor Day weekend seminar at the Highlander Folk School. The man sitting next to Reverend King in the photograph, Abner W. Berry, a top official of the CPUSA, wrote in the Daily Worker that the seminar had enabled those attending to reestablish communications with each other "that had been disconnected during the past few years." The disconnection had taken place after the Civil Rights Congress disbanded rather than register as a Communist Party front.

Reverend King's support of Highlander goes beyond attendance at one seminar. In its 1958-59 27th Annual Report of the Highlander Folk School quoted Reverend King as saying:

You have given the South some of its most responsible leaders in this great period of transition.

Two years later, Highlander and Reverend King's Southern Christian Leadership Conference ran joint training programs for civil rights activists.

One of Reverend King's closest SCLC aides was Jack H. O'Dell, now with Rev. Jesse Jackson's Operation PUSH. Under the name, Hunter Pitts O'Dell, Jack O'Dell had been one of the Communist Party's top organizers in the South. When his affiliation with this totalitarian party became known, Reverend King, under pressure, fired O'Dell. The controversy was reopened when it was discovered that O'Dell had been rehired by Reverend King's New York SCLC chapter.

The important point is not that a Communist Party organizer had penetrated Reverend King's confidence, because a Communist could sneak into almost any organization. What is important is that when this man was exposed to Reverend King as a member of an organization that proposes to impose a systematic totalitarian regime on this country, that has been repeatedly demonstrated to be controlled by the Soviet Union, a dictatorship whose troops only a few years earlier in 1956 had slaughtered Hungarian freedom fighters; with all this, Rev. Martin L. King fired O'Dell only because his continued presence would give ammunition to segregationists and race-baiters.

But then, he had O'Dell rehired in New York. And their association continued. O'Dell, who is still an editor of Freedomways magazines, the Communist Party's propaganda arm directed at blacks, appeared with Reverend King at a Freedomways affair in Carnegie Hall in February 1968.

That Freedomways magazine affair was to celebrate the 100th anniversary of the birth of W. E. B. DuBois who in his senility married a young Communist and joined the CPUSA. In his prime, W. E. B. DuBois understood how the Marxist-Leninists wanted to use black people. He wrote in 1931:

The Communists, seizing leadership of the poorest and most ignorant blacks head them toward inevitable slaughter and jail-slavery,

while they hide safely in Chattanooga and Harlem.

DuBois responded to the Communists'

American Negroes do not propose to be the shock troops of the Communist Revolution, driven out in front to death, cruelty and humiliation in order to win victories for white workers.

DuBois pointed out further that the Communists only pretend to speak for white workers and actually serve to polarize tensions between black and white workers.

DuBois denounced the American Commu-

DuBois denounced the American Communists for being the mouthpiece of Moscow, and went on to say:

Unfortunately, American Communists are neither wise nor intelligent.

In his keynote speech that evening, Reverend King said:

So many would like to ignore the fact that Dubois was a Communist in his last years.

And he went on to denounce anticommunism as "irrational" and "obsessive."

A key point of Reverend King's speech was to attach U.S. support for the South Vietnamese against Communist aggression. The struggle against the Vietcong he termed a "senseless, cruel unjust war." For the record, it should be noted that it is the Vietnamese Communists who have proved to be senseless and cruel. In May 1979, more than 80 persons, organized by entertainer Joan Baez, most of whom had once opposed U.S. participation in the Vietnamese war, published an advertisement charging that the Communist conquerors of Vietnam held 200,000 political prisoners, that they starved and tortured prisoners and that some were used as living mine detectors, clearing minefields with their hands and feet.

Reverend King had more Communist agents than merely Jack O'Dell in his entourage. King's long-term adviser was New York attorney Stanley Levison, who FBI investigations revealed to be a "Communist agent." Levison says he was not a party member, but that is not what the FBI found him to be. You do not have to be a party member to be an agent, and you do not have to be working for the Russians to be a Communist agent.

After the FBI produced for King the evidence that Levison was a Communist agent, acting for a foreign power, he declined to separate himself from this adviser.

Communists other than those in the CPUSA were involved with Reverend King's activities. His wife, for example, was active with Women Strike for Peace in the early 1960's. In hearings before the House Committee on Un-American Activities, Women Strike for Peace was shown to be an affiliate of the Women's International Democratic Federation (WIDF), an internationally active Communist front controlled by the International Department of the Soviet Communist Party Central Committee. And starting with the marches in Selma in 1963, King had

active support from a number of disarmament and ban-the-bomb groups who worked with the World Peace Council (WPC), like the WIDF which is virtually its women's auxiliary controlled by the KGB and the Soviet Communist Party Central Committee. A more detailed report on those international Soviet fronts by the Central Intelligence Agency was published in the House Intelligence Committee's hearing, "The CIA and the Media," in 1978.

It is not without significance that in 1971, when the East German regime welcomed Rev. Ralph D. Abernathy, whom they identified as Reverend King's successor, the GDR's propaganda brochure said:

The GDR was on the side of Martin Luther King and Ralph Abernathy in the 1950's when they organized the historic boycott of the omnibuses of Birmingham * * *.

For these and other reasons in the public record, I urge rejection of this ill-conceived resolution.

I yield back the balance of my time. Mr. HAWKINS, Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Speaker, I strongly support this resolution. I had not intended to speak on it, but after hearing such deplorable vituperation, it does seem to me that somebody needs to put things back into proper perspective.

The gentleman from Georgia (Mr. McDonald) who just spoke blamed one of the great Americans of our time and a leading advocate of nonviolence, Martin Luther King, for the violent response of those who reacted against his peaceful protest. That is like accusing Martin Luther King of violence because he was assassinated by James Earl Ray, or accusing the early Christians of violence because the Romans put them in the arena and threw them to the lions.

Surely logic has been turned upside down in the kind of argument we have just heard.

But even more insidious, because are obviously specious arguments, is the sort of anonymous, baseless innuendo implying that maybe if some unknown records are someday in the far distant future disclosed we might have a different opinion of Martin Luther King. The world has known for some time that J. Edgar Hoover had the FBI bug Dr. King, invade his privacy, try to find out anything that they could to discredit him. Evidently they did not find anything of significance, because if they had, they certainly would have tried to use it. Nevertheless, this kind of slanderous statement that somewhere, somehow, there may be something that would discredit Dr. King, is a pitiful effort to diminish the standing in history of this great American.

The effort will fail, whatever Dr. King's detractors may dig up. It will fail because, for tens of millions of Americans, of every race, religion, and political persuasion, as well as for hundreds of millions around the world, including the Nobel Peace Committee, Martin Luther King was the living embodiment of the great human rights ideals emblazoned in our history, in the Declaration of Independence, in the Bill of Rights, and in the long record of our struggle as a nation to see that, in truth and in law and in deed, all men are created equal.

I suggest to any that may have been misled by the colloquy that has just taken place here to refresh their recollection of this great man by reading the speech of Martin Luther King before the Washington Monument at the time of the great civil rights march on Washington.

Martin Luther King's dream was not his alone. It was and is a dream shared by all men and women of good will. Because he lived, our Nation is measurably closer to making that dream a reality. We need to commemorate his life in many ways, so that he may continue to inspire us to complete his unfinished work. Yes; we should place his bust in the Capitol, if only because it will help us keep his ideals in our hearts.

I thank the gentleman for yielding. Mr. HAWKINS. Mr. Speaker, I yield

3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. I thank the distinguished chairman for yielding to me.

Mr. Speaker, I rise in support of the resolution, I wanted to speak to my colleague from Georgia who rose in support of the resolution. The gentleman and I differ significantly, I am sure, in terms of political ideology, but it seems to me that the gentleman's statement on the floor today is the kind of statement that would give hope to all Americans, because here we have a gentleman, Mr. GINGRICH from Georgia, who has wiped away the blindfold of racism and prejudice and who, in a very objective manner, attempts to delineate a problem and offer a solution. I am grateful to my colleague.

I think the gentleman's testimony, his statement, stands in such sharp contradistinction to the other two Members who spoke against this resolution, but I also think his statement will be remembered; the other two statements will be spurned by America, as they should be.

We have made great strides in this country. There is no question about it. I travel all over the country—Mississippi, North Carolina, Florida, Georgia—and it is a remarkable feeling now to be able to travel around this Nation knowing that in most places where I

go I can get a hotel room, I can eat a meal, I can use any facility. That would not have happened to me prior

to the King movement.

The story has been so well told many, many times. Blacks who traveled at that time had to pick the spots where they would stop to stay overnight, with relatives, because no hotel would admit us. We had to try to find a black restaurant, or a black church to feed us, because no restaurant would feed us. I think it is because of the work of Dr. King that enormous strides have been made, and, therefore, it is fitting that we honor him with this bust.

On the other hand, I would seek something else in this resolution. I would hope that this resolution would become a symbol for those decent Americans who are proud of the progress that we have made, a symbol for them to rededicate themselves to the effort of ending discrimination and ending prejudice and ending

racism in this Nation.

After all the great steps that we have taken, now suddenly all around the Nation and in its Capitol, in this Congress, we hear the voices of those who would turn back the clock, who would destroy civil rights legislation, who speak out against affirmative action.

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We hear the voices of those who are really, in my opinion, alien to America, if America stands for equal justice for all people. Their voices are alien when they start talking about destruction of affirmative action, ending voting rights, and doing all of the things that would turn back the clock on blacks and other minorities.

so, Mr. Speaker, I would urge support for this resolution. I think it will pass overwhelmingly, but as it passes, as we vote tomorrow on this, I would hope that we would take just a moment to rededicate ourselves to the propositions that Martin Luther King

spoke for.

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired

Mr. ĤAWKINS. Mr. Speaker, I yield 1 additional minute to the gentleman

from Maryland.

Mr. MITCHELL of Maryland. I was not a personal friend of Dr. King. I heard him speak many times. He always inspired me. I know most of his speeches, and he made a speech in which he quoted a little poem. I want to refer to that poem and I want Members to try to remember it as they vote tomorrow.

Dr. King said:

I have only got a minute Sixty seconds in it Forced upon me, Can't refuse it Didn't seek it Didn't choose it But I know that I must use it I will suffer if I lose it Pay account if I abuse it Just a tiny little minute But eternity is in it.

I would translate that just a bit by saying:

I have only got a minute
Sixty seconds in it
Forced upon me,
Can't refuse it
Didn't seek it
Didn't choose it
But I know that I must use it
I will suffer if I lose it
Pay account if I abuse it
Just a tiny little minute
But the fate of this Nation,
The future of this Nation, is in it.

Bear that in mind tomorrow as we vote overwhelmingly for this resolution.

Mr. GINGRICH. Mr. Speaker, I yield myself such time as I may use.

At the risk of imposing upon my two good friends in responding to the gentleman from Maryland's overly kind comments, let me suggest a tack radically different than the one my col-

league just suggested.

Martin Luther King faced a series of problems in the mid-1950's which were not solvable by the NAACP's quite successful tradition of legalism, and beginning with Martin Luther King and up to the Student Non-Violent Coordinating Committees, there was a cycle of innovation and invention, new avenues, striking out in ways one had not thought of. Those solutions allow my good friend from Maryland to now stay at the Marriott or the Hilton.

I would like to suggest that while those of us who are white and those of us who are white and those of us who are conservative do in fact need to remember our concern for equality and for justice, that equally tomorrow as the Black Caucus votes on the Martin Luther King statue, that it would be useful for my good friends who are members of the Black Caucus to think of striking out in new directions, to think of opening up new opportunities, to consider new avenues of approach; to ask themselves not simply, how do we live out the rhetoric of the 1950's, but how in fact do we invent the avenues of the 1980's and 1990's.

I would look forward very much to joining such distinguished pioneers as the gentleman from California and the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gen-

tleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding. I have been a civil rights activist; I will be one again in the future, but since I have been in this Congress, I have placed the majority of my emphasis on economic empowerment; development of minority businesses, economic empowerment. Even there,

though that is a legitimate approach, totally consonant with the way the Nation wants to go and I would think with the way the administration wants to go, there are attacks against even that, so I would suggest to the gentleman that he would join with me in trying to protect the very significant steps we have made in a new approach, such as minority enterprise, minority economic development approach, which I think offers a great future to all of us.

Mr. GINGRICH. I look forward to working with the gentleman.

Mr. Speaker, I yield back the balance of my time.

Mr. HAWKINS. Mr. Speaker, may I, without indulging in rhetoric, merely suggest that this resolution, which unfortunately has had two expressions of opposition, has been before the House of Representatives since the 92d Congress, and has been considered in every Congress since then: in the 93d, the 94th, the 95th, the 96th, and the current Congress.

This resolution has been thoroughly discussed and debated; it passed both Houses in the 94th Congress and failed merely because of technical reasons. The present opposition has had plenty of opportunity to present its views to the committee. I am proud, as a friend of Dr. King, to be chairman of the committee that referred this resolution to the floor without one single note of opposition. In conducting hearings on the resolution, the committee sought to have any individuals who opposed the resolution present their views. I doubt seriously that the 144 consponsors of this resolution in the House are being misguided, are being somehow deceived; they are thoroughly acquainted with the facts in this case. I suspect that even the Nobel Prize Commission, which awarded the peace prize to Dr. King, heard the same type of opposition that has unfortunately been expressed today.

This resolution provides an opportunity for this House to pay tribute to a great American. I was one of three Congressmen who visited Dr. Martin Luther King when he was in the Birmingham jail; jailed not because of any criminal activity on his part but because he was advocating nonviolence. I am told by reliable Government agency sources that there were those in the State at that time who had some design to inflict injury on those Congressmen who visited Dr. King. I think the violence was on the other side.

I know as one who has traveled throughout the Deep South in the days before the Civil Rights Act that I had grave difficulties as a black American. A sign was sometimes moved to accommodate me because of my complexion but the experience created fear in my soul because I knew that

the opportunity for black Americans to enjoy equal opportunities was

rather fragile.

I think that atmosphere has improved with the emergence of such outstanding leaders as the gentleman from Georgia (Mr. GINGRICH) who represents a new breed of southerners who have created indeed a marked difference in the South and by the continued support of liberals in the House from the North. So, I think this is more than just a memorial to Dr. King.

Twenty-five thousand dollars, from a strictly economic point of view which seems to prevail in this House lately, is not a great deal to spend. In fact, I fear that it will not buy anything more than perhaps a bust, and not a statue, but I think that the sentiment behind this resolution is substantial. I think the spirit which the resolution represents is so overwhelming that its passage through both Houses of the Congress in this enlightened session is a foregone conclusion.

I am delighted, certainly as a friend of Dr. King, but even more so as one who appreciated the great nonviolent civil rights movement that he headed and the work that it accomplished, to be one of those supporting the resolution in this instance.

Mr. FAUNTROY. Mr. Speaker, will

the gentleman yield?

Mr. HAWKINS. I yield to the Delegate from the District of Columbia.

Mr. FAUNTROY. Mr. Speaker, it is an honor for me to rise this afternoon in support of House Concurrent Resolution 153, a measure to authorize the Joint Committee on the Library to procure a bust or statue of Dr. Martin Luther King, Jr., for placement in our Capitol Building.

As I walk the corridors of the Capitol, whether it be in Statuary Hall or elsewhere, I often pause and reflect on the lives of those great men and women who are called to our attention through the artistry of sculpture.

It was a privilege for me to have worked closely with Martin during the 1960's; and his vision of equality and social justice, along with his compassion for all people, is certainly worthy

of permanent record.

We gathered here this afternoon to remember Dr. King; we know the principles for which he stood and the battles he fought to see them achieved. It is important, too, that posterity—that the hundreds of thousands of citizens who will traverse these corridors long after we have departed—are also given the opportunity to reflect on the life of the greatest humanitarian this century has known, the Reverend Dr. Martin Luther King, Jr.

Mr. MARKEY. Mr. Speaker, I consider it my privilege and duty to pronounce my support of the resolution in commemoration of one of our most important national leaders in history.

I strongly urge my colleagues to support this symbolic bipartisan resolution.

Martin Luther King, Jr., was a man who preached and practiced the ideals on which our freedom is based. His memory represents a tribute to our country's civil enlightenment. Mr. King's success in bringing about a peaceful social revolution for human rights came about at a time when controversy over our country's social and political ideals was at its height. This resolution serves to affirm our Nation's basic acknowledgment of, and profound desire to achieve, the visions of our Founding Fathers.

Honoring Martin Luther King, Jr., will serve to remind our country that such an honor knows no bounds of race, color, or creed and that it can be bestowed in the name of all those once denied true equality. Martin Luther King, Jr., gave his life for a cause that is part of our Nation's foundation.

This honor to Martin Luther King, Jr., will help to emphasize our appreciation for his dedication and devotion to the cause of human and civil rights. This honor is long overdue.

 Mr. RODINO. Mr. Speaker, today we have an opportunity to correct a great injustice and to establish a lasting reminder of our Nation's commitment to basic human rights.

I have joined Congressman BINGHAM in sponsoring this resolution which would authorize a sculpture of Dr. Martin Luther King, Jr., to be placed in the Capitol because our Nation's most important building should not be without a monument to one of our greatest leaders.

Black Americans have made countless contributions to the cultural development and progress of our Nation. Yet, of the 681 statues and other works of art in the U.S. Capitol, not one depicts a black American. I can think of no more fitting person to be the first black American honored in our Capitol Building than Martin Luther King.

A sculpture of Dr. King would be more than a memorial to this extraordinary American who awakened the conscience of our country with his courage and his commitment to nonviolent social change.

This sculpture would be a constant reminder to the millions of American citizens and foreign visitors who tour the Capitol each year that America remains committed to the principles which are the foundation of our Republic—equality, justice, and freedom. These are the ideals which Martin Luther King fought for, and which he died for.

Thirteen years have passed since Martin Luther King was murdered in Memphis, but still there is no memorial to him in our Capitol. This is an injustice that must be corrected. He was still a young man—only 39—when he was killed. The assassin deprived Martin Luther King of the great and good years of what we call middle age. That loss is no less sad in light of his willingness—often expressed—to risk death in the struggle for freedom and justice. It is equally sad that the Nation and the world have been deprived, all these years, of the presence, the voice, and the wisdom of Martin Luther King.

As one person, I sorely miss his voice of inspired leadership that led Martin Luther King to become the youngest person ever to receive the Nobel Peace Prize. But his contributions have a life of their own.

As I told the Southern Christian Leadership Conference 6 years ago: "They shot down the man—and they snuffed out his life—and the man died. But they could not shoot down his dream. For his dream was stronger than life and more powerful than death. And the dream lives on."

Let us pass this resolution and memorialize Dr. King's dream in our Capitol for all humanity.

• Mr. REUSS. Mr. Speaker, more than 13 years ago, Dr. Martin Luther King, Jr., was felled by an assassin's bullet. This happened at a time when our Nation was undergoing a serious reexamination of its direction and principles—a reexamination which Dr. King helped set in motion.

As winner of the 1964 Nobel Peace Prize for his nonviolent activism, Dr. King was widely eulogized both at home and abroad, yet Congress has done pathetically little to acknowledge his great contribution to our Nation. We have not memorialized him with a statue in the Capitol, nor have we made a national holiday of his birthday.

More than 15 million people have toured our Nation's Capitol since Dr. King's death, but no memorial to him is in place. What does this say to children who have learned about Dr. King in school, to foreign visitors who admired this great leader, or to any American citizen believing in the ideals of equality and social justice?

Dr. King's contributions to our society shall forever inspire us as we struggle to achieve his vision of an ideal Nation based on love, justice, peace, and equality. The lack of congressional tribute to one of our greatest leaders is inexcusable. I call upon my colleagues to join me in supporting House Concurrent Resolution 153, to provide for a statue or bust of Dr. Martin Luther King, Jr., to be placed in the U.S. Capitol.

• Ms. COLLINS of Illinois. Mr. Speaker, it is a great honor for me to stand here before my colleagues today expressing support for House Concurrent Resolution 153, a resolution directing a statue of Dr. Martin Luther

King, Jr., to be placed in the U.S. Cap-

As a cosponsor of this resolution, I am proud that the U.S. Capitol, the embodiment of ideals and history of this great Nation, will receive a new addition to enhance its majestic beauty and historical acclaim. Millions of visitors to the Capitol will now be able to view for the first time, the statue of a man, a black man, known the world over as a man for all seasons, for all peoples; for brotherhood and nonviolence.

Dr. Martin Luther King, Jr., was felled by an assassin's bullet on April 4, 1968, but he did not die because he left us with a legacy, a new direction and most important he left us with his dream. He knew that one day everyone would realize that the progress of America is reflected in the progress of

the people within it.

Placing a bust of this compassionate, learned man serves to help commemorate his struggle to achieve equality and justice for all Americans. This is surely a positive step in the direction of enacting a full national holiday honoring the birth date of Martin Luther King, Jr.-the voice and instrument of the second American revolution.

• Mr. GILMAN. Mr. Speaker, I rise in support of House Concurrent Resolution 153, to provide that a bust or statue of the Reverend Dr. Martin Luther King, Jr., be placed in the Capitol Building.

I am proud to be an original cosponsor of this legislation, which I have cosponsored in past Congresses, as well. While it is regrettable that this proposal has become so controversial, I am confident that the House will see

fit to pass this resolution.

Mr. Speaker, permit me to pay tribute to two of our colleagues who have worked long and hard to bring this measure before us today. The distinguished gentleman from New York (Mr. BINGHAM), the able chairman of the Subcommittee on International Economic Affairs on which I serve, and the gentleman from California (Mr. HAWKINS), the able and distinguished chairman of the Committee on House Administration, have shepherded this bill to the floor today.

Mr. Speaker, it is difficult, even after many years have passed since the death of Martin Luther King, Jr., to fully appreciate his impact on American society. Martin Luther King, Jr., was a leader in the effort to bring dignity to all American citizens, and in that sense, he was a leader not of any race or class, but of the entire

Nation.

We have only to think back to the days of the early 1960's, when racial issues threatened to polarize our society, to realize that while we still have a long way to go, we have come very far indeed. We have struck down the legal barriers to equality of opportunity that offended the soul of every sensitive person; we are now engaged in an effort to make certain that every person regardless of race is able to take full advantage of the opportunities that have been opened up by the legislation of the sixties.

Dr. King's image in the Capitol Building will help us concentrate on that goal, will remind us of a great humanitarian whose life was cut tragically short by an assassin's bullet, and will serve to show black Americans that their struggles and contributions to this Nation are honored and remembered in this, the Capitol of all the people.

 Mr. WEISS. Mr. Speaker, the turbulence of the sixties awakened many Americans to the injustices perpetrated against minorities in this country. Equality of opportunity in education, in employment, and in society in general, has been denied to many people on the basis of color, race, sex, creed, and religion.

By pointing out the injustice of discrimination, Martin Luther King, Jr., raised the consciousness level of the American public and increased the dignity and self-esteem of blacks and other minorities in America. Since that time, government has made laws and policies to discourage many discriminatory practices, and society has better accepted those fellow Americans whom it had spurned so many times before.

Because of Martin Luther King, Jr.'s strong push for civil rights, minorities have better opportunities in society than ever before. Although we have made progress in the fight against discrimination, we should remember that it still haunts us, and we must continue to discourage it. By dedicating a bust or statue in the Capitol to the memory of Martin Luther King, Jr., we will reaffirm the American ideal of equality for all people.

I strongly support House Concurrent Resolution 153, which would dedicate a bust or statue to this late great leader, which will serve as a daily reminder of his vital work in the field of civil rights and our need to continue his efforts.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HAWKINS) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 153).

The question was taken.

Mr. ASHBROOK, Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution (H. Con. Res. 153).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ARMED FORCES PAY ACT OF 1981

Mr. NICHOLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3380) to increase the pay and allowances of members of the Armed Forces.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. NICHOLS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill. H.R. 3380, with Mr. BINGHAM in the chair

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Alabama (Mr. Nichols) will be recognized for 30 minutes; the gentleman from New York (Mr. MITCHELL) will be recognized for 30 minutes; the gentleman from Washington (Mr. Dicks) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. Ep-WARDS) will be recognized for 30 minutes.

At this time the Chair recognizes the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, on behalf of the Committee on Armed Services, I am pleased to bring to the House for consideration, H.R. 3380, a bill to increase the pay and allowances for members of the Armed Forces.

This bill, the product of thorough hearings and deliberation by the Subcommittee on Military Personnel and Compensation, was approved over-whelmingly by both the subcommittee and the full House Armed Services Committee.

The purpose of H.R. 3380 is threefold. First, the bill would authorize a 14.3-percent increase in basic pay and in quarters and subsistence allowances for all personnel in the uniformed services. Second, it would provide certain increases in special pay and bonuses that are designed to assist in attracting and retaining individuals in critical skills in the uniformed services. Third, it would provide certain travel and transportation allowances that are designed to assist in alleviating hardships and financial irritants occasioned by military service.

Last year many Members of the House expressed to me and other members of the committee their profound concern about the deteriorating state of military manpower. The number and, equally important, the quality of recruits was declining. Skilled career personnel were leaving the services to take lucrative jobs on the outside-jobs that not only paid more money, but also did not involve the rigorous demands of military life.

The Congress reacted swiftly and affirmatively last year with a landmark package of pay and benefit increases. The 11.7-percent pay increase partially offset the adverse impact of repeated pay caps in the mid and late 1970's. A variety of special pays for arduous duty-sea and submarine pay, for example-were increased to more realistic levels. All the improvements were catchup measures to counteract years of benign neglect.

I am pleased to tell the Members of this House that this investment is paying off. Recruitment and retention rates are up. The exact magnitude of this increase has not yet been determined; we have only part of a year's worth of statistics. To date the statistics look good, but they must stabilize before we can form specific conclusions. Further, the strict quality standards for new recruits established by Congress last year are being met. We would make a serious mistake, however, if we allow ourselves to be lulled into a sense of complacency again.

The recruiting market will become tighter in the future as fewer young people reach recruiting age. At the same time, the military force is expected to grow. As the civilian job market for young people improves, the competition for high quality recruits will become increasingly tough. The benefits proposed by H.R. 3380-particularly the 14.3-percent pay increase-are essential if we expect to fulfill the future demand for military

personnel.

The Armed Services Committee believes the basic pay and allowance system to be the cornerstone of military compensation. In order to compete with the private sector, pay rates must remain competitive; the 14.3-percent increase incorporated in H.R. 3380 represents the final installment needed to make military pay again comparable with civilian pay, as Congress mandated when the All-Volunteer Force was established in 1972. In addition to basic pay, there is a flexible system of special and incentive pays and bonuses to address specific manning problems in particular skills

or groups of personnel that may arise from time to time. These problem areas change over time, as does the emphasis of the special pays.

The President recently announced the establishment of a defense manpower task force to review the entire spectrum of military manpower and compensation issues. H.R. 3380 affords the President the flexibility to implement the findings of the task force before the October 1 pay raise. Under existing statute, up to 25 percent of the October basic pay increase may be reallocated by grades and years of service. Should the President determine that some grades and years of service require the infusion of additional funds, and that others can afford to receive a lesser increase, he make that recommendation. Under H.R. 3380, as approved by the Armed Services Committee, his hands will not be tied by a congressionally mandated pay table that attempts to address the perceived needs of one service, while potentially ignoring the requirements of another.

H.R. 3380 is a sound investment in the future of our military manpower system. I urge its adoption as recommended by the House Committee on Armed Services.

□ 1245

Mr. MITCHELL of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 3380, the Nichols-Mitchell bill, the House version of the method by which we should increase pay to our service personnel.

Our 14.3 percent merely represents comparability. In 1972 the Congress promised the people in the military that they would pay them comparable to people working in the civilian sector. The Congress did not promise them that they would serve without danger or that they would serve without family separation or that they would serve without great turbulence in their lives, but the Congress did promise them there would be pay comparability.

Congress has not kept its word, and the results show it. There has been a shortfall in recruitment. We have an exodus of highly skilled people in our services, and there has been a decline in the quality of our people in the Armed Forces. We must increase the pay by 14.3 percent, in my estimation, to preserve the integrity of the Congress, we must do it to send a clear signal to the people in the services that we do care about the sacrifices they make, but in addition to the integrity of the Congress and in addition to the fact that we made this promise, there are several other reasons why we should support an across-the-board 14.3-percent increase.

One of them is that they are expecting it. It has been ballyhooed far and wide that they were about to receive something comparable to what the civilian sector receives. Some of them, I am sure, Mr. Chairman, have spent the money already.

I have found through my years of service on the Subcommittee on Military Personnel and Compensation that our biggest obstacle to retention in the services, to getting the people we want and keeping them, ties in with the concept or the argument of "erosion of benefits" or "breach of contract"— the argument that says Congress really does not care an awful lot about people in the armed services.

Congress continues to provide less than we have promised them on recruitment. If we provide less than 14.3 percent this year, I am sure it will be viewed by many in the services as simply one more broken promise. It will negatively affect recruitment; it will negatively affect retention.

In the Senate version two-thirds of the people in the services will receive less than 14.3 percent. Two-thirds of them will get less than what they expected to get or what they feel they were promised by Congress in 1972 with the pledge of comparability.

With last year's pay bill, which totaled more than \$5 billion, we began to turn this situation around where we could not get the people we want and could not keep them as long as we want. Both requirement and retention have improved markedly.

There have been some dramatic changes. We have been building momentum. We have developed an enthusiasm for young people to serve their country in the armed services. A 14.3 percent, across-the-board pay increase will help to keep that momentum building. Anything less, as I see it, will slow down this momentum.

Mr. SKELTON. Mr. Chairman, will the gentleman yield at that point?

Mr. MITCHELL of New York. Yes; I yield to my friend, the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from New York (Mr. MITCHELL) regarding the 14 percent, across-the-board pay increase.

I might point out that I had the opportunity to visit some nine military bases in Europe in 9 days in the first part of August, and the morale there was excellent. A good part of it was based upon the fact that last year they received a substantial pay increase. They think the people back home are paying attention to their

I also felt that they are anticipating this substantial pay increase this year. This is not just for morale purposes, but I think this year we are still trying to play catchup football, as we say

back in Missouri, on the pay for the military.

So, Mr. Chairman, I do associate myself with the remarks of the gentleman from New York (Mr. MITCHELL), and I commend him on his stand.

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentleman from Missouri (Mr. Skelton) for his contribution.

Do I understand that the perception is there that the people are going to receive the 14.3-percent increase?

Mr. SKELTON. In my opinion, there is no question about it that the perception is there. They feel that this was a pledge made to them quite some time ago, and I certainly hope we can fulfill that expectation.

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentleman from Missouri (Mr. Skelton). I agree that anything less would tend to slow down this momentum we have got building, and the preception would be that once again Congress is losing interest in the armed services.

The prime virtue of the Senate bill is that there is a targeting provision, and that provision would be a policy of paying more to certain grades to encourage people to stay in our services and to strengthen retention at certain levels in the military. That is a good concept generally, but we do not need any additional targeting. We already have the flexibility within this bill to target up to 25 percent of the 14.3-percent pay increase.

I sincerely hope that the President will not take advantage of this flexibility, I sincerely hope that everyone in the service who is eligible will receive the 14.3-percent pay increase, but the provision is there should it be needed.

Then, too, we already target extensively with special pays and incentive pays. We pay sea pay and sub pay and flight pay and hazardous duty pay and proficiency pay. We provide more funds and more money for our health professionals, we give people who are nuclear qualified more money, we have enlistment bonuses and reenlistment bonuses, and we target at the present moment more than \$2 billion for people we want to attract or retain. So we do not need any more targeting.

It is probably important, too, Mr. Chairman, to take a look at who supports these two measures, which of our experts support the Senate version and which of our experts support the House version. The only military leader that I know of who is supporting the Senate version is General Myers, Chief of the Army Air Force. For the House version which provides the 14.3 percent, across-the-board pay increase, we have Secretary of Defense Weinberger, who, I assume, is representing President Reagan and the administration, we have General Osway, Chief of the Air Force personnel, we have Admiral Hayward, Chief of Naval Operations, and we have the military associations behind our bill. There is the Fleet Reserve, and we also have supporting the bill the Air Force Sergeants, and we have the National Association of Uniformed Services.

It really comes down to which problem we wish to address, recruitment or retention. The Senate bill would provide a slight increase in recruitment levels in the senior enlistment ranks over what the House version provides. There is about a 2-percent improvement, but both will overkill the problem. Both bills will provide 50,000 or more people at these levels than we need in a few years. Both are more than adequate to solve the problem the Senate version addresses.

But the House bill will help recruitment far more, and the Congressional Budget Office tells us that recruiting will be the big problem we will face in the 1980's once we establish comparability.

In conclusion, Mr. Chairman, I would like to say that cost is not a huge factor. Both bills cost about the same. The House version would save about a quarter of a billion dollars in 5 years and a total of over a billion dollars in 10 years. The difference is that the House bill, in my estimation, will continue the momentum we have going. It will address both problems, recruitment and retention. It will allow our contract that the Congress made to people in the armed services back in 1972 to be honored, and it will send a clear signal that the Congress does care about the sacrifices these people make in our behalf. It will provide the pay increases that military personnel want and expect.

I would just like to reiterate that we do not need more targeting. Anything else is redundant.

Mr. Chairman, I urge my colleagues to support the House version.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to my friend, the gentleman from New York.

Mr. RICHMOND. Mr. Chairman, I rise in strong support of this legislation to increase the pay and allowances for members of the Armed Forces and in support of the amendment of the gentleman from New York (Mr. Addabado) which targets raises to keep technically qualified men and women in the Armed Forces.

I am convinced that this legislation is crucially needed to help the military attract and retain men and women with essential technical and managerial skills.

Mr. Chairman, I am convinced that the administration's military budget request for 1981 appears to encourage a wasteful anomaly. In a total defense budget of \$188.8 billion, \$38.8 billion is earmarked for military compensation, while \$52 billion is intended for weapons systems procurement. The remaining \$90 billion or so will be used largely for Pentagon management overhead.

From a prudent management point of view, it would make more sense to reverse these priorities for a while, and concentrate our vast defense resources on improving the general standards of competence and retention among line personnel. By raising military compensation to levels offered for similar skills in the private sector, we could recruit more competent people, retain them for longer periods, and significantly reduce the wasteful gap between personnel and technology. For these reasons, I am strongly supporting the legislation now before us, H.R. 3380.

The American public is being deluded into believing that vast expenditures on sophisticated new weapons systems are the answer to our military prayers. Defense contractors and their friends on the procurement side of the Department of Defense have done a magnificent job of lulling the public into this false sense of security.

Our real defense problems are more subtle and, therefore, more difficult to correct; in the end, they also may be more expensive to solve than the most pessimistic estimates of the cost of new hardware.

While they want more "bang for the buck," our military commanders do not yet have forces of high enough caliber to properly light the fuses. We have seen only the top of the tip of the iceberg of unpreparedness in three recent disasters: the aborted rescue mission in Iran, the destruction of a Japanese merchant vessel by an American submarine, and the fatal accident on board the carrier Nimitz.

In all three cases, military personnel were dealing with the most sophisticated machinery available in the world. And, in all three cases, the technology outran the capabilities of responsible humans.

If our weapons systems become even more sophisticated before we have brought maintenance and operating skills to appropriate levels, we will have thrown literally hundreds of billions of dollars down the drain.

By the evidence of their own studies, Pentagon officials are aware of this gap, and of the reasons for it:

First, they are not able to recruit enough people of high enough ability. Not only are the services failing to meet their numerical goals, but the overall quality of recruits remains low. One-quarter of current recruits do not have a high school diploma; 17 percent of current recruits scored below the 30 percentile in a screening exam whose benchmark is tests given to military personnel in 1944.

Second, the services are not able to retain personnel. In the fiscal year

ended last September, one-third or more of people trained in such areas as electronic repair and communications did not reenlist. Among even more highly trained people, such as naval pilots and nuclear submarine officers, fewer than 40 percent remain beyond their minimum service requirement.

By far the most frequently cited reason for this attrition, according to military exit surveys, is insufficient pay. Certainly, along with low morale and unpleasant working conditions, insufficient compensation is a primary reason for our failure to retain trained, efficient military personnel.

Another key reason for low morale is the distinct feeling that a military career deprives one's family of a decent quality of life. Since 1972, the disposable income of military personnel has declined between 13.4 percent and 25.8 percent, depending on rank and seniority. A junior officer now receives less compensation, including all allowances, than does a busdriver in Washington, D.C.

We have, then, a very expensive and ultimately wasteful revolving door in the Armed Forces. Large numbers of marginally prepared people are intensively trained to operate sophisticated systems. Then they take their skills into the private sector and command wages commensurate with their new knowledge. As they depart, new recruits begin their training. The result is that we never have a sufficient number of trained and experienced people to run the system.

Mr. Chairman, I believe that H.R. 3390 is an essential step in the right direction and I urge my colleagues to join me in approving an adequate and enlightened compensation policy for our Armed Forces.

Mr. MITCHELL of New York. Mr. Chairman, I reserve the balance of my time.

Mr. ADDABBO. Mr. Chairman, the Committee on Appropriations supports virtually all of H.R. 3380 as reported out by the Armed Services Committee. Of the total of 11 different sections in the bill, the committee has no objection to 10.

I applaud the distinguished chairman from Alabama and the members of his Subcommittee on Military Personnel and Compensation for producing a bill that provides thoughtful solutions to such various and difficult personnel problems as: A shortage of science and engineering officers, adequate reimbursement for temporary lodging when changing duty stations, emergency home leave for those stationed overseas; consolidation of authority for hazardous duty pay, and an increase in the ceiling for enlistment bonuses which will be of particular help to the Army in its recruiting effort.

Mr. Chairman, the only area of disagreement concerns section 2 in which the Armed Services Committee recommended an across-the-board 14.3-percent military pay raise on October 1, 1981, in lieu of a 5.3-percent raise on July 1 and a separate 9.1-percent raise on October 1, 1981, as proposed by the President. At the proper time, I will offer an amendment by the Appropriations Committee which will target the pay raise to the ranks of highest need, but which will still average 14.3 percent.

The Appropriations Committee held detailed hearings on H.R. 3380 with witnesses from the Office of the Secretary of Defense, the military services, and the General Accounting Office. The overwhelming substance of the testimony clearly dictates that the military pay raise for October 1 should be targeted. The committee believes that a pay raise as high as 22 percent should be granted to the more highly skilled and experienced enlisted personnel who are in short supply with others receiving raises in varying lesser amounts but with no one receiving a raise of less than 7 percent. The net effect of our proposal is to give a pay raise that will average 14.3 percent as opposed to the across-theboard proposal of 14.3 percent recommended by the Armed Services Committee

I am committed to making the All-Volunteer Force work. However, the approach recommended by the Armed Services Committee would leave the pay tables in the same proportion that was designed in the early 1970's without making any adjustments by pay grade based upon almost a decade of experience. Just as field testing is used to make needed adjustments in the design of a tank or aircraft before it is put into long-term production, we should use the acumulated evidence of nearly 10 years' experience to make military compensation support the All-Volunteer Force in the most economic manner possible.

The relationship between career and entry pay has significantly eroded over the years to the point that today a promotion to sergeant, the beginning of the career force, will gain an individual only \$20 a month in basic pay. How can we convince a highly qualified young person that increased responsibility in the military is adequately compensated?

All the services are seriously short of skilled personnel. In the Appropriations Committee report on the fiscal year 1981 defense budget, we estimated that DOD was short over 100,000 NCO's. Those numbers have changed little over the last year. Many of our Army divisions are not ready because of these shortfalls. The Navy must juggle crews in order to get marginally ready ships to sea. Air Force mainte-

nance personnel shortages reduce the

number of planes we can put into the air. According to the Congressional Budget Office, targeting the pay raise will allow the services to recruit virtually the same number of quality personnel over the next 5 years, but would increase the size of the career force by 19,000 trained and experienced leaders. Our proposal, and the one supported by the Senate Armed Services Committee, is to give a pay raise that will average 14.3 percent as opposed to the across-the-board proposal of 14.3 percent contained in the initial version of H.R. 3380.

There is strong support in the military services for a targeted pay increase. Army Chief of Staff E. C. Meyer has stated that he prefers a targeted pay raise. Gen. W. L. Creech, head of the Air Force Tactical Air Command, testified before the Appropriations Committee that a targeted pay increase would better meet this serious retention problem. The people working in the field have stated to me that they support the targeted approach.

For these reasons, the Appropriations Committee will offer at the proper time a substitute amendment for the across-the-board pay raise. It will provide the same 14.3-percent increase on average, but will target more of it to our critically short senior NCO's. Additionally, my amendment will give the President the flexibility to realine up to 2 percent of the pay raise if he judges it to be necessary.

I urge that you support the Appropriations Committee substitute amendment, which I intend to offer at the proper time.

Mr. DICKS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the legislation and of the so-called Addabbo amendment.

Mr. Chairman, after years of ignoring the developing situation, there is now universal agreement that we face serious problems in manning our military forces. These problems are not going to go away, and in fact hold every promise of providing an even greater challenge to our military effectiveness than they do today.

There is no getting around the fact that as we proceed through the 1980's and early 1990's, there will be fewer and fewer individuals each year reaching what we now consider prime recruitment age. At the same time, we are seriously examining proposals to substantially expand the force levels we maintain. The Navy has a goal of a 600-ship fleet. This will require thousands of additional personnel and will add a requirement for an additional 20,000 petty officers, on top of the current 22,000 shortage. The Army is considering force increases of between 250,000 and 500,000. The Air Force wants to add to its active wings.

If we are to accomplish these goals, and if we are to obtain the military manpower we need, tough decisions

are going to have to be made.

I want to make clear from the outset, that the personnel problems we face in the services are deeper and more complex than simply deciding the proper level of compensation. We are engaged in a great and unprecedented experiment. Never has a nation attempted to maintain a force in excess of 2 million men and women under arms during an extended period of peacetime, without compulsion, in the history of the world. We simply do not have many precedents to go by in trying to determine how we accomplish this task and retain an effective fighting force.

In an effort to make the experiment work, we agreed to strive to achieve pay comparability with the private sector. This is an understandable general principle, but it is not without its

flaws.

Fundamentally, attempts to correlate civilian and military pay are like comparing apples and oranges. No matter how hard you try you cannot make a side-by-side comparison. Many military tasks, especially in combat arms, simply do not have any comparable position in the civilian world. There is no systematic method of factoring the various forms of compensation outside of basic pay in both worlds. Particularly in the military, there is an almost infinite combination of privileges and benefits which an individual soldier might receive. Fur-ther, in civilian Government, jobs are rated on the GS scale. In the military, the equivalent rank cuts across literally hundreds of different jobs with seniority and command structure the operating factors in determining rank. Even if we agree on the PATC standard as a fair judge of needed pay increases we are saying that pay adjustments that are necessary for a Federal white collar labor force whose medium age is about 45 should be automatically applied to a military work force that is roughly 55 percent blue collar and whose median age is about 24.

Second, the principle of comparability encourages the perception of military service as just another job. It is not, never was, and never can be. The bottom line is that a soldier is asked to risk his life for his Nation and if need be take the life of his Nation's enemy. In addition, he is assigned where needed, when the commander deems

he is needed there.

When we view the military as just another job, we foster an attitude that is not conducive to the essential qualities of commitment, loyalty and cohesion that have won far more battles throughout history than have so-called wonder weapons.

Viewing the military as a job also fosters the sense of careerism among the leadership of the services that damages our fighting capabilities. This attitude implies that its leaders can devote themselves mainly to advancing their own careers, and that its work force can be motivated by the same combination of fringe benefits and sanctions as any assembly line crew.

The careerist motivation must be addressed if we are to really build an effective fighting force. We must eliminate the system which places a premium on avoiding risks, which eliminates officers who well may be competent in their current assignments, through arbitrary and automatic "up and out" rules. We must allow more decentralized command authority. The Washington Post in its series on the officer corps notes that one of every six Army colonels, handpicked to command troops, has turned down the honor. The arguments presented do not center on pay, but on the authority officers are provided to lead, rather than simply manage. Retired Col. John B. Kelly summed up his reasons for voluntarily retiring by noting:

Why should I go out there and take all the hell and not have the authority.

My purpose in raising these points is to remind the Members of this body that we must not only consider the inputs in shaping military manpower policy. Numbers of individuals, and their backgrounds when they enter are no doubt of major importance. But even more important is what we do with them once they join the military to make them an effective fighting force.

Addressing these problems will require major internal reforms in the military. There is a limit on how much we can and should dictate these changes. But we can encourage the services to recognize and act on the basic problems. We can applaud leaders such as Army Chief of Staff E. C. Meyer when he initiates unit rotation experiments or lengthens the Army's basic training. We can bring the issues out for public debate and force a full and complete examination of them.

Any efforts to change the way the military operates in the personnel area will take time, will no doubt result in some setbacks, and will never completely eliminate problems. Some tradeoffs simply cannot be avoided. I am encouraged by the recent an-nouncement by the President that has created a Task Force on Military Manpower. I fervently hope, that in addition to examining the obvious aspects of the situation such as appropriate compensation levels and the pros and the cons of a draft, that they will examine the basic structure of the military personnel system to determine ways we can improve the product it produces. I also hope they give full attention to the requirements of the Reserve components, which continue to

be short of their mobilization requirements, particularly the Individual Ready Reserve.

The manpower problems we face today, cannot be ignored in hopes of a solution some years in the future. While aggregate numbers are sufficient for the current force structure, we continue to be desperately short in critical skill areas.

I intend to discuss in considerable detail the reasons I believe a targeted general pay increase is the most appropriate method of addressing this immediate problem during debate on the Appropriations Committee amendment. But I do want to take this opportunity to focus on the aspects of H.R. 3380, as reported by the Armed Services and Appropriations Committee, that do target compensation increases and have been relegated off center stage by the controversy over the general pay increase.

First, the bill increases the maximum enlistment bonus from \$5,000 to \$10,000. It also would, for the first time, allow payment of bonuses for enlistments of less than 4 years. Bonuses, where applied have been viewed by recruiters as exceedingly important tools. But the services have never advertised them in an effort to provide general inducement for recruitment. Rather, they have been used to encourage individuals, once sold on the service, to enter a particular career field. Their overall use has been minimal. The Air Force only began paying bonuses in this fiscal year and provided them to only 1 percent of person-nel. In the Navy, 2 percent received the bonus. And even the Army with the quantitative and qualitative constraints imposed by the Congress has only used them for 10 percent of their recruits. Overall, the Department spends less than \$100 million on enlistment bonuses today.

Many of us who have reviewed the personnel situation in detail feel that bonuses have been underutilized. If properly presented to the potential recruit, they can be a more effective inducement than a somewhat higher level of basic pay.

The bill also changes the basis on which eligibility for reenlistment bonuses can be calculated that will allow an individual to qualify for advanced technical training through service extensions and not be denied the opportunity to qualify for a bonus. This will avoid a forced decision between improving an individual's skill level or providing needed inducements for a full reenlistment.

Second, the bill provides the Department authority to establish special pays for unusual hazardous duty or duty performed under severe working conditions. Under existing law, the Congress must specifically authorize each of these special pays. This is the

type of micromanagement that Congress does not need to involve itself in and which inevitably leads to long delays before justified special pays can be authorized. The Congress should, of course, maintain a general oversight over the application of special pays, but by giving the Department greater flexibility in this area we, hopefully, can avoid the type of festering shortages we often are confronted with today.

Third, the legislation makes specific efforts to deal with the particularly difficult time we are having in attracting and retaining engineering and scientific officers. Recent reports show that the United States has produced 17,000 fewer engineers than it needs. The competition with the private sector for these individuals is particularly intense with starting salaries in private firms averaging in excess of \$20,000. Without help, the military simply cannot compete. Thus, H.R.

3380, establishes a \$15,000 accession bonus for a 4-year obligation, and a continuation bonus of \$3,000 for each

additional year of service.

Finally, the bill deals with concerns that, although they affect the working atmosphere in the military, are not generally considered major issues. These "financial irritants," however, are disproportionately cited by many who leave the services. Items such as reimbursement for temporary lodging expenses, advance payment of certain travel and transportation allowances, environmental and morale leave, and travel in conjunction with emergency leave will help create an atmosphere that better recognizes the realities of the burden faced by military personnel.

In conclusion, the pay caps imposed in the latter half of the 1970's on the military no doubt created a need for large increases again this year. But we should not be misled into thinking that our personnel problems will be solved by returning to some previously defined level of comparability. They will not. To solve them will require some basic and difficult decisions on the part of the Congress and the Department. The jury is still out on the viability of the All-Volunteer Force. A real trial will require creative thinking in dealing with the problems it presents, and I sincerely hope we will not shrink from that challenge.

□ 1300

I just might add, Mr. Chairman, I want to applaud the gentleman from Alabama (Mr. Nichols), the gentleman from New York (Mr. Mitchell), who have been at the forefront in not only this Congress but in the last Congress in dealing with the personnel problems. I think the enactment of the retention pay increase last year and the enactment of the 11.7-percent across-the-board pay increase are

largely responsible for the turnaround in recruiting and retention that we have seen in our All-Volunteer Force in the last year. We have made substantial progress.

I think that we can further that progress, and we will debate this tomorrow, if we target this pay increase that we are discussing this year. If we are going to keep those NCO's and petty officers in, then I think we have to give them a little more in compensation than the early recruit. I think the across-the-board approach simply does not recognize that hard reality.

The committee, to its credit, last year gave authority to target 25 percent of the pay increase, but the administration chose not to target 1 cent

of that pay increase.

With that kind of an attitude being presented by the administration, not just this administration but the prior administration as well, and the seeming reluctance to look at new and creative solutions, I feel that our subcommittee was correct in making this proposal. I think it will provide for a lively debate tomorrow.

I might point out to my colleagues that the other body voted on this issue and resolved it in favor of a targeted pay increase by a vote of 81 to 0. So there seems to be considerable support both politically and in the defense area. General "Shy" Meyer has also testified strongly in favor of a targeted pay increase, as has the Navy and other services as well.

So I want again to compliment the committee for the overall bill. We will have an amendment that we think improves it, and we will have a chance to discuss that tomorrow.

Mr. Chairman, I yield such time as he may consume to the gentleman

from Florida (Mr. Lehman).

Mr. Lehman. Mr. Chairman, in July I visited Fort Carson, Colo., as well as other military installations in the Rocky Mountain area. I was appalled by the conditions under which the enlisted men there must live and work.

Lack of housing on the post means that the privates are forced to find places to live elsewhere. At Fort Carson, the barracks used for Reserve and National Guard members appeared as bad as the most rundown housing projects I have ever seen. The barracks had originally been built as temporary shelter 40 years ago during World War II.

At Fort Carson, the privates who live offpost do not receive any additional financial help. With so little pay and high expenses, it probably should not surprise us that many if not most are forced to use food stamps in order to provide for their families. There are probably many more enlisted men and women who qualify for food stamps but are prevented by pride from accepting them. Mr. Chair-

man, it is unconscionable for us to ask these men and women to volunteer for the Armed Forces of our country and then fail to provide them with adequate compensation.

I was also shocked to learn at Fort Carson that our tank personnel are not equipped with fire-resistant clothing. After the 1973 Arab-Israeli war, I visited the burn ward at the Hadassah Hospital. I learned that protective clothing had made a life-or-death difference for the Israeli tank soldiers. In tank warfare, the overwhelming majority of injuries are the result of burns. At Fort Carson, I became concerned that we were being insensitive to the needs of our own soldiers by spending so many of our dollars on military hardware and so little on protecting lives.

Upon my return to Washington, I brought this matter to the attention of the distinguished gentleman from Alabama as well as other members of the Armed Services Committee. I have since learned that the Army does intend to begin equipping our tank crews with fire-resistant uniforms beginning in fiscal year 1982. While I am pleased that some progress is being made, I am also disappointed that it is taking so long for us to provide adequate protection for our servicemen.

Mr. Chairman, my visit to the military installations in Colorado taught me that we must continue to examine how we are going to spend the huge amounts of money we are providing the Defense Department. Let us make sure we put our people, and not sophisticated machinery, first.

In the end, we have to depend on our soldiers to protect us. As James Fallows noted in a recent article—

The effectiveness of a fighting force ultimately depends on the creation of a series of human bonds. . . . Armies will sacrifice to defend a nation that respects the sacrifices they make.

I wish to commend the Armed Services Committee for its efforts to improve the pay and benefits of the members of our Armed Forces. I agree with the members of the committee that it is essential that we upgrade the kind of compensation we give the men and women who dedicate their lives to serving their country. I support the 14.3-percent across-the-board pay raise contained in H.R. 3380 as reported by the Armed Services Committee.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend the gentleman from Alabama (Mr. Nichols) and the gentleman from New York (Mr. Mitchell) for the hard work that they have put in on this bill. I would like to suggest that simply because our subcommittee and the Appropriations Committee comes here with a little different view on the pay

part of it should take away in the least from the admiration that we have for these gentlemen and their committee and the work that they have done in upgrading the pay for our military and upgrading the benefits and conditions of the military, all of which have had to be done. They have done it in fine fashion.

forward through the We came Armed Services Committee last year with an 11.7-percent increase, and now that we are back with an overall proposal for a 14.3-percent increase in military pay and allowances, I think we are certainly on the right track. So I do no come here today in the least with any criticism of the action that has been taken by the Armed Services Committee.

□ 1315

Rather, I come here in a position that gives me some little concern, frankly, because I believe very strongly that the President and the Secretary of Defense ought to set defense policy, ought to determine basic issues such as pay; and so I do not like to come here and, in effect, suggest that we have the answer to how you pay all of the troops. And yet I must say to you that in some sense of frustration I come here supporting the position of the Defense Appropriations Subcommittee for the very reason that the administration last year, while having the authority, did not make any effort to target that pay raise.

We have been told—I have been told personally by the Secretary of Defense-that there is no intention to target the 14.3-percent raise that is in the bill this year. The Secretary's view, in fairness, is that 14.3 will bring the serviceman up to about the level where he should be, and he argues, that is, the Secretary does, that next year would be the time to start targeting. Well, I just, frankly, disagree with

that.

I have taken the well of the House for a number of years, as most of you know, talking about readiness, talking about the problems of our aircraft that are sitting in hangars not able to fly, and two of the main reasons that we have discussed over the years has been, one, the lack of spare parts and, two, the fact that we continue to lose our best trained people. When they get into the position where they can do a good job of mechanics work on a plane, any of them tend to be hired away by the defense contractors at two and three times the salary. We need to find some way to keep our NCO's, our petty officers, in the service in that area of the 12th or 13th year of military service. When time comes for about the third reenlistment, the second or third reenlistment, we find that we lose many of our NCO's. They are then, when they get to that point, looking at the prospect of putting in an additional 7 or 8 years to work into their 20-year retirement program. And so it is a big decision point. And if we start to lose our better NCO's, as we have been in the past, then we find that we are continuing to have to recruit more, we are having to hire more recruiters, we are having to pay for more advertising, we are having to find newer and better ways to create bonuses to encourage people to come into the service. It is my position that if we in fact can hold in the service the NCO level that we desperately need in our military that we would not have the recruiting problem that we have today. So it is on this basis, I think, that

the Defense Subcommittee on Appropriations has concluded that there is a clear need to do some targeting to try to go after those people who have been in the service for 10 or 12 years and who are at a crucial point in making a decision as to whether to stay in. We should go after those folks and, therefore, target the pay in a way that the guy who comes in as a recruit would come in at about 7 percent but within the year he would already be up to 9 or 10 percent, that the NCO up in the technical sergeant-master sergeant level would be up around 20 to 22 percent. In that way we would be doing the best we can to see that the people stay in the military who ought to stay there and be in the leadership role in the military, not only in the enlisted ranks, but in those crucial ranks in the officer corps as well.

So tomorrow the Appropriation Subcommittee on Defense, through our chairman, the gentleman from New York (Mr. ADDABBO), will offer an amendment to this bill to target the pay raise. We will leave 14.3 percent in the allowances, just like it is in this present bill. We basically do not touch anything else, except the pay itself, where we feel there is a great need to

do some targeting.

I would suggest to the Members what has already been said here, that the Senate, by a vote of 81 to 0, on Friday took the similar position to the position of our subcommittee. I would hope that the House would see the wisdom of following this approach so that we can go to conference with a good bill, good because the Armed Services Committee has made it good, and a little better, perhaps, because of the targeting that we would like to see done in the bill.

Mr. SKELTON. Mr. Chairman, will

the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. SKELTON. I think we should be fair in what we are saying, that the Senate vote that was 81 to 0 was not a vote on an "either/or" situation. That was the only ball game in town. The position before them, the one which the gentleman advocates, was the only position that any Senator could vote for, and being the only pay increase on which they could vote, they voted unanimously in favor of. However, I understand that during the debate a number of them did point out that it would be preferable to have the position that the House Armed Services Committee takes, the position which I advocate.

I thank the gentleman very much

for yielding.

Mr. EDWARDS of Alabama. I would say to the gentleman that if we lose on our position, I will gladly support the House Armed Services Committee. Again, I reiterate that the gentleman has done a magnificent job in moving down the road in a way that I think we should go

Mr. SKELTON. I appreciate that. And I may add just one other thing. I appreciate the gentleman's frankness and candor and his willingness to support us should we win, which, hopeful-

ly, we will.

I think Secretary Weinberger is correct. We should look at it next year. This year the soldier, the sailor, who is really the hub of the entire armed services, not the specialist, is the one that is expected to be brought up to standards with his counterparts in the civilian sector.

Mr. EDWARDS of Alabama. I thank the gentleman for his contribution.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Washington.

Mr. DICKS. I want to commend the gentleman from Alabama for his usual outstanding statement on this issue.

I would only make one comment for my friend, the gentleman from Missouri, and that is that the Chief of Staff of the Army, General "Shy" Meyer, who has more at stake here than anyone else, has come down solidly in favor of a targeted pay increase as the kind of tool that will help him deal with the principal problem that the Army faces, and that is the retention of those terribly important NCO's.

I think the pay increase that will be given to the early enlistees is adequate, but I think targeting the NCO's, where the real problem is in retention, is the correct approach. I think General Meyer and I think every witness that we have asked before our subcommittee who is directly involved in the management of the armed services on the Joint Chiefs has come down in favor of this kind of a targeted approach.

I just want to also point out to my friend, the gentleman from Missouri, that we heard the same thing last year from Secretary Brown, the same thing from Secretary Weinberger. "Oh, we are going to get to it later." It is like the 5-year shipbuilding program. All of the ships are in the out years. I think it is time for us to act decisively and deal with this problem. We applaud the Armed Services Committee for its willingness to address this issue. I think we can go one step further and make this bill much more solid in its approach.

Mr. SKELTON. Mr. Chairman, will the gentleman yield so that I can re-

spond to that?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. SKELTON. I would like to point out that it does us little good to retain those certain specialists if the foot soldier, who is really the hub of the Army, if the petty officer, who keeps the ships going, and the airmen, who keep the airplanes in the air, are not retained. These are the ones who would benefit under the House Armed Services Committee plan.

So I think next year is the time to look at it. This year let us take care of the foot soldiers, the sailors, and the airmen, who are really the hub, and keep the whole movement going.

Mr. EDWARDS of Alabama. Let me just respond to the gentleman and suggest that it is not just the technician that we are trying to target. It is the senior foot soldier, it is the leader of the troops in the field; it is the fellow who has been digging it out in the trenches for 10 or 12 years and finally gets to wondering what the heck it is all worth. And he is the fellow, just as well as the technician, that we are trying to target, because all of these NCO's have a vital part in the development of a proper military, all of those petty officers have a part in taking those ships to sea. And we see ships tied up at the docks because there are not enough people to take that ship out. That begins to worry all of us, I am sure, not just our subcommittee.

So it is all of the NCO level, as they move into the upper grades, that we are trying to target to keep them, because they are all vital. It is not just your airplane mechanic or your tank mechanic. It is just as well your foot soldier or the leaders of your foot soldiers. You cannot train very many recruits to be foot soldiers if you do not have good leaders in the NCO ranks in there to do the training.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from New York.

Mr. MITCHELL of New York. The gentleman from Washington mentioned that General Meyer was supportive of that bill. He is the only military leader that I know who is a supporter of the Senate version of the pay increase bill. Along with the administration and Secretary of Defense Weinberger, we have General Osway, who is the Chief of Air Force Personnel, Admiral Hayward, who is the

Chief of Naval Operations, and we have every military association that has been living with this problem for years and years. We have the Fleet Reserve, the Air Force Sergeants Association, the National Association of Uniformed Services. I know we do not want to get into the debate today, but I just want to tell the gentleman that General Meyer, the individual, offered as an expert in the field, is the only person I know who is supportive of this, the only military leader I know of who is supportive of it.

Mr. EDWARDS of Alabama. I guess it would be fair to say that he may have the biggest problem of all of

them, too.

Well, we will debate this more tomorrow, and I do not care to pursue it further today. Mr. Chairman, I yield back the balance of my time.

Mr. NICHOLS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. Skelton), a member of

our committee.

Mr. SKELTON. Mr. Chairman, I wish to again reiterate the importance of the 14-percent pay raise that I think we should give to the military. No. 1, it has been expected. No. 2, it would actually help in retention. These are areas that must be seriously considered, and I truly hope that when we vote on this most important issue tomorrow, the Members will keep that fact in mind.

Mr. Chairman, in addition to the pay raise and increase in bonus authorities, H.R. 3380 includes a number of changes in travel and transportation entitlements. These items are limited in terms of both the cost and the number of personnel affected, but their impact on morale should be sub-

stantial.

Undoubtedly, one of the more troubling problems created by assignment overseas is the difficulty in securing transportation back home in the event of a family emergency. Currently, the individual must use Government transportation, no matter what the difficulties involved, or foot the bill himself.

H.R. 3380 would authorize roundtrip transportation for service members and dependents stationed overseas for emergency leave in case of death, imminent death, or serious illness of a close relative, or in the event of a natural disaster affecting the member's property. Such travel would be approved only if Government transportation were unavailable within a reasonable time frame and only to the port of entry into the United States. Additionally, the bill would make it possible for a service member on temporary duty assignment to travel to his permanent duty station or to a location no farther away than his permanent duty station in the event of the serious illness, injury, or death of a dependent.

When personal tragedy strikes, we must act quickly. The added flexibility provided by these new emergency leave travel entitlements could well prove critical to the individuals involved. They are limited, but the impact should not be underestimated. We are sending an important signal to the troops that we care about their welfare.

That is precisely what H.R. 3380 would do—it would send a signal to the troops that the Congress cares. This measure, as reported by the Armed Services Committee, is an important step forward in assuring that military pay keeps pace. We must be able to retain not only the senior skilled technicians, but we must have an entry-level salary that will attract recruits capable of meeting the higher quality standards that we in Congress have mandated. I urge favorable action by the House on this legislative initiative.

Mr. MITCHELL of New York. Mr. Chairman, I yield 5 minutes to the gentleman fom South Carolina (Mr. HARTNETT).

Mr. HARTNETT. Mr. Chairman, military service is by its very nature hazardous, particularly in wartime when any serviceman, regardless of peacetime assignment, may wind up in combat or combat-support role. During peacetime as well, there are a number of demanding jobs, essential to the mission, that place the service member in personal danger. Although money can never adequately compensate the individual for placing his life in peril, special pay is authorized for military personnel who serve in a variety of hazardous occupations. Hazardous duty incentive pay assists in attracting individuals to these occupational specialties: it also indicates to the individuals involved that their special sacrifices do not go unappreciated.

The current rate of hazardous duty incentive pay is \$55 monthly for enlisted personnel and \$110 for officers. Present law identifies a variety of specific types of duty for which hazardous duty incentive pay is authorized, for example, flying, parachute jumping, service involving intimate contact with persons with leprosy, work involving demolition of explosives, work inside high- and low-pressure chambers, service involving participation in acceleration or deceleration or thermal stress experiments, and carrier deck operations.

When experience indicates the need for special pay for additional types of duty, legislative action is required. As Members are well aware, this can frequently be a time consuming and cumbersome process, with needless delays. It often requires a tragedy or near tragedy to call attention to the particular problem area. For example, we were stunned and saddened by the recent death of an Air Force fuel han-

dler at the Titan II missile site in Arkansas. Despite the obvious rigors of the job, he was not eligible for hazardous duty incentive pay at the time of the accident. Ironically, civilians who were performing the same function were receiving additional compensation for the hazardous nature of the assignment. The effect on morale of this type of discrepancy is obvious.

H.R. 3380 is designed to provide greater flexibility in designating categories of hazardous duty pay. Rather than requiring legislation for each new proposal, the Secretary of Defense would be given the authority to determine additional categories of hazardous duty incentive pay. It is the committee's intention that this authority be exercised judiciously through a periodic service Secretary review and that it be consistent among the uniformed services. The committee further intends that this authority be used only in the most compelling circumstances.

H.R. 3380 would insure more equitable treatment of those who face imminent danger on a frequent basis and will have a positive effect on morale. This legislation is also an important step toward insuring all military personnel, regardless of rank or job designation, that they will receive a fair wage in return for their services. I urge favorable consideration of the bill as reported by the Committee on Armed Services.

□ 1330

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. HARTNETT. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

I want to thank the gentleman and commend him on his statement and urge the House to adopt H.R. 3380.

Mr. Chairman, witnesses appearing before the Armed Services Committee this year have stressed the substantial out-of-pocket expenses that many service members incur—and for which they are never reimbursed—in conjunction with permanent change of station orders.

Permanent change of station moves are made at the direction and for the convenience of the Governmentbased on military requirements. In theory, the Government pays all the costs involved. In practice, the individual is often reimbursed for only a fraction of the actual expenses. Understandably, this is an unanticipated financial burden that greatly irritates the service member and his or her family. This is particularly the case since a comparable civil service employee receives far more generous travel entitlements in conjunction with a transfer.

To help correct this situation, H.R. 3380 would authorize a temporary

lodging allowance to provide reimbursement for living expenses actually incurred by a service member and dependents while occupying temporary quarters in conjunction with a permanent change of station move. Service personnel currently receive travel and transportation allowances when in a travel status. Before departure from the old assignment or upon arrival at the new duty station, however, there are the costs of meals, lodging, and incidental expenses. No reimbursement is made for these expenses when incurred-although they are directly associated with permanent change of station orders.

The temporary lodging allowance envisioned in H.R. 3380 would be limited to 4 days and could not exceed the maximum per diem rates authorized for the area involved. The Armed Services Committee expects that the implementation of this provision will insure that reimbursement for dependents would be less than for the service member and, also, that total reimbursement for family would be subject to a daily ceiling.

While this improvement will not remove all the financial irritants connected with moves mandated by military orders, it is an important step forward toward greater equity and enhanced personnel satisfaction.

H.R. 3380, also, embodies a number of improvements in military pay and other entitlements including the final installments needed to close the gap between military and civilian pay. Additionally, while many of us would like to see an across-the-board pay raise this October, as provided by the Armed Services Committee, the President has the authority to reallocateor to use the latest word in vogue, target-up to 25 percent, if he feels conditions prior to October 1 so dictate. This discretionary authority is far better than locking in the pay table as proposed by the Appropriations Committee—at pay rates totally inadequate for junior enlisted personnel.

I urge the House to adopt the recommendations of the Armed Services Committee as contained in H.R. 3380.

Mr. HARTNETT. I thank the gentlewoman for her consideration, and I yield back the balance of my time.

Mr. NICHOLS. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi (Mr. Montgomery), a distinguished member of our committee.

Mr. MONTGOMERY. Mr. Chairman, I would also like to thank the chairman of the subcommittee, the gentleman from Alabama, and also the gentleman from New York for the great work they have done on H.R. 3380. It is indeed a pleasure to serve with them on the Personnel and Compensation Subcommittee.

I rise in strong support of this bill that was reported out of the Committee on Armed Services by an almost unanimous vote of 36 to 1.

Let me make several points, Mr. Chairman, pertaining to this across-the-board pay raise for our military personnel.

My first point would be, and it has been pointed out here today, that the President, the Commander in Chief of our Armed Forces, has the discretion under current law to give authority to the individual military Secretaries to target 25 percent of the pay for our military personnel; 25 percent of this can be targeted to special groups if the different Secretaries would like to do this

So, I think it would be much better, as the chairman, the gentleman from Alabama, said, to let the different Secretaries determine the targeting rather than the Congress making this decision.

Certainly our military and civilian leaders are in a much better position than we to know who should receive this special pay.

Another point I would like to make, Mr. Chairman, is the matter of fairness and equity. We have reported out of the House Veterans' Affairs Committee legislation to establish a GI education program for the 1980's. The bill is now pending before the House Committee on Armed Services.

We sent Members of Congress and staff out into the field to see what would be needed to attract young men and women into the services and to keep them in the service and they like the GI education bill.

In our bill, however, we said let us target this educational bill to certain skills in the military. When we went out into the field we found some objections to this. As an example, we went to a communication platoon. We talked to the actual switchboard operators and the committee was leaning to targeting benefits for these switchboard operators. They needed more education and more skill. Then we talked to the individual soldier who would lay his life on the line in combat and he said, "Why are you discriminating against me? His job is not as dangerous as mine, and we do not think it is fair."

My point today, Mr. Chairman, is we are going to create some discrimination and some unfairness if we in Congress try to target who would get these pay raises.

An across-the-board increase with any targeting left to the discretion of the Department of Defense makes a lot of sense to me and that is why our committee reported the bill out in this form.

Let me close, Mr. Chairman, by saying quite frankly—I have said this before on the House floor—I think eventually we are going to have to go back to some type of limited draft. I know this administration would not support any form of draft and I doubt very seriously if this Congress would vote for a draft or limited draft.

We are getting some good men and women into the services, but we also are getting a lot of young men and women who cannot adjust. We bring them into the services and we have to discharge them. Thirty percent of those who come into the services have to be discharged before they complete their 3-year enlistment.

Since we are not going to return to any form of Selective Service System draft we must make the all-volunteer military system work. I think the across-the-board pay raise we have before us today is the best way and I think we should give it our strong support.

Mr. NICHOLS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. Dyson), a member of the committee.

Mr. DYSON. Mr. Chairman, I rise in support of the committee's position and the position taken by the chairman of the Subcommittee on Personnel and Compensation, the gentleman from Alabama (Mr. Nichols), a good friend of us all.

I think one of the things that has probably been most important, at least to me as a new member of the Committee on Armed Services in the short time I have been on the committee, in this whole discussion of increased defense spending, is the manpower problem that the armed services are facing today.

One of the things that is most apparent to me is that members of our armed services—and I represent a good number of them in the First Congressional District—have a feeling there is a credibility gap between those of us here in the Congress and those who have served our country and are serving our country today.

I think it is absolutely essential that we do support the committee, including the full comparability increase, the 14.3-percent pay increase, for those members of our armed services. I say that because it does not make much difference what kind of military hardware we buy and we support, whether it is the MX or the B-1 bomber, if we do not have the capable people to operate those systems, and we are not going to have them if we do not give them the encouragement to enter and to stay in the services.

I think the 14.3 percent is the way to do that.

I also think other problems that the committee is addressing, such as housing, must also do that.

Again I rise in support of the committee's position on that and urge a favorable vote tomorrow in the House.

• Mr. BEARD. Mr. Chairman, I rise today in support of this bill, which would give our military personnel a much-needed raise. It is unconscionable that over the past several years military pay has fallen so far behind inflation that many military enlisted people find it necessary to go on food stamps to feed their families.

Our military people have no union officials or well-paid lobbyists to represent them in the budget process. They depend solely on us-the Members of this body—to see that they are paid an adequate wage. Nobody goes into the military to get rich, but neither should military people have to moonlight at civilian jobs just to be able to afford clothes for their family. Yet, that is the situation for far too many members of our military, because over the past several years, the leadership of this country-both in the executive and legislative branches-has failed in its duty to adequately provide for the basic needs of our military personnel. So, I support this bill not because it cures all the financial problems of military people, but because it is a step in the right direction, a step long overdue I might add.

Yet we should not delude ourselves into thinking that merely by increasing pay we can solve the serious manpower problems of the all-volunteer force. One of the most morale-damaging problems present in today's military is the lack of adequate medical care. This is a question not only of a shortage of doctors but a lack of adequate facilities. It is my belief that due to the very attractive salaries available to doctors in the civilian sector, pay for military doctors will never be able to be high enough to attract an adequate number. We are going to have to look at other ways to adequately fill our military medical ranks.

It is true that higher pay—if it is high enough—may slow the hemorrhage from our military of skilled NCO's and officers, the backbone of any effective military force. But I doubt seriously that simply raising pay will do anything to attract a more representative number of recruits. Our junior enlisted ranks today are comprised overwhelmingly of those from the lower educated scale of our society. Many do not have the skill or ability to be able to operate and maintain the sophisticated weaponry of today's military.

Look at the following statistics: The Armed Forces classify recruits into four categories of intellectual ability based on exam scores; category IV is the lowest. In 1979, nearly half of all Army recruits were category IV's.

If one thinks these test scores are irrelevant, look at scores on the skills qualifications tests, which directly measure a soldier's ability to do the job he will have to do in wartime. The failure rates are shocking. For exam-

ple, in 1979 only 18 percent of artillery target-spotters could pass their SQT's, only 28 percent of ammunition specialists, and only 15 percent of helicopter repairmen. While these results are only a sample, they are representative. I do not believe that simply raising pay will solve this problem.

Nor will raising pay do much to alleviate the appalling state of our Reserve Forces. Under the total force concept, the reserves are essential to success in any extended conflict. Yet, today the Active Reserves are at only 85 percent of needed strength, and the individual Ready Reserve is over 700,000 men short of wartime requirements. I question whether higher pay will do much at all to increase the readiness of our reserves.

Mr. Chairman, we must also consider that over 60 percent of our military budget now goes for compensation. I support this pay raise bill, but we in this country are going to have to start asking some hard questions soon about the direction we are going with this all-volunteer military. I think that those who believe that higher pay will be a cure-all are simply not taking a realistic outlook.

I intend to ask permission to insert in the RECORD today a copy of an article of mine entitled "The All-Volunteer Force: It Isn't Working," which elaborates on some of the problems I have mentioned. Thank you, Mr. Chairman.

• Mr. GLICKMAN. Mr. Chairman, I rise in strong support of H.R. 3380, the Armed Forces Pay Act of 1981. This legislation more than any other focuses on the most critical need of our defense program: The ability to recruit and retain qualified, dedicated military personnel.

As the report by the Armed Services Committee points out, we have fallen behind in terms of pay comparability for our military personnel, and, if we are serious about making the All-Volunteer Force work, we are going to have to bring compensation into line with what these hard working, skilled employees can earn in the private sector. Otherwise, the fact is that our armed services will not be the best possible.

And all of the money in the world poured into sophisticated weapons systems will not assure us a strong defense if the people we put in charge of them are not able to maximize the capabilities of those weapons. And if we are not paying our military personnel enough to keep them in the military, the expensive training which we provide them will end up being pointless. If the Defense Department trains personnel but cannot keep them because pay is better elsewhere, what we are doing is operating a highly technical, very expensive jobs training program, an engineer's CETA if you will. The

only way I see to make sure that does not happen is to adjust salaries as this bill proposes.

Before I close, I do want to bring to my colleagues' attention one specific provision of this bill which is particularly important to maintaining our Titan II missile systems safely and to military personnel throughout the armed services who are involved in especially hazardous work. Section 4 of the bill would authorize special pay for personnel involved in particularly hazardous activities or who work under unusually severe working conditions. The Secretaries of each of the various services would have the discretion to allow the special pay for specific jobs. I introduced legislation to authorize this special pay as H.R. 899, and Senator PRYOR of Arkansas has introduced a companion measure in the Senate. We did so in light of recommendations from the Air Force in the aftermath of recent accidents at

Titan facilities in my home State of Kansas and in neighboring Arkansas. By providing this kind of hazardous duty pay at the discretion of the Secretary, there will be more incentive for personnel involved in sensitive work at these facilities—such as handling the highly toxic propellants and fuels-to stay on the job rather than leaving for more lucrative work elsewhere. Retention rates in the Titan fuel handling job classification has been low, and that means that experience levels are not up to what they should be. And lack of experience raises the risk of accident, and, as recent incidents have shown, when the Titans are involved, the risk extends not only to employees on site but also to the public in surrounding areas.

Again, this bill certainly merits the support of the entire House, and I trust it will be enacted at an early date.

Mr. ADDABBO. Mr. Chairman, I include the following amendment which will be offered during the 5-minute rule tomorrow:

SUBSTITUTE AMENDMENT OFFERED BY THE COMMITTEE ON APPROPRIATIONS

On page 2, beginning on line 6 through line 11 on page 3, delete all of section 2, and insert in lieu thereof a revised section 2, as follows

PAY INCREASE FOR MEMBERS OF THE UNIFORMED SERVICES

Sec. 2. (a) Any adjustment required under the provisions of section 1009 of title 37. United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective.

(b) Effective with the first pay period after September 30, 1981, the monthly basic pay for members of the uniformed services within each pay grade, based on years of service computed under section 205 of title 37, United States Code, shall be as follows:

COMMISSIONED OFFICERS 1

Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
0-10 °	\$4,416.00 3,913.80 3,544.80 2,945.40 2,184.00 1,761.00 1,485.00 1,380.00 1,160.40 1,007.40	\$4,571.40 4,016.40 3,651.00 3,146.10 2,399.10 2,068.80 1,807.80 1,542.00 1,267.80 1,048.50	\$4,571.40 4,101.90 3,737.70 3,146.10 2,555.70 2,211.60 1,929.00 1,649.10 1,522.80 1,267.50	\$4,571.40 4,101.90 3,737.70 3,146.10 2,555.70 2,211.60 1,929.00 1,841.10 1,602.90 1,267.50	\$4,571.40 4,101.90 3,737.70 3,286.80 2,555.70 2,211.60 2,025.00 1,928.70 1,636.50 1,267.50	\$4,746.00 4,206.00 4,016.40 3,286.80 2,555.70 2,211.60 2,115.00 1,998.60 1,636.50 1,267.50	\$4,746.00 4,206.00 4,016.40 3,477.00 2,555.70 2,329.50 2,106.00 1,636.50 1,267.50	\$5,110.20 4,381.20 4,206.00 3,477.00 2,555.70 2,411.70 2,355.00 2,191.20 1,636.50 1,267.50	\$5,110.20 4,381.20 4,206.00 3,651.00 2,760.00 2,573.10 2,463.00 2,225.40 1,636.50 1,267.50	\$5,475.00 4,746.00 4,381.20 4,016.40 3,060.00 2,765.70 2,526.00 2,265.00 1,636.50 1,267.50	\$5,475.00 4,746.00 4,571.40 4,292.40 3,217.20 2,924.70 2,573.40 2,292.00 1,636.50 1,267.50	\$5,842.20 5,110.20 4,746.00 4,292.40 3,286.80 3,013.20 2,573.40 2,320.80 1,636.50 1,267.50	\$5,842.20 5,110.20 4,936.80 4,292.40 3,477.00 3,118.20 2,573.40 2,320.80 1,636.50 1,267.50	\$6,206.70 5,475.00 4,936.80 4,292.40 3,771.00 3,118.20 2,573.40 2,320.80 1,636.50 1,267.50	\$6,206.7 5,475.0 4,936.8 4,292.4 3,771.0 3,118.2 2,573.4 2,320.8 1,636.5 1,267.5

Basic pay is limited to the rate of basic pay payable for level V of the executive schedule.

While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is \$6,848.10 regardless of allow years of service computed under sec. 205 of title 37 of the United States Code.

Does not apply to commissioned officers who have been credited with over 4 years active service as enlisted members or warrant officers.

COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS' ACTIVE SERVICE AS ENLISTED MEMBERS OR WARRANT OFFICERS

	Pay gra	de		The second	Over 4	Over 6	Over 8	Over	10 Ov	er 12	Over 14	Over 16	Over 18	Over :	20 Ov	er 22	Over 26	Over 30
0-2					\$1,829.70 1,603.20 1,267.50	\$1,917.00 1,636.50 1,379.10	\$1,986.0 1,723.2 1,459.5	20 1,81	2.00 1	197.20 882.50 564.80	\$2,285.10 1,934.10 1,636.20	\$2,325.00 1,934.10 1,636.20	\$2,353.8 1,934.1 1,636.2	0 1,93	4.10 1	,379.00 ,934.10 ,636.20	\$2,379.00 1,934.10 1,636.20	\$2,379.00 1,934.10 1,636.20
10/6				P		Name of		WARRANT	OFFICER	S			A 191			8 18		
97	Pay grade	500	10	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-3				. 1,281.00	\$1,512.00 1,389.00 1,167.00 1,031.10	\$1,512.00 1,389.00 1,167.00 1,031.10	\$1,546.80 1,407.00 1,223.70 1,137.00	\$1,617.00 1,424.10 1,290.90 1,189.20	\$1,688.70 1,528.20 1,389.00 1,266.00	\$1,759.20 1,617.00 1,442.10 1,317.00	\$1,882.20 1,670.40 1,495.20 1,372.20	\$1,969.50 1,723.20 1,546.80 1,424.10	\$2,039.10 1,774.80 1,600.80 1,476.00	\$2,093.10 1,829.70 1,653.00 1,528.20	\$2,161.50 1,900.50 1,706.10 1,582.80	\$2,233.80 1,969.50 1,775.10 1,582.80	\$2,407.50 2,039.10 1,775.10 1,582.80	\$2,407.50 2,039.10 1,775.10 1,582.80
							13/15	ENLISTED	MEMBER	S							1	juil 8
9 9 10	Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26	Over 28	Over 30
E-8 E-7 E-6 E-5 E-4 E-3 E-2		\$977.10 843.90 734.70 663.90 632.70 603.30 536.40	\$1,054.50 920.10 799.50 726.90 667.50 603.30 536.40	\$1,093.80 958.50 838.20 769.20 715.20 603.30 536.40	\$1,149.90 \$1,009.50 885.00 821.70 715.20 603.30 536.40	\$1,180.20 1,047.60 952.80 854.10 715.20 603.30 536.40	0 \$1,416.00 1,217.40 1,086.00 987.30 854.10 715.20 603.30 536.40	\$1,682.40 1,455.90 1,256.70 1,125.60 1,020.30 854.10 715.20 603.30 536.40	\$1,720.50 1,494.60 1,297.80 1,183.50 1,046.10 854.10 715.20 603.30 536.40	\$1,759.50 1,533.60 1,354.50 1,221.00 1,050.90 854.10 715.20 603.30 536.40	\$1,800.00 1,573.80 1,394.70 1,260.30 1,050.90 854.10 715.20 603.30 536.40	\$1,840.20 1,615.20 1,436.40 1,279.20 1,050.90 854.10 715.20 603.30 536.40	\$1,875.90 1,664.10 1,479.90 1,279.20 1,050.90 854.10 715.20 603.30 536.40	\$1,974.60 1,746.60 1,547.70 1,279.20 1,050.90 854.10 715.20 603.30 536.40	\$2,025.00 1,785.00 1,587.60 1,279.20 1,050.90 854.10 715.20 603.30 536.40	\$2,166.30 1,941.60 1,740.00 1,279.20 1,050.90 854.10 715.20 603.30 536.40	\$2.221.50 1,941.60 1,740.00 1,279.20 1,050.90 854.10 715.20 603.30 536.40	\$2,221.50 1,941.60 1,740.00 1,279.20 1,050.90 854.10 715.20 603.30 536.40

1 While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy or Coast Guard, Chief Master Sergeant of the Air Force, or Sergeant Major of the Marine Corps, basic pay for this grade is \$2,633.10 regardless of cumulative years of service computed under sec. 205 of title 37 of the United States Code.

(c) If the President determines such action to be in the national interest, effective with the first pay period after September 30, 1981, he may decrease by not more than 2 percent the amount of basic pay es-

tablished in subsection (b) for any pay grade based on years of service and he may apply the amounts derived from any such decreases to increase by not more than 2 percent the amount of basic pay established

in subsection (b) for any pay grade based on years of service.

(d) the basic allowance for subsistence authorized enlisted members and officers by

section 402 of title 37, United States Code, shall be as follows:

.... \$94.39 per month "Officers "Enlisted members \$4.50 per day when on leave or authorized to mess separately. 'When rations \$5.09 per day kind are not available. assigned to When \$6.73 per day"; duty under emer-gency conditions where no messing facilities United States are available.

and

(e) the basic allowances for quarters authorized members of the uniformed services by section 403(a) of title 37, United States Code, shall be as follows:

10	Without d	ependents	With	
"Pay grade	Full rate	Partial rate 1	dependents	
"Commissioned officers:				
0-10	\$489.00	\$50.70	\$611.70	
0-9	489.00	50.70	611.70	
0-8	489.00	50.70	611.70	
0-7	489.00	50.70	611.70	
0-6	438.90	39.60	535.50	
0-5	404.70	33.00	487.20	
0-4	360.30	26.70	434.70	
0-3	316.80	22.20	390.90	
	275.10	17.70	348.00	
0-2	214.80	13.20	279.60	
	214.00	13.20	2/3.00	
Warrant officers:	247.10	05.00	410.17	
W-4	347.10	25.20	419.10	
W-3	309.60	20.70	381.60	
W-2	269.10	15.90	342.6	
W-1	243.00	13.80	314.70	
Enlisted members:			12000	
E-9	268.20	18.60	377.40	
E-8	247.20	15.30	348.60	
E-7	210.30	12.00	324.30	
F-6	191.10	9.90	298.20	
E-5	183.60	8.70	274.20	
E-4	158.10	8.10	235.50	
E-3	141.30	7.80	205.50	
F-2	124.80	7.20	205.50	
The state of the s	117.90	6.90	205.50	
t-1	117.50	0.30	200.0	

"1 Payable to a member without dependents who, under section 403 (b) or (c) of title 37, United States Code, is not entitled to receive a basic allowance for quarters."

(f) Section 203(c)(1) of title 37, United States Code, authorizing the monthly pay of cadets and midshipmen is amended by striking out "\$313.20" and inserting in lieu thereof "\$448.80"

Mr. NICHOLS. Mr. Chairman, I have no further requests for time on this side, and I yield back the balance of my time

Mr. MITCHELL of New York. Mr. Chairman, I have no further requests for time, and I yield back the balance

of my time.

Mr. DICKS. Mr. Chairman, I would point out before I yield back the balance of my time that CBO has done a study that says, if we do business as usual, we will lose an additional 4,000 NCO's this year. They also state that if we went to a targeted pay increase, we would retain 4,000 additional NCO's in this year.

I think that is the kind of approach that will produce the most results and that is why we are advocating it from the Appropriations Committee.

Mr. MITCHELL of New York. Mr. SPECIAL PAY FOR UNUSUALLY HAZARDOUS DUTY Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from New York.

Mr. MITCHELL of New York, CBO also has another study which says, once you establish comparability, which our bill intends to do, then the problem through the eighties is recruitment, not retention. If the gentleman would be interested in that.

Mr. DICKS. There is no question about it. Recruitment is going to be an ongoing problem. That is where the whole difficulty about it is, the efficacy of the All-Volunteer Force with fewer people.

The CHAIRMAN. The Clerk will

read.

The Clerk read as follows:

H.R. 3380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Armed Forces Pay Act of 1981".

PAY INCREASE OF 14.3 PER CENTUM FOR MEMBERS OF THE UNIFORMED SERVICES

SEC. 2. (a) Any adjustment required under the provisions of section 1009 of title 37, United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective

(b)(1) Subject to the provisions of paragraph (2), each element of compensation specified in section 1009(a) of title 37, United States Code, shall be increased for members of the uniformed services by 14.3 per centum effective with the first pay period beginning after September 30, 1981.

(2) The President may allocate the percentage increase specified under paragraph (1) in the same manner and to the same extent the President is authorized under subsections (c) and (d) of section 1009 of title 37, United States Code, to allocate any percentage increase described in subsection (b)(3) of section 1009 of such title, except that the provisions of subsection (d)(2)(B) of such section shall not apply to this subsection or any action of the President under this subsection.

REENLISTMENT AND ENLISTMENT BONUSES

SEC. 3. (a) Section 308(e) of title 37. United States Code, is amended to read as follows:

(e) Any unserved period of an enlistment (including any extension of enlistment) for which no bonus has been paid or for which no bonus is otherwise payable under this section may, under regulations prescribed by the Secretary concerned, be considered part of an immediately subsequent term of reenlistment (or as part of an immediately subsequent voluntary extension of an enlistment) for the purpose of determining the eligibility of the member for a bonus under this section and for the purpose of computing the amount of such bonus.

(b) Section 308a of such title is amended-(1) by striking out "for a period of at least

four years"

(2) by striking out "to a total of at least

four years"; and
(3) by striking out "\$5,000" and inserting in lieu thereof "\$10,000".

OR DUTY PERFORMED UNDER UNUSUALLY SEVERE WORKING CONDITIONS

SEC. 4. (a) Chapter 5 of title 37, United States Code, is amended by adding at the end thereof the following new section:

"§ 315. Special pay: unusually hazardous duty or duty performed under unusually severe working conditions

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay may be paid special pay, in the amount set forth in subsection (b) of this section, for any month during which the member performs duties that have been determined by the Secretary concerned to be-

"(1) unusually hazardous; or

"(2) performed under unusually severe working conditions.

"(b) Special pay payable under subsection (a) of this section shall be paid at the rate of \$110 per month, in the case of an officer, and at the rate of \$55 per month, in the case of an enlisted member.

'(c)(1) A member may not be paid more than one payment of special pay under this

section for any month.

"(2) A member may not be paid special pay under this section for any period of service for which that member receives special or incentive pay under section 301, 301a. 301c, or 304 of this title.

"(d) In time of war, the President may suspend the payment of special pay under

this section.

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"315. Special pay: unusually hazardous duty or duty performed under unusually severe working conditions.".

DUTY REQUIRING AN ENGINEERING OR SCIENTIFIC SKILL DESIGNATED AS CRITICAL

SEC. 5. (a) Chapter 5 of title 37, United States Code, is amended by adding after section 315 (as added by section 4) the following new section:

"§ 316. Special pay: engineering and scientific career accession bonus and continuation pay

"(a) In this section, the term 'engineering or scientific duty' means service performed by an officer holding a degree in engineering or science from an accredited college or university that requires a skill designated under regulations prescribed by the President as critical and that requires an engineering or science degree.

"(b) Under regulations prescribed by the President, an officer of an armed force

"(1) is entitled to basic pay;

"(2) has been certified by the Secretary concerned as having the technical qualifications for detail to engineering or scientific duty: and

"(3) executes a written agreement to serve on active duty for detail to engineering or scientific duties for a period of at least four

may be paid, in addition to all other compensation to which the officer is entitled, a bonus in an amount not to exceed \$15,000. The bonus may be paid in a lump sum or in equal periodic installments, as determined by the Secretary concerned.

"(c) Under regulations prescribed by the President, an officer of an armed force

"(1) is entitled to basic pay;

"(2) is below the pay grade of O-7;
"(3) has been certified by the Secretary concerned as having the technical qualifications for detail to engineering or scientific

"(4) has completed at least three but less than nineteen years of engineering or scien-

fic duty as an officer;
"(5) is not serving a period of obligated service under subsection (b) of this section;

"(6) executes a written agreement to remain on active duty for detail to engineering or scientific duty for at least one year, but no more than four years, of active serv-

may, upon acceptance of the written agreement by the Secretary concerned, be paid, in addition to all other compensation to which the officer is entitled, an amount not to exceed \$3,000 multiplied by the number of years, or monthly fraction thereof, of obligated service to which the officer agrees under the agreement. The total amount payable may be paid in a lump sum or in equal periodic installments as determined

by the Secretary concerned.

'(d)(1) An officer who does not serve on active duty for the entire period for which he has been paid under subsection (b) or (c) of this section shall refund that percentage of the payment that the unserved part of the period is of the total period for which the payment was made. Nothing in this subsection shall alter or modify the obligation of a regular officer to perform active service at the pleasure of the President. Completion by a regular officer of the total period of obligated service specified in an agreement under subsection (b) or (c) of this section does not obligate the President to accept a resignation submitted by that offi-

"(2) Subject to paragraph (3) of this subsection, an obligation to reimburse the United States imposed under paragraph (1) of this subsection is for all purposes a debt

owed to the United States.

"(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) of this subsection if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1981."

"(b) The table of sections at the beginning of such chapter is amended by adding at the

end thereof the following new item: "316. Special: engineering and scientific career accession bonus and continu-

TEMPORARY LODGING EXPENSES

ation pay.".

SEC. 6. (a)(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 404 the following new section:

"§ 404a. Travel and transportation allowances: temporary lodging expenses.

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is ordered to make a change of permanent station to another station in the United States may be paid or re-imbursed for subsistence expenses actually incurred by the member and the member's

dependents during a period not exceeding four days while occupying temporary quarters incident to that change of permanent station.

"(b) Regulations prescribed under subsection (a) of this section shall prescribe average daily subsistence rates for purposes of this section for the member and for each dependent. Such rates may not exceed the maximum per diem rates prescribed by or under section 404(d) of this title for the area where the temporary quarters are lo-

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404 the following new item:

"404a. Travel and transportation allowances: temporary lodging expenses."

(b) Section 411(a) of such title is amended by inserting "404a," after "(d)-(f),".

ADVANCE PAYMENT OF CERTAIN TRAVEL AND TRANSPORTATION ALLOWANCES

7. (a) Section 405a(a) of title 37. United States Code, is amended by inserting after the second sentence in that section the following new sentence: "Such allowances may be paid in advance."

(b) Section 406(a) of such title is amended by adding at the end thereof the following new sentence: "Travel and transportation allowances authorized by this section may

be paid in advance."

(c) Section 407(a) of such title is amended by adding at the end thereof the following new sentence: "An allowance payable under this section may be paid in advance.".

TRAVEL AND TRANSPORTATION FOR MEMBERS SERVING CONSECUTIVE ASSIGNMENTS OVERSEAS

SEC. 8. Section 411b(a) of title 37, United States Code, is amended-

(1) by inserting "(1)" after "(a)"; (2) by inserting "who is ordered to a consecutive tour of duty at the same duty station or" after "District of Columbia"; and

(3) by adding at the end thereof the fol-

lowing new paragraph:

"(2) If, because of military necessity, a member authorized travel and transportation allowances under this subsection is denied leave between the two tours of duty overseas, the member shall be authorized to use such travel and transportation allowances from his current duty station at the first time the member is granted leave.'

TRAVEL FROM ISOLATED DUTY STATIONS AND TRAVEL INCIDENT TO EMERGENCY LEAVE

SEC. 9. (a) Chapter 7 of title 37, United States Code, is amended by inserting after section 411b the following new sections:

"§ 411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service, while serving at a duty station abroad in an area specifically designated by the Secretary concerned for purposes of this section, may be paid transpor-

"(1) to another location abroad having different social, climatic, or environmental conditions than those at the duty station at which the member is serving; or

'(2) to a location in the United States.

"(b) The transportation authorized by this section is limited to payment for transportation of the member, and of each de-pendent of the member authorized to reside at the member's duty station, for one roundtrip during any continuous two-year tour

and two roundtrips during any continuous three-year tour.

'§ 411d. Travel and transportation allowances: transportation for members stationed abroad and dependents incident to emergency leave

"(a) Under uniform regulations prescribed by the Secretaries concerned, roundtrip transportation for a member stationed overseas and for dependents of the member authorized to reside at the member's duty station may be provided from the member's duty station to the United States or its possessions incident to emergency leave granted for reasons of personal emergency (or, in the case of transportation provided only for a dependent, under circumstances involving a personal emergency similar to the circumstances for which emergency leave could be granted a member).

"(b) Transportation under this section may be authorized only upon a determination that, considering the nature of the emergency involved, Government transportation is not reasonably available. Transportation authorized under this section shall be limited to the cost of Government-procured commercial roundtrip air travel from the international airport nearest the location of the member and dependents at the time notification of the emergency is received or the international airport nearest the duty station of the member and dependents in the overseas area-

"(1) to the international airport within the continental United States closest to the overseas airport from which the member or dependents depart; or

"(2) as determined by the Secretary concerned, to an airport within the United States or its possessions convenient to the uniformed service involved.

"§ 411e. Travel and transportation allowances: travel performed in certain emergency situations

"Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is performing temporary duty away from his permanent duty station may be paid the travel and transportation allowances provided by section 404 of this title for travel performed from his place of temporary duty to his permanent duty station or to any other location, and return (if applicable), if such travel has been approved because of the serious illness or injury or the death of a dependent of the member. Travel and transportation to a location other than the permanent duty station of the member may not be paid under this section in excess of the amount for such travel and transportation to the member's permanent duty station, and return (if applicable).'

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411b the following new items:

411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries.

"411d. Travel and transportation allowances: transportation for members stationed abroad and dependents incident to emergency leave.

'411e. Travel and transportation allowances: travel performed in certain emergency situations.".

UNIFORM ALLOWANCES AND ADVANCED PAY FOR MEMBERS OF THE ARMED FORCES HEALTH PRO-FESSIONS SCHOLARSHIP PROGRAM

SEC. 10. (a) Subsection (a) of section 415 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ": or" and

(3) by adding at the end thereof the following new paragraph:

"(4) upon reporting for the first period of active duty required by section 2121(c) of title 10, United States Code, as a member of the Armed Forces Health Professions Scholarship Program."

(b) Section 1006 of such title is amended by adding at the end thereof the following new subsection:

"(i) Under regulations prescribed by the Secretary concerned, not more than one month's pay may be paid in advance to a member of the Armed Forces Health Professions Scholarship Program upon reporting for a period of active duty required by section 2121(c) of title 10.".

EFFECTIVE DATES

SEC. 11. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on October 1, 1981.

(b) The amendments made by section 6 shall take effect on April 1, 1982.

Mr. NICHOLS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. NICHOLS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bingham, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3380) to increase the pay and allowances of members of the Armed Forces, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON HOUSE JOINT RESOLUTION 325, CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1982

Mr. DICKS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the joint resolution (H.J. Res. 325) making continuing appropriations for fiscal year 1982 for a 1-month period.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

□ 1345

YOUTH CONSERVATION COUNCIL

The SPEAKER. Under a previous order of the House, the gentleman from Alabama (Mr. Edwards) is recognized for 5 minutes.

• Mr. EDWARDS of Alabama. Mr. Speaker, the Mobile County, Ala., Soil and Water Conservation District is celebrating its first anniversary this month of a commendable program aimed at encouraging local youth to show appreciation for and help preserve the resources of nature through various projects of their choosing. The basic theme of this program is to use the resources of area youth to help save the resources of nature. This new program focuses on those local environmental problems that can be solved through the efforts of citizens who care, Boy Scouts and Girl Scouts, and with little or no funding. The Mobile area Boy Scouts and Girl Scouts will participate in identifying and correcting problems within a wide range of conservation projects and will also work to involve other youth groups in these projects.

The amazing thing is that so many groups have joined in to make this project so successful, groups such as the Alabama Forestry Commission, Mobile Bay Audubon Society, Mobile County Public School System, and many others. I was so impressed that I thought others should know about it. I think this is an ideal project for young people across the Nation.

The program involves a lot of elbow grease and public spirit and I wish, through these means, to commend all those involved in this program, for the work they are doing in bringing all these elements together in a program that shows great potential.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER. Under a previous order of the House, the gentleman from North Carolina (Mr. Neal) is recognized for 5 minutes.

• Mr. NEAL. Mr. Speaker, I am notifying the House today of a U.S. Export-Import Bank proposal to guarantee another \$10 million in private loans to four Spanish electric utilities to make possible the sale of U.S. goods and services to complete the ASCO II nuclear powerplant on the Ebro River in the Province of Tarragona.

The Eximbank has previously committed \$66.5 million in direct loans and \$65.4 million in guarantees to help finance this project. The additional financing is needed to cover cost increases on U.S. supplies and services for the powerplant.

This Eximbank financing notification was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, requires that the Eximbank notify Congress of proposed loans or guarantees involving the export of nuclear technology or equipment. Unless Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress after notification.

I am submitting for the RECORD the Eximbank notification, which provides the details and terms of the proposed financial guarantees and a description of the ASCO II nuclear plant. I would welcome any comments or questions my colleagues might have on this financing proposal.

The Eximbank material follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., August 26, 1981.
Hon. Stephen L. Neal.

Chairman, Subcommittee on International Trade, Investment and Monetary Policy, House Banking Committee, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Eximbank has submitted a statement to the Speaker of the House of Representatives and the President of the Senate in accordance with the provisions of Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

Nancy S. Pigman, Congressional Relations Officer.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., August 26, 1981.
Hon. Thomas P. O'Neill, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to Spain.

A. DESCRIPTION OF TRANSACTION 1. BACKGROUND AND PURPOSE

In April, 1973, Eximbank authorized financial support in the form of a direct loan of \$49,033,800, a guarantee of private bank loans of \$49,033,800 and a local cost guarantee of loans of \$16,344,600 to four Spanish electric utilities-Fuerzas Electricas de Cataluna, S.A. (FECSA), Empresa Nacional Hidroelectrica del Ribagorzana. S.A. (ENHER), Hidroerlectrica de Cataluna, S.A. (HEC) and Hidroelectrica del Segre, S.A. (SEGRE) (Borrowers) for the ASCO II nuclear power plant, located on the Ebro River in the Province of Tarragona, 135 KM West of Barcelona. This plant is the companion plant to the contiguous ASCO I nuclear plant. In January, 1978, Eximbank authorized an additional direct loan of \$17,470,050 to support an additional \$20,553,000 of U.S. exports for the ASCO II project.

The Borrowers have now requested, and Eximbank is prepared to provide, additional support in the form of a financial guarantee of private loans of \$10,114,000 for the ASCO

II nuclear power plant. The Borrowers require this additional financing for cost increases principally involving an increased U.S. scope of supply covering new equipment, equipment modification and additional engineering services. This increased U.S. scope of supply largely reflects the desire of the Spanish nuclear regulatory authority and the project participants to be fully responsive to the lessons learned from the Three Mile Island accident. In addition, a lesser portion of the project cost increases have resulted from low labor productivity in Spain, which has caused schedule extensions and increased U.S. costs for fuel storage, erection supervision and other engineering services. Eximbank considers the reasons for and the amount of the increased U.S. costs to be reasonable and necessary to complete construction of this project.

2. IDENTITY OF THE PARTIES

FECSA, a privately-owned company established in 1951 and headquartered in Barcelona, is Spain's third largest electric utility. It participates in the ownership of and financing for the project to the extent of 40 percent.

ENHER, incorporated in 1946, is a "national enterprise" corporation controlled by Instituto Nacional de Industria, an autonomous agency of the Spanish State established in 1941 to promote the establishment and reorganization of industrial enterprises important to the economic development of Spain. ENHER is the sixth largest electric utility enterprise in Spain and is a 40 percent participant in ASCO II.

HEC was incorporated in 1946 and is the twelfth largest electric utility in Spain. It is privately owned and is a 15 percent participant in the project.

SEGRE, a closely-held private company, is the twenty-first largest electric utility in Spain and is a 5 percent participant in ASCO II.

3. NATURE AND USE OF GOODS AND SERVICES

The principal goods and services to be exported from the United States in connection with the increased U.S. costs are new equipment, equipment modifications and additional engineering services to be provided by the Westinghouse Corporation, the Bechtel Corporation and other U.S. suppliers. In addition, schedule delays have resulted in increased costs of previously contracted erection supervision and other engineering services and in U.S. fuel storage charges imposed by the U.S. Department of Energy.

4. SAFETY AND SAFEGUARD ASPECTS

Exports of the nuclear equipment and services will be made within the framework of two agreements: (1) the bilateral "Agreement on Atomic Energy: Cooperation for Civil Uses" between the United States and

Spain of August 16, 1957, as amended, and (2) the trilateral agreement "Atomic Energy: Application of Safeguards by the IAEA to the United States-Spain Cooperation Agreement" among the United States, Spain and the International Atomic Energy Agency on December 9, 1966, as amended. In addition, prior to export of the equipment and fuel, licenses must be obtained from the Nuclear Regulatory Commission.

5. EXECUTIVE BRANCH APPROVAL

In accordance with established procedures, Eximbank requested through the Department of State the views of the Executive Branch on the proposed transaction. The Department of State has advised that the Executive Branch has no objection to Eximbank's proceeding with this transaction.

B. EXPLANATION OF ADDITIONAL EXIMBANK FINANCING

1. REASONS

The Eximbank guarantee of \$10,114,000 will facilitate the export of \$15,560,000 of U.S. goods and services. The additional costs for which the Borrowers are requesting financing are attributable to an increased U.S. scope of supply covering new equipment, equipment modifications and additional engineering services reflecting the desire of the Spanish nuclear regulatory authority and the project participants to be fully responsive to the lessons learned from the Three Mile Island accident, Also, some additional costs are being incurred for escalation of U.S. fuel storage charges and costs of erection supervision and other engineering services caused by project construction schedule delays. For these reasons, Eximbank feels it is appropriate to provide its guarantee support for financing of these costs.

2. THE FINANCING PLAN

The additional costs of the United States goods and services are \$15,560,000, which will be financed as follows:

	Amount	Percent of U.S. costs
Cash payment	\$5,446,000 10,114,000	35 65
Total	15,560,000	100

(A) EXIMBANK CHARGES

A guarantee fee of 0.5 percent per annum on the undisbursed portion of the private loans guaranteed by Eximbank and a guarantee commitment fee of 0.125 percent per annum on the undisbursed portion of the private loans guaranteed by Eximbank will be charged. All fees are payable semiannual-

(B) REPAYMENT TERMS

Repayment by the Borrowers of the Eximbank-guaranteed private loans for the additional costs will be incorporated into the repayment schedule for the total Eximbank-supported financing for the ASCO II nuclear power project, which is as follows: (1) the portion allocated to the nuclear plant equipment costs will be repaid in 20 semiannual installments beginning June 18, 1985 (which is 6 months after the estimated start of commercial operations of the plant); and (ii) the portion allocated to the fuel fabrication and engineering services will be repaid in 6 semiannual installments beginning June 18, 1985.

Attached is additional information on Eximbank activity in and economic data on Spain.

Sincerely,

WILLIAM H. DRAPER III.

Attachment.

EXIMBANK EXPOSURE IN SPAIN

[As of July 31, 1981]

	Outstanding	Undisbursed
Direct loans CFF loans Financial guarantees Bank guarantee and other	\$894,940,526.13 333,759.79 287,897,112.30 1,198,121.13	\$276,504,338.74 0 275,775,109.68 4,432,427.00
Insurance: Medium term	2,166,306.25 26,898,889.96	2,137,065.03
Total exposure	1,213,434,715.56	558,848,940.45

DEFAULTS AND RESCHEDULINGS

In the past ten years there have been no defaults or reschedulings of Export-Import Bank direct credits for U.S. export sales in Spain.

SPAIN

Area (1000 sq. km.): 514.8. Population (mid-1979): 37.2. Population density: 74/sq. km. GDP per capita (1980): \$5,661.

GDP (1980)

The second of th	Percent
Expenditures of GDP: Private consumption Government Capital formation. Exports. Imports.	70 1 2 16 -18
Origin of GDP:	100
Primary sector	2
Total	100

	1976	1977	1978	1979	1980
THE STATE OF THE PARTY OF THE P	THE PARTY OF THE P	The Market Co.	Series of the	TAIR TOTAL	. (Dr. 90)
iDP data:					
Nominal (dollars in billions)	\$104.5	\$115.8	\$147.1	\$198.3	\$211.
Growth rate (real GDP—percent)	3.0	2.6	2.5	0.6	1.
iscal and monetary data:	- 1 - 15 modern	20/202	473930		
Government deficit (dollars in millions)	\$2,145	\$1,907	\$3,494	\$5,849	
Deficit as percent of GDP	2.1	1.6	2.4	2.9	
Increase in money supply M3 (percent)	20.7	19.4	19.9	19.5	16.
Savings ratio (percent)	10.3	9.1	12.9	11.1	11.0
rice data (percent changes):		7 0 22	10000	The Contract of the	
UT.	14.9	24.5	19.7	15.7	15.
abor data (percent changes):	15.5	17.8	14.0	11.3	N/
Wage bill	21.2	26.5	22.5	100	
Unemployment rate	63	20.3	23.5	16.0	15.0
Productivity	3.3	0.3	8.2	10.1	12.0
cternal debt (end of period) (dollars in millions):	3.2	3.3	4.0	4.2	
Total debt outstanding	\$10,235	\$12,959	\$14,727	\$16.621	\$20.95
Public	\$4,949	\$6,790	\$6,961	\$7.510	\$9.11
Private	\$5,286	\$6,169	\$7,766	\$9.111	\$11.81

SPECIAL PROPERTY OF THE PROPER	1976	1977	1978	1979	1980
Debt service ratio (public debt only—percent) Total debt/GDP (percent)	16.7	12.7	8.3	9.5	10.1
	9.8	11.2	10.0	8.3	10.0
Balance of payments (dollars in millions): Exports, f.o.b. Imports, f.o.b.	\$8,989	\$10,552.2	\$13,527.0	\$18,190.6	\$19,000.1
	-16,316	—16,624.8	-17,541.0	-23,674.1	—31,891.7
Trade balance	-7,327 2,679 3,033 1,142 -3,152 1,920 1,256 3,176 24	6,072.6 3,486.0 3,560.0 1,152.0 1,360.6 3,219.0 144.0 3,363.0 2,002.4	-4,014.0 4,917.2 3,973.7 1,656.4 1,616.1 1,495.0 736.0 2,231.0 3,847.1	-5,483.5 5,562.0 4,660.1 1,822.1 998.7 2,210.0 -20.0 2,190.0 3,188.7	-12.891.6 5,751.8 4,925.5 2,000.5 -5,965.6 3,820.3 0.4 3,820.7 -2,144.9
Reserves (dollars in millions): Foreign exchange Gold (average London price)	\$4,704	\$5,977.0	\$10,112.0	\$13,224.0	\$12,466.0
	1,781	2,133.0	2,806.0	9,862.0	6,246.0

Sources: IMF, IFS, OECD Survey, and Boletin Estadístico Banco de Espana; Exchange rate (Peseta/U.S. dollar) 1976-66.903, 1977-75.967, 1978-76.663, 1979-67.125, 1980-71.702.

REAGAN JUSTICE?

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. Crockett) is recognized for 5 minutes.

• Mr. CROCKETT. Mr. Speaker, on Thursday, the Washington Post carried a story entitled: "Justice Official's Memo on Yonkers Bias Suit Stirs Controversy," which described a memo circulated by a top-ranking official of the Reagan civil rights division at the Justice Department.

I have obtained the full text of this outrageous document, and submit it today for inclusion in the Congressional Record. I believe my colleagues, even those on the other side of the aisle, will be shocked by its tone, and outraged at its racist implications.

The memo, written by Robert J. D'Agostino, the designate for Deputy Assistant Attorney General, recom-mends that the Justice Department withdraw its participation in a landmark civil rights case involving school and housing discrimination in Yonkers, N.Y. The Justice Department had filed suit charging that the local school board, city officials and the local community development agency had discriminated against the city's population minority 32-percent through a pattern of school construction and closings, alteration of attendance lines, assignment of teachers, and selection of sites for subsidized housing in heavily minority areas. The Justice Department is apparently now reviewing this and two other cases to determine whether it will continue to prosecute them.

Mr. Speaker, the memo I place before my colleagues today is one of insensitivity, callousness, and racism. It is written by a man who, if confirmed, will hold a key position in the formulation of policy and procedures in the Department of Justice Civil Rights Division. Yet, by its content and by the use of racist "code words" such as "racial mixing" and "coerced residential integration", it offers evidence of an attitude against effective

affirmative action and civil rights enforcement.

Most abhorrent of Mr. D'Agostino's opinions are those expressed by the following:

(B)lacks were "improperly classified as emotionally disturbed." Why improperly? * * * Blacks, because of their family, cultural and economic background are more disruptive in the classroom on the average.

Mr. Speaker, I urge my colleagues to protest this affront to the credibility of our Government's commitment to civil rights.

The memo follows:

U.S. DEPARTMENT OF JUSTICE, Washington, D.C., July 21, 1981.

To: Wm. Bradford Reynolds, Assistant Attorney General-Designate, Civil Rights Division.

From: Robert J. D'Agostino, Deputy Assistant Attorney General-Designate, Civil Rights Division.

Subject: United States v. Yonkers Board of Education et al.

Yonkers is a most interesting case in that it represents both the end result of a mind set in the educational area and one of the opening shots in a new attempt to remake America through coerced residential integration.

Segregative intent is found in virtually every act taken by school authorities if that act did not lead to the ultimate good as defined by the Justice Department, racial mixing.

The letter of August 25, 1980, to the Superintendent of Schools of Yonkers summarizes the facts relied upon by Justice in bringing suit against the school system. Seven paragraphs deal with those facts.

Paragraph one deals with school construc-tion policies. Here Justice contends that schools that were built and opened with "greater than 50 percent minority enrollment" were intentionally racially segregated, presumably because there are now over 85 percent minority. I would say that a 50 percent or so minority school would be considered integrated if Yonkers proposed to open one now. The fact that two schools had "no significant number of minority students" until school closing in 1976 is evidence of segregative intent. I say it is just the opposite. Schools were closed in 1976 which resulted in formerly all-white schools becoming integrated. Other schools opened up virtually all-white or minority. Possibly, they were constructed where the students -neighborhood schools in urban areas were once considered very desirable.

Paragraph two alleges as proving segregative intent both the closing of schools which resulted in other schools being more identifiably of one race and the closings which resulted in intergrating schools. Perhaps the school board was treating schools as "just schools."

Paragraph three deals with assignment of faculty and administrators. Here the affirmative hiring practices of the school board are claimed to be proof of a violation of the Constitution, since the school board assigned a disproportionate number of newly hired blacks and Hispanics to minority schools—not all—just a disporportionate number.

Paragraph four states that blacks were "improperly classified as emotionally disturbed." Why improperly? And by what evidence does Justice presume to impose their views on who is or who is not emotionally disturbed (presumably disruptive in the classroom)? Evidently, Justice's position is that unless equal proportions of blacks and whites are classified as emotionally disturbed, the law violates the civil rights statutes or the Constitution. What hogwash. Blacks, because of their family, cultural and economic background are more disruptive in the classroom on the average. It seems that they would benefit from such programs.

Paragraph five dealing with counseling given to minority students claims a disproportionate number were steered to inferior vocational programs then to expanded general programs on the high school level. Disproportionate to their school achievement? Disproportionate to their needs? Creation of flexible or special programs to handle special needs of economically and socially disadvantaged children now becomes evidence of segregative intent.

Paragraph six deals with faculty and facilities. Insofar as there was unequal treatment of blacks and whites, a violation is present. However, the paragraph goes on to criticize the fact that the schools provided less in the way of academic curricula to blacks. Another logical reason for that is that fewer blacks were precollege. Certainly, that was true up until the last few years.

Paragraph seven deals with the failure to adopt a plan which the board had no obligation to adopt, but which would have, in the opinion of Justice, better mixed races, perhaps, by busing everyone somewhere else.

It is quite obvious from the list of alleged offenses that violated the Constitution and the Civil Rights Acts that the Yonkers School Board is in an impossible position. They were damned if they did and damned if they didn't.

In the housing area, Justice is demanding that Yonkers build 1100 units of low-income or subsidized housing regardless of the burdens in "non-minority impacted areas." dently, the power of the purse now resides ever more firmly in the federal courts as guided by Justice-an interesting gloss on self-government. What is the nature of Yonkers' violation? They were stupid enough or altruistic enough to voluntarily participate in programs to build low-cost and subsidized housing on sites approved by HUD in areas that housing was thought to be needed. The Justice position is, evidently, that the building of these housing units in areas of high minority concentration were constitutional violations requiring additional construction on Justice approved sites. Allegations of Title VIII violations are thrown in so as to have the benefit of the effects test. This case should be compared with the Manches-New Hampshire case where it is our contention that Manchester violated the Constitution by refusing to voluntarily participate in a low-cost or subsidized housing program after the town thought it might.

I believe that a thorough review of the Yonkers case is demanded by this Department. I see absolutely no reason to pursue this case in its present form. If it is the Reagan Administration's position to attempt to create law that will mandate the building of low-income housing projects when communities do not want such projects, then we should proceed, otherwise we should not.

The Yonkers review should be made in the context of a complete rethinking of our position in the housing cases including Manchester.

GRANVILLE CAYCE III

The SPEAKER. Under a previous order of the House, the gentleman from Kentucky (Mr. Hubbard) is recognized for 5 minutes.

 Mr. HUBBARD. Mr. Speaker, Hopkinsville, Ky., recently lost a prominent business, civic and church leader with the death of Granville Cayce III.

Even though he was only 32 at the time of his untimely death, Granville Cayce III had become an active businessman and civic leader, and was a church deacon.

I would like to express my sympathy to his widow, Karen Sholar Cayce, to his parents, Granville L. Cayce, Jr., and Billie Lee Watson Cayce, and his two brothers, Breck and Mike Cayce.

Granville Cayce III was vice president of Cayce Mill Supply Co. in Hopkinsville. He was an active member and leader of the local Jaycees chapter, and in 1980 received the coveted Jaycee of the Year award for his work in the local chapter.

He was a leader in the efforts to raise funds and oversee construction of a new Jaycee multipurpose building. He was an active member of the local fair board and United Way fundaising efforts. He was also an Eagle Scout and remained active in Scouting activities.

Granville Cayce III was a deacon at the First Christian Church and was a Chi Rho leader at the church. Mere words cannot relate the full story of this man and the mark that he left on his community. Granville Cayce III will be missed. I take this occasion today to offer my condolences and those of all my colleagues in this House who, directly or otherwise, mourn the passing of a civic and church leader.

CANADIAN-UNITED STATES RELATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

• Mr. FASCELL. Mr. Speaker, with the world so troubled, and the United States involved in so many turbulent areas around the world, it is all too easy to become complacent in the happy situation we have historically had in our relations with Canada. We are more than just neighbors; in many undertakings both large and small, we have been partners as well. Canada and the United States share close military ties both in NATO and in the North American Aerospace Command. Our defense procurement arrangements date back to World War II. The two countries also cooperate on a wide range of international problems, of which southern Africa and the Middle East are only the most current exam-

As chairman of the House delegation to the Canada-United States Interparliamentary Group, I am particularly pleased that our friendship is a continuing one: We have as a recent example the outstanding assistance Canada provided some of our people in Iran. It is the highest compliment to our relationship that while we were deeply grateful for the assistance, we were not surprised that so considerate and courageous an action should have come from Canada.

There is, unfortunately, a list of problems which currently exist between our two countries. Some of the problems involve complaints of Canada against us, and some of them involve complaints we have against them. All of them are complex, and they are proving persistent. At this point, I regret to have to note, there appear to be signs that tension and even tempers are beginning to rise on both sides of the border.

Attention on our side is centered on Canada's new national energy policy and on the squeeze it puts not only on American energy companies in Canada, but on trade, investment, and general business prospects for a range of American firms. Moves by Canadian companies to take over American ones in this country have also caused a reaction here.

I suggest that if we understand our own reaction to a handful of Canadian takeover efforts in the United States, we can also understand Canadian concerns when almost three-quarters of Canada's energy industry is in foreign hands. In fact, some 80 percent of that foreign participation is American.

We can also understand Canadian concerns about a number of other problems: The Garrison diversion project, which would help irrigate North Dakota but which Canadians fear would threaten Canadian fisheries; the Eastport refinery project, which would put a refinery in Maine but which would send oil tankers and the concomitant risk of spills, into Canadian waters; the Ross Dam project, which would provide additional electricity for our Pacific Northwest but would flood 7 more miles of Canadian territory; acid rain, which both our countries unhappily produce but of which we dump more on them than they dump on us. The list could go on.

To be sure, we have a list of our own concerns and complaints about measures taken or being contemplated by Canada. Several of these measures affect international investment or trade and appear to be at variance with established international norms.

But my purpose is not to present an exhaustive list of either side's complaints. It is rather to illustrate the range and complexity of the problems and issues between us. None of them is likely to go away quickly or easily; if they were easy, they would have been solved already.

So, along with the traditional friendship which we have understandably tended to take for granted, we also have to accept that problems of proximity, inevitably arising from the 5,000 miles of border we share, will continue to exist. It is not a matter of simply making the problems go away, but of determining how they should best be managed.

My concern and my call is that we bear in mind our heritage and history of friendship and cooperation, and seek resolution of our differences within that framework. Let our message to our Canadian friends be that we value their friendship, understand their concerns, and will work together to resolve or alleviate their grievances; and let that message also make clear we will look for a like attitude from them, so that their undoubted right to define and pursue their national interests will not impinge on our no less legitimate rights under international law.

There always exists the possibility of legislation to balance off the perceived injuries inflicted by another country. We know too well, however, how easily what begins, or is intended, as simple redress sets off a series of measures and countermeasures resulting in an upward spiral of retaliation which ends by proving nothing but which

takes us further than ever from solu-

For now, as long as prospects for mutually acceptable solutions exist, let us avoid this temptation, and call instead for our Government to exercise creative and vigorous diplomacy, clearly and firmly backed by public and congressional will, and to tackle these problems and resolve them in a way that both honors the traditions and preserves the prospects of friendly and constructive relations with our good neighbors to the north.

The SPEAKER. We have passed the time of the gentleman from California (Mr. Dannemeyer). Does the gentleman make a request that it be granted to him at this time?

Mr. DANNEMEYER. Mr. Speaker, I ask unanimous consent that I be granted my time at this time.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FURTHER CUTS WHICH COULD BE MADE IN BUDGET

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. Dannemeyer) is

recognized for 30 minutes.
Mr. DANNEMEYER. I

Mr. DANNEMEYER. Mr. Speaker, on Friday I addressed the House for the purpose of starting a dialog on two interrelated issues: First, the need to make additional reductions in the fiscal year 1982 budget, and second, where those reductions might be made in the coming weeks. Specifically, I indicated my intention to share with my colleagues a list of 272 potential cuts put together by my office in conjunction with the work of the House Republican Economic Task Force's Subcommittee on Budget Reduction, of which I am honored to serve as chairman. The budget study was distributed in late July as a research inventory under the auspices of the House Republican Research Committee.

As a result, the study is being updated to reflect changes made in the final version of the budget reconciliation bill. Nonetheless, I believe that the 272 cuts, which total some \$52.3 billion, serve as a useful point of departure in our efforts to further reduce spending in order to bring the deficit under control. Failure to control the deficit will surely result in continued

high-interest rates.

Before returning to the list of cuts where I left off on Friday, I would like to direct the attention of my colleagues to an article in yesterday's Washington Post by syndicated columnist George F. Will. In discussing the economic climate, Will makes the following important observation.

Or consider the soothing thought that even if the federal deficit is \$20 billion above the administration's estimate of \$42.5 billion, it will be less than 2 percent of gross national product. Feel better? Don't. The salient fact is that decade ago, federal borrowing, including off-budget loans, accounted for 16 percent of the total demand on U.S. credit markets. In the fiscal year now ending, it will have accounted for 38 percent.

Will goes on to discuss the public debt and its relationship to the interest rate problem:

About half the federal debt of about \$1 trillion has a maturity of less than a year. That is good, if interest rates come down. In that case, government spending on debt service will decline substantially. Unfortunately, the maturity for so much debt so soon is not encouraging, because government spending projections have incorporated interest rate assumptions that already seem unreasonably optimistic.

With these thoughts in mind, allow me to return to the specific list of potential cuts. In each instance, I urge the House to bear in mind that each reduction would mean that much less that the Government would need to borrow and, correspondingly, that much more for business loans, car purchases, mortgage lending, and other private investments. All of these things would increase employment, stimulate productivity, and encourage economic growth.

Mr. Speaker, last Friday I began reading through this list of 272 cuts and had worked through those items contained under the "Judiciary." This afternoon I would like to commence with those proposed items for reduction in the Executive Office and "Funds appropriated to the Presi-

dent."

It is interesting to note that when you examine the Federal budget for the fiscal year you find that there are 22 major subdivisions by agency or department, and the 2 I have just alluded to, the Executive Office and "Funds appropriated to the President," are merely 2 of those 22.

The first cut under the Executive Office relates to the Council and Office of Environmental Quality. This, in our judgment, is one of these redundant offices that our Government could well get along without. We propose to speed up the elimination of this office, thereby saving \$1,044,000

this office, thereby saving \$1,044,000. In the Office of Administration, we propose to limit salaries and expenses to not more than 10 percent above 1981, a savings, if accomplished, of \$442,600.

In the Office of Management and Budget, commonly referred to as OMB, we would limit salaries and expenses in 1982 to 10 percent over what was spent in 1981. This would save \$494,900.

In the Office of U.S. Trade Representatives, we would allow 10 percent above 1980 for salaries and expenses. Proposed outlays represent a 70.8-percent increase since 1980, which in our judgment is somewhat excessive.

In this category, these four items total \$4,868,500.

Under "Funds appropriated the President," we find appropriations authorized by Congress enabling the President to spend money for various programs, mostly in the area of foreign assistance.

The first item in this category relates to expenditures of foreign security assistance, international military education and training. Here we propose to allow expenditures in 1982 not exceeding 10 percent above what was spent in 1981. If this principle is followed, it would result in a savings for this particular item of \$11,650.000.

In foreign security assistance, economic support fund, we would allow a growth for 1982 which is 20 percent above 1980. We should exercise greater care in giveaway programs overseas, because we have found that we cannot really buy friendship anywhere for the long-term or even, indeed, on a short-term basis. Likewise, this would result in a savings of \$63,051,600.

In foreign development assistance, contribution to the International Bank for Reconstruction, we would again allow 20 percent in 1982 over what was spent in 1980. Members should bear in mind that the proposed outlays for this particular item would result in an increase over 1980 of some 423.7 percent. In our view this is vastly exorbitant and should not be tolerated. If we follow the limitations as suggested, it would result in a savings of \$63,850,000.

Foreign development assistance, contribution to the International Development Association, we would allow in 1982, 10 percent over what was spent in 1981, thereby restricting excessive funding. The General Accounting Office in this instance has charged that there has been inadequate monitoring of the activities of this particular agency department, which has also engaged in poor procurement practices.

The next item relates to foreign development assistance, Asian Development Bank. Here again we would limit expenditures in 1982 to no more than 20 percent of 1980, resulting in a savings of \$27,636,400. The proposed outlays represent 77.1 percent of an increase over 1980, which we believe under present circumstances is exorbitant.

Members will note than in many of the instances the proposed growth was 10 or 20 percent over what was permitted in 1981 or 1980. We feel that this growth margin is perfectly proper and appropriate, because as we all know, when we go in to buy a car today, we are asked by our bank to pay interest rates of 20 or 22 percent, or if we can find a home to buy and money on the credit market to finance it, we are asked to pay 17 percent or 16 percent

even on a long-term basis. Most Americans today cannot even afford to buy a home on that basis because they do not have earnings high enough to service a debt of that type.

□ 1400

So it is not unreasonable in light of what we Americans are experiencing in the credit markets of the country to ask agencies of Government in 1982 to limit their increases to 10 percent over what was spent in 1981.

To continue, under foreign development assistance, African Development Fund, we would allow in 1982, 10 percent over what was spent in 1981. This

would save \$3 million.

In foreign development assistance, African Development Bank, we would defer this authorization as unnecessary since this new program largely duplicates the work of the African Development Fund. This would save \$17,987,000.

In foreign development assistance, International Fund for Agricultural Development, we would allow in 1982 a growth of not more than 10 percent over what was spent in 1981. The proposal for this particular agency, believe it or not, is 60 percent over what was spent in the preceding year. This recommendation, if implemented, would save \$12,500,000.

In foreign development assistance, international organizations and programs, we would eliminate U.N. funding. The U.N. Development Fund of \$145 million and U.N. Children's Fund of \$45 million are not part of the regular U.N. contribution. This proposed cut would save the taxpayers of this

country \$190 million.

In foreign development assistance, functional development assistance program, we would cut 50 percent from the fiscal year 1982 budget authority for population planning. We would restrict this particular program, which some of us choose to call social engineering at taxpayers' expense. This would save the taxpayers of this country \$172,960,500.

In foreign development assistance, Sahel development program, we would allow 10 percent over what was spent in 1981 for fiscal year 1982. This additional program, in our judgment, is unaffordable at the present time. The Sahel has gotten considerable attention through recent televised broadcasts and advertising in attempts to raise private contributions. If implemented, this would save \$10,823,800.

In foreign development assistance, International Development Cooperative Agency, operating expenses, also known as AID, we would cut 10 percent from the proposed expenditure for 1982. We feel there is much redundancy with other foreign aid programs, and here the General Accounting Office, the auditing arm of Congress, has reported that poor procure-

ment practices and monitoring exists in this program. \$32,649,100 would be saved

Foreign assistance development, trade and development program, rescind this program is our recommendation. In our judgment, we really cannot afford new programs of this type. This would save the taxpayers \$2,337,000.

In the Inter-American Foundation, we would allow 10 percent above 1981. The proposed outlay for this item is 296.2 percent over what was spent in 1981, which we believe is grossly excessive and should not be tolerated. If this is implemented, it would result in a savings of some \$14,702,300.

In international commodity agreements, we would eliminate funding for the entire program, which manipulates rubber prices on the world market and should not be subsidized by the taxpayers of this country. This would result in a savings of some \$10 million.

Totaled, these items contained in "Funds appropriated to the President," if implemented, would save

\$739,513,700.

When the Members hear these items mentioned, I think it is important that we have one continuing question in mind: Will the elimination or reduction of a program have an adverse impact on the poor, the handicapped, the deprived of our society? And I challenge anyone in this Chamber or who reads these figures to indicate that the deprived in our society, American citizens all, are going to suffer as a result of the implementation of these cuts that I have mentioned in the short time that I have been privileged to take the floor this afternoon.

Well, tomorrow it is my intention, fellow Members, to continue reading through this list of cuts, and over the course of the next several weeks to enumerate to the Members where the items are in our Federal budget that we can cut out some \$52 billion and I think it might behoove us to analyze what beneficial effects this would

have.

It would significantly reduce the quantity of money which the Federal Government has to borrow in order to finance its operations. If we had the courage to reduce spending by that amount in 1982, think of the dramatic impact that would have on the credit markets of this country.

markets of this country.

Does anyone really question the result on those credit markets? It would reduce the cost of credit for all Americans by driving the prime rate down by a least 6 percentage points from its current high of 20. And to the Members of this Congress who are concerned about the third largest item in the budget, that is, for interest think of the dramatic impact which that would have on the cost to the Federal Government of paying the in-

terest expense on the \$1 trillion national debt.

We believe this would reduce the cost to the Federal Government by at least 2 to 3 percentage points of maintaining the debt in that magnitude. And that would result in a savings of \$20 billion or \$30 billion in addition to these cuts.

I thank the Members for their attention. I thank the Speaker for the time that he has allotted me this afternoon, and I yield back the balance of my time.

WELFARE IN AMERICA—UNDER-CLASS: HOW ONE FAMILY COPES

(Mr. RICHMOND asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

• Mr. RICHMOND. Mr. Speaker, I know my colleagues will be interested in reviewing excerpts from an excellent, riveting Los Angeles Times article, "Underclass: How One Family Copes," by David Treadwell and Gaylord Shaw.

This outstanding study of welfare in America addresses the most significant problems now confronting Congress and elected officials at all levels of government.

Specifically, the authors highlight the failure of current Government programs to break the cycle of unemployment and poverty that keep families, such as the one described in the article, from getting into the mainstream of our Nation's economic life. Their conclusion is that jobs are the best way to help the underclass and that Government cannot do it alone.

This article clearly and persuasively indicates where our current thinking may have gone wrong and what we—Members of Congress and all State, city, and county elected officials—can do to end the hopeless cycle of unemployment and poverty that entraps millions of our fellow Americans.

I recommend this thoughtful, detailed, and timely article to my colleagues.

Excerpts from the article follow: [From the Los Angeles Times, July 5, 1981] Welfare in America—Underclass: How

ONE FAMILY COPES
(By David Treadwell and Gaylord Shaw)

CHICAGO.—On a slate-gray morning in late May, Louise Lowman stepped through the discarded newspapers blown along the side-walk by the wind from the lake, entered a grime-streaked office building and climbed the worn marble staircase to the second-floor waiting room of the state Public Aid Department.

Beside her, matching her mother's measured tread, was her 19-year-old unmarried daughter, Teresa. Cradled in Teresa's arms, wrapped snugly in a sparkling white blanket against the morning chill, was the teenager's month-old baby, John. . . .

Louise Lowman, 57, had been on welfare for 35 consecutive years, so a trip to the welfare office was nothing new to her. But this morning was different—this morning the process would begin to place baby John's name on America's welfare rolls. He would represent the third successive generation in the Lowman family to receive welfare.

In part the Lowmans' path to the welfare office was paved by problems of their own making—not least among them the fact that seven of Louise Lowman's 10 children were born out of wedlock and raised without the stability traditionally associated with a two-parent household.

IN ECONOMIC BASEMENT

But forces beyond this one family's control also were involved—forces great enough to overwhelm perhaps even the most determined individual.

Increasingly, an array of economic demographic and social forces has converged on members of the Lowman family and millions of others like them overwhelming their meager resources and locking them in the nations economic and social basement. They are members of what appears more and more to be a permanent underclass in America.

A permanent underclass. The very phrase seems alien to all that is America. Like every nation, the United States has always had poverty, but it has also nurtured the belief that anyone willing to work can improve his or her lot. Indeed, millions of European immigrants who landed destitute on America's shores worked their way up the economic ladder. More recently, hundreds of thousands of blacks and other minorities have lifted themselves into the middle class.

In fact, Louise Lowman's five oldest children have reached, or seem to be headed for, the middle class—they have become a policeman, a teacher, a cabdriver, a restaurant manager and a service station cashier.

rant manager and a service station cashier. But for Louise Lowman and her five younger children, the American tradition of upward mobility has become a dream deferred, or cancelled outright.

The costs of this stagnating poverty, both to the Lowman family and to the nation as

a whole, are enormous.

Within the underclass, social scientists recite a heavy toll of wasted lives, lost hopes, growing bitterness and deepening despair. Dollar figures can't be attached to such suffering, but it is possible to calculate roughly the price paid by the rest of the restion for this massive tragedy.

nation for this massive tragedy.

The most visible price paid is the estimated \$20 billion a year in taxes for the basic welfare programs that support members of the underclass who don't, won't or can't work

Another, more fearful type of tax is extracted by the criminal activity that amounts to an invisible job market for many in the underclass—crime that such authorities say is increasingly spilling out of the slums and taking its toll in more affluent neighborhoods. The cost of major crimes attributed to the underclass—measured in terms of lost property, lost productivity, prosecution and prison expenses—is estimated at \$10 billion a year.

Adding \$20 billion in social program spending, this means that the total dollar cost of maintaining the underclass hits \$30 billion annually—equivalent to a \$300 annual levy on each of the 100 million working people in America.

The problems of the underclass make up a discouraging litany: unemployment, welfare, crime, racism and racial barriers, industries

that have moved away, inner city schools that don't educate, government training programs that don't train or that train for jobs that don't exist, illegitimate children and a family structure that has deteriorated

WEB OF ADVERSITY WOVEN

Many, if not most, of the problems are interrelated—one connects to another, then another and still another, weaving a web of adversity that seems to defy unraveling.

For example, there is evidence that dependence on welfare may undermine the development of disciplined work habits, that the prospect of job failure erodes incentives to stay in school, that members of the underclass are so educationally deficient that they can qualify only for the most menial jobs or that even those with training and good work habits have skills that are technically obsolete in a rapidly changing market-place. The cumulative result is millions of people who are themselves almost technically obsolete, people for whom the nation has less and less use.

According to Douglas G. Glasgow, a Howard University sociologist, the emergence of this underclass "as a permanent fixture of our nation's social structure represents one of the most significant class developments in the last two decades."

To be sure, while the phrase "permanent underclass" is coming into broader usage, it is itself the subject of debate among scholars. Some economists contend that the word "permanent" is misleading because the bulk of the total poverty population is not a static mass but rather a shifting conglomeration of individuals and families whose fortunes rise and fall repeatedly over time. Also, some sociologists argue that the word "underclass" carries unwarranted ideological overtones.

STAY BELOW POVERTY LEVEL

Yet, from stacks of academic studies and government reports, some degree of consensus can be drawn about the existence of the underclass, about who belongs to it and roughly how large it is.

People generally ranked in the underclass are those who have jobs so marginal or seasonal that they remain below the poverty level year after year, or those who are long-term welfare recipients, or who are chronically unemployed, or who have dropped out of the labor market altogether, or who have turned to crime to support themselves, or who mix occasional work with welfare or proceeds from "hustling," the catch all ghetto term for a range of illicit activities.

Studies estimate that somewhere between 2 million and 10 million of the nation's 220 million people, or 1 percent to 5 percent, fit into one or more of these categories. And some authorities suggest that the numbers are growing.

For many middle- and upper-class Americans, especially those whose rise up the economic and social ladder resulted from their own hard work, it is difficult to comprehend how and why an underclass, dependent and despairing, came to exist in the midst of a land of opportunity.

Answers to this perplexing question can be found by examining the life and times of Louise Lowman and her family, and how this family's dilemma is inexorably linked to broader economic and social changes. . . .

As a girl growing up on Chicago's mostly black South Side. Louise Lowman never dreamed that one day she would see three generations of her family on welfare. . . . Louise graduated from the segregated high school in 1941. She wanted to be a nurse.

But there was no money for college . . . so she was forced to go to work. Racial barriers made desirable jobs difficult, if not impossible, to obtain.

Louise began washing dishes in a YMCA cafeteria near the Loop.

During the next two years, she held several jobs, but all were menial and low-paying. One lasted less than a week.

The only bright spot in life was her romance with Alonzo Allen, a young man she began dating after they met after high school.

In 1944, Alonzo was drafted into the Army and stationed near Chicago. Weeks later, Louise learned that she was pregnant with his child.

Guilt-ridden over the anguish of her parents but more afraid to risk an abortion, she decided to have the baby. Six months after his birth, she followed the advice of friends and signed up for welfare. Why not? she thought. It would be only temporary, until she could pick up the shattered pieces of her life.

Over the next 20 years, however, for reasons even she cannot fully explain, the bright future that seemed to stretch before her as a girl eluded Louise. There were no "better" jobs and there were more babies—nine in all, six boys and three girls, between 1949 and 1964.

Only one of the six different fathers of these 10 children even married her. His name was Thomas Lowman. He was her third lover, they had three children, and the marriage lasted three years. He dropped out of sight in the mid-1950s when she was hospitalized for two years with tuberculosis.

The succession of babies virtualy destroyed her chances of better jobs. Yet she was determined to give her children the best upbringing possible. It is perhaps the central paradox of Louise Lowman's life—and one that is shared by others in the underclass—that she struggled to maintain the traditional middle-class values while having a succession of children, most born out of wedlock, who undermined that struggle from the outset.

Yet struggle she did. She sacrificed to keep the family out of public housing, despite its lower cost. She thought that public housing bred crime and vandalism and turned neighbors into strangers.

PRACTICING THE DECEPT

Health permitting, she took in laundry, sold cosmetics from door to door and did other odd jobs to supplement her meager welfare stipend. Like many other welfare mothers, she did not report such outside income to the authorities and justified "practicing the decept," as she terms it, on the grounds that her government check did not cover her family's basic needs. . . .

Two boys, ages 22 and 20, have not held a steady job since they dropped out of high school. The elder of the two has been unemployed for more than seven years.

Another son, 23, is physically handicapped and retarded, and relies on government programs for support.

A fourth boy, a junior in high school is so depressed over his future that he is on the verge of quitting school. Louise takes some solace from the possibility that he will join the Army.

And then there is 19-year-old Teresa. Teresa was only two months away from graduating from high school when she dropped out to have her baby. With things the way they are, Louise Lowman believes. Teresa's chances in life are even more perilous than her own were 35 years ago.

What that means for baby John, she

avoids contemplating.

She feels somewhat to blame for what has happened, particularly by failing to instill in her last five children the discipline needed to compete successfully in a changing and-for inner-city blacks-a shrinking job market.

"The neighborhood is going down," she says. "The schools are getting worse. The dope fiends are out on the corners selling their whatnot. It's all I can do to keep the children from turning to the streets.'

While sociologists say the underclass is a "heterogeneous grouping"-a mixture of races and ages, of differing family characteristsics-national studies have vielded three findings that are striking:

Blacks are more than three times as likely to be poor than whites, with Latinos about

midway between.

Households headed by females are six times more likely to live in poverty than two-parent families.

Central city residents are twice as likely to

be poor as suburban residents.

When the three factors are combined—as they are with Louise Lowman, the female head of a black, inner-city household-the odds of a life in poverty are dramatically multiplied. Roughly three-fourths of all poor black families are headed by women, and a majority of these live in central cities.

To be sure, in sheer numbers, whites dominate the poverty population just as they do the general population: Of the 25.2 million people ranked by the Census Bureau in 1980 as below the poverty line, 16.7 million were white, 7.8 million were black and 2.6 million were of Latino origin. And poverty in Appalachia, which is mostly white, can be just as grinding as poverty on Chicago's South Side, which is mostly black.

PATTERNS IN BLACK GHETTOS

But it is in the black ghettos of America's cities that underclass patterns seem most pronounced:

Large numbers of women like Louise Lowman who are untrained for any but the most menial jobs or unable to work at all because they have small children or health problems.

Large numbers of men like two of her young adult sons who lack the skills or the motivation to find permanent, decentpaying jobs.

Large numbers of teen-agers like her two voungest children who seemingly are without the schooling or the discipline to make it into the mainstream.

Still in question is the extent to which poverty and welfare dependence are passed on from one generation to the next.

Howard University's Glasgow is among those who contend that the underclass is in-creasingly composed of "sons and daughters of previous generations of poor, and their children will predictably remain in the grip of poverty."

In contrast, Harvard's Lee Rainwater and Massachusetts Institute of Technology's Martin Rein reported in 1978 that their of data collected on a sample of 5,000 families each year since 1968 "seem to provide no support for the hypothesis that the experience of growing up in a welfare family per se makes men or women more to go on welfare themselves when they set up their own households."

PRESENCE KEPT HIDDEN

Louise Lowman's total monthly income is \$808, including \$128 in food stamps, \$238 from Social Security for support of her handicapped son, and \$302 in dependent children benefits for herself, Teresa and Matthew

In addition, she receives \$100 from Robbie's father, her 32-year-old policeman son, for the young boy's support. Robbie's presence in the home is hidden from welfare authorities and the money is unreported, so that her welfare check will not be reduced.

Peter, her unemployed son, also contributes half of his \$80 monthly check from the general assistance program, a form of welfare provided by the state and the city for unemployed individuals with low skills who are ineligible for federal welfare benefits.

Household expenses for a typical month are \$255 for rent, \$50 for utilities, \$12 for telephone, \$23 for her life insurance premium and \$7 for a subscription to the Chicago Defender, the black daily newspaper. This leaves \$461 for food, clothing, entertain-ment and miscellaneous expenditures for the seven of them.

It has been more than a year since the family last treated itself to a meal out at a fast-food restaurant and more than three years since Louise Lowman bought a new

housedress.
With Teresa getting a check for herself and baby John, Louise Lowman's monthly AFDC benefits would be reduced, she fig-

ured, by at least \$50.

Thus, Louise Lowman thought it was mandatory for Teresa to contribute to the family's support. Expenses are always going up-especially rent for their two-bedroom apartment, sadly in need of repair and a fresh coat of paint. The rent has climbed from \$220 to \$255 just recently, and the landlord is threatening to raise it another \$35 in the fall.

Teresa has promised to help meet household expenses-even, she said, if she decides to move in full time with her boyfriend, John, the father and namesake of her month-old baby. But Louise Lowman . knows from experience how independent a young girl can become once she starts receiving her own welfare check. .

STEADY JOB, NOMINAL PAY

Carl, who was born with cerebral palsy but managed to graduate from a special high school for handicapped children, is the only person in the house with a steady job. He works at a vocational center. The pay is nominal: he never brings home more than \$5 or \$6 a week. But the job keeps him from vegetating and relieves his mother of part of the daily burden of his care.

She used to give Carl money to buy his lunch at work. But she suspected that some of the girls were there cheating him out of it before he could eat. So she began packing his lunch to keep him from going hungry

A friend drove them to the welfare office

saving them the time and cost of a bus trip.
As they entered the building, Louise Lowman felt a familiar flutter of nervousness. Welfare offices, she learned early in life, can mean interminable waiting, endless red tape and officious bureaucrats.

Teresa was determined not to give the name of the baby's father to welfare authorities. She feared that they might take him to court, where he would be ordered to help support little John.

He is able; he has a part-time job in a health food store. But Teresa, like many ghetto youths, has developed an antipathy to anything that smacked of law enforcement-the courts, police, welfare officials. To her, they seem to exist only to harass black people, especially young black men.

Besides, John has promised to help out with the baby's expenses. She trusts him to keep his word.

The caseworker had thought the purpose of the trip was to add the baby to Louise Lowman's AFDC budget. When she learned that it was to place Teresa on her own budget, she apologized profusely and said she would have to turn the matter over to another caseworker. Teresa, after a brief interview, was given an appointment for the following week.

It was close to 9:30 a.m. when they walked out of the building. Louise Lowman . . still not found out how much her check would be reduced or how much Teresa's benefits would be. And it would be weeks before she finally did.

Louise Lowman . . . returned home to wait for her son Carl's Social Security check.

You never know when the mailman's going to show up, and you don't leave a government check sitting in you mailbox while you're off somewhere else," she said.

Much of the discontent with the present welfare system centers on AFDC, the program paying Louise Lowman \$302 a month and the program Teresa Lowman signed up for in May. As an unwed, teen-age mother Teresa is part of a disturbing national trend intimately linked to the growth of the un-

In the 1970s, there was a fivefold increase in the number of women under age 20 receiving AFDC payments. During the same decade, the number of AFDC children who had been born out of wedlock increased from about 1 million to 2.64 million.

Thus, the program stands out as a major example of a program which, because of demographic changes, has become the main source of support for a category of recipients far different than those originally tar-

When enacted during the Great Depression as part of Franklin D. Roosevelt's New Deal, it was meant to be a small, temporary program to help children whose fathers were dead. More than four decades later, 10.9 million recipients were receiving \$12.8 billion a year, and studies showed that 80% of the children were on AFDC rolls not because their fathers were dead, but because their parents were divorced (21.4%), separated (25.5%), or because the children were born out of wedlock (33.8%).

UNDERCLASS STATUS CERTAIN

Some researchers believe that rising illegitimacy rates virtually guarantee under-class status for thousands of young women and children. "Even legitimate teen-age pregnancies lead to lower education, lower earnings, and higher probabilities of ultimate marital dissolution and welfare dependency," a 1979 Urban Institute study said, "When a child is born out of wedlock the likelihood of these negative effects all increases.

Sar A. Levitan, director of George Washington University's Center for Social Policy Studies, concurs. "(When) a young woman has a child in her teen-age years, an out-ofwedlock child, nine-tenths of her life-time scenario is already written."

Still, many of these young women manage to climb out of poverty and leave the welfare rolls for at least part of their lives. In studies show that a majority of people who turn to the welfare system actually receive payments only intermittently; that there is much movement on and off welfare, in and out of poverty.

"Once people are on welfare they are not inescapably locked into the welfare system, nor once off of it are they necessarily freed from it for life," economist Richard Coe reported after analyzing data collected over the last 13 years by the University of Michigan's Survey Research Center.

Coe found that in a 10-year period, onethird of the welfare population received payments for only one year. But another one-fourth got payments in six or more of the 10 years.

Another study by Harvard's Rainwater and MIT's Rein estimated that fewer than 10 percent of those who go on welfare became members of a "welfare class" with long-term dependence on the government for survival. The other 90 percent manage to get off the rolls, at least temporarily.

That 10 percent identified by Rainwater and Rein as a "welfare class" constitutes the

core of America's underclass. 'You can always tell when it's check day," Louise Lowman observed as she sat by the front window of her apartment, watching for the mailman. "The people are all hang-

TIME OF HIGH ANXIETY

ing around their mailboxes. . . ."

Check day is always a time of high anxiety for her. Anything could happen to a check-the computer could foul up, the post office could misplace it, muggers could snatch it from you on your way to the check-cashing place or grab your money on the way out.

She never relaxed until the check was cashed and the money was spent for bills, groceries or whatever.

Some years ago, a law was passed permitting AFDC recipients to have their checks mailed directly to neighborhood currency exchanges, which in Chicago serve many people as local banks. Louise Lowman has hers sent there. But Carl's check comes from the Social Security Administration, and, as far as she knows, it offers no such arrangement. To Louise Lowman, this is another example of the myriad rules, regulations and procedures that complicate her already frustrating life on welfare.

It is one of the anomalies of Louise Lowman's life that she can read, write and compute better than any of her younger children. She does not attribute this to any sort of intellectual superiority on her part. She thinks it is simply a result of the declining quality of public education.

TRIED TO WARN DAUGHTER

An uneasiness has grown up between Louise Lowman and Teresa since the daughter entered her late teens. Louise Lowman had hoped that Teresa would finish high school and find a suitable job. But she knows that the odds are against that happening.

So many young girls like Teresa seem to be coming up pregnant, dropping out of school and going on welfare. Louise Lowman had tried to warn Teresa of the pitfalls, but the advice seemed to fall on deaf

"She's so stubborn," Louise Lowman said. "I wanted her to go to school and do something besides become a welfare recipient. That depresses me.". . .

THE CURRENCY EXCHANGE

. Louise Lowman spotted the mailman. Five minutes later she was on her way to the currency exchange three blocks away. Currency exchanges are places where people can cash checks, pay utility bills, purchase money orders, buy food stamps, obtain auto licenses and conduct other routine financial transactions

They flourish in Chicago's inner-city neighborhoods, many of which lack commercial banking facilities because of an Illinois law prohibiting branch banking. But the poorer the neighborhood and the more blacks living in it, the higher the fees for these services often are. Currency exchange owners justify the higher fees on the grounds that their cost of business is higher in black ghettos.

Louise Lowman paid a total of \$4.60 for three transactions: \$3.10 to cash Carl's \$238 check, 60 cents to purchase a \$5.75 money order and 90 cents to pay two utility bills. In addition, she paid 50 cents to purchase two 18-cent postage stamps from a machine.

She realizes that she pays dearly for currency exchange services. But there are no banks as close and convenient. Besides, she added, "most of the time when the checks come on check day, I don't have the carfare to get to the bank."

As she left the currency exchange, she noticed four seedy-looking men standing idly on a corner across the street. Instinctively, she pressed her hand against her bosom as if to protect the money contained in the coin purse there.

Louise Lowman seems more resigned than angry about her place in American society. But in her neighborhood, and in other underclass ghettos across the nation, not everyone is resigned. Many seem angry and bitter-a mood that many specialists think is contributing to the upswing in crimes committed by members of the underclass. And among some officials in Washington, there is apprehension about an increased potential for urban unrest.

The possible consequences of cuts in welfare and other programs "are pretty obvi-ous," Rep. Richard Bolling (D-Mo.) said recently. "I think it is going to cause, from the underclass and the near-underclass, kind of revolt that came from the middle and upper-middle class over the (Vietnam)

"It's frightening," Bolling added. Atty. Gen. William French Smith says the possibility of racial violence erupting as a result of cuts in social program budgets will be monitored by "an early-warning system." So far "we haven't had any great alarms that have gone off anywhere," Smith said recently. "It's quite possible that the effect of these so-called budget cuts won't materialize at all . . . in terms of causing temperatures to rise."

But mounting pressure within the underclass can pose increased threats to the rest of the nation without triggering riots. Indeed, the incidence of crime-including acts of wanton violence-spilling out of underclass ghettos is already a matter of concern across the nation.

Too often members of the criminal ele-ment within the underclass "operate on the assumption that they don't have a damn thing to lose," sociologist Kenneth Clark testified before a congressional committee this spring.

TOO MANY LACK RESPECT

"You gentlemen in the middle class have a particular respect for punishment, for penalty. That is a measure of your faith in society. You have something to lose," Clark told the committee members. ". . What is difficult for you to understand is that this society has made it possible for too large a group

of people not to have this respect."

He said the "middle class understandably wants to protect itself from the manifesta-

tions of desperation of the underclass" but that most anti-crime proposals merely "increase the adversary tension between the underclass and society. . . . In fact, we're perpetuating a kind of guerrilla warfare."

The precise scope of crime as a livelihood among the underclass is impossible to define-obviously, people who support themselves by illegal means are reluctant to report the fact to census takers or other government representatives.

But when the Carnegie Council of Policy Studies examined youth employment and education problems, it concluded that "the role of illicit earnings" may be "possibly more significant than welfare payments" in America's inner cities.

ROLE OF ILLEGAL INCOME

William Julius Wilson, chairman of the University of Chicago's sociology depart-ment cited a study that found that 20 percent of the adults in Harlem lived entirely on illegal income. "The underclass . . . knows that illegal activities, in many respects, provide a more lucrative alternative to low-wage employment," Wilson said.

A relationship between crime, poverty and race is suggested, too, by various government surveys.

Blacks make up about 12 percent of the nation's population, but 31 percent of those are officially classified as poor-and about 30 percent of those arrested for the three property crimes in the FBI's Crime Index (burglary, larceny-theft and auto theft).

The percentages are higher for violent crime. According to the lastest FBI reports, blacks make up 57 percent of those arrested for robbery, 48 percent of those arrested for murder or rape and 37 percent of those arrested for aggravated assault.

"In the end, there is no escaping the question of race and crime," author Charles Sil-berman said in his widely acclaimed book Criminal Violence, Criminal Justice.'

"To say this is to risk, almost to guarantee, giving offense; it is impossible to talk honestly about the role of race in American life without offending and angering both whites and blacks. . . . The truth is too terrible on all sides; and we are all too accustomed to the soothing euphemisms and inflammatory rhetoric with which the subject is cloaked."

Part of Matthew's problem, Lowman thinks, is that the schools are failing to educate children. It seemed as if teachers are not interested in helping students. They let the children slide further and further behind until it is too late to pull them back. No one seemed to learn anything.

She got a good public education herself and she thinks her five older children did too. But something has happened to public schools since then.

"It seems the kids keep getting dumber the longer they stay in school," she said.

Statistics lend some support to Mrs. Lowman's suspicions.

At the South Side Chicago school her children attended, past records of standard-ized tests indicate that the scores of pupils at the age of 7 are comparable to the national average in reading, but that these children fall further and further behind as they grow older. By the age of 11, they are two years behind the U.S. average, and they never seem to catch up.

Nationwide, the Carnegie Council reported in 1979, high school dropout rates "continue to be considerably higher for blacks and Hispanics than for whites, and these minority groups are a rising proportion of the youthful population. . . ."

When Glasgow, the Howard University professor, conducted a follow-up study of 30 black men he had interviewed at length when they were teen-agers in Watts in the late 1960s, he found that only six had graduated from high school. The other 24 had quit school or were expelled, he reported in his recent book, "The Black Underclass."

EDUCATION, UNEMPLOYMENT

Such dismal statistics on underclass education, in Glasgow's view, can be linked to underclass employment problems.

In the past two decades, he wrote, "the inner-city school system has had a devastating impact on black youths; it has failed to educate, train, socialize, or in other ways help them to become successful achievers."

Education of underclass children may be adversely affected by the underclass' tendency toward single-parent households, a recent study suggested. The National Association of Elementary School Principals reported last year that "one-parent children, on the whole, show lower achievement in school than, their two-parent peers..."

"Their absence rate runs far higher than for students with two parents," it said, and they are "consistently more likely to be late, truant, and subject to disciplinary action. One-parent children are more than twice as likely to give up on school altogether."

Dropping out of school has been the pattern among the youngest Lowman children and, inevitably, it has meant increased anguish in their search for jobs. . . .

Louise Lowman's 22-year-old son, Peter, returned home. He brought a present for her. . . . It was his way of sharing the largesse of \$16 he had just received for two days of work helping a friend dig gardens.

He felt good having a little extra money in his pockets. But it was also a reminder of the single most unsettling fact of his life—that he does not have a steady job and has not held one since he dropped out of high school seven years ago. Like his 20-year-old brother, Dennis, also a high school dropout and chronically unemployed, he seems destined for a life of welfare and odd jobs, and he has grown increasingly sullen and bitter.

His mother often expresses the view that neither Peter nor Dennis tried hard enough to find work. She knows that the job market is tight. She suspects that their attitude toward work has been affected by growing up in a home without a working father. But she wants them to make a success of their lives, however modest that success may be, and she believes that they should be able to overcome all odds.

But the story of their lives in the last few years illustrates the enormous, sometimes puzzling, difficulties that young men like Peter and Dennis have in fulfilling such ambitions—difficulties that lie partly within themselves and partly in forces beyond their control.

Peter dropped out of high school when he was 15. After searching unsuccessfully for work, he signed up with the Job Corps, the once-large federal program intended to train unemployed youngsters for useful employment.

He enrolled in the general maintenance curriculum and stayed with the program about a year. But he still failed to find work.

ALL-TOO-PERVASIVE PATTERN

Odd jobs seem to be all he is capable of holding down, despite his training and stated willingness to work. It is a pattern all

too pervasive in the South Side community where the Lowmans live. Unemployment among its 37,000 inhabitants is 14%—twice the national average—and there are almost 2,600 individuals, mostly young black males like Peter, receiving general assistance, a form of welfare for single persons with low skills who are chronically unemployed.

Peter went on general assistance three years ago, when he became too old to be counted for his mother's AFDC check. Because he lives at home, he receives \$80 a month instead of the usual \$184....

WENT TO ALABAMA FOR JOB

Dennis's story followed a similar pattern. Like Peter, he dropped out of school and turned to the Job Corps for training. He stayed two years, studying both general maintenance and construction

After completing the Job Corps program, he and three other teen-agers from Chicago were told that Jobs with a construction firm were awaiting them in Alabama. They were given \$600 apiece, flown to Alabama at government expense and settled into a motel.

Soon after they arrived, they bought two used cars to get back and forth from work. Dennis chipped in \$250 as his share.

Everything seems to be going along well until the first day of work, when one of the youths was found to be underage. He was told to return to Chicago. At the same time the others learned that their first paychecks would not come for two weeks.

Most of their money had already been spent, and they feared not being able to pay their motel bill and cost of food. Far from home in a strange city, they were desperate. They returned to Chicago without informing their employer.

"It was just one of those things." Dennis says now. "It was just something that I couldn't begin to explain." Dennis later found occasional jobs but, like Peter, he eventually turned to general assistance after he became too old to be counted for his mother's AFDC check. He moved out of the house and took up residence with a 22-year-old unmarried AFDC mother who had two young children by another mother who had

two young children by another man.

Later, he signed up for another job program that attempts to find permanent manufacturing jobs for unemployed and underemployed teen-agers and young adults. But he says he found the experience so frustrating that he quit that program after a week or so. He concedes that part of the problem was his inability to get to work on time, despite the alarm clock he was given to help him arise.

Now, he says, "I just sit back and wonder where do I go from here. I just try to be cool, you know, get high, try to avoid the problem sometimes. When I feel down, I get high just to relax my mind."

Officials at the last job program Dennis attended admit their success rate is not inspiring. Only one of five youngsters who enter succeeds in finding a permanent job. They point out that most participants come from welfare families, have few skills and have never developed good work habits.

Their older brother, Jesse, the policeman, also thinks Dennis and Peter lack the personal motivation to get ahead. But he attributes that largely to the cushion the wel-

fare system provides.
"It's easier to live on welfare now," he said. "When we were younger, when Dennis and Peter were just little babies, it was really rough. I remember being hungry back then as a kid on a regular basis. There were various neighborhood stores and barbecue places where I could do odds and ends, like

mopping floors, and I developed an interest in work."

Dennis and Peter insist that they have tried but that the opportunities are more dismal than their mother wishes to believe,

"You get out there, trying to find something," Dennis said. "But it don't get no better. They say, 'Call you in two weeks.' But you never get that phone call.

"I need a job, man. That's what's missing in my life. A job."

The long, gray columns of numbers in government reports show that the experiences of Peter and Dennis in the job market are far from unique. In fact, similar problems confront hundreds of thousands of black teen-agers and young men who, in the view of some scholars, represent the most volatile sector of the underclass.

Nationwide, the unemployment rate for these categories remained above 30 percent throughout the 1970s and at times hit 40 percent. In some inner cities, it regularly exceeded 50 percent. While teen-agers also have unemployment problems, but Frank Levy of the Urban Institute documented a startling gap between whites and blacks.

PATTERN AMONG YOUNG MEN

Between 1964 and 1978, he said, the number of white male teen-agers in the labor market increased 1.8 million. Of that total, 1.6 million—or about 90 percent—found jobs. In comparison, the number of black male teen-agers in the labor market increased 152,000 "and only 33,000—about 20 percent—were able to get jobs," Levy said.

Roughly the same pattern held for young men ages 20 to 24. Among whites, 2.3 million of the 2.7 million additional workers who joined the labor market found jobs. Among blacks, only 147,000 of the 476,000 additional new workers got jobs.

"In summary," Levy said, "... high unemployment rates among black teen-agers do not automatically vanish when the teenagers turn 20 years old... The labor market postition of black young men has deteriorated as rapidly as the labor market position of black male teen-agers."

The University of Chicago's Wilson also detailed a gap between the black underclass and the black middle class in his book, "The Declining Significance of Race." He concluded that while affirmative action programs have improved job opportunites for trained and educated blacks, "they have not been useful in breaking down barriers that have nothing to do with color and that result from labor-saving innovations, relocation of industry, labor-market segmentation and the shift from goods-producing to service-producing industries."

Thus, members of the underclass seem stuck at the bottom of America's basement with scant chance of climbing out because a rapidly changing, increasingly specialized economy has less and less use for the kind of work they are able to do.

The structural changes in the nation's industrial economy have been dramatic. For example, of 20 million new jobs created in the last decade, only 1% were in manufacturing, the sector that traditionally has employed the bulk of America's unskilled or blue-collar workers.

And the movement of more and more firms out of the center cities and into the suburbs and rural areas has been equally dramatic. The Lowman family's Chicago, for instance, was listed as losing more than 90,000 jobs in a six-year period.

MANY QUIT LABOR MARKET

With jobs vanishing, increasing numbers of unskilled blacks seem to be giving up and dropping out of the labor market entirely. When Levy of the Urban Institute re-examined census records last year he found that 11% of a sampling of working-age black males reported zero wage and salary income in 1978 compared with 5% in 1969.

". . . Being out of the labor market was a permanent status for a growing number of individuals," Levy said in a report published

by the Brookings Institution.

Wilson sees links between job troubles and social trends. For example, he traces the growth in the number of female-headed households in part to the dwindling number of higher-paying jobs in the inner city. His reasoning: Unemployed men, or those unable to earn an adequate salary, are more likely to leave their families—or never take responsibility for illegitimate children they father—than men with good jobs.

HAD TO WAIT FOR CHECK

Chili dogs and crackers were the menu for the night's meal. There were no vegetables, nothing on the side except milk or soda to drink. Fresh vegetables, like fresh fruits, are luxuries the Lowmans seldom enjoy. Starches and carbohydrates fill your stomach feater.

But because it was check day, the cupboard was barer than usual and she had to wait until after Carl's Social Security check

came in to buy some groceries.

She could have taken the bus to the supermarket, but then she would have had to pay a \$3 fee to have herself and her groceries transported home by the bootleg deliverymen who hung out in front of the supermarket. She used to shop at another supermarket that was closer to her home but the deliverymen there charged \$5. She felt that was too much; besides, she said, the quality of the food had gone down.

Despite its usually higher prices, she does not mind going to the corner store. It is owned by blacks. "I like to throw them a little business every now and then," she said. She had picked up some Doritos and Oreo cookies for Carl as a special treat,

since it was really his check day.

Louise Lowman spends little time pondering what it would take to lift her out of the life she is living. "I try not to think about it," she said. "I just take one day at a time."

But in the halls of academia and the offices of government, the questions are constantly asked: What are the solutions? What can be done that hasn't been done to propel underclass families like this one into America's mainstream?

Sometimes, it seems, the problems simply overwhelm the solutions. Even normally self-confident scholars, with a sigh of resignation, quote the ancient Yiddish proverb: "The mere existence of a problem is no proof of the existence of a solution."

Yet that passive fatalism seems alien to the American spirit. And clearly something must be done if America is to lift the burden on society imposed by the underclass and reduce the likelihood of what Howard University's Glasgow sees as "social conflict between the haves and have-nots. . . ."

WHITE HOUSE SOLUTIONS

President Reagan pegs his solutions to an economic program intended "to put America back to work; to make our cities and towns resound with the confident voices of men and women of all races . . . bringing home to their families a decent paycheck they can cash for honest money."

The Administration's belief is that its program of tax cuts and reined-in spending for social programs will stimulate an economy recovery which, in turn, will create a rising tide that lifts all boats—including the underclass boat. Even before Reagan outlined his cut-spending-and-cut-taxes approach to correcting the nation's economic ills, many scholars were saying that a robust economy, one that generates full employment, is vital to help the underclass.

"It cannot be overemphasized that because of accumulated disadvantages stemming from previous discrimination and being passed on from generation to generation, poor blacks are especially vulnerable to swings in the business cycle," the University of Chicago's Wilson wrote two years ago.

Wilson added that "it would be extremely shortsighted to assume that the problems of the lower-class black family can be satisfactorily addressed without a fundamental program of economic reform. A program that would lead to the sustained employment of ghetto men at respectable wages would be far more effective than any other conceivable effort to stabilize the ghetto family."

One of Wilson's colleagues, a liberal sociologist who requested anonymity rather than publicly confess "a loss of idealism," said of the underclass: "The masses of those people are lost—you can't change 20 years of hopelessness and despair." Instead, this sociologist said, "you have to figure out where you're going to break the cycle."

USC's Daniel Glaser suggests that ways to break that cycle might best be discovered through "imaginative experiments" aimed at underclass youth.

Two possibilities he suggested were subsidizing part-time employment for junior and senior high school students in a range of adult workplaces, thus overcoming what he termed the "social separation of youth from adults," and creating "teams" of youths who would compete collectively, rather than as individuals, for rewards tied to scholastic and personal conduct goals.

DANGER OF "WELFARE CYCLE"

"We need to learn what works for whom" through experimental programs rather than looking for an overall policy panacea, Glaser said.

There also is concern, even among liberals who support more generous benefits, about the dangers of the "welfare cycle."

Glasgow, for instance, spoke of "an increasing tendency for certain members of deprived groups to feel that society owes them something since it has systematically deprived them of their natural rights as citizens." But, he declared, "dependence on welfare as the means to correct the ills of the . . . underclass is a mistake" and "public assistance must never be accepted as the primary source of income by black work-capable citizens."

Thus there is a broad consensus that jobs are the best way to help underclass, and there is almost universal agreement that government cannot do it alone.

Glasgow said that while the federal government might mount an effective start-up program, it is through the private sector that members of the underclass can "begin to break the cycle of entrapment."

"... Welfare and hustling may suffice when there is no other way," he said, "but they are no substitute for regular, adequately paid work...."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. GILMAN (at the request of Mr. MICHEL), for an indefinite period, because of participation as a member of U.S. delegation to United Nations General Assembly.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 859. An act to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes, to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2120. An act to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; and

H.R. 4416. An act to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry

Deal Co.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Benedict) to revise and extend their remarks and include extraneous material:)

Mr. Wampler, for 15 minutes, September 15, 1981.

Mr. Dannemeyer, for 30 minutes, today.

Mr. Dannemeyer, for 30 minutes, September 15, 1981.

Mr. Dannemeyer, for 30 minutes, September 16, 1981.

Mr. Dannemeyer, for 30 minutes, September 17, 1981.

Mr. Leach of Iowa, for 60 minutes, today.

Mr. Edwards of Alabama, for 30 minutes, today.

Mr. Dannemeyer, for 30 minutes, September 18, 1981.

(The following Members (at the request of Mr. Dyson) to revise and extend their remarks and include extraneous material:)

Mr. NEAL, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today. Mr. Annunzio, for 5 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. Hubbard, for 5 minutes, today. Mr. Fascell, for 5 minutes, today.

Mr. O'NEILL and Mrs. Boggs, for 30 minutes each, on September 16, 1981, to lead tributes to Gary Hymel.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Addabbo, substitute amendment to be offered tomorrow by the Committee on Appropriations may be printed in the Record immediately after the total debate on H.R. 3380.

Mr. Addabbo's remarks to be included prior to the committee rising on

H.R. 3380.

Mr. RICHMOND, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost \$2,040.

(The following Members (at the request of Mr. BENEDICT) and to include

extraneous matter:)

Mr. SOLOMON.

Mr. BEARD.

Mr. Dornan of California in two instances.

Mr. HUNTER.

Mr. LEBOUTILLIER.

Mr. BADHAM.

Mr. Wolf.

Mr. DERWINSKI in two instances.

Mr. Collins of Texas.

(The following Members (at the request of Mr. Dyson) and to include extraneous matter:)

Mr. Rose.

Mr. Anderson in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. McDonald.

Mr. PHILLIP BURTON.

Mr. NATCHER.

Mr. PEASE.

Mr. ROYBAL. Mr. SCHUMER.

Mr. DAN DANIEL.

Mr. WHITTEN.

Mr. RANGEL.

Mr. AUCOIN.

Mr. NEAL.

Mr. SANTINI.

Mr. PEYSER.

Mr. BRODHEAD.

Mr. GEJDENSON.

ADJOURNMENT

Mr. DYSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Tuesday, September 15, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2172. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notice of various transfers of amounts appropriated to the Department of Defense, pursuant to section 750 of Public Law 96-527; to the Committee on Appropriations.

2173. A letter from the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a report as of June 30, 1981, on Selected Reserve recruiting and retention incentives, pursuant to 10 U.S.C. 2134, and 37 U.S.C. 308b and 308c; to the Committee on Armed Services.

2174. A letter from the Secretary of Housing and Urban Development, transmitting a report on the need for further legislation in the area of real estate settlements, pursuant to section 14(a) of Public Law 93-533; to the Committee on Banking, Finance and Urban Affairs.

2175. A letter from the Chairman, National Advisory Council on Ethnic Heritage Studies, transmitting the annual report of the council, pursuant to section 443(a)(2) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2176. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in Docket No. 179-A, The Nez Perce Tribe of Idaho v. The United States; to the Committee on Interior and Insular Affairs.

2177. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in Docket No. 279-D, Blackfeet Tribe of Indians v. The United States; to the Committee on Interior and Insular Affairs.

2178. A letter from the Director, Federal Prison System, Department of Justice, transmitting the annual report of the Board of Directors of Federal Prison Industries, Inc., for fiscal year 1980, pursuant to 18 U.S.C. 4127; to the Committee on the Judiciary.

ary.
2179. A letter from the General Counsel,
Federal Emergency Management Agency,
transmitting a draft of proposed legislation
to amend the Disaster Relief Act of 1974, as
amended; to the Committee on Public
Works and Transportation.

2180. A letter from the Secretary of Commerce, transmitting the annual report of the Commerce Department for fiscal year 1980, pursuant to section 8 of the act of February 14, 1903; jointly, to the Committees on Energy and Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

2181. A letter from the Acting Comptroller General of the United States, transmitting a report on implementation of the Federal merit pay system (FPCD-81-73, Sept. 11, 1981); jointly, to the Committees on Government Operations and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. H.J. Res. 325. Joint resolution making continuing appropriations for the fiscal year 1982, and for other purposes. (Rept. No. 97-223). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARNES (for himself, Mr. Fazio, and Mr. Hoyer):

H.R. 4467. A bill to amend title 5, United States Code, to restore semiannual cost-of-living adjustments for Federal annuitants; to the Committee on Post Office and Civil Service.

By Mr. DANIELSON (for himself and Mr. Moorhead):

H.R. 4468. A bill to amend chapter 84, section 1752 of title 18, United States Code, to authorize the Secretary of the Treasury to establish zones of protection for certain persons protected by the U.S. Secret Service; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 4469. A bill to allow Federal employees a 1-year period to modify or revoke any survivor benefit election made under section 8339 (j) or (k) of title 5, United States Code; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON (for himself and Mr. Howard):

H. Con. Res. 179. Concurrent resolution making apportionment of funds for the National System of Interstate and Defense Highways for the fiscal year 1983; to the Committee on Public Works and Transportation

By Mr. LAGOMARSINO:

H. Res. 213. Resolution expressing the sense of the House of Representatives with respect to the scheduled meeting of the Inter-parliamentary Union in Havana, Cuba, in September 1981; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

181. By the SPEAKER: Memorial of the House of Representatives of Northern Marianas Commonwealth, relative to exempting the Northern Marianas Commonwealth from the application of the Clean Air Act; to the Committee on Energy and Commerce.

182. Also, memorial of the Legislature of the State of California, relative to the sale of naval vessels; to the Committee on Foreign Affairs.

183. Also, memorial of the Legislature of the State of California relative to social security recipients; to the Committee on Ways and Means.

184. Also, memorial of the Legislature of the State of Mississippi, relative to storage of nuclear waste; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HUBBARD:

H.R. 4470. A bill for the relief of John Denfip; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 375: Mr. Dyson and Mr. Stark.

H.R. 741: Mr. Dyson and Mr. Howard. H.R. 1776: Mr. Fithian, Mr. Leach of Iowa, Mr. Martin of New York, and Mr.

H.R. 2007: Mr. Hyde, Mr. Pashayan, Mr. BENJAMIN, Mr. CARNEY, Mr. JOHN L. BURTON, Mr. KINDNESS, Mr. DANNEMEYER, Mr. Patterson, Mr. Bereuter, Mr. Tauke, Mr. Stangeland, Mr. Davis, Mr. Fary, Mr. FLORIO, Mr. HAMMERSCHMIDT, and Mr. MILLER of Ohio.

H.R. 2068: Mr. FRANK.

H.R. 2103: Mr. McCollum.

H.R. 2104: Mr. Goodling. H.R. 2244: Mr. Wolpe. H.R. 2389. Mr. Hammerschmidt.

H.R. 2488: Mr. Long of Maryland.

2832: Mr. McCollum, Mrs. BOUQUARD, and Mr. BRODHEAD.

H.R. 2977: Mr. WILLIAMS of Montana. H.R. 3269: Mr. Roe, Mr. Jenkins, Mr. Der-Mr. Roth, Mr. Brown of Colorado, Mr. Long of Louisiana, Mr. Downey, Mr. Dellums, Mr. Miller of Ohio, Mr. Thomas, Mr. Oxley, Mr. LeBoutillier, Mr. Robinson, Mr. HERTEL, Mr. VENTO, and Mr. EMERY

H.R. 3392: Mr. Robinson and Mr. Danne-

MEYER

H.R. 4148: Mr. MARRIOTT. H.R. 4250: Mr. Brown of California, Mr. Wolfe, Mr. Seiberling, Mr. Fauntroy, Mr.

PEYSER, and Mr. OTTINGER.

H.R. 4373: Mr. OTTINGER, Mr. DUNN, Mr. BONKER, Mr. BROOMFIELD, Mr. HORTON, Mr. KILDEE, Mr. McEwen, Mr. Roemer, Mr. Gore, Mr. Pritchard, Mr. Madigan, Mr. WIRTH, Mr. KRAMER, Mr. WYDEN, Mr. MAV-

ROULES, Mr. MARKEY, Mr. GREGG, Ms. FER-RARO, and Mr. DORGAN of North Dakota.

H.J. Res. 260: Mr. BUTLER, Mr. MARTIN of North Carolina, Mr. BEREUTER, Mr. ROBIN-SON, Mr. BREAUX, Mr. ROBERTS of Kansas, Mr. Skeen, Mr. Findley, Mr. Stenholm, Ms.

FIEDLER, and Mr. McEwen.

H.J. Res. 318: Mr. Addabbo, Mr. Alexan-DER, Mr. ANTHONY, Mr. ASPIN, Mr. ATKINson, Mr. AuCoin, Mr. Bailey of Pennsylvania, Mr. Benedict, Mr. Bennett, Mr. Bethune, Mr. Bingham, Mr. Bowen, Mr. Brooks, Mr. Broyhill, Mr. John L. BURTON, Mr. CAMPBELL, Mrs. CHISHOLM, Mr. CONABLE, Mr. D'AMOURS, Mr. ROBERT W DANIEL, JR., Mr. DASCHLE, Mr. DELLUMS, Mr. Derrick, Mr. Dickinson, Mr. Dicks, Mr. Dowdy, Mr. Dwyer, Mr. Eckart, Mr. Ed-WARDS of California, Mr. Evans of Delaware, Mrs. Fenwick, Mr. Flippo, Mr. Florio, Mr. FOLEY, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRENZEL, Mr. FROST, Mr. GRADISON, Mr. GREEN, Mr. RALPH M. HALL, Mr. SAM B. HALL, Mr. HAMMERSCHMIDT, Mr. HARTNETT, Mr. Howard, Mr. Hyde, Mr. Kazen, Mr. KRAMER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEBOUTILLIER, Mr. LOEF-FLER, Mr. LOTT, Mr. LOWRY of Washington, Mr. Lujan, Mr. Martin of New York, Mr. Mr. LUJAN, Mr. MARTIN OF NEW TOTK, MIL.
McCloskey, Mr. Mitchell of New York,
Mr. Mollohan, Mr. Montgomery, Mr.
Mottl, Mr. Murtha, Mr. Nelligan, Ms.
Oakar, Mr. Patman, Mr. Pickle, Mr. PRITCHARD, Mr. RAHALL, Mr. RICHMOND, Mr. ROBERTS of South Dakota, Mr. ROTH, Mr. Russo, Mr. Sabo, Mr. Scheuer, Mr. Schu-MER, Mr. SHELBY, Mr. SHUSTER, Mr. SMITH OF New Jersey, Mr. SMITH Of Oregon, Mr. SOLARZ, Mr. SPENCE, Mr. STATON OF West Vir-ginia, Mr. Trible, Mr. Weaver, Mr. Whit-TEN, Mr. WINN, Mr. WORTLEY, Mr. WRIGHT, Mr. WYDEN, and Mr. YATRON.

H. Con. Res. 56: Ms. FIEDLER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

190. By the SPEAKER: Petition of the National Guard Association of the United States, Washington, D.C., relative to the statement of the National Governors' Association on readiness of the Army and Air

National Guard; to the Committee on Armed Services

191. Also, petition of the Executive Board, National Association of the Deaf, Silver Spring, Md., relative to telephone access for persons who use hearing aids: to the Committee on Energy and Commerce.

192. Also, petition of the Episcopal Urban Caucus of Maryland, relative to decontrol of natural gas prices; to the Committee on

Energy and Commerce.

193. Also, petition of the City Council, Duluth, Minn., relative to decontrol of natural gas prices; to the Committee on Energy and Commerce

194. Also, petition of Harry Sharp, Altus, Okla., et al., relative to citizens' band radio regulation; to the Committee on Energy and Commerce.

195. Also, petition of Genelle Martin, Flint, Tex., et al., relative to citizens' band radio regulation; to the Committee on Energy and Commerce.

196. Also, petition of the City Council, Hazleton, Pa., relative to Northern Ireland; to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3380

By Mr. SKELTON: -At the end of the bill, add the following new section:

INCREASE IN NUMBER OF SENIOR RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS

SEC. . Section 2107, title 10, United States relating to financial assistance for specially selected members is amended as follows: In subsection (h), after the words "Navy program": strike "6,000" and insert "8,000" and after the words "Air Force program": strike "6,500" and insert "9,500".

H.R. 4241

By Mr. JAMES K. COYNE: -Page 7, line 8, strike out "\$2,238,027,000" and insert in lieu thereof "\$2,223,117,000".

Page 7, line 12, strike out "\$275,545,000" and insert in lieu thereof "\$260,635,000".

SENATE—Monday, September 14, 1981

(Legislative day of Wednesday, September 9, 1981)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray. Almighty God, gracious Father of us all, Thou hast guided the leadership of this Nation through troubled waters in the past. In the words of the first President of the United States:

"No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States. Every step by which they have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency * * * ."

We come to Thee O God, in an hour of great need. The Senate faces a superhuman task against a stubborn economy that refuses to yield to every effort to check its destructive course, and which seems bound to crush all the hopes and aspirations of the people. Thou alone, O Lord, hast the wisdom and the power needed at this critical hour.

Grant to Thy servants in the Senate, gracious Father, Thy wisdom and energy, that they may be adequate to the challenge of what seems an impossible situation. Assure them of Thy presence, love, and grace in their labors. We pray this in the name of Him in whom is all power in heaven and on Earth. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized. Mr. BAKER. Mr. President, I thank

the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE WORKLOAD

Mr. BAKER. Mr. President, on last Wednesday, the Senate reconvened after the statutory August break. I attempted to outline the many major measures yet to be completed by the Senate in the time remaining before sine die adjournment of this year. Among those items are the remaining appropriations bills; probably a continuing resolution for appropriations; the second concurrent budget resolution, which the statute requires of us

this fall; the farm bill, which I intend to ask the Senate to consider beginning Communications Act amendments; and the expulsion resolution reported by the Ethics Committee with respect to Senator HARRISON A. WILLIAMS,

ETHICS COMMITTEE RESOLUTION CONCERNING SENATOR WILLIAMS

As to the Williams resolution, the leadership has taken account of the committee's scheduling recommendations and, notwithstanding the fact that the measure is now on the calendar, no effort has been made nor will be made for the time being to schedule it for action by the full

However, it is necessary that this item be scheduled for consideration according to the requirements of the Senate workload. To that end, Senators should be advised that it is the intention of the leadership to recommend that sometime in early November, the Senate proceed to consideration of the resolution of expulsion

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. ROBERT C. BYRD. Mr. President, I believe that the majority leader has indicated a very reasonable approach with respect to the scheduling of the Williams resolution. The leader is taking into account the very considerable workload that remains for the Senate to handle by way of the appropriations bills, the continuing resolution, the second concurrent budget resolution, the extension of the debt limit, and the various other pieces of legislation that are aside from the appropriations and budget process. I think that the majority leader is quite correct in his judgment that these matters should be approached first. After all, it is the economy of the Nation that is uppermost in the minds of the American people and it behooves the Senate to act as expeditiously as possible in dealing with the budget, with appropriations matters, extending the debt limit, and

I also feel that the majority leader has acted appropriately in stating that sometime in early November the Senate will proceed to consideration of the resolution of expulsion. That seems to me to be a fair timetable. It seems to me to be a realistic one. I am certainly supportive of the majority leader in this respect.

I think I should make it clear that, insofar as this Senator is concerned, I do not believe that the decisions that remain for Judge Pratt to make should have any bearing whatsoever on this body's deliberations in connection with this matter.

I think that the Senate has a responsibility of its own to act based on the facts and in consideration of the recommendation that was made unanimously by the members of the Senate Ethics Committee. That committee recommended that the Senator be expelled. It also recommended that the Senate wait until such time as the appeals process has been able to run its course.

I take this occasion to compliment the committee. It was a difficult decision, I am sure. I compliment the members of the committee on both sides of the aisle for the duty which they have performed. I think it is a very compelling recommendation by the committee when we realize that it was entered into unanimously. I think it is reasonable to wait until around the 1st of November to proceed with this case.

For the reasons that have been set forth by the distinguished majority leader. I feel that the Senate has a constitutional responsibility to act one way or the other in this matter and to do so fairly expeditiously and, certainly, taking into consideration the other duties and the other legislative problems that confront us. It seems to me that the majority leader has outlined a timetable that takes into consideration all of those very necessary factors.

Again, Mr. President, I emphasize that the Senate is not bound by any decision by the court in this matter. The Senate is bound to fulfill its responsibilities under the Constitution based on whatever facts there are to be weighed and quite independently of the actions of the court.

Having said that, Mr. President, I want to say again that I personally am very comfortable with the schedule that the leader has laid out. I fully support him. I say this, having talked with at least two of the Democratic members of the Ethics Committee.

I have discussed this with Mr. HEFLIN, the ranking minority member, and I have discussed it with Mr. EAGLETON. I have not had an opportunity to discuss it with Mr. PRYOR. But, without presuming to say one way or another how those two members with whom I have discussed the matter may feel personally, I believe that the timetable is a reasonable one and that it comports, it seems to me, with the recommendations of the committee, although perhaps not precisely, in that the Senate, by virtue of the majority leader's statement, is not tying its schedule to that of the court. To do otherwise would be the wrong thing to do, in my judgment.

I am glad that the majority leader is not making his judgment on that basis at all. I am fully supportive of his not having done that, fully supportive of the scheduling of the matter as he has indicated. It gives Senators ample time to study the transcripts, ample time to view the tapes, ample time to give this matter thorough and careful and judicious consideration.

So I thank the majority leader. I appreciate the fact that he is telling us at this time what we can expect. Again, I support his position and the reasons therefor.

Mr. BAKER. I thank the distinguished minority leader. He is most generous in his remarks, and I am grateful for his support in this difficult decision.

I suppose that one of the most difficult things any Member of the Senate must deal with in his career, at least from a personal standpoint, is to pass judgment on one of his colleagues, on the recommendation of the Ethics Committee. That has happened only twice in my experience here, and it has not been pleasant.

I take this opportunity to urge all Members to take account of the fact that they owe a special responsibility to pay close attention to the evidence that will be presented and the proceeding as it unfolds, to be fully prepared to deal with this matter, and to know that we will deal with this matter, when and if the time arrives, to the exclusion of other matters, as carefully as the leadership can urge and encourage and require Senators to do.

In order to help prepare for that unhappy event, I trust that the Senate Ethics Committee will make its recommendations on how they will prepare the evidence for the consideration of Members in advance of the time. There is a great mass of material, that the Ethics Committee has considered and which will be available to Members.

I now yield to the distinguished chairman of the Ethics Committee, the Senator from Wyoming, for any remarks he

may care to make.

Mr. WALLOP. I thank the majority leader and the minority leader for their support in this matter.

I say this, and it is a small distinction, but it is something that I believe bears being stated, because there are so many Members of the legal profession in this body.

The Ethics Committee recommendation was not to wait until the appeal process had run. We were referring to matters which are a part of the trial proceeding, that is, a due process pleading which may or may not have an influence on Judge Pratt's sentencing or affirmation of the conviction by the jury.

Also, I believe the point should be made that the committee's recommendation and resolution stand, regardless of what Judge Pratt rules. It is only a matter of when, not what Judge Pratt rules. So we did not attempt to tie our recommendation to his ruling.

I will present to the majority leader this afternoon a schedule for reviewing the audio and visual recorded material. There are 6 hours in all. not all of which was entirely relevant, but some Senators may want to see all of it. We thought we would put it into packages, one of approximately 3 hours, and then if any Senator says he wants to see the rest, we will make the remaining tapes available. We will do this on 3 days in each of 2 weeks, so that Senators can find time to accommodate their schedules to do this. I urge Senators to do it, because

it is a matter of utmost fairness that they be thoroughly familiar with the evidence on which the Senate has to make its judgment.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. WALLOP, I yield.

Mr. BAKER. I absolutely agree with the distinguished chairman of the Ethics Committee. It is urgent that all Members acquaint themselves with the facts and that they examine the evidence prior to the time the Senate addresses the question of the resolution. I urge Members to do so.

I also urge that Members themselves do so. I am not at all sure that the committee should permit members of the staff to do so. Indeed, I recommend against that.

Mr. WALLOP. I believe it is the judgment of the committee that we will make those tapes available to Members.

Mr. BAKER. Members only. Mr. WALLOP. Members only.

I also urge Members themselves to read the report of the committee. There is a short summary, and there is a very detailed and voluminous report, including the report of the special counsel.

All these things will be made available; and if any Senator desires to have a special briefing on any part of it, we can make special counsel or a member of the staff of the Ethics Committee available to that Member, to ask any questions, and to satisfy himself or herself in any way possible.

Mr. BAKER. I thank the distinguished Senator from Wyoming, the chairman of the Ethics Committee.

I close by urging, once again, that Members take account now of this schedule, take account of the fact that there is a wealth of information to be considered by each Member of the Senate before the date arrives for proceeding to consideration of the resolution by the full Senate.

I hope Senators will use the time remaining in September and October to acquaint themselves fully with this record and will be prepared, early in November, to proceed to consideration of the resolution recommended by the Ethics Committee, as soon as it is scheduled.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further need for my time under the standing order, and I yield it now to the distinguished minority leader, if he wishes, or I will yield the floor.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

How much time do I have, Mr. President?

The PRESIDING OFFICER. The minority leader has 10 minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

CUTTING NATIONAL DEFENSE

Mr. ROBERT C. BYRD. Mr. President, the announcement of cuts in our Na-

tion's defense program by the administration over the weekend raises some serious concerns. It presents fundamental questions about the adequacy of our long-term defense effort, and about the credibility of American staying power. The initial spending levels announced this past March by the administration were certainly not carved in stone-they were, after all, this administration's best estimate of how the Nation should meet the formidable challenges posed to us by the Soviet Union. Changes could be expected as we went along, but the general level of effort seemed appropriate. Now, suddenly, we are reducing by over one-third the increased outlays previously announced over the Carter budget for reasons totally unrelated to our real defense needs, it seems to me.

The administration's initial reaction to the growing military imbalance with the Soviet Union received widespread bipartisan support. The first installment of this defense program was overwhelmingly approved by the Senate in the fiscal year 1982 defense authorization bill. The polls showed a national consensus in favor of the need for higher levels of spending in order to invest in and sustain the forces America needed to meet the Soviet challenge, to lead the Western alliance, and to support new commitments in the Persian Gulf.

The consensus which was forged, and which I believe still exists, is grounded on a real belief that there is no higher priority than the defense of the United States. The level of our defense, the adequacy of our forces, and the credibility of our word, cannot be whipsawed by a changing balance sheet manipulated by the Office of Management and Budget. It is no secret that the men who are charged with seeing to it that America's defenses are where they should be—the Secretary of Defense and Senators in this body—were alarmed by the prospects of the cuts which have just been announced.

In his presentations supporting the budget submissions to Congress, the Secretary of Defense made a convincing case that renewed defense efforts were overdue. His presentations were substantiated by an analysis of the comparative Soviet and American defense effort released by the Central Intelligence Agency last February. The CIA documented a very serious divergence in the Soviet and American defense efforts over the last decade. In the aggregate, for the 1971-80 period, the CIA estimated that the dollar costs of Soviet defense activities were 40 percent higher than comparable U.S. outlays. Last year their expenditures were fully 50 percent higher than our own.

The disparity in strategic forces, as documented in the analysis, is alarming. Including intercontinental missiles and ballistic missile firing submarines the Soviet effort was triple our own. In general purpose forces, including land forces, tactical air, naval and mobility capability—airlift and sealift—the Soviet effort

was 60 percent higher than our own. Even in naval forces, an area in which it is absolutely crucial for an island maritime nation like our own to be preeminent, the Soviets have challenged our supremacy.

The general drift against the United States in the comparative balance of military forces with the Soviet Union was emphasized and reemphasized by the President during his election campaign. It was highlighted and rehighlighted by his chief advisers as they strove to persuade the Congress to accept their new budget formulations. Secretary Weinberger, in his presentation before the Senate reiterated the driving point: President Reagan had an "election mandate to rebuild our defense capability." The defense budgets of the previous administration had been "underfunded," he stated. Again, he said:

The operating levels assumed in those budgets reflect a much more tranquil view of the international political scene than actually exists. Those budgets simply will not support the desired military capability."

The shortfalls in our military capabilities were virtually across the board. There is a "growing imbalance in our strategic forces, while our conventional force structure is too small and lacks sufficient mobility, readiness, and sustainability", said Secretary Weinberger. While we retrenched in the decade of the 1970's, the Soviets, he maintained, "embarked upon a military buildup unprecedented in world history." They have "relentlessly improved their military capabilities all across the spectrum." Thus the budgets of the recent past have been inadequate to support our widespread commitments. They have lead to a diminution of confidence in the United States abroad. They have tempted Soviet adventurism. We must strengthen our presence in Southwest Asia since Southwest Asia will be the "fulcrum of contention for the foreseeable future."

The sum and substance of everything we have heard so far is that major new investments must be made now in strategic forces and in conventional forces. We must be prepared to meet several contingencies—in different parts of the globe—at the same time.

On arms control negotiations with the Soviet Union the policy is to go slowly until we improve our capabilities.

Our allies have been exhorted to increase their defense effort. Deputy Defense Secretary Carlucci received prominent attention across Europe in March when he told our allies that the Soviet military buildup exceeds any rational requirement for defense, that on "all levels of military capability, the trends are ominous." He bluntly pressed European governments to both increase their overall defense effort and to increase their force projections outside the European theater, particularly into southwest Asia.

The Secretary of the Navy and our top admirals have stated with unprecedented bluntness that for the first time the United States has lost its historic edge in naval forces. The Chief of Naval Operations stated in February the "trends of the last decade have led us to this point where even a slim margin of superiority has to be set aside." He continued, "For the first time in anyone's recollections, the U.S. Navy is unable fully to meet its peacetime commitments" and would have to vacate essential areas of the world to respond to an emergency.

The upshot of the rhetoric of the first 9 months of this administration has been that a massive military rebuilding program should be launched. The projected spending program, in gross terms. did not appear to be unreasonablefrom the viewpoints either of the imbalances with the Soviet Union or of historic levels of defense spending in America. The Reagan program, as originally announced, would have provided a defense budget which comprised about 32 percent of the national budget. Although these percentages are higher than those during most of the 1970's, they are considerably lower than comparable figures from the end of World War II up through the early 1970's. In 1960, for instance, nearly one-half of the entire national budget went to defense.

Over the period covered by fiscal years 1982-84, the Reagan administration originally projected increases in outlays of \$38.1 billion above the previous administration's budget. This increase represents the additional cash outlays, the additional spending beyond what would have occurred under the Carter program. The cuts announced this week, amounting to \$13 billion in outlays for those 3 fiscal years, reduces the Reagan administration's add-on's by 34 percent. There is no rationale, from a military standpoint, for these cuts. They are purely and simply dictated by budgetary expediency.

The difficulty has not been in understanding the need for significant increases in the defense budget. It has been in the lack of detailed rationale within the budget. The strong national consensus to meet the Soviet challenge must be sustained by specific justifications. Although the administration has exhorted us to expand our forces to meet a multiplicity of challenges, both conventional and strategic, it has not identified what contingencies we are likely to face, and what new forces, alliances and strategies must be designed to meet them.

Since details of the Nation's longterm defense program have not been made available, indeed perhaps have not yet even been developed, it has been impossible to determine whether the specific spending levels were adequate to do the job.

For instance, the administration has stated that Soviet investments in intercontinental missiles may soon permit them to demolish our land-based missile force in a first strike. It has stated that our aging B-52 bomber force will be inadequate to perform its mission by the end of the decade. Yet it has not been able to make any recommendations on what kind of missile force and bomber force we should produce to correct this problem. Delay and more delay characterize our stra-

tegic decisions. Naturally, without these decisions, it cannot be known what the price tag in the strategic area will be.

In the key sector of naval forces, the administration has stated that its goal should be a Navy of about 600 ships, up from the present active force of about 450. By law, the submission of a 5-year Navy shipbuilding program is required to accompany the executive branch budget submission each year. This plan has not yet been made available. What kind of Navy are we going to build? How many ships? What kind of ships? The answers are not available, and so we cannot know the price tag.

We are clearly commiting ourselves to a firstline defense of the Persian Gulf. How will we do it? What kind of forces will it take? Where are the plans for the new equipment, weapons and military doctrines necessary to credibly guarantee our commitment there? Since the details of our long-term role in the Persian Gulf are not available, we cannot know with any precision what the long-term costs will be.

And so, the cuts announced by the administration are as painless as the increases originally announced. There is an increasing air of unreality over the defense budget process. Neither the increases nor the decreases can be identified with the specifics of a defense program. There are those who have been arguing that even the March budget projections were inadequate to buy the forces needed in all these areas. Yet without a specific program we cannot possibly know what level of spending is appropriate.

But whatever level of spending should be appropriate, it must directly related to our defense needs, to the strength of the West, to the Soviet challenge. These realities cannot be wished away on the altar of a balanced budget. The administration cannot simply rediscover high interest rates and cut back its increases over the previous defense budget by fully one-third. It is irresponsible to delay all the tough decisions in defense in order to wait on the success of the administration's economic program. The fragile consensus supporting significant spending increases will not last forever. The Nation needs a visible, tangible military program. The time for rhetoric has long passed. I do not believe the Senate should endorse somersaults on military spending without the assurance that a carefully developed and effective defense policy will be put into place. It is not too much to expect that such a policy, and the costs necessary to implement it, be articulated without further delay.

Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The minority leader has 2 minutes remaining.
Mr. BAKER. Mr. President, will the Senator yield 30 seconds to me?

Mr. ROBERT C. BYRD. I yield to the distinguished majority leader.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I meant to do this earlier.

I thank the minority leader. I will do it at this time.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the expiration of the time allocated to the two leaders under the standing order and the recognition of the Senator from Wisconsin on his special order there be a brief period for the transaction of routine morning business to extend not beyond the hour of 1 p.m. and that Senators may be permitted to speak for not more than 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF ROBERT P. HUNTER

Mr. BAKER. Mr. President, I have one further matter. I understand that the nomination of Robert P. Hunter, of Virginia, to be a member of the National Labor Relations Board, is cleared on the minority side. If that is correct, I am prepared to proceed to the consideration of that item.

Mr. ROBERT C. BYRD. Mr. President, that is correct.

Mr. BAKER. Mr. President, I will defer it.

I thank the minority leader for advising that it is clear on his calendar.

I will defer that for the time being and thank the Senator for yielding once

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.
Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

CAMBODIAN PRISON REMINDS US OF ATROCITIES

Mr. PROXMIRE. Mr. President. I will only take a short part of that time. I did not intend to ask for 15 minutes, but somehow that order was put in.

Mr. President, an article in the Washington Post on August 12 was the last of a brilliant series on Cambodia written by William Branigan.

This piece focuses on the Tuol Seng Prison, which served as a detention center and death camp during the rule of the Khmer Rouge. It presents a macabre monument to the atrocities committed there just 2 years ago. Torture chambers, with a wide range of tools and instruments, remain intact, complete with bloodstains. Mass graves nearby contain thousands of skeletons, estimated to be only a fraction of the tens of thousands who were massacred at Tuol Seng.

The slaughter which took place in Cambodia was not directed at a single ethnic or religious group. Rather, it was directed at a number of different sectors of the population. The entire middle class in the country was exterminated, as were several tribal groups. Then the fury of the revolution was directed at the cadres of the Khmer Rouge itself, and numerous purges took place.

Tuol Seng now stands as a museum, reminding the Cambodian nation of its grim ordeal. It also stands as a reminder to the United States, and to this body, that mass murders can and do occur in this age.

Extreme violations of human rights such as that which took place in Cambodia can and must be condemned by the world community. The United States. as a leader of the free nations and a strong advocate of human rights, has an especially large responsibility for speaking out against such actions.

We do speak out. But, unfortunately, some of our actions are inconsistent with our words. We condemn human rights violations, yet we have not ratified the most basic of human rights treaties, the Genocide Convention. As the Tuol Seng Prison shows with gruesome clarity, massive violations of human rights continue to recur. We must strengthen our voice in condemning such violations. We must ratify the Genocide Convention.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

The Senator from Virginia is recog-

THE HIGH INTEREST RATES

Mr. HARRY F. BYRD, JR. Mr. President, I invite the attention of the Senate to the RECORD of Friday, September 11. On page 20270 is a speech delivered in the Senate of the United States this past Friday by the distinguished senior Senator from Wisconsin (Mr. Prox-MIRE) which is captioned "Why Congress Should Not Increase the Debt Limit," although the speech itself does not deal precisely with that point. That is not the point I am alluding to in my

comments today.
I think Senator PROXMIRE, in his speech of this past Friday, made one of the finest presentations I have read in regard to what can and cannot be done to bring interest rates down. The Senator from Virginia happens to believe that the current high interest rates are absolutely devastating to our Nation, devastating to the homebuilding industry, devastating to those who need and want to buy homes, devastating to those who want to buy automobiles, devastating to automobile dealers all down the line, to the farmers—farmers must go into the money markets to finance their crops each year, and they are paying in my area 21- and 21.5-percent interest.

These high interest rates are devastating in spite of attempts made to bring them down. But, as Senator PROXMIRE SO ably argues in his speech of last Friday, there is no way you can legislate a reduction in interest rates. I will not attempt to paraphrase Senator PROXMIRE's speech because it is his language and his words, which are so much better than I can make them. I would prefer just to invite the attention of our colleagues in the Senate to that speech by Senator PROXMIRE and urge that it be read because, in my opinion, it makes so much sense. It makes so much sense that there is only a certain amount that the Federal Reserve Board can do in regard to controlling interest rates.

There is no way the Federal Reserve Board can control long-term interest rates. There is just no way it can be

Senator Proxmire points out it is possible the Federal Reserve Board can have some effect on short-term interest rates, but even there it is running the risk of stimulating inflation and increasing interest rates rather than bringing about a reduction in interest rates.

As Senator PROXMIRE in his speech points out, the Federal Reserve Board is a creature of the Congress. Congress can abolish the Board if it wishes to do so. Congress can take over the control of the money supply. I do not know of anything worse that could happen to this country than to have 535 politicians trying to determine how to handle this very complicated, difficult monetary policy.

So I rise only to commend the distinguished and able Senator from Wisconsin for his speech. I think it is a masterful presentation. I cannot say that I agree with every word of it, but I agree with virtually all of it.

There is one point that I will mention with which I am not in agreement. Senator PROXMIRE very correctly points out, and I am in agreement with that, that the way to get interest rates under control is to bring down spending, get spending under control, balance the budget so that the Federal Government does not go into the money market to the great extent that it does to finance the national debt. Incidentally, the national debt has doubled in 7 years. No wonder we have high interest rates.

Senator PROXMIRE points out that the public generally and the business community are not convinced that the present fiscal program of the President and the Congress will succeed because they do not feel we will get to a balanced budget. Senator PROXMIRE feels it is doubtful that we will get to a balanced budget.

I am more optimistic on that. I think we can get to a balanced budget in 1984. I think we must get to a balanced budget in 1984. I know Senator Proxmire wants to get to a balanced budget in 1984, and I think if we can get spending under control, that will be the single most important thing that can be done by Congress and the President of the United States to bring about a balanced budget for the fiscal year 1984. I am convinced that it can be done, if the President shows the same determination he has shown for the past 7 months. I want to commend the President of the United States for his determination to bring down Government spending. It was his leadership that brought about the \$35 billion reduction in projected spending. Had it not been for his leadership I say

the Congress of the United States would never have had the courage to reduce spending to the degree that it has.

I personally feel we must go beyond the reductions that have already been made. I think we should make additional reductions for fiscal 1982, the budget we are now working on.

I support a reduction in the projected increase for national defense. I am a strong advocate of national defense, and I have been a strong advocate ever since I have been in the Senate. But I feel the Defense Department cannot be sacrosanct. We cannot give a blank check to the Fentagon any more than we can give a blank check to any of the other departments of Government.

So I would hope that the Congress would take a very careful look at what we are preparing to do in regard to defense expenditures. I propose to support President Reagan in reductions in that Department that I understand he will recommend.

But, primarily, today I want to congratulate once again the able and distinguished Senator from Wisconsin (Mr. Proxmire) for his speech of last Friday and to urge all of my colleagues to read that excellent address.

Mr. PROXMIRE. Will the Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. I am happy to yield.

Mr. PROXMIRE. Mr. President, I want to thank my good friend from Virginia for his remarks. There is no Member of the Senate whose support I would rather have. He has a completely consistent record through all the years he has spent in this Senate in fighting against waste and excessive spending and fighting to balance the budget and bring our fiscal policy under control. If we had 99 more HARRY BYRD'S here, we would not have the problem we have with the budget.

So I want to thank my good friend for his support. I think he is so right. Unfortunately, we cannot get our colleagues to see it this way, but he is so right in pointing out that the one way, the one way, we can effectively get interest rates under control is to get the Federal Government out of the credit markets in the massive way we are.

There is just no disputing the fact that Congress of the United States and administrations over the years, over the last 20 years or more, have been responsible for putting us into a position where we have created such a tremendous demand for the available credit that interest rates have gone right through the roof.

And the Senator is right in saying that if the small businessmen of this country and the farmers of this country and the homebuilders want relief, they should tell their Congressman what they want their Congressman to do is to work where the Congressman can be effective to cut spending down and balance the budget.

I pointed out, and I wish to reiterate because I think it is so important, that last year, in 1980, out of every \$100 of new savings \$17 of that was required to fund the budget deficit and another \$17 was required to fund off-budget borrowing, the increase in that. In other words, if we had a balanced budget, not had any net increase in off-budget borrowing, we would have a huge one-third increase for normal available for porrowing in this country, interest rates would have been much lower, funds would have been available for the homebuilding industry and the automobile industry and other industries that would have put people to work, and the economy would have been far healthier. That is the kind of policy we are going to have to establish.

I am delighted that my good friend from Virginia has made the statement he has. I am deeply flattered and grateful to him for his remarks.

Mr. HARRY F. BYRD, JR. Mr. President, I thank the Senator from Wisconsin. I might say, in regard to the extent that the Government is going into the money markets, at a hearing before the Taxation Subcommittee of the Finance Committee this past Friday, the Treasury Department testified that for the fiscal year 1982, which begins on October 1, the Government will need to go into the money markets with \$252 billion just to roll over the existing debt; then, on top of that, it must go into the money markets for somewhere between \$60 billion and \$90 billion for new debt.

The national debt today is \$979 billion. The Treasury Department told the Finance Committee, on this past Friday, that at the end of another year it will be \$1.079.000.000,000.

Now, there is no wonder that interest rates are high. The Government is forcing the interest rates up by its huge deficit spending and the resultant borrowing. And it is not just for 1 year that that is being done. As I see it, it is the effect of accelerated and cumulated deficits over a period of 20 years.

So this matter of doing something about interest rates comes back to the Congress of the United States. It has been the irresponsible action of the Congress over a period of years that has brought on, in my judgment, this high inflation and these high interest rates.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business, under the same terms and conditions, be extended to not later than I:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CAPE HATTERAS LIGHTHOUSE

Mr. HELMS. Mr. President, for more than 200 years, the Cape Hatteras Lighthouse has been the symbol of the North Carolina Outer Banks. It is one of the country's most famous lighthouses, and its unique candy-stripe exter or makes it the most recognized lighthouse on the east coast. The lighthouse has so dominated the landscape and the history of the area that it has been placed on the National Register of Historic Places.

The collision of two currents off the North Carolina coast prompted early sailors to recognize the necessity of a lighthouse at the tip of Cape Hatteras. It is there that the warm Gulf Stream meets the cold, south-bound Virginia coastal current accounting for the treacherous Diamond Shoals—shoals that have been called the graveyard of the Atlantic. Since the first recorded shipwreck occurred on these shoals in 1526, more than 2,300 wrecks have been recorded there.

It was Alexander Hamilton who, as Secretary of the Treasury, first proposed that Congress acquire the land and construct a lighthouse at Cape Hatteras. During the Revolutionary War, when he had been George Washington's aide-decamp, he was on a ship caught in a storm off the cape. The ship narrowly avoided destruction on the treacherous shoals. This near miss was not forgotten and with his assistance, the first lighthouse was completed in 1803 to warn passing ships away from the danger.

There were many complaints about the location and the size of the first lighthouse. It was said to be too short and too far from shore. So, in 1870, the present 208-foot-tall lighthouse was built 600 feet north of the original structure and 1,500 feet from the shore.

Soon after construction, it was noted that the eastern beach had begun to erode—so much so that by 1919, the ocean was within 300 feet of the base of the lighthouse. By the early 1930's, the water was so close that a skeleton lighthouse was constructed some distance away to replace it.

Over the years, various efforts were made to control the erosion threatening the lighthouse. The efforts were so successful in restoring the beach that in 1950, the light was returned to the lighthouse. It has sent its message across the water from there ever since.

Now, erosion once again jeopardizes this important piece of North Carolina history. Experts indicate that a major storm could topple the structure at any time. The Park Service, which now has jurisdiction over the lighthouse because of its location in the Cape Hatteras National Seashore, has estimated that it could take several million dollars to save it. At this point, sufficient Federal funds simply are not available to initiate such an operation.

I am gratified by the many folks in North Carolina and around the country who share my love for the lighthouse and who are willing to step in to help in the crisis. They have formed a Save the Cape Hatteras Lighthouse Committee to raise the necessary funds to meet the challenge. The group has honored me by asking that I serve as cochairman of the committee. Hopefully, through the efforts of this group and the National Park Service, the light will continue to shine from the lighthouse as a symbol of our proud maritime heritage.

Miss Katherine Hunter, a fine citizen of Raleigh, N.C., has expressed in a poem the respect we all have for the monument and the concern we have for its preservation. I ask unanimuos consent that Miss Hunter's poem appear in the Rec-ORD at the conclusion of my remarks.

There being no objection, the poem was ordered to be printed in the Record, as follows:

THE HERITAGE OF HATTERAS

I am one of the last kings of the modern world.

My majestic form, tall and strong, still reigns as it has for the past hundred years Over the misty blue and green beauty of Cape Hatteras.

My realm encompasses the vastness of the threatening sea

And the narrowness of the sandy islands. The creatures of the ocean and the inhabitants of the island

Worship and love me, for I am a part of them. Dressed in regal robes of black and white with a crown of diamond brilliance,

I watch over my people, from the sandy barefoot child Who gazes up at me in awe to the salt-

whiskered old sailor who looks to me for safety.

unshakable endurance I guide them through the empty night like a spiritual force.

The tradition of my monarchy is a part of their heritage;

I am the visible symbol that links these people with their forefathers and an older and simpler way of life.

But kings and queens are only remnants of fairy tales, Mere elements of pageantry whose days of

power have diminished.

I too feel the growing threat against my power, against my very existence, As the encroaching sea steals the sandy soil

wherein lie my roots and the roots of my people.

Although I have heard the seagulls crying rumors of my demise, I know my people will not foresake me, for

my imperial loftiness

With its past enduring strength against the pounding sea represents the spirit of Hatteras.

I am the unspoken whisper that mingles the past with the present.

-KATHERINE HUNTER.

REQUEST TO STATION ADDITIONAL PERSONNEL WITHIN THE TERRI-TORY OF GUAM

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution which was adopted by the Guam Legislature relating to a request that the Department of Justice and the Federal Bureau of Investigation station additional personnel in their field office situated within the Territory of Guam.

There being no objection, the resolu-tion was ordered to be printed in the RECORD, as follows:

RESOLUTION No. 119

Be it resolved by the Legislature of the Territory of Guam:

Whereas, the Legislature of the Territory of Guam takes special note that Federal agencies have been recently more responsive to Federal law enforcement needs as exemplified by the assignment to Guam of resident Federal Drug Enforcement Agents, an alcohol, tobacco and firearms agent, an additional investigative agent assigned to

Immigration and Naturalization Service, and an additional Deputy U.S. Marshal; and Whereas, the Legislature of the Territory

of Guam takes note that the Federal Bureau of Investigation (FBI) is responsible for investigating over two hundred possible Federal violations, including investigative re-sponsibilities in the field of foreign counterintelligence; and

Whereas, the Legislature of the territory of Guam also takes note that the territory of Guam benefits from the various federal programs involving the use of Federal fundthe intentional misuse of which can involve violations of federal law, the investigation of which primarily falls under the jurisdiction of the Federal Bureau of Investigation (FBI); and

Whereas, the Legislature further takes note that the Federal Bureau of Investigation (FBI) personnel stationed on Guam have responsibilities Investigative Guam, the Commonwealth of the Northern Mariana Islands, all the islands in the Trust Territory of the Pacific Islands and in the area of foreign counter-intelligence; and

Whereas, the Legislature of the territory of Guam also takes note that the territory of Guam, the Commonwealth of the Northern Mariana Islands and the islands in the Trust Territory of the Pacific, are situated over three thousand five hundred (3,500) miles from the closest state and nearly six thousand (6,000) miles from the mainland United States; and

Whereas, the Legislature of the territory of Guam takes note that presently, only one resident FBI agent is assigned to Guam to investigate matters involving federal law enforcement; now, therefore, be it

Resolved, that the Legislature of the territory of Cuam hereby compliments the Federal Bureau of Investigation (FBI) for the active work of the FBI agents stationed on Guam; and be it further

Resolved, that the territory of Guam would benefit greatly if additional FBI agents and proper support personnel were assigned to the territory to carry out the unique responsibilities of the Federal Bureau of Investigation which the Legislature collectively resolves are of significant importance to the welfare of all United States citizens and the residents of the territory of Guam, the Commonwealth of the Northern Mariana Islands and the Trust Territory of the Pacific Islands; and be it further

Resolved, that the Legislature, on behalf of the people of Guam, hereby requests the U.S. Department of Justice and the Federal Bureau of Investigation (FBI) to assign to the territory to carry out the responsibilities of the FBI; and be it further

Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the United States Attorney General; to the Director of the Federal Bureau of Investigation; to the Chief of the Hawaii Regional FBI Office; to the United States Department of Justice; to the United States Attorney, District of Guam; to the Drug Enforcement Agent of Guam; to Guam's Congressman, Antonio B. Won Pat; and to the Governor of Guam.

GUAM POWER SYSTEM

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution that was adopted by the Guam legislature relating to the position of the Government of Guam toward, transfer of clear title for the island-wide power system from the U.S. Government to the Government of

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION No. 149

Be it resolved by the Legislature of the Territory of Guam:

Whereas, historically, the United States Government intended that there should be a single island-wide power system (IWPS) on Guam, exclusive of the Navy's standby emergency power equipment, to serve both military and civilian needs, and was in-tended to be eventually transferred to and controlled by the civilian government of Guam, as per Section 28(a) of the Organic Act of Guam as well as the agreement between the Departments of the Navy and Interior; and

power facilities constructed by Whereas. the Navy after World War II were jointly financed by the United States Government and the government of Guam; and

Whereas, the enactment of the Organic Act of Guam, 1950, required the transfer of title to the civil government of all properties needed for the administration of the civilian community, and the Interior-Navy Agreement, also signed in 1950, was intended to provide a scheduled transition of administrative responsibilities from the Navy to the government of Guam, and the Power Pool Agreement of 1972 also intended a timely phaseout of Navy management (control); and

Whereas, Guam Power Authority is now willing and able to accept the responsibility for operating and maintaining the integrated island-wide power system, in fulfillment of the intent of the Power Pool Agreement;

Whereas, the Power Pool Agreement is no longer serving its original intent; and

Whereas, Section 11 of the Organic Act (48 USC § 1423a) exempts all bonds issued by the government of Guam from taxation by the Government of the United States; and Whereas, the Federal Financing Bank and

the Secretary of the Treasury neglected to take this exemption into account in determining Guam's payment schedule and total liability in the \$36 million loan; and

Whereas, proper consideration of this exemption could save Guam hundreds of thousands of dollars per year in payments; now, therefore, be it

Resolved, That the Legislature adopts the attached report as a statement of its findings and position with regard to the Guam power system; and be it further

Resolved, that the Legislature urges the United States Congress to favorably act on the Bill attached hereto or such other measure that would transfer clear title for the island-wide power system from the United States Government to the government of Guam, to rectify inequitable payments made by the government of Guam to the Navy, and to exempt Guam from certain sections of the Clean Air Act; and be it further

Resolved, that Guam Power Authority take action to exercise Section 15 of the Power Pool Agreement, terminating the Power Pool Agreement, and legislation be introduced into Congress to transfer clear title of the island-wide power system to the Guam Power Authority, at no cost, as authorized in Section 28(a) of the Organic Act of Guam. A transition period of six months shall be established during which the Navy and the Guam Power Authority should work closely to coordinate the transfer of controls, the Navy becoming a Guam Power Authority customer, as per the Power Pool Agreement, and as is the practice in other mixed military-civilian communities; and be it further

Resolved, that the U.S. General Accounting Office review the Navy's files to determine if inequitable payments have been made to the Navy by Guam Power Authority,

any inequities being found shall be credited towards payment of the \$36 Million federally guaranteed loan to the Guam Power Authority; and be it further

Resolved, that the Federal Financing Bank and the Secretary of Treasury review the \$36 Million loan documentation to determine Guam's obligation in light of the tax exemption: and be it further

Resolved, that the Federal Financing Bank credit the Guam account for any overpay-ment that may have occurred as a result of the non-application of the tax exemption; and be it further

Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the President of the Senate, United States Congress; to the Speaker of the House of Representatives, United States Congress; to the Secretary of Defense; to the Secretary of the Interior; to the Secretary of the Navy; to the Secretary of the Treasury (Federal Financing Bank); to the General Accounting Office; to Guam's Congressman, Antonio B. Won Pat; to the Commander-in-Chief, Pacific Fleet, Hawaii; to the Commander, Naval Force Marianas; to the Federal Comptroller of Guam; to the Governor of the Commonwealth of the Northern Marianas; to the Executive Director of the Commissioners' Council; to the Chairman and Board members of the Guam Power Authority; to the General Manager of the Guam Power Authority; to the Lieutenant Governor of Guam; and to the Governor of Guam.

REQUEST THAT CERTAIN MINNE-SOTA COUNTIES BE DECLARED DISASTER AREAS

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution that was adopted by the Minnesota State legislature memorializing the President and Congress to declare certain Minnesota counties to be disaster areas for the purpose of receiving Federal disaster aid.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, on Sunday, June 14, 1981, a tornado devastated portions of Hennepin and Ramsey Counties; and,

Whereas, on Sunday, June 21, 1981, and Tuesday, June 23, 1981, a hail, wind, and rainstorm devastated Chippewa, Renville, Redwood, Brown, Nicollet, Watonwan, Blue Earth, Martin, Faribault, Freeborn, Steele, Waseca, Mower, Big Stone, Yellow Medicine,

and Lac Qui Parle Counties; and,
Whereas, the total damage of the two
storms may total in excess of \$310,000,000, and since a significant portion is uninsured, the burden of loss must be borne by individual farmers and property owners, and state, city, and county governments; and,

the resources of individuals. farmers, and various governmental units are inadequate to alleviate the losses; and,

Whereas, the storm also caused incal-culable human suffering by those who were the victims of the disasters; and.

Whereas, the health and stability of Minnesota's farm and agricultural economy is vital to the entire economy of Minnesota;

Whereas, it is necessary that the victims receive aid from the federal government to relieve their distress:

Now, Therefore, Be It Resolved by the Legislature of the State of Minnesota that the President and Congress should take the necessary action to ensure that the counties in Minnesota which were subject to storm damage on June 14, 21, and 23, 1981, promptly receive federal disaster assistance.

Be it further resolved that the Secretary or State of the State of Minnesota is directed to transmit certified copies of this memorial to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives and to Minnesota's Senators and Representatives in Congress.

THE 1981 ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL SUPPLEMENTARY MEDI-CAL INSURANCE TRUST FUND

Mr. THURMOND. Mr. President, as the President pro tempore of this body, I have received the 1981 annual report of the board of trustees of the Federal supplementary medical insurance trust fund. This report is available for review by my colleagues in the office of the President pro tempore.

SOVIET CHEMICAL WARFARE THREAT

Mr. HEFLIN. Mr. President, I greeted the news of Secretary of State Haig's recent speech detailing the Soviet Union's use of deadly chemical weapons in Afghanistan and in Southeast Asia with great horror as well as an uplifting and encouraging sense of relief.

Like all Americans, I hold a basic abhorrance to chemical weapons and I sincerely wish that our unilateral refusal to use these weapons would make all nations of the world refrain from conducting chemical warfare. Unfortunately, that is not the case.

As Secretary Haig so ably explained in his speech in West Berlin, the Soviet Union has been engaged in a massive buildup of its chemical warfare capabilities. In fact, the Soviets have expended hundreds of millions of dollars

to develop and employ the world's most sophisticated defensive-and offensivechemical warfare force.

Yet this fact is by no means "news." Mr. President, frankly I am a bit baffled that Secretary Haig's remarks have been treated by the world's press as a great revelation.

Mr. President, As I mentioned before, along with being horrified, I was greatly relieved by Secretary Haig's speech. I am relieved. Further, I am encouraged and delighted that Secretary Haig and the Reagan administration have recognized and have spoken out on the serious threat to world peace and stability that is posed by the Soviet Union's buildup of its chemical warfare force.

I first spoke of this threat on the Senate floor in June 1980. At that time I pointed to indisputable evidence showing that the Soviet Union had used deadly chemical weapons in Afghanistan as well as in Laos, Yemen, and Cambodia.

The Soviet Union has integrated chemical warfare into all phases of its armed services. Soviet forces are fully trained and ready to mount a deadly chemical warfare attack on our allies in Western Europe and the chances of surviving and retaliating are marginal at best.

Mr. President, United States and NATO forces are dismally underprepared to defend the free world against a Soviet chemical attack. The Soviets have a separate branch of chemical warrare troops consisting of 100,000 specialistseach trained and equipped to use an extensive arsenal of lethal chemical agents. Further, all Soviet and Warsaw Pact soldiers are fully equipped with protective and decontamination equipment as well as deadly offensive chemical weapons.

By contrast, the United States has deemphasized its chemical warfare ca-pabilities and has allowed those capabilities to atrophy. Our stockpiles of 1950's generation chemical weapons are outdated and ineffective. Our soldiers in the field do not have adequate training in dealing with a Soviet chemical weapons attack and are not equipped with adequate protective clothing or decontamination equipment.

Mr. President, last year Congress did take steps to revive our chemical warfare capabilities when we approved a plan to construct a new binary chemical munitions facility in Arkansas. I strongly supported that legislation and believe it was an important first step toward im-proving our national defense posture with respect to chemical weapons.

There is no question that the best deterrent to a Soviet chemical warfare invasion on the United States or on our allies in Western Europe is a strong, viable U.S. chemical warfare capability.

Mr. President, I am relieved that Secretary Haig has brought these facts concerning the Soviet Union's buildup of chemical warfare to the attention of the world. I am encouraged and delighted that President Reagan has indeed recognized the serious threat that an unchecked Soviet build-up of chemical warfare poses to the stability of the free world. The United States must be prepared to counter and retaliate to any Soviet attack-including a chemical weapons assault.

THE PRESIDENTIAL SIGNING OF A PROCLAMATION DECLARING OCTOBER 19 A NATIONAL DAY OF CELEBRATION TO MARK THE BI-CENTENNIAL OF THE YORKTOWN VICTORY

Mr. WARNER. Mr. President, on September 30, 1980, nearly 1 year ago, the Senate passed a joint resolution asking the President to proclaim October 19 a day of national celebration to mark the bicentennial of the Yorktown victory. I have just returned from the White House where President Reagan signed that proclamation.

As a result of the President's action, the victory at Yorktown will be marked in a manner consistent with its unique place in our history.

This is not a celebration simply for Yorktown. Nor is it a celebration simply for Virginia. This is a celebration for our entire Nation. Just as the Fourth of July belongs to our Nation, so does the victory at Yorktown.

The American republic was proclaimed to the world on the Fourth of July 1776, in the stirring words of the Declaration

of Independence.

But, Mr. President, just as there is a difference between words and deeds, so too is there a difference between declaring independence and achieving independence. American independence had to be won on the battlefield and it was at Yorktown where that independence was finally won.

Of equal significance, Yorktown also decided for America that ultimate political power would rest, not in the hands of governments, but in the hands of

people.

This celebration has served in the past and will serve again in 1981 as a tangible pledge to America's future. It will serve as a celebration to rededicate those enduring principles upon which this Republic was founded and which have served us so well these 200 years.

For the information of my colleagues, the activities in Yorktown on October 19 will mark the culminated of thousands of man-hours of planning, and a series of smaller, but individually significant commemorations of events leading up to the final, decisive battle at which Cornwallis surrendered to Gen. George Washington.

The celebration at Yorktown will be a 4-day event which will include numerous colonial arts and crafts demonstrations, music festivals, parades by militia in period dress, as well as ceremonies involving present day military units of the United States and France.

On October 19, over 4,000 men and women will reenact Cornwallis' surrender to Washington. Major speeches will be given by President Reagan and

French President Mitterand.

As my colleagues will remember, last Thursday Senator HARRY BYRD and I introduced a resolution encouraging the Senate leadership to arrange our legislative schedule so that Members might have the opportunity to attend these ceremonies on October 19. A similar resolution is being introduced in the House of Representatives. It is our hope that, indeed, our colleagues will be able to attend this very special celebration of important event in American history.

Mr. President, I thank the Members of the Senate and the House of Representatives who supported the joint resolutions seeking a Presidential proclamation for this occasion. And I express my gratitude, the gratitude of the peoof Virginia, and the gratitude of all the citizens of our Nation for the recognition President Reagan has now given October 19, 1981, as a national day of celebration to mark the bicen-tennial of the victory at Yorktown.

THE U.S. FARM ECONOMY

Mr. BOSCHWITZ. Mr. President, on the 9th of September, and I am not going to enter the entire article in the REC-ORD, the Journal of Commerce, a highly respected publication, wrote an article entitled "U.S. Farm Economy Study Reveals Gloomy Outlook." Mr. President.

we are going to be taking up the farm bill soon here, on the floor. Many of my actions during the course of consideration of that farm bill are predicated just on the fact that, indeed, as in the U.S. farm economy study that reveals that gloomy outlook, that gloomy outlook is felt on the farm.

The first paragraph says:

The United States economy is teetering on the brink of depression reminiscent of the 1930s, according to a study by Data Resources, Inc., an economic consulting firm in Lexington, Massachusetts.

That almost says it all, Mr. President. I suppose the only thing worse than teetering on the brink of a depression is being in it, but, quite clearly, that situation is close at hand in the farm economy, certainly in my State of Minnesota. So, as we look forward to the farm bill and consideration of it, those are the things I am going to be having in mind.

I note the second paragraph of that

article. It states:

The outlook for farm income and profitability has gone beyond dismal and would have to be termed catastrophic, the firm said in a report of its study perpared by Richard Pottorff, it senior agricultural economist.

Mr. President, the outlook for farm income has gone beyond the term 'dismal" and is now being termed "catastrophic."

Indeed, I find that to be the condition in my State—my State, which has such a broad farm economy, my State which goes so far from the North to the South that we are in the top 10, so to speak, on virtually every farming commodityonly of corn, soybeans, wheat, and dairy, but even such more esoteric crops as potatoes, sugar beets, and sunflowers. which are grown in the northern part of our State which is too far north to accommdate corn and soybeans.

Mr. President, it is my hope that we shall be able to work out some type of accommodation on the farm bill of 1981. I shall do all I can to work out such an accommodation but will not hesitate to do what is necessary to bring about a situation that our farmers can live with. We simply cannot have a catastrophic situation on the farm. The whole base of our economy in this country is predicated on that agricultural sector.

So, Mr. President, we are going to have a long debate. I hope it will not be too long, but in any case, I look forward to putting together a farm bill that will indeed help our farmers through this diffi-

cult period.

Mr. BAKER. Mr. President, I congratulate the Senator from Minnesota for his concern in this matter and for his very active participation in the deliberations of this bill in committee and at a number of meetings that have occurred, some of which I have attended and some which I have not been able to attend. No Member of this body has shown a greater expertise in or a greater concern for the plight of the American dairymen than has the distinguished Senator from Minnesota

I join him in hoping that some resolution of the outstanding differences on the remaining problems of this bill can be worked out. I assure him that I will do my best to see that the parties have an

opportunity to explore the possibilities for resolving the remaining differences and for expediting the passage of an appropriate measure.

Mr. President, in a few moments I intend to ask the Senate to proceed to the consideration of Calendar No. 169, the budget waiver underlying the farm bill.

Assuming that the budget waiver is agreed to, I will then ask that the Senate proceed to the consideration of the

farm bill itself.

When we reach that point, in addition to trying to work out and resolve the remaining differences between us, I hope we can work a unanimous-consent agreement on a limitation of time on the bill itself and, if not on the bill, at least on the amendments that may be offered to the bill, because the senate does have a great deal of work yet to do.

We have this bill tentatively scheduled for today and tomorrow. We will have a cloture vote on Wednesday on the Department of Justice authorization bill. Depending on the outcome of that clo-ture vote, we will then have to turn to the consideration of the Department of Justice authorization bill, under the provisions of rule XXII and sections thereof dealing with postcloture proceedings, or the bill will be taken down, as the previous unanimous-consent order provided.

In any event, this is going to be a full week. As Members attempt to resolve the remaining disagreements and differences on the farm bill, I hope they will consider the possibility of a limitation of time for the consideration of the bill and

amendments thereto.

Mr. President, I observe that the distinguished minority leader, the distinguished chairman of the committee, and the distinguished ranking minority member are in the Chamber. I am prepared at this time to proceed to place this matter before the Senate, if there is no further morning business.

I yield the floor. Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side of the aisle to proceeding with the budget waiver and then with the measure itself.

Mr. BAKER. I thank the Senator.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

BUDGET ACT WAIVER

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar 169, Senate Resolution 145, budget waiver underlying S. 884, the farm bill.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows: A resolution (S. Res. 145) waiving sections 303(a)(4) and 402(a) of the Congressional Budget Act of 1974 with respect to the con-sideration of S. 884.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 145) agreed to, as follows:

S. RES. 145

Resolved, That pursuant to sections 303(c) and 402(c) of the Congressional Budget Act of 1974, the provisions of sections 303(a) (4) and 402(a) of such Act are waived with respect to the consideration of S. 884, the Agriculture and Food Act of 1981, a bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes

The waiver of section 303(a)(4) is necessary to permit consideration of new spending authority to become effective in fiscal years for which the first concurrent resolution on the budget has not been agreed to. Specifically, S. 884 provides new spending authority under section 401(c)(2)(C) for producers of wheat, feed grains, upland cotton, rice, and other agricultural commodities to become effective in fiscal years 1983, 1984, and 1985, prior to the adoption of the first concurrent resolutions on the budget for such vears.

The waiver of section 402(a) is necessary to permit consideration of statutory authority to extend the dairy indemnity program; extend the solar model farms and demonstration program; extend the rural development and small farm research and extension programs; authorize new programs for agricultural conservation and rangeland research; and authorize additional appro-priations for the purchase of capital stock of the rural telephone bank.

S. 884 extends for four years the basic legislation for almost all of the Nation's major farm commodities, and it is essential that the producers of such commodities know in advance the manner and level of price support in order to plan effective farm operations. The delay in reporting S. 884 was occasioned by a determined effort on the part of the Committee on Agriculture, Nutrition, and Forestry to report legislation meeting the budgetary restraints of the first concurrent resolution on the budget for fiscal year 1982.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AGRICULTURE AND FOOD ACT OF 1981

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 151, S. 884, the farm bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 884) to revise and extend programs to provide price support and produc-tion incentives for farmers to assure an abundance of food and fiber, and for other purposes

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike out all after the enacting clause, and insert the follow-

That this Act, with the following table of contents, may be cited as the "Agriculture and Food Act of 1981."

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TITLE I-DAIRY

DAIRY BASE PLANS

SEC. 101. Effective on January 1, 1982, section 8c(5)(B) of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, (7 U.S.C. 608c(5)(B)), is fur-ther amended by striking all that follows the comma at the end of the clause (c) and inserting in lieu thereof the following "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among pro-ducers on the basis of their marketings of milk during a representative period of time, and (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order."

LEGAL STATUS OF PRODUCER HANDLERS

SEC. 102. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act of 1933,

as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, shall be the same subsequent to the adoption of amendment made by the Agriculture and Food Act of 1981 as it was prior thereto.

MILK PRICE SUPPORT

SEC. 103. (a) Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking out the second sentence and inserting in lieu thereof the following: "Notwithstanding the foregoing, effective for each of the fiscal years during the period beginning October 1, 1981, and ending September 30, 1985, whenever the Secretary estimates that the net cost of Government price support purchases of milk or the products of milk will exceed \$500,000,-000 or that net Government price support purchases of milk or the products of milk will exceed 3.52 billion pounds (milk equivalent) during any fiscal year, the price of milk beginning on October 1 of such fiscal year shall be supported at such level, as determined by the Secretary, not less than 70 per centum of the parity price there-

(b) Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by adding thereto a new subsection (d) as follows:

"(d) Notwithstanding the provisions of

subsection (c) of this section, effective for the period beginning on October 1, 1981, and ending September 30, 1985, the Secretary shall adjust the support price of milk to not less than 70 per centum of the parity price therefor on April 1 of each fiscal year, if on that date the support price of milk is below 70 per centum of the parity price therefor.".

TRANSFER OF DAIRY PRODUCTS TO VETERANS HOSPITALS AND THE MILITARY

104. Section 202 of the Agricultural Act of 1949 is amended by striking out "1981" in subsections (a) and (b) and inserting in lieu thereof "1985".

DATRY INDEMNITY PROGRAMS

SEC. 105. Section 3 of the Act of August 13, 1968 (82 Stat. 750, as amended; 7 U.S.C. 4501) is amended by striking out "1981" and inserting in lieu thereof "1985"

REDUCTION OF DAIRY PRODUCT INVENTORIES

SEC. 106. The Secretary of Agriculture shall utilize, to the fullest extent practicable, the authorities under the Commodity Credit Corporation Charter Act (including expor-tation of dairy products at not less than prevailing world market prices), the Agricultural Trade Development and Assistant Act of 1954 (Public Law 480), and other authorities available to the Secretary to reduce inventories of dairy products held by the Commodity Credit Corporation so as to reduce net Commodity Credit Corporation expenditures to the estimated outlays for the milk price support program used in developing budget outlays under the Congressional Budget Act of 1974 for the appropriate fiscal year.

TITLE II-WOOL AND MOHAIR

DECLARATION OF POLICY

SEC. 201. Section 702 of the National Wool Act of 1954 is amended to read as follows:

"Sec. 702. It is hereby recognized that wool is an essential, strategic, and energy-efficient commodity which is not produced in the United States in sufficient quantities and grades to meet the domestic needs; and that the desired domestic production of wool is impaired by predatory animals and by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and to promote the general economic welfare, a positive balance of trade, and the efficient use of the Nation's resources, to encourage the continued domestic production of wool at prices fair to both producers and consumers

in a manner which will assure a viable do-mestic wool industry in the future.".

EXTENSION OF SUPPORT PROGRAM; SUPPORT PRICE

SEC. 202. Section 703 of the National Wool

Act of 1954 is amended—
(1) by striking out "1981" in subsection
(a) and inserting in lieu thereof "1965"; and

(2) by striking out all that follows the comma in subsection (b) after the word "Provided" and inserting in lieu thereof the following: "That for the marketing years beginning January 1, 1982, and ending cember 31, 1985, the support price for shorn wool shall be 75 per centum (rounded to the nearest full cent) of the amount calculated according to the foregoing formula.".

PAYMENTS

SEC. 203. The first sentence of section 704 of the National Wool Act of 1954 is amended by striking out the colon after the word "therefore", inserting a period in lieu there-of, and striking out the remainder of the sentence.

REIMBURSEMENT

SEC. 204. Section 705 of the National Wool Act of 1954 is hereby repealed.

TITLE III-WHEAT

LOAN RATES, TARGET PRICES, DISASTER PAY-MENTS, WHEAT ACREAGE REDUCTION PRO-GRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 301. Effective only for the 1982 through 1985 crops of wheat, the Agricultural Act of 1949 is amended by adding after section 107A the following new section: SEC. 107B. Notwithstanding any other

provision of law-

"(a) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of wheat at such level, not less than \$3.50 per bushel, as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand con-

ditions, and world prices for wheat.

"(b) (1) (A) In addition, the Secretary shall make available to producers payments for each of the 1932 through 1985 crops of wheat in an amount computed as provided in this subsection. Payments for any such crop of subsection. Payments for any such crop of wheat shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat than the acreage actually planted to wheat.

"(B) The payment rate for wheat shall be

the amount by which the higher of-

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

(ii) the loan level determined under subsection (a) of this section for such crop, is less than the established price per bushel.

"(C) For the 1982 through 1985 crops of wheat, the established price shall not be less wheat, the established price shall not be fess than \$4.20 per bushel for the 1982 crop, \$4.40 per bushel for the 1983 crop, \$4.60 per bushel for the 1984 crop, and \$4.80 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of pro-duction per acre for the two crop years im-mediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on

the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The total quantity on which pay-

"(D) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2)

of this subsection.

"(2) (A) Except as provided in subparagraph (C) of this paragraph, effective with respect to the 1982 through 1985 crops of wheat, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33½ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective with respect to the 1982 through 1985 crops of wheat, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

duction below 80 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their wheat acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of wheat, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

that—
"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other non-conserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the pro-

ducers for the crop involved.

"(c) (1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of wheat. The proclama-tion shall be made not later than August 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it neces-sary based upon the latest information, and Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary deter-mines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of wheat be more than 100 per centum nor less than

80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined. The wheat acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the previous year by at least the percentage rec-ommended by the Secretary in the proclamation of the national program acreage made not later than August 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage wheat planted for harvest is less than for the preceding year, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary may make such ad-justments as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield

established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields shall balance to the national, State, or county program payment yields shall balance to the national,

"(e) (1) Notwithstanding any other provision of this section, the Secretary may impose a limitation on the acreage planted to wheat if the Secretary determines that the total supply of wheat will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to wheat acreage base for each wheat-producing farm. Producers on a farm who know-ingly produce wheat in excess of the per-mitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be or determining any reduction required to be made for any year as the result of a limita-tion imposed by the Secretary under this paragraph shall be the acreage planted on the farm to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to wheat for harvest in the two crop years immediately preceding the year for which the determina-tion is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity, by (ii) the num-ber of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, saffiower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm

"(2) The Secretary may conduct a land diversion program and make land diversion payments to producers of wheat if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of wheat. If a land diversion program is in effect under this subsection, the Secretary may also require that pro-

ducers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this section. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local com-munity so as not to affect adversely the econ-omy of the county or local community.

(3) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

'(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participa-tion no later than such date as the Secretary may prescribe. The Secretary may by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the

operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this

section.

"(h) The Secretary shall carry out the program authorized by this section through the

Commodity Credit Corporation.

"(1) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other com-modity program may not be required as a condition of eligibility for loans, purchases, or payments under this section.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

Sec. 302. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for process sors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1982, through May 31, 1986.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 303. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricul-

tural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of wheat.

SUSPENSION OF QUOTA PROVISIONS

SEC. 304. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985.

NONAPPLICABILITY OF SECTION 107 OF THE AGRI-CULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 305. Section 107 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of wheat.

TITLE IV-FEED GRAINS

LOAN RATES, TARGET PRICES, DISASTER PAY-MENTS, FEED GRAIN ACREAGE REDUCTION PRO-GRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 401. Effective only for the 1982 through 1985 crops of feed grains, the Agricultural Act of 1949 is amended by adding after section 105A the following new section: "SEC. 105B. Notwithstanding any other

provision of law-(a) (1) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of corn at such level, not less than \$2.60 per bushel, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchasers are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in sec-

tion 401(b) of this Act.

"(b) (1) (A) The Secretary shall make available to producers payments for each of the 1982 through 1985 crops of corn, grain sorghums, oats, and, if designated by the Secretary, barley, in an amount computed as provided in this subsection. Payments for any such crop of feed grains shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to such feed grains.

(B) The payment rate for corn shall be the amount by which the higher of-

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop, is less than the established price per bushel

"(C) For the 1982 through 1985 crops of the established price shall not be less than \$2.80 per bushel for the 1982 crop, \$2.95 per bushel for the 1983 crop, \$3.10 per bushel for the 1984 crop, and \$3.25 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be ap-propriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such infor-mation as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The payment rate for grain sor-

ghums, oats and, if designated by the Secretary, barley, shall be at such rates as the Secretary determines fair and reasonable in relation to the rate at which payments are

made available for corn.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph

(2) of this subsection.
"(2)(A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of feed grains, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 331/3 per centum of established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of feed grains, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for crop for the deficiency in production below 60 per centum for the crop

"(C) With respect to the 1982 through 1985 crops of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their feed

grain acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of feed grains, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary deter-

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such loses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual tarms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c) (1) The Secretary shall proclaim a na tional program acreage for each of the 1982 through 1985 crops of feed grains. The proc-lamation shall be made not later than November 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necesary based upon the lastest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stock is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined. The feed grain acreage shall not be further reduced by application of the al-location factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the previous year by at least the percentage recommended by Secretary in the proclamation of the national program acreage made not later than November 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than for the preceding year, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) the farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwith-

standing the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may impose a limitation on the acreage planted to feed grains if the Secretary determines that the total supply of feed grains will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the feed grain acreage base for each feed grain-producing farm. Producers on a farm who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction reof a limitation, imposed by the Secretary under this paragraph shall be the acreage planted on the farm to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity, by (ii) the num-ber of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsec-tion referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water ero-However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other com-modity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price supprogram, and will not adversely affect farm income.

"(2) The Secretary may conduct a land diversion program and make land diversion payments to producers of one or more of the crops of corn, barley, cats, rye, and grain

sorghums if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of any of these leed grains. If a land diversion program is in effect for one or more of the crops of corn, barley, oats, rye, and grain sorghums. the Secretary may also require that producers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this section. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(1) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(1) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section."

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 402. Section 105 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of feed grains. TITLE V-UPLAND COTTON

BASE ACREAGE ALLOTMENTS; SUSPENSION OF MARKETING QUOTAS AND RELATED PROVISIONS

SEC. 501. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342, 1343, 1344, 1345, 1346, and 1377) shall not be applicable to upland cotton of the 1982 through 1985 crops.

LOAN RATES AND TARGET PRICES, DISASTER PAY-MENTS, COTTON ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF UPLAND COTTON

SEC. 502. Effective only for the 1982 through 1985 crops of upland cotton, section 103 of the Agricultural Act of 1949 (7 U.S.C. 1444) is amended by adding at the end thereof the following new subsection:

"(g) (1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to cooperators nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one-and-one-sixteenth-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (A) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the fiveyear period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (B) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the which the loan level is announced, of the five lowest priced growths of the growths quoted for Middling one-and-three-thirty-seconds-inch cotton C.I.F. northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the contractions of the period april 15 through october 15 of the year in which the loan is announced between the contractions of the period of the year in which the loan is announced between the period of the year in which the loan is announced between the period of the year in which the loan is announced between the period of the year in which the loan is announced between the period of the growths of the growt is announced between such average northern Europe price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9)). In no event shall such loan level be less than 55 cents per pound. If for any crop the average northern Europe price determined under clause (B) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (A) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (A) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the cooperator during the tenth month of the loan period for the cotton, be mostly available for an additional term of made available for an additional term of eight months, except that such request to extend the loan period shall not be approved in a month when the average price of Strict Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-month period. Whenever the Secretary determines that the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micron-

aire 3.5 through 4.9 in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(1) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available

"(ii) If a special quota has been estab-lished under this paragraph during the pre-ceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in clause (i) of this subsection or the amount required to increase the supply to 130 per centum of the demand.

"(iii) As used in clause (ii) of this para-graph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (ad-justed to four-hundred-and-eight-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established.

"(iv) When a special quota is established under the provisions of this subsection, a ninety-day period from the effective date of the proclamation shall be allowed for enter-

ing cotton under such quota.

"(2) Notwithstanding the foregoing provisions of this subsection, a special quota period shall not be established that overlaps

an existing special quota period.

"(3) Notwithstanding any other provision of law, any upland cotton described in items 955.01 through 955.03 of part 3 of the appendix to the Tariff Schedules of the United States imported into the United States during the period of time a special quota established under this subsection is in effect shall be deemed to be an import under such special quota until the special quota is filled and any such cotton shall be free of duty.

(4) Payments shall be made for each crop of upland cotton to the producers on each farm at a rate equal to the amount by which

the higher of-

"(A) the average market price received by farmers for upland cotton during the calen dar year which includes the first five months of the marketing year for such crops, as deter-mined by the Secretary, or

"(B) the loan level determined under paragraph (1) of this subsection for such crop,

is less than the established price per pound times in each case (i) the farm program acreage for cotton, determined in accordance with paragraph (8) of this subsection (but in no event on a greater acreage than the acreage actually planted to cotton for harvest), multiplied by (ii) the farm program payment yield for cotton determined in ac-cordance with paragraph (9) of this subsection. For the 1982 through 1985 crops of upland cotton, the established price shall not be less than \$0.71 per pound for the 1982 crop, \$0.76 per pound for the 1983 crop, \$0.85 per pound for the 1984 crop, and \$0.93 per pound for the 1985 crop. Any such established

price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery own-ership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. The total quantity on which payments would other-wise be payable to a producer for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (5) of this subsection.

"(5) (A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of upland cotton, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planning disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immethe control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33\%, per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph affection only in the control of the control o

(C) of this paragraph, effective only with reet to the 1982 through 1985 crops of upland cotton, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33 1/3 per centum of the established price for the crop for the deficiency in production below 75 per centum

for the crop.

"(C) With respect to the 1982 through 1985 crops of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their cotton

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of up-land cotton, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary de-

termines that-

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, pro-ducers on a farm have suffered substantial losses of production either from being prevented from planting cotton or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

(iii) additional assistance must be made available to such producers to alleviate the

economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the pro-

ducers for the crop involved.

"(6) The Secretary shall establish for each of the 1982 through 1985 crops of upland cotton a national program acreage. Such national program acreage shall be announced by the Secretary not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary may revise the national program acreage first announced for any crop year for the purpose of determining the allocation fac-tor under paragraph (7) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall announce such revised national program acreage as soon as it has been made. The national program acreage shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is established. In no event shall the national program acreage be less than ten million acres

"(7) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor exceed 100 per centum) shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop.

"(8) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined, except that the cotton acreage on a farm eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the previous year by at least the percentage rec-ommended by the Secretary in the announcement of the national program acreage made not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than for the preceding year, but the reduction is in-sufficient to exempt the farm from the ap-plication of the allocation factor. In establishing the allocation factor, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(9) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years, except that the actual shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(10) (A) Notwithstanding any other provision of this subsection, the Secretary may impose a limitation on the acreage planted to upland cotton if the Secretary determines at the total supply of upland cotton will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction the upland cotton acreage base for each cotton-producing farm. Producers on a farm who knowingly produce cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this subparagraph shall be the acreage planted on the farm to upland cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to upland cotton for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres actually planted to such com-modity, by (ii) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will as sure protection of such acreage from weeds

and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not

adversely affect farm income.

"(B) The Secretary may conduct a land diversion program and make land diversion payments to producers of upland cotton if the Secretary determines that such payments will assist in obtaining necessary adjust-ments in the total acreage of upland cotton. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condition of eligibility for loans and payments authorized by this subsection. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation us approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the

economy of the county or local community; "(C) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consul-

tation with wildlife agencies.

"(11) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such par-ticipation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage

in the supply of agricultural commodities.

"(12) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(13) The Secretary shall provide adequate

safeguards to protect the interests of tenants

and sharecroppers.
"(14) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program require-ments in cases in which lateness or failure to meet such other requirements does not ad-

versely affect the operation of the program.
"(15) The Secretary may issue such regulations as the Secretary determines necess carry out the provisions of this sub-

"(16) The Secretary shall carry out the

program authorized by this subsection through the Commodity Credit Corporation.

"(17) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(18) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans or payments under this subsection.

"(19) In order to encourage and assist producers in the orderly ginning and marketing of their cotton production, the Secretary shall make loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act.".

EXTENSION OF COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 503. Section 603 of the Food and Agriculture Act of 1977 (91 Stat. 939) is amended by striking out "July 31, 1982" and inserting in lieu thereof "July 31, 1986".

MISCELLANEOUS COTTON PROVISIONS

SEC. 504. (a) Section 408(b) of the Agricultural Act of 1949 (7 U.S.C. 1428(b)) is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: "And provided further, That for the 1982 through 1985 crops of upland cotton a cooperator shall be a producer on a farm who has limited the acreage planted in accordance with paragraph (10) (A) of section 103(g).".

(b) Sections 103(a) and 203 of the Agricultural Act of 1949 (7 U.S.C. 1444 and 1446d) shall not be applicable to the 1982 through 1985 crops.

SKIPROW PRACTICES

SEC. 505. Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRELIMINARY ALLOTMENTS FOR 1986 CROP OF UPLAND COTTON

SEC. 506. Section 606 of the Food and Agriculture Act of 1977 (7 U.S.C. 1342 note) is amended by striking out "1982") and inserting in lieu thereof "1986".

PRICE SUPPORT ADJUSTMENTS

SEC. 507. Section 403 of the Agricultural Act of 1949 (7 U.S.C. 1423) is amended by adding at the end thereof the following: "Beginning with the 1982 crop of upland cotton, the quality differences (premiums and discounts for grade, staple and micronaire) for the loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop and (2) the market differences for such crop in the nine designated United States spot markets."

TITLE VI-RICE

REPEAL OF PROVISIONS RELATING TO NATIONAL ACREAGE ALLOTMENTS, ALLOCATIONS, APPOR-TIONMENT, MARKETING QUOTAS, AND PENALITES

SEC. 601. (a) Effective beginning with the 1982 crop of rice, sections 352, 353, 354, 355, and 356, of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1352, 1353, 1354, 1355, and 1356) are repealed.

(b) Effective beginning with the 1982 crop of rice, section 377 of such Act (7 U.S.C. 1377) shall not be applicable to rice acreage.

LOAN RATES, TARGET PRICES, DISASTER PAY-MENTS, RICE ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF RICE

SEC. 602. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended by adding at the end a new subsection (i) as follows:

"(i) Notwithstanding any other provision

"(1) For the 1982 through 1985 crops of rice, the established price shall not be less than \$11.23 per hundredweight for the 1982 crop, \$12.14 per hundredweight for the 1983 crop, \$12.70 per hundredweight for the 1984 crop, and \$13.50 per hundredweight for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preced-ing the year previous to the one for which the determination is made from (ii) of production for each of such years may determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(2) The Secretary shall make available, to cooperators in the several States of the United States, loans and purchases for each of the 1982 through 1985 crops of rice at a level that bears the same ratio to the loan for the preceding year's crop as established price for such crop bears to the established price for the preceding year's crop. If the Secretary determines that loans and purchases at such a level for any of the 1982 through 1985 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for any crop at such level, not less than \$8 per hundredweight, as the Secretary determines necessary to avoid such excessive stocks. The loan and purchase level for each of the 1983, 1984, and 1985 crops of rice shall be established on the basis of the loan and purchase level established for the preceding crop year before the application of the preceding sentence. The established price and the loan and purchase level for each crop shall be announced not later than March 1 of each calendar year for the crop harvested in that calendar year.

"(3) The Secretary shall make available to cooperators payments for each of the 1982 through 1985 crops of rice grown in the several States of the United States at a rate equal to the amount by which the established price for the crop of rice exceeds the higher

of—
"(A) the national average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(B) the loan level determined under paragraph (2) for such crop.

"(4) The payments for each such crop of rice shall be computed by multiplying (1) the payment rate by (ii) the farm program acreage for the crop by (iii) the yield established for the farm. In no event shall payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice. The yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years. The actual yield shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the cooperators.

"(5) The total quantity on which pavments would otherwise be payable to a producer on a farm, for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to

the producer for the crop under paragraph

(6) of this subsection.
"(6) (A) Except as provided in subpara graph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of rice, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the cooperators on the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment vield established by the Secretary times a payment rate equal to 331/3 per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of rice, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to cooperators at a rate equal to 33½ per centum of the established price for the crop for the deficiency in production below 75 per centum

"(C) With respect to the 1982 through 1985 crops of rice, cooperators on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their rice acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of rice, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—
"(i) as the result of drought, flood, or

"(1) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance programs and

eral crop insurance program; and
"(iii) additional assistance must be made
available to such producers to alleviate the
economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(7) (A) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of rice. The proclamation shall be made not later than January 31 of each calendar year for the crop harvested in that calendar year. The Sec-

retary may revise the national program acreage first proclaimed for nay crop year for the purpose of determining the allocation factor under subparagraph (B) of this paragraph if the Secretary determines a revision necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for rice shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm established yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of rice are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(B) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop. In no event may the allocation factor for any crop of rice be more than 100 per centum nor less than 80 per centum.

"(C) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined, except that the rice average on a farm eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the previous year by at least the percenage recommended by the Secretary in the annual proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than for the preceding year, but the reduc-tion is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this para-

"(8)(A) Notwithstanding any other pro-vision of this subsection, the Secretary may impose a limitation on the acreage planted to rice if the Secretary determines that the total supply of rice will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergen-cy. Such limitation shall be achieved by applying a uniform percentage reduction to the rice acreage base for each rice-producing farm. Producers on a farm who knowingly produce rice in excess of the permitted rice acreage for the farm shall be ineligible for rice loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this subparagraph shall be the acreage planted to rice on the farm to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for

which the determination is made or, at the discretion of the Secretary, the average acreage planted to rice for harvest in the two years immediately preceding the year for which the determination is made. In determining the acreage planted to rice in any previous year for purposes of this subpara-graph, the Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres actually planted to rice, by (ii) the number of acres authorized to be planted to rice under the limitation imposed by the Secretary (hereinafter in this sub-section referred to as the 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flexseed, triticale, oats, rye, or other com-modity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

(B) The Secretary may conduct a land diversion program and make land diversion payments to producers of rice if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of rice. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condi-tion of eligibility for loans, purchases, and payments authorized by this subsection. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a con-tract offer, the Secretary shall take into con-sideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community:

"(C) The reduced acreage and the addi-

"(C) The reduced acreage and the additional diverted average may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife

agencies.

"(D) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(9) The Secretary shall provide for the sharing of payments made under this sub-

section for any farm among the producers on the farm on a fair and equitable basis. "(10) The Secretary shall provide adequate

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(11) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(12) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this sub-

section.

"(13) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(14) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(15) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this subsection.

DEFINITION OF COOPERATOR

SEC. 603. Effective only with respect to the 1982 through 1985 crops of rice, the third proviso in the first sentence of section 408(b) of the Agricultural Act of 1949 (7 U.S.C. 1428(b)) is amended to read as follows; "Provided further, That for the 1982 through 1985 crops of rice, a cooperator shall be a producer on a farm who has reduced the acreage base planted to rice as required under section 101(1)(8) of this Act.".

TITLE VII—PEANUTS

ANNUAL MARKETING QUOTA AND STATE ACREAGE ALLOTMENT

SEC. 701 (a) Subsections (a) and (e) of section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358 (a) and (e)) shall not be applicable to the 1982 through 1985 crops of peanuts.

(b) Effective for the 1982 through 1985 crops of peanuts, subsection (c)(1) of section 358 of such Act (7 U.S.C. 1358(c)(1)) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof a colon and the following: "Provided further, That the reanut acreage allotment for the State of New Mexico shall not be reduced below the 1977 acreage allotment as increased pursuant to subsection (c)(2) of this section."

NATIONAL ACREAGE ALLOTMENT; NATIONAL POUNDAGE QUOTA; FARM POUNDAGE QUOTA; AND DEFINITIONS

SEC. 702. Effective only for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358) is further amended by adding at the end thereof the following new subsections:

"(k) Not later than December 1 of each year, the Secretary shall announce a national acreage allotment for peanuts for the next crop taking into consideration projected domestic use, exports, and a reasonable carryover, except that such allotment shall not be less than 1,614,000 acres.

"(1) Not later than December 1 of each year, the Secretary shall announce a minimum national poundage quota for peanuts for the next marketing year. The minimum national poundage quota for any crop shall be 1,300,000 tons increased by such additional quantity as the Secretary estimates will be necessary to meet the requirements for do-mestic edible and seed uses during the mar-

keting year.

"(m) For each farm for which a farm acreage allotment has been established, a farm yield for peanuts shall be determined. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. In the event that peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount deter-mined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

(n) For each farm, a farm base production poundage shall be established equal to the quantity determined by multiplying the farm peanut screage allotment by the farm yield determined in accordance with sub-

section (m) of this section.

"(o)(1) For each farm, a farm poundage quota shall be established by the Secretary for each marketing year equal to the farm for each marketing year equal to the larm base production poundage multiplied by a factor determined by the Secretary, such that the total of all farm poundage quotas will equal the national poundage quota for such marketing year. The poundage quota so determined, beginning with the 1982 crop for any farm, shall be increased by the number of pounds by which marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) were less than the farm poundage quota

(2) A quantity of peanuts equal to the quantity of peanuts undermarketed in any year may be produced and marketed in any subsequent year or years (undermarketing carry forward) and such quantity of peanuts shall be considered quota peanuts, except that in order to qualify for an undermarketing carry forward in any year a producer must have planted an acreage on the farm to peanuts in the preceding year equal to or greater than 50 per centum of the acreage allotment for the farm for peanuts for such

preceding year.
"(3) In no case may the total marketings of a producer exceed actual production from

the farm acreage allotment.

"(4) Notwithstanding the foregoing pro-visions of this subsection, if the total of all increases under pargraph (1) of this subsection in individual farm poundage quotas exceeds 10 per cenutm of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all increases does not exceed 10 per centum of the national poundage quota. "(p) For the purposes of this part and title

I of the Agricultural Act of 1949

(1) 'quota peanuts' means, for any marketing year, any peanuts which are eligible for domestic edible use as determined by the Secretary, which are marketed or considered marketed from a farm, and which do not exceed the fram poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year, any peanuts which are mar-

keted from a farm and which are in excess of the marketings of quota peanuts from such farm for such year but not in excess of the actual production of the fram acreage al-

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by

the Secretary; and

(4) 'domestic edible use' means use for milling to produce domestic food peanuts and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.".

SALE, LEASE, AND TRANSFER OF ACREAGE ALLOTMENTS

SEC. 703. Effective for the 1982 through 1985 crops of peanuts, section 348a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358a) is amended—

(1) by striking out in subsection (a) ", if he determines that it will not impair the effective operation of the peanut marketing quota or price support program,";

(2) by striking out "may" each place it appears in subsection (a) and inserting in lieu thereof "shall";
(3) by changing the period at the end of

(3) by changing the period at the end of subsection (g) to a colon and adding the following: "Provided, That such fifty-acre limitation shall not apply in the case of any State in which the total farm peanut acreage allotment is eleven thousand acres or less.";

(4) by adding at the end thereof the fol-

lowing new subsections:

"(i) Notwithstanding any other provision
of this section, transfers shall be on the basis of the farm production poundage, and the acreage allotment for the receiving farm shall be increased by an amount determined by dividing the number of pounds transferred by the farm yield for the receiving farm, and the acreage allotment for the transferring farm shall be reduced by an amount determined by dividing the number of pounds transferred by the farm yield for the transferring farm.

Notwithstanding the provisions of subsection (b) (1) of this section, farm acreage allotments and marketing quotas for peanuts may be transferred from one county to another in the same State in the case of any State in which the total from peanut acreage allotment is eleven thousand acres

or less."

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 704. Effective only for the 1982 through 1985 crop of peanuts, section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359) is amended-

(1) by inserting "(1)" after the subsection designation "(a)";

(2) by striking out in the first sentence of subsection (a) (1) of such section, as designated by clause (1) of this section, "75 per centum of the support price for" and insert-ing in lieu thereof "120 per centum of the support price for quota":

(3) by inserting after the first sentence of subsection (a) (1) of such section, as designated by clause (1) of this section, the following new sentence: "The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the rea-nuts, in accordance with regulations established by the Secretary, are placed under loan at the additional loan rate under the loan program made available under section 108(b) of the Agricultural Act of 1949 and not redeemed by the producers or are marketed under contracts between handlers and producers pursuant to the provisions of sub-section (i) of this section.";

(4) by striking out "normal yield" in subsection (a) (1) of such section, as designated by clause (1) of this section, and inserting in lieu thereof "farm yield";

(5) by adding at the end of subsection (a)(1) of such section as designated by clause (1) of this section the following new

paragraph:

'(2) The Secretary shall authorize, under such regulations as the Secretary shall pre-scribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations which were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight which do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered marketing violations except in cases of fraud or conspiracy."; and

by adding at the end of such section

the following new subsections:

"(f) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts ex-cluded under section 359(c), are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(g) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(h) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108(c) of the Agricul-tural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate ware-

housing, handling, and marketing.

"(1) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to April 15 of the year in which the crop is produced, except that if any handler contracts with a producer for additional peanuts at a price equal to or more than 105 per centum of the loan level of quota peanuts such peanuts may be utilized as quota peanuts if (1) such contract is approved before April 15 of the year in which the crop is produced, and (2) all of the producer's quota peanuts have been contracted for before or at the same time that the producer's additional peanuts are contracted

for.

"(1) Subject to the provisions of section

Act of 1949, any pea-407 of the Agricultural Act of 1949, any pea-

nuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) 100 per centum of the loan value of quota peanuts if the additional peanuts are and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year. For the period from the date additional peanuts are delivered for loan to April 30 of the calendar year following the year in which such additional peanuts were harvested, the area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence in order to facilitate the orderly marketing of additional peanuts.".

REPORTS AND RECORDS

Sec. 705. Section 805 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRESERVATION OF UNUSED ALLOTMENTS

SEC. 706. Section 806 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRICE SUPPORT PROGRAM

SEC. 707. Effective for the 1982 through 1985 crops of peanuts, title I of the Agricultural Act of 1949 is amended by adding after section 107 a new section 108 as follows:

"SEC. 108. Notwithstanding any other provision of law—

"(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops of peanuts at such levels as the Secretary finds appropriate, taking into consideration the eight factors specified in section 401(b) of this Act, and any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the marketing year for which the level of support is being determined, except that the level of price support for the 1982 through 1985 crops shall not be less than \$631 per ton. The levels of price support so announced may not be reduced by any de-ductions for inspection, handling, or storage, but the Secretary may make adjustments for location of peanuts and other adjustments authorized by section 403 of this Act.

"(2) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops of peanuts. In determining the support level for additional peanuts, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, but in no case may the level of price support

for additional peanuts be set at a level which the Secretary estimates would result in the Commodity Credit Corporation incurring a loss on the price support program for additional peanuts for the marketing year concerned. The Secretary shall announce the level of price support for additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of price support, so announced, is to be in effect.

"(3) (A) In carrying out paragraphs (1) and (2) of this subsection, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10 (1980)) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative which is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and in section 359 of the Agricultural Adjustment Act of 1938. Such area marketing associations shall be used in administrative and supervisory activities re-lating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Loans made under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by type for quota peanuts handled under loans and for additional peanuts produced without a contract between handler and producer described in section 359(i) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be dis-tributed in proportion to the value of the peanuts placed in the pool by each grower Net gains for peanuts in each pool shall consist of (i) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts, and (ii) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (1) of this sub-paragraph. Notwithstanding any other other provision of this subsection, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower."

TITLE VIII—SOYBEANS SOYBEAN PRICE SUPPORT

SEC. 801. Effective only with respect to the 1982 through 1985 crops of soybeans, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

 in the first sentence, by inserting "soybeans," after "tung nuts,"; and

(2) by adding at the end thereof a new subsection (g) as follows:

"(g)(1) The Secretary shall make available price support to producers for soybeans through loans and purchases during each of the four marketing years beginning with the 1982 marketing year at a level equal to 75

per centum of the average Chicago quoted cash price for number 1 yellow soybeans for each of the preceding five marketing years, excluding the high and low valued Provided however, That in no event shall the Secretary establish a support price of less than \$5.02 per bushel. For the purposes of this section, the soybean marketing year shall be the twelve-month period beginning on September 1 and ending August 31. The Secretary shall make a preliminary announcement of the level of price support no earlier than thirty days in advance of the beginning of the marketing year based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than October 1 of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

"(2) Notwithstanding any other provision

"(A) The Secretary shall not require participation in any production adjustment control program for soybeans or any commodity as a condition of eligibility for price support for soybeans; and

"(B) Soybeans shall not be considered an eligible commodity for any reserve program, and the Secretary shall not authorize payments to producers to cover the cost of storing soybeans."

TITLE IX—SUGAR SUGAR PRICE SUPPORT

SEC. 901. Effective only with respect to the 1982 through 1985 crops of sugar beets and sugar cane, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

(1) in the first sentence, by striking out "honey, and milk" and inserting in lieu thereof "honey, milk, sugar beets, and sugar cane"; and

(2) by adding at the end thereof a new subsection (h) as follows:

"(h) The price of each of the 1982 through 1985 crops of sugar beets and sugar cane, respectively, shall be supported in the manner specified below:

"(1) Effective with respect to sugar processed from domestically grown sugar beets and sugar cane beginning with the effective date of this subsection through March 31, 1982, the Secretary shall support the price of sugar beets and sugar cane through purchases of the processed products thereof or through other operations at such level as the Secretary determines appropriate to approximate a raw sugar price of 19.6 cents

per pound.

"(2) Effective October 1, 1982, the Secretary shall support the price of domestically grown sugar cane through nonrecource loans at such level as the Secretary determines appropriate but not less than 19.6 cents per pound for raw cane sugar. Effective October 1, 1982, the Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines to be fair and reasonable in relation to the level of loans for raw cane sugar. The Secretary shall announce the loan rate to be applicable during any fiscal year as far in advance of the beginning of that fiscal year as practicable consistent with the purposes of this section. Loans during any such fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of that fiscal year.

"(3) For the purposes of paragraph (2)—
"(A) The 1982 crop of sugar beets and sugar cane shall be the crop of sugar beets

and sugar cane processed into refined beet sugar and raw cane sugar, respectively, during the period April 1, 1932, through March 31, 1983;

"(B) Loans for the 1982 crop of sugar beets and sugar cane shall be made available during the period October 1, 1982, through March 31, 1983; and

(C) The 1983 through 1985 crops of sugar beets and sugar cane and the period of loan availability for such crops shall be estab-lished in the same manner as prescribed in subparagraphs (A) and (B) of this paragraph."

TITLE X-GRAIN RESERVES

PRODUCER STORAGE PROGRAM

SEC. 1001. Section 110 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 110. (a) The Secretary is authorized to formulate and administer a program under which producers of wheat and producers of feed grains will be able to store wheat and feed grains when such commodities are in abundant supply and extend the time period for their orderly marketing. The Secretary shall establish safeguards to assure that wheat and feed grains held under the program shall not be utilized in any manner to unduly depress, manipulate, or curtail the free market. The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

"(b) In carrying out the producer storage program, the Secretary may provide original or extended price support loans for wheat and feed grains under terms and conditions designed to encourage producers to store wheat and feed grains for extended periods of time in order to promote orderly marketing when wheat or feed grains are in abundant supply. Loans made under this section shall be made at the same level of support as provided for by this Act or at such higher level as the Secretary may deem appropriate. Among such other terms and conditions as the Secretary may prescribe by regulation, the program may provide for (1) repayment of such loans in not less than three years nor more than five years; (2) payments to producers for storage in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program; (3) a rate of interest as determined under subsection (c) of this section; (4) recovery of amounts paid for storage, and for the payment of additional interest or other charges in the event such loans are repaid by producers before the market price for wheat or feed grains has reached the price levels specified in clause (5) of this subsection; and (5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market price for the commodity has attained a specified

level, as determined by the Secretary.

"(c) The rate of interest charged participants in the program authorized by this section shall be not less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest as the Secretary deems appropriate effectuate the purposes of this section. Not-withstanding the foregoing, the Secretary is authorized to increase the applicable rate of interest in such amounts and at such intervals as the Secretary determines is appropriate to encourage the orderly marketing of wheat and feed grains securing loans made under this section after the market price for

the commodity has attained the level determined under clause (5) of subsection (b).

"(d) Notwithstanding any other provision of law, the Secretary may recuire producers to repay loans under this section plus accrued interest and such other cheeps. crued interest and such other charges as may be required by regulation prior to the maturity date thereof if the Secretary determines that emergency conditions exist which require that such commodity be made available in the market to meet urgent domestic or international needs and the Secretary reports such determination and the reasons therefor to the President, the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least four-

teen days before taking such action.
"(e) The Secretary shall announce the terms and conditions of the producer storage program as far in advance of making loans as practicable. In such announcement, the Secretary shall specify the quantity of wheat or feed grains to be stored under the program which the Secretary determines appropriate to promote the orderly marketing of such commodities. The Secretary may place an upper limit on the amount of wheat and feed grains placed in the reserve, but such upper limit may not be less than seven hun-dred million bushels for wheat and one billion bushels for feed grains.

"(f) Notwithstanding any other provision of law, except as otherwise provided under section 302 of the Food Security Wheat Reserve Act of 1980 and section 208 of the Agricultural Trade Suspension Adjustment Act of 1980, whenever the original or extended loan program authorized by this section is in effect, the Commodity Credit Corporation not sell any of its stocks of wheat or feed grains at less than 105 per centum of the average projected cost of production for the commodity involved for the current crop year, as determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose, which shall include (i) variable costs, ii) machinery ownership costs, (iii) general farm overhead costs, (iv) return for management comparable to the normal manage-ment fees charged by other comparable industries, and (v) land value, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. The foregoing restriction shall apply to-

"(1) sales of such commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; and

"(2) sales or other disposals of such com-modifies under the Act of September 21, 1959 (73 Stat. 574, as amended; 7 U.S.C. 1427

"(g) The Secretary may, with the concurrence of the owner of grain stored under the program authorized by this section, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary deems to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and fa-cilitate maintenance of quality under regulations which assure that the holding pro-ducer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by his commitment.

"(h) Whenever grain is stored under the

provisions of this section, the Secretary may buy and sell at an equivalent price allowing customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such commodities which the Commodity Credit Corporation owns or controls. Such purchases to offset sales shall be made within two market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

"(1) The Secretary shall use Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce."

INTERNATIONAL EMERGENCY FOOD RESERVE

SEC. 1002. Section 111 of the Agricultural Act of 1949 (7 U.S.C. 1445f) is repealed.

DISASTER RESERVE

SEC. 1003. Section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) is repealed.

FARM STORAGE FACILITY LOANS

SEC. 1004. Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by deleting from the fourth proviso of the second sentence the phrase "shall make loans" and inserting in lieu thereof the phrase "may make loans".

CONFORMING AMENDMENT

SEC. 1005. Section 208(c)(2)(B) of the Agricultural Trade Suspension Adjustment Act of 1980 is amended by amending clause to read as follows:

"(i) if there is a producer storage program in effect for the commodity, at not less than 105 per centum of the then current price level at which the Secretary may encourage repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under clause (5) of the second sentence of section 110(b) of the Agricultural Act of 1949, or".

TITLE XI-MISCELLANEOUS

Subtitle A-Provisions Applicable To More Than One Commodity

PAYMENT LIMITATIONS FOR WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

Sec. 1101. Notwithstanding any other provision of law-

(1) The total amount of payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed \$50,000 for each of the 1982 through 1985 crops.

(2) The total amount of disaster payments that a person shall be entitled to receive un-der one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed \$100,000 for each of the 1982 through 1985 crops.

(3) The term "payments" as used in this

section shall not include loans or purchases, or any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments)

(4) If the Secretary determines that the total amount of payments that will be earned by any person under the program in effect for any crop will be reduced under this section, any acreage reduction for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(5) The Secretary shall issue regulations defining the term "person" and prescribing such rules as the Secretary determines neces-sary to assure a fair and reasonable application of such limitation. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970, under section 101 of the Agri-

cultural Act of 1970.

(6) The provisions of this section that limit payments to any person shall not be applicable to lands owned by States, political

subdivisions, or agencies thereof, so long as such lands are farmed primarily in the cirect furtherance of a public function, as determined by the Secretary.

FINALITY OF DETERMINATIONS

SEC. 1102. The first sentence of section 385 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1385) is amended to read as follows: "The facts constituting the basis for any Soil Conservation Act payment, any payment under the wheat, feed grain, upland cotton, and rice programs authorized by the Agricultural Act of 1949 and this Act, any loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Gov-

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

SEC. 1103. Effective only with respect to the marketing years for the 1982 through 1985 crops, section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended—

(1) by amending the third proviso of the third sentence to read as follows: Provided, That the Corporation shall not sell any of its stock of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines plus reasonable appropriate. carrying charges."; and

(2) by striking out in the seventh sentence, "but in no event shall the purchase price exceed the then current support price for such commodities" and inserting in lieu thereof the following: "but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use".

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

SEC. 1104. Effective only for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, section 408(k) of the Agricultural Act of 1949 (7 U.S.C. 1428 (k)) is amended to read as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT, FEED GRAINS, UPLAND COTTON, AND

"(k) Reference made in sections 402, 403, 406, 407, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well as to the level of loans and purchases for wheat, feed grains, upland cotton, and rice under this Act; and references made to the terms 'price support', 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as ap-plying as well to the loan and purchase operations for wheat, feed grains, upland cotton. and rice under this Act.".

Subtitle B-Other Miscellaneous Provisions SPECIAL GRAZING AND HAY PROGRAM

SEC. 1105. Section 109 of the Agricultural Act of 1949 (7 U.S.C. 1445d) is amended-

(1) in the first sentence of subsection (a), by striking out "1981" and inserting in

lieu thereof "1985";
(2) in the second sentence of subsection (a), by striking out "Under the special program" and inserting in lieu thereof "If a special program is implemented"; and

(3) in subsection (d), by striking out "acreage set-aside" and inserting in lieu thereof "reduced acreage or land diversion".

EMERGENCY FEED PROGRAM

Sec. 1106. (a) Section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by striking out the fifth and sixth sentences thereof.

(b) (1) The first sentence of section 1105 a) of the Food and Agriculture Act of 1977 (7 U.S.C. 2267(a)) are amended by inserting after the words "maintenance of livestock" the words "and poultry"

(2) Paragraphs (1) and (2) of section 1105 (b) of the Food and Agriculture Act of 1977 (7 U.S.C. 2267(b)) are amended by inserting the words "or poultry" immediately after the word "livestock" each time that word appears.

FARM INCOME PROTECTION INSURANCE PROGRAM STUDY

SEC. 1107. (a) It is the sense of Congress that the concept of farm income protection insurance should be studied in order to determine whether such a concept might provide the basis for an acceptable alternative to the commodity price support, income maintenance, and disaster assistance programs currently administered by the United States Department of Agriculture for the benefit of United States farmers. Toward this objective, the Secretary of Agriculture shall appoint a special task force to study and report on such concept.

(b) The special task force appointed by the Secretary shall be composed of the following: a total of three representatives of agricultural commodity organizations and general farm organizations, three representatives of the private insurance industry (including stock companies, mutual companies, agents, or brokers), two full-time farmers, one official of the Federal Crop Insurance Corporation, one official of the Agricultural Stabilization and Conservation Service, two individuals from appropriate academic fields, and the designated representative of the Secretary of Agriculture. The designated representative of the Secretary shall serve as the chairman of the special task force.

(c) The study conducted by the special task force shall include, but not be limited to, an analysis of the following:

(1) the characteristics of a farm income

protection insurance program;

(2) the feasibility of such a program as a substitute for the commodity price sup-port, income maintenance, and disaster as-sistance programs administered by the Department of Agriculture for United States farmers;

(3) the appropriate roles of the private insurance industry and the Federal Gov-ernment in the development, implementation, and administration of such a program;

(4) alternate mechanisms for administer-

ing such a program;

(5) the acceptability of such a program to farmers: and

(6) the costs associated with the develop-

ment and implementation of such a program. (d) Not later than eighteen months following enactment of this Act, the special task force shall transmit to the Committee on Agriculture, Nutrition, and Forestry of the United States Senate and the Committee on Agriculture of the United States House of Representatives copies of the report on farm income protection insurance and any legislative changes that the special task force recommends for purposes of establishing a farm income protection insurance program. Minority views, if submitted in a timely manner, shall be included in the report prepared and transmitted by the special task force.

(e) The Secretary of Agriculture shall provide such staff personnel, clerical assistance, services, materials, and office space as may be required to assist the special task force in carrying out its duties.

(f) In conducting its study and preparing its report and recommendations, the special task force may obtain the assistance of Department of Agriculture employees, and, to the maximum extent practicable, the assist-ance of employees of other Federal departments or agencies who may have relevant expertise in the areas of insurance, income maintenance, disaster assistance, argriculture, program management, and program evaluation.

(g) Members of the special task force shall serve without compensation if not otherwise officers or employees of the United States. except that they shall, while away from their homes or regular places of business in the performance of services under this section. be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

(h) The special task force shall be dissolved forty-five days after submission of the report required in subsection (d) of this

STATE AGENCY AUTHORITY FOR GRAIN INSPEC-TIONS AT EXPORT PORT LOCATIONS

SEC. 1108. The first sentence of section 7(e) (2) of the United States Grain Standards Act (7 U.S.C. 79(e)(2)) is amended by inserting "(A)" before "which was performing", and by inserting after "1976," the following: "or which performed official inspection at an export port location at any time prior to such date and was designated under subsection (f) of this section on the date of the enactment of this clause to perform official inspections at locations other than export port locations,".

DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES

SEC. 1109. (a) Title XVIII of the Food and Agriculture Act of 1977, Revised Statutes. title 91, page 1041, is amended to read as

"TITLE XVIII-DEPARTMENT OF AGRI-CULTURE ADVISORY COMMITTEES

"PURPOSES

"SEC. 1801. The purposes of this title are

"(1) require strict financial and program accounting by advisory committees of the Department of Agriculture;

(2) assure balance and objectivity in the membership of such advisory committees; "(3) prevent the formation or continuation of unnecessary advisory committees by the Department of Agriculture.

"DEFINITIONS

"SEC. 1802. When used in this title—"(1) the term, 'Secretary' means the Secretary of Agriculture of the United States;

"(2) the term 'Department of Agriculture' means the United States Department of Agriculture: and

"(3) the term 'advisory committee' means any committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or other sub-group thereof that is established or used by the Department of Agriculture in the interest of obtaining advice or recommendations for the President or the Department of Agriculture, except that such term excludes any committee which (A) is composed wholly of full-time officers or employees of the Federal Government, (B) is established by statute or reorganization plan, or (C) is established by the President.

"MEMBERSHIP ON ADVISORY COMMITTEES

"SEC. 1803. (a) No person other than an officer or employee of the Department of Agriculture shall serve on more than one advisory committee, unless authorized by the Secretary.

"(b) Not more than one officer or employee of any corporation or other non-Federal entity, including all subsidiaries and affiliates thereof, shall serve on the same advisory committee at any one time, unless authorized by the Secretary.

"(c) No person other than an officer or employee of the Department of Agriculture

shall serve for more than six consecutive years on an advisory committee, unless authorized by the Secretary.

"ANNUAL REPORT

"Sec. 1804. The Secretary shall annually transmit to the appropriate committees of Congress having legislative jurisdiction or oversight with respect to the agency within the Department of Agriculture that provides support services to an advisory committee, to the Library of Congress

"(1) a copy of the report concerning that advisory committee prepared in compliance with section 6(c) of the Federal Advisory Committee Act (5 U.S.C. appendix 1);

"(2) a list of the members of that advisory committee which shall specify the principal place of residence, persons or companies by whom they are employed and other major sources of income, as defined by the Secre-tary, of each member; and

(3) a statement of the amount of expenses incurred in connection with advisory committee meetings by any member of an advisory committee for which reimbursement was received from any source other than the United States or the member's employer.

"BUDGET PROHIBITIONS

"Sec. 1805. No advisory committee shall expend funds in excess of its estimated annual operating costs by more than 10 per centum or \$500, whichever is greater, until it provides the Secretary with an explanation of the need for the additional expenditure and the Secretary approves such additional expenditure.

"TERMINATION OF ADVISORY COMMITTEES

"Sec. 1806. The Secretary shall terminate any advisory committee upon a finding that

any such advisory committee—
"(1) has expended funds in excess of its estimated annual operating costs by more than 10 per centum or \$500, whichever is greater, without the prior approval of the Secretary pursuant to the provisions of section 1805 of this title;

"(2) has failed to file all reports required under the provisions of the Federal Advisory Committee Act or this title:

"(3) has failed to meet for two consecutive

"(4) is responsible for functions that otherwise would be or should be performed by Federal employees; or

'(5) does not serve or has ceased to serve

an essential public function.".
(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the items relating to section 1801 through 1809 and inserting in lieu thereof the following items:

"Sec. 1801. Purposes.

"Sec. 1802. Definitions.

"Sec. 1803. Membership on advisory committees.

"Sec. 1804. Annual report

"Sec. 1805. Budget prohibitions.

"Sec. 1806. Termination of advisory committees.".

RURAL TELEPHONE BANK AMENDMENT

Sec. 1110. The Rural Electrification Act of 1936 (7 U.S.C. 901-950b) is amended-

- (1) in the second sentence of section 406 (a), by inserting after "thereafter" the words "but not later than fiscal year 1991", and by striking out "\$300,000,000" and inserting in lieu thereof "\$600,000,000"; and
- (2) in the first sentence of section 406(c), by striking "September 30, 1985" and inserting in lieu thereof "September 30, 1995". and by striking "and after the amount of class A and class B stock issued totals \$400,000,000,",

CONSULTATION ON GRAIN MARKETING

SEC. 1111. Congress encourages the Secretary of Agriculture, in coordination with other appropriate Federal departments and agencies, to continue to consult with representatives of other major grain exporting nations toward the goal of establishing more orderly marketing of grain and achieving higher farm income for producers of grain.

TITLE XII-AGRICULTURAL EXPORTS

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

SEC. 1201. Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end thereof the following new subsection (d):

"(d) (1) There is hereby established in the Treasury a revolving fund to be known as the Agricultural Export Credit Revolving Fund, which shall be available without fiscal year limitation for use by the Commodity Credit Corporation (hereinafter referred to in this subsection as the 'Corporation') for financing in accordance with this section and section 5(f) of the Commodity Credit Corpora-tion Charter Act (15 U.S.C. 714c)—

"(A) commercial export sales of United States agricultural commodities out of private stocks or stocks owned or controlled by the Corporation on credit terms of not to ex-

ceed three years;

"(B) export sales of United States breeding animals (including, but not limited to, cattle, swine, sheep, and poultry), including the cost of freight from the United States to designated points of entry in other nations; and

"(C) the establishment of facilities in importing countries to improve the capacity of such countries for handling, marketing, processing, storing, or distributing fungible agricultural commodities produced in and exported from the United States (through the use of local currency generated from the sale United States agricultural commodities).

"(2) The Corporation shall use the revolving fund only to extend credit for purposes of market development and only where there is substantial potential for developing regular commercial markets for United States

agricultural commodities.

'(3) The Secretary of Agriculture shall ensure that the revolving fund is used in such a manner as to involve equitable use of the funds to finance sales to the greatest feasible number of countries. In carrying out this objective, the Secretary shall establish procedures under which-

"(A) not less than 85 per centum of the estimated amount in the revolving fund for any fiscal year shall be made available for the purposes provided in clause (A) of para-

graph (1) of this subsection; and

(B) not to exceed 25 per centum of the estimated amount in the revolving fund for any fiscal year shall be made available for the financing of credit sales to any one country for the purposes described in paragraph (1) of this subsection.

- "(4) There are authorized to be appropriated to the Agricultural Export Credit Revolving Fund such sums as Congress shall deem necessary to carry out the provisions of this subsection. All funds received by the Corporation in payment for credit extended by the Corporation using the revolving fund in financing export sales of the type specified in paragraph (1) of this subsection shall be added to and become a part of such revolving fund.
- "(5) The Secretary shall submit an annual report to Congress not later than December 1 of each year with respect to the see of the revolving fund in carrying out export credit sales by the Corporation in the previous fiscal year. Such report shall include the names of the countries extended credit under such programs, the total amount of such credit in the case of each such country in such fiscal year, and a discussion and evaluation of the market development activities of the Corporation under this subsection during such fiscal year. The first such report shall be submitted to Congress not later than December 1, 1982.

"(6) The revolving fund created by this subsection is abolished effective October 1, 1935, and all unobligated money in such fund on September 30, 1985, shall be transferred to and become part of the miscellaneous receipts account of the Treasury.

"(7) The authority provided under this subsection shall be in addition to, and not

in place of, any authority granted to the Secretary or the Corporation under any other provision of law."

CONGRESSIONAL CONSULTATION ON BILATERAL COMMODITY SUPPLY AGREEMENTS

SEC. 1202. At least thirty days before the Government of the United States enters into any bilateral international agreement, other than a treaty, involving a commitment on the part of the United States to assure access a foreign country or instrumentality thereof to United States agricultural commodities or products thereof on a commercial basis, the President shall notify and consult with the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture for the purpose of setting forth in detail the terms of and reasons for negotiating such agreement receiving recommendations, if any, with respect thereto.

SPECIAL STANDBY EXPORT SUBSIDY PROGRAM

SEC. 1203. (a) In order to discourage foreign countries or instrumentalities thereof from using subsidies to promote the exportation of agricultural commodities, the Secretary of Agriculture shall formulate a special ndby export subsidy program for agricultural commodities or products thereof produced in the United States. Such program shall be designed to neutralize the effects of export subsidy programs instituted by foreign countries or instrumentalities thereof to encourage exports of their agricultural commodities to forcign markets other than the United States.

(b) The Secretary shall implement the special standby export subsidy program formulated under subsection (a) of this section

only after the President

(A) makes a determination under section 301 of the Trade Act of 1974 (19 U.S.C. 2411) that action by the United States is appropriate to obtain the elimination of an act, policy, or practice of a foreign country or instrumentality that results in-

(i) substantial displacement of United States exports of agricultural commodities

of foreign markets, or

- (ii) prices for agricultural commodities in foreign markets materially below which suppliers of the same agricultural commodities produced in the United States must charge in order to supply such commodities to the same market;
- (B) makes a determination that such act, policy, or practice of the foreign country or instrumentality concerned involves the use of export subsidies to encourage exports of such country's or instrumentality's agricul-tural commodities to foreign markets other than the United States:
- (C) fails to reach a mutually acceptable resolution through consultations with the foreign country or instrumentality con-
- (D) is authorized under the dispute settlement procedures specified in the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agree-ment on Tariffs and Trade to undertake an export subsidy program to counter the export subsidies on agricultural commodities employed by the foreign country or instrumentality concerned: Provided, That the United States is obligated by international agreement to receive such authorization before undertaking measures to counter such export subsidies.
- (c) The Secretary of Agriculture shall use the Commodity Credit Corporation in carry-

ing out the special standby export subsidy program authorized by this section.

(d) Nothwithstanding any other provision of this section, the Secretary of Agriculture shall not implement the special standby export subsidy program for purposes of promoting export sales of cotton produced in the United States.

AGRICULTURAL EMBARGO PROTECTION

Sec. 1204. Notwithstanding any other provision of law-

(a) If the President or other member of the executive branch of the Federal Govcrnment causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 or any other provision of law, and if such suspension or restriction of the export of such agricultural commodity is imposed other than in connection with a suspension or restriction of all exports from the United States to such country or area of the world, and if export sales of such agricultural commodity by the United States to such country or area of the world during the year preceding the year in which the suspension or restriction is imposed exceed 3 per centum of the total export sales of such commodity by United States to all foreign countries during the year preceding the year in which the suspension or restriction is in effect, the Secretary of Agriculture (hereinafter in this section referred to as the Secretary) shall compensate producers of the commodity involved by either-

(1) making payments available to such producers, as provided in subsection (b) of

this section; or

(2) on the date on which the suspension restriction is imposed, establishing the loan level for such commodity under the Agricultural Act of 1949, if a loan program is in effect for the commodity, at 100 per centum of the parity price for the commo-dity, as determined by the Secretary on the date of the imposition of the suspension or restriction: or

(3) undertaking any combination of the measures described in clauses (1) and (2)

of this subsection.

(b) If the Secretary makes payments available to producers pursuant to clause (1) of subsection (a) of this section, the amount of such payment shall be determined by-

(1) in the case of an agricultural commodity for which payments are authorized to be made to producers under title I of the Agricultural Act of 1949, multiplying (i) the producer's farm program payment yield or the yield established for the farm for the commodity involved, times (ii) the farm program average established for the commodity, times (iii) the amount by which the average market price per unit of such commodity received by producers during the sixmodify received by producers during the six-ty-day period immediately following the date of the imposition of the suspension or restriction is less than 100 per centum of the parity price for such commodity, as determined by the Secretary on the date of imposition of the suspension or restriction;

(2) in the case of other agricultural com-modities for which price support is authorized for producers under titles I, II, and III of the Agricultural Act of 1949, multiplying the amount by which the average market price per unit of such commodity received by the producers during the sixty-day period immediately following the date of the imposition of the suspension or restriction is less than 100 per centum of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction, by the quantity of such commodity sold by the producer during the period that the suspension or restriction is in effect.

(c) The payments made pursuant to clause (1) of subsection (b) of this section shall be made for each marketing year or part thereof during which the suspension or restriction effect and shall be made in equal amounts at ninety-day intervals, beginning ninety days after the date of the imposition of the suspension or restriction.

(d) (1) Any loan level established pursuant to clause (2) of subsection (a) of this sec-tion shall remain in effect as long as the suspension or restriction described in sub-

section (a) remains in effect.

(2) Any commodity loan the level of which is increased by the Secretary pursuant to clause (2) of subsection (a) of this section shall be made available to producers of the commodity without interest

(e) The Secretary is authorized to issue such regulations as are deemed necessary to carry out the provisions of this section

(f) The Secretary shall use the Commodity Credit Corporation in carrying out the provisions of this section.

(g) The provisions of this section shall become effective with respect to any suspensicn or restriction of the export of any agricultural commodity, as described in subsection (a) of this section, implemented after the date of enactment of this Act.

TITLE XIII-PUBLIC LAW 480

MISCELLANEOUS AMENDMENTS

Sec. 1301. Section 101 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "for foreign currencies" before the period at the end of the section and inserting in lieu thereof to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement"

SEC. 1302. Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(b) except where the President deter-mines that it would be inconsistent with the objectives of this Act, determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (e), and (h) of section 104 and in title III, and the agreements for credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities. Such payment may be considered as an advance payment of the earliest installment;

SEC. 1303. Subsection 103(d) of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending the first full sentence to read as follows: "As used in this Act, 'friendly country' shall not include any country or area dominated or controlled by a foreign government or organization con-

trolling a world Communist movement.".

SEC. 1304. Section 103(1) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the words beginning with "obtain commitments from friendly purchasing countries' through

"United States of America, and".
SEC. 1305. Section 104 of the Agricultural
Trade Development and Assistance Act of

1954 is amended-

(1) by striking out in the first sentence "under this title" and inserting in lieu thereof "under agreements for such sales entered into prior to January 1, 1972";

- (2) by striking out in subsection (d) "\$5,-000,000" and inserting in lieu thereof "\$10,-000,000"; and
- (3) by striking out in clause (3) of the proviso following subsection (k) "(except as provided in subsection (c) of this section),".

SEC. 1306. Section 106(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following sentence: "Payment by any friendly country for commodities purchased for foreign currencies on credit terms and on terms which permit conversion to dollars shall be upon terms no less favorable to the United States than those for development loans made under section 122 of the Foreign Assistance Act of 1931, as amended.".

SEC. 1307. Section 108 of the Agricultural Trade Development and Assistance Act of

1954 is repealed.

SEC. 1308. Section 109 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1709) is amended—

(1) by amending subsection (a) as follows: (A) in paragraph (3), by inserting immediately before the semicolon ", and reducing illiteracy among the rural poor"

(B) by striking out the period at the end

of paragraph (10) and inserting in lieu thereof "; and"; and
(C) by inserting the following new paragraph immediately after paragraph (10); "(11) carrying out programs to improve the health of the rural poor.";

(2) by repealing subsection (b); and(3) by adding at the end thereof the fol-

lowing new subsection:

"(d)(1) In each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake shall be described (A) to the maximum extent feasible, in specific and measurable terms, and in a manner which ensures that needy people in the recipient country will be the major beneficiaries of the self-help measures pursuant to each agreement.

"(2) The President shall, to the maximum extent feasible, take appropriate steps to assure that, in each agreement entered into under this title and in each amendment to such an agreement, the self-help measures agreed to are additional to the measures which the recipient country otherwise is undertaking without the new resources.

"(3) The President shall take all appropriate steps to determine whether the economic development and self-help provisions of each agreement entered into under this title, and each amendment to such an agreement, are being fully carried out."

SEC. 1309. Section 110 of the Agricultural rade Development and Assistance Act of

1954 is repealed.

SEC. 1310. Section 115(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting in the first sentence after the words "food commodities"

the words "from private stocks". SEC. 1311. Section 204 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "\$750,000,-000" in the first sentence and inserting in

lieu thereof "\$1,000,000,000".

SEC. 1312. Section 402 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the second sentence "or beer" after "wine" and inserting in lieu thereof ", beer, or distilled spirits". SEC. 1313. Section 408(a) of the Agricul-

tural Trade Development and Assistance Act of 1954 is amended by striking out "April 1" and inserting in lieu thereof "July 1".

PUBLIC LAW 480 EXTENSION

SEC. 1314. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "1981" and inserting in lieu thereof "1985".

TITLE XIV-RESEARCH, EXTENSION, AND TEACHING IN THE FOOD AND AGRI-CULTURAL SCIENCES

REVISED FINDINGS

SEC. 1401. Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) and is amended to read as follows:

"SEC. 1402. Congress finds that-

the Federal Government of the United States has provided funding support for agricultural research, extension, and teaching for many years in order to promote and protect the general health and welfare of the people of the United States, and this support has significantly contributed to the development of the Nation's agricultural system;

a unique partnership arrangement "(2) exists in agricultural research, extension, and teaching between the Federal Government and the governments of the several States and this partnership should be pre-

served:

"(3) the existing agricultural research estem consisting of the Federal Governsystem ment, the land-grant colleges and universities, other colleges and universities engaged in agricultural research, extension, teaching, and the private sector constitute an essential national resource which must serve as the foundation for any further strengthening of agricultural research, extension, and teaching in the United States;

"(4) of major concern is the security of the future food supply and its costs due to declining rates of increase in productivity, rapidly escalating cost of petroleum and petrochemicals, declining water tables, natural resource depletion, deterioration of environmental quality, and the ability world agriculture to provide and maintain adequate diets for an ever increasing population with rather fixed areas of cropland;

"(5) advances in food and agricultural sciences and technology have become increasingly limited by the concentration upon through development and exploitation of currently known scientific principles and technological approaches at the expense of more fundamental research, and strong research effort in the basic sciences is neces sary to achieve breakthroughs in knowledge that can support new and innovative

food and agricultural technologies;
"(6) available data and research based economic information are no longer sufficient to deal with the increasingly complex public and private decisions needed to

respond to the rapidly changing events in domestic world agriculture;

'(7) the land-grant colleges and universities, other colleges and universities, and the Department of Agriculture should have improved linkages with the international research centers and counterpart institutions and agencies in developed, transitional, and developing countries; this would serve the purpose of United States agriculture and the United States and the world economy; and

"(8) long-range planning for research, extension, and teaching is a key element in meeting the objectives of this title, and all of the elements in the food and agricultural service and education system are encouraged to expand their successful planning and co-

ordination efforts.".

AMENDED PURPOSES

SEC. 1402. Section 1403 of the National Agricultural Research, Extension, and Teaching Policy of 1977 (7 U.S.C. 3102) is amended-

(1) by amending paragraph (2) to read as follows;

"(2) undertake the special measures set forth in this title to improve the coordination and planning of agricultural research, extension, and teaching programs, identify needs and establish priorities for these programs, assure that national agricultural research, extension, and teaching objectives are fully achieved, and assure that the results of agricultural research are effectively communicated and demonstrated to farmers, processors, handlers, consumers, and all other users who can benefit therefrom;";

(2) in paragraph (4) by striking out the comma after the word "programs" the first time it appears and by striking out "including the initiatives specified in section 1402(8) of this title,";

(3) in paragraph (5) by striking out the word "scientific"; and

(4) in paragraph (7) by striking out the words "training and research" and inserting in lieu thereof the words "research, exten-sion, and teaching".

AMENDED DEFINITIONS

SEC. 1403. Section 1404 of the National Agricultural Research, Extension, and Teaching Act of 1977 (7 U.S.C. 3103) amended-

(1) by amending paragraph (8) to read as follows:

"(8) the term 'food and agricultural sciences' means basic, applied, and developmental research, and extension and teaching activities, in the food, agricultural, renewable natural resources, forestry, and social sciences, in the broadest sense of these terms, including but not limited to, activities relating to-

"(A) domestic and export market expansion for United States agricultural products; "(B) production inputs, such as energy, to

improve productivity;
"(C) animal health to protect man and the animal production base of the United States;

"(D) human nutrition;
"(E) home economics and family life;

"(F) rangeland management;
"(G) aquaculture; and

"(H) energy production, use and conservation:

(2) by amending paragraph (12) to read: "(12) except as provided in subtitle H of this title, the term 'State' means any one of the fifty States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Marianas, the Trust Territory of the Pacific Islands, the Virgin Islands of the United States, and the District of Columbia;"; and

(3) by amending paragraph (14) to read

follows:

"(14) the term 'teaching' means formal classroom instruction, laboratory instruction, and practicum experience in the food and agricultural sciences and matters relating thereto (such as faculty development, stu-dent recruitment and services, curriculum development, instructional materials and equipment, and innovative teaching methodologies) conducted by colleges and universities offering baccalaureate or higher degrees.".

RESPONSIBILITIES OF THE SECRETARY AND DE-PARTMENT OF AGRICULTURE

1404. Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended-

(1) in paragraph (1) by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services"

(2) in paragraph (2) by striking out the words "teaching, and manpower development" and inserting in lieu thereof the words "and teaching";

(3) in paragraph (5) by striking out the word "other";

(4) in paragraph (6) by inserting the ords "or proposed" after the words "actions taken"

(5) in paragraph (8) by striking out the word "and" at the end thereof;

(6) in paragraph (9) by striking out the period and inserting in lieu thereof a cemicolon followed by the word "and"; and

(7) by adding at the end thereof the following new paragraph:

"(10) coordinate all agricultural research,

extension, and teaching activities conducted or financed by the Department of Agriculture with the periodic renewable resource assessment and program provided for in sections 3 and 4 of the Forest and Rangeland Renewable Resources Planning Act of 1974 and the appraisal and program provided for in sections 5 and 6 of the Soil and Water Resources Conservation Act of 1977.".

SUBCOMMITTEE ON FOOD, AGRICULTURAL, AND FORESTRY RESEARCH

SEC. 1405. (a) Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended-

(1) by striking out the words "Subcommittee on Food and Renewable Resources" and inserting in lieu thereof the words "Subcommittee on Food, Agricultural, and Forestry Research":

(2) by striking out the words "Department of Health, Education, and Welfare" and in-serting in lieu thereof the words "Department of Health and Human Services"; and
(3) by striking out the words "Energy and

Research and Development Administration and inserting in lieu thereof the words "Department of Energy".

(b) Section 257(b) of the Energy Security Act (42 U.S.C. 8852) is amended in paragraph (1) by striking "Subcommittee on Food and Renewable Resources" and inserting in lieu thereof "Subcommittee on Food, Agricultural, and Forestry Research".

JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES

SEC. 1406. Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is amended-

- (1) in subsection (a) by striking out "of five years" and inserting in lieu thereof "that expires December 31, 1986";
- (2) by amending subsection (b) to read as follows:

"(b) The Joint Council shall be composed of not fewer than twenty-five representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and agricultural sciences, including land-grant colleges and universities; other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching; State agricultural experiment stations; State cooperative extension services; agencies within the Department of Agriculture which have significant research, extension, or teaching responsibilities; the Office of Science and Technology Policy; and other Federal agencies determined by the Secretary to be appropriate. Members shall be appointed for a term of three years by the Secretary from nominations made by the organizations and agencies described in the preceding sentence. The terms of members shall be staggered. At least one-half of the members of the Joint Council shall be appointed by the Secretary (ensuring that regional differences are prop-erly considered) from among distinguished persons engaged in agricultural research, extension, or teaching programs at land-grant colleges and universities and State agricultural experiment stations. To ensure that other agricultural institutional views are considered by the Joint Council, two of the members of the Joint Council shall be appointed by the Secretary from among persons who are distinguished representatives of other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching. The Joint Council shall be jointly chaired by the senior policy official of the Depart-ment of Agriculture responsible for research, extension, and teaching, and a person to be

elected from among the non-Federal membership of the Joint Council.'

(3) by amending paragraph (1) of subsection (d) to read as follows:

The primary responsibility of the Joint Council shall be to bring about more effective research, extension, and teaching in the food and agricultural sciences in the United States by improving planning and coordination of publicly and privately sup-ported food and agricultural science activi-ties and by relating Federal budget development and program management to these processes.";

(4) in subsection (d)(2)(E) by striking it "efforts" and all that follows through 'planning," and inserting in lieu thereof "of the food and agricultural sciences, by using, wherever possible, the existing regional re-search, extension, and teaching organizations State cooperative institutions to provide regional planning and coordination,

(5) by amending subsection (d)(2)(G) to

read as follows:

"(G) submit a report, not later than June

30 of each year-

"(1) specifying the Joint Council's recommendations on priorities for food and agricultural research, extension, and teaching programs;

delineating suggested areas of re sponsibility among Federal, State, and private organizations in carrying out such pro-

grams; and

"(iii) specifying the levels of financial and other support needed to carry out such pro-grams. Each such report shall be submitted to Congress, the Secretary of Agriculture, and the constituent organizations of the Joint Council. Minority views, if timely submitted, shall be included in such report,"; and

(6) by adding at the end thereof new sub-

sections (e), (f), and (g) as follows:

"(e) The meetings of the Joint Council shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Joint Council shall be kept and made available to the public on request.

(f) This title shall constitute the charter under which the Joint Council will operate and no further charter shall be necessary. The Joint Council may develop bylaws or operating procedures if such are determined to necessary for effective operations. Notwithstanding any other provision of law, the Joint Council shall be exempt from the provisions of the Federal Advisory Committee

The Joint Council is authorized to establish such panels as it deems appropriate to develop information, reports, advice, and recommendations for the use of the Joint Council in meeting its responsibilities. Members of such panels may include members of the Joint Council, individuals from the Department of Agriculture and other departments and agencies of the Federal Government, representatives of State agencies, land-grant colleges and universities, other colleges and universities, State agricultural experiment stations, and individuals from the private sector. Such panels shall be exempt from the provisions of the Federal Advisory Committee Act and title XVIII of the Food and Agriculture Act of 1977.".

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

SEC. 1407. Section 1408 of the National Agricultural Research. Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended-

(1) in subsection (a) by striking out "of five years" and inserting in lieu thereof "that expires December 31, 1986";

(2) in subsection (b) — (A) by striking out "twenty-one" and inserting in lieu thereof "twenty-five";

by amending paragraph (1) to read (B) as follows:

"(1) eight producer members representing various geographical regions and production interests, including forestry and aquacul-

(C) by adding at the end thereof the following:

"Such members shall be appointed to serve staggered terms."; and

(3) in subsection (f)(2)(E), by striking it "October 31" and inserting in lieu thereof "July 1"; and

(4) in subsection (f)(2)(F), by striking out "March 1 of" and inserting in lieu thereof "February 20 of".

FEDERAL-STATE PARTNERSHIP AND COORDINATION

Sec. 1408. (a) Section 1409 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124) is amended to read as follows:

"FEDERAL-STATE PARTNERSHIP AND COORDINATION

"Sec. 1409. A unique partnership arrangement exists in food and agricultural re-search, extension, and teaching between the Federal Government and the governments of the several States whereby the States have accepted and have supported, through legislation and appropriations-

"(1) research programs under-

"(A) the Act of March 2, 1887 (7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887:

(B) the Act of October 10, 1962 (16 U.S.C. 582a et seq.). commonly known as the Mc'ntire-Stennis Act of 1962; and

"(C) subtitle E of this title;

"(2) extension programs under the Act of May 8, 1914 (7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act; and

"(3) teaching programs under—
"(A) the Act of July 2, 1862 (7 U.S.C. 301 et seq.), commonly known at the First Morrill Act:

"(B) the Act of August 30, 1890 (7 U.S.C. 321 et seq.), commonly known as the Second

Morrill Act; and

(C) the Act of June 29, 1935 (7 U.S.C. 427 et seq.), commonly known as the Bankhead-

This partnership in publicly supported agricultural research, extension, and teaching involving the programs of Federal agencies and the programs of the States has played a major role in the outstanding successes achieved in meeting the varied, dispersed, and in many cases, site-specific needs of American agriculture. This partnership must be preserved and enhanced.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the item relating to section 1409 and inserting in lieu thereof the following new item:

Sec. 1409. Federal-State partnership and coordination.".

SECRETARY'S REPORT

SEC. 1409. Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended by striking out "February 1" and inserting in lieu thereof "January 1".

LIBRARIES AND INFORMATION NETWORK

SEC. 1410. Section 1411 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3126) is amended

(1) in subsection (a)

(A) in paragraph (4) by striking out "and" at the end thereof;

(B) in paragraph (5) by striking out the period and inserting in lieu thereof a semi-colon and the word "and";

(C) by adding a new paragraph (6) to

read as follows:

"(6) the Department of Agriculture establish mutually valuable working relationships with international and foreign information and data programs."; and

(2) in subsection (b) by amending paragraph (3) to read as follows:

(3) providing notification about these collections on a regular basis to the State cooperative extension services, State educational agencies, and other interested persons,"

SUPPORT FOR THE JOINT COUNCIL AND THE ADVISORY BOARD

SEC. 1411. Section 1412(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127(a)) is amended to read as follows:

(a) To assist the Joint Council and the Advisory Board in the performance of their duties, the Secretary may appoint, after consultation with the co-chairman of the Joint Council and the chairman of the Advisory

Board-

"(1) a full-time executive director who shall perform such duties as the co-chair-men of the Joint Council and the chairman of the Advisory Board may direct and who shall receive compensation at a rate not to exceed the rate payable for GS-18 of the General Schedule established in section 5332 of title 5, United States Code; and

(2) a professional staff of not more than five full-time employees qualified in the food and agricultural sciences, of which one shall serve as the executive secretary to the Joint Council and one shall serve as the executive secretary to the Advisory Board.".

GENERAL PROVISIONS; ADDITIONAL ASSISTANT SECRETARY OF AGRICULTURE

SEC. 1412. (a) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended by adding at the end thereof the following new subsections:

"(c) There are authorized to be appropriated annually such sums as Congress may determine necessary to carry out the pro-visions of section 1412 of this title and sub-

section (b) of this section.

"(d) In the performance of the duties assigned to them under this title, the Subcommittee on Food, Agricultural, and Forestry Research of the Federal Coordinating Council for Science, Engineering, and Technology, the Joint Council, and the Advisory Board shall, to the extent practicable, (1) conduct joint meetings and exchange reports, (2) coordinate such meetings with, and distribute such reports to, others in the national agricultural research, extension, and teaching system, and (3) appoint persons to serve as liaisons with each other and other members of such system.

"(e) In addition to the Assistant Secretaries of Agriculture now provided for by law, there shall be one additional Assistant Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of Agriculture, and who shall carry out such duties as may be prescribed by the Secretary of Agriculture.".

"(b) Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of Agriculture by striking out "(5)" and inserting in lieu thereof "(6)".

PROGRAM FOR COMPETITIVE, SPECIAL, AND FACILI-TIES GRANTS FOR AGRICULTURAL RESEARCH

SEC. 1413. (a) Section 2(b) of the Act August 4, 1965 (7 U.S.C. 4501), is

- (1) in the second sentence by inserting after the words "on Foods and Agricultural Sciences" the following: "and the National Agricultural Research and Extension Users Advisory Board"; and
- (2) in the last sentence by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for each

of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984. September 30, 1985, September 30, 1986, and September 30, 1987,".

(b) Section 2(c) of the Act of August 4, 1965 (7 U.S.C. 450i(c)) is amended—
(1) in paragraph (1) by inserting "research foundations established by landgrant colleges and universities," after "landgrant colleges and universities,";

(2) by amending paragraph (2) to read as

follows:

"(2) to State agricultural experiment stations, land-grant colleges and universities, research foundations established by landgrant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), and accredited colleges of veterinary medicine, to facilitate or expand ongoing State-Federal food and agricultural research programs that (A) promote excellence in research, (B) promote the development of regional research centers, (C) promote the research partnership between the Department of Agriculture and such colleges and universities, research foundations or State agricultural experiment stations, or (D) facilitate coordination and cooperation of research among States.".

Section 2(d) of the Act of August 4,

1965 (7 U.S.C. 450i(d)), is amended—
(1) by striking out "the purchase of equipment" and all that follows through the dash and inserting in lieu thereof "the renovation and refurbishment (including energy retrofitting) of research spaces in buildings or spaces to be used for research, and the purchase and installation of fixed equipment in such spaces. Such grants may be new construction only for auxiliary facilities, and fixed equipment used for research in such facilities, such as greenhouses, insectaries, and research farm structures and in-

taries, and research farm structures and in-stallations. Such grants shall be made to—"; (2) in paragraph (1) by striking out "available; and" and inserting in lieu thereof "available;", (3) in paragraph (2) by striking out the period and inserting in lieu thereof a semi-

colon: and

(4) by inserting after paragraph (2) the

- following new paragraphs:
 "(3) each forestry school not described in paragraph (1), in an amount which is equal to 10 per centum of the funds received by such school under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962;
- "(4) each college eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute, in an amount that is equal to 10 per centum of the funds received by such college under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.".

AMENDMENT TO THE RESEARCH FACILITIES ACT OF 1963

SEC. 1414. Section 4(a) of the Act of July 22, 1963 (7 U.S.C. 390c(a)), is amended by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982. September 30, 1983. September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987,". FEDERAL SUPPORT OF HIGHER EDUCATION IN THE

FOOD AND AGRICULTURAL SCIENCES

SEC. 1415. Section 1417 of the National Agricultural Research, Extension, and Teach ing Policy Act of 1977 (7 U.S.C. 3152) is amended-

(1) by amending subsection (a) to read as follows:

"(a) (1) The Secretary shall promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs.

"(2) The Secretary of Education shall delegate to the Secretary the authority to carry out all functions and duties under the Act of June 29, 1935 (7 U.S.C. 427 et seq.), applicable to the activities and programs for which funds under section 22 of such Act are available to the Secretary.

(2) by redesignating subsections (b), (c), and (d) as (c), (d), and (e), respectively and inserting a new subsection (b) to read

as follows:

"(b) (1) The Secretary may make grants to land-grant colleges and universities, and to other colleges and universities having a demonstrable capacity to carry out food and agricultural teaching, for periods not to exceed five years-

"(A) to strengthen institutional capacities to respond to State, national, or international educational needs in the food and

agricultural sciences;

"(B) to attract students and educate them as needed in the food and agricultural sciences, and to attract needed professionals to provide for their professional improvement the food and agricultural sciences;

(C) to design and implement innovative food and agricultural educational programs;

"(D) to facilitate cooperative agreements between two or more eligible institutions to maximize the use of faculty and facilities to improve their food and agricultural teaching programs.

Such grants shall be made without regard matching funds, but each recipient stitution shall have a significant ongoing commitment to the food and agricultural sciences generally and to the specific subject area for which such grant is to be used.

'(2) The Secretary may make competitive grants to colleges and universities for periods

not to exceed five years-

"(A) to develop or administer programs to meet unique food and agricultural educa-

tional problems: and

(B) to administer and conduct specialized programs to attract individuals for undergraduate and graduate programs and to administer and conduct graduate fellowship programs to meet regional and national objectives in the food and agricultural sciences. Such grants shall be made without regard to matching funds provided by recipients."; and

(3) in subsection (e), as redesignated by paragraph (2) of this section, by striking out for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985 September 30, 1986 and September 30, 1987,".

TRANSFER OF FUNCTIONS

SEC. 1416. (a) There are hereby transferred to the Secretary of Agriculture all the functions of the Secretary of Education and of the Department of Education under the Act of August 30, 1890 (7 U.S.C. 321 et seq.)

There are hereby transferred to the Department of Agriculture the offices of the Department of Education established under the Act of August 30, 1890 (7 U.S.C. 321 et seq.).

NATIONAL AGRICULTURAL SCIENCE AWARD

SEC. 1417. (a) Section 1418 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3153) is

- (1) by amending the section heading to ad as follows: "NATIONAL AGRICULTURAL read as follows: SCIENCE AWARD";
- (2) by amending subsection (a) to read as follows:
- "(a) The Secretary shall establish the National Agricultural Science Award for re-search or advanced studies in the food and agricultural sciences, including the social sciences. Two such awards, one for each of the categories described in subsection (d)

of this section, shall be made in each fiscal

year.";
(3) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(4) by inserting immediately after subsection (b) a new subsection (c) as follows:

"(c) The awards will be open to persons in agricultural research, extension, teaching, or any combination thereof."

The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the following:

"Sec. 1418. National agricultural research award."

and inserting in lieu thereof the following: "Sec. 1418. National agricultural science award."

ALCOHOL AND INDUSTRIAL HYDROCARBONS

SEC. 1418. Section 1419(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(a)) is amended-

- (1) by striking out in the first sentence "colleges and universities, and Government corporations" and inserting in lieu thereof "colleges, universities, Government corpora-tions, and Federal laboratories" and by and by tions. striking out in the third sentence "colleges, universities and Government corporations" and inserting in lieu thereof "colleges, universities, Government corporations, and Federal laboratories";
- (2) by striking out "four" in the sixth sentence; and
- (3) by striking out "and September 30, 1982" in the sixth sentence and all that follows through the period at the end thereof and inserting in lieu thereof the following: "September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987; Provided, That the total amount of such appropriations shall not exceed \$40,000,000 during the ten-year period beginning October 1, 1977, and shall not exceed such sums as may be authorized by law for any fiscal year subsequent to such period: Provided further, That not more than a total of \$5,000,000 may be awarded to the colleges and universities of any one State."

NUTRITION EDUCATION PROGRAM

SEC. 1419. Section 1425 of the National Agricultural Research. Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175) is amended-

(1) by amending subsection (b) to read as follows:

"(b) In order to enable low-income individuals and families to engage in nutritionally sound food purchasing and preparation practices, the expanded food and nutrition education program conducted under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343 (d)), shall provide for the employment and training of professional and paraprofessional aides to engage in direct nutrition education of low-income families and in other appropriate nutrition education programs. To the maximum extent practicable, such program aides shall be hired from the indigenous target population."; and
(2) by adding a new subsection (c) to read

as follows:

"(c) Beginning with the fiscal year ending

September 30, 1982-

(1) Any funds annually appropriated under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program, up to the amount appropriated under such section for such program for the fiscal year ending September 30, 1981, shall be allocated to each State in the same proportion as funds appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, are allocated among the States; with the exception that the Secretary may retain up to 2 per centum of such amount

for the conduct of such program in States that did not participate in such program in the fiscal year ending September 30, 1981.

(2) Any funds appropriated annually under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program in excess of the amount appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, shall be allocated as follows:

(A) 4 per centum shall be available to the Secretary for administrative, technical, and other services necessary for the administration of the program.

'(B) The remainder shall be allocated

among the States as follows:

10 per centum shall be distributed

equally among all States; and

The remainder shall be allocated to (11) each State in an amount which bears the same ratio to the total amount to be allocated under this subparagraph as the population of the State living at or below 125 per centum of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted pursuant to section 625 of the Economic Opportunity Act of 1964 (86 Stat. 697, as amended; 42 U.S.C. 2971d)), bears to the total population of all the States living at or below 125 per centum of the in-come poverty guidelines, as determined by the last preceding decennial census at the time each such additional amount is first appropriated. The provisions of this subparagraph shall not preclude the Secretary from developing educational materials and programs for persons in income ranges above the level designated in this subparagraph."

REPEAL OF SECTION 1426 OF THE NATIONAL AGRI-CULTURAL RESEARCH, EXTENSION, AND TEACH-ING POLICY ACT OF 1977

SEC. 1420. (a) Section 1426 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3176) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by strik-

ing out

"Sec. 1426. Nutrition education materials."

and inserting in lieu thereof

"Sec. 1426. Repealed.".

ELIGIBLE INSTITUTIONS FOR ANIMAL HEALTH AND DISEASE RESEARCH FUNDS

SEC. 1421. Section 1430 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3192) is amended-

(1) by amending paragraph (1) to read as follows:

'(1) the term 'eligible institution' means accredited colleges of veterinary medicine and State agricultural experiment stations;"; and

(2) by amending paragraph (2) to read: the term 'dean' means the dean of an accredited college of veterinary medicine;".

ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD

SEC. 1422. Section 1432(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194(a)) is amended by striking "of five years" and inserting in lieu thereof "that expires Decem-

APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

1423. Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended-

(1) by amending subsection (b) to read as follows:

"(b) Funds appropriated under this section shall be awarded in the form of grants, for periods not to exceed five years, to eligible institutions."; and

(2) by adding at the end thereof new subsections (c), (d), and (e) as follows

"(c) In order to establish a rational allocation of funds appropriated under this section, the Secretary shall establish an-nually priority lists of animal health and disease problems of national or regional significance. Such lists shall be prepared after consultation with the Joint Council, the Ad-Board, and the Board. Any recommendations made in connection with such consultation shall not be controlling on the Secretary's determination of priorities. In establishing such priorities, the Secretary, the Joint Council, the Advisory Board, and Board shall consider the following factors:

(1) any health or disease problem which causes or may cause significant economic losses to any part of the livestock production industry;

"(2) whether current scientific knowledge necessary to prevent, cure, or abate such a

health or disease problem is adequate; and '(3) whether the status of scientific research is such that accomplishments may be anticipated through the application of scientific effort to such health or disease problem

(d) Without regard to any consultation under subsection (c), the Secretary shall, to the extent feasible, award grants to eligible institutions on the basis of the priorities assigned through a peer review system. Grant-ees shall be selected on a competitive basis in accordance with such procedures as the Secretary may establish.

"(e) In the case of multiyear grants, the Secretary shall distribute funds to grant recipients on a schedule which is reasonably related to the timetable required for the orconduct of the research project involved."

EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1424. Section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221) amended-

(1) in subsection (a)-

(A) by inserting "and ending with the fiscal year ending September 30, 1981," immediately after "Beginning with the fiscal year ending September 30, 1979," in the second sentence; and

(B) by inserting immediately after the second sentence a new sentence as follows "Beginning with the fiscal year ending September 30, 1982, there shall be appropriated under this section for each fiscal year an amount not less than 51/2 per centum of the total appropriations for such year under the Act of May 8, 1914 (7 U.S.C. 341-349).";

(2) in subsection (b)(2)(B) by inserting "current at the time each such additional sum is first appropriated" after "the last pre-ceding decennial census" both times it

(3) in subsection (c) by striking out "administrative head for extension" and inserting in lieu thereof "extension administrator and by inserting "and each five years there-after" before the period; and

(4) in subsection (d) by striking out "submitted by the proper officials of each institution" in the second sentence and inserting in lieu thereof "coordinated with and become part of the overall State plan for extension work and shall be submitted, as part of such overall plan, by the State director of the cooperative extension service".

AGRICULTURAL RESEARCH AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1425. Section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) is amended-

(1) in subsection (b) (1) by adding at the end thereof a new sentence to read as follows:

"These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for the purpose of assessing research opportunities or research planning.";

(2) in subsection (b) (2) (B) by inserting "current at the time each such additional sum is first appropriated" after "the last pre-ceding decennial census" both times it ap-

pears; and

(3) in subsections (c) and (d) by striking out the words "chief administrative officer each time they appear and inserting in Heu thereof "research director".

AUTHORIZATION FOR APPROPRIATIONS FOR SOLAR ENERGY MODEL FARMS AND DEMONSTRATION PROJECTS

SEC. 1426. Section 1454 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3263) is amended by striking "September 30, 1981" and inserting in lieu thereof "September 30, 19863

INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

SEC. 1427. Section 1458 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291) is

amended to read as follows: SEC. 1458. (a) The Secretary, subject to such coordination with other Federal offi-cials, departments, and agencies as the President may direct, is authorized to-

"(1) expand the operational coordination of the Department of Agriculture with institutions and other persons throughout the world performing agricultural and related research and extension activities by exchanging research materials and results with such institutions or persons and by conducting with such institutions or persons joint or coordinated research and extension on problems of significance to food and agriculture in the United States;

"(2) assist the Agency for International Development with agricultural research and extension programs in developing countries;

'(3) work with developed and transitional countries on agricultural and related re-search and extension, including the training of persons from such countries engaged in such activities and the stationing of scientists at national and international institu-

tions in such countries;
"(4) assist United States colleges and universities in strengthening their capabilitles for agricultural and related research and extension relevant to agricultural development activities in other countries; and

"(5) further develop within the Department of Agriculture highly qualified and experienced scientists who specialize in international programs, to be available for the activities described in this section.

"(b) The Secretary shall draw upon and enhance the resources of the land-grant colleges and universities, and other colleges and universities, for developing linkages among these institutions, the Federal Government, international research centers, and counterpart agencies and institutions in both the developed and less-developed countries to serve the purposes of agriculture and the economy of the United States and to make a substantial contribution to the cause of improved food and agricultural progress throughout the world.

"(c) The Secretary may provide specialized or technical services, on an advance of funds or a reimbursable basis, to United States colleges and universities carrying out international agricultural and related re-search, extension, and teaching development projects and activities. All funds received in payment for furnishing such specialized or technical services shall be deposited to the credit of the appropriation from which the

cost of providing such services has been paid or is to be charged.".

AUTHORIZATION FOR APPROPRIATIONS FOR EXIST-ING AND CERTAIN NEW AGRICULTURAL RE-SEARCH PROGRAMS

SEC. 1428. Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended—

(1) in subsection (a) by striking out "and \$780,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof "\$780,000,000 for the fiscal year ending September 30, 1982, \$780,000,000 for the fiscal year ending September 30, 1983, \$835,000,000 for the fiscal year ending September 30, 1984, \$890,000,000 for the fiscal year ending September 30, 1985, \$945,000,000 for the fiscal year ending September 30, 1985, \$945,000,000 for the fiscal year ending September 30, 1987,";

(2) in subsection (b) by striking out "and \$220,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof "\$220,000,000 for the fiscal year ending September 30, 1982, \$230,000,000 for the fiscal year ending September 30, 1983, \$240,000,000 for the fiscal year ending September 30, 1984, \$250,000,000 for the fiscal year ending September 30, 1984, \$250,000,000 for the fiscal year ending September 30, 1985, \$260,000,000 for the fiscal year ending September 30, 1986, and \$270,000,000 for the fiscal year ending September 30, 1987,"; and

(3) by adding at the end thereof a new

subsection as follows:

"(c) Notwithstanding any authorization for appropriations for agricultural research in any Act enacted before the effective date of this subsection, not less than 25 per centum of the total funds appropriated to the Secretary in any fiscal year for the conduct of the cooperative research program provided for under the Act of March 2, 1887 (7 U.S.C. 361a et seq.); the cooperative forestry research program provided for under the Act of October 10, 1962 (16 U.S.C. 582a et seq.); the special and competitive grants programs provided for in sections 2(b) and 2(c) of the Act of August 4, 1965 (7 U.S.C. 450i); the animal health research program provided for under sections 1433 and 1434 of this title; the native latex research program provided for in the Native Latex Commercialization and Economic Development Act of 1978 (7 U.S.C. 178 et seq.); and the research provided for under various statutes for which funds are appropriated under the Agricultural Research heading or a successor heading, shall be appropriated for agricultural research at State agricultural experiment stations pursuant to the provision of the Act of March 2, 1887 (7 U.S.C. 361a et seq.).".

AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION PROGRAMS

SEC. 1429. Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of -1977 (7 U.S.C. 3312) is amended by striking out "and \$350,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof "\$350,-000,000 for the fiscal year ending September 30, 1982, \$360,000,000 for the fiscal year ending September 30, 1982, \$360,000,000 for the fiscal year ending September 30, 1984, \$380,-000,000 for the fiscal year ending September 30, 1985, \$390,000,000 for the fiscal year ending September 30, 1985, \$390,000,000 for the fiscal year ending September 30, 1987,".

MISCELLANEOUS PROVISIONS

SEC. 1430. (a) The National Agricultural Research Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding in subtitle K the following new sections:

"PROGRAM EVALUATION STUDIES

"SEC. 1471. (a) The Secretary shall regularly conduct program evaluations to meet the purposes of this title and the responsibilities assigned to the Secretary and the

Department of Agriculture in this title. Such evaluations shall be designed to provide information that may be used to improve the administration and effectiveness of agricultural research, extension, and teaching programs in achieving their stated objectives.

"(b) The Secretary is authorized to encourage and foster the regular evaluation of agricultural research, extension, and teaching programs within the State agricultural experiment stations, cooperative extension services, and colleges and universities, through the development and support of cooperative evaluation programs and program evaluation centers and institutes.

"GENERAL AUTHORITY TO AWARD CONTRACTS, GRANTS AND COOPERATIVE AGREEMENTS

"Sec. 1472. (a) The purpose of this section is to confer upon the Secretary general authority to award contracts, grants or cooperative agreements to further the research, extension, or teaching programs in the food and agricultural sciences of the Department of Agriculture. This authority supplements all other laws relating to the Department of Agriculture and is not to be construed as limiting or repealing any existing authorities.

"(b) The Secretary is authorized to enter into contracts with, or make cooperative agreements with, or make grants to, State agricultural experiment stations, State cooperative extension services, all colleges and universities, other research or education institutions and organizations, Federal and private agencies and organizations, individuals, and any other contractor or recipient for periods not to exceed five years, to further the research, extension or teaching programs in the food and agricultural sciences of the Department of Agriculture.

"(c) The Secretary may vest title to expendable and nonexpendable equipment and supplies and other tangible personal property in the contractor or recipient when the contractor or recipient purchases such equipment, supplies, and property with contract, grant, or cooperative agreement funds and the Secretary deems such vesting of title a furtherance of the agricultural research, extension, or teaching objectives of the Department of Agricultura

partment of Agriculture.

"(d) The Secretary may enter into contracts, grants, or cooperative agreements, as authorized by this section, without regard to any requirements for competition, the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5), and the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529)."

"LIMITATION ON USE OF FUNDS

"Sec. 1473. Funds appropriated for carrying out the purposes of sections 1433, 1434, 1444, and 1445 of this title and funds appropriated for carrying out the purposes of the Act of March 2, 1887 (7 U.S.C. 361a et seq.), the Act of May 8, 1914 (7 U.S.C. 341 et seq.), and the Act of October 10, 1962 (16 U.S.C. 582a et seq.), shall not be available for the payment of indirect costs or tuition remission."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by inserting immediately after the following:

"Sec. 1470. Rules and regulations.

"Sec. 1471. Program evaluation studies.
"Sec. 1472. General authority to award con-

tracts, grants, and cooperative agreements.

"Sec. 1473. Limitation on use of funds.".

RANGELAND RESEARCH

SEC. 1431. (a) The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end thereof the following new subtitle L:

Subtitle L—Rangeland Research

"PURPOSE

"SEC. 1479. It is the purpose of this subtitle to promote the general welfare through im-

proved productivity of the Nation's range-lands, which comprise 60 per centum of the land area of the United States. Most of these rangelands are unsuited for cultivation, but produce a great volume of forage that is inedible by humans but readily converted, through an energy efficient process, to high quality food protein by grazing animals. These native grazing lands are located throughout the United States and are imlocated portant resources for major segments of the Nation's livestock industry. In addition to the many livestock producers directly dependent on rangelands, other segments of agriculture are indirectly dependent on range-fed livestock and on range-produced forage that can be substituted for grain in times of grain scarcity. Recent resource assessments indicate that forage production of rangeland can be increased at least 100 per centum through development and application of improved range management practices while simultaneously enhancing wildlife, watershed, recreational, and esthetic values and reducing hazards of erosion and flooding.

"RANGELAND RESEARCH PROGRAM

"SEC. 1480. The Secretary is authorized to develop and implement a cooperative rangeland research program to improve the pro-duction and quality of desirable naturally grown forage or introduced forage species which are managed in a similar manner to naturally grown forage for livestock and wildlife. The program shall include studies of (1) management of rangelands and agricultural land as integrated systems for more efficient use of crops and waste products in the production of food and fiber; (2) methof managing rangeland watersheds to maximize efficient use of water and improve water yield, water quality, and water conservation, to protect against damage of rangeland resources from floods, erosion, and other detrimental influences, and to remedy unsatisfactory and unstable rangeland conditions; (3) revegetation and rehabilitation of rangelands including the control of noxlous species; and (4) such other matters as the Secretary considers appropriate. The development and implementation of a program under this section shall be coordinated with the programs carried out under the Forest and Rangeland Renewable Resources Planning Act of 1974, the Soil and Water Resources Conservation Act of 1977, and the Renewable Resources Extension Act of 1978.

"RANGELAND RESEARCH GRANTS

"Sec. 1481. The Secretary is authorized to make grants to land-grant colleges and universities, State agricultural experiment stations, and to colleges, universities, and Federal laboratories having a demonstrable capacity in rangeland research, as determined by the Secretary, to carry out rangeland research under this subtitle. This grant program shall be based on a matching formula of 50 per centum Federal and 50 per centum State funding.

"REPORTS

"SEC. 1482. Not later than one year after enactment of this subtitle, and not later than March I of each successive year, the Secretary shall submit a report to the President, the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations. Such report shall contain an evaluation of the operation of the program authorized under this subtitle.

"RANGELAND RESEARCH ADVISORY BOARD

"SEC. 1483. (a) The Secretary shall establish a board to be known as the Rangeland Research Advisory Board, which shall have a term that expires December 31, 1986, and which shall be composed of twelve members appointed by the Secretary as follows:

"(1) four representatives of the Science and Education Administration of the Department of Agriculture;

"(2) four persons representing State agricultural experiment stations; and

"(3) four persons representing national rangeland and range livestock organizations. The members shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

"(b) The Board shall meet at the request of the Secretary, who shall call at least one meeting each year, to consult with and advise the Secretary with respect to the implementation of this subtitle and to recommend priorities for the conduct of research activities authorized under this subtitle, under such rules and procedures as the Secretary may prescribe.

"APPROPRIATIONS

"SEC. 1484. (a) There are hereby authorized to be appropriated such sums, not to exceed \$10 million annually, as Congress may determine necessary to carry out the provisions of this subtitle.

"(b) Funds appropriated under this section shall be allocated by the Secretary to eligible institutions for work to be done as mutually agreed upon between the Secretary and the eligible institution or institutions. The Secretary shall, whenever possible, consult the Board in developing plans for the use of these funds.".

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by insert-ing at the end of title XIV the following new items:

"Subtitle L-Rangeland Research

"Sec. 1479. Purpose.

"Sec. 1480. Rangeland research program.

"Sec. 1481. Rangeland research grants.

'Sec. 1482. Reports.

"Sec. 1483. Rangeland Research Advisory Board.

"Sec. 1484. Appropriations.".

COOPERATIVE STATE FORESTRY

SEC. 1432. (a) Section 1 of the Act of October 10, 1962 (16 U.S.C. 582a), commonly known as the McIntire-Stennis Act of 1962, is amended by adding at the end thereof the following: "It is also recognized that the provisions of this Act are essential to assist in providing the research background that undergirds the Forest and Rangeland Renewable Resources Planning Act of 1974, the Renewable Resources Extension Act of 1978, and the Soil and Water Resources Conservation Act of 1977.".

(b) Section 2 of the Act of October 10, 1962 (16 U.S.C. 582a-1), is amended by adding at the end thereof the following: "If more than one institution within a State are certified as qualifying for assistance, then it shall be the responsibility of such institu-tions in agreement with the Secretary, to develop complementary programs of forestry research for the State.".

(c) Sections 5 and 6 of the Act of Octo-1962 (16 U.S.C. 582a-4, 582a-5), are

amended to read as follows:

"SEC. 5. (a) The Secretary of Agriculture shall prescribe such regulations as may be necessary to carry out this Act and to furnish such advice and assistance through a cooperative State forestry research unit in the Department of Agriculture as will best pro-mote the purposes of this Act.

"(b) The Secretary shall appoint a council of not fewer than sixteen members which shall be constituted to give representation to

Federal and State agencies concerned with developing and utilizing the Nation's forest resources, the forest inqustries, the forestry schools of the State-certified eligible institutions, State agricultural experiment stations, and volunteer public groups concerned with forests and related natural resources. The council shall meet at least annually and shall submit a report to the Secretary on regional and national planning and coordination of forestry research within the Federal and State agencies, forestry schools, and the forest industries, and shall advise the Secretary on the apportionment of funds. The Secretary shall seek, at least once each year, the advice of the council to accomplish efficiently the purposes of this Act.

"SEC. 6. Apportionments among participating States shall be determined by the Secretary of Agriculture after consultation with the council appointed under section 5. making such apportionments, consideration shall be given to pertinent factors including non-Federal expenditures for forestry research by State-certified eligible institu-tions, areas of non-Federal commercial forest land, and the volume of timber cut annually. Three per centum of such funds as may be appropriated shall be made available to the ecretary for administration of this Act. these administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for purposes of assessing research opportunities or research planning.".

ADDITIONAL AGRICULTURAL RESEARCH SUPPORT

SEC. 1433. The second sentence of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), is amended-

(1) by striking out "and (3)" and insert-

ing in lieu thereof "(3)"; and

(2) by changing the period at the end thereof to a semicolon and inserting the following: "and (4) support food and agricultural research, extension, and teaching in order to meet the challenge of providing adequate food and fiber production for the United States and the world.".

EXCESS FEDERAL PROPERTY

SEC. 1434. Section 202(d)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d)(2)) is amended by striking out the word "or" at the

end of subparagraph (C);

(2) striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon and the word "or"; and

(3) adding the following new subparagraph immediately after subparagraph (D):

'(E) property furnished by the Secretary of Agriculture to any State or county extension service engaged in cooperative agriculture extension work pursuant to the Act of May 8, 1914 (7 U.S.C. 341 et seq.); any State experiment station engaged in cooperative agricultural research work pursuant to the Act of March 2, 1887 (7 U.S.C. 361a et seq), and any institution engaged in cooperative agricultural research or extension work pursuant to sections 1433, 1434, 1444, or 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195, 3196, 3221, and 3222) or the McIntire-Stennis Act of 1962 (16 U.S.C. 582a et seq.), where title is retained in the United States.".

BURAL DEVELOPMENT AND SMALL FARM RESEARCH AND EXTENSION

SEC. 1435. (a) Title V of the Rural Development Act of 1972 (7 U.S.C. 2661-2670) is amended by striking out sections 501 through 508 and inserting in lieu thereof the following:

"SEC. 501. PURPOSES AND GOALS .- (a) The overall purpose of this title is to fcster a balanced national development that provides opportunities for increased numbers of

the people of the United States to work and enjoy a high quality of life dispersed throughout our wation by providing the essendal knowledge necessary for successful programs of rural development. It is further one purpose of this title to-

(1) provide multistate regional agencies, States, counties, cities, multicounty plan-ning and development districts, businesses, inquestries, Indian tribes on Federal and State reservations or other federally recognized indian tribal groups, and others in-voived with public services and investments in rural areas or that provide or may provide employment in these areas the best available scientific, technical, economic, organizational, environmental, and management information and knowledge useful to them, and to assist and encourage them in the interpretation and application of this information to practical problems and needs in rural development:

(2) provide research and investigations in all fields that have as their purpose the development of useful knowledge and incormation to assist those planning, carrying out, managing, or investing in facilities, services, businesses, or other enterprises, public and private, that may contribute to

rural development;

'(3) increase the capabilities of, and encourage, colleges and universities to perform the vital public services role of research, and the transfer and practical application of knowledge, in support of rural development:

"(4) expand small farm research and extend training and technical assistance to small farm families in assessing their needs and opportunities and in using the best available knowledge on sound economic approaches to small farm operations and on existing services offered by the Department of Agriculture and other public and private agencies and organizations to improve their income and to gain access to essential facilities and services; and

"(5) support activities to supplement and extend programs that address special research and education needs in States periencing rapid social and economic adjustments or unique problems caused by rural isolation and that address national and regional rural development policies,

strategies, issues, and programs.

(b) The goals of this title are to-"(1) encourage and support rural United States, in order to help make it a better place

to live, work, and enjoy life;
"(2) increase income and improve employment for persons in rural areas, including the owners or operators of small farms, small businesses, and rural youth;

"(3) improve the quality and availability of essential community services and facilities in rural areas;

(4) improve the quantity and quality of rural housing;

"(5) improve the rural management of natural resources so that the growth and development of rural communities needed to support the family farm may be accommodated with minimum effect on the natural

environment and the agricultural land base; "(6) improve the data base for rural development decisionmaking at local, State, and national levels;

- "(7) improve the problem solving and development capacities and effectiveness of rural governments, officials, institutions, communities, community leaders, and citizen groups in
- "(A) improving access to federal programs; "(B) improving targeting and delivery of
- technical assistance; "(C) improving coordination among Federal agencies, other levels of government, and institutions and private organizations in rural areas; and

"(D) developing and disseminating better information about rural conditions.

"SEC. 502. PROGRAMS AUTHORIZED .-Secretary of Agriculture may conduct, in cooperation and coordination with colleges and universities, the following programs to carry out the purposes and achieve the goals of this

"(a) RURAL DEVELOPMENT EXTENSION PRO--Rural development extension pro-GRAMS. grams shall consist of the collection, inter-pretation, and dissemination of useful information and knowledge from research and other sources to units of multistate regional agencies, State, county, municipal, and other units of government, multicounty planning and development districts, organizations of citizens contributing to community and rural development, businesses, Indian tribes on Federal or State reservations or other federally recognized Indian tribal groups, and industries that employ or may employ people in rural areas. These programs also shall include technical services and educational activities, including instruction for persons not enrolled as students in colleges or universities, to facilitate and encourage the use and practical application of this information. These programs may also include feasibility studies and planning assistance.

"(b) RURAL DEVELOPMENT RESEARCH .- Rural development research shall consist of re-search, investigations, and basic feasibility studies in any field of discipline that may develop principles, facts, scientific and technical knowledge, new technology, and other information that may be useful to agencies of Federal, State, and local government, industries in rural areas, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, and other organizations involved in community and rural development programs and activities in planning and carrying out such programs and activities or otherwise be practical and useful in achieving the purposes and goals

of this title.

"(c) SMALL FARM RESEARCH PROGRAMS. Small farm research programs shall consist of programs of research to develop new approaches for initiating and upgrading small farm operations through management techniques. agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance; to develop new enterprises that can use labor, skills, or natural resources available to the small farm family; or that will help to increase the quality and availability of services and facilities needed by the small farm family.

"(d) SMALL FARM EXTENSION PROGRAMS. Small farm extension programs shall consist of extension programs to improve small farm operations, including management techniques, agricultural production techniques, farm machinery technology, marketing techniques, and small farm finance; to increase use by small farm families of existing services offered by the Department of Agricul-ture and other public and private agencies and organizations; to assist small farm families in establishing and operating coopera-tives for the purpose of improving their family income from farming or other economic activities; to increase the quality and availability of services and facilities needed by small farm families; and to develop new enterprises that can use labor, skills, or natresources available to the small farm ural family.

"(e) SPECIAL GRANTS PROGRAMS.—Special grants programs shall consist of extension and research programs to strengthen reand education on national and regional issues in rural development, including the assessment of alternative policies and strategies for rural development and bal-anced growth; to develop alternative strategies for national and regional investment, and the creation of employment, in rural areas; to develop alternative energy policies to meet rural development needs; and to strengthen rural development programs of agencies of the Department of Agriculture and those in other Federal departments and agencies.

SEC. 503. APPROPRIATION AND ALLOCATION of Funds.-(a) There are hereby authorized to be appropriated such sums as are neces-

sary to carry out the purposes of this title.

"(b) Such sums as are appropriated to out the provisions of sections 502(a) and 502(b) of this title shall be distributed by the Secretary of Agriculture as follows:

(1) 4 per centum shall be retained by the Secretary for program administration and national coordination of State programs, and program assistance to the States;

(2) 10 per centum shall be used to finance work serving two or more States in which colleges or universities in two or more States cooperate or that is conducted by one college or university to serve two or more States;

"(3) 20 per centum shall be allocated

equally among the States; and

(4) 66 per centum shall be allocated to as follows: One-half State amount that bears the same ratio to the total amount to be allotted as the rural population of the State bears to the total rural population of all the States, as determined by the last preceding decennial census current at that time; and one-half in an amount that bears the same ratio to the total amount to be allotted as the farm population of the State bears to the total farm population of all the States, as determined by the last preceding decennial census current at that time:

Provided, That, beginning with the fiscal year ending September 30, 1982, no State may receive more than \$75,000 until all States have been allotted a minimum of \$75,000.

'(c) Such sums as are appropriated to carry out the provisions of section 502(e) of this title shall be distributed by the Secretary to colleges and universities, on a competitive or matching fund basis, according to the Secretary's determination of the projects and manner of funding that show the most promise of fulfilling the objectives of section 502(e) of this title.

"(d) Funds appropriated under this title may be used to pay salaries and other ex-penses of personnel employed to carry out the functions authorized by this title; obtain necessary supplies, equipment, and services; and to rent, repair, and maintain facilities needed, but not to purchase or construct buildings.

"(e) Payment of funds to any State for programs authorized under sections 502(a) 502(b), 502(c), and 502(d) of this title shall contingent upon the approval of the Secretary of a plan of work and budget for such programs and compliance with such regulations as the Secretary may issue under this title. Plans for work shall be jointly developed in each State by the land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute. In States in which there is land-grant institution eligible to receive funds under the Act of August 30, 1890. the land-grant institution eligible to receive funds under the Act of July 2, 1862, shall be responsible for developing plans of work and budgets. In the development of the plans of work and budgets, consideration shall be given to involvement of the re-sources and expertise of the colleges and universities serving the region in which the plans and budgets are to be applied.

"(f) Funds shall be available for use by each State in the fiscal year for which appropriated and the next fiscal year following the fiscal year for which appropriated. Funds shall be budgeted and accounted for on such forms and at such times as Secretary shall prescribe.

"(g) Funds provided to each State under this title may be used to finance programs through or at private and publicly supported colleges and universities other than the institutions responsible for administering the programs, as provided under section 504 of this title.

"Sec. 504. Cooperating Colleges and Universities.-(a) To ensure national coordination with other federally supported agricultural research and extension programs, administration of each State program shall be the responsibility of the colleges and universities eligible to receive funds under the Act of July 2, 1862, and the Act of August 30, 1890, including Tuskegee Institute. In States that contain more than one such institution, such administration shall be responsibility of the institution designated by mutual agreement of all such institutions, subject to approval by the Secretary of Agriculture. The Secretary shall pay funds available to each State to such institution or university. Such administration shall be coordinated with other federally supported agricultural research and extension programs conducted in the State.

"(b) All private and publicly supported

colleges and universities in a State shall be eligible to participate in programs authorized under this title. Officials at universities or colleges other than those responsible for administering the programs that wish to participate in these programs shall submit program proposals to the college or university officials responsible for administering the programs who shall consider such proposals in the process of developing the budgets and plans of work.

"(c) The institution of each State responsible for administering the programs authorized under this title shall designate an official who shall be responsible for the overall coordination of the programs.

"(d) The institution in each State responsible for administering the programs authorized under this title shall name an advisory council to review and approve budgets and plans of work conducted under this title and to advise the chief administrative officer of the institution administering the programs on matters pertaining to the programs. An existing State rural development committee or council may be named to perform this function, or a new council may be appointed by the chief administrative officer or officers. The committee or council named or appointed shall consist of at least twelve members and shall include persons representing farmers, business, labor, banking, local government, multicounty planning and develop-ment districts, public and private colleges and universities in the State, and Federal and State agencies involved in rural develop-

"SEC. 505. WITHHOLDING FUNDS .-- If the Secretary of Agriculture determines that a State is not eligible to receive part or all of the funds to which it is otherwise entitled for programs under sections 502(a) and 502 (b) of this title because of a failure to comply with regulations issued by the Secretary under this title, the facts and reasons therefor shall be reported to the President, and the amount involved shall be kept separate in the Treasury until the expiration of the Congress next succeeding the session of the legislature of the State from which funds have been withheld in order that the State may, if it should so desire, appeal to Congress from the determination of the Secretary. If the next Congress shall not direct such sum to be paid, it shall be covered into the Treasury. If any portion of the moneys that are received by the designated officers of any State for the support and maintenance of programs authorized under this title shall by any action or contingency be diminished or lost, or be misapplied, it shall be replaced by the State.

"SEC. 506. DEFINITIONS.—For the purposes of this title

'rural development' means the planning, financing, and development of facilities and services in rural areas that contribute to making those areas desirable places in which to live and make private and business investments; the planning, development, and expansion of business and industry in rural areas to provide increased employment and income; the planning, development, conser-vation, and use of land, water, and other natural resources of rural areas to maintain or improve the quality of the environment for people and business in rural areas; and the building or improvement of institutional, organizational, and leadership capacities of rural citizens and leaders to define and resolve their own community problems;

"(b) 'State' means the several States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the

Northern Mariana Island: and

"(c) 'small farm' means any farm (1) producing family net income from all sources (farm and nonfarm) below the median non-metropolitan income of the State; (2) operated by a family dependent on farming for a significant though not necessarily a majority of its income; and (3) on which family members provide most of the labor and management.

"SEC. 507. REGULATIONS.—The Secretary of Agriculture may issue such regulations as the Secretary determines necessary to carry

out the provisions of this title."

(b) Section 509 of the Rural Development Act of 1972 (7 U.S.C. 2669) is redesignated as section 508, and section 510 of the Rural Development Act of 1972 (7 U.S.C. 2670) is hereby repealed.

INCREASED EMPHASIS ON MARKETING EDUCATION PROGRAMS FOR SMALL- AND MEDIUM-SIZE FAMILY FARMING OPERATIONS

SEC. 1436. In carrying out marketing research and education programs, the Secretary of Agriculture shall take such steps as may be necessary to increase the efforts of the Department of Agriculture in providing marketing education programs for persons engaged in small- and medium-size family farm operations.

TITLE XV-RESOURCE CONSERVATION Subtitle A-Soil and Water Conservation

POLICY AND REPORT

SEC. 1501. (a) Congress hereby reaffirms its policy to promote soil and water conserva-tion, improve the quality of the Nation's waters, and preserve and protect natural resources through the use of effective conservation and pollution abatement programs.

(b) The Secretary of Agriculture shall submit a report to Congress not later than December 31, 1981, setting forth a comprehensive soil and water conservation policy, including recommendations as to how the various soil and water conservation programs that are administered by agencies within the Department of Agriculture can be strengthened and improved.

Subtitle B-Special Areas Conservation Program FINDINGS

SEC. 1502. Congress finds that-

(1) studies by the Department of Agriculture indicate that billions of tons of soil are eroded annually from non-Federal lands in the United States, much of which represents soil eroded from cropland;

(2) nearly one-half of the four hundred and thirteen million acres of cropland have soils with moderate, high, or very high risk of damage by sheet and rill erosion;

(3) the severity of erosion-related prob-lems varies widely from one geographic area to the next;

(4) some of the most productive agricultural areas of the United States are also those having the most serious and chronic erosion-

related problems.

(5) solutions to such chronic erosion-related problems should be designed to address the local social, economic, environmental, and other conditions unique to the area involved to ensure that the goals and policies of the Federal Government are effectively integrated with the concerns of the local com-

(6) certain range and pasturelands in the United States are producing less than their potential and therefore their productive capacity could be substantially improved by application of intensified range and pasture management practices; the protection of these lands is essential to controlling erosion. improving ecological conditions, enhancing wildlife and riparian habitats, water quality and yield, and meeting the need to produce food and fiber in a manner that is more energy efficient; and

(7) there is a need for-

reducing seepage from on-farm and off-farm irrigation ditches and conveyance systems;

(B) improving water conservation and utilization; and

(C) installing measures to capture on-farm irrigation return flows.

FORMULATION AND IMPLEMENTATION OF SPE-CIAL AREAS CONSERVATION PROGRAM

SEC. 1503. (a) The Secretary of Agriculture (hereinafter in this subtitle referred to as "Secretary") shall establish a program for the conservation of soil, water, and related resources in special areas designated pursuant to section 1504 (hereinafter referred to as "designated special areas") by providing technical and financial assistance to owners and operators or groups of owners and operators of farm, ranch, and certain other lands at their request. Such assistance with respect to State, county, and other public land shall be limited to those lands that are an integral part of a private farm operating unit and under the control of the private land owner or operator.

- (b) To carry out the program established under this subtitle, the Secretary may enter into contracts with owners and operators of farm, ranch, or other land in a designated special area having such control over the land as the Secretary deems necessary. Any such contract may be entered into with respect to land in a designated special area which is not farm or ranch land only if the erosion-related problems of such land are so severe as to make such contracts with respect to such land necessary protection of farm or ranch land in that designated special area. Contracts under this subtitle shall be designed to provide assist-ance to the owners or operators of such farm, ranch, or other land to make voluntary changes in their cropping systems which are needed to conserve or protect the soil, water and related resources of such lands, and to carry out the soil and water conservation measures needed under such changed systems and uses.
- (c) The basis for such contracts shall be a conservation plan approved by the Secretary and the soil and water conservation district in which the land on which the plan is to be carried out is situated. The Secretary shall provide to the land owner or operator, upon request, such technical assistance as may be needed to prepare and submit to the Secretary a conservation plan-
 - (1) which incorporates such soil and

other conservation practices and measures as may be determined to be practicable to protect such land from erosion or waterrelated problems;

(2) which outlines a schedule for the implementation of changes in cropping systems or use of land or of water and of conservation measures proposed to be carried out on the farm, ranch, or other land during the

contract period;
(3) which is designed to take into account the local social, economic, and environmental conditions, which will help solve the particular erosion or water-related problems

of the designated area;
(4) which may allow for such varying levels of conservation application as are appropriate to address the problems and may be developed to cover all or part of a farm, ranch, or other land as determined to be necessary to solve the conservation prob-

(5) which may include practices measures for enhancing fish and wildlife and recreation resources and for reducing or controlling agricultural-related pollution:

(6) which identifies those conservation systems and measures, including planned grazing systems, needed to improve vegetative conditions, reduce erosion, and conserve water on range and pasturelands.

(d) Under any contract entered into un-der this subtitle, the land owner or operator

shall agree

(1) to carry out the plan for the owner's or operator's farm, ranch, or other land substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secre-

tary pursuant to subsection (f);

- (2) to forfeit further payments under the contract and refund to the United States all payments received thereunder, including interest, upon violation by the owner or operator of the contract at any stage during the time the owner or operator has control of the land if the Secretary, after considering the recommendations of the soil and water conservation district board for the district in which the lands are located, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds, including interest, or accept such payment adjustments as the Secretary may deem appropriate if the Secretary determines that the violation by the owner or operator does not warrant termination of the contract:
- (3) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract; and
- (4) upon transfer, during the contract period, of the rights or interests of the owner or operator in the farm, ranch, or other land on which the plan is to be carried out, to forfeit all rights to further payments under the contract and refund to the United States all payments received thereunder, including interest, unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract.
- (e) In return for an agreement by the landowner or operator under this section, the Secretary shall agree to share the cost of carrying out the conservation measures set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest. The portion of the costs to be shared shall be that part which the Secretary determines is nec-essary and appropriate to effectuate the installation and, if applicable, the maintenance of the conservation treatment under the contract, including the cost of labor. The Secretary shall determine the amount of the shared costs to be borne by the Secretary, taking into consideration the social and eco-

nomic conditions unique to each designated geographic area and the degree of conservation to be achieved. The Secretary shall determine the maximum amount of cost-share assistance that may be provided to any single recipient. If adjustments from cultivated crops to permanent vegetative cover or changes in crop varieties are undertaken as conservation treatment, financial assistance may be provided with regard to the income lost as a result of such land use or crop adjustments.

(f) The Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest and may agree to such modification of contracts previously entered into as the Secretary may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to similar conservation or other programs administered by the Secretary.

(g) The Secretary may also enter into contracts with landowners or operators for the purpose of maintaining any conservation treatment established under this subtitle or other conservation treatment which has been adequately established, and to provide such assistance as is necessary to retain the treatment on the land. The provisions and administration of such contracts shall be in accordance with the requirements set forth in subsections (b) through (f).

PROGRAM TO BE DIRECTED AT SPECIFIC PROBLEMS

SEC. 1504. (a) The program established under this subtitle shall be directed toward identifying and correcting such erosion-related or water management-related problems as may exist within each designated special area. Assistance under this subtitle may be provided to any geographic area of the United States only if such area is first designated by the Secretary as having severe and chronic erosion-related or water management-related problems.

(b) In designating a geographic area as a special area under this subtitle, the Secretary shall prepare and publish a report setting forth an assessment of the problems, objectives, and priorities in such area, and a schedule for the implementation of the program under this subtitle. The Secretary shall indicate in such report how the program as developed with respect to such area takes into consideration ongoing programs of Federal, State, and local agencies, including soil conservation districts, relating to soil and water conservation, pollution abatement, or the improvement or protection of forest land. The Secretary shall, within existing authorities, assure that all Department of Agriculture programs operating in a designated special area complement the conservation objectives outlined for such area.

CONTRACT LIMITATIONS

SEC. 1505. Special areas may be designated pursuant to section 1504 of this subtitle at any time within ten years after the date of enactment of this Act. Contracts authorized by subsections (b) and (g) of section 1503 of this subtitle may be entered into at any time within ten years after the designation of the special area to which they relate. Such contracts may not exceed ten years in duration, and the amount of contracts that may be entered into in any one fiscal year shall not exceed such amounts as may be provided for in advance in appropriations Acts.

NOTIFICATION OF COMMITTEES OF CONGRESS

SEC. 1506. The Secretary shall submit a copy of each special area report developed and published pursuant to section 1504(b) of this subtitle to the Committee on Agriculture, Nutrition, and Forestry of the United States Senate and to the Committee

on Agriculture of the United States House of Representatives.

UTILIZATION OF SERVICES AND FACILITIES

SEC. 1507. In carrying out the provisions of this subtitle, the Secretary may utilize the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the technical services of the Department of Agriculture, soil and water conservation districts, and other State or local agencies. The Secretary may utilize the services and facilities of the Commodity Credit Corporation in carrying out this subtitle.

IMPROVEMENT OF TECHNOLOGY

SEC. 1508. The Secretary may expend funds directly or through grants for such research as is needed to assist in developing new or improving existing technologies for controlling erosion or water-related problems in designated special areas.

REGULATIONS

SEC. 1509. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1510. There are authorized to be appropriated annually, to be available until expended, such sums as may be necessary to carry out the program authorized by this subtitle.

REPORT TO CONGRESS

SEC. 1511. The Secretary shall submit a report to Congress by January 1, 1986, and at each five-year interval thereafter, concerning the operation of the program provided for in this subtitle. Such report shall contain an evaluation of the operation of such program and shall include recommendations for such additional legislation as may be necessary to solve identified soil, water, and related resources problems in areas designated by the Secretary under this subtitle and to utilize new technology and research related to such problems.

PROTECTION OF PARTICIPANTS

SEC. 1512. No person shall be disqualified from participating in, or suffer any forfeiture or reduction in benefits under, any other program administered by the Secretary by virtue of participation in the program provided for in this subtitle.

Subtitle C—Amendments to the Small Watershed Program and to the Bankhead-Jones Farm Tenant Act

AMENDMENTS TO SMALL WATERSHED PROGRAM

SEC. 1513. (a) Section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is amended by changing the period at the end thereof to a semicolon and inserting the following: "or any Indian tribe or tribal organization, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b), having authority under Federal, State, or Indian tribal law to carry out, maintain and operate the works of improvement."

(b) Section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is further amended by striking out "\$1,000,000" and inserting in lieu thereof "\$5,000,000".

(c) Section 3(6) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003(6)) is amended by inserting after the word "wildlife," the word "energy,".

(d) Section 4(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1004(11)) is amended by changing the semicolon at the end thereof to a colon and inserting the following: "Provided further, That the Secretary shall be authorized to bear an amount not to exceed one-half of the costs of the land, easements, or rights-of-way acquired or to be acquired by the local organization for mitigation of fish and

wildlife habitat losses, and that such acquisition is not limited to the confines of the watershed project boundaries;".

(e) Section 5(3) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(3) is amended by striking out "\$1,000,000" and inserting in lieu thereof "\$5,000,000".

(f) Section 5(4) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(4) is amended by striking out "\$1,000,000" and inserting in lieu thereof "\$5,000,000".

AMENDMENT TO THE BANKHEAD-JONES FARM TENANT ACT

SEC. 1514. Section 31 of title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010) is amended by inserting after the words "Cams and reservoirs," the words "developing energy resources,".

Subtitle D—Reservoir Sedimentation Reduction Program

FORMULATION OF PROGRAM

SEC. 1515. The Secretary of Agriculture is authorized to formulate and implement a program for determining the feasibility of reducing excessive sedimentation in existing reservoirs. Such an assistance program may be implemented on the watershed drainage areas of no more than five publicly owned reservoirs. The Secretary may select for the program reservoirs in which excessive amounts of sediment are being deposited because of critical soil erosion problems in the watershed drainage area.

PLANS

SEC. 1516. For each reservoir and drainage area selected under section 1515 of this subtitle, a plan shall be prepared that includes an assessment of the problems, a listing of objectives and priorities, and an implementation plan for achieving the objectives. The Secretary of Agriculture shall enter into an agreement with the soil and water conservation districts containing land within the reservoir or drainage area, an agency of State government designated by the Governor, and units of local government that have recognized interests in the reservoir, for the purpose of preparing the plan. The plan shall be signed by the Secretary, or the Secretary's designee, and the other parties to the agreement.

APPROVAL OF PLANS

SEC. 1517. The Secretary shall submit each plan developed under section 1516 of this subtitle to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. The Secretary may implement any such plan only after each such committee adopts a resolution approving the plan.

AUTHORIZATION OF APPROPRIATIONS

Sec. 1518. There are hereby authorized to be appropriated, for each of the fiscal years 1983 through 1987, such sums as may be necessary for carrying out the provisions of this subtitle, such sums to remain available until expended.

REPORT

SEC. 1519. The Secretary of Agriculture shall submit a report evaluating the program authorized under this subtitle to Congress by January 1, 1987. The report shall include a recommendation as to whether the program shall be extended and, if so, how it could be strengthened.

Subtitle E-Volunteers for Conservation

AUTHORIZATION FOR USE OF VOLUNTEERS

SEC. 1520. The Secretary of Agriculture is authorized to recruit, train, and accept without regard to the civil service and classification laws, rules, or regulations, the services of individuals without com-

pensation as volunteers, for, and in aid of, interpretive functions, visitor services, conservation measures and development. or other activities related to matters ad-ministered by the Secretary through the Soll Conservation Service. The Secretary is authorized to provide for incidental expenses of such volunteers for items such as transportation, uniforms, lodging, and subsistence.

STATUS AS FEDERAL EMPLOYEES

SEC. 1521. (a) Except as provided in subsection (b) of this section, such volunteers be deemed Federal employees shall not and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, and Federal employce benefits.

(b) For the purcoses of the tort claim provisions of sections 2371 through 2680 of title 28 of the United States Code, and for the purposes of chapter 81 of title 5 of the United States Code relating to compensation to Federal employees for work-related injuries, volunteers under this sub-title shall be deemed employees of the United States.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1522. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

Subtitle F-Resource Conservation and Development Program

PURPOSE

Sec. 1523. It is the purpose of this subtitle to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and carry out a program for resource conservation and development.

DEFINITIONS

SEC. 1524. As used in this subtitle— (1)(A) The term "area plan" means a resource conservation and utilization plan which is developed for a designated area of a State or States through a planning process and which includes the following primary elements:

(i) a land conservation element, the purpose of which shall be to control erosion

and sedimentation; and

(ii) a water management element, the purpose of which shall be to provide for the conservation, utilization, and quality of water, including irrigation and rural water supplies, the mitigation of floods and high water tables, construction, repair, and improvement of dams and reservoirs, improvement of agricultural water management, and improvement of water quality through control of noncoint sources of pollution.

(B) Such term also means an area plan as defined in subparagraph (A) of this para-

graph which also includes one or more of the

following secondary elements:
(i) a community development element, the purpose of which shall be the development of natural resources based industries, protection of rural industries from natural resource hazards, development of aquaculture, development of adequate rural water and waste disposal systems, improvement of recreation facilities, improvement in the quality of rural housing, provision of adequate health and education facilities, and satisfaction of essential transportation and communication needs; or

(ii) other elements, the purpose of which shall include energy conservation, protection of agricultural land, as appropriate, from conversion to other uses, or protection of

fish and wildlife habitats.

(2) The term "designated area" means a geographic area designated by the Secretary to receive assistance under this subtitle.

(3) The term "planning process" means the continuous effort by any State, local unit of government or local nonprofit organization to develop and carry out effective resource conservation and utilization plans for a designated area, including development of an area plan, goals, objectives, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in such efforts.

(4) The term "financial assistance" means the cost-sharing arrangements that are available under this subtitle through Federal

contracts, grants, or loans.
(5) The term "local unit of government" means any county, city, town, township, parish, village, or other general-purpose subdivision of a State, any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district, or any Indian tribe or tribal organization established under Federal, State, or Indian tribal law

(6) The term "nonprofit organization" means any community association, wildlife group, resource conservation organization, or other organization that is incorporated for the purpose of providing a rural area with those public facilities or services that are included in the area plan for such area, which plan has been approved by the Secretary.
(7) The term "Secretary" means the Secre-

tary of Agriculture.
(8) The term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, the Common-wealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and

American Samoa.
(9) The term "technical assistance" means any service provided by personnel of the De-partment of Agriculture or non-Federal personnel working through the Department of Agriculture, including, but not limited to, inventorying, evaluating, planning, designing, supervising, laving out and inspecting works of improvement, and the providing of maps, reports, and other documents assoclated with the services provided.

(10) The term "works of improvement"

means the facilities installed or being installed in accord with an area plan.

RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

SEC. 1525. The Secretary shall establish a resource conservation and development program under which the Secretary shall make available to States, local units of government, and local nonprofit organizations the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations to operate and maintain a planning and implementation process needed to conserve and improve the use of land, develop natural resources, and improve and enhance the social, economic, and environmental conditions in rural areas of the United States:

SELECTION OF NEW DESIGNATED AREAS

SEC. 1526. The Secretary shall select designated areas for assistance under this subtitle on the basis of the primary elements specified in section 1524(1)(A).

AUTHORITY OF THE SECRETARY

Sec. 1527. In carrying out the provisions of this subtitle, the Secretary may-

(1) provide technical assistance to any State, local unit of government, or local non-profit organization within a designated area to assist in developing and implementing an area plan for that area;

(2) cooperate with other departments and agencies of the Federal Government, State and local governments, and local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans:

(3) assist in carrying out an area plan approved by the Secretary for any designated area by providing technical and financial assistance to State and local public agencies and nonprofit organizations designated to receive such assistance by the Governor or legislature of the State concerned; and

(4) enter into agreements with State agencies, local units of government, and local nonprofit organizations, as provided in sec-

tion 1528.

AGREEMENTS; TERMS AND CONDITIONS

SEC. 1528. (a) Technical and financial assistance, including loans, may be provided by the Secretary to any State agency, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an area plan approved by the Secretary only if-

(1) such State agency, local unit of government, or local nonprofit organization agrees in writing to carry out such works of im-provement and to finance or arrange for fi-nancing of any portion of the cost of carrying out such works of improvement for which financial assistance is not provided by the Secretary under this subtitle;

(2) the works of improvement for which assistance is to be provided under this subtitle are included in an area plan and have been approved by the State agency, local unit of government, or local nonprofit orga-

nization to be assisted;

(3) the Secretary determines that assistance to finance the type of works of improve ment concerned is not reasonably available to such State agency, local unit of government, or local nonprofit organization under any other Federal program;

(4) the works of improvement provided for in the area plan are consistent with any current comprehensive plan for such area;

(5) the cost of the land or an interest in the land acquired or to be acquired under such plan by any State, local unit of govern-ment, or local nonprofit organization is borne by such State, local unit of government, or local nonprofit organization; and

(6) the State, local unit of government, or local nonprofit organization participating in an area plan agrees to maintain and operate all works of improvement installed under

such plan.

(b) Loans made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe, except that such loans shall have a repayment period of not more than thirty years from the date of completion of the work of improvement for which the loan is made and shall bear interest at the average rate of interest paid by the United States on its obligations of a comparable term, as determined by the Secretary of the Treasury.

(c) Assistance may not be made available to any State agency, local unit of government, or local nonprofit organization to carry out any area plan unless such plan has been submitted to and approved

by the Secretary.

(d) The Secretary may withdraw technical and financial assistance with respect to any area plan if the Secretary determines that such assistance is no longer needed or that sufficient progress has not been made toward developing or implementing the primary elements of such plan.

RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD

SEC. 1529. (a) The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Board.

(b) Such board shall be composed of seven members selected by the Secretary from among employees of the Department of Agriculture. One member shall be designated by the Secretary to serve as chairman. (c) It shall be the function of such board to advise the Secretary regarding the administration of the provisions of this subtitle, including the formulation of policies for carrying out the program provided for by this subtitle.

EVALUATION OF THE PROGRAM

SEC. 1530. The Secretary shall evaluate the program provided for in this subtitle to determine if such program is effectively meeting the needs and objectives identified by the States, local units of government, and local nonprofit organizations participating in such program. The Secretary shall submit to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry a report containing the results of such evaluation by September 1986, together with recommendations of the Secretary for continuing, terminating, redirecting, or modifying the program.

REGULATIONS

SEC. 1531. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle.

LIMITATION ON PROVISION OF ASSISTANCE

SEC. 1532. The program provided for in this subtitle shall be limited to providing technical and financial assistance to not more than two hundred and twenty-five active designated areas.

SUPPLEMENTAL AUTHORITY OF THE SECRETARY

SEC. 1533. The authority of the Secretary under this subtitle to assist States, local units of government, and local nonprofit organizations in the development and implementation of area plans shall be supplemental to, and not in lieu of, any authority of the Secretary under any other provision of law.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1534. There are authorized to be appropriated for each of the five fiscal years beginning October 1, 1982, and ending September 30, 1987, such sums as may be necessary to carry out the provisions of this subtitle. Funds appropriated pursuant to this subtitle shall remain available until expended.

SUBTITLE G-AGRICULTURAL LAND PROTECTION POLICY ACT

SHORT TITLE

1535. This subtitle may be cited as "Agricultural Land Protection Policy Act".

FINDINGS, PURPOSE, AND DEFINITIONS

SEC. 1536. (a) Congress finds that-

(1) the Nation's agricultural land is a unique natural resource and provides food and fiber necessary for the continued wel-fare of the people of the United States; (2) each year, a large amount of the Na-tion's agricultural land is irrevocably con-

verted from actual or potential agricultural

use to nonagricultural use;
(3) continued decrease in the Nation's agricultural land base may threaten the ability of the United States to produce food and fiber in sufficient quantities to meet domestic needs and the demands of our export markets;

(4) the extensive use of agricultural land for nonagricultural purposes undermines the economic base of many rural areas;

(5) Federal actions, in many cases, result in the conversion of agricultural land to non-agricultural uses where alternative actions

would be preferred;

(6) the Department of Agriculture is the agency primarily responsible for the im-plementation of Federal policy with respect to United States agricultural land, assuring the maintenance of the agricultural pro-duction capacity of the United States, and has the personnel and other resources needed to implement national agricultural land protection policy; and

(7) the Department of Agriculture and other Federal agencies should take steps to assure that the actions of the Federal Gov-ernment do not cause United States agricultural land to be irreversibly converted nonagricultural uses in cases in which other national interests do not override the importance of the protection of agricultural land nor otherwise outweigh the benefits of maintaining agricultural land resources

(b) The purpose of this subtitle is to establish procedures with respect to the administration of Federal law and regulations that will assure that the Federal Government by its actions does not cause the unnecessary loss of United States agricultural land.
(c) As used in this subtitle—

(1) the term "agricultural land" means any land (including cropland, pastureland, range-land, or forest land) that is used, or is capable of being used, for agricultural, forestry, or timber production purposes, as determined

by the Secretary of Agriculture;
(2) the term "State" means any of the fifty
States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or any territory or possession of the United States;

(3) the term "unit of local government" means the government of a county, municipality, town, township, village, or other unit of general government below the State level, or a combination of units of local government acting through an areawide agency under State law or an agreement for the formulation of regional development policies and plans.

AGRICULTURAL LAND PROTECTION POLICY

SEC. 1537. (a) The Department of Agriculture, in cooperation with the other departments, agencies, independent commissions, and other units of the Federal Government, shall develop procedures for identifying the effects of actions of such units of the Federal Government with respect to the conversion of agricultural land to nonagricultural uses.

- (b) In administering the laws and regula-tions of the United States, each department, agency, independent commission, or other unit of the Federal Government shall, using the procedures provided for in subsection (a) of this section, identify and take into account any negative effects, with respect to the protection of United States agricultural land, of any action that it proposes to undertake and consider alternative actions, as appropriate, that could lessen such negative effects; and shall assure that such proposed action, to the extent practicable, is consistent with any plans or policies of the State or unit of local government concerned to lessen the amount of conversion of agricultural land to nonagricultural uses.
- (c) The Department of Agriculture may make available to States, units of local govand ernment, individuals, organizations, and other units of the Federal Government information useful in restoring, maintaining, and improving the quantity and quality of agricultural land.

CONFORMATION OF EXISTING POLICIES AND PROCEDURES

SEC. 1538. (a) Each department, agency, independent commission, or other unit of the Federal Government, with the assistance of the Department of Agriculture, shall re-view current provisions of law, administrative rules and regulations, and policies and procedures applicable to it to determine whether any provision thereof will prevent such unit of the Federal Government from taking appropriate action to comply fully with the provisions of this subtitle

(b) Each department, agency, independent commission, or other unit of the Federal Government, with the assistance of the Department of Agriculture, shall, as appropriate, develop proposals for action to bring its

programs, authorities, and administrative activities into conformity with the purpose and policy of this subtitle.

SEC. 1539. Within one year after the effective date of this subtitle, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agricul-ture of the House of Representatives on the progress made in implementing the provisions of this subtitle. Such report shall include information on-

(1) the effects, if any, of Federal programs, authorities, and administrative activities with respect to the protection of United States agricultural land; and

(2) results of the reviews of existing policles and procedures required under section 1538(a) of this subtitle.

STATEMENT OF LIMITATION

SEC. 1540. (a) This subtitle does not authorize the Federal Government in any way to regulate the use of private or non-Federal land or to affect the property rights of owners of such land.

(b) None of the provisions or other requirements of this subtitle shall apply to the acquisition or use of agricultural land for national defense purposes

PROHIBITION

SEC. 1541. This subtitle shall not be deemed to provide a basis for any action, either legal or equitable, by any State, local unit of government, or any person or class of persons challenging a Federal project, program, or other activity that may affect agricultural land.

EFFECTIVE DATE

SEC. 1542. The provisions of this subtitle shall become effective six months after the date of enactment of this Act.

SUBTITLE H-MISCELLANEOUS PROVISIONS LOCAL SEARCH AND RESCUE OPERATIONS

SEC. 1543. The Secretary of Agriculture is authorized to assist, through the use of Soil Conservation Service personnel, vehicles, communication equipment, and other communication equipment, equipment or materials available to the Secretary, in local search and rescue operations when requested by responsible local public authorities. Such assistance may be provided in emergencies caused by tornadoes, fires, floods, snowstorms, earthquakes, and similar disasters.

RECLAMATION

SEC. 1544. Section 406(d) of the Surfacing Mining Control and Reclamation Act of 1977 (30 U.S.C. 1236(d)) is amended by adding at the end thereof the following new sentence: "The Secretary of Agriculture may carry out, without regard to the acreage limitations set forth in this section, experimental recla mation treatment projects on all lands within a hydrologic unit if the Secretary determines that treatment of such lands as a hydrologic unit will achieve greater reduction in the adverse effects of past surface mining practices than would be achieved if reclamation was done on individual parcels of land."

TITLE XVI-EFFECTIVE DATE

SEC. 1601. Except as otherwise provided herein, the provisions of this Act shall become effective October 1, 1981.

Mr. BAKER. Mr. President, I intend to yield the floor in a moment to the distinguished chairman of the committee and other Members. I observe that the Senator from Minnesota is in the Chamber, as well as the Senator from Kentucky and others.

I repeat what I said in morning business: I genuinely hope that this very controversial and complex matter can be disposed of this day and the full day we will devote to it tomorrow. In order to do that, it appears to me to be necessary to explore actively the possibility of a limitation of time for the consideration of amendments to this bill and the possibility of a time certain for final passage. I do not put such a request at this time. However, once again, I urge all Members to consider that possibility in the course of their deliberations today and in meetings that are almost certain to occur during the course of this day on the floor and in other places.

I yield the floor.

Mr. HELMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Boschwitz). Without objection, it is so ordered.

Mr. HELMS. Mr. President, I was about to say that I am pleased that the Senate today is beginning consideration of the Agriculture and Food Act of 1981, S. 884. That may be somewhat of an overstatement considering some of the ramifications and complications of this piece of legislation. But at the very minimum I am willing that the Senate begin its consideration.

This legislation provides a framework of support for a broad range of farm commodities. It deals with both domestic programs and international efforts such as market development and food for

Beyond that, it strengthens our systems for agricultural research and resource conservation, which are, of course, issues of utmost concern to our long-term productivity. By enhancing productivity and encouraging orderly marketing through loans and farmer-owned reserves, this bill, S. 884, is designed to provide benefits for the consumer as well as the producer.

All these issues are addressed in a costconscious manner, in a way that is worthy of support by the farmer, the consumer, and the taxpayer, which is not to say that everyone is tickled pink with this piece of legislation. I am not myself. But under the exigencies of the situation we have tried to accommodate as many interests as possible, bearing in mind the budgetary restraints that we all feel.

The new farm bill will replace the current farm and food statutes which expire this year. I believe this new legislation builds on and certainly improves current law.

It retains the basic framework of recent farm legislation, which has many desirable features. In some cases, it makes even further advancements toward a market-oriented agricultural policy.

This Senator believes strongly in an agricultural policy which is oriented to the marketplace, and this legislation measures well on that scale. For the record, let me identify some highlights of

the market-oriented provisions of this bill.

For the first time, the loan rate for soybeans will be calculated on the basis of recent soybean market prices. U.S. soybean exports make up more than 80 percent of the world's soybean trade. It is therefore, particularly appropriate to use this method to calculate government support levels for soybeans because they are so market sensitive in the world economy.

Disaster payments are being phased out, to be replaced by the Federal crop insurance program already authorized by Congress. The new Federal crop insurance program is a more businesslike, cost-effective means of providing protection from natural disasters than is the disaster payments program.

Loan rates will be set at levels which will not interfere with the market. This means that the Government will not acquire burdensome stocks of grain. Moreover, it means that producers will make their decisions on the type and amount of various crops to plant according to the marketplace, not the Government, which is the way it should be.

The normal crop acreage and crosscompliance regulations of recent years will be eliminated. Such restrictions were a particular hardship for producers in the South last year who tried to adjust cropping patterns after the devastating drought. The committee made the judgment that such Government regulations reduced farmer's flexibility and therefore, were unnecessary.

The call price on the farmer-owned reserve will be eliminated, as was suggested by the distinguished Secretary of Agriculture, Mr. Block. The call price is the level at which the Government loan must be repaid, which usually means that farmers are forced to sell the grain. When grain is called, the surge of grain onto the market places a tremendous burden on many marketing and transportation institutions, and market prices may be unduly depressed. Our proposal will avoid that dislocation and allow sales decisions to be made by farmers, not by Government mandate. The committee provided that the Secretary could require loans to be repaid before maturity only in emergencies, after notification properly made to Congress. The Secretary would retain authority to adjust interest rates in order to encourage orderly marketing

Finally, a revolving fund for agricultural export credits will be authorized, which this Senator hopes will be funded as soon as possible. Operation of such a fund should encourage world demand for U.S. agricultural products by providing financing for purchases in a reliable, consistent, and self supporting fashion. This provision was one endorsed repeatedly by witnesses at our hearings on the farm bill conducted earlier this year.

(Mr. LUGAR assumed the chair.)

Mr. HELMS. The point is that these provisions are examples of a move toward market orientation in the Agriculture and Food Act of 1981. Many other portions of current law which are already proven effective were retained in that regard.

Needless to say, Mr. President, all of

this was developed under the most demanding time and budgetary restraints. Indeed, I believe I am correct that this is the first farm bill in history that has been drafted with budget restraint at all.

Certainly, the budget resolution agreed to by Congress imposed discliplines on any Federal expenditures.

Mr. President, our hearings on this legislation began, as I recall, on March 2, early in March, I believe it to have been March 2, and I recall telling my colleagues on the committee that this task would demand our very best efforts. The committee members responded admirably, and I am grateful to them for their cooperation and for their work.

The committee conducted 24 days of hearings on our farm and food programs combined. Several weeks of comprehensive hearings were held in Washington, in addition to field hearings in many States. We heard from farmers, consumer organizations, farm organizations, agribusiness representatives, Senators, agricultural researchers, Governors, private industry, the Secretary of Agriculture, and many others.

Following these comprehensive hearings, the committee conducted almost 3 weeks of markup sessions to perfect the legislation, if it can be called that.

At one point, the committee tentatively approved provisions which were found in the aggregate to be significantly above our budgetary limits. With considerable efforts, the committee refashioned the farm bill so that it met the test of the first concurrent budget resolution.

As the Senate begins consideration of this measure I think it is important to bear in mind the severe challenges facing family farmers in today's economy. America's faimers have been hit hard by drought, inflated production costs, and high interest rates. They are now recovering from a year in which net farm income fell nearly 40 percent from the year before. In fact, detailed farm income estimates for last year were recently completed by the U.S. Department of Agriculture, and these estimates show the net farm income for 1980 was \$19.9 billion, 39 percent below 1979's \$32.7 billion, in constant dollars.

Now, if you look at it in terms of constant 1972 dollars this was a decline in 1 year of about 45 percent. So while I know that many Senators are anxious to have at this bill, and I am aware of the number of amendments which are now reposing at the desk, I would caution those Senators, and I would caution the public to take note of an obvious fact of life: Who else in our economy besides the American farmers were asked to take a 45-percent cut in pay last year?

Double-digit inflation, higher interest rates, and increasing energy costs pushed total farm production expenses up 10 percent in 1980 to \$130.7 billion.

In 1980, short-term interest increased 29 percent; fuel costs were up to 29 percent; fertilizer 27 percent; and real estate interest up 19 percent.

Meanwhile, there was no way the American farmer could pass along his increase in the cost of production. The price of farm products has not kept pace due to the grain embargo and other factors. Farm debt has attained record levels. Production expenses are expected to climb at a rate of 9 to 11 percent this

Mr. President, I do not hesitate to defend the American farmer in terms of his dedication to getting this country straight again. Obviously, the American farmer has a prime interest in controlling inflation, and this means restraint in spending by this Government for all programs across the board. In such a setting it is essential that Congress enact legislation with minimum cost to the taxpayer. Overspending for farm programs as for other programs will simply further and contribute to the inflation which is now plaguing America's farm-

This committee has constantly worked to develop legislation which is in fact cost effective, which will in fact provide for a reasonable farm program without unreasonable Government costs.

A number of controversial concepts and topics were considered by the committee and, of course, it is important for Senators to understand the reasoning which the committee used in each case. These included dairy, target prices, and

Let us look at title I, which is the dairy program. Notwithstanding all of the arguments and the enormous arithmetic of the cost of the dairy program and other programs, I do, nonetheless, remind Senators that there is no type of agricultural production in America quite so demanding as that of the dairy farmer. Nature demands that cows must be milked morning and night, every day, 365 days of the year, with no holiday. Even a change in the time of day the cows are milked throws off their natural routine and that has its effect on production and profitability.

I do not think anybody wants to contend that the dairy farmer is not a hard worker. Such essential, continous labor is important if the consumers of America are to have a continuous flow of highly nutritional milk, butter, and cheese. So the question that the committee confronted, and I know Senator Huddleston will agree—neither his State nor mine is a major dairy State. The question is, how are we going to approach the profitability of the dairy farmer given the circumstances of the last 20 or 30 years and the farm programs during that period? How are we going to assure the American consumers that they will have

an adequate supply of milk?

For 40 years, Congress has been setting a level of support through a complex marketing system. I recall nearly 9 years ago I took my seat for the first time as a member of the Agriculture Committee. I had no idea how much I did not know about farm programs. About the only consolation that I received that year was the realization that maybe some other Senators did not understand them. either. As a matter of fact, I remember the distinguished chairman of the committee, Mr. Talmadge, turning to one

side one morning and saying, "What the heck is parity, anyhow?"

I do not claim to be an expert as to the details of all of these programs. All I know is that we must guard against overt action that will continue the process of sending the American farmer down the tube. I would like to take a position of offering amendments here and amendments there that will sound good back home. But the truth of the matter is that we had better approach this highly delicate balance, to the extent it is balanced, in terms of the American farmers, and we had better do it carefully. We have to take this step this year and proceed from

I could promise any Senator that he or she is going to have full cooperation from me if, and when, we can find a better way and a quicker way to move toward market orientation of our agricultural

sector.

The committee made the judgmentand Mr. President, there was much debate, and there is still debate going on right now-that the level of compensation in the expiring farm bill was too high, considering the cost to the Treasury and the farmers' ability ot produce even more than current consumer demands.

This has led to the Government spending enormous amounts and acquiring tremendous stocks of surplus dairy products which are bought and stored at the tax-

payer's expense.

But regardless of what anyone may contend, the Committee on Agriculture, Nutrition and Forestry set about the business of doing its best to preserve the dairy farmer-and you can read that "preserving a lot of dairy farmers who may go down the tube otherwise"bringing it into balance.

The odd thing is that I see criticism both ways. I see where the committee has done practically nothing, which is not so. Then I see another newspaper describing the action with respect to the dairy program as "the sharpest cut in dairy price supports in more than 30 years."

guess that means that the committee did about as good a job as any committee of mortals could do in a complex, com-

plicated situation.

I sav again that I do not like everything in this farm bill. If I had my way, I would change this or I would change that. But the fact is that we have fine tuned a reasonable compromise that has been designed to reduce Federal spending, which we are doing, and which will prevent the agriculture sector slipping over into chaos.

Speaking of the dairy sector, while the committee bill retains the basic price supports for milk at 75 percent to 90 percent of parity, the bill also provides that the price support level may be set at not less than 70 percent of parity if the Secretary estimates that the net cost of Government price support purchases of milk or milk products will exceed \$500 million or net Government price support purchases will exceed 3.52 billion pounds of milk equivalent during any fiscal year.

Say what you will, but if you ask the dairy farmer, who has been living with this program all these years and count-

ing on it, he will tell you that it is stiff medicine, and I am not sure that I would win any popularity award with the dairy interests.

However, the point I am making-and want to emphasize it as genuinely as I can—is that the committee has made a forthright, honest effort to meet the various demands upon it, bearing in mind that our No. 1 goal is to keep the farmer in business and, No. 2, to move the agriculture sector toward market orientation.

We have done that, Mr. President. We have done it because I believe the actions we have taken have been the kind of actions that, in the long run, will be in the best interests of the farmer, the con-

sumer, and the taxpayer.

Target prices-another hotly contested topic in the committee. I wish all Senators could have heard the debate. sometimes arguments. You could listen to one Senator and you could listen to another, and you could come up with the opinion that the target price system is great or it is lousy, that it has advantages or it has disadvantages. But the point is that after lengthy deliberation. the committee, in the vast majority, determined that the target price system was preferable to other alternatives. Target prices were included in the programs for feed grains, wheat, cotton, and

The system works in this way. A target-price level is determined for various commodities and if actual market prices for the commodity fall below the target prices, the Government will make deficiency payments to participating farmers to cover the difference. Apart from targets, the producer may take out a loan on his commodity which is at a rate or value lower than the target price.

On this point, let me be absolutely clear. I do not favor direct Government payments. Secretary Block does not favor direct Government payments. Most farmers themselves do not like direct Government payments.

And under the moderate target price levels adopted in our bill, direct Government payments will not be made unless market prices fall significantly below what USDA calculates is the cost of producing those commodities.

There is a fair chance-certainly, it is my hope—that market prices will be high enough over the next 4 years that not 1 penny of direct Government deficiency payments will be made. But I cannot tell the Senate that that will be the case or that it will not be the case. I do not have a crystal ball; and, as I look around this Chamber, I do not see any crystal ball. We simply have to do the best we can, cutting the cloth to fit the pattern, bearing in mind that we do not want to push the farmers of this country over the precipice.

We talk about high interest rates. Farmers did not do it. We talk about inflation. The farmers did not do it. It was done to them.

I find it of some interest that some of the objections I have read in the press, some of the objections to this farm bill, have come from people who have encouraged the wholesale handout of Government funds to nonproducers.

For 3 or 4 years, I have been standing in this Chamber, day after day, saying, "Let's look at this food stamp program, for example. Let's look at the fraud, the waste." I was hooted down by some of the editorial activists who said, "Oh, there is not much fraud in the food stamp program. That Senator from North Carolina is nuts." Now they are coming around.

I do not know how many Senators saw the television program "20/20" on ABC the other night. The food stamp program wastes almost more money than the farmers get. Food stamps have developed into a second currency. Organized crime is dealing in them. But the folks who have been saying, "Don't touch that food stamp program," or "Don't touch any welfare program" are some of those who are saying that this farm bill is just too expensive.

So I plead guilty to my support of a piece of legislation which I believe is the best we are going to get to prevent chaos in the agricultural sector. We are cutting spending. We are moving the agricultural sector toward market orientation.

Undoubtedly, in the months and years to come we can and we will do better, but we better not jerk the rug, the remainder of the way, out from under the farmer at this time.

While the committee bill retains the basic price support level for milk at 75 to 90 percent of parity, the bill also provides that the price support level may be set at not less than 70 percent of parity if the Secretary estimates that the net cost of Government price support purchases of milk or milk products will exceed \$500,000,000, or net Government price support purchases will exceed 3.52 billion pounds—milk equivalent—during any fiscal year.

This is stiff medicine, but it will send a more correct price signal to dairy producers and will be in the longrun, best interest of the farmer, the consumer, and the taxpayer.

Another hotly contested topic in the committee was that of target prices. Without question, the target price system has its advantages and disadvantages. However, after lengthy deliberation, the committee determined that the target price system was clearly preferred to other alternatives.

Target prices were included in the programs for feed grains, wheat, cotton, and rice.

The system works in this way. A "target price" level is determined for various commodities and if actual market prices for the commodity fall below the target prices, the Government will make deficiency payments to participating farmers to cover the difference. Apart from targets, the producer may take out a loan on his commodity which is at a rate or value lower than the target price.

On this point, let me be absolutely clear. I do not favor direct Government payments. Secretary Block does not favor direct Government payments. Most farmers themselves do not like direct Government payments.

And under the moderate target price levels adopted in our bill, direct Government payments will not be made unless market prices fall significantly below what USDA calculates is the cost of producing those commodities.

In fact, it is my hope that market prices will be high enough over the next 4 years that not 1 penny of direct Government deficiency payments would be made. However, the committee felt that target prices are necessary to provide farmers with a measure of income protection.

Our legislation will provide not only target prices at moderate levels, but also tools for the Secretary of Agriculture to use in order to keep Government payments from being made. These include acreage reductions authority, the farmer-owned reserve, and additional mechanisms to expand agricultural exports.

I have great confidence that Secretary Block and the Reagan administration will operate these programs in such a way to minimize costs to the Treasury. We can all work together, then, to use these tools when necessary so that prices remain adequate and so that direct Government payments will not be made.

The net result is that everyone is motivated to expand exports and strengthen prices, and farmers receive their income from the marketplace, not the Government.

The committee did not arrive at this endorsement of target prices without a great deal of consideration and scrutiny.

In the course of our farm bill hearings, many witnesses were asked about target prices or alternatives. There was active support for target prices, but there was also the statement that we could eliminate target prices in the loan rate was significantly increased. This alternative was considered at length in committee markup and not approved.

If target prices are eliminated, we must ask how much loan rates would have to be increased in order to provide an equivalent amount of protection to the farmer as target prices provide currently.

The answer is that loan rates would have to be considerably higher, and this has implications which must be considered.

If loan rates are too high, there is the possibility that they will interfere in the market. In other words, if the loan is set above actual cash prices, farmers will choose to not repay the loan but rather to forfeit the collateral to the Government. Should this occur, the Government will acquire burdensome stocks of grain.

This occurred in the 1950's and 1960's when the Government was in the grain business in such a big way. Huge surpluses of Government grain were stored in Government bins across the country.

Not only was this costly to the taxpayer, but those huge stocks of grain became a strong depressant, hanging over the market and keeping farm prices low. It took us a long time to work the Government out of the grain business in this way, and there are serious consequences if we go back. Furthermore, overly high loan rates could make the United States less competitive in the world market. It could allow our competitors in grain marketing around the globe to make excess profits and expand their market share at our expense. Such action could in fact reduce our agricultural exports which we are so committed to expand.

A policy of no target prices and overly high loan rates, then, could be the least market-oriented alternative of all.

Make no mistake—commodity loan rates are a cornerstore of farm programs. Our legislation provides for an increase in loan rates from current levels. Further, the public should note that, as long as loans are at market-clearing levels, these loans are completely recoverable—in fact, they are repaid with interest. Our committee believes that the Government accounting systems should reflect this fact.

But if loan rates are too high relative to the actual market, there are serious consequences for both the consumer and the taxpayer.

With this in mind, the committee adopted loan rates at levels low enough to allow the market to work. But the committee believes that farmers deserve more protection than that. The best way to provide that, as I have already described, is through target prices.

Another area of considerable controversy was the sugar program, title LX. The loan program provided in the bill should provide beneficial stability for both growers and users of sugar.

Sugar is a commodity which has felt the "boom and bust" of market conditions. This extreme volatility and price fluctuation in the so-called "free" world sugar market demonstrates the need for a sugar program.

Some may ask why the committee adopted a sugar program at a time when we are seeking less, not more, Government. It is a valid question, because the marketplace rather than the Government is clearly a more efficient allocator of resources.

The fact of the matter is, however, that there is not a free market in sugar. Most of the world's sugar is traded in tightly controlled Government and private contracts.

Less than a fourth of all sugar produced in the world is freely traded. Yet from this small amount that is traded, the United States must import as much as 30 percent of those free stocks. This leaves the United States particularly vulnerable to price fluctuations.

And yet, in spite of the disruptive effects that dependence on this highly restricted market breeds for producers, processors, and consumers alike, the United States is the only sugar-producing country in the world to be without an effective Government price support program that attempts to provide protection from the extremes of market gyrations.

The committee believes that a mandatory price support program is needed to provide the incentive and assurance for U.S. growers to make the investments to

sustain or increase domestic sugar production.

The committee also is sensitive to the need to control Federal spending. With that in mind, we carefully crafted a system to allow for loan and purchase activity, while keeping Federal costs to essentially nothing.

The committee bill provides that loan activity must occur within a fiscal year. The committee further encourages the Secretary to use the tools at his disposal to guard against Government cost from

acquisition of sugar.

According to the Congressional Budget Office, this program will result in zero outlays-not only next year, but every year for the life of the farm bill. Shortterm cost to the consumer must be balanced with the benefits of stability to both the producer and the consumer.

Recent sugar market developments show how critical a safety net for growers may be. The recent price trend for

sugar has been sharply lower.

USDA has reported the estimated domestic raw sugar spot price for each of the last 12 months. The data shows that the price fell dramatically from over 41 cents per pound in October 1980 to 17 cents in August 1981.

With production costs rapidly inflating, this dramatic drop in prices will further damage sugar producers and the

rural economy.

A sugar program, however, will provide a safety net which encourages needed stability in an unstable economy.

After adopting loan programs for wheat, corn, grain sorghum, barley, oats, rye, cotton, rice, peanuts, and soybeans, the committee decided that it was equitable for the sugar industry to have a loan program as well.

We believe that a million dollars of real assistance to the farmer is better than \$10 million of unfulfilled promises. At the same time, the benefits to society which result from these reasonable in-

vestments is more than worth the cost.
Mr. President, the committee members have shown tremendous discipline in the preparation of this farm bill, and have fashioned it under the most severe budgetary constraints ever confronted in the writing of any farm bill in this

Nation's history.

In July a number of Senators who are members of the committee, as well as many who are not, joined Senator HUDDLESTON and me in circulating a "Dear Colleague" letter discussing that discipline and the need for the entire Senate to appreciate the delicate bal-ance achieved in the writing of the bill.

So that Senators may be reminded of the broad bipartisan recognition given to the Agriculture Committee and the broad support for our bill by our colleagues, I ask unanimous consent that the text of the July 16, 1981 letter be printed herewith, to include a listing of the Senators who signed the letter.

Also, so that Senators may have a better understanding of S. 884 as reported, I ask unanimous consent that a brief explanation of the bill be printed immediately following the letter.

Now, let me say in conclusion that the committee has been obligated by changes in certain economic and crop production forecasts to carefully review the bill. We have developed a committee compromise package of amendments which I shall discuss in more detail shortly.

There being no objection, the material was ordered to be printed in the RECORD,

as follows:

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, Washington, D.C., July 16, 1981.

DEAR COLLEAGUE: Every Senator has an

agricultural constituency, and there is usually a high degree of interest every four years when the Committee on Agriculture, Nutrition, and Forestry reports an omnibus farm

S. 884, the 1981 farm bill, is no exception. We can assure you that crafting this bill in Committee was not easy. After some 25 lengthy mark-up sessions—more than twice as many as required in 1977—the Commit-tee approved a bill that retains the basic

framework of improvements.

Of course, the task of the Committee was made more difficult because 1981 is the first year in which severe budgetary constraints are such a prominent factor in the consideration of all legislation. The farm bill, as reported, makes important savings in the cost of the Nation's farm programs and meets the test of the budget resolution.

Given the budgetresortation.

Given the budgetary circumstances, we believe that the reported bill embodies the best provisions obtainable, and is, therefore, a prudent measure worthy of your support. It is our hope that the Senate will recognize the careful scrutiny the Committee gave to

all aspects of farm legislation.

No doubt, there are features of S. 884 that some Senators would prefer to have been handled differently. But we hope that all Senators will resist the temptation to offer amendments that would undermine the legislation. The adoption of such amend-ments would endanger the whole concept of omnibus farm legislation and the structure of the Nation's farm commodity programs. It is our earnest hope that no such amendments will be offered.

It is our intention to resist all amendments that would change the basic structure of the bill fashioned in Committee. We urge all Senators to join us in opposing such

amendments.

We appreciate your interest and coopera-tion. Members of the Committee on Agriculture, Nutrition, and Forestry and staff stand ready to offer any assistance to you or your staff in understanding any of the features of S. 884 about which you may have questions.

Sincerely, Walter D. Huddleston, Thad Cochran, David Boren, David Pryor, J. Bennett Johnston, Russell Long, Wendell Ford, Paula Hawkins, Jesse Helms, Mark Andrews. Howell Heflin, Edward Zorinsky, John Warner, Lloyd Bentsen, John P. East, Spark Matsunaga, Strom Thurmond, Jeremiah Denton, Daniel Inouye, Sam Nunn.

AGRICULTURE AND FOOD ACT OF 1981—BRIEF EXPLANATION OF LEGISLATION

TITLE I-DAIRY

Title I of the bill would-

(1) Establish permanent authority for the inclusion of seasonal base-excess plans and seasonal takeout-payback (Louisville) plans in milk marketing orders (but would not extend the authority for Class I base plans);

Leave current law unchanged which requires that the price of milk be supported at a level between 75 and 90 percent of the parity price for milk, but beginning October 1, 1981, and ending on September 1, 1985, authorize the Secretary of Agriculture to support the price of milk at not less than

70 percent of parity if the Secretary esti-mates for any fiscal year that net Government price support purchases of milk and dairy products will cost more than \$500 million or exceed 3.52 billion pounds (milk equivalent). Adjustment of the support price of milk upward to 70 percent of parity on April 1 of each year would be required if the support price has fallen below 70 percent

(3) Require the Secretary, to the maximum extent practicable, to use available authorities to reduce inventories of dairy products held by the Commodity Credit Corporation (CCC) so as to reduce net CCC expenditures under the milk price support program in any fiscal year to the budget outlays for the program established under the Congressional Budget Act of 1974 for that

(4) Extend, through December 31, 1985 the provisions requiring the CCC to donate dairy products acquired under the price support programs to veterans hospitals and the military; and

Extend, through September 30, 1985, the authority for the Secretary to make indemnity payments to dairy producers who sustain losses of milk contaminated by pesticides (indemnities also available to milk manufacturers), other chemicals and toxic substances, or nuclear radiation or fall out.

TITLE II-WOOL AND MOHAIR

Title II of the bill would-

(1) Extent, through December 31, 1985, the requirement for a price support program for wool and mohair, but changes the level of support for shorn wool from 85 percent to 75 percent of the price support formula set out in the National Wool Act of 1954 (the support levels for pulled wool and mohair based on the support price for shorn wool); and

(2) Delete provisions of the National Wool Act limiting total cumulative payments under the wool price support program to an amount equal to 70 percent of the accumulated total wool customs receipts since Janu-

ary 1, 1953.

TITLE III-WHEAT

Title III of the bill would-(1) Provide for a loan and target price program for the 1982 through 1985 crops of wheat. Loans and purchases would be made available to wheat producers at not less than \$3.50 per bushel. Minimum target prices (per bushel) would be: \$4.20 for the 1982 crop; \$4.40 for the 1983 crop; \$4.60 for the 1984 crop; and \$4.80 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing wheat. Target price payments would be com-

puted as under existing law;
(2) Make prevented planting and reduced yield disaster payments available, for each of the 1982 through 1985 crops of wheat, for producers for whom Federal crop insurance is not available. Disaster payments would be computed as under existing law. The Secretary would also be given discretionary authority to make such disaster payments available to any wheat producer if disaster losses have created an economic emergency that cannot be alleviated by crop insurance and other assistance programs; and

(3) Authorize acreage limitation and paid diversion programs for the 1982 through 1985 crops of wheat, if needed to protect against overproduction. Producers who produce wheat in excess of that permitted under an acreage reduction program would not be eligible for program loans, purchases, and payments; and participation in the paid diversion could be required as a condition of eligibility for such loans, purchases, and pay-

TITLE IV-FEED GRAINS

Title IV of the bill would-

(1) Provide for a loan and target price pro-

gram for the 1982 through 1985 crops of feed grains. Loans and purchases would be made available to producers of corn at not less than \$2.60 per bushel. Loans and purchases for barley, oats, rye, and grain sorghum would be made at levels that are fair and reasonable in relation to the level of loans and purchases for corn. Target price pay-ments would be made available for corn, grain sorghums, oats, and (if designated by the Secretary) barley. Minimum targets prices for corn (per bushel) would be: \$2.80 for the 1982 crop; \$2.95 for the 1983 crop; \$3.10 for the 1984 crop; and \$3.25 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing corn. The target prices for the other feed grains would be set at levels that are fair and equitable in relation to the target price for corn. Target price payments would be computed as under existing law;

(2) Make prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of feed grains

in the same manner as for wheat; and
(3) Authorize acreage limitation and paid
diversion programs for the 1982 through 1985
crops of feed grains in the same manner as wheat.

TITLE V-UPLAND COTTON

Title V of the bill would-

(1) Provide for a loan and target price program for the 1982 through 1985 crops of upland cotton. Loans would be made available at the lower of (1) 85 percent of the acreage U.S. spot market price for upland cotton during the preceding 5 years or (2) 90 percent of the average Northern Europe price for upland cotton, as determined under for-mula set out in the bill; however, in no case could the loan level be less than 55 cents per pound. The loan level must be announced by November 1 of each year and could not thereafter be changed. Loans may be extended beyond the normal 10-month term, at the producer's request, for an additional 8 months unless the average price of upland cotton for the preceding month exceeded 130 percent of the average price for the preceding 3 years, in which event a special import quota would be proclaimed:

(2) Target price payments would be avail-(2) Target price payments would be available. Minimum target prices (per pound) would be: \$0.71 for the 1982 crop; \$0.76 for the 1983 crop; \$0.85 for the 1984 crop; and \$0.93 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing cotton. Target price payments would be computed as under

existing law.

(3) Make prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of upland cotton in the same manner as for wheat;

(4) Authorize acreage limitation and paid diversion programs for the 1982 through 1985 crops of upland cotton in the same manner as for wheat;

(5) Require the Secretary to make available to producers of the 1982 through 1985 crops of upland cotton loans on seed cotton, using the authorities under the CCC Charter

Act; and

(6) Require the Secretary to establish premiums and discounts under the loan program giving equal weight to loan differences for the preceding crop and market differ-ences in the designated spot markets.

TITLE VI-RICE

Title VI of the bill would-

(1) Repeal the provisions authorizing acreage allotment and marketing quota programs for rice;

(2) Provide for a loan and target price program for the 1982 through 1985 crops of rice. The minimum target prices (per hundred-weight) would be: \$11.23 for the 1982 crop; \$12.14 for the 1983 crop; \$12.70 for the

1984 crop; and \$13.50 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing rice. Target price payments would be computed as under existing law. Loans and purchases would be made available for each crop of rice at a level that bears the same ratio to the previous year's loan level as the target price bears to the previous year's price, except that, if the Secretary determines that any such loan level will substantially discourage the exportation of rice and result in excess stocks of rice, the Secretary may set the loan rate at a lower level (but not less than \$8 per hundredweight) to avoid excessive stocks;

(3) Make prevented planting and reduced vield disaster payments available for each of the 1982 through 1985 crops of rice in the same manner as for wheat; and

(4) Authorize acreage limitation and paid diversion programs for the 1982 through 1985 crops of rice in the same manner as for wheat.

TITLE VII-PEANUTS

Title VII of the bill would-

(1) Establish, for each of the 1982 through 1985 crops of peanuts, a minimum national acreage allotment of 1,614,000 acres, and a minimum national poundage quota of 1,300,000 tons (which include a minimum State acreage allotment of 9,787 acres for New Mexico. Acreage allotments may be sold. leased, or transferred only within a county, except that, in States in which the total acreage allotment is 11,000 acres or less, transfers may be made anywhere within the State. Farm poundage quotas would be determined as under current law, except that more than one year's undermarketings (excluding those prior to the 1980 crop) may be carried forward so long as the producer plants at least 50 percent of the allotment;

(2) Retain the peanut program's two-tier system of "quota" peanuts (production with-in a farm's poundage quota) and "additionpeanuts (production within the allotment in excess of the poundage quota);

- (3) Provide that the penalty for marketing peanuts in excess of a farms' poundage quota would be 120 percent of the support price quota peanuts (although additional peanuts may be placed under loan and not redeemed, or marketed under contracts with handlers for crushing or export, without being subject to penalties). State and county would be given authority to waive penalties for unintentional violations. Also, area marketing associations would have authority to sell, at prices equal to or greater than the minimum CCC sales, prices, additional peanuts under loan;
- (4) Establish, for each of the 1982 through crops, a minimum price support level for quota peanuts of \$631 per ton. The price support level for additional peanuts would be set by the Secretary, taking into consideration demand and prices for edible oil and meal and demand for peanuts abroad. However, the additional peanut loan must be set at a level estimated to result in no program losses to the CCC; and
- (5) Require the Secretary to make ware-house storage loans available to designated area marketing associations (except cooperatives engaged in activities with respect to peanuts other than handling CCC price support operations), and to use the associations in administrative and supervisory activities relating to price support and marketing.

TITLE VIII-SOYBEANS Title VIII of the bill would-

(1) Establish a price support loan and purchase program for soybeans marketed in each of the 1982 through 1985 marketing years. Loans and purchases would be made available on soybeans at a level equal to 75 percent of the average Chicago cash price for No. 1 yellow soybeans for the 5 marketing years immediately preceding the then currone marketing year texcluding the high and and low valued years), except that in no event could the support price be less than \$5.02 per bushel; and

(2) Provide that the Secretary may not require participation in any production adjustment program as a condition of eligibility for soyoean price support under the bill; that 1982 through 1985 crop soybeans would not be eligible for any storage reserve program; and that the Secretary may not make payments to producers to cover the cost of storing 1982 through 1985 crop soybeans

TITLE IX-SUGAR

Title IX of the bill would-

(1) Establish a price support program for the 1982 through 1985 crops of sugar beets and sugar cane:

(2) During the period beginning with the effective date of the bill and ending March 31, 1982, require the Secretary to support the price of domestically grown sugar beets and sugar cane (through purchase of processed sugar or other operations), at a level to approximate a raw sugar price of 19.6 cents per pound;

(3) Beginning October 1, 1982, require the Secretary to support the price of domes-tically grown sugar crops for each of the 1982 through 1985 crops through nonrecourse loans to producers, as follows:

(1) for sugar cane, at not less than 19.6 cents per pound of raw cane sugar; and

(ii) for sugar beets, at a level that is fair and reasonable in relation to the support level for raw cane sugar.

Loans could not be made available before the beginning of the fiscal year and would have to mature before the end of that fiscal

TITLE X-GRAIN RESERVES

Title X of the bill would make a number of revisions in the farmer-held reserve program for wheat and feed grains, including the following:

(1) The establishment of a wheat reserve program would be made discretionary with the Secretary (under existing law, the Secretary is required to establish a wheat reserve);

(2) Reserve price support loans could be set at levels higher than the regular support level. The specific levels would be left to the

discretion of the Secretary;
(3) The requirement that the Secretary interest charges on loans made the 1980 and 1981 crops of wheat and feed grains will be deleted:

(4) Storage payments could be made at levels designed to induce participation in the program, rather than (as under existing law) at levels sufficient to cover storage

(5) Interest rates on reserve loans could be increased as appropriate to encourage the orderly marketing of grain when the lease" level is reached;

(6) The provision in current law establishing "call" levels would be deleted; although the Secretary could require repayment of reserve loans prior to maturity if emergency conditions exist;

(7) The requirements of current law that wheat reserve be no smaller than 300 million bushels, nor larger than 700 million bushels, would be deleted; the Secretary would be authorized to place upper limits on the size of the reserves, but any such upper limit could not be less than 700 million bushels for wheat and 1 billion bushels

for feed grains; and
(8) The minimum price at which CCC could sell its stocks of wheat and feed grains when a reserve is in effect would be changed from 105 percent of the current call level to 105 percent of the estimated current cost of production (including return for manage-ment and land values).

Title X of the bill would also repeal the provisions in existing law authorizing the establishment of a disaster reserve of wheat, feed grains, and soybeans, and make the CCC farm storage facility loan program per-missive rather than mandatory.

TITLE XI-MISCELLANEOUS

Subtitle A-Provisions applicable to more than one commodity

Subtitle A of title XI extends to the 1982 through the 1985 crops the limitations in current law on the total payments that a farmer may receive annually under the wheat, feed grains, upland cotton, and rice programs. The annual limitations are: \$50,000 for payments under the program except disaster payments; and \$100,000 for disaster pay-ments. Loan and purchase proceeds and compensations for resource adjustment (excluding land diversion payments) are not considered payments for the purpose of these limitations.

Subtitle B-Other miscellaneous provisions Subtitle B of title XI of the bill would-

(1) Extend the special wheat grazing and hay program to the 1982 through 1985 crops;

(2) Extend to poultry producers eligibil-y for assistance under the emergency livestock feed program established under the Food and Agriculture Act of 1977.

(3) Direct the Secretary to appoint a special task force to study the concept of farm income protection insurance and the feasibility of such insurance as an alternative to current price support, income maintenance, partment of Agriculture, and report to the agriculture committees of Congress (within 18 months) on the results of their students

(4) Authorize the Administrator of the Federal Grain Inspection Service to delegate his authority to perform official grain inspection and weighing at export port locations to

any State agency that-

(i) performed official inspection at an export port location prior to July 1, 1976; and

is designated to perform official inspection at locations other than export port locations on the date of enactment of the bill:

(5) Substantially revise title XVIII of the Food and Agriculture Act of 1977 relating to advisory committees established within the Department of Agriculture to eliminate re-quirements under title XVIII that are duplicative of the provisions of the Federal Ad-

visory Committee Act;
(6) Increase—from \$300 million to \$600 million—the limit on the total amount of Class A stock of the Rural Telephone Bank that may be issued to the Government; and extend to September 30, 1991, the authority for the Government to purchase such stock; and extend to September 30, 1995, the date after which Government stock in the Bank must be retired as soon as practicable: and

(7) Encourage the Secretary to continue to consult with representatives of other major grain exporting nations on establishing more orderly marketing of grain and achieving higher farm income for grain producers.

TITLE XII-AGRICULTURAL EXPORTS

Title XII of the bill would-

- (1) Establish an agricultural export credit revolving fund in the Treasury for use by the CCC to finance short-term commercial export sales of agricultural commodities. sales of breeding animals, and the establishment of handling facilities for agricultural commodities in importing countries for market development purposes. The term of the revolving fund would expire October 1,
- (2) Require the President to notify (at least 30 days in advance), and consult with, the agriculture committees of Congress on proposed bilateral agreements, other than treaties, involving commitments on the part

of the United States to assure access by another country to U.S. agricultural commodi-

ties and products on a commercial basis;
(3) Direct the Secretary to formulate a special standby export subsidy program for agricultural commodities designed to neutralize export subsidy programs of other countries. The program would be implemented only if the President determines that the export subsidy program of another country is adversely affecting the export marketing of the U.S. agricultural commodities; a mutually acceptable resolution of the matter cannot be obtained through consultations; and the special export subsidy program is authorized under dispute settleprocedures in international agreements, if any. However, the special export subsidy program could not be used to promote export sales of U.S. cotton; and

(4) Require the Secretary to make payments or loans available to farmers in compensation for any national security or foreign policy embargo of the export of agricultural commodities to another country that is implemented after the bill is en-

acted, if-

(i) the embargo is not a complete embargo of all exports to the other country; and

(ii) the other country imported more than percent of the total exports of the agricultural commodity involved during the pre-

ceding year.

The Secretary would have to make available to producers of agricultural commodi-ties, for which price support is authorized, payments for the difference between 100 percent of parity for the commodity involved and the market price for the commodity during the 60-day period following the imposition of the embargo. Payments would be made available as long as the embargo is in effect, for production affected by the embargo. As an alternative to payments, the Secretary could make available to producers, for the period that the embargo is imposed, loans on the commodities involved in the embargo (if a loan program is in effect for the commodity) at 100 percent of parity. The Secretary would also have the authority to implement a program that combines payments and loans.

TITLE XIII-PUBLIC LAW 480

Title XIII of the bill would-

(1) Extend-through December 31, 1985the authority for the President to (1) make agreements to finance sales of agricultural commodities under title I of Public Law 480, and (2) provide agricultural commodities for programs of assistance in other countries under title II of Public Law 480;

(2) Delete the limit of \$1.9 billion on annual appropriations to support the title I programs, and increase—from \$750 million to \$1 billion—the limit on annual appropriations to support the title II food assistance

program;

(3) Increase from \$5 million to \$10 million-the annual limit on the use of foreign currencies generated under title I to meet

- emergency nonfood relief requirements;
 (4) Add provisions to title I of Public Law 480 to strengthen the self-help measures that countries receiving title I financing must agree to undertake to increase agricultural production (including efforts to reduce illiteracy among, and improve the health of, the rural poor) so as to benefit needy people in such countries:
- (5) Provide authority for the domestic distilled spirits industry to participate in foreign market development under Public Law 480 on the same basis as the beer and wine industry.

TITLE XIV-RESEARCH, EXTENSION, AND TEACH-ING IN THE FOOD AND AGRICULTURE SCIENCES

Title XIV makes a number of amendments to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and

related statutes. These amendments would—
(1) Revise the findings contained in the 1977 Act to emphasize the importance of the Federal-State partnership in the conduct of agricultural research, extension, and teaching; a strong, basic research program; and long-range planning to meet national agricultural research, extension, and teaching objectives:

(2) Extend the term of the Joint Council on Food and Agricultural Sciences to December 31, 1986, and set the membership of the Joint Council at not fewer than 25 members. At least one-half of the membership would be representatives of land-grant colleges and universities, and two of the members would be representatives of other colleges and universities. The primary responsibility of the Joint Council would be to bring about more effective agricultural research, extension, and teaching by improving the planning and coordination of such activities and by relating Federal budget development and program management to such activities:

(3) Extend the term of the National Agricultural Research and Extension Users Advisory Board to December 31, 1986, and increase the number of members from 21 to 25, including 8 members who are producers;

(4) Authorize an additional Assistant Secretary of Agriculture to manage research, extension, and teaching activities in the De-

partment of Agriculture;

(5) Make forestry schools receiving funds McIntire-Stennis Act and acthe credited colleges of veterinary medicine eligible for special grants under Public Law 89–106, and amend the research facility grant program under Public Law 89–106 to limit eligibility for grants to projects (1) to renovate or refurbish research facilities or acquire equipment, or (ii) for new construction of auxiliary facilities or fixed equipment used in research; and make forestry schools and 1890 land-grant colleges

eligible for the grants;
(6) Direct the Secretary to promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs; and transfer to the Secretary all the functions and offices of the Secretary of Education and Department of Education under the Second Morrill Act (relating to 1890 land-grant

colleges):

(7) Provide that, beginning with fiscal year 1982, any funds appropriated for the expanded food and nutrition education gram in excess of amounts appropriated in fiscal year 1981 will be allocated as follows—

four percent to the Secretary for ad-

ministration.

(ii) the remainder allocated as follows:
 (a) ten percent to be distributed equally among the States; and

(b) the remainder to be distributed under the formula provided in existing law which takes into consideration the proportion of the population in a State below 125 percent of the poverty level.

Also, the Secretary could retain up to 2 percent of appropriations up to the amount appropriated for the program in fiscal year 1981 for the conduct of the program in States that did not participate in fiscal year 1981;

- (8) Effective beginning in fiscal year 1982, increase the amount to be appropriated annually to support extension work at the 1980 land-grant colleges from 4 percent to 5½ percent of the amount annually appropriated for extension work under the Smith-Lever Act:
- Extend authorizations for appropria tions for various agricultural research and extension programs for each of the 1983 through 1987 fiscal years with specific authorization amounts. Generally, not less than 25 percent of all funds appropriated for agri-

cultural research must be appropriated for agricultural research at State agricultural

experiment stations;

Authorize the Secretary to make grants to land-grant institutions, State agricultural experiment stations, and other qualified institutions to carry out research to improve the production and quality of rangeland forage for livestock and wildlife. The grant program would be operated on a matching fund basis, with States required to supply 50 percent of the funding for the research. Up to \$10 million would be authorized to be appropriated annually for the program;

(11) Amend section 32 of the Act of August 24, 1935, which appropriates to the Secretary in each fiscal year an amount equal percent of customs receipts during the preceding calendar year for operations to encourage exports and domestic consumption of agricultural commodities and re-establish farmers' purchasing power, to per-mit the Secretary also to use section 32 funds to support agricultural research, extension,

and teaching; and
(12) Revise and extend the rural development and small farm research and extension programs under title V of the Rural Development Act of 1972.

TITLE XV-RESOURCE CONSERVATION

Title XV establishes new programs for Special Areas Conservation, Resource Conservation and Development, and Agricultural Land Protection, and authorizes the Secreto establish a program for Reservoir Sedimentation Reduction. This title also provides new authority to the Soil Conservation Service to use volunteers and to participate in local search and rescue operations and makes certain other amendments to current

Subtitle A would reaffirm congressional policy to promote conservation of soil and water, improvement of water quality, and preservation of natural resources, and require the Secretary to submit a report to Congress by December 31, 1981, setting forth comprehensive soil and water conservation

policy.
Subtitle B would require the Secretary to establish a Special Areas Conservation Program directed toward identifying and correcting severe and chronic erosion-related or water management-related problems. The program is designed to provide technical and financial assistance on a cost-sharing basis to landowners and operators to aid in carrying out conservation measures set forth in approved conservation plans in designated special areas. Financial assistance is to be provided through contracts, of not more than 10 years duration, with landowners and operators. Participation in the program would not disqualify anyone from receiving benefits under other USDA programs.

Subtitle C would authorize Indian tribes and tribal organizations to sponsor small watershed projects; exempt watershed projects that cost the Federal Government less than \$5 million (now \$1 million) from congressional approval requirements; and provide for energy conservation as an element in small watershed projects. This subtitle also would amend the Bankhead-Jones Farm Tenant Act to allow the development of energy resources in connection with land conservation and utilization projects eligible for cost sharing.

Subtitle D would authorize the Secretary to establish a 5-year pilot program for reduc-ing excessive sedimentation in up to five publicly-owned reservoirs through the implementation of conservation measures in the applicable watershed drainage areas in accordance with plans approved by Congress.

Subtitle E would authorize the Secretary to use volunteers in connection with conservation work.

Subtitle F would require the Secretary to establish a Resource Conservation and Development program designed to provide technical and financial assistance to State and local governments and nonprofit organizations for developing and implementing plans of land conservation and water management in not more than 225 active designated rural areas.

Subtitle G would authorize the Secretary to coordinate the efforts of Federal agencies for purposes of protecting agricultural lands from adverse effects resulting from Federal actions. Each Federal agency is directed to consider appropriate alternatives before taking any action that would result in the conversion of agricultural land to nonagricultural purposes, except in the case of actions

related to national defense agencies.
Subtitle H would authorize the Secretary to use, on request, Soil Conservation Service resources to assist in local search and rescue operations in emergency situations resulting from natural disasters. This subtitle also would authorize the Secretary to implement experimental reclamation treatment projects on unreclaimed mined lands in hydrologic units, rather than individual land parcels. without regard to acreage limitations.

Mr. HELMS. Mr. President, I yield to my distinguished colleague from Kentucky, the ranking Democrat on the Agriculture Committee, with whom it is such a pleasure to work, and who always offers the highest spirit of cooperation and who has a unique talent for developing legislation.

I will yield to him so that he may make his opening statement, and with gratitude for the fine work he has done. The PRESIDING OFFICER

KASTEN). The Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished chairman of the committee. Let me say I do not know of any Member of this body who has attacked a more difficult problem with greater diligence and dedication than the chairman of the Agriculture Committee in trying to develop this particular legislation.

The chairman has already described, and I concur with his description, the unique situation we operated under this year in trying to develop a farm bill which would meet the specific needs of our agricultural community and, at the same time, stay within budget limitations that were imposed upon the committee by budget resolutions and the reconciliation process.

I think the bill that has been produced, with the amendment that will be offered that takes into account the most recent reevaluations of the economic situation in this country, is a product that can be endorsed and accepted by Congress and is about the very best possible approach to some of the very difficult problems that we are faced with, not only within the agricultural sector, of course, but throughout the entire economic community of our Nation.

Mr. President, S. 884, the Agriculture and Food Act of 1981, will extend and update a number of the important farm commodity programs; extend the foodfor-peace programs under Public Law 480; provide authorizations for agricultural research, extension, and teaching programs; and establish programs and policies to facilitate soil and water resource conservation efforts.

Due to budget restraints, the programs and authorities provided under the bill will not provide all of what I believe could be done to insure the continued stability and soundness of our agricultural economy. Nonetheless, the bill is of vital importance to our Nation's farmers; and I urge the Senate to approve it.

BUDGET AMENDMENT

Mr. President, I will join the distinguished chairman of the Committee on Agriculture, Nutrition, and Forestry, Senator Helms, and other members of the committee in offering an amendment to the bill, as reported by the committee. The amendment will effect reductions in projected expenditures for several of the commodity programs under the bill.

The amendment will not revise substantially the program provisions developed in the committee markup sessions on S. 884. For the most part, it will simply scale down minimum price support

and target price levels.

The amendment is designed to respond to the concerns of the administration about the Department of Agriculture's possible budget exposure under the committee reported bill. I believe that the amendment will set the minimum support and target rates under the bill at levels that the administration will find acceptable.

I can assure my colleagues that I will join in offering this amendment with the greatest reluctance, only because it clear that the President will not sign the

bill in its present form.

Although the hard-pressed farmers of this Nation need the stronger minimum support prices and target levels under the committee reported bill; I believe that it is more important to farmers that the loan and target mechanisms needed to stabilize farm prices and protect farm income during the next 4 years be enacted into law. Under the amendment, the Secretary of Agriculture will have the authority to adjust upward commodity loan levels and target prices for the commodities involved as necessary to respond to the needs of U.S. agriculture.

AGRICULTURE AND THE ECONOMY

Mr. President, agriculture is of key importance to the economic well-being of our Nation. Each of us in this country has a stake in the farmer's survival.

Farming and the industries that support it account for about one-fourth of our gross national product. In some areas of our country, almost all economic activity is generated by agriculture.

In my view, agriculture is a national economic resource that Congress must assure is maintained at its full potential.

Clearly, we cannot provide total protection to the agricultural economy. Nor should we in a free market system. But, over the years, Congress has recognized the importance of agriculture to our national economic security and has developed programs to stabilize, and encourage the development of, agriculture.

The price support programs, in particular, have provided farmers with a degree of stability in uncertain markets and protection from prices sliding far below the cost of production.

These efforts have borne fruit. The farm programs have assisted our farmers in providing a plentiful supply of food and fiber at reasonable prices to the consumers of the Nation and the world.

DEVELOPING THE BILL

The current farm bill became law 4 years ago; and many of its provisions will expire this year. We must reevaluate the existing programs and plan ahead for the needs of agriculture in the coming 4 years.

The farm bill hearings conducted by the Committee on Agriculture, Nutrition, and Forestry earlier this year made it clear that our farmers are facing virtually unprecedented demands and problems over which they have no control. Farmers face—among other adversities—record high interest rates, falling farm income, and dramatically higher fuel costs. Present economic conditions threaten the continued vitality of agricultural economy.

Earlier this month, the Economic Research Service of the Department of Agriculture forecast that crop prices later in 1981 and in 1982 will fall below this season's levels and that agricultural exports in 1981 will be less than exports in 1980. Also, they revised downward, by about 10 percent, their previous estimates of net farm income for 1981. Farm income this year may not be any higher than in 1980, which was a disastrous year for farmers.

Also, we are seeing thousands of acres of farmland being lost every year due to soil erosion and encroaching nonagricultural development.

A part of the effort to reduce Government expenditures and balance the Federal budget, Congress has the responsibility of writing a farm bill that keeps Federal outlays to a minimum while responding to the needs of the U.S. agriculture.

I am concerned, nonetheless, about the possible adverse effects that budget restraints may have on our Nation's hard-pressed farmers.

The price and income protection provided by the farm programs are, in the strictest sense, an investment in the continuing ability of the farmers of this Nation to meet the food and fiber needs of consumers at home and abroad. This investment in agriculture is one of the best investments the American people can make. A productive agriculture is essential in our fight against inflation.

Also, I vigorously disagree with efforts to label the commodity programs as expensive. The administration has a variety of marketing tools at its disposal to keep down the costs of the programs and will continue to have those tools under S. 884. In addition, a substantial part of the farm programs are loan programs under which farmers pay interest at or near the cost of money to the Government.

Congress will have the serious responsibility, over the next 4 years, of monitoring closely the administration's implementation of the reduced-budget programs under this farm bill. As ranking Democratic member of the Agriculture Committee, I will make every effort to assure that the programs meet the

objectives of providing stability to, and encouraging the development of, U.S. agriculture.

COMMODITY PROGRAMS

The bill would provide loan and target price programs for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice. Also, the bill will authorize disastser payment programs for these commodities as needed, and acreage limitation and paid diversion programs to protect against overproduction.

I would like to see higher target levels than those that will be provided under S. 884. However, I am pleased that the bill includes some provision for target prices. Target prices have been valuable tools in supporting and stabilizing farm income without causing significant detrimental effects on markets.

Target prices, when coupled with acreage limitations or diversion during periods of temporary surpluses, provide the Secretary of Agriculture with an equitable method of controlling production and preventing price-depressing excess stocks.

Additionally, because the target price mechanism allows the market to operate without interference from the loan level, which sets a floor to the market price, it can have a positive effect on the competitive position of the United States in world markets for these commodities.

The bill will authorize a price support loan program for soybeans marketed in each of the 1982 through 1985 marketing years. Loans will be made available for each crop at a level equal to 75 percent of the average cash price for soybeans over the preceding 5 marketing years, except that in no event could the support price be less than \$5.02 per bushel.

Using this method to establish the loan level will assure the soybean producer that interim financing will be available to meet his needs and that the loan is not pegged at a level that will interfere with market operation or force the Government to acquire burdensome stocks.

The bill will make several changes in the farmer held reserve program for wheat and feed grains. Farmers have made good use of this program since its establishment by the Carter administration under the 1977 farm bill.

Overall, the changes in the reserve program made by the bill improve the program and deserve the support of the Senate.

The bill contains a provision, similar to that in the omnibus farm bill I introduced earlier this year, to authorize the Secretary to make reserve price support loans at a level higher than the regular support level. This will enable the Secretary to attract more grain to the reserve when necessary to encourage participation in the program.

Also, the provision in current law establishing call levels for the reserve would be deleted, although the Secretary could require repayment of reserve loans prior to maturity if emergency conditions exist.

PROVISIONS RELATING TO AGRICULTURAL EXPORTS

The bill will authorize the establishment of an agricultural export credit revolving fund, to be operated by the Com-

modity Credit Corportation to finance

commercial export sales transactions. The fund would be used to promote the export sales of agricultural commodities and breeding animals, and finance the establishment of facilities in importing countries that improve the ability of such countries to handle agricultural commodities.

The revolving fund will be used only for purposes of market development and where there is substantial potential for developing regular commercial markets for U.S. agricultural commodities.

The export credit revolving fund to promote increased agricultural export sales is an initiative that has been promoted by many agricultural groups in recent years.

While I hope that we could soon begin to establish and use the revolving fund; under current budget limitations, it is very uncertain when that might happen. Nonetheless, we will have established the mechanism under S. 884, and it can serve as an important tool in expanding our export markets when it is funded.

The bill also includes provisions setting ground rules under which the Government may enter into bilateral international agreements, other than treaties, involving U.S. agricultural commodities. Under the bill, prior to entering an agreement, the President would be required to consult with the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture on the terms of, and reasons for negotiating, the agreement.

These provisions will assure congressional involvement in the development of any new bilateral commodity supply agreements.

The bill includes provisions to discourage the use of subsidies by foreign countries to promote the export sales of their agricultural commodities. Under the bill, the Secretary of Agriculture will be required to formulate a special standby export subsidy program for U.S. agricultural commodities and products to be used as needed to neutralize the effects of export subsidies instituted by foreign countries.

I would hope that we will never be forced to use this program; but it will give our trade negotiators an additional tool to assure fair treatment of U.S. Agricultural commodities in international markets.

The bill also includes provisions designed to protect producers when the Federal Government imposes a national security or foreign policy embargo on the export of U.S. agricultural commodities. These provisions will give farmers some protection against being singled out to bear the brunt of a partial embargo.

The 1977 farm bill included permanent legislation that provides protection for farmers against short supply embargoes. These provisions of the bill will complement that legislation.

Protection under the bill would be made available if the embargo is not a complete embargo of all exports to the other country involved, and the other country imported more than 3 percent of the total exports of the agricultural commodity involved during the preceding year.

The Secretary would be required to make payments available to producers of agricultural commodities for which price support is authorized. The payments would equal the difference between 100 percent of parity for the commodity involved and the market price for the commodity that prevails during the 60-day period following the imposition of the embargo. Payments would be made available as long as the embargo is in effect, for production affected by the embargo.

As an alternative to payments, the Secretary could make loans available to producers for the period that the embargo is imposed. Loans would be made available on the commodities involved in the embargo, if a loan program is in effect for the commodity, at 100 percent of parity.

The Secretary would also have authority to implement a program that combines payments and loans.

The bill also includes a number of provisions dealing with Public Law 480, which provides authority for the food for peace programs.

The goals of the Public Law 480 programs are to expand international trade, develop and expand export markets for U.S. agricultural commodities, combat hunger and malnutrition, and promote the foreign policy of the United States.

Over \$30 billion in U.S. food commodities have been sold or donated abroad under the programs since they were established in 1954.

The bill would extend the programs for another 4 years, through December 1985. In addition, there are a number of technical amendments that would eliminate references to outdated language relating to repayment in foreign currency.

There are also changes in title I of Public Law 480 that are designed to make certain that the self-help measures that recipient countries must take under the program are more effective, can be monitored, and are in addition to other development programs already being undertaken.

RURAL TELEPHONE BANK

The bill will continue, for another 10 years, the authority for the Federal Government to purchase stock issued by the Rural Telephone Bank. The Government would be authorized to buy \$30 million worth of stock annually during the additional 10-year period.

Money from the Government's stock purchasers, added to funds from non-Federal sources, will enable the Rural Telephone Bank to lend funds at an intermediate rate of interest. This rate is above that provided under the Rural Electrification Administration's low-interest loan program, but below commercial rates.

Unless the Government provides this injection of capital, interest rates for Rural Telephone Bank loans will escalate dramatically. This would greatly increase the demand for Rural Electrification Administration low-interest loans.

The stock purchases are, in effect, like much of the assistance provided to rural communities; they are loans that will be repaid with interest when the Rural Telephone Bank buys back the outstandin shares of stock. This buy back of stock

is required by law; and when 51 percent of the stock is redeemed, the Rural Telephone Bank will become a quasi-independent banking corporation.

RESEARCH, EXTENSION, AND TEACHING

A major part of the bill focuses on supporting and improving food and agricultural research, extension, and teaching

Federal support of the development of agricultural science and technology is a public investment that has paid huge dividends for this Nation and the world; and the development and dissemination of new agricultural technology are fundamental missions of the Department of Agriculture.

Congress has the responsibility of providing the necessary tools by which the Department and the scientific community can meet the agricultural research, extension, and teaching needs of our Nation.

Congress first addressed the needs of the food and agricultural sciences in a unified manner in title 14 of the 1977 Farm bill.

The bill will not make radical changes in the Federal policies and programs established under title 14. The bill will continue—through fiscal year 1987—funding authorizations for agricultural research, extension, and teaching programs provided under title 14, and will update and fine tune the operation of a number of these programs.

Also the testimony of witnesses from the agricultural research, extension, and teaching community at the farm bill hearings was clear that coordination of agricultural research and education activities could be improved.

The great strength of our decentralized system of agricultural research and education has been that diverse needs can be addressed. Yet, that decentralization can be a weakness if coordination of efforts is lacking.

Also, a better system for communication between the Federal and State research systems, and between the research community and the users of that research, is needed.

To better focus the expenditure of funds and insure greater communication and coordination within the food and agricultural sciences, the bill restructures the Joint Council on Food and Agricultural Sciences; adds four additional producer members to the Users Advisory Board; and extends the terms of the Council and Board. In addition, the responsibilities of these key panels are more carefully defined, to insure the concentration of research and extension efforts in those areas of greatest national needs.

The bill will strengthen the role of the States in the research, extension, and teaching programs. It also will give the Secretary of Agriculture additional authorities to improve higher education in the food and agricultural sciences.

I am pleased that the bill includes the provisions of my bill to strengthen the rural development and small farm research and extension programs.

RESOURCE CONSERVATION

The bill contains a number of provisions that address the serious stresses placed on our agricultural land and water resources by

the growing demands for agricultural commodities and biomass energy, and by conversion of farmland to nonagricultural uses.

During the 1970's, millions of acres of land were brought into production to meet new demands for farm exports. It is anticipated that more farmland will be brought into production as the world demand for food and fiber continues to increase and the use of ethanol for energy expands.

These previously idle parcels of land tend to be highly susceptible to erosion. Of the acreage presently under cultivation, 25 percent already suffers from erosion problems. If not checked, erosion can cause irreversible soil damage.

To address these problems, the bill will create a new program to target conservation resources to areas suffering from severe erosion problems.

In addition, new legislative authority will be provided for the resource conservation and development program. Under the bill, the program will assist local organizations in preparing and implementing local conservation programs.

In addition to the damage caused by erosion, agricultural land is being lost to housing developments, factories and other facilities, and highways at the rate of 3 million acres per year. Studies indicate that the Federal government may be the largest single contributor to the conversion of agricultural land to nonagricultural uses.

Most development on agricultural land is necessary and desirable. However, simple modifications in Federal policies and programs could reduce the conversion of farmland by Federal agencies.

Therefore, the bill includes provisions establishing a farmland protection policy that will require Federal agencies to consider the negative effects of their actions and policies on agricultural land; and to consider alternatives before taking actions that would result in the conversion of agricultural land to nonagricultural uses. The bill will not, however, regulate or affect actions or use of agricultural land by states or private persons.

Our Nation's most valuable natural resource is its abundance of fertile agricultural land. This resource provides the foundation for a strong economy and supplies food and fiber not only for Americans but also persons in many other countries.

The resource conservation provisions in this bill will provide a basis for the improved stewardship of our limited agricultural land.

CONCLUSION

The Federal farm programs must provide some measure of stability and income protection for U.S. farmers. That means that there should be reasonable supports that address sky-rocketing production costs and the uncertainties of nature and the economy that farmers face, without reducing the competitiveness of the U.S. farmer in the world market.

The approach taken by the bill is to continue, within the budget constraints and with appropriate modifications and improvements, the program mechanisms developed in the 1977 farm bill. This approach provides, I believe, maximum assurance that the programs, with proper management by the administration, will achieve their goals over the next 4 years.

Mr. President, the bill—with the amendment I mentioned earlier—will meet the budget requirements; it will provide the Secretary of Agriculture a great deal of flexibility, within specified

policy limits, to respond appropriately to changes in the needs of the farm economy; it retains the price support loan and farmer-held reserve programs that farms need; and it contains other provisions that will assure the continued vitality of our agricultural sector. I urge its adoption by the Senate.

Mr. President, I ask unanimous consent to have printed in the Record a summary of the major provisions of S. 884, as reported by the Committee on Agriculture, Nutrition, and Forestry.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY OF THE MAJOR PROVISIONS OF S. 884, AS AMENDED BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

TITLE I-DAIRY

Title I establishes permanent authority for the inclusion of seasonal base—excess plans and seasonal takeout—payback (Louisville) plans in milk marketing orders (but does not extend the authority for Class I base

Title I provides for milk price support as follows: Permanent law, which requires that milk be supported at a level between 75 and 90 percent of the parity price for milk, would again become effective October 1, 1981. However, for each fiscal year in the period beginning on October 1, 1981, and ending on September 30, 1985, whenever the Secretary of Agriculture estimates for any fiscal year that net Government price support purchases of milk and dairy products will (1) cost more than \$500 million or exceed 3.52 billion pounds (milk equivalent), the minimum milk price support level at the beginning of that fiscal year would be 70 percent of parity.

Title I also requires an adjustment of the

Title I also requires an adjustment of the support price of milk upward to 70 percent of parity on April 1 of each year during the 1982 through 1985 fiscal years if the support price has fallen below 70 percent of parity.

Title I requires the Secretary, to the

Title I requires the Secretary, to the maximum extent practicable, to use authorities available to him to reduce inventories of dairy products held by the Commodity Credit Corporation (CCC) so as to reduce net CCC expenditures under the milk price support program in any fiscal year to the budget outlays for the program established under the Congressional Budget Act of 1974 for that year.

Title I extends, through December 31, 1985, the provision of law requiring the CCC to donate dairy products acquired under the price support programs to veterans hospitals and the military.

Title I extends, through September 30, 1985, the authority for the Secretary to make indemnity payments to dairy producers who sustain losses of milk contaminated by pesticides (indemnities also available to milk manufacturers), other chemical and toxic substances, or nuclear radiation or fallout.

TITLE II-WOOL AND MOHAIR

Title II extends, through December 31, 1985, the requirement for a price support program for wool and mohair, but changes the level of support for shorn wool from 85 percent to 75 percent of the price support formula set out in the National Wool Act of 1954 (the support levels for pulled wool and mohair are based on the support price for shorn wool).

Title II also deletes provisions of the National Wool Act limiting payments under the wool price support program to an amount equal to 70 percent of wool customs receipts.

TITLE III-WHEAT

Title III provides for a loan and target price program for the 1982 through 1985 crops of wheat. Loans and purchases will be made available to wheat producers at a level, not less than \$3.50 per bushel, that the Secretary determines will maintain the competitive relationship of wheat to other grains. The minimum target prices (per bushel) will be: \$4.20 for the 1982 crop; \$4.40 for the 1983 crop; \$4.60 for the 1984 crop; and \$4.80 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing wheat. Target price payments will be computed as under existing law.

Title III makes prevented planting and reduced yield disaster payments available, for each of the 1982 through 1985 crops of wheat, for producers for whom Federal crop insurance is not available. Disaster payments will be computed as under existing law. Also, the Secretary will have discretionary authority to make such disaster payments available to any wheat producer if disaster losses have created an economic emergency that cannot be alleviated by crop insurance and other assistance programs.

Title III authorizes acreage limitation and paid diversion programs for the 1982 through 1985 crops of wheat, if needed to protect against overproduction. Producers who plant wheat in excess of that permitted under an acreage reduction program will not be eligible for program loans, purchases, and payments; and participation in the paid diversion could be required as a condition of eligibility for such loans, purchases, and payments.

TITLE IV-FEED GRAINS

Title IV provides for a loan and target price program for the 1982 through 1985 crops of feed grains. Loans and purchases will be made available to producers of corn at a level, not less than \$2.60 per bushel, that the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains. Loans and purchases for barley, oats, rye, and grain sorghum will be made at levels that are fair and reasonable in relation to the level of loans and purchases for corn. Target price payments will be made available for corn, grain sorghums, oats, and (if designated by the Secretary) barley. The minimum target prices for corn (per bushel) will be: \$2.80 for the 1982 crop; \$2.95 for the 1983 crop; \$3.10 for the 1984 crop; and \$3.25 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing corn. The target prices for the other feed grains will be set at levels that are fair and equitable in relation to the target price for corn. Target price payments will be computed as under existing law.

Title IV makes prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of feed grains in the same manner as for wheat.

Title IV authorizes acreage limitation and paid diversion programs for the 1982 through 1985 crops of feed grains in the same manner as for wheat.

TITLE V-UPLAND COTTON

Title V provides for a loan and target price program for the 1982 through 1985 crops of upland cotton. Loans will be made available at the lower of (1) 85 percent of the average U.S. spot market price for upland cotton during the preceding five years and (2) 90 percent of the average Northern Europe price for upland cotton, as determined under formulas set out in the bill; however, in no case could the loan level be less than 55 cents per pound, and the Secretary could adjust the loan level upward (when it is based on the average Northern Europe price) to not in excess of the level based on the average U.S. spot market price. The loan level must be announced by November 1 of each year and could not thereafter be changed. Loans could be extended beyond

the normal ten-month term, at the producer's request, for an additional eight months unless the average price of upland cotton for the preceding months exceeded 130 percent of the average price for the preceding three years, in which event a special import quota would be proclaimed.

The minimum target prices (per pound) will be: \$0.709 for the 1982 crop; \$0.76 for the 1983 crop; \$0.85 for the 1984 crop; and \$0.93 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing cotton. Target price payments will be computed as under existing law.

Title V makes prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of upland cotton in the same manner as for wheat.

Title V authorizes acreage limitation and paid diversion programs for the 1982 through 1985 crops of upland cotton in the same manner as for wheat.

manner as for wheat.

Title V requires the Secretary to make available to producers of the 1982 through 1985 crops of upland cotton loans on seed cotton, using the authorities he has under the CCC Charter Act.

TITLE VI-RICE

Title VI repeals the provisions authorizing acreage allotment and marketing quota programs, and provides for acreage limitation and paid diversion programs for the 1982 through 1985 crops of rice that are like the programs for wheat, feed grains, and upland cotton.

Title VI also provides for a loan and target price program for the 1982 through 1985 crops of rice. The minimum target prices (per hundredweight) will be: \$11.23 for the 1982 crop; \$12.14 for the 1983 crop; \$12.70 for the 1984 crop; and \$13.50 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing rice. Target price payments will be computed as under existing law. Loans and purchases will be made available for each crop of rice at a level that bears the same ratio to the previous year's loan level as the target price, except that, if the Secretary determines that any such loan level will substantially discourage the exportation of rice and result in excess stocks of rice, the Secretary may set the loan rate at a lower level (but not less than \$8 per hundredweight) to avoid excessive stocks.

Title VI makes prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of rice in the same manner as for wheat.

TITLE VII-PEANUTS

Title VII revises and extends—to the 1982 through 1985 crops—the current peanut program.

Under title VI, for each of the 1982 through 1985 crops of peanuts, there will be a minimum national acreage allotment of 1,614,000 acres, and a minimum national poundage quota of 1,300,000 tons (which the Secretary may increase to meet estimated re-cuirements for domestic edible and seed uses during the next marketing year). Acreage allotments may be sold, leased, or transferred only within a county, except that, in States in which the total acreage allotment is 11,000 acres or less, transfers may be made any-where within the State. Farm poundage quotas will be determined as under current law, except that more than one year's undermarketings (excluding those prior to the 1980 crop) may be carried forward so long as the producer plants at least 50 percent of the allotment.

Title VII retains the peanut program's twotier system of "quota" peanuts (production within a farm's poundage quota) and "additional" peanuts (production within the allotment in excess of the poundage quota)

Under title VII, the penalty for marketing peanuts in excess of a farm's poundage quota will be 120 percent of the support price for quota peanuts (although additional peanuts may be placed under loans and not redeemed, or marketed under contracts with handlers for crushing or export, without being subject to penalties). State and county committees will be given authority to waive penalties for unintentional violations; and document errors in weight not in excess of one-tenth of 1 percent will generally not be considered be violations. Also, area marketing associations will have authority to sell, at prices equal to or greater than the minimum CCC sales price, additional peanuts under loan.

Title VII establishes, for each of the 1982 through 1985 crops, a minimum price support level for quota peanuts of \$631 per ton. The price support level for additional peanuts be set by the Secretary, taking into consideration demand and prices for edible oil and meal and demand for peanuts abroad. However, the additional peanut loan must be set at a level estimated to result in no

program losses to the CCC.

The Secretary will be required to make warehouse storage loans available to designated area marketing associations (except cooperatives engaged in other activities with respect to peanuts in addition to handling CCC price support operations), and to use the associations in administrative and supervisory activities relating to price support and marketing. Area marketing associations will be required to operate marketing pools for quota and additional peanuts under loan. Net gains on peanuts in any such pool will be distributed to producers in proportion to the value of the peanuts placed in the pool by each producer.

TITLE VIII-SOYBEANS

Title VIII establishes a price support loan and rurchase program for soybeans mar-keted in each of the 1982 through 1985 marketing years. Loans and purchases will be made available on soybeans at a level equal 75 percent of the average Chicago cash price for No. 1 yellow soybeans for the five marketing years immediately preceding the then current marketing year (excluding the high and low valued years), except that in no event could the support price be less than \$5.02 per bushel.

Title VIII also provides that the Secretary may not require rarticipation in any production adjustment program as a condition of eligibility for soybean price support under the bill; that 1982 through 1985 crop soy-beans will not be eligible for any storage reserve program; and that the Secretary may not make payments to producers to cover the cost of storing 1982 through 1985 crop

TITLE IX-SUGAR

Title IX establishes a price support program for the 1982 through 1985 crops of

sugar beets and sugarcane.

During the period beginning with the effective date of the bill and ending March 31, 1982, the Secretary will be required to support the price of domestically grown sugar beets and sugarcane (through purchases of processed sugar or other operations) at a level appropriate to approximate a raw sugar price of 19.6 cents per pound.

Beginning October 1, 1982, the Secretary will be required to support the price of dom stically grown sugar crops for each of the 1982 through 1985 crops through nonreco irse loans to producers, as follows:

(1) for sugar cane, at not less than 19.6

cents per pound of raw cane sugar; and
(2) for sugar beets, at a level that is fair
and reasonable in relation to the support

level for raw cane sugar.

Loans would have to be taken out and repaid in the same fiscal year.

TITLE X-GRAIN RESERVES

Title X makes a number of revisions in the farmer-held reserve program for wheat and feed grains, including the following:

(1) The establishment of a wheat reserv program would be made discretionary with the Secretary (under existing law, the Secretary is required to establish a

(2) Reserve price support loan levels could higher than the regular support level; and the requirements under existing law that the reserve loan levels for the 1980 and 1981 crops of wheat and corn be not less than \$3.30 and \$2.40 per bushel, respectively (with loans levels for such crops of the other feed grains to be set at levels comparable to the corn loan level), would be deleted;

(3) The establishment of program conditions relating to interest rates, storage payments, and other loan terms set out in the law would be discretionary with the Secre tary, rather than (as under existing law) required of the Secretary; and the requirement that the Secretary waive interest charges on loans made on the 1980 and 1981 crops of wheat and feed grains would be deleted:

(4) Storage payments could be made at levels designed to induce participation in the program, rather than (as under existing law) at levels sufficient to cover storage costs

(5) Interest rates on reserve loans could be increased as appropriate to encourage the orderly marketing of grain when the "release" level is reached;

(6) The provision in current law estab-lishing "call" levels would be deleted; al-though the Secretary could require repayment of reserve loans prior to maturity if

emergency conditions exist;

The requirements of current law that the wheat reserve be no smaller than 300 million bushels, nor larger than 700 million bushels, would be deleted; the Secretary would be authorized to place upper limits on the size of the reserves, but any such upper limit could not be less than 700 million bushels for wheat and one billion bushels for feed grains; and

(8) The generally applicable CCC sales price for wheat and feed grains when a reserve is in effect would be changed from 105 percent of the then current call level to 105 percent of the then current cost of production (including return for management and land values); and the exception to this sales price restriction relating to sales of corn used in the production of alcohol would be deleted.

Title X repeals provisions of existing law authorizing the establishment of a disaster reserve of wheat, feed grains, and soybeans.

Title X amends the provision of law relating to the CCC farm storage facility loan program to make the program permissive rather than mandatory.

TITLE XI-MISCELLANEOUS

Subtitle A-Provisions applicable to more than one commodity:

Payment limitation: Subtitle A of title XI extends to the 1982 through the 1985 crops the limitations in current law on the payments that a farmer may receive annually under the wheat, feed grains, upland cotton, and rice programs. The annual limitations are: \$50,000 for all program payments except disaster payments; and \$100,000 for disaster payments. Loan and purchase proceeds and compensation for resource adjustment (excluding land diversion payments) are not considered payments for the purpose of these limitations

Subtitle B-Other miscellaneous provi-

Subtitle B of title XI would amend a number of provisions of law relating to Department of Agriculture programs, as follows:

Grazing and hay program: extends the

special wheat grazing and hay program to the 1982 through 1985 crops;

Livestock feed: extends to poultry producers eligibility for assistance under the emergency livestock feed program established under the Food and Agriculture Act of 1977:

Farm income protection insurance: Directs the Secretary to appoint a special task force to study the concept of farm income protection insurance and the feasibility of such insurance as an alternative to current price support, income maintenance, and disaster assistance programs of the Department of Agriculture, and report to the Agriculture Committees of Congress (within 18 months) on the results of their study;

Grain inspection: Authorizes the Administrator of the Federal Grain Inspection Service to delegate his authority to perform official grain inspection and weighing at export port locations to any State agency that—
(1) performed official inspection at an ex-

port port location prior to June 1, 1976; and (2) is designated to perform official inspection at locations other than export port lo-cations on the date of enactment of the bill;

Advisory committees: Substantially revises XVIII of the Food and Agriculture Act of 1977 relating to advisory committees es-tablished within the Department of Agriculture to eliminate requirements under XVIII that are duplicative of the provisions of the Federal Advisory Committee Act;

Rural Telephone Bank: (1) increases— from \$300 million to \$600 million—the limit on the total amount of Class A stock of the Rural Telephone Bank that may be issued to the Government; and extends to September 30, 1991, the authority for the Government to purchase such stock; and (2) extends to September 30, 1995, the date after which Government stock in the Bank must be retired as soon as practicable; and

consultation: International Encourages the Secretary to continue to consult with representatives of other major comin ex ing nations on establishing more orderly marketing of grain and achieving higher farm income for grain producers.

TITLE XII-AGRICULTURAL EXPORTS

Agricultural export credit revolving fund: Title XII establishes an agricultural export credit revolving fund in the Treasury for use by the CCC to finance short-term commercial export sales of agricultural commodities, export sales of breeding animals, and the estab-lishment of handling facilities for agricultural commodities in importing countries, for market development purposes. The term of the revolving fund would expire October 1, 1985.

Congressional consultation on bilateral

Title XII requires the President to notify (at least 30 days in advance), and consult with, the Agriculture Committees of Congress on proposed bilateral agreements, other than treaties, involving commitments on the part of the United States to assure access by another country to U.S. agricultural commodities and products on a commercial basis.

Standby export subsidy:

Title XII directs the Secretary to formulate a special standby export subsidy program for U.S. agricultural commodities to neutralize export subsidy programs of other countries. The program would be implemented only if the President determines that the export subsidy program of an-other country is adversely affecting the export marketing of the U.S. agricultural commodities; a manually acceptable resolution of the matter caunot be obtained through consultation; and the special export subsidy program is authorized under dispute settlement procedures in international agreements, if any. However, title XII provides that the special export subsidy program could not be used to promote export sales of U.S. cotton.

Agricultural embargo protection: Title XII requires the Secretary to make payments or loans available to farmers in compensation for any national security or foreign policy embargo of the export of agricultural commodities to another country that is implemented after the bill is enacted, if-

(1) the embargo is not a complete embargo of all exports to the other country;

and

(2) the other country imported more than three percent of the total exports of the agricultural commodities involved during

the preceding year. The Secretary would have to make available, to producers of agricultural commodities for which price support is authorized, payments for the difference between 100 percent of parity for the commodity involved and the market price for the commodity during during the 20 day needs for the commodity during the 60-day period following the imposition of the embargo. Payments would be made available as long as the embargo is in effect, for production affected by the embargo.

An alternative to payments, if a loan program is in effect for the commodity involved in the embargo, the Secretary could make available to producers, for the period that the embargo is imposed, loans on the commodity at 100 percent of parity.

Secretary would also have the authority to implement a program that com-

bines payments and loans.

TITLE XIII-PUBLIC LAW 480

Title XIII extends-through December 31, 1985-the authority for the President to (1) make agreements to finance sales of agricul tural commodities under title I of P.L. 480, and (2) provide agricultural commodities for programs of assistance in other countries under title II of P.L. 480.

Title XIII deletes the limit of \$1.9 billion on annual appropriations to support the title I export sales program, and increases—from \$750 million to \$1 billion—the limit on annual appropriations to support the title II food assistance program. Title XIII also increases-from \$5 million to \$10 million-the annual limit on the use of title I loan repayments to meet emergency nonfood relief requirements

Title XIII adds provisions to title I of P.L. 480 to assure that countries receiving title I financing undertake self-help measures to increase agricultural production (including efforts to reduce illiteracy among, and improve the health of, the rural poor) so as to benefit needy people in such countries.

Title XIII provides authority for the domestic distilled spirits industry to participate in foreign market development under P.L. 480.

TITLE XIV—RESEARCH, EXTENSION, AND TEACH-ING IN THE FOOD AND AGRICULTURAL SCIENCES

Title XIV makes a number of amendments to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and related statutes.

Findings:

Title XIV revises the findings contained in the 1977 Act to emphasize the importance of the Federal-State partnership in the conduct of agricultural research, extension, and teaching; a strong basic research program; and long-range planning to meet national agricultural research, extension, and teaching objectives.

Joint Council on Food and Agricultural Sciences:

Title XIV extends the term of the Joint Council on Food and Agricultural Sciences to December 31, 1986, and sets the membership of the Joint Council at not fewer than 25 members. At least one-half of the membership would be representatives of land grant colleges and universities, and two of the members would be representatives of other colleges and universities.

Title XIV provides that the primary responsibility of the Joint Council will be to bring about more effective agricultural research, extension, and teaching by improving the planning and coordination of such activities and by relating Federal budget development and program management to such activities.

National Agricultural Research and Exten-

sion Users Advisory Board:
Title XIV extends the term of the National Agricultural Research and Extension Users Advisory Board to December 31, 1986, and increases the number of members from 21 to 25, including eight members who are producers.

Assistant Secretary of Agriculture:

Title XIV authorizes an additional Assistant Secretary of Agriculture to manage re-search, extension, and teaching activities in the Department of Agriculture

Competitive, special, and facilities grants for agricultural research:

Title XIV provides authorizations for appropriations of \$50 million annually for each

of the 1983 through 1987 fiscal years for the competitive grants program under Public Law 89-106.

Title XIV makes forestry schools receiving funds under the McIntire-Stennis Act and accredited colleges of veterinary medicine eligible for special grants under Public Law 89-106, and includes among the types of re-search programs that will be eligible for special grants program that facilitate coordination and cooperation of research among

With respect to the research facility grant program under Public Law 89-106, title

(1) limits eligibility for grants to projects) to renovate or refurbish research facilities or acquire equipment, or (b) for new construction of auxiliary facilities or fixed equipment used in research; and

(2) makes forestry schools and 1890 land grant colleges eligible for the grants.

Agricultural research facilities:

Title XIV provides authorizations for ap-propriations of \$31 million annually for each of the 1983 through 1987 fiscal years for the grant program under Public Law 88-74 (the Research Facilities Act)

Higher education in the food and agricultural sciences:

Title XIV directs the Secretary to promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs; and transfers to the Secretary all the functions and offices of the Secretary of Education and Department of Education under the Second Morrill Act (relating to 1890 land grant col-

Title XIV provides authorizations for appropriations of \$50 million annually for each the fiscal years 1983 through 1987 for grants and fellowships for food and agricultural science education.

Biomass energy research:

Title XIV extends—to the 1983 through 1987 fiscal years—the authorization for appropriations for the biomass energy research program under section 1419 of the 1977 Act. The total amount that could be appropriated for the program over the 10-year period ending with fiscal year 1987 would be \$40 million; and no more than \$5 million of such funds could be awarded to the colleges and universities of any one State.

Expanded food and nutrition education: Title XIV provides that, beginning with fiscal year 1982, any funds appropriated for the expanded food and nutrition education program in excess of amounts appropriated in fiscal year 1981 will be allocated as

(1) four percent will be available to the Secretary for administration;

(2) ten percent of the remainder will be distributed equally among the States; and
(3) the remainder will be distributed un-

der the formula provided in existing law.

Also, the Secretary could retain up to two percent of appropriations (up to the amount

appropriated for the program in fiscal year 1981) for use in conducting the program in States that did not participate in the program in fiscal year 1981.

Extension at 1980 colleges:

Under title XIV, effective beginning in fiscal year 1982, the authorization for annual appropriations to support extension work at the 1980 land grant colleges eligible for funding under the Second Morrill Act would be increased from four percent to five and one-half percent of the amount annually appropriated for extension work under the Smith-Lever Act.

Authorizations for appropriations: Title XIV provides authorizations for ap-propriations for agricultural research and extension programs for each of the 1983 through 1987 fiscal years as follows:

(1) For agricultural research and teaching programs (other than research at State agri cultural experiment stations) for which there are no specific appropriation authorizations-

\$780 million for fiscal year 1983, \$835 million for fiscal year 1984, \$890 million for fiscal year 1985, \$945 million for fiscal year 1986, and \$1 billion for fiscal year 1987.

(2) For agricultural research at State agricultural experiment stations

\$230 million for fiscal year 1983, \$240 million for fiscal year 1984, \$250 million for fiscal year 1985, \$260 million for fiscal year 1986, and \$270 million for fiscal year 1987.

(3) For the extension programs of the Department of Agriculture

\$360 million for fiscal year 1983, \$370 million for fiscal year 1984, \$380 million for fiscal year 1985, \$390 million for fiscal year 1986, and \$400 million for fiscal year 1987.

Title XIV also provides that not less than 25 percent of the funds (1) appropriated for cooperative research under the Hatch and McIntire-Stennis Acts, the special and competitive grants program under Public Law 89-106, the animal health research program under subtitle E of the 1977 Act, and the native latex research program, and (2) appropriated under the Agricultural Research heading, must be appropriated for agricul-tural research at State agricultural experiment stations.

Contracts, grants, and cooperative agree-

Title XIV authorizes the Secretary to enter into contracts and cooperative agreements, and award contracts, to further the agricultural research, extension, and teaching programs of the Department of Agriculture without regard to competitive bidding and other procurement requirements of Federal law.

Title XIV also authorizes the Secretary to transfer equipment and other personal property to persons with whom the Department of Agriculture has entered into such con-tracts or cooperative agreements, or to whom the Department has awarded such grants when the person pays for the property with contract, agreement, or grant funds and the Secretary determines that the transfer will further the agricultural research, extension, or teaching objectives of the Department.

Indirect costs and tuition remission:

Title XIV provides that no funds appropriated (1) under the animal health and disease research and 1890 college research and extension provisions of the 1977 Act, or (2) to carry out the Hatch Act, the Smith-Lever Act, or the McIntire-Stennis Act, may be used for the payment of indirect costs or tuition remission.

Rangeland research: Title XIV authorizes the Secertary to make grants to land grant institutions, State agricultural experiment stations, and other qualified institutions to carry out research to improve the production and quality of rangeland forage for livestock and wildlife. The grant program would be operated on a matching fund basis, with States required to supply 50 percent of the funding for the research. Up to \$10 million would be authorized to be appropriated annually for the program.

Section 32 funding:

Title XIV amends section 32 of the Act of August 24, 1935, which appropriates to the Secretary in each fiscal year an amount equal to 30 percent of customs receipts during the preceding calendar year, for operations to encourage exports and domestic consumption of agricultural commodities and reestablish farmers' purchasing power. Title XIV would permit the Secretary also to use sections 32 funds to support agricultural research, ex-

tension, and teaching. Excess Federal property:

Title XIV authorizes the Secretary to obtain excess Federal personal property and furnish it to State and county extension services, State agricultural experiment sta-tions, 1890 land grant colleges, McIntire-Stennis forestry schools, and institutions performing animal health and disease research eligible for funding under subtitle E of the 1977 Act. Title to such property would be retained by the Federal Government.

Rural development and small farm research

and extension:

Title XIV revises and extends the rural development and small farm research and extension programs under title V of the Rural Development Act of 1972.

Title XIV-

- (1) establishes new authority for a special program to strengthen research and education on national and regional issues in rural development:
- (2) provides a general authorization for appropriations under title V, and deletes the formula for allocation of small farm research and extension funds; and
- (3) provides that no State may receive more than \$75 thousand under title V in any fiscal year until all States have received \$75 thousand.

TITLE XV-RESOURCE CONSERVATION

Soil and water conservation policy:

Subtitle A of title XV reaffirms congressional policy to promote soil and water conservation, improve the quality of the Nation's water, and preserve and protect natural resources through the use of effective conservation and pollution abatement programs; and requires the Secretary to submit a report to Congress by December 31, 1981, setting forth a comprehensive soil and water conservation policy.

Special areas conservation program:

Subtitle B of title XV requires the Secre tary to establish a conservation program directed toward identifying and correcting severe and chronic erosion-related or water management-related problems in special areas designated by the Secretary. The program will provide technical and financial assistance to landowners and operators (in special areas that are designated by the Secretary during the 10-year period following enactment of the bill) to effectuate conservation measures set forth in approved conservation plans. The financial assistance, which may also be provided to compensate for lost income due to crop adjustments, is to be provided on a cost-sharing basis under contracts with landowners and operators. The Secretary could use the services of State, county, and local agencies in carrying out the program, and would be required to evaluate the program and report to Congress by January 1, 1986, and every year thereafter on the operation of the program. Participation in the program would not disqualify a person from receiving benefits under other Department of Agriculture programs.

Amendments to the small watershed program and the Bankhead-Jones Farm Tenant

Subtitle C of title XV makes Indian tribes and tribal organizations eligible to sponsor small watershed projects, and exempts watershed projects that cost the Federal government \$5 million or less from congressional approval requirements (under present law, the exemption is limited to projects involving costs of \$1 million or less)

Subtitle C also provides for energy resources conservation to be included as an element in watershed project agreements, and will allow the development of energy resources to be considered in land conservation and use projects eligible for cost sharing under the Bankhead-Jones Farm Tenant Act.

Reservoir sedimentation reduction pro-

gram:

Subtitle D of title XV authorizes the Secretary to establish a five-year pilot program to determine the feasibility of reducing excessive sedimentation in publicly-owned reservoirs through the implementation of conservation measures in the watershed drainage areas of the reservoirs. Sedimentation reduction plans for reservoirs would be developed under agreements with State and local agencles. However, the plans could be implemented only after approval by the agriculture committees of Congress.
Volunteers for conservation:

Subtitle E of title XV authorizes the Secretary to use volunteers in connection with conservation work carried out by the Soil Conservation Service.

Resource conservation and development

Subtitle F of title XV requires the Secre tary to establish a resource conservation and development program designed to assist States, local units of government, and nonprofit organizations in developing and implementing plans of land conservation and water management in designated rural areas. Under this program, technical and financial assistance (including cost sharing for works of improvement) will be provided to not more than 225 designated areas. Subtitle F authorizes appropriations, during fiscal years 1983 through 1987, of sums necessary to carry out the program.

Agricultural land protection policy:

Subtitle G of title XV contains provisions to assure that the importance of agricultural land as a national resource and the need to preserve the Nation's agricultural land base are recognized and considered in administration of Federal law and regulations. Subtitle G will require Federal agencies, except in the case of national defense or other overriding national interest, to consider appropriate alternatives before taking any action that would result in the conversion of agricultural land to nonagricultural purposes. Subtitle G will not regulate or affect any nonfederal action or use with respect to agricultural land.

Local search and rescue operation:

Subtitle H of title XV authorizes the Secretary to use the personnel and equipment of the Soil Conservation Service to assist in local search and rescue operations in disaster situations, when such assistance is requested by local officials.

Reclamation:

Subtitle H of title XV authorizes the Secretary to implement experimental reclamation treatment projects under the Surface Mining Control and Reclamation Act of 1977 on a hydrologic unit basis, rather than on individual land parcels of limited acreage, if he determines that treatment of the land on a hydrolic unit basis will achieve a greater reduction in the adverse affects of past surface mining practices.

Mr. HELMS addressed the Chair. The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Indiana, who has made such a fine contribution to the work of the committee this year.

The PRESIDING OFFICER. The Sen-

ator from Indiana

Mr. LUGAR. Mr. President, I wish to make a brief opening statement.

While the Congressional Budget Office is suggesting that the Federal deficit in fiscal 1982 could reach \$80 billion, and while the President is ordering Cabinet members to cut a further 10 percent of their budgets for next year, the Senate Agriculture Committee has presented to the full Senate a 4-year farm bill which exceeds the first concurrent budget resolution by at least \$1.5 billion.

At a time when American farmers and all other citizens are deeply distressed about extraordinarily high interest rates and runaway deficit spending, a farm bill is presented in the name of helping farmers which runs absolutely counter to the Nation's need to cut spending and cut interest rates.

The farm bill is well beyond all budgetary limits because it is a collection of target price supports and other special provisions designed to shore up prices for various commodities which violate not only market economic ideas but any sense of basic fairness among farm groups.

The Senate Agriculture Committee met throughout last week, fashioning a bill to satisfy every Senator who serves as an advocate for a particular crop. Committee members hope that a unanimous consensus might convince the Senate that fairness has been achieved, and that American agriculture will necessarily be well served by any legislation which has been considered by this committee over the course of so many months.

The original administration farm bill had an estimated cost of \$9.197 billion over the course of the next 5 years. Senate bill 884, the product of the committee markup, has a 5-year estimated cost of \$13.007 billion, some 40 percent greater. Even this figure, and all estimates throughout the committee's proposal, are purely speculative because of the presence throughout S. 884 of target price programs, legally obligating Government to make deficiency payments to all qualified farmers whenever specified conditions exist.

If the Senate is serious about assisting President Reagan to gain a handle on a runaway budget, and serious about considering decreases in defense expenditures and additional cuts in vital social programs, this debate must have a very different and more constructive focus.

In order to assist that process, I plan to offer a series of amendments which would abolish target price supports. In each case, I will offer as substitute langauge the original administration proposal that the Secretary of Agriculture be given full authority to grant loans and make purchases in accordance with prevailing economic and budgetary circumstances throughout fiscal years 1982-85.

The administration sought the end of the target price supports because they expose the Federal Treasury to extraordinary and completely unpredictable costs, and because they encourage overproduction of commodities already in substantial supply. That was a good idea last spring. In view of today's interest rates and renewed concern about deficits, it is even more budget important.

A major reason for the deficits and high interest rates we face today is the prevalence of uncontrollable entitlement throughout the Federal programs budget. This is no time to be creating a host of new "uncontrollables." If we are to have any chance of budgetary control, the Secretary of Agriculture must be able to assume a management and not just a cashier's role. He must have a full gamut of options to maintain farm income while restraining overall spending.

I will also introduce an amendment to abolish the current peanut program and substitute for it a loan program comparable to those I am recommending for wheat, soybeans, corn, and other crops. I will support those who advocate the termination of a sugar program which the administration originally opposed.

I continue to favor farm loan rates which give basic income security to producers, strong agricultural research programs, very strong efforts by the USDA to boost export sales, and programs which encourage a farmer-held grain reserve.

As a member of the Agriculture Committee, I represent a State which ranks sixth in the Nation in crop production. Indiana farmers know that there can be no substantial increase in net farm income until interest rates come down and Federal deficit spending is under firm control.

Indiana farmers are eager to join farmers from all other States in putting strong pressure on the USDA and the Department of State to move much more vigorously in the sale of American farm products abroad. Indiana farmers resent attempts by special interests in American agriculture to carve out special support of agricultural production which makes inefficient use of valuable energy and water supplies.

I hope that our efforts during this debate will give some encouragement to the President, other Members of Congress, and the rest of the country that we are not engaged in business as usual here. I hope to give to my fellow Senators a chance to vote for reforms in agricultural legislation which are long overdue.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Mr. HAYA-KAWA). The Senator from North Carolina.

Mr. HELMS. I yield to the distinguished Senator from Mississippi (Mr. COCHRAN), without whom I do not think we would have a farm bill. I want to express to him, through the Chair, my appreciation for the fine work he has done.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the distinguished chairman of the Senate Agriculture Committee for his fine words and also for the leadership which he has provided to the committee and to the Senate in putting together this very important piece of legislation.

He and the Senator from Kentucky (Mr. Huddleston) have worked very hard to bring to the floor a bill that attempts to meet some of the critical needs facing

American agriculture.

At the outset, I might say that even though the legislation is called an omnibus farm bill, that title might really be misleading to the extent that the economic well-being of agriculture is not dependent just on what is in this legislation. It is affected in large measure by not only our own domestic economy, but world economies, economies of other nations. Therefore, farmers are really affected by many events which are not directly related to agriculture but which, nonetheless, may have a major impact on farm income.

In spite of the difficulty of bringing to the floor a bill that seeks to do what has to be done if we are to have an economically healthy agricultural economy, I think great strides have been made in this legislation to move in that direction.

The farm bill, with its commodity programs and other provisions, is the cornerstone of our Government's effort to provide protection from economic disasters associated with weather-related swings in production, to help protect our soil and water resources, to develop and expand our markets, and to improve agricultural productivity.

While these are major problems which must be addressed through legislation, farm programs alone cannot guarantee economic health to American agri-

One of the major problems faced by farmers has been, and still is, the rapid rise in the cost of production. In a word, inflation. Farmers are not able to pass higher costs to buyers in the form of increased prices. They simply have to take what supply and demand conditions dictate the market prices to be. So in the short run, farmers simply have to absorb higher production costs which result in lower net income.

We saw some of the lowest net income figures for farmers last year, and projected for this year, that we have seen since the Depression. They have been hit hard by inflation, and they get it twice when other businesses sustain that impact only once: First, when their production costs go up, and again when they try to live off the income they have left.

A review of the expense side of the farm income account reveals what has been happening to farmers and why it is so important that inflation be brought under control.

Farmers spent \$132 billion in 1980 to produce this Nation's food and fiber. This represents an average increase in the prices paid by farmers of over 12 percent per year since 1977. If the rate of increase in input costs had been only 6 percent during the same period, farmers could have produced the same goods for \$111 billion. This would have been a reduction in cost of \$21 billion, and such a reduction would have more than doubled the \$19.6 billion in net farm income in 1980.

Mr. President, I think it is clear from that reference and illustration that farmers have a major stake in the success of President Reagan's economic recovery program and the effort to reduce interest rates which have a stranglehold on many farmers who have to finance

planting every year.

At the time the bill S. 884 was reported, it was consistent with the budget ceilings, the spending ceilings, recommended by the President and approved earlier by the Senate. Since then, though, further adjustments had to be made in our effort to bring these spending projections under closer control.

These have been worked out now and will be offered in the form of a committee amendment which this Senator intends to support. While some further reductions are made in the target prices, the bill provides a basic level of price and income support necessary to protect farmers from sharp swings in market prices caused by uncontrolled fluctuation in production. They are set at levels below cost of production and thus do not guarantee farmers a profit, nor will they interfere with the ability of the market to allocate resources.

In addition, the bill contains provisions which allow the Secretary of Agriculture to bring supply and demand into line when stocks become excessive and prices are thereby depressed. He will have this at his disposal, perhaps to expand demand and reduce supply. Either one will strengthen prices when they are depressed.

I think the committee has been responsible, Mr. President, under the leadership of Senator Helms and Senator HUDDLESTON. There are obviously areas in this bill each of us would like to change, but like any comprehensive piece of legislation the details were worked out through necessary compromise and after considerable debate.

I plan to join the managers of this bill, Mr. President, in resisting any amendments which change the basic structure of the bill.

I thank the Senator from North Car-

olina for yielding.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Mississippi. He has properly outlined some of the problems that those of us who worked on this bill necessarily had to confront. I certainly would not imply any criticism of any Senator who offers any sort of amendment to this bill; however, as the Senator from Mississippi has eloquently stated, the committee had the responsibility of moving the farm program toward market orientation and doing it under the most severe budget restraints and doing it at a time when farmers throughout this country are facing economic collapse on a very personal

I could offer 50 amendments to this bill which would read well in Peoria or some other place and would sound good, and I could take a position now of doing something great for the country, but the last time I checked, most Americans had a habit of wanting something to eat three times a day. If the farmers are sent the rest of the way down the tube by overt action in terms of this farm bili, by our going too far too fast, we could very well face a tough situation in America in terms of food production. I do hope that Senators will take a close look at what agricultural exports do in terms of the balance of payments.

Mr. President, the general philosophy of the Senator from North Carolina is pretty well known. I say to the Chair and to other Senators present that if I had been a Member of the Senate x number of years ago, when this program or that program was adopted, I probably would not have agreed with it, but the fact is that these programs are in place. The fact is that farmers all over this country, independent as they are, must necessarily depend on these programs as they are being tapered off and as we

move toward a more fully market-ori-

ented agricultural sector.

That is precisely what the distinguished Senator from Mississippi was saying, that we have had substantial movement through this bill and the package of amendments or modifications which Senator HUDDLESTON and I shall offer a little later on this afternoon. We are trying desperately to meet every possible objection to this bill. I think that we will meet most reasonable objections. Certainly, we shall do our best. Perhaps we lack the wisdom of Solomon, but we shall come as close to it as we

This is all by way of saying, Mr. President, that a number of controversial concepts and topics were considered by the committee, and I hope that, in the ensuing debate on this bill, Senators may understand the reasoning which the committee used in each case.

Mr. President, I yield to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Sen-

tor from Alabama is recognized.

Mr. HEFLIN. Mr. President, I join with my other colleagues on the Committee on Agriculture, Nutrition, and Forestry in a call for the enactment of the Agriculture and Food Act of 1981 as recommended by our Committee on Agriculture, Nutrition, and Forestry.

It has been my good fortune to serve on the Committee on Agriculture, Nutrition, and Forestry in this Congress. It is a committee of dedicated Senators who represent 17 States in which farmers and ranchers produce nearly all of the hundreds of different commodities which are grown, marketed, and feed and clothe the people of this Nation and much of the hungry world as well.

I commend the chairman of the committee, the senior Senator from North Carolina (Mr. HELMS) for his leadership, perseverance, patience, and for the manner in which he has presided over the development of S. 884. I think the record will likely show that under the chairmanship of the distinguished Senator from North Carolina, the committee held the most exhaustive and extensive markup sessions that have ever been held or undertaken by the committee in the quest to develop a sound farm program within strict budgetary limitations. Everyone that wanted to have a say with respect to any feature of S. 884 was given the full opportunity to make his or her contribution and every amendment or suggestion which was propounded was the subject of careful and deliberate consideration.

I believe altogether there were 24 markup sessions. The Department of Agriculture was invited to participate, to be present, as they were during the markup. They were asked of their position in regard to this as to each and almost every provision in the bill as it was being marked up. For some reason or another they chose not to become involved in the process and wanted to follow a different process. The opportunity was available for them in any and every aspect of it to make suggestions and, of course, they would not be bound by it, but rather they adopted a mood of aloofness or "We will not participate" in these 24 sessions. which I feel is sort of an effort to really not go through the committee process.

I also commend the distinguished ranking minority member of the committee, the Senator from Kentucky (Mr. Huddleston), for his personal leadership in helping to fashion the new farm bill. I know of no person who is more dedicated to seeing that the farmers of this great Nation receive a decent and fair income for their labors. Senator HUDDLEston's service on the committee is to be looked upon as an example of the highest type of public service.

As has been said in this Chamber today, S. 884 is not legislation of partisan design, but rather of bipartisan cooperation. Since I have been in the Senate, I have never seen a group of Senators work in such an atmosphere of cooperation and bipartisanship of give and take. The members of the committee have given their best efforts to forge a bill which will assure Americans of plentiful supplies of food and fiber at reasonable costs while at the same time would be fair and equitable to farmers.

Mr. President, like the other members of the committee, I wish to see greater price protection offered our farmers. I wish to see an increase in the authorization for the expenditure of Federal funds for price supports. I wish to see other changes made in the bill-changes which would benefit not only the farmers of my State of Alabama, but which would benefit every agricultural producer in every part of our Nation. But, Mr. President, I, and the other members of the committee, fully realize that we cannot make such changes and stay within the limitations of the Federal budget. As the report on S. 884 states:

The legislation adopted by the Committee reflects the fact that 1981 was the first year in memory in which severe budgetary constraints were such a prominent factor in the consideration of farm policy. The Committee went to great lengths to fashion a farm bill that would not result in unacceptably large Federal outlays.

I think it should be emphasized. Mr. President, that our work did not stop with the committee markup of S. 884. We went further. In order to make the bill

more palatable and more in line with conditions which have changed since the bill was marked up and reported last spring, the committee has, in recent days, made additional downward spending adjustments. This was not an easy task. I cannot think of a single member of the committee who relished the necessity of making further spending decisions. The record will show, however, that reductions were made in every commodity program. This again points up the bipartisan accord and cooperation, oneness if you will, that exists in the committee.

It should be remembered throughout the floor debate on S. 884 that this legislation is in no way a profit guaranteeing bill. All the measure does is simply recognize the necessity for the food and fiber producers of this country to recover minimum costs of production. I repeat, Mr. President, S. 884 does not assure profits to the farmer-only the means to continue producing toward the goal of realizing a return is reflected in the provi-

sions of the measure.

Therefore, with all the earnestness I can command, I urge the Senate to preserve the delicate balance between the interests of producers and consumers which has been achieved by the committee and to pass the measure promptly without undercutting amendments which would be designed to reduce farm

Although S. 884 does not contain all of the provisions which I feel are necessary to round out our farm program, it does contain many feaures which are designed to give the American farmer a fair return on his investment, skills, and labor, if the opportunities for farmers in domestic and world markets come to fullest fruition. For example, continuation of the target price system and loans as market stabilizing, and loss-reduction mechanisms for most of the principal commodities is a major achievement. The bill also makes preventive planting and reduced yield disaster payments for wheat, feed grains, cotton, and rice. I support the thrust of the Federal Crop Insurance Act of 1981, and I am hopeful that in time this new crop insurance protection program will be expanded to the point where no additional protection likely will be needed by growers. Until the program is fully in place, however, I believe it is necessary to provide some discretion with the Secretary of Agriculture to authorize and make disaster pay ments under certain conditions, including natural disasters, to alleviate an ecoomic emergency and thereby prevent a farmer from financial ruin. At my suggestion, a proviso along this line was inserted into S. 884, but I still feel that this is one area of S. 884 that needs to be strengthened.

I have no doubt that officials of the Federal Crop Insurance Corporation and their designated agents are doing their dead-level best to phase-in the new allrisk crop insurance program. On the other hand, in my discussions with farmers and farm groups in Alabama this year, it is readily apparent that there are several problem areas relating to the implementation of the new program. For example, because of the complexity of the program and the lack of familiarity and experience many FCIC agents display in attempting to explain the program, there is a great deal of misunderstanding among farmers concerning the program. We further weakened emergency and disaster relief for farmers in the reconciliation process just before the Independence Day recess of the Congress by increasing interest rates for farmers applying for disaster loans and by limiting the amount that may be loaned under the program to such amounts as are provided in advance in appropriation acts. I am terribly afraid that the crop insurance and disaster programs for protecting our commodity growers from the economic perils which can result from natural disaster will prove to be limited in scope and ineffective in dealing with uncontrollable con-

Mr. President, the farmers of Alabama and the communities of my State which depend upon farm income as their principle economic base have a particular interest in several of the commodity programs set forth in the provisions of S.

It may come as a surprise to many people, but wheat is being grown more and more in Alabama as a cash crop. This year Alabama wheat growers will harvest some 600,000 acres of wheat. Much of this land, incidentally, is double-cropped with the second commodity being primarily soybeans. The growth of America's soybean crop in recent years in Alabama and elsewhere is indeed dramatic. For example, 15 years ago soybeans were grown on 240,000 acres in Alabama. It is estimated, however, that Alabama farmers this year will plant 2.3 million acres in soybeans.

Soybeans are the number one cash crop of this Nation and the number one cash export of the United States. In 1979, the latest year for which official statistics are available, more than \$.75 billion of U.S. soybeans went into the export market. The record will show, however, that the tremendous rise in soybean production in our Nation has not resulted from increased yields, but from expanded acreage.

In contrast to certain other agricultural commodities such as corn, whose yield has increased from 26 bushels per acre in 1929, to approximately 110 bushels per acre today, average soybean yields have increased only about one-fourth bushel per acre annually over the past quarter of a century.

This, to my way of thinking, points out the need to increase soybean yields through research and by increasing the efficiency of our farmers through grower education. A few weeks ago, specifically on June 19, the distinguished senior Senator from Indiana (Mr. Lugar) conducted a hearing in his capacity as chairman of the Senate Subcommittee on Agricultural Research and General Legislation on S. 1295, a bill I have introduced to establish a soybean research institute. The purpose of this bill is to focus attention on the importance of soybeans as a source of food and to step up programs designed to improve the production and marketing practices of this remarkable legume.

A little later on during the course of Senate action on S. 884, I intend to offer a revised version of S. 1295 as an amendment to the farm bill. This amendment will in no way encroach upon the freedom of soybean producers and their representative organizations. It is merely intended to be a means whereby the soybean industry, the Federal Government, and other interested disciples may join hands and work together toward the desired goal of achieving the full potential of the soybean.

Although cotton is no longer the leading cash crop in Alabama, it is still grown abundantly in my State. In fact, sales of Alabama-produced cotton ranks eighth among the States in terms of cash receipts.

Under the new farm bill the minimum target price for cotton will be 71 cents a pound for the 1982 crop year. The target will increase 76 cents, 83 cents, and 89 cents for the 1983, 1984, and 1985 crop years, respectively. In addition, the bill vests in the Secretary of Agriculture the authority to increase these levels for any such crop to reflect changes in production costs.

The loan level for cotton generally would be calculated as under present law, but in no case could the loan level be less than 55 cents a pound. I should like to stress to the Senate a new feature in connection with the establishment of the cotton loan which will be of interest to those interested in a market-oriented farm program.

Under the loan formula the loan rate for cotton is established for strict law middling 116 inch cotton. Also, the Department of Agriculture publishes a schedule of premiums and discounts. which, added to or subtracted from the base loan rate, establishes the loan rate for other grades and staple lengths of cotton. In the past the method of establishing the quality differentials in the loan-rate schedule has been done administratively by the Agriculture Department with no guidance or oversight by the Congress whatsoever. Unfortunately, as presently administered by the Agriculture Department, the loan differences for the cotton program are not based upon the market-oriented agricultural principles inherent in S. 884.

Mr. President, not only do the loan values assigned by the Agriculture Department bear no relationship to the actual market value of poor quality cotton, they also discriminate against cotton farmers who produce good quality cotton. This is so because through artificial loan discounts the Department of Agriculture is arbitrarily establishing a false criteria for determining the actual market value of poor quality growths of cotton, thereby leading to a weakening of cotton prices in general.

It is my belief that the premiums and discounts established annually for the cotton loan program should be based as closely as possible on the differences paid in the marketplace for the preceding crop. Accordingly, during markup, I introduced an amendment to the upland cotton section of the bill which sets forth the procedure to be followed by the Department of Agriculture to arrive at the

loan differences for the various qualities of cotton.

Mr. President, at this point I should like to read the committee report language which explains this amendment, but before doing so I should like to express my appreciation to the distinguished senior Senator from Iowa (Mr. JEPSEN) for the strong endorsement he gave the amendment in committee. I would also be remiss in my remarks about my amendment and, in fact, the entire cotton program, if I did not also express my gratitude to the junior Senator from Mississippi (Mr. Cochran). The farmers of America, particularly cotton and rice growers, have no greater friend than Than Cochran. And I believe that as Senator Cochran continues to grow in stature and service his name will stand near the top of Senators who have authored and worked for meaningful farm programs.

The Senate, in the past, has had some Senators who were very much interested in cotton. They had from Alabama a Senator by the name of Heflin who was known as Cotton Tom Heflin. In South Carolina they had a Senator by the name of Smith, and he was known as Cotton Ed Smith. I predict that Senator Cochran will be known in the not too distant future as Cotton Than

As I have previously stated, Mr. President, I should like to quote the committee report language relative to my amendment requiring the Secretary of Agriculture to establish premiums and discounts under the cotton loan program pursuant to an established formula:

The Committee believes this amendment addresses an inequity now existing in the cotton loan program. The amendment provides a formula to be followed by the Secretary of Agriculture to set on a market-oriented basis the ratio adjustment of premiums and discounts for cotton.

Under current law, for cotton, the Secretary has full discretionary authority to establish these premiums and discounts using various weightings of current market averages and loan values from the preceding year to establish the discounts and premiums for loan rates for the various grades of the upcoming cotton crop. This has frequently resulted in the establishment of artificially high loan rates for lower-quality cotton. Thus, in some instances, it may be more profitable to produce lower grade cotton to be used as collateral for a Commodity Credit Corporation (CCC) price support loan than it is to produce cotton for market consumption. When large quantities of these lowerquality cottons are produced and used by the producers as collateral to receive a CCC price support loan at rates which do not reflect true market value, it may create a distorted cost exposure to the CCC. If the cotton is forfeited, when it is sold by the CCC, the price realized by the agency must, under law, reflect the inflated loan value.

This amendment establishes the equal weighting of market differentials with prior loan rates for all grades of cotton; thus, if prices are strong one year for a particular quality of cotton, the loan program differences for the next year will reflect that demand and strong price for that quality to greater extent than recent USDA procedures have done. The amendment moves cotton into the market-oriented concept of this legislation and could result in the savings of millions of dollars each year in CCC budget exposure in the cotton loan program.

Mr. President, although I feel that the premiums and differences established annually for the cotton loan program should be based as closely as possible on the differences paid in the marketplace for the preceding crop, I did make provision in the amendment for the Secretary to blend in the loan differences for the preceding crop when determining the premiums and discounts for grade, staple and micronaire so as to give the Secretary some flexibility in this area.

One of the most important objectives of the farm bill is to emphasize the need for greater exports of farm commodities produced in our Nation. I endorse and applaud the avowed intention of the administration to pursue an aggressive program to develop and expand foreign agricultural markets for the bounty of American agriculture. Farm products are a major asset of our Nation in foreign trade and international relations. Export markets have become a major means of U.S. farm income and, as the record shows, the single greatest contributor to our Nation's international trade balance. I think it is widely recognized that our foreign trade debt would be a total shambles if not for the agricultural sales abroad.

Because the tremendous importance of foreign markets to the income of the producers of U.S. food and fiber, I am especially pleased with the mandate in S. 884 providing embargo protection to American agriculture. As stated in the committee report, we do not feel that the U.S. farmer should be singled out to absorb the economic brunt of a foreign policy decision. Under the provisions of S. 884, the embargo protection program would trigger when national security of foreign policy embargoes and trade suspensions are selectively applied to farm commodities. If such an embargo or trade suspension does occur, the Secretary of Agriculture is affected to set commodity loan rates at 100 percent of parity on an interest-free basis at the time of the embargo, or, in the alternative, the Secretary could operate a deficiency-payments program that would entitle farmers to payments representing the difference between 100 percent of parity and the average market price of the commodity for the 60-day period following the imposition of the embargo.

In closing, Mr. President, I should like to briefly discuss the peanut section of S. 884. Like every other section of S. 884, the peanut program was not conceived out of selfish or sectional interest nor was it the product of a single political party. The committee devised and laid down the basic programs in the legislation with bipartisan accord. We worked collectively within severe budget constraints to create a bill which would assure Americans an adequate supply of and fiber while at the same time providing incentives to our farmers to apply their capabilities to the fullest with a degree to independence based on market demand. It is in this context that the commodity provisions of S. 884 must be judged and it is in this framework that the peanut program meets the

The peanut program set forth in the provisions of S. 884, as amended by the committee package of amendments, is in essence, an improved and modified reauthorization of the program established in the 1977 Farm Act when changing conditions made clear the need to make extensive revisions in the old pro-With the exception of making needed upward adjustments in minimum price supports to help offset rapid increases in the cost of production, the 1977 peanut program has, for the most part, worked well. A devastating drought which ravaged the entire peanut belt was the first time in a quarter of a century that we have experienced a crop shortfall. Surely, all will agree that the 1981 short crop was certainly not the fault of growers or the program.

It should be noted, Mr. President, that the peanut program does not have a target price mechanism and, therefore, no Federal funds are used for deficiency payments to peanut producers. In addition, there are no Federal outlays for set-asides or land diversion payment programs and because peanuts are a semiperishable commodity, there is no Federal expenditure requirement for reserve programs. In fact, during the 3year period, 1978-80, program costs have declined 69 percent when compared to the 3-year period immediately prior to the peanut program enacted in the 1977 Farm Act. Thus, we see that the 1977 program has been highly effective in reducing taxpayer costs. More important, S. 884 as amended by the committee package will reduce program costs to zero. There are also other changes in the committee package of amendments which, I feel, will allay the other concerns which have been expressed rela-

tive to the peanut program.

Mr. President, I feel strongly that S. 884 should be passed by the Senate without substantive change. I say this not in the belief that this bill is in any way perfect, but because I know personally of the many compromises which have been made during the development of the legislation, including the most recent deliberations which resulted in the committee package of amendments, in order to make the measure fiscally responsible. Mr. President, it is my intention to oppose any and all amendments which may be offered during the course of Senate debate on S. 884 to reduce commodity programs further. With this bill, our committee and American agriculture have met their obligations to achieve the changes in Federal spending policy necessitated by the current economic

Our farmers and our farm families represent the base of rural America. Agriculture was one of man's first employments and it is still the wellspring the basic necessities of life. The bill now before us will have a profound effect upon the livelihood of thousands of farming families, as well as the State and communities that depend on them. For these and other reasons, I urge passage of S. 884.

At this time I yield to the distinguished Senator from Nebraska (Mr. ZORINSKY).

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from Nebraska. Mr. ZORINSKY. I thank the Chair.

Mr. President, when the Senate Agriculture Committee met for some 25 sessions last spring, the task before us was not an easy one. We were to devise comprehensive farm legislation for the next 4 years. To construct sound policies and effective programs that far into the future for agriculture is always difficult. To do so under the extreme budget constraints we faced this year was a really impossible task.

Still, the 17 members of the Agriculture Committee attempted it, and achieved at least a limited success. The bill which we reported does meet certain

necessary criteria.

S. 884 gives the Secretary the discretion he requested and needs to operate efficient, cost-effective farm program for wheat, corn, rice, and cotton.

S. 884 also meets the budget test. Although there is a slight overrun in fiscal year 1982, for all practical purposes S. 884 falls within the goals of the first concurrent budget resolution.

I might also add that—at least to this Senator-S. 884 falls far short of a perfect bill. Indeed in other years and under different circumstances, I might even have said that S. 884 was a bad bill. But it is this year, and this bill is apparently the best that we could do. It has sometimes been said, Mr. President, that the only just laws are the ones no one is satisfied with. If that is so, then surely S. 884 is fair legislation—for no one appears to be happy with it. A rough glance at the list of amendments is enough to show that the 1981 farm bill is being attacked from all sides.

There are amendments to increase target prices and loans and there are amendments to reduce them. Perhaps we should take that as a clue, Mr. President, that S. 884 does strike some sort of middle ground—a compromise which no one embraces, but which we can all perhaps live with.

Mr. President, those who attack S. 884 have advanced a number of arguments in favor of reducing or even eliminating some of the crucial Commodity Credit Corporation programs for commodities. These arguments more often than not are based on false impressions of the programs and their effects. I would like to debunk some of those popular myths.

The first myth is that farm programs are necessarily expensive; that America's producers are draining the U.S. Treasury. Quite simply, this is not true.

Farm programs may be expensive but they do not need to be. As I pointed out during the Agriculture Committee's consideration of S. 884, we have accorded the Secretary of Agriculture an unprecedented amount of discretionary authority. Under the committee bill, Secretary Block can act to raise target prices and loans to encourage participation in USDA programs. He can require a paid diversion or set-aside program to help bring supplies in line with demand. He can stimulate exports and he can set storage payments and interest rates on the farmer-held reserve program. All of these steps, Mr. President, are within the purview of the Secretary. It is a tremendous kit of tools, and it can—indeed, it should—be used to insure that farm programs provide a stable economy for agricultural producers without an exorbitant cost to the taxpayer.

We have heard it said that under S. 884 Commodity Credit Corporation costs in fiscal year 1982 could exceed \$4 billion. The larger than expected crops this year and extremely low prices may well mean this is true. But I must point out that the bill we are now considering can hardly be responsible for those costs. The crops which are being harvested this summer were planted last fall and earlier this spring. Any program costs on these crops are attributable to the 1977 Food and Agriculture Act, as amended. While it is true that this administration is only partially responsible for the management of 1981 crop programs-and therefore their costs—it would be grossly unfair to blame the fiscal year 1982 costs on the Congress and this bill.

Instead, I would point out that substantially the same authority to make adjustments in farm programs as are in S. 884 are in today's statutes. If Commodity Credit Corporation costs in fiscal year 1983—the first year they will be fully administered under the 1981 arm bill—are as great as fiscal year 1982 costs, it will not be because of this legislation. The means have been given to the administration to run an efficient, costeffective farm program. If it fails to do so, it is, as they say, a poor carpenter who blames his tools.

A second myth which requires debunking is that target prices interfere with the market. Nothing, Mr. President, could be further from the truth. Target prices do not interfere in the market—that is precisely why the target price concept was developed in the first place. Target prices and deficiency payments are intended to provide an income supplement to farmers in years when large crops and insufficient demand cause price depressions.

In 1973 and again in 1977, Congress wrote farm bills containing target prices. Why? Because farm income could not be allowed to fluctuate as wildly as crop prices sometimes did. The farm sector was too important and too sensitive to abandon entirely to the cold ups and downs of the market. Some sort of floor—designed to help producers through the bad years—was needed; and yet Congress was concerned about unduly interfering in the market and raising food prices for consumers.

The answer, of course, was target prices. They are triggered only in years of extremely low prices and poor farm income. They protect America's farmers from the worst economic catastrophies; allowing producers to survive for another year of business. But at the same time, target prices did not directly increase market prices. They did not decrease our ability to export and to compete in world markets.

The reasons that made target prices sound policy in 1973 and 1977 have not changed. Target prices are still the best solution to the complex problem of providing price stability without undue market interference.

S. 884 is a compromise which took weeks of committee hearings to develop. The committee has done the best job possible, given the present budget constraints.

I urge that the bill as it was conceived originally, S. 884, as passed out of committee and reported out of the committee to the full Senate, be passed.

Mr. President, I would like to say that if this is not the situation, I will have amendments to offer to reinstate compromises which, as I understand, will be offered to the bill in advance thereof.

Mr. President, I feel that the farmers of America can compete adequately in our free enterprise system. But, unfortunately, they are not competing freely with unencumbered ability, insofar as the Congress of this country. And I go back to the fact that I sat in this Chamber and watched the minimum price wage bill pass with an automatic escala-tor each year. Who got that as the fruits of their labor? Of course, it was the individual that delivered the bread, it was the baker of the bread, it was the seller of the bread, it was the man in the supermarket that sold the bread, but it was not the farmer whose labor produced the wheat for the bread. That chain cycle started above the farmer.

What that did is it exacerbated inflation which in turn came back and additionally penalized the farmer with increasing his or her cost of production to the extent that the family farm income today in no way is covering the cost of production of the products that the agricultural industry is producing in this Nation.

And what is the consequence of that? The consequence of that is today there are twice as many farm bankruptcies taking place. They cannot all be laid at the doorstep of what we are debating here today. Some of it has to do a great deal with the interest rates confronting this Nation today, also.

But, Mr. President, as I said before and I will say again, when we put the family farm out of business, we have taken the life blood of this Nation and turned it over to conglomerates and foreign countries in the importation of agricultural products to the extent that the day will come, if family farms are no longer available, that the conglomerates and other countries whom we will be dependent upon will set the prices for us, for our consumers in the aisles of the supermarkets of this great country of ours. And I do not think anyone in this room wants to see that happen.

Mr. President, as I said before, I will have some amendments to offer but, as I also said before, I feel in 5½ months we evolved a bill which I think was inadequate but yet was a compromise with the budgetary constraints that we had placed upon us at that time.

Thank you, Mr. President. I yield to the Senator from North Carolina.

Mr. QUAYLE. Mr. President, as we begin debate on the 1981 farm bill, I would like to call attention to the great contribution made by American farmers to our national well-being. American

farmers represent only about 3½ percent of the population, yet are able to feed the entire Nation and much of the rest of the world. As we know, the farming sector has continued to increase its productivity while other segments of the economy have become stagnant. While it took 7 hours of work to grow 100 bushels of corn in the 1965–69 period, the same amount of corn required only 4 hours of labor 10 years later. Higher productivity has also helped to keep food prices down in an age of spiralling inflation.

I feel that one of the principle reasons for continued growth of agricultural productivity is the strength of the free market economy. Indeed, American farming provides us with a textbook case of free market economics: The creativity and hard work of millions of producers results in an abundance of high quality foodstuffs, unprecedented in world history

We should applaud the success of millions of farmers and work to lessen Government interference in their productive efforts. We have all seen during the past two decades that overregulation of the economy not only serves to reward inefficient producers, but also discourages both investment and individual enterprise.

We should also recognize that many of our trading partners do not share our commitment to free trade. Even though exports of agricultural commodities totaled over \$34 billion last year, we still retain surplus grain, butter and other commodities in Government silos and warehouses. If we are to encourage American farmers to produce as much as they are able, then we should assist them by working to reduce restrictions on international trade and by assuring stable markets for their products.

Mr. President, I believe that the twin goals which should guide our discussion of the 1981 farm bill should be: First, reduce Federal involvement in agriculture, and second, work toward free and stable international trade of agricultural commodities.

American farmers have borne the impact of inflation even more than most other sectors of the economy. Because of the intense competition and high yields of agricultural production, farm prices have not kept pace with the costs of production and with the general inflation rate. The farmer's costs have risen from 70 to 80 percent of farm receipts in the past 20 years. More recently, the cost of fertilizer, which is largely produced from petroleum, and the cost of farm operating loans have skyrocketed. Total indebtedness for farmers has increased from \$53 billion in 1970 to \$157 billion in 1979. High interest rates have dramatically increased the costs of servicing this huge debt.

As we move toward reducing Government involvement in agriculture, we must keep in mind that the farmer's profit margin has been squeezed by inflation. We must not penalize this highly competitive and productive sector of the economy by suddenly eliminating decades-old support programs. Instead, we should allow the producer to recover the

costs of production as we seek to stabilize world markets and control infla-

In conclusion, Mr. President, I must insist that we begin the process of returning agriculture to the free market system. We cannot continue to support every agricultural crop without regard to its contribution to nutritional needs, its effect on the economy, our balance of payments, its costs to the Treasury, and its inflationary impact. I urge my colleagues to give serious attention to each separate program contained in the 1981 farm bill. At the appropriate time, I will offer an amendment to delete the sugar title from the farm bill, as reported by the Agriculture Committee. It is my firm belief that the sugar title represents an excellent place to begin our drive to reduce counterproductive Government involvement in American agriculture.

Mr. HELMS. Mr. President, I yield to the able Senator from Kansas.

The PRESIDING OFFICER (Mr. DANFORTH). The Senator from Kansas.

Mr. DOLE. Mr. President, I thank the distinguished Senator from North Carolina, the chairman of the committee.

Mr. President, it is not my intention to make a long statement regarding either the Agriculture Committee's farm bill, S. 884, or on the refining amendment approved by the committee last week which the chairman is introducing today.

Both pieces of legislation were developed under the most trying of circumstances—here in Washington and in rural America—and the bipartisan effort to reconcile budgetary restraint and prevailing economic distress speaks for itself.

TODAY'S THREAT TO OMNIBUS FARM LEGISLATION

I would like to state, Mr. President, that the concept of omnibus farm legislation has never faced to my knowledge as severe a test as it has this year.

The commitment which Congress made last spring to bring the growth of Government spending under control has brought into question the entire system through which we protect and support prices of basic agricultural commodities.

We have now seen 6 consecutive years of large global agricultural production, unprecedented interest rates, sustained double-digit inflation, and rocketing fuel and fertilizer costs.

At the same time, we have failed to protect the U.S. farmer's access to foreign markets, and have allowed the price-cutting tactics of our major competitors to reduce America to the world's supplier of last resort.

These events in the years since 1975 have progressively drained both profit and equity from our farm economy, and seriously endanger the future of its cornerstone—the family farm.

It is not only the viability of farm legislation during the next 4 years that we are addressing today, Mr. President, but the more crucial issue of whether the American agricultural system can and will survive the 1980's.

FARM LEGISLATION IS ONLY PART OF THE SOLUTION

As we have seen under the 1977 farm bill which expires with this year's crops, no one piece of legislation can guarantee prosperity in agriculture. It must be accompanied by aggressive policies in the area of foreign trade, by a revitalization in our Nation's industrial productivity, and by a total restructuring of Government's growth and regulatory function.

No one in 1977 could have foreseen the economic malaise which has pervaded our national spirit and sapped our confidence in the future. No one anticipated the impact which politics and foreign policy decisions would have on international trade and our balance of payments.

It is only by redressing these conditions that we can hope to return our economy, and the agriculture sector which plays such a vital role in its performance, to past levels of prosperity.

AGRICULTURE AND THE REAGAN ECONOMIC

There has been considerable criticism, Mr. President, of the current state of the economy, of the administration's budget and tax cuts passed by Congress in July, of the need for additional savings to bring the Federal budget into balance in 1984, and of continuing high interest rates.

I would only remind the administration's critics, however, that today's problems have been 40 years in the making, and that President Reagan's program for economic recovery is still 3 weeks from beginning to take effect.

It would be far easier to follow in the footsteps of previous administrations—Democratic and Republican alike—by taking short-range actions to put off the inevitable day of reckoning rather than dealing with the root cause of our economic disease—the unchecked growth of deficit spending by Government.

Mr. President, I have just returned from 10 days in my home State during which I was made painfully aware of the crisis conditions in the Nation's farm sector. Many farmers are facing bankruptcy at current financing costs, and many others are preparing to sell out while they can still salvage something from 30 or 40 years of hard work.

Almost all of the producers I met with, however, were steadfast in their belief that the President's program must be given a chance to succeed; that partial solutions and exceptions for special interests would betray the mandate which was made so clearly last November 4.

This Senator intends to keep that pledge, Mr. President, and I hope that my colleagues who shared our commitment during the first 6 months of this administration will not falter at the first signs that the medicine is only beginning to work.

CONCLUSION

In closing, Mr. President, I would only remind my colleagues of the circumstances in which we find ourselves today. There is no doubt in my mind that, if the committee bill and its amendment are not approved in the next few days, farm legislation will be overwhelmed by other issues, including the revised requirements of the second concurrent resolution on the budget and by the 60 or so amendments which may be offered to rewrite various provisions.

I join the chairman and the ranking minority member in asking for your support. S. 884 as amended will not be the bill requested by the administration, but the Department of Agriculture is not on record opposing it. It does not attain the level of savings we sought, but the additional cost—less than \$100 million per year over the 4-year life of the bill—is a remarkable achievement under unprecedented circumstances.

As many Members are aware, S. 884 as amended will also not be the legislation sought by many of our national and commodity farm organizations. I only ask that you carefully consider the consequences if the opposition of both those who would prefer more and those who would prefer less combine to defeat the measure.

Congress and the Nation must move forward to address questions that will have a tremendous impact on rural America—greater than any minor modifications in the committee bill. It would be far better to enact the legislation as proposed than to perpetuate a debate that will never be resolved to everyone's satisfaction.

Mr. President, having had an opportunity, I guess that is the correct word, to appear on the floor a number of times on farm legislation, this is the first time that we have come to the floor under the new so-called budget constraints where we have a total amount of money and we try to stay within those figures. One thing that adds that we did not have before is a little competition between commodities because if so much goes to one commodity it may mean less for another commodity. I would guess that there are some who may not agree with the sort of loose compromise that the majority of Republicans and Democrats on the committee, as I understand it, agreed to. But it is the hope of this Senator that we can stick together and pass a bill, and pass one very quickly.

I would say to my friends that we are in the process in the State of Kansas, and have been in the States of Texas, Oklahoma, and other wheat-producing States, of making plans now for how much should be planted and how much land should be worked. Even a set-aside announced by the Secretary comes a bit late because many farmers have expended capital, which they do not have much of, I might add, these days, in an effort to prepare the ground.

So we are hoping that we can pass the bill in the next day or so and get it to the House side to see what action the House might take.

I might add that I have spoken this morning with the chairman of the House committee, Congressman De LA Garza, who is waiting very anxiously for the Senate to act on what he would hope would be a responsible proposal that might be looked upon with some favor by the House. They are also, of course, concerned about the budget, as we all are.

I have said in my own State, and I have said to farm audiences, that when we talk about the economy, inflation, high interest rates, and the general problems we have, no one can escape the budget constraints, whether it is agriculture, whether it is defense, whether it is food stamps, whether it is education, whatever program it might be.

In my view, the big problem the farmers and those in rural America face are high interest rates and high inflation. I really believe we cannot solve those problems by trying to load up the farm

We have tried to act responsibly. As I understand it, we are not quite in agreement with the administration. But with the exception of dairy, we are so close on the other major commodities that we are talking about, as I add it up, less than \$100 million difference between what the administration may have proposed and what the majority of Democrats and Republicans have loosely agreed to insofar as the dollar amounts are concerned.

If you look over the life of a farm bill, a 4-year program with the major commodities of wheat, feedgrains, cotton, rice, and the other commodities, that is not a great deal of money. Again, these are only estimates, as I was reminded just a few minutes ago by the distinguished Presiding Officer. Those numbers could change. If, in fact, as we believe will happen, interest rates start to subside yet this year, and inflation levels off at about 9 percent and drops even lower next year, then these figures will drop.

I would just suggest that we have a severe test and we now have an opportu-

nity to pass the farm bill.

I thank the distinguished majority leader (Mr. Baker) for his persistence in urging us to bring the bill to the floor today. We do not have total agreement. There are some who do not like the sugar provision, some who do not like the peanut provision, some who do not like the cotton provision, or whatever. But I would suggest that is always the case in farm legislation. This Senator can never recall a farm bill coming to the floor without a great deal of debate and without some difference of opinion on just how we ought to construct the program. In fact, I think the last time we came here with general legislation we ended up passing two or three bills that affected some crops—sort of a cafeteria approach, everybody taking what they wanted to take.

It was not particularly successful in the final analysis, but it indicates that we have had some concern in the past with farm legislation. As I have said, it is only part of the solution.

I would hope that those who are cer-

tainly concerned about the dairy program will take a hard look at some of the

suggestions being made.

As this Senator views it, if, in fact, we can pass the bill that I have referred to as sort of a coalition of those of us on the committee in both parties who have addressed the major commodities, and if somehow we can accommodate the interests of those who produce milk as well as the consumers in this country and the taxpayers in this country, as far as that section is concerned, it is the belief of this Senator that we can pass a bill that will go to the House and perhaps receive favorable consideration and be signed by the President.

There has been some discussion that, "Well, this might be a chance for the President to veto his first piece of legislation and indicate his concern about the

economy." I would hope that is not the case. I do not believe that is the case. I do believe that we have acted responsibly in cutting back the cost of the bill that came out of the committee, S. 884.

That has been done, I might add, because of the diligence of the distinguished chairman, Senator Helms, and the distinguished ranking minority member on the committee, Senator Huddlesson. They have been working at this for the past several weeks. I might also add because of the efforts of the Department of Agriculture and the personal efforts of Secretary Brock and Under Secretary Lyng, meeting with every farm group in the late days of August and early September and going over the bill with every different commodity group to see if they could reach some agreement.

It is the belief of this Senator that we

have just about done that.

I will be speaking later on to certain amendments. I understand the distinguished Senator from Indiana may have a minor amendment which would, in effect, eliminate target prices and go back to the administration's original proposal.

I would say to the Senator from Indiana, to just take the wheat-producing area, since the Senator from Kansas understands that maybe better than some of the other provisions, we do not want payments under the target price program, but we would like some protection. The target price concept does offer some protection. It also has a way of putting pressure on any administration to use every possible effort it can and every tool it can to bring up the market prices.

The farmers in my State, the great, great majority of the farmers in the State of Kansas, do not want Federal payments. They want to make a profit in the marketplace. They cannot do that when the price of wheat is 40 cents, 50 cents, 70 cents, or even \$1 less than the costs of production per bushel. It is our hope that by retaining the target price concept we will not have Government payments but we will have enough pressure on any administration over the next 4 years that will indicate they are going to use the tools in the farm bill to bring up market prices. Whether that is setaside, diversion, or more aggressive export policies it would seem to me that is one advantage of the target price con-

Let us take this year, for example. Right now we are 3½ months into the 5-month formula. There may necessarily be target prices paid to wheat producers. To me that is unfortunate.

That, to me, is sort of a legacy of the embargo imposed in January 1980. I hope there will not be any more embargoes or, if there are embargoes, they are going to be across the board and not single out farmers in this country for special consideration. We are reaping the last adverse impact, I might say, of the so-called embargo imposed by President Carter. I do not say that in a partisan sense, because we have had embargoes under other Presidents who were Republican. But they have all ended up having the same adverse impact on the American farmers. We have had to come to Congress, and the American taxpay-

ers have had to put up billions of dollars to offset the adverse impact of the embargoes.

We go back to the soybean embargo under President Nixon. What was the final result? We almost lost the market to Brazil. We go back to the embargo imposed by President Ford. That did not do anything as far as the Soviets were concerned. There were great pressures on the President to impose embargoes, but the net result was that we lost part of our markets to other countries. I do not have the figures before me, but in such countries as Argentina, Australia, Canada, and other wheat-producing countries, not as large as the United States, if we look at their increase in exports to the Soviets in the past year or so, we understand just what an impact the embargo had.

If we look at the low prices in the marketplace, we understand today what an adverse impact the embargo had on American farmers. I believe President Reagan kept his campaign promise. He lifted the embargo. Not everybody agreed on that. It seemed to me what the President might do to lessen the target price exposures, even though only about 45 days remain, is to indicate that it is administration policy up and down the line—State Department, USDA—that if we have a big, big surplus of wheat, corn and other grains, we are prepared to sell at least 10 million tons, hopefully more, to the Soviets on commercial terms.

This, in itself, would not cost the President anything, but it would, I think, have a good impact on market prices. It might even save the administration millions of dollars when they have to compute what target prices might be after the 5-month period as provided in the law.

Finally, Mr. President, I remind my colleagues of the circumstances in which we find ourselves today. There is no doubt in my mind that unless we do something soon, this farm bill is going to be overwhelmed by other issues. In other words, if we reach a stalemate on the floor and cannot proceed with the farm bill, if the distinguished chairman of the committee decides after 3 or 4 days that we can just not pass the bill and has to pull it down, then other issues are going to be closing in on the time that we have remaining this year.

There is not any great interest, as we understand the term "great," as far as monumental issues in farm legislation. That does not mean it is not of importance to America, but it is hard to drum up a great deal of support for farm legislation outside those of us who come from farm States and farmers and consumers-some consumers. It is something that comes along every 4 years or less and we deal with it. We do the best we can under the circumstances. But there are a number of issues—all the appropriations bills, the debt ceiling, social security legislation, new budget cuts, and other matters that I think the distinguished majority leader outlined when Congress reconvened last Wednesday which would indicate that now is the time for the farm bill not only to be brought up in the Senate but to be passed in the Senate so we might move on to other business and go to conference on the farm bill. Hopefully, the House will see fit to move very quickly. Then we can say to the American farmer that we did act, we acted responsibly. We did not try to bust the budget with the farm bill.

I know that some find it difficult to vote for farm legislation and I know that some farmers themselves would like 100 percent of parity, they would like loan rates at 100 percent, they would like target prices at 100 percent. But the taxpayers have an interest, too.

On the other hand, as you travel across most farm States, you do not see a great number of young farmers. Even the percentage that there are, I think, has probably fairly well stabilized. Hopefully, it is going to increase in the next few years. But we need to do what we can to protect farm income-not to shovel it out of the Treasury; there is nothing in the Treasury—but to protect farm income. This Senator believes we shall be able to do that under the chairmanship of the distinguished Senator from North Carolina, with the so-called modifications that he will present at some time later on in the discussion of this

proposal.

Mr. President, it is the hope of the Senator from Kansas that we can, for the most part, accommodate wishes-in fact, the hopes-of the administration. Again, I remind those who may be listening in their offices and may be voting on some of the amendments that they look at S. 884 and then the socalled countercompromise offered by the administration, presented by Secretary Block to the members of the committee just a few days ago, then the modifications that will be offered with the exception of dairy in the next few hours. probably by the distinguished Senator from North Carolina. If we add up the difference in cost, we find, as the Senator from Kansas—I hope accurately—outlined, less than a half billion dollars total, probably \$100 million for the next 4 years above what the administration indicated they would accept.

Now, \$100 million is a lot of money and \$100 million should be scrutinized carefully. But these are estimates. We believe that in the final analysis, they will come within the numbers projected by the administration. We are talking about major farm crops—peanuts, sugar, cotton, wheat, and feed grains. Hopefully we can work out some accommodation on the dairy section. If we cannot, it is the view of this Senator that we just ought to bring up dairy by itself. If the dairy people want to go it alone, they are going to have an opportunity. If they do not want to compromise, they are going

to have a chance to go it alone.

It seems to me it would be in the best interests of the farmers and consumers in this country to try to reach some accommodation on the dairy section. If that cannot be done—and I hope there are some of us who believe we can support agriculture, support dairy producers, dairy farmers, and consumers-we can ourselves offer some modification of the dairy provision now contained in S. 884 to lower the cost. If that is not done, it is the opinion of this Senator that that would increase the cost over the next 4 years by about \$1 billion. Instead of \$400 million added cost or \$500 million, we are going to have about \$1.5 billion of added cost because of the one section.

I hope that those who look after the interests of American dairy farmers will understand that if there is no inclination to go along, they may have to go alone. am not certain what the outcome of that might be on the Senate floor.

Again, Mr. President, I indicate that there are certainly some concerns about this bill on the House side. This Senator is not certain what will happen on the House side, but I am told that they feel very strongly on the House side that they have to stay within the so-called Gramm-Latta budget constraints. If that is the case, if they exceed that, I am advised, they might have great difficulty in passing a bill on that side.

Again, Mr. President, I thank both the Senator from North Carolina (Mr. HELMS) and the Senator from Kentucky (Mr. Huddleston) for their bipartisan effort in getting this bill before us and getting it passed in the next few days.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. HELMS. Mr. President, I commend the able Senator from Kansas for his analysis of where we stand. I ask him if it is not correct that S. 884, as it will be modified by the package, moves the bill \$1.3 billion closer to the administration's proposal. Is that correct?

Mr. DOLE. That is correct. The Senator has even a somewhat more accurate figure. I was sort of rounding off figures. but he is correct. It is about \$1.3 billion.

Mr. HELMS. That does not leave very much difference. As a matter of fact, for fiscal year 1982, the administration proposal and the revised Senate proposal will cost the same thing, within the CBO figures.

Mr. DOLE. That is right.

Mr. HELMS. The Senator mentioned what will be an absolute necessity if we do not move along and pass a farm bill in any reasonable length of time. We are going to have to pull it down, and the likel hood is that there will not be a bill. Then what will happen?

Mr. DOLE. I am not certain anything will happen, but we go back to the 1949 act. I say to the Senator from North Carolina that we do not want that to

happen.

I am speaking now not for Senators but for farmers and others who would have to comply with that act. In addition, as I understand it, the cost would be out of sight.

Mr. HELMS. Twenty-four billion dollars for the 4-year period.

Mr. DOLE. That is out of sight. [Laughter]

Mr. HELMS. It is out of sight. I thank

the Senator for his comments.

Mr. President, I yield to the able Senator from Indiana.

Mr. LUGAR. Mr. President, I believe it is important that we review the bidding

as to how we came to this point, prior to getting into these amendments.

Clearly, the chairman of the committee, the distinguished Senator from North Carolina, and the ranking Republican member, Mr. Dole, have outlined the efforts of the committee to try to bring about income security for farmers and at the same time to do so within the constraints of the budget process.

Those who witnessed the initial hearings and the markup will recall the press coverage during the days of the markup, in which it was apparent that amendments being made to the original administration proposal were adding substantial sums of money. Indeed, each gay of the markup, it became a question of trying to gage how far we had marched up the hill.

The distinguished chairman of the committee kept assuring the committee and the press and Americans that we were marching up the hill rapidly but that, indeed, we would have to march down again; that we were under constraints, as are all other committees, of the general budget consideration of the

Senate.

Unfortunately, the markup concluded; and S. 884, which came as the vehicle for our consideration on the floor today, arrived with a very large price tag on it at that point. The administration may have been thinking in terms of an overall cost for fiscal 1982 of between \$1.5 and \$2 billion. It ended up, apparently, somewhere between \$2.1 billion and \$2.3 billion, according to USDA estimates.

Our dilemma is compounded as we come to this debate in the month of September because USDA now estimates that the same bill that was worth \$2.3 billion, more or less, when we completed it in the spring, is now worth over \$4 billion. The compromises that the administration and the Agriculture Committee have attempted to fashion would shave that \$4 billion plus by \$200 million or \$300 million at most.

I suspect that throughout the consideration of the debate, differing figures will be offered as to how much money is to be expended in the course of this multiyear bill. However, for the sake of the record, let me offer estimates that have

been made today.

The administration, as of 1 p.m., has released its estimate of the cost of the committee proposal, and this is the substitute that will be offered shortly, sometime today, with or without dairy attached to it. The estimate is \$12.2 billion, as compared to an estimate of \$9.01 billion for the administration's original proposal. The cost of S. 884 is still estimated by the administration at \$13 billion.

So the administration is suggesting that the committee proposal over a 5year period does shave the \$13 billion down to \$12.2 billion; but it is still clearly in excess, by over \$3 billion, of the administration proposal, which in itself presumably is barely inside the guidelines of the first concurrent resolution.

The CBO has different estimates. It estimates the committee compromise at \$13.2 billion. That is a full billion dollars

higher than the USDA estimates. But the CBO also estimates the administration proposal at \$12.3 billion.

Thus, the dialog that just ensued between Senator Helms and Senator Dole, suggesting that the two are coming close together—indeed they are, both at an extraordinarily high level.

I point out that the differences between the administration and the CBO estimates are apparently due to the higher CBO estimates of dairy and wheat and lower CBO estimates of rice.

The dairy and wheat situations point up the general course that the committee followed and the general course that I believe the committee should not adopt today, and it is hoped that the Senate will amend it if the committee persists.

There is no way of estimating the cost of this bill so long as the uncontrollables represented in the target prices remain. There is absolutely no way of making an astimate

The distinguished Senator from Kansas has pointed out that he does not want direct cash payments to Kansas wheat farmers, that that is abhorrent to him—the thought that the Federal Government would be shelling out hundreds of millions of dollars to Kansas wheat farmers under this bill or any other bill.

He points out, however, that they should have some protection, and others have pointed out the need for some basic way of covering production costs.

The dilemma is, of course, that at this moment the 5-month average of wheat prices points to a situation in which not only Kansas wheat farmers but also wheat farmers all over our country, on a 2.75 billion bushel crop, will be receiving so many cents for each of those bushels.

The way the target price system works is that you take the 5-month average of cash prices in the field, at the local market, and if that average is less than the target price, every farmer in the country who produced a bushel of wheat is eligible for that spread times the number of bushels his local agricultural stabilization committee gives him credit for producing on historical averages of his farm acreage and his normal production. It makes no difference whether he sold the crop a long time ago, went into the futures market and made a profit. He is entitled to an uncontrollable factor that the target price represents.

The USDA believes that that will be \$500 million of payments in this crop year, if a wheat crop already harvested is playing its way out now through the 5-month averages.

The fact of life is, as pointed out in the dairy situation, that the Federal Government is buying half the butter produced in the country. There are enormous oversupplies. Yet, the committee, in its wisdom, is still attempting to do what it calls a finely-tuned job of compromising.

The only compromise is within the members of the committee, sitting around the table, each trying to protect a specific commodity. That is the only compromise. There is no compromise with the Treasury, with the rest of the

Senate having passed a budget resolution, with the consumers in this country, or with any of the normal factors of the market.

The question always was; Could you get a compromise within the committee so that nobody would sepak out and say, essentially, "This won't work"? Here are uncontrollables sprouting in every direction; costs for the next 5 years beyond anyone's prediction. How in the world would a Senator know what the weather is going to be like for 5 years, what the predilections of various factors may be as to whether to plant or not to plant?

Of course, the U.S. Department of Agriculture is not defenseless against this situation. Already, to take a very concrete example that is not hypothetical, wheat has acted and said that if there is going to be a target price, if they are going to run up the cash register and pay out \$500 million, then next year the farmers in this country will be prohibited from planting 15 percent of wheat average if they want to participate

In other words, the wheat crop was up 14 percent this year. The USDA is saying that we are going to cut out 15 percent of the wheat crop. That means that if you are a wheat farmer, and I am—and there are not too many on this floor who are-my fields will be measured row by row. We will have the inspectors out again with the aerial photographer. In the event we should misplant two or three rows, we knock it out, all the way back, with the complications of controls and invasion into the workings of our farms, and we cannot use that acreage for other purposes. We cannot plant corn there. We cannot plant soybeans. We do not do anything.

In short, this bill, with target prices supposedly to help farmers, is a destruction of the use of productive land that cannot be used while the USDA tries to control the excesses that all of this has spawned. We know that and it was argued ably within the committee that the USDA's new course, the Secretary's new course was absolutely right: Get rid of the target prices. Let the Secretary of Agriculture be a manager, not a cashier passing out money, a manager, so that we have some chance using farmer-held reserves, using loan rates, using all of the efforts that we have to push exports and finally coming to a conclusion, that simply saying, "My production costs is x number of dollars is not a justification for me to be paid that amount of money." That is not the way the market works and in my judgment it is not the way the market should work.

In short, if there is not a demand for certain supplies in this country, the market should indicate to many farmers they should not be producing. There is no God-given right every year to go out and plant and simply to say "I will be guaranteed because of target prices x number of dollars because it costs me so much to do something the market did not need."

I think all of us appreciate the adjustments that have to be made as we

move from one style of agriculture to another. But the Secretary of Agriculture, given full flexibility under his original proposal to set low rates, to move into farmer-held grain reserves with vigor, offered some excellent floors and possibilities for that adjustment. I appreciate that a long time ago the Secretary in the face of this bill abandoned that situation, but I wish to read a letter he wrote to me this morning to make certain that it appears in this part of the debate.

This is dated September 14, 1981, today, from the U.S. Department of Agriculture.

DEAR DICK: Thank you for your letter requesting the Administration's view on your proposed amendments which would substitute our original commodity provisions for the current language contained in S. 884, as reported by the Committee on Agriculture, Nutrition, and Forestry. The Administration finds your amendments to S. 884 consistent with our original bill. Based on a prior commitment, however, the Administration has agreed not to take a position on peanut and sugar legislation at this time.

As you know, the Administration was willing to work with the Congress in a mutual effort to write a farm bill that not only would help our farmers and ranchers but also be responsible from a budgetary standpoint. Recently we proposed a package of amendments to S. 884 that would achieve these goals. As you know, the Senate Committee on Agriculture, Nutrition, and Forestry, while coming closer, failed to meet our objectives.

We support your efforts to bring prosperity to American agriculture through a greater market orientation. It is important that we restore profitability for American farmers.

Sincerely,

JOHN R. BLOCK, Secretary.

Mr. President, I simply say that I intend at the proper time, and I am fully prepared to enter into time agreements on each of my amendments, to expedite the debate. I think after one goes through on a target price debate we will be able to reach decisions on the others, ad seriatim, very rapidly. It appears to me that the peanut issue has been well debated for a long time and by this time most Members of the Senate have an idea what they are going to do.

I am prepared to move expeditiously in that area, also, as may be required. I hope all other Senators will share my desire to move expeditiously.

I think we must now get back to market orientation and get rid of the target prices. This is where the money lies. Until we do, this bill. I think, is in jeopardy, and even more in jeopardy is the faith of the American people that do not receive kindly special interests, as good as these interests may be, self-dealing as we might be accused of dealing if we are to front for each commodity. In my State corn is big and wheat is big, but I am perfectly prepared to take on, as each Senator knows, the fact that target prices in those two areas are wrong in a market sense, a budgetary sense, and the uncontrollable sense that we are trying to get away from in overall budgetary considerations, and I am hopeful that in due course the majority of our colleagues will agree with that position.

I yield the floor.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. LUGAR. Mr. President, it is my understanding that the distinguished Senator from Iowa, a member of the Agriculture Committee, has been engaged in some research that I think is very important. I was intrigued by mention earlier on of the consequences if we did not pass a farm bill and mention of restoration of certain provisions of the act of 1949 and others.

I wish to ask the Senator from Iowa is it true that he has put pencil on paper and tried to come up with some of the costs that are involved in the event that we should not be successful in passing

legislation this month?

Mr. JEPSEN. I have. The Senator mentioned that the projected costs under current plans and suggestions, target prices, and so on, for wheat would be somewhere in the neighborhood of \$500 million for next year. If indeed we should not have a farm bill, as I feel strongly we must have of some kind, indeed then, as the law states, we revert back to the farm legislation of 1949.

I point out that under the present projections of the new wheat crop, the cost next year to the Department of Agriculture, to the Government and to the taxpayers would be \$1.8 billion.

That is nearly as much in 1 year for one commodity under the 1949 farm legislation as the entire proposed bill as it came out from the Senate committee was

for 4 years for everything.

So when we hear talk of possibly not arriving at some type of a farm bill or the possibility of reverting back to the 1949 bill, I think that under any circumstances should not be used either as a lever, as a threat or as a fallback because it is unthinkable. It is not realistic, it is just not acceptable to even have that under consideration.

Mr. LUGAR. I would like to ask the Senator from Iowa, out of curiosity, whether he has asked the U.S. Department of Agriculture for their reactions with regard to moving back to that legislation?

Mr. JEPSEN. I did as late as 2 o'clock this afternoon in a Joint Economic Subcommittee hearing on the economic value of the agricultural sector to our economy of this country.

The Secretary appeared, and I asked the Secretary as to what thoughts they had about possibly reverting back to the 1949 program. He replied that as a matter of course and to be prepared for any eventuality that might happen they have people working on the possibility of having to implement that.

At that point I did ask the Secretary if he thought that under any stretch of the imagination there was any realistic rationale at all for thinking we could live or exist under that program, and pointed out to them the fact that the costs for just 1 year for the wheat program would cost nearly as much as 4 years for the entire program as reported from the Senate committee, and he indicated he was familiar with that. He indicated they were aware of that, and expressed the opinion it would be not realistic at all to consider reverting to the 1949 act.

Mr. LUGAR. I thank the Senator from Iowa, who is a distinguished member of the Joint Economic Committee and who has worked so hard on general economic

problems in this country.

I would just add my own comment, Mr. President, that clearly those of us who visited with our constituents throughout the month of August came back to Washington, as did many others, with the thought that Congress would be serious about budgets, that the President clearly would be serious about offering cuts and not additions; that we would all be serious about the lowering of interest rates. One of the ways that has been found to bring some potential for less governmental borrowing is to cut Federal spending.

It is amazing that we meet in this Chamber—this may be off the beaten track to all the rest of the debate—and we still throw out ideas with the thought that without an agricultural bill at this time we could go into as much as \$84

billion for spending.

If I heard the Senator from North Carolina earlier in his estimate of the 4-year consequences, it truly is unthinkable. If the American people find this bill now to be a dubious exercise of special interests, clearly figures such as the distinguished Senator from Iowa or the distinguished Senator from North Carolina have been propounding are even more outrageous. It brings me back to a central thought that I have, and that is that American agriculture really needs friends right now, not people doing in agricultural legislation by overreaching, by special arrangement.

We are going to have to be responsible in the course of this debate. The country is watching this as the first money bill out of the box following the recess, the very first one, and if the response of the Senate is to spend more and more and add on, that is not the response, in my judgment, the public was looking for or hopeful, I think, that the majority of Senators would look the other way.

Mr. MELCHER. Mr. President, will the

Senator yield?

Mr. LUGAR. Yes, I am happy to yield.
Mr. MELCHER. First, I thank the Senator for yielding. It is my impression, and I would be delighted to be corrected if I am wrong, that the amount of the bill we have brought before the Senate is less than the President's budget.

Mr. LUGAR. I think that is incorrect by all estimates. It is clearly much more than the budget that this Senate passed.

Mr. MELCHER. What was in the President's budget for agriculture when he presented it to Congress? Would the Senator enlighten me?

Mr. LUGAR. The distinguished Senator from Montana was present during the old days of that debate when we were talking about \$1.5 billion; that was escalated to \$2 billion by the time it got out of committee.

Mr. MELCHER. Can the Senator enlighten me further then as to the dollar figure the Senator is proposing as the President's budget for this bill?

Mr. LUGAR. I am proposing— Mr. MELCHER. Whenever he presented the budget, the first of June or what-

ever sequence you can enlighten me on? Mr. LUGAR. I am proposing a series of amendments and, hopefully, all would pass, and all would do away with target prices for corn, wheat, rice, and cotton, and by eliminating the target prices and giving the Secretary flexibility, the Secretary can then by definition make certain he stays within the administration's budget, and he eliminates the uncontrollable feature.

Mr. MELCHER. I appreciate the response of the Senator from Indiana. I would like to be enlightened as to what was the President's first budget request, the modified budget request prior to the recess, and what is the President's budget request now in terms of dollars.

Mr. LUGAR. I am sorry I cannot furnish that information to the distinguished Senator. I expect it will be illuminated in the course of the debate. My purpose is simply to make certain that we get whatever the budget turns out to be by giving the Secretary flexibility to manage it.

Mr. MELCHER. Am I to interpret that to mean that there have been several different budget figures and that they keep changing and that they keep

changing downward?

Mr. LUGAR. Yes, that is right. I think that is the nature of the budget process throughout the year, and it is still apparent it will continue to be as the President tries to grapple with a deficit that continues to grow rather than gets smaller.

My understanding is that the deficit of \$42.5 billion is in danger of not being met, and it seems to me we ought not to contribute toward escalating that any higher.

Mr. MELCHER. Well, I will ask one further question and I again thank the distinguished Senator from Indiana.

Do we have much chance, any chance, of passing a farm bill which is for 3 years' duration which will satisfy whatever the changing budget figures are of the President?

Mr. LUGAR. Yes, I think there is a good opportunity to pass a farm bill provided the Secretary of Agriculture has the flexibility to set loans and make purchases as opposed to being locked into target prices.

Mr. MELCHER. I beg the Senator's pardon. I may not have stated my question properly.

Has the Senate a decent chance of passing a farm bill with a certain set of figures that has been agreed upon by CBO as being the cost, and satisfying whatever the President's changing budget requirements will be or are we going to continue to revise—I am advised that the administration recommended \$3.9 billion as the budget costs for fiscal 1982; that we passed, the committee passed, slightly higher than that, \$200 million

more than that, slightly more; and then there is going to be a revised Senate figure of \$3.9 billion or almost \$4 billion.

The point of my question is: Since the President's budget changes no matter what we face here, might there be some readjustment and are we not still subject to the usual procedure of appropriation bills being the determinative factor?

Mr. LUGAR. Well, the Senator's question is well taken. I would suppose there would be many further changes in the estimates of the cost of the bill and maybe even of the President's requests of us during the course of this, and the appropriation process follows, as the Senator

points out.

It just seems to me that the nature of the debate in which we are engaged is an impossible one trying to quantify the unknowable. It appears to me, since the known uncontrollables are in the target price areas, that the elimination of that particular area makes it possible for a Secretary of Agriculture and a President to stay within the range of an acceptable budget that becomes more knowable, as opposed to the weather and the wheat crops and all the other things for 4 or 5 years that are unknowable.

Mr. MELCHER. I thank the Senator for yielding. I think he is raising some

very worthwhile points.

I wonder what time we could look at the Senator's amendment with a total dollar figure which would purport to represent what the administration today would like to see as the budget figure, say, for fiscal 1982 or a combination of fiscal years 1982, 1983, and 1984?

Mr. LUGAR. This Senator would simply reply that my purpose would be to make certain we were within the limits of the first concurrent resolution this body has already passed. I am offering a course of action that I am certain will bring us to that point by elimination of the target prices in four areas.

Mr. MELCHER. I thank the Senator. Mr. President, in discussing what the administration's budget is in reference to this bill and to the farm program, it is a little bit difficult because it has changed

from time to time.

I can understand that, but we have to use some sort of figures that we are talking about being the same. What the administration is now suggesting is that there be some changes in the farm bill that will reflect lowered costs, lowered outlays, for commodities, and those programs that are connected with commodities.

I would like to list, for the benefit of the Senate and for the benefit of the public which reads the RECORD, what the 1982 proposed budget was as presented by the administration at the time the Senate Agricultural Committee drafted S. 884 for these commodities and costs that are connected with these commodities. I will now read them.

Dairy, wheat, feedgrains, cotton, rice, soybeans, peanuts, tobacco, sugar, export credit, storage facility loans, net interest, working capital, administration, other, sunflowers, and wool.

It should be noted that in working capital, in sugar, and in sunflowers for

fiscal 1982 the administration recommended zero in each area.

That total as recommended by the administration for fiscal 1982 came to \$2.182 billion.

The committee bill, S. 884, as reported, added \$101 million to dairy. That was a semiannual price adjustment on dairy as the price fell below 70 percent on March 1.

The committee deducted or changed in their bill from the wool program a deduction of \$15 million. So the net difference is an increase over and above what the administration recommended of \$86 million

Now if we come in with a lower figure that is up, the President or the administration are certainly entitled to lower their budget estimates, their budget requests. I expect that is what Senator LUGAR would like to do with his amendment, to reflect those lower budget requests. But it is important to identify where we are starting so far as the administration requests and what they are asking for in these reductions and the areas in which they are asking for re-

In either case, it ought to be obvious that we are talking about a very minuscule part of the total Federal budget.

I would like to now turn to a couple of different subjects, some amendments that I shall offer and on which we can

perhaps agree.

I have been in Congress for 12 yearsplus, and during all those 12 years I have been concerned that the inspection process we have on imported meats left a lot to be desired. Over the course of the 12 years the Department of Agriculture has made some effort to tighten up those processes with respect to imported meats but has not been successful in making certain that we do not have some catastrophe befall this country. A recent escapade deserves our attention and, I think, warrants that we tighten up our process again.

A few weeks ago we learned that imported meat labeled as beef from Australia actually contained some horse-meat. When it was found that it contained horsemeat, the meat was taken out and removed from the market. Some got into the processing chain and, in some instances, was actually being sold as beef. One particular chain of tacoburrito sandwich retailers was identified as having a large amount of the horsemeat.

It is very harmful, of course, for the business of that particular chain. It is a situation where the public would be alarmed at the possibility that the fast food they were purchasing from this chain actually contained horsemeat rather than beef. It was a very damaging economic fact of life for that particular chain.

Besides that, it is an outrage to the consumers, who believe that they are eating beef and are told they are eating beef, and then find out that it is horsemeat.

Beyond that, Mr. President, it is an outrage for the entire meat industry of this country that we allow a process of importing meats falsely labeled, illegally labeled. It is obviously a breakdown in our inspection program.

First of all, to be licensed to sell meat in this country from another country, the establishment where that meat is slaughtered must be licensed and must meet the same requirements that we would make of a similar establishment in this country.

We do not use horsemeat here for human consumption. We do not process it into any type of hamburger or any type of sausage of any type of prepared food. It is obvious that an establishment, no matter where it is, Australia or anywhere else, that is licensed to sell in this country knows when they are slaughtering horses and knows when they are breaking the requirement established upon that licensed institution to sell meat to the United States. They know that they are breaking our law. It is no secret to them.

Unfortunately, also, it was found at about the same time, a week or two later. that some of the imported meat labeled as beef from Australia turned out to be kangaroo meat. We can all make a lot of very cute remarks about up jumped the kangaroo, or the box was jumping, the meat was very lively, and so on, but my purpose is a little bit more serious here today. Again, the establishment in Australia that was licensed to sell beef in the United States was well aware that the meat they were processing was not beef, that it was kangaroo. Again, it is a breakdown in our inspection system. First of all, Mr. President, the establishment that does that, whether it is in Australia or some other country-I guess if you are going to slaughter kangaroo and box it up, debone, and label it as beef, that probably has to be an establishment in Australia.

(Mr. WARNER assumed the chair.)

Mr. MELCHER. Whatever that establishment is that is licensed to sell meat here, in this country, must stand the scrutiny of our inspection. We require, under our law and under the regulations by the Department of Agriculture that carry out that law, that those establishments be inspected by our own inspector, routinely. It is obvious to me that the 200 or more or less establishments that are licensed to sell meat in Australia can bear a lot tougher scrutiny than what they have been getting.

It is obvious to me that the timing of the inspection could be better made so that there is a frequency that would discover when the horses are in the process of being slaughtered and deboned and packaged and labeled as beef so that they will be discovered by our inspectors. The same thing is true of kangaroo meat.

So, Mr. President, that is one part. We should tighten up that process by our frequency of inspection and thoroughness of inspection of those establishments abroad that are licensed to sell

their product here.

Second, we should tighten up the process of inspection once the meat reaches our shores. I have been on the docks and watched the procedures of inspection. When the meat is unloaded from a ship and is inspected on the docks, there is a hurrying and scurrying about to get rid of it quickly, and only a very minute sampling of the imported product is ever viewed by our inspectors. It varies on how big a shipment is. The bigger the shipment is, you look at a few more boxes. But let me tell you that only about 1 percent of the meat is ever viewed at the time it enters our country. That is a small percentage.

But even on what is viewed, Mr. President, we do not require species identification. We do not require that the meat be looked at to find out if it really is beef. In the case of the horsemeat that was discovered, the inspector observed that the meat did not look right. It looked too stringy; it had a different color; it was a different texture than beef. But it was all visual and there was no real procedure to identify what the species

Is it necessary? Yes, I think it is necessary. I think the episode has proved that it is necessary to add species identification to the process of inspection here in this country. I shall offer an amendment to do that. The amendment also will require that we establish a little more erudite, a little more detailed residue sampling procedure for harmful chemicals or drugs that might be in the meat. We are a little bit lax on that, also. This amendment, I believe, Mr. President, is necessary. I hope that the Senate can accept it.

I cannot project what the cost of adding species identification as a requirement of inspection on this shore, in the United States, at the docks, of imported meats would be. But I would say it would be minimal

I would say that if we require a bit more detailed residue sampling of the meat that is imported for harmful chemicals or drugs, perhaps we are talking about an increase in cost of \$3 to \$5 million. I would say that if we tighten up our inspection by the inspectors that operate abroad, the veterinarians that do inspect foreign plants abroad that are licensed to sell meat in this country, if we increase their visitations and tighten up on that process, it is probably going to add another million dollars to the budget alsoperhaps a little bit less for that particular additional cost.

But what does it do for us, Mr. President? It provides some protection for the people who buy this meat, whether it is an individual consumer or it is a chain of sandwich shops or taco shops that buys the product.

I believe it is absolutely essential that we do that. We should protect our consumers and our businesses from dishonest practices in connection with imported food products.

A second amendment I intend to offer deals with commodities that are in huge surplus and which are costing our Government storage costs.

I will propose an amendment that those commodities be made available to schools and to senior citizen nutrition centers as bonus commodities. I will propose that dried milk, cheddar cheese, and butter, all of which are in huge surplus, and wheat products such as flour, which

will be in huge surplus this year, be made available under our usual procedure of bonuses for schools and senior citizen nutrition programs.

I also draw the attention of the Senate to the fact that I will offer an amendment to restore the Wool Act to its present status. I see no reason to tinker with the program that has worked best and has been the most successful and has caused the least criticism of Congress over the past 10 years.

I note that the House, in its bill, maintains the Wool Act exactly as it is. The wool people feel that it has worked successfully. I believe that the users of wool in this country are in favor of the Wool Act as it is. I believe that to tinker with it will cause some disruption. Yet the committee bill, as it is presented to the Senate, does tinker with it and does reduce it slightly. We would be better off leaving the act exactly as it is and not changing it.

Another amendment I will offer, which I hope will receive the consideration of the Senate and will be adopted, would require that the President consult with the Federal Reserve Board, with the idea of reducing interest rates within 90 days; discuss with the Federal Reserve Board the open market activities, the Federal Reserve Board's requirement on the rediscount rate, and the Federal Reserve Board's requirement on reserves that member banks must carrywith the idea that joint action between the President and the Federal Reserve would reduce rates by 3 to 4 points within 90 days.

I point out to the Senate that we have reduced inflation 3 to 4 points, comparing 1981 with 1980; so it seems to me that we could reduce interest rates by changing the monetary policy, at least to the extent that we reduce the rates by 3 to 4 points.

The amendment would be binding on the President to consult with the Board, but that is as far as the requirement would go. I hope it would be a fruitful consultation and that we would see some reduction in rates during that period of time. It is considered a mild step, but I believe it is time we take some action jointly, among Congress, the President, and the Board, to bring about a reduction in rates.

Mr. PRESSLER. Mr. President, I would like to make some remarks on the farm bill. Let me say that I have been concerned about the effect of eliminating target prices, from both the domestic and international points of view. It seems that our target prices set the price for wheat in the international market. I think we must understand and consider the full international implications which would result if we were to eliminate target prices entirely.

I oppose the elimination of target prices and I have long felt that they are, in fact, frequently too low. In meetings with the Canadians and Australians and other countries, they have indicated that our target prices, in fact, fix the international wheat price or at least the figure around which the international price revolves.

I think it is very important that we take into careful consideration the im-

pact on international grain markets before considering the elimination of target prices. If we do so, we must take other steps, to increase domestic grain prices because we should not be selling U.S. grain abroad at below the cost of production.

I certainly do not advocate some of the tactics used by the Arab oil states in terms of price fixing. But grain and farm commodities are items in the international area that do require a great deal of foreign currency; in fact, they are our largest source of foreign revenue. Particularly in meetings with the Canadians—and we have another meeting scheduled for October regarding grain agreements—it has been emphasized that the target price concept sets the international grain prices. We should keep that in mind in dealing with this.

Also, Mr. President, I know we are in the time of budget cuts and they are important, but we must recognize the importance of agriculture to the total American economy. Agriculture is our No. 1 industry, with assets of \$927 billion; and our Nation's largest employer with between 14- and 17-million people working in some phase of agriculture. Farming itself has 3.6 million workers, which equals the combined payrolls of transportation, the steel industry, and the auto industry. Agriculture in some way accounts for one out of every five jobs in private enterprise.

In 1980, the United States exported \$41.2 billion worth of agricultural products. The agricultural trade surplus was almost \$23 billion, which is a great plus to our Nation's balance of trade. Agriculture exports have increased from \$7 billion in 1970 and further growth is still possible.

Mr. President, let me say that I fear that we are losing the family farmer on the American scene. I know that the phrase family farmer sounds like apple pie and motherhood, but the point is our agriculture sector has been and still is more productive than any other country. Many countries in this world are struggling with a shortage of food and we have been blessed with a surplus of food. Part of that is because we have the incentive system in which people own the land on which they work and own the machinery and own their livestock.

Coming from a farm family myself, I can assure you that even such a thing as the care of livestock is done in a much better fashion if there is ownership involved. But, increasingly, our farmland is being turned into great corporate farms and absentee ownership. This trend will result, eventually, in lessened productivity. So every consumer in America has an interest in this bill.

We call this legislation the farm bill, but we should call it the food and consumer bill, because in no other country in the world are the people provided such an abundant supply of food. This is the result of the family farm system.

I fear we are losing that system to corporate agriculture and absentee ownership and will experience the decreased productivity that has plagued other nations. In addition, American farmers are also major consumers. Farmers account for the use of 6.5 million tons of steel in some form which accounts for 40,000 jobs in the steel industry. They purchase \$14.4 billion worth of farm equipment which requires 140,000 employees to produce, and \$13.7 billion in petroleum products, more than any other single industry. This just shows the entire economy is based on the success of agriculture

Mr. President, all Americans also have an interest in preserving our top soil, our shelter belts, and our trees. That is a national heritage. We are losing our prime agricultural land, which is one of

our great assets.

I know that consumers, those who live in urban America may have very little understanding as to why this Congress should be interested in soil and water conservation programs, why we should be interested in shelter belts, or a trees program. Every American whether they live in the densest city or in the rural areas, has a great interest in conservation. We should all share in that heritage. It will cost, and that cost should be shared.

I shall be offering amendments relating to shelter belts, to soil and water conservation, meat imports, and certain other areas. I may offer an amendment on dairying, pending certain discussions which are occurring at this moment.

Those are some of the points I would like to make at the beginning of this de-

bate.

Let me add that on the international scene we as Americans have been the good fellows regarding international trade. I participated in the North Atlantic Treaty Organization's economic treaty discussions and have seen firsthand the attitudes of the representatives of other nations. No country in the world is as generous in its trade agreements as the United States. The Common Market is certainly not. Other countries that have agricultural exports act in their own interests. We insist on reciprocity in the general agreement on trade and tariffs in the industrial products area. In the area of our industrial products we are very careful not to give away trade concessions. Every time we give a trade concession, however, it is always in the agricultural area. That means that the American farmer is paying for part of our foreign policy. The farmer is willing to pay for a fair and equitable portion, but he is not willing to pay for such an excessive portion as he is being asked to pay under current policies.

We could be selling our products abroad at a much higher price. We essentially set the world food prices through our target prices. We have been very generous and I think we have reached the time, referring to other countries with regard to their needs, when we can be much tougher.

What happens in international agricultural trade in the next 5 years will affect farm prices more than any target price, more than anything we do on the domestic front.

Mr. President, I yield the floor.

Mr. HUDDLESTON. Mr. President, before I yield to the distinguished Senator from North Dakota, I point out that we are still anxious to have any Member of the Senate who has a statement to make relating to the farm bill to do so now, during this period. Very soon, we hope to have the committee amendments presented for adoption, to modify the bill. From that point on, other amendments will be forthcoming.

There has been a great deal of discussion here about the cost of this bill and much interest in trying to reduce the cost, which certainly the committee has done. Every member of the committee has attempted in some way to reduce it. But I believe we should try to keep in proper perspective what we are talking about here.

Some of my colleagues already have indicated the tremendous value of agriculture to this country and what it means to the economy of this country. I believe there is no question that the agriculture production capacity in the United States is the greatest asset we have. Anything we would do that would be detrimental to that asset could have a long-range implication with respect to the future development of the United States and the future economy that can be devastating.

If we at this time permit large numbers of people to move out of that production field, if we allow at this time increased acreage to be diverted from agricultural production to some other use that could not be returned to agriculture in the future, and if we consider the future population estimates for this country and the world, one need not be a great mathematician to figure out that, somewhere down the line, the problem of supply and demand will reverse, and we will be hard-pressed to supply ourselves in this country, much less meet the needs of the world as we have been doing.

In looking at these figures, you could note that any one commodity returns to the Government in taxes more than the total cost of this bill. We should look as closely at other programs the Government is involved in as part of setting priorities; and that is the game we are playing this year—trying to determine what the priorities are for the resources of the Government, which we realize are limited and should be cut back.

One program in which I have had some passing interest in recent years is the refugee assistance program. It probably will come as a surprise to most people in this body and most citizens that we are going to spend more money for refugee assistance than this farm bill costs. Perhaps not fiscal year 1982, which includes the 1981 crops. But from that point on, the refugee assistance program of the United States will cost the American taxpayers more than this farm bill will cost.

I believe it is time we try to make some determination as to what our obligation is and to whom it is directed; and to make sure that we do not destroy the very assets that make it possible for the United States to be the most generous country in the world, not only in food

assistance but also in refugee assistance and all other kinds of foreign aid throughout the world.

I believe the farm bill costs are modest costs when we are talking about what we are trying to protect and continue to develop, the kind of foundation that will be necessary in order to meet our needs in the future.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I have promised to yield to the Senator from North Dakota, but I yield to the Senator from Montana.

Mr. MELCHER. Mr. President, I concur with what the Senator from Kentucky has said. We seem to be able to spend a lot of money abroad.

I believe we credit ourselves with spending \$10 billion to \$11 billion for foreign aid, in a reconciliation budget resolution and the President's budget. which is virtually the same as we have been spending for the past several years, and a great deal more than involved in any given year, for the farm program. Yet, the farm program is basic to the entire economy of this country and even as presented is a very mild, weak bill. As reported by the committee, it is a very mild, weak bill. I do not believe it is good enough as it came from the committee. I object to it very vigorously. But now we are asked by the administration to whittle away at it some more.

We say whittle some more at foreign aid and we will do our own economy better if we could put more of our dollars into our basic economy such as agriculture.

Mr. HUDDLESTON. I thank the Senator, and I yield to the Senator from North Dakota.

Mr. ANDREWS. Mr. President, I appreciate my colleague and good friend from Kentucky yielding.

Mr. President, I think it should be pointed out this is not a bill for agriculture. This is a bill for the Nation's economy.

I think we make a mistake when we talk about the fact that the farmer needs this help when presenting a farm bill. That is not the only reason we pass a farm bill. In fact, it is one of the lesser reasons we pass a farm bill.

When meeting with some of our colleagues from the European Economic Community, I have asked them, "Why do you support your wheat at \$9.60 and \$9.70 a bushel," almost three times as much as our price supports for wheat in this country.

I asked:

Do your farmers have that much more political weight? Do your farmers represent that much greater percentage of the population than they do here in the United States?

The answer I have consistenly gotten back is:

Oh, no, we do not support the price of our agricultural commodities to help our farmers. We support the price of our agricultural commodities to undergird our entire economy because farming is basic. It is the greatest producer of new wealth in our countries. And when the farmer does well the rest of the economy does well.

We have heard a lot of speeches in this Chamber in the last 5 or 6 months about international trade and about the fact that the United States is in a difficult position vis-a-vis our friends in Japan. We cannot compete in steel production, the production of ships, and the production of automobiles. In fact, Japan has a pretty good system going. They are producing consumer goods that the consuming public in the United States seems to prefer and buy by the hundreds of millions of dollars worth each year.

Yet in the nation of Japan their price support for wheat is some \$27.90 a bushel.

I think the American public should be aware, far more aware than we ever seem to be able to make them, that they do have a bargain in the food prices they pay here. The American farm family, in effect, is subsidizing the European Economic Community far more than any foreign aid program that we have ever had.

My colleague from Montana just pointed out that we should think about the farm programs. This is the place we should spend our money instead of expending it in foreign aid. And that is

But he did not go on to point out that when we send a boatload of wheat to the European Economic Community and it lands in Rotterdam, our friends in Europe tag an additional tax, an import fee, to it. If that wheat is landed at Rotterdam at \$4.50 a bushel and their threshold price is \$9 they add a tax of \$4.50 to that particular bushel of wheat and that tax goes to pay their governmental expenses.

How many consumers in this country and how many in the press recognize that the farm families of this Nation are doing more to subsidize governments of the European Economic Community than we are doing to help the underdeveloped countries through foreign aid.

For all of these reasons, the reasons so eloquently brought out by my friend from Kentucky and a host of others, I rise in support of the 1981 farm bill.

As several Senators have pointed out, this is a culmination of many weeks of hard work by the Agriculture Committee. We heard witnesses from every segment of the industry, as well as administration witnesses and held some 24 sessions marking-up the final version.

The bill certainly does not contain everything we all want. It is a far cry from what I would have liked to have seen or from some of the amendments that I introduced in the committee. It is a far cry from some of the amendments my good friend from Kentucky put in or even the chairman of the committee introduced in committee. But it balances the needs of farmers, consumers, and everyone else, and in a year of severe budgetary constraints, it comes out very close to the administration's request.

As our distinguished chairman has pointed out, this is the first time in the history of the Agriculture Committee that we have had to write a farm bill under such severe budget constraints.

There will be amendments offered to this bill, but I urge you to keep in mind that this is a fine-tuned piece of legislation and any changes that unbalance the bill, could be disastrous to the American farmer and in the end harm the American consumer the most.

Every American has a stake in a viable agricultural economy. Americans spend less of their take-home pay for food than almost any other nation in the world, and they have been able to do this because of our farm programs and the protection they afford the American farmer. Without these programs many farmers would go out of business.

According to the latest USDA figures the U.S. farm population numbered 6.1 million during 1980, about 2.7 percent of

the total U.S. population.

Over the last 2 years, there has been a decline of 450,000 farm residents. This means that 2.7 percent of our population is producing enough food to feed our own people, with enough left over to help feed a great part of the hungry world—this is a success story that would be hard to match by any other industry in our country. This level of agricultural productivity is unmatched by any other nation in the world.

We must be sure that this success story continues. Farmers cannot be expected to stay in business if the prices they receive for their production fail to cover the increasing costs of production. Today we are dangerously close to seeing many of our farmers go bankrupt, brought on by rising costs and declining prices. We can only stop this trend by passing a farm bill which allows our farmers to receive a fair return on their investment. I believe the farm bill we present to you today will afford our farmers the minimal protection necessary at the least possible cost to the Government.

Agriculture is the Nation's largest industry, and the American farmer is industry's and labor's biggest customer. The economic activity generated by agricultural production, processing, and distribution amounts to approximately 25 percent of the total gross national product. The entire Nation has a stake in the economic well-being of agriculture, as it is basic to the American economy and the American way of life.

If the farm income situation is allowed to continue deteriorating, the ripple effects will undermine the administration's economic recovery program. The Federal Government, in behalf of all U.S. citizens, has an obligation to establish a floor under commodity price levels to provide farmers with the marketing tools necessary to achieve supply stability. This stability is extremely important to the American consumer. Food is still the consumer's best buy. Only in the United States can you get an abundant supply of high quality food for 16 percent of your disposable income. This percentage has remained relatively constant in spite of steady increases in transportation, processing, and marketing costs.

But, most important of all, American agriculture has made the United States the "bread basket" of the world. In 1981 we will produce 45 percent of the world's wheat exports, 24 percent of all rice exports, 81 percent of soybean exports, and 72 percent of total exports of feed grains. Agriculture is a major earner of foreign exchange to help offset the staggering costs of oil imports.

I would like to take a few minutes to discuss several sections of this bill. The wheat and feed grains sections of the bill set target prices for these commodities well below the actual cost of production. While we assure this protection of a bottom price for our farmers, we have given the administration many tools to use to avoid having to make any target payments. Our farmers are not looking for a hand-out and the Government is opposed to making any target payments. We, therefore, have included discretionary authority in this bill for the Secretary of Agriculture to impose set-asides or a paid diversion plan to control the size of the harvest.

This is a step Secretary Block has already proposed for next year, by announcing his intentions to implement a 15-percent reduced acreage program for the 1982 wheat crop to offset the effects of record supplies and depressed wheat prices. The Secretary can, also, of course, establish a strong export market development program to increase our exports, creating more demand for our commodities.

The bill also continues the commodity loan programs for wheat and feed grains at minimal levels. USDA has acknowledged that net farm income will fall somewhere between \$20 and \$24 billion. These loans will provide a valuable marketing flexibility for our farmers. The loans lessen the necessity for farmers to sell crops immediately after harvest to pay immediate production expenses. It should be noted that loans are recoverable costs to the Government, rather than direct outlays which are never returned. In addition the farmers pay interest on these loans and during recent history the record of repayment is very good.

For the 1981 crop wheat and corn, the loan rates represent a 6-percent increase of the 1980 levels. Farmers' operating costs, however, actually increased by 14 percent per acre between 1980 and 1981 according to USDA figures.

Between 1981 and 1982, farm operating costs probably will increase at least 10 percent, which, in keeping with the President's promise to reduce inflation, is a conservative figure according to a number of forecasts. The new loan levels contained in the bill—\$3.50 for wheat and \$2.60 for corn—represent less than a 10-percent increase. It is the least we can offer our farmers and expect them to stay in business.

The section of the bill which provides for a nonrecourse loan program for sugar means growers of sugarcane and sugar beets can anticipate at least some measure of the kind of support the bill provides producers of other commodities. At 18 cents, the loan level represents only about 74 percent of USDA's estimated cost of production so there is no way this level of support can be interpreted as sustaining more than only the efficient producers. At the same time, however, the operation of a domestic sugar program will mean fair and stable prices for consumers and assurance of abundant supplies.

Other Senators have addressed the remaining commodities covered by this bill. I want my colleagues to know that I support the provisions of this bill as they pertain to all farm commodities. Agriculture Department statistics show that the production costs of all major farm commodities are higher than the market price. We must pass a farm bill that will protect these commodities if we are to continue to enjoy having an abundance of food at reasonable prices. This bill is the least we can afford to offer and I urge everyone to vote against any weakening amendments.

This legislation does not only contain our commodity programs, but also the programs necessary to expand our scientific knowledge of agriculture and strengthen our conservation practices to preserve our most precious resource—our land.

With world demand for food expanding and with ever-increasing inflation and other serious threats to our ability to produce an adequate food supply in the future, it is essential that we continue to emphasize those programs which will strengthen food production. Agriculture research plays an integral part in assuring that we can continue to keep up with the demands placed on our agricultural productivity.

The most dramatic of America's achievements has been its agriculture production. If you go back to the founding of this country in 1776, something like 80 to 90 percent of the people were on farms. It took 8 to 9 people, working full time—12 to 16 hours a day—to feed themselves and their families and perhaps one other person. We owe the advances I have mentioned before to agriculture research and scientific advancement.

Contrast the success of America's farmers with the fact that in countries such as Bangladesh, India, and Pakistan, 70 to 75 percent of the population is still in agriculture. In many of the new African nations 30 to 90 percent of the population is engaged in subsistence agriculture. These conditions continue to exist because those countries do not have the scientific know-how to increase their production, freeing up their people for other occupations. We must continue to expand our scientific knowledge.

The conservation programs authorized in this bill have and must continue to make a major contribution to the preservation of our soil and water resources. It is important that we preserve our agricultural system and protect this natural resource for future generations. When land is scarce, people often go hungry.

We must be good managers of our land by wisely planning its use.

For years it was believed that cheap raw materials made the United States a great Nation. However, we must remember that during the early years of our country's existence we wore out, used up, and destroyed vast amounts of this plentiful supply of natural resources. The continuation of such abuse could eventually reduce this country to a barren wasteland, incapable of feeding ourselves, much less a great portion of the rest of the world.

Aware of this task, we have recommended strong conservation programs to assure that our Nation continues to invest a portion of its wealth in the protection of our food production capacity and its preservation for future generations.

I hope that my colleagues will join me in supporting this bill. It is basic to our economy and way of life. A financially healthy agriculture is extremely important to the national economy, as it helps provide for financially healthy industry and labor.

I yield back my time.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I rise to express my deep concern to the Members of the Senate on the current depressed state of agriculture and on S. 884, the Agriculture and Food Act of 1981, and its impact or lack thereof on the serious problems of the family farmer.

Plummeting market prices resulting from excessive stocks, insufficient and unstable demand, and unprecedented high interest rates are plaguing our food plant as never before. I cannot stress enough to my colleagues in this body the severity of the problems in rural America. I cannot remember a time in the recent past when the future of our agriculture community has been so threatened or our food producers more discouraged. They realize that this is not a situation of their own making but essentially a product of our ongoing international cheap food policy.

The Senate is now considering legislation, S. 884, which is supposed to provide an environment of stability through market oriented programs designed to bolster our sagging agriculture sector and provide it with a program which will enable it to regain its economic health.

But, Mr. President, I wonder just how many of my colleagues are aware of, and if not they should educate themselves on, the tremendous escalation in farm costs just since the 1977 act was passed and to what extent S. 884 will fail to actually address these cost problems if enacted. I suggest that the commodity programs in this legislation are insufficient to cover even the most conservative cost of production estimates and will do little to improve the current situation on the farm. I am well aware of the budgetary constraints Congress has mandated for

the Federal Government including agriculture, but I must point out to the Senate, Mr. President, that S. 884 as reported by the Agriculture Committee is, in this Senator's mind, the rockbottom figure. Further reductions in commodity program levels will only exacerbate an already dire situation.

At this point, Mr. President, I recall for my colleagues my remarks of March of last year in which I addressed the agriculture situation citing a study which compared agriculture outlays to the total Federal outlays from 1948 to 1983 and the significant decline in the Government support for agriculture.

In particular, I shall point out a few very interesting figures on agriculture spending from 1975 to the present. Agriculture budget outlays in 1975 were \$1.6 billion of the total Federal budget of \$326.7 billion or 0.51 percent of the total. We see that from this time frame through 1978 an increase in agriculture outlays which in 1978 peaked at \$7.7 billion or 1.71 percent of the total national budget. It should be noted that this period from 1975 through 1978 was a time when the agriculture industry was experiencing a particularly severe decline in prices brought about by the farm programs of massive production in the early 1970's resulting in excessive domestic stocks. In 1979 we see a decline in agriculture outlays of \$1.5 billion or 1.26 percent of the Federal budget. As we look on to 1980 and beyond we see a marked reduction in outlays. We are once again in a period of oversupply and ever-declining market prices. These factors coupled with excessive interest rates and reduced in relation to our total Federal budget have produced the depressed economic conditions on the farm today. Estimates of Federal outlays for 1981 expenditures for agriculture are 0.41 percent of the total budget, less than a fourth of the 1948-79 average or over 2 percent.

I ask a rhetorical question, Mr. President: Has not the agricultural sector already made more of a contribution to the cuts in Federal expenditures than they should? Mr. President, they have already taken it on the chin.

These figures indicate that the American farmer is continuing to be hurt by thoughtless action here in this Chamber and elsewhere. The farmer is not reaping the benefits claimed by many but is in fact in a very serious decline with little hope of a significant upturn in the near future. Certainly, the levels provided in S. 884 are the bare minimum. Amendments to further reduce these supports for our major commodity programs offered under the guise of economic recovery are at the farmer's expense. Mr. President, I say to my friends in this body, agriculture has taken more than its fair share of budget cuts already and to suggest that we continue to slice away in the name of fiscal responsibility is folly on our part and will spell disaster for many farming operations in the farm belt of America.

Mr. President, to emphasize the points I have made regarding the seriousness of the current agriculture situation, I would bring to the attention of the Senate the decline in overall farm income in recent years. Net income dropped from \$31 billion in 1979 to \$22 billion in 1980, a decrease of some 29 percent. Real net farm income in 1980 plunged to \$12.1 billion from \$19.1 billion in 1979, a drop of 37 percent. I fear that the 1981 income figures will show a continuation of this decline.

The American farmer is an invaluable part of our Nation's economy. Agriculture is one of the last things this country does well as a result of the genius of the American family farmers. Our food producers have shown their ability to adapt and vastly improve yields. This efficiency, however, is not guaranteed to last. We cannot expect our farmers to continue to produce with little or no opportunity to realize their costs plus enough profit to feed their families.

I know of no farmer who expects the Government to guarantee him a living. What he does ask for is a Federal program which will enable him to plan ahead with the knowledge that there is a program available to provide a reasonable floor and to assist when it becomes necessary. I am not convinced, at this juncture, that S. 884 as reported from the Senate Agriculture Committee will be such a pragmatic program but I am sure that amendments seeking to emasculate further these commodity programs will surely drive the number of family farming operations in this Nation ever downward.

I would like an explanation, if I could have one, Mr. President, from those who are proposing to reach some kind of a "compromise" on this bill, to explain to this Senator from Nebraska what essential changes have been made in the farm bill on peanuts. I suspect very little change has been made.

I recognize and realize that tobacco is not a part of this bill, but it is alined and akin thereto. I suspect there is going to be no change in the tobacco program.

I was prepared earlier as one Member of the Senate to basically vote against some of the attacks in the form of amendments that were going to be offered by several Members of this body because I felt it was important, frankly, to hold together the compromise, the coalition, if you will, that has tried to serve the American family-sized farmer.

But I see some cracks in that coalition; I see some cracks in that coalition with the advice and help of obviously the President of the United States. I suspect that peanuts and tobacco are not included essentially in the cuts because they are a part of the deal that was cut by the White House to make sure the President's tax and budget bill were passed.

As one Senator, I do not have the authority to make deals as does the President of the United States, but I think that, when we are talking about the fairness of a farm program or any other pro-

gram we had better realize and recognize that whoever is at 1600 Pennsylvania Avenue should not be dictating to the U.S. Senate or the House of Representatives what we should have in a farm bill.

Mr. HUDDLESTON. Mr. President, will the Senator yield at that point? Mr. EXON. I am happy to yield.

Mr. HUDDLESTON. Let me comment just briefly on the question of peanuts and tobacco. Peanuts are in the bill. The program has been scaled down, and the proposal that will be submitted as a committee package of amendments has been scaled down not only from its original version by the Senate Agriculture Committee but also from the House version.

I have read newspaper reports that the administration had agreed with somebody on the House side that it would accept the House version of the peanut bill. That has not been communicated to me, and I do not know whether it has been communicated to anybody else on this side of the Capitol. At any rate, the peanut program is in the bill at a lesser cost, and it is in the package of amendments at a lesser cost than was in the bill.

Tobacco is not in this bill. Tobacco is under a separate program and, consequently, is not covered by this farm bill. Tobacco has, however, sustained a reduction, if we might want to call it that, because the tobacco growers have had to pick up the costs of grading and inspection that previously the Government had been paying.

Also, the interest rate that is used by the Commodity Credit Corporation for the loans that are made by the co-ops to take the tobacco into pools has also been increased.

So, tobacco has sustained a reduction too, in keeping with the idea that, across the board, all programs are going to suffer some kind of reduction.

. I mention it at this particular point since the Senator has made reference to it

Mr. EXON. I thank my friend from Kentucky and I appreciate very much his explanation.

If he wishes to respond further, I would very much appreciate it because I, for one, am seeking a little bit of information, and there may be other people who are seeking other information.

I do not know anything about peanuts, we do not raise peanuts in Nebraska, but I have been led to believe that the peanut program is one of the best programs for the producers that you can imagine, and I would suggest that anybody looking at the meager modifications that I see on the bottom part of this sheet called the Committee's Compromise would have to agree that peanuts are not hurt very much.

I am not suggesting that they should be, but I am suggesting that if there is a farm program today that could be cut substantially as opposed to other farm programs it is peanuts.

I certainly said in my remarks that I recognized and realized that tobacco

was a separate program. The committee has taken action on this bill with the committee amendments that I understand are going to be offered by the chairman of the Committee on Agriculture, and have been agreed to by the ranking minority member.

Has the committee discussed or taken up what changes are going to be made in the tobacco program?

Mr. HUDDLESTON. Well, the committee has not because the tobacco program is not in this bill. There is some anticipation that there may be an amendment affecting the tobacco program offered before final consideration of this bill is completed. Speaking as one Senator, I know what position I am going to take, but the Committee on Agriculture, so far as I know, has taken no position on it.

Mr. EXON. Would my friend, the ranking member of the Agriculture Committee, tell me when the Agriculture Committee met and agreed to this "compromise" that I understand was shoved on the committee by the White House?

Mr. HUDDLESTON. The Agriculture Committee met in informal sessions on Wednesday, Thursday, and Friday of the past week; and it was on late Friday afternoon that that part of the package which could be agreed to was agreed to, which included all of the commodities with the exception of the dairy program. No agreement was made on dairy and that is right now being considered by certain members in an attempt to put together a workable position there.

Mr. EXON. Do I understand the ranking minority member to say that there was actually a majority vote on the Agriculture Committee and it was held sometime Friday?

Mr. HUDDLESTON. Yes, there was a vote taken of those present.

Mr. EXON. May I inquire for the record as to what was the vote? What was the vote to agree to this compromise?

Mr. HUDDLESTON. The vote was: Do you agree to this compromise? Aye. And do you not agree to it? Nay. And the majority present agreed to it. I do not have the actual numbers and I do not have the individuals.

Mr. EXON. Was it a rollcall vote or just the yeas and nays?

Mr. HUDDLESTON. It was not a rollcall vote. Ten members have signed the proposal, so that would indicate more than a majority.

Mr. EXON. How many members are on the Agriculture Committee?

Mr. HUDDLESTON. Seventeen.

Mr. EXON. Was the vote unanimous? Mr. HUDDLESTON. Ten voted for it. Mr. EXON. All 10 there voted for it?

Mr. HUDDLESTON. Ten signed it and obviously voted for it. I am not the secretary of the committee, I say to the Senator.

Mr. EXON. At this time would it be appropriate for me to ask the ranking minority member to read into the RECORD those 10 people who signed this compromise?

Mr. HUDDLESTON. I do not know that it is appropriate or not appropriate.

Mr. EXON. Why would it not be appropriate?

Mr. HUDDLESTON. If I have the names here, I will be glad to read them.

Senators Helms, Huddleston, Dole, Pryor, Cochran, Dixon, Jepsen, Heflin, Hawkins, and Andrews.

Mr. EXON. And the rest of the committee was absent and not voting?

Mr. HUDDLESTON. No, I did not say

Mr. EXON. Is it possible for me to find out if there was any opposition in the committee to the reporting out of this amendment?

Mr. MELCHER. Will the Senator yield?
Mr. EXON. I will be glad to yield, but
I do not want to preempt my friend
from Kentucky.

Mr. HUDDLESTON. There are other Members on the floor who can speak for themselves. Obviously, there was opposition. Mr. MELCHER. Will the Senator yield? Mr. EXON. I am glad to yield to the Senator from Montana.

Mr. MELCHER. I am a member of the committee. I am adamantly opposed to the package.

Mr. EXON. I thank my friend for the explanation.

Just let me close then by saying, Mr. President, I have a number of supporting documents that prove out on the facts that I have made with regard to the ever-declining portion of the Federal budget that is going to agriculture programs. I ask unanimous consent that they be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Mr. President, my final word on this subject then is simply to

say that I hope that the compromise which has been forced on the U.S. Senate, I suspect, by the White House is not agreed to and that we will back the original decision of the Agriculture Committee by not going below S. 884 as they reported out to this body and was what most of us thought would be in place as the committee recommendation when we were to take up this bill today.

I was, frankly, quite surprised and a little bit shocked to find that after all of the deliberations and all of the hearings that I am sure the Agriculture Committee held, that suddenly, out of meetings on Wednesday, Thursday, and Friday, a rather significant change had been made in some of the programs. I object and I hope that enough of my colleagues will agree.

Mr. President, I thank the Chair, and I yield the floor.

EXHIBIT 1

OMB HISTORICAL TABLES OF FEB. 1, 1980

AGRICULTURE OUTLAYS COMPARED TO TOTAL FEDERAL OUTLAYS, 1948 TO 1983 (ESTIMATE)

[In millions]

Year	Agriculture outlays	Federal outlays	Percent	Year	Agriculture outlays	Federal outlays	Percen
948949950	69 1, 924 2, 049	29, 773 38, 834 42, 597	0. 23 4. 95 4. 81	1966 1967 1968	2, 439 2, 981 4, 539	134, 652 158, 254 178, 833	1. 81 1. 88 2. 54
951952953	-323 176 2, 253 1, 817	45, 546 67, 721 76, 107 70, 890	0 . 26 2. 96 2. 56	1969 1970 1971	5, 780 5, 161 4, 288	184, 548 196, 588 211, 425	3. 13 2. 63 2. 03
955 956 957	3, 514 3, 486 2, 288	68, 509 70, 460 76, 741	5. 13 4. 95 2. 98	1972 1973 1974 1975	5, 280 4, 852 2, 227 1, 659	232, 021 247, 074 269, 620 326, 185	2. 28 1. 96 . 83 . 51
958959960	2, 411 4, 509 2, 623	82, 575 92, 104 92, 223	2. 92 4. 90 2. 84	1976	2, 504 5, 532 7, 731	366, 439 402, 725 450, 836	1. 37 1. 71
961 962 963	2, 641 3, 553 4, 376 4, 601	97, 795 106, 813 111, 311 118, 584	2. 70 3. 33 3. 93 3. 88	1980 estimate 1981 estimate 1982 estimate	6, 238 4, 636 2, 802 3, 006	493, 673 563, 583 615, 761	1. 20 . 82 . 46 . 4
965	3, 947	118, 430	3. 33	1982 estimate	3, 852	774, 335	

Note: Average percentage, 107,125/5,305,432 equals 2.02 percent, 1948-79.

USDA-WHEAT PRODUCTION COST, UNITED STATES

Cost item, yield, production covered	1978	1979	1980	1981	Cost item, yield, production covered	1978	1979	1980	1981
Dollars per acre		Land allocation; Composite, current value	46. 97	59.66	69, 52	78. 82			
Variable: Seed	4.00	5. 01	6. 34	6. 97	Composite, acquisition value	24. 16	30.73	32. 09	35. 68
Fertilizer	8. 02	9.90	13. 42	15, 72		TS/P	Bush	els	
Chemicals	2. 12	2, 08	2. 49 2. 76	22 2.79 3.04	Yield per planted acre	29.9	32.4	29. 9	29.9
Custom operations	2. 35 8. 06	2. 68 8. 63	9, 13	10. 13		III - SON	Dollars per	bushel	
Fuel and lubrication	5. 06 5. 72 . 12	7. 64 6. 47 . 14 . 25	10. 52 7. 02 . 18 . 24	13. 02 7. 95 . 20 . 26	Variable Total, excluding land Total to a renter:	1. 24 2. 48	1. 39 2. 79	1.86 3.62	2. 14 4. 13
Interest.	1. 39	2. 09	3. 21	3. 68	Share renter	3. 68	3.94	5. 08 5. 55	5. 80 5. 54
Total	37. 14	45. 05	55. 50	63. 98	Average renter	3, 69	3.97	5, 21	5. 75
Machinery ownership: Replacement.	14. 64 6. 62	16. 87 9. 97	18. 21	20. 41 15. 38	Total, including land: Composite current value.	4.06	4.74	6. 25	6.77
Taxes and insurance.	2.00	2. 36	13. 40 2. 56	3. 01	Composite acquisition value Secondary product credit	3. 29	3.72	4. 82	5. 32
TotalFarm overhead	23. 26 7. 15 6. 75	29. 20 7. 90 8. 21	34. 17 8. 63 9. 83	38. 79 9. 52 11. 23	Total, after credit	3. 16	3. 61	4.70	5. 19
					THE SHAPE STATE OF THE STATE OF		Perce	ent in	
Total, excluding land	74.30	90. 36	108. 13	123. 52	Production covered	97.3	96.8	95. 8	1 A

Note: 1978 and 1979 final; 1980 preliminary; 1981 projected. NA = not available. Composites include land allocation at average of share rent, cash rent, and charge based on current or acquisition value of owner-operator land, Mar. 28, 1981.

WHEAT: NATIONAL SUPPORT PRICE AND GOVERNMENT PAYMENTS

Crop year	Production (million bushels) Nationa	I average support price (per bushel)	Average price to farmers (per bushel)	Farm value (millions)	Government payments (millions)
360	1, 354, 7 1, 232, 4 1, 092, 0 1, 146, 8 1, 283, 4 2, 0 1, 315, 6 1, 304, 9 2, 5 1, 507, 6 2, 6 1, 556, 7 1, 442, 7 1, 351, 6 2, 8 1, 618, 6 2, 9 1, 546, 2 1, 710, 8 1, 781, 9 2, 126, 9 2, 148, 8 1, 2, 3, 3, 3, 4 2, 369, 7 14 3, 08/3, 6 1, 314, 1 2, 369, 7 14 3, 08/3, 6 14 3, 08/3, 6 2, 38, 1 2, 369, 7 14 3, 08/3, 6 14 3, 08/3, 6 2, 38, 1 2, 369, 7 14 3, 08/3, 6 14 3, 08/3, 6 2, 38, 1 2, 369, 7 14 3, 08/3, 6 14 3, 08/3, 6 2, 38, 1 2, 369, 7 14 3, 08/3, 6 14 3, 08/3, 6 2, 38, 1 2, 369, 7 14 3, 08/3, 6 2, 38, 1 2, 38	1.79 2.00 0 * 18 * 1.82 0 7.70 * .25 * 1.30 0 7.75 * .30 * 1.25 7 7 1.32 * 1.25 1 7 1.36 * 1.25 2 7 1.57 * 1.25 2 7 1.57 * 1.25 2 1.57 * 1.25 2 1.57 * 1.25 2 1.34 * 1.25 2 * 1.34 * 1.25 9 * .68 * 1.25 5 * .137 9 * .68 * 1.25 5 * .137 9 * .22 1 .37 9 * .37 9 *	1. 83 2. 04 1. 85 (2. 03) \$ 1. 37 (1. 80) \$ 1. 35 (1. 79) \$ 1. 63 (2. 22) \$ 1. 39 (1. 87) \$ 1. 24 (1. 79) \$ 1. 25 (1. 89) \$ 1. 33 (2. 08) \$ 1. 33 (2. 08) \$ 1. 34 (1. 88) \$ 1. 76 (2. 23) \$ 3. 95 (4. 17) 4. 09 2. 70 2. 33 2. 97	\$2, 361. 2 2, 254. 7 2, 225. 7 2, 125. 3 1, 757. 0 1, 774. 5 2, 129. 9 2, 090. 1 1, 795. 7 1, 803. 2 2, 166. 7 2, 704. 1 16, 719. 2 7, 287. 0 4, 766. 0 5, 280. 6 8, 070. 4 9, 437. 0	\$285. 5—Diversion. \$242. 6—Diversion and pr. sup. \$442. 9—Diversion and certificates. \$509. 2—Diversion and certificates. \$727. 1—Certificates. \$774. 0—Certificates. \$855. 9—Diversion and certificates. \$871. 0—Diversion and certificates. \$871. 0—Diversion and certificates. \$871. 0—Diversion and certificates. \$871. 0—Diversion and certificates. \$858. 7—Diversion and certificates. \$858. 7—Diversion and certificates. \$858. 7—Diversion or dericiency. \$800e—Diversion or deficiency. \$800e—Diversion or deficiency. \$906. 4—Deficiency. \$906. 4—Deficiency. \$906. 590e. 4—Deficiency. \$906. 590e. 4—Deficiency. \$906. 4—Deficiency. \$800e.

- ¹ For 1960 through 1963 crops, support outside the commercial area was 75 percent of the rate reflecting the U.S. average level.
 ² Total support.
 ³ Price support payment.
- Loan rate.
- Loan rate.
 Selended average price to program participants, reflecting national average price received by rmers and the marketing certificate value averaged for participants total production.
 Support for wheat used for domestic food.
 Domestic marketing certificate value.
- Export marketing certificate value.
 The marketing certificate value.
 The marketing certificate value.
 The marketing certificate payment rate was the difference between the price received by farmers the 1st 5 mo (July-November) of the marketing year and 100 percent of wheat parity on July 1. An advance payment equal to 75 percent of the estimated face value of the certificate was made to eligible producers.
- 10 Established target price, guaranteed on production from allotment acreage.
 11 Established target price on planted allotment acreage; established target price on unplanted allotment acreage was \$2.47.
 12 Established target price.
 13 Preliminary.
 14 Target price \$3.63 if planted within NCA; \$3.08, if exceeded NCA,
 15 Loan rate for regular loans/loan rate for wheat in the farmer-owned reserve.

Note: For statistics for 1933 through 1959, see Wheat Commodity Fact Sheet for 1979.

Mr. MELCHER addressed the Chair. The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, the abundance of this country has provided a great amount of surplus commodities at times. At this particular time, we have a great abundance resulting in a great surplus of dairy products. We have dried milk, butter, and cheddar cheese in storage in huge quantities.

The butter that we have in storage was a subject of negotiation by several countries during the past several weeks. Russia would have liked to have purchased a sizable amount of butter that we have in storage at a little over a dollar a pound.

We ended the grain embargo with Russia. The grain embargo, when established by President Carter, met with mixed feelings in this country. Grain producers felt that it unjustly penalized their particular industry while other types of American goods were still being sold to Russia. It became an item in the campaign, and President Reagan during the campaign, on several occasions, said if elected President he would end that grain embargo. He fulfilled that promise after considerable hemming and having by various members of the White House and the President's Cabinet adviser advising him one way or another. But he did end the grain embargo.

Among those that were recommending that the grain embargo not be ended in the President's Cabinet was Secretary of State Haig. When the situation arose on the possibility of selling butter out of storage to Russia, Secretary Haig very vigorously opposed it as, I believe, using "sending the wrong terminology

Other countries offered to purchase butter from the United States. The question arose: Would these other countries in purchasing butter from the United States then resell it to Russia?

New Zealand offered to purchase butter from the United States in large quantities. They made an offer of some 70 cents a pound for half of the butter surplus that we have in this country in storage as of August. The world price on butter is \$1.05 per pound. So their offer of about 70 cents, 70 point something cents, was not an attractive offer.

Their offer, in effect, if accepted, as compared to the world price of butter, would mean that we would lose \$30 million accepting their offer.

Secretary Haig seemed to find favor in the offer, however. Having blocked any sale to Russia or any other country that he found some problem with, he was silent, seemingly, to approve the sale to New Zealand. The term of the sale to New Zealand was that they would not resell the butter to Russia. But the term of the sale left open this great big loophole that it could be sold from New Zealand to Russia as butter oil. What difference it makes, I am not aware. Whether that would send a "wrong signal" to Russia, I do not know. It is obvious that a small country, a very tiny country, which as a dairy surplus of their own really does not need half of the excess butter that we have in the United States.

Offering slightly over 70 cents per pound in getting the agreement for us to sell it to them obviously gives them quite a bit of leeway between 70 cents and \$1.05, the world price. They would probably be able to return a very neat profit on the deal.

But that is not the worst of it. The worst of it is that part of the contract of the sale with New Zealand is that we would agree not to sell any other butter abroad for approximately 1 year.

We can get around that by asking them for their permission.

I do not really know what this means, why we first of all turn down offers from other countries at the world price, and, second, make the agreement with New Zealand saying, "Well, no, you cannot sell the butter to Russia but you can convert it into butter oil and sell it to Russia." And, furthermore, saying to ourselves that we also accept as a contract that we will not sell any more butter abroad unless New Zealand says it is all right.

It seems to me that, on the face, we sort of give up a little bit of our sovereignty. We are not only suckers for selling below the world market, though we had offers; we also say to New Zealand, "You can control whether or not we sell anything more abroad, even though we have it in storage and it costs us dearly to keep it in storage."

This leads me to a further point. We have had a very rapid drop in the price of wheat. Granted, we have had a large crop, another bountiful harvest, a huge crop. We thank the Good Lord for that abundance. But the price has dropped very rapidly.

We raised about 2 billion bushels of this huge crop to sell abroad. We will probably have a crop somewhere in the neighborhood of 2.6 billion or 2.7 billion bushels this year, and we will use 600 million to 700 million bushels for our domestic needs. It means that about 2 billion bushels of the 1981-82 crop is only grown here in the United States to sell abroad.

The rapid drop in the price leads me to wonder whether or not the Secretary of State, Mr. Haig, is involved in blocking, in disrupting, in sidetracking, in preventing in any way he can any negotiations with Russia, which has a severe shortage of grain; whether, as Secretary of State, he is thwarting any effort on our part to have grain sales to Russia. If so, he is inflicting on this country not only a staggering loss for wheat producers, with a declining market, but he is also hurting the economy of the United States and hurting our balance of payments.

The situation smells, Mr. President. The action by the Secretary of State in selling commodities that are in surplus in this country is a very harmful action in the case of the butter sales.

I ask unanimous consent to have printed in the RECORD at this point a document showing the details of the New Zealand butter sale.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

NEW ZEALAND BUTTER DEAL

220,460,000 pounds of butter (100,000 metric tons). This is 80 percent butterfat product. The price was \$1,550 per ton (70.3 cents per pound). The cost to New Zealand Dairy Board, ex warehouse is \$155,000,000.

Making the following assumptions concerning transport, handling and conversion costs, the Dairy Board would be looking at a cost structure as follows:

- Movement of product from warehouse to ocean port and loading aboard ship. Trade sources indicate five cents per pound fully adequate to cover these costs. Add \$11,023,000.
- (2) Ocean freight to north European port. It is probable that shipment would go that way rather than to New Zealnd as it would be closer to the ultimate destination. Again, trade sources indicate eight cents per pound will cover these costs. Add \$17,636,800.
- (3) Cost of conversion to butteroil. Estimated at six cents per pound. Add \$13,227,600.

Total cost of product, converted to butteroil and positioned at north European ports

Butter	\$155,000,000
Land transport	11, 023, 000
Ocean transport	17, 636, 800
Conversion	13, 227, 600

196 887 400

Butteroil is 99.8 percent butterfat. The 220,460,000 pounds of 80 percent fat butter would yield 176,721,440 pounds butteroil. The above would mean the butteroil would have a cost of \$1.114 cents per pound.

Traders indicate that butteroil prices on the world market are currently in the \$1.19 to \$1.25 per pound range. At \$1.19 per pound, the butteroil has a value of \$210,298,510.

The contract calls for payment within 180 days of invoicing. Billing is to be done monthly. If, on average, there is a 15-day lag between removal from warehouse and the date of payment. Assume a 45-day period for transit, reprocessing and resale. This would give the Dairy Board 150 days average to use the funds before paying the Commodity Credit Corporation. If interest during the period average 15 percent, the funds from the resale would yield \$12,963,607 prior to payment being due.

Thus, total potential return	would be:
Butteroll	\$210, 298, 510
Interest	12, 963, 607
	223, 262, 117
Less	196, 887, 400
Margin	26, 374, 717

CONTRACT FOR SALE OF BUTTER

Agreement, made in the City of Washington, District of Columbia, on August 5, 1981, by and between the New Zealand Dairy Board, a quasi-governmental agency of the Government of New Zealand (hereinafter called New Zealand Dairy Board), and the Commodity Credit Corporation, an agency and instrumentality of the United States within the Department of Agriculture (hereinafter called the "CCC").

Whereas, the parties to this agreement mutually agree as follows:

Quantity

CCC agrees to sell and the New Zealand Dairy Board agrees to buy 100,000 metric tons of butter, 10 percent more or less at buyer's option.

Quality

A. Butter shall be U.S. Grade A or higher at the option of CCC. The U.S. grades will be determined in accordance with the United States Standards for Grades of Butter, effective April 1, 1977.

B. Butter shall not have been manufactured more than 40 months prior to date butter is loaded out from the U.S. ware-

C. The last certificate of grade for the butter shall not have been issued more than six months prior to the date the butter is loaded out from the U.S. warehouse. New Zealand Dairy Board, at its option, may request, prior to loading out from the warehouse, regrading of any butter which was last graded more than 90 days prior to the date of load out from the U.S. warehouse. Such regrading will be for the account of CCC.

D. New Zealand Dairy Board may at its option reject at time it is loaded from U.S. warehouse, butter with peroxide values in

excess of 0.25 meg oxygen per kilogram.

E. Testing procedures in determining the grade, weight, and fat content shall be in accordance with the following CCC procedures:

1. Notice to Graders dated January 25, 1980 (DA Instruction No. 918-11).
2. General Instructions for Inspection,

2. General Instructions for Inspection, Grading and Grade Labeling of Butter dated June 12, 1980 (DA Instruction No. 918-10).

 Methods of Laboratory Analysis for Moisture, Fat, Salt, Curd, and PH dated November 30, 1972 (DA Instruction No. 918– 101-1).

Packaging and packing

A. Package Description—Butter will be packed in units of 68 pounds marked net weight in fiberboard shipping containers (1.1 cubic feet per container). Each container shall be lined with a vegetable parchment paper or a polyethylene bag or wrapper accepted by Food and Agriculture Organization/World Health Organization.

B. Package Markings—Containers will be marked to show name and location of manufacturing plant or plant number, name of product, churn number, and marked net weight.

C. Damaged Packaging—Buyer has the right to reject at time it is loaded from U.S. warehouse butter in damaged packaging.

Price

A. The purchase price of the butter shall be U.S. \$1,550 per metric ton f.o.b. conveyance designated by buyer, at U.S. warehouse where

stored. Ownership shall pass when the butter is loaded and a carter's receipt (bill of lading) is issued detailing the tonnage loaded and the date. The purchase price is based on the understanding that in order to market the butter it will have to be converted to butteroil.

B. Should the buyer claim that the butter fat percentage is less than 80%, the seller has the option to agree to the buyer's assessment or dispute it. Any dispute will relate only to quantities that the buyer can produce for re-testing and will be resolved by drawing samples and re-testing to CCC testing procedures prescribed in Section Two, E hereof. The number of samples and the testing authority will be determined by mutual agreement. No claim for reduced butterfat content will be recognized if made more than three months from load out date. The discount for reduced butterfat content will be US \$2.60 per 1/10 of each percent of butterfat reduction. Cost of re-testing will be borne by seller if the butterfat content is less than 80%; otherwise the cost of re-testing will be borne by buyer.

Payment

The CCC will invoice the New Zealand Dairy Board for butter on a monthly basis and the New Zealand Dairy Board will pay cash against documents at 180 days from invoice date. Payment will be against the following documents:

Seller's invoice and three copies.
Certificate of Origin and three copies.
Certificate of Quality and three copies.
Veterinary Certificate and three copies.
Specification and three copies.
Warehouse Packing List and three copies.

Delivery

A. The Buyer will uplift from CCC warehouses at a rate of not less than 5,000 tonnes per month on a cumulative basis September 1981 through June 1982.

B. Within the constraints of CCC's desire to move oldest product, CCC will do all possible to keep the buyer's costs to a minimum by providing product from warehouses as close to the buyer's nominated load port as possible and in sufficient volumes to keep transport costs to a minimum.

C. The buyer and seller will agree on warehouses for load out and for each warehouse the rate at which load out can take place and will agree on the timing of the load out before the buyer presents transport to the warehouses. The buyer will present transport on time and of sufficient capacity. Should either party fall to meet his obligations, then, subject to force majeure, the consequential costs will be for the falling party.

D. Load out temperature will be no greater than zero degrees Fahrenheit.

Export requirements

A. New Zealand Dairy Board shall export and shall take such precautions as are necessary to prevent reentry of the butter into the United States. New Zealand Dairy Board shall, within a reasonable period from taking delivery of the butter from the U.S. warehouse, furnish evidence of such exportation. The evidence of export may be in the form of a signed onboard ocean bill of lading.

B. If the butter or any part thereof is not exported or is reentered into the United States, the purchase price specified in Section 4 with respect to the quantity of the butter which is not exported or which is reentered into the United States shall be adjusted to domestic unrestricted use price of \$1.67 per pound.

C. Any upward adjustment of the purchase price stated in Section 4 for the butter not exported or reentered into the U.S. will not be made to the extent that the General Sales Manager determines that:

1. the butter acquired from CCC was lost, damaged, destroyed, or deteriorated and the physical condition thereof was such that its entry into domestic market channels will not impair CCC's price support operations, but if insurance proceeds or other recoveries such as from carriers exceed the purchase price of the quantity of the butter lost, damaged, destroyed, or deteriorated, plus other costs incurred by Buyer in connection with such butter prior to the time of its loss, the amount of excess shall be paid to CCC, or 2. the butter was reentered into the

United States due to causes without the fault or negligence of Buyer and was subsequently actually exported in accordance with the

provisions of this agreement.

D. Any upward adjustment of the contract price under the foregoing Subsection (C), with respect to any butter exported. will not be made to the extent that the General Sales Manager determines that the butter was, subsequent to exportation, lost, damaged, destroyed, or deteriorated so that it could not be used.

Force majeure

Neither the New Zealand Dairy Board nor the CCC shall be liable for any failure or delay in complying with their respective responsibilities under this agreement caused in whole or in part by force majeure which shall include, but not be restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; how-ever, in every case the failure to perform must be beyond the control and without the fault or negligence of the party to the contract seeking excuse from liability.

Special terms

A. The New Zealand Dairy Board will not sell this butter to the USSR.

B. In the event of a major change in international market prices during the period this agreement, both parties shall consult as to its effects, and agree on equitable adjustments to the prices for subsequent shipments. Should opportunities be found to sell some USA butter as such, then the Board would be willing to discuss with CCC

an appropriate price adjustment.

C. Except for official aid or for restricted welfare uses, CCC agrees not to sell for export any butter until July 1982, unless approved by the New Zealand Dairy Board.

D. The buyer has no wish to frustrate special sales provided both parties are agreed that such sales do not in any way affect the international butter market or the buyer's rights under this agreement. The parties will confer on such sales which will not take place without mutual agreement.

E. The seller agrees that should it be deemed necessary to offer for export sale any tonnage of butter after July 1982 then the New Zealand Dairy Board will have the first option to purchase such offerings up to December 31, 1982.

F. To facilitate the smooth execution of this contract it is envisaged that the buyer's representative will be present at the store before and during the load out. The CCC will make all reasonable efforts to assist the buyer's representative in such en-

Contingent fees

New Zealand Dairy Board warrants that it has not employed any person for the purpose of obtaining under this contract a commis-sion, percentage in the way of a brokerage fee, or additional fees, with the exception of trusted employees and trusted commercial agencies established by New Zealand Dairy Board with the object of obtaining such contracts and that it has not made and will not make any such payment. Without limiting the other rights which it may have, breach

of this provision will allow CCC to cancel this contract, with no responsibility on its part, and at its discretion, to add to the

Mr. MELCHER. Mr. President, I now wish to turn to other matters that are in the farm bill, one of which is the soil and water conservation program. I point out to the Senate that one of the most important and difficult topics facing America today, one that is certain to become more and more important in the years to come, is the protection of our Nation's productive agricultural lands.

This issue has always been difficult to fully comprehend. How can this Nation have a problem when we have a record wheat and corn crop in 1981? Why should we be concerned with the protection of farmland productivity when there is an abundance of food in Americawhen we are able to export billions of dollars worth of farm commodities each year-and when farmers face depressed prices because of the abundance of this year's crop?

The answer, of course, is that we have abundance for many reasons: The productivity of our resource base; our ability to pour large amounts of capital and technology into each acre; and last, but far from least, favorable weather.

In the early spring of 1981, the United States faced the distinct possibility of a drought that would have had calamitous effects on our farmers, on food prices, and on our national economy. Virtually every area of the Nation was vulnerable, and it seemed like only a miracle could prevent disaster. We got that miracle in most areas. By May and June, heavierthan-normal rainfall had occurred over much of the Nation, and crop prospects had gone from dismal to very bright.

It would be extremely shortsighted, however, to base national policy on the need for a miracle each year.

As the weather has been showing tendencies to be more and more variable and unpredictable, and as inflation and high interest rates have driven up the costs of modern farming to astronomical levels. we really only have one asset upon which to depend.

That is the productivity of our farm-

When fertilizer gets so expensive that farmers and ranchers apoly less, and when the weather falls a little short of optimum, the land must have the resilience and natural productive strength to vield a profitable crop. If it does not, we face serious challenges, both at home and in our dealings with the rest of the world.

Today, we debate a new farm bill, one that not only looks at the Federal programs that affect the growing and marketing of crops, but which also takes a hard look at the programs that help farmers keep the topsoil in place and the soil productive for this and future generations. It is important that we not be superficial in this debate, and that we not take for granted the sufficiency of our resource conservation efforts.

It is my view-borne out by the appraisal carried out by the Department of Agriculture under the auspices of the Resource Conservation Act—that soil erosion, water, waste, and other forms of

resource damage are occurring at intolerable rates.

Soil erosion is worse today, in terms of its effect on our Nation's most pro-ductive lands, than it was in the dust bowl days of the 1930's. We are producing record crops, but we are causing record damage in the process. This cannot

Our conservation programs, which largely date from the 1930's and the 1950's, have changed little in the past decade. Most of the trends, in terms of effectiveness, have been downward.

As Federal funds have become harder and harder to obtain, and the purchasing power of each available dollar has diminished, it has been more difficult to appropriate enough money at the Federal level to keep the Federal effort from withering away.

As a result, Congress enacted the Soil and Water Resources Conservation Act of 1977. In this landmark conservation legislation, we asked the Department to take an intensive look at the Nation's soil and water.

We requested a report on the condition of our lands, the trends that are affecting them and what these trends might mean for the future. That final report is now available. The scenario it paints of the future is not comforting. Let me cite a few examples.

Despite a significant investment in conservation practices by private landowners, as well as Federal, State, and local governments, soil erosion from agricultural lands is estimated to be nearly 4 billion tons per year, with half that loss occurring on croplands.

Some lands are being severely damaged. On 12 percent of our Nation's croplands, and 17 percent of our rangelands, we face the task of either stopping those losses or writing those acres out of our productive inventory within a few short decades.

We are ruining a significant portion of our productive strength.

While it is difficult to predict with any certainty, it has been estimated by several experts that the loss of productivity on the Nation's croplands over the next 50 years will be the equivalent of between 25 and 62 million acres.

To get some idea of the magnitude of that loss, 25 million acres could produce 50 to 75 million metric tons of grain, half the total exported from the United States in 1980.

If we lose 62 million acres, it could represent the loss of virtually all of 1980's exportable surplus. Such losses would be an economic tragedy to American agriculture and to the American economy.

In addition to soil erosion and cropland conversion, there are other forces at work that push down productivity. These include the loss of organic matter, soil compaction, increasing salinity and alkalinity of both soils and irrigation waters, and the loss of economical supplies of irrigation water.

In the past few years, the effect of soil losses has been hidden by new crop varieties, fertilizers, better control of pests and diseases, improved tillage, irrigation and the shifting of crops from marginal lands to new, more productive acres.

Some opportunities to increase productivity still exist. But they are getting more and more limited each year. In particular, it may become more difficult to find new lands that will be highly productive and economically profitable. We are rapidly nearing the end of the supply of good cropland.

In 1977, USDA estimated there were some 127 million acres of potential cropland remaining in the Nation. That, added to the 413 million acres already in cultivation, would give us a total of 540 million acres to use for crops.

That seems like a tremendous resource, but we should not be complacent. Several regional studies indicated that the 1977 estimate was too high. Since 1977, many millions of acres have been converted to crops. At the same time, conversion of cropland and potential cropland to other uses continues at a rate estimated to be somewhere in the range of 1 to 2 million acres each year.

In other words, by 1982, we may very well see that the farmers of the United States are farming most, if not all, of the lands that are economically feasible for crops. The Nation's productive resource base is huge and fantastically productive, but it is not limitless.

Water supply will become a greater problem, particularly in the arid and semi-arid regions where it is already short and where the competition from urban growth, energy production, and other industrial efforts is growing.

Agriculture is by far the Nation's largest single consumer of water, accounting for 83 percent of total water use, some 89 billion gallons each day.

Irrigated agriculture produced 27 percent of the value of farm crops harvested in 1980, on only 12 percent of the harvested acres. Most of that irrigation takes place in the 17 Western States, which harbor 5 out of every 6 irrigated acres in America.

The Water Resources Council has estimated that water consumption will increase almost 27 percent between 1975 and 2000. In regions where water supplies are limited, that means increasingly intense competition for the available supply.

Most of the time, that means agriculture will lose out, because other uses can nearly always afford to pay more for water.

What all this means is that the Nation faces a limit on the amount of farm products that can be grown for sale at home and abroad. Based on the rates of loss experienced in the decade between 1967 and 1977, our total land available for economic production could shrink to somewhere in the range of 500 million acres by the turn of the century.

What is really uncertain is how much crop we can grow, for that is almost entirely dependent on the yields we are able to coax from the land. American farmers have, with the aid of Government, industry, and their own hard work and ingenuity, steadily raised crop yields over the years. If that trend could continue, we would need less acres to meet

our growing needs. But a look at the numbers and the forecasts are not particularly comforting on this point.

Average crop yields have recently been rising at the rate of about 1 to 1½ percent a year. If they continue to trend upward at the rate of about 1 percent per year until the turn of the century, producing the basic food and fiber that we need here at home, plus a level of exports equal to what we sold abroad in 1977, would only take somewhere in the range of 400 million acres of cropland in the year 2000.

If we get those yield increases, we could double the 1977 level of exports by using about 500 million acres. Since we have already increased exports over half since 1977, a doubling by the year 2000 would represent a very slow growth over the next two decades. Some experts feel 500 million acres is about all the land we should realistically count on for economically productive cropland by the year 2000.

In other words, the recent rate of growth in farm exports may have to slow dramatically, and average per-acre yields will have to continue to rise, because of the limits on our land base and the rates of damage it is currently suffering.

One more word about the importance of agricultural research and development—if those per-acre yield increases are not realized—if we should somehow get to the year 2000 with average production somewhere near 1977 levels, we would be hard pressed to meet domestic needs and export even the relatively small amounts that were exported in 1977. Such a situation could force us to cut today's export levels dramatically.

These are the projections that the Resources Conservation Act have given us. They are not predictions—they are the extension of trends we see in motion today.

Those trends must be slowed immediately, and reversed wherever possible. The conservation measures in the 1931 farm bill before us can start that process, but I must, in all candor, admit that they will not meet the challenge. They are only a beginning. However they are an important beginning that the Senate should strongly support.

Several sections of the bill are important in this effort. We must have accelerated agricultural research and education—particularly in methods of producing higher yields with less soil damage and water waste. We can no longer continue the trend of mining more soil as we grow more grain. In several places, this bill urges the improvement of both the research and educational programs in USDA

But research and education are strategies for the mid-term future, 10 to 20 years away. New research, started tomorrow, may yield a practical result that is available to farmers, but only after several years of effort.

The new technology that will come on line in 1982 will be the product of research in the 1970's, a decade when research budgets were shrinking, and new scientists were rarely hired, and new projects were difficult to start.

What we can do immediately to meet

our need for productive land is accelerate efforts to protect the soils we have.

Topsoil that does not wash or blow away this winter will be available to help bring added crops to harvest next fall.

Prime farmlands saved from a shopping center or airport will continue to produce, both in 1982 and beyond.

Newly irrigated lands will grow more crops than before, and wet croplands that are drained will produce quick yield increases. These are steps that can be taken now, and we will see immediate results in productivity.

It is time we faced the facts. Productivity in American agriculture is absolutely essential to national strength, but it is no accident. Productivity is the result of the investment of time, care and proper management by millions of American farmers.

We must support those efforts, today more than ever before, if we expect this Nation to continue to grow and prosper in these difficult economic times.

Making new investments in productivity will not be easy, in the face of competing national priorities. We have just gone through an anguishing process of cutting Federal spending in many areas and holding it down virtually everywhere.

I point out that when we cut out money for agricultural conservation practices, we are cutting out the very future of this country. We have been doing that over the period of years by holding steady at \$190 million a year for agricultural conservation practices, and this year we are even reducing that amount. I believe we are cutting off our nose to spite our face. We are damaging the future of this country. We are placing in jeopardy the opportunity to increase our capacity for more production, and we are placing in jeopardy the opportunity to remain as productive as we are right now.

But we must be very careful in this process of budget cutting. I believe we have gone too far with respect to agricultural conservation practices. If I had my way, we would be increasing it, not decreasing it.

We decry the need to reduce social programs, but food—at affordable costs—is the most basic social need of all, and if we do not protect the productive lands that can produce that food, we are going to be in trouble.

I support the need for a strong national defense, but we cannot simply build a ring of missiles around the Nation and pretend that we have protected its strength. There must be productive strength inside that border to make defense necessary, and the basic elements of that strength must come from the land, no matter what the weather or the world markets or the national economy.

It was with these concerns in mind that the Agriculture Committee has drafted title XV of S. 884. We were painfully aware that the program changes we propose are only part of what is needed. We did not, and still do not, have an official proposal from USDA as to how they would like to improve the conservation programs.

We did not have the chance to hold the extensive hearings, and take the time, that development of a whole new program might take.

But we did have the concern of the members of the committee, and the results of many hearings, and the input of many witnesses. We developed some modest steps that can be taken, and that we feel must be taken, to begin the process of strengthening the national soil conservation effort.

Subtitle A of title XV requires the Secretary of Agriculture to submit a report to Congress not later than December 31, 1981, outlining a comprehensive national policy on soil and water conservation with recommendations on improvements of existing program authorities. This was contained in the administration's farm bill proposals and has been consistently supported by Secretary of Agriculture John Block. Tentative proposals for this policy and program document have already been made public, and we anticipate that they will be finalized in time to meet the deadline.

We look for this to provide the basis for Congress to continue beyond the relatively modest efforts outlined in S. 884 and consider a complete overhaul of the total soil conservation program. This report is similar to the one required by December 31, 1979, by the Soil and Water Resources Conservation Act of 1977. Since it will be late by at least 2 years, many of the elements it will contain have had a great deal of public discussion and debate.

For that reason, we in the committee feel confident about moving forward at this time with the remainder of the proposals contained in title XV. They are reforms and directions consistent with the needs shown by the RCA study, as well as the public response to the many proposals that have been tested by USDA.

Subtitle B establishes the special areas conservation program to provide accelerated technical and financial assistance in areas presently affected by serious erosion problems.

Such areas have been identified in many areas of the Nation, in virtually every State. They are areas where the severity of the soil erosion or water conservation problems is so bad the standard soil conservation programs have been unable to stem the flow of resource loss. We need to have a way to increase our efforts in those areas if the long-term productivity of the land is to be maintained.

The program proposed in S. 884 is modeled after the highly successful Great Plains conservation program, which requires long-term commitments through a contract between the landowner and USDA. It would allow local organizations and USDA people to identify serious problems, determine the kinds of practices and incentives needed in the region, develop an administrative pattern that fits their needs and capabilities, then come to the Secretary of Agriculture and the Congress with their proposal. Upon approval by the Secretary and the Agriculture Committees of both Houses, it would be authorized to seek funding for the special effort.

This is a way for national conservation programs to target specific problem areas without abandoning the vital preventative conservation programs on other lands that must have continuing care and maintenance to keep from deteriorating.

This is a very important principle: We must address serious problems in critical areas, but we must do so without abandoning other regions which could, themselves, become critical if we slow down our current efforts.

This program has strong bipartisan support in both Houses of Congress, and is totally consistent with the USDA's proposal to improve the targeting of Federal efforts.

Subtitle C has several sections that make minor, but needed, changes in the ongoing programs at USDA:

Section 1513(a) amends the Watershed Protection and Flood Prevention Act (Public Law 83–566) by authorizing Indian tribes and tribal organizations to become sponsoring local organizations for this program.

Tribes and tribal organizations have previously been precluded from sponsorship because of the definition of sponsoring local organization in the existing law.

This provision would allow them to cooperate in projects, provide land rights for needed structures, and work with other local organizations in solving flooding problems.

Section 1513 (b), (e), and (f) amends the small watershed program to authorize the Secretary of Agriculture to administratively approve those projects which have a total Federal cost of less than \$5 million. The current ceiling is at \$1 million, and projects with higher dollar figures are required to come before the Agriculture or Public Works Committees of Congress. As USDA has sought ways to reduce costs by speeding up project implementation, it has become clear that the current limits are too low.

This amendment should reduce the administrative paperwork on relatively small projects. The Soil Conservation Service has, in recent years, placed greater emphasis on projects which have more land treatment measures involved and fewer large earth-moving construction projects.

Many of these land treatment projects will undoubtedly be in the cost range of less than \$5 million, and administrative approval can hasten the establishment of needed conservation measures.

Section 1513(c) amends the small watershed program by adding energy as a purpose of the program. Small hydroelectric generation facilities can, in many instances, be incorporated into dams and reservoirs constructed for flood control and other purposes at relatively little additional cost. This amendment would authorize this activity.

Section 1513(d) amends the small watershed program to authorize the Secretary of Agriculture to share up to 50 percent of the cost of land rights acquired by local sponsors for the purpose of mitigating fish and wildlife habitat losses.

Requirements of other Federal statutes

have forced local project sponsors to acquire lands or land rights on which fish or wildlife mitigation measures will be performed. This provision would authorize the Federal Government to share in the costs involved.

Section 1514 amends the legislation under which the resource conservation and development program presently operates to authorize energy resource development as a project purpose.

Subtitle D establishes a new experimental program within USDA for reducing sediment loading or publicly owned reservoirs. Plans for sediment reducing activities are to be developed jointly by the Secretary of Agriculture and local concerned governments. This experimental program is authorized for funding 4 fiscal years, at which time the Secretary will report to Congress on the results of the program and suggestions for improvements.

Subtitle E authorizes the Secretary of Agriculture to provide tort claims and workers compensation coverage for persons providing voluntary services in programs administered by the Soil Conservation Service. This would allow SCS to use unpaid volunteer help in engineering surveys, soil surveys, inventory and monitoring, and other field activities where a great deal of help is needed.

Volunteers have been willing in the past to help, but SCS was precluded from accepting such help because of the uncertainties surrounding possible liability in the event of accidents.

This subtitle would clear up that problem. Similar legislation has been passed in recent years to cover volunteers in programs of other Federal agencies, It is a no-cost way of increasing the potential of the current programs, and should be enacted.

Subtitle F authorizes the Secretary of Agriculture to establish a resource conservation and development (R.C. & D.) program. The present R.C. & D. program has been developed administratively over a period of years based upon a hodgepodge of Federal legislative authorities, including the Soil Conservation and Domestic Allotment Act, the Watershed Protection and Flood Prevention Act, the Bankhead-Jones Farm Tenant Act, and the Rural Development Act of 1972. This subtitle consolidates existing authorities into one enabling act, adds increased emphasis for erosion and sediment control activities and water conservation and management. It also establishes a policy board within USDA to coordinate R.C. & D. policy within the Department.

Subtitle G establishes national policy relative to the importance of agricultural land. Although not a strict prohibition, it will require all Federal agencies to consider, and, where prudent and feasible alternatives exist, assure that their actions do not cause the unnecessary conversion of agricultural land to other uses.

Recent studies have shown that agricultural land is being converted to other uses at a rate which, if continued, will affect the Nation's ability to produce the food and fiber needed to meet domestic and export needs. These studies have also shown that Federal actions have caused

a significant amount of this conversion of agricultural land to other uses.

This section was drafted with strong bipartisan involvement in the Agriculture Committee. We feel it is a vital part of the farm bill which is before you.

Section 1543 establishes authority for the Soil Conservation Service to provide emergency assistance to local public agencies in search and rescue operations under specified disaster conditions. This section is necessary to provide the SCS with freedom from liability in providing such assistance. There is similar legislation covering other agencies of the Department of Agriculture

partment of Agriculture.

Section 1544 amends the Surface Mining Control and Reclamation Act to authorize experimental reclamation projects on an entire hydrologic unit (watershed) without regard to the acreage limitation of 320 acres in the present law where it is determined that greater reclamation benefits can be achieved.

Mr. President, I commend the conservation provisions of this bill to the Senate.

CAN AGRICULTURE SURVIVE?

Mr. TOWER. Mr. President, agriculture in Texas will undergo major transformations in the 1980's. The impact of energy cost, inflation, and limitations in natural resources threaten both productivity and the ability of Texas agricultural producers to remain competitive in the marketplace.

Agriculture today faces both shortand long-term problems which actually threaten its future production potential. The cost-price squeeze brought on by increasing energy prices and unprecedented inflation has created a short-run income and liquidity crisis for farmers.

TEXAS AGRICULTURE IN PERSPECTIVE

The value of farm assets in Texas totals more than \$62 billion. Cash receipts from agricultural commodities in Texas were \$9 billion in 1980. Suppliers of farm inputs, food processors, distributors, and others also benefit from agriculture production; every \$1 of farm sales leads to more than \$3.40 in the Texas economy.

The estimated economic impact of agricultural production and agribusiness activities on the Texas economy is more than \$33.7 billion per year—1.3 times the value added by all manufacturing.

Texas ranks among the top 10 States in production of 16 of the Nation's top 25 commodities. Texas is third in the Nation in agricultural receipts.

FUTURE OF THE FAMILY FARM

Agriculture in general, as well as agricultural demand, is dominated by four forces: Weather, livestock cycles, world crop supplies, and agricultural policies. As we consider the legislation to S. 884, farm policy for the next 4 years will be established. This farm policy comes at a time when our Nation's economy is stumbling, and the farm sector is faced with economic uncertainty. Net farm income in 1980 fell to approximately \$20 billion, down 39 percent from 1979 and the lowest in constant dollars since 1964. These factors have a particularly substantial impact upon the future of the family farm.

Families living on smaller farms obtain a higher percentage of their income from off-farm work than do families on larger farms.

There is a growing concern with the current trend toward business, that the very foundation of our agricultural heritage, the family farm, will be driven out of business. If 1981 is as poor a year as current projections indicate, this will be the worst 2-year period in 45 years—a crisis situation for U.S. agriculture by any standard.

The aim of a Federal farm policy is to induce elements of predictab'lity into an inherently unpredictable business. Agriculture products are subject to some of the most unpredictable free market conditions prevailing. Prices can fluctuate widely, depending on supply, demand, and other forces in the economy.

Yet, the farmer must rely on many other segments of the economy which are regulated—labor, energy, and a host of industries which manufacture needed equipment and supplies. That means his costs do not fluctuate with the price he receives for his product.

In order to make it possible for the farmer to stay in business—and thus continue to supply adequate amounts of food for our people and the export markets, the Federal Government provides basic economic stability through its farm policies.

1981 FARM BILL

I wish to commend the sincere efforts of the members of the Senate Agriculture Committee under the direction of Chairman Helms. It is a very difficult task to formulate a farm program and minimize budgetary exposure of the Treasury. Many of the agreements reached by the producers, the Agriculture Committee, and the administration exhibit a commitment by all to place our economy on the road to recovery—as President Reagan states, "A new beginning."

However, problems still exist in the legislative proposals to the farm bill. Our producers have their backs to the wall, they seek merely the opportunity to produce abundant amounts of food and fiber for our needs, and ask only for a fair return on their investment and hard work. When one receives less for his product than the cost of producing it, the writing is on the wall—"Go Broke."

As an elected representative, I am committed to support the interests of my constituents to the best of my ability. In Texas, we are very proud of our accomplishments in contributing to the agricultural success of America. Our producers are accustomed to hard times and prepared to accept their fair share of budget cuts to guarantee the survival of our economy. As I join my colleagues in considering the 1981 farm bill, I am thankful we as Americans live in a land of plenty.

Mr. THURMOND. Mr. President, today I rise to indicate my firm support for the Agriculture and Food Act of 1981. This legislation is designed to extend reasonable price protection to farmers and thereby insure a degree of economic stability within this agriculture sector of our Nation for the next 4 years.

Too often the American people forget

how fortunate we are to have an abundant variety of foods available at a reasonable cost. We also tend to overlook the fact that agriculture is a very unique industry, and that farmers are extremely susceptible to fluctuating market conditions and other forces over which they have little or no control, such as harmful weather and crop pests.

We need only to review recent events to illustrate this point. The imposition of the embargo on grain trade with the Soviet Union by the Carter administration threw our domestic grain markets into sudden turmoil. It was unfortunate that American farmers were asked to shoulder a disproportionate and unfair burden with respect to this grain embargo, which President Reagan has since lifted. Drought in much of the Southeast last year devastated crops and drove many farmers into bankruptcy. The Mediterranean fruit fly disaster in California clearly proves the amount of destruction pests can do to an important agricultural industry.

Mr. President, this legislation seeks to reduce the effects of these elements of unpredictability. Its provisions would establish loan and target price programs, disaster payments, price support levels, as well as acreage limitations and allotments. These programs will assist the farmer in making planting and marketing decisions more efficiently.

We must continue to develop an atmosphere in which the agricultural sector will be able to prosper and provide for the growing needs of consumers in this Nation and in other countries which buy our farm exports or receive food aid. Without these programs, many small, efficient farmers will be mercilessly forced out of business, and agricultural production will become concentrated in the hands of a few large growers and corporations.

The tools provided in this legislation will allow farmers to continue their chosen lifestyle, by enabling them to operate at a profit. It is time for this Nation to stand firmly behind the agricultural sector. We cannot desert the industry that we so greatly depend upon for our food and fiber needs. Accordingly, Mr. President, I hope the Senate will give its full support to this legislation

UP AMENDMENT NO. 355

(Purpose: To further revise the programs to provide price support and production incentives for farmers)

Mr. HELMS. Mr. President, on behalf of 10 members of the Committee on Agriculture, Nutrition, and Forestry, Senator Huddleston, the distinguished ranking member of the committee, and I have at the desk a package of modifications to S. 884.

The PRESIDING OFFICER. Without objection, the amendment is agreed to and the committee substitute is so modified.

The modification is as follows:

On page 139, lines 13 through 15, strike out "\$4.20", "\$4.40", "\$4.60", and "\$4.80" and insert in lieu thereof "\$4.10", "\$4.30", "\$4.50", and "\$4.70", respectively.

On page 153, lines 5 through 7, strike out "\$2.80", "\$2.95", "\$3.10", and "\$3.25" and in-

sert in lieu thereof "\$2.75", "\$2.90", "\$3.05",

and "\$3.20", respectively.
On page 170, line 5, strike out "\$0.85" and and insert in lieu thereof "\$0.83" "\$0.93

and "\$0.89", respectively.

On page 183, lines 22 through 25, strike out "\$11.23", "\$12.14", "\$12.70", and "\$13.50" and insert in lieu thereof "\$10.98", "\$11.63", '\$12.28", and "\$12.93", respectively

On page 197, beginning with line 12, strike out all that follows through line 2 on page 212 and insert in lieu thereof the following:

TITLE VII-PEANUTS

ANNUAL MARKETING QUOTA AND STATE ACREAGE ALLOTMENT

SEC. 701. Section 358 of the Agricultural Adjustment Act of 1938 is amended as follows:

(a) Subsections (a) and (e) shall not be applicable to the 1982 through 1985 crops of peanuts.

(b) Subsection (c) (1) is amended, effective for the 1982 through 1985 crops of peanuts, by striking out the period at the end of the second sentence and inserting in lieu thereof the following ": Provided, That the peanut acreage allotment for the State of New Mexico shall not be reduced below the 1977 acreage allotment as increased pursuant to subsection (c) (2) of this section.".

(c) Subsection (d) is amended by insert-

"(1)" immediately after the subsection ing "(1)" immediately after the subsection designation and adding a new paragraph (2) reading as follows:

"(2) If, in the case of any farm for which farm acreage allotment has been established, the Secretary determines that such farm does not have sufficient tillable acreage equal to the allotment, the portion of the allotment that is less than the tillable acres shall be lost to such farm and shall be placed in a pool. Acreage in such pool shall be made available for allocation to new farms in the same county as the farm from which the allotment was lost or, in the case of any State for which the peanut acreage allotment is eleven thousand acres or less, to any farm within the same State."

NATIONAL ACREAGE ALLOTMENT; NATIONAL POUNDAGE QUOTA; FARM POUNDAGE QUOTA; NATIONAL

Sec. 702. Effective for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 amended by adding at the end thereof new subsections (k) through (p) as follows:

"(k) The Secretary shall, not later than December 1 of each year, announce a national acreage allotment for peanuts for the following crop taking into consideration projected domestic use, exports, and a reasonable carryover: Provided, That such allotment shall be not less than one million six hundred and fourteen thousand acres.

"(1) The Secretary shall, not later than December 1 of each year, announce a mini-mum national poundage quota for each of the marketing years 1982 through 1985 which shall not be less than one million two hundred forty thousand tons. If the Secretary determines that the minimum national poundage quota for any marketing year is insufficient to meet total estimated requirements for domestic edible use and a reasonable carryover, the national poundage quota for the marketing year shall be increased by the Secretary to the extent determined by the Secretary to be necessary to meet such requirements.

"(m) For each farm for which a farm acreage allotment has been established, a farm yield for peanuts shall be determined. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977: Provided, That if peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(n) For each farm, a farm base production poundage shall be established equal to the quantity determined by multiplying the farm peanut acreage allotment by the farm yield determined in accordance with subsection (m) of this section.

"(o) For each farm, a farm poundage quota shall be established by the Secretary for each marketing year equal to the farm base production poundage multiplied by factor determined by the Secretary, such that the total of all farm poundage quotas will equal the national poundage quota for such marketing year. The poundage quota so determined, beginning with the 1982 crop for any farm, and continuing through the 1985 crop for any farm, shall be increased by the number of pounds by which marketings of quota peanuts from the farm during the immediately preceding marketing year beginning with 1981, were less than the farm poundage quota: Provided. That any such increase, to the extent that it may not be fully applied to the farm poundage quota for the marketing year following the marketing year in which such undermarketings occurred, shall be applied to the farm poundage quota for subsequent marketing years: Provided further, That the grower must have planted in such preceding marketing year at least 50 per centum of the farm allotment in order to qualify for such undermarketing carry forward: Provided further. That total marketings shall not exceed actual production from the farm acreage allotment: Provided further. That if the total of all such increases in individual farm poundage quotas exceeds 10 per centum of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all increases does not exceed 10 per centum of the national poundage quota.

"(p) For the purpose of this part and title of the Agricultural Act of 1949, as amended-

"(1) 'quota peanuts' means, for any marketing year, any peanuts which are eligible for domestic edible use as determined by Secretary, which are marketed or considered marketed from a farm, and which do not exceed the farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year, any peanuts which are marketed from a farm and which are in excess of the marketings of quota peanuts from such farm for such year but not in excess of the actual production of the farm acreage allotment:

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts crushing or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.".

SALE, LEASE, AND TRANSFER OF ACREAGE ALLOTMENTS

SEC. 703. Effective for the 1982 through 1985 crops of peanuts, section 358a of the

Agricultural Adjustment Act of 1938 is amended by-

(1) in subsection (a)—
(i) striking out ", if he determines that will not impair the effective operation of the peanut marketing quota or price support program,": and

(ii) striking out "may" each place that word appears and inserting "shall" in lieu

thereof; and

(2) adding at the end thereof new subsec-

tions (i) and (j) as follows:

"(i) Notwithstanding any other provision of this section, transfers shall be on the basis of the farm base production poundage, and the acreage allotment for the receiving farm shall be increased by an amount deter mined by dividing the number of pounds transferred by the farm yield for the receiving farm, and the acreage allotment for the transferring farm shall be reduced by an amount determined by dividing the number of pounds transferred by the farm yield for the transferring farm.".

Notwithstanding the provisions of subsections (b) (1) and (g) of this section, in the case of any State for which the peanut acreage allotment is eleven thousand acres or less, all or any part of a farm acreage allotment may be transferred from a farm in one county to a farm in another county in the same State and the fifty-acre limitation on the total peanut allotment transferred to any farm shall not apply.".

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 704. Effective for the 1982 through 1985 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 is amended

(1) striking out in the first sentence of bsection (a) "75 per centum of the support subsection (a) price for" and inserting in lieu thereof per centum of the support price for quota";

(2) inserting after the first sentence of subsection (a) a new sentence as follows: The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the Secretary, are placed under loan at the additional loan rate under the loan program made available under section 108(b) of the Agricultural Act of 1949 and not redeemed by the producers or are marketed under contracts between handlers and producers pursuant to the provisions of subsection (i) of this section.";
(3) striking out "normal yield" in subsec-

tion (a) and inserting in lieu thereof "farm

yield";

(4) inserting a new sentence at the end subsection (a) reading as follows: "Any of subsection (a) reading as follows: marketing penalty imposed under this section is a civil penalty only."; and

(5) adding at the end thereof new sub-

sections (f) through (k) as follows:

"(f) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use

"(g) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that would reasonably be produced from the quantity of peanuts hav-ing the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal

to 120 per centum of the loan level for quota peanuts on the peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the pea-

nuts so acquired.

"(h) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(i) Handlers may, under regulations pre-scribed by the Secretary, contract with pro-ducers for the purchases of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area association) for approval not later than March 15 of the year in which

the crop is produced.

"(j) Subject to the provisions of section 407 of the Agricultural Act of 1949, as amended, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, other expenses, plus (1) not less than 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, or (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year: Provided. That between date of delivery of additional peanuts to Commodity Credit Corporation for loan and April 30 of the marketing year. the area association shall, unless otherwise agreed to by the association and the Commodity Credit Corporation, be responsible for deciding whether to accept or reject lot list bids when the price offered equals or exceeds the Commodity Credit Corporation minimum sales price specified in this subsection.

"(k) Notwithstanding any other provision of this section, the amount of any penalty assessed under this section with respect to marketing of quota or additional peanuts or otherwise shall be reduced or waived completely to the extent that the Secretary, through the local committees, determines that the marketing subject to penalty was done unintentionally or unknowingly: Provided. That weight errors with respect to marketing of quota or additional peanuts not exceeding one-tenth of 1 per centum per marketing document shall not be considered an excess marketing and shall not be subject to penalty."

REPORTS AND RECORDS

SEC. 705. Effective for the 1982 through 1985 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adustment Act of 1938 is amended by inserting immediately before "all brokers and dealers in peanuts" the following: "all farmers en-gaged in the production of peanuts,".

PRESERVATION OF UNUSED ALLOTMENTS

SEC. 706. Effective for the 1982 through 1985 crops of peanuts, section 377 of the Agricultural Adjustment Act of 1938 is amended by inserting after the words "farm acreage allotment for such year" the following: "or, in the case of peanuts, an acreage sunicient to produce 75 per centum of the farm poundage quota".

PRICE SUPPORT PROGRAM

SEC. 707. Effective for the 1982 through 1985 crops of peanuts, title I of the Agricultural Act of 1949 is amended by adding at the end thereof a new section 108 as follows:

"PEANUT PROGRAM

"SEC. 108. Notwithstanding any other provision of law

"(a) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops. The national average quota support rate for the 1982 crop of quota peanuts shall be the national average cost or production, including the cost of land on a current value basis, for such crop, as estimated by the Secretary, but in no event less than \$596 per ton. The national average quota support rate for each of the 1983, 1984, and 1985 crops of quota peanuts shall be the national average quota support rate for such peanuts for the pre-ceding crop, adjusted to reflect the change, during the period January 1 and ending De-cember 31 of the calendar year immediately preceding the marketing year for which a level of support is being determined, in the national average cost of peanut production, excluding the cost of land. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: Provided, That the Secretary may make adjustments for location of peanuts and such other adjustments as are authorized by section 403 of this Act.

"(b) The Secretary shall make price sup-port available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops. In determining support levels, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets: Provided, That the Sec-In loreign markets: Provided, That the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to insure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts. The Secretary shall announce the level of support for additional peanuts of such peanuts. port for additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of support

is being determined.

"(c) (1) In carrying out subsections (a) and (b) of this section, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10 (1980)) only to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily the purpose of conducting such loan activities. Such associations, and no others, may be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Loans under this subsection shall include, in addition to the price support value of the peanuts, such costs as an association reasonably may incur in carrying out its responsibilities in its operations and activities under this section and section 359 of the Agricultural Adjustment Act of 1938: Provided. That cooperative marketing associations engaged in handling, shelling, or dealing in peanuts in any manner, other than the area marketing associations selected and approved by the Secretary under this paragraph, may not conduct loan, diversion or any other activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(2) The Secretary shall require that each

association designated in paragraph establish pools and maintain complete and accurate records by type for quota peanuts handled under loans and for additional peanuts produced without a contract between handler and producer described in section 359(i) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower. Net gains for peanuts in each pool shall consist of (A) for quota peanuts, the net gains over and above the loan in-debtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (B) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (A) of this paragraph. Notwithstanding any other provision of this su-section, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower.".
On page 212, line 16, strike out "average

Chicago quoted cash price for number 1 yellow" and insert in lieu thereof "simple average price received by farmers for".

On page 214, line 22, strike out "19.6 cents

per pound for raw cane sugar" and insert in

lieu thereof the following:

"18 cents per pound for raw cane sugar for the 1982 crop, 18.5 cents per pound for the 1983 crop, 19 cents per pound for the 1984 crop, and 19.5 cents per pound for the 1985

On page 215, strike out line 9 and all that follows through line 24 and insert in lieu

thereof "years

On page 219, line 9, strike out "less than 105" and all that follows through the word "crop" on line 19, and insert in lieu thereof the following: "less than 110 per centum of the then current price level at which the Secretary may encourage repayment of producer storage loans with respect to the commodity prior to the maturity dates of such loans, as determined under clause (5) of the third sentence of subsection (b) of this section'

Mr. HELMS. Mr. President, I was thinking a moment ago that it was exactly 4 months ago yesterday—on May 13-that the Senate Agriculture Committee ordered reported S. 884. Our earnest belief at that time was that the bill we reported was sound and effective farm legislation.

That belief has not changed one iota. S. 884 was a good bill in May, and it is

a good bill today.

It preserves the most worthwhile elements of existing programs. It makes improvements in current law in a number of ways. And, in some significant ways, makes even further advancements from current law toward market orientation, which Senator Huddleston and I have been talking about this afternoon. Its provisions enhance the prospects for increased agricultural research and more effective soil conservation in response to urgent national needs in those areas, among other things I have already described in detail this afternoon.

Mr. President, S. 884, especially as now modified, represents a compromise of interests represented on the committee, and is a product of give-and-take. Its provisions have been tested in careful debate in committee to assure that they not only provide for the enhancement of the farm sector of our economy, but that they do so in a manner entirely consistent with the broad and diverse national good.

Senators should be aware that S. 884 was reported as a "bare bones" bill. The committee met in more than 25, 4-hour markup sessions. We "marched up the mountain and back down again" in terms of meeting the strictest of budgetary constraints. S. 884 met the test of the first concurrent budget resolution when it was reported.

We were successful in drafting a compromise that won the respect of virtually every farm, agribusiness, and consumer

group in the country.

Many of the farm organizations which had desired higher price support levels than are included in S. 884, accepted and even endorsed S. 884 as the best bill achievable under incredibly tight budgetary circumstances.

This was a truly responsible action on the part of these organizations, and I highly commend them for it. I joined them in the commitment to avoid divisive amendments so as to keep the structure of the committee bill intact.

All of these developments gave Senator Huddleston and me ample reason to build support for S. 884 without amendment. We diligently pursued such a course, and I feel certain we have persuaded most Senators and the agricultural community that the fundamental structure of our bill ought to remain unchanged.

This is important because a unified agriculture will make a strong agriculture, and a strong agriculture is the basis for a strong national economy. Unity and balance, then, was and is our objective.

Now, 4 months have passed since S. 884 was ordered reported. During that time economic conditions have changed. Crop forecasts have changed. Budgetary estimates have changed.

But the basic worth of the programs which our committee adopted has not changed.

On September 9, Agriculture Secretary Block met with the members of the committee in an informal caucus. We discussed the most recent cost estimates and all of the other economic and budgetary factors which affect farm programs provided for in our bill.

The Secretary described for Senators a set of proposals to reduce the cost of S. 884, principally through lower com-

modity support levels.

I was impressed that the proposals from the administration dealt strictly with the level of supports for a number of commodities. The package did not deal with the structure of the supports. In other words, the administration essentially proposed changes in the numbers provided for in the bill, but not in the fundamental conceptual structure of the legislation itself.

The proposal was not a total substitute bill, or some other alternative which would disrupt the careful compromise and delicate structure of the fabric of the committee bill.

In effect, by indicating its acceptance of the concepts our committee approved, the administration joined the ranks of virtually every other group knowledgeable of and interested in farm legislation.

At the same time, however, the economic and cost data was not encouraging. Due to lower than expected farm prices—brought about by the favorable vagaries of especially good harvest weather—there will be additional costs from the old expiring farm bill that will register in the 1982 budget. Such extra costs should not be charged against S. 884, of course.

However, the committee recognizes that it makes the adoption of the higher support levels provided for in S. 884 more difficult for the Senate to justify and accept. This is purely a question of greater potential costs than the committee originally anticipated.

In this setting, the committee decided to make a good faith effort to further reduce the cost of S. 884 as reported.

Once again, the members of the Agriculture Committee put in long hours in daily caucuses which seemed almost interminable. We met daily from September 9, the very day we returned from recess, until our last meeting ended at just 5 p.m., Friday, September 11.

In the course of those additional joint caucuses, the committee developed a package of amendments which is designed to bring our bill in line with reasonable budgetary constraints. It does not go as far as the Secretary of Agriculture first suggested on September 9, but it more than meets his goals halfway. In fact, our informal estimate is that the new Senate committee package achieves 56 percent of what he requested in the areas it addresses.

DESCRIPTION OF THE NEW COMMITTEE PROPOSAL

The compromise carefully crafted in the lengthy committee caucuses I just described is designed to reduce program costs in seven key commodity areas, and results in savings from S. 884 of \$1.2 billion over the 4-year life of the bill.

WHEAT

In the case of wheat, the committee proposed to set the first year target price at \$4.10, which is 10 cents per bushel less than S. 884. This level would increase each year in the same increments as in both S. 884 and the administration's proposed compromise.

According to the Congressional Budget Office, this results in savings of \$427 million. The amount would be 80 percent of the savings resulting from the administration's proposal, as calculated by CBO.

FEEDGRAINS

For feedgrains, we propose to set the 1982 corn target price at \$2.75 per bushel, 5 cents below S. 884, with increases of 15 cents in each of the other 3 years of the bill—the same as the administration proposal. According to

CBO, this provides savings of \$22 million over S. 884.

COTTON

In cotton, the cost-savings resulting from the various proposals which the committee considered is virtually the same. Our proposal will change the target price to 83 cents in 1984 and 89 cents in 1985. This is 2 cents above the administration's proposal in 1984 and 3 cents above in 1985. According to CBO, the cost difference between S. 884 and the administration's proposal is less than a half a million dollars.

RICE

In the case of rice, we propose to set the target price for each successive year of this bill at \$10.98, \$11.63, \$12.28, and \$12.93 per hundredweight. CBO estimates show that this provides a cost savings of \$120 million, from S. 884 as reported. This is 75 percent of the savings which would result from the administration's proposal.

SUGAR

The sugar program provided for in S. 884 is designed so that there is practically no direct cost to the Treasury resulting from the sugar loan program. Even so, the committee proposes to reduce the sugar rate to 18 cents per pound, increasing it by one-half cent per year. The administration took no position on sugar, finding the House bill acceptable.

In addition to this reduction in the support rates, the committee compromise also includes a technical amendment requested by Senators HAYAKAWA and Andrews of our committee to strike the definition of the crop year and loan periods for sugar beets and sugarcane. Current law leaves determination of the crop year to the discretion of the Secretary. This amendment would provide for his continued discretion, on the grounds that various crop cycles exist for sugar beets and sugarcane production in the States of Idaho, California, North Dakota, Louisiana, and Hawaii. In California, the crop year begins on July 1 and ends on June 30.

Hence, a specifically defined crop year of April 1 through March 31 of the following year as provided for in S. 884 leaves 3 months of harvest—April, May, and June—outside that particular crop year. That obviously presents confusion and problems with part of the same crop arbitrarily falling in one crop year and part in another.

In order to avert this disparity, the committee believes it is in the best interest of sugar producers to leave crop year determination to the Secretary's discretion.

SOYBEANS

As to sovbeans, we propose to change the base data from which the loan rate will be calculated. Loans would be based on the national simple average price received by farmers as reported by the Statistical Reporting Service of USDA, rather than the average Chicago quoted cash price.

This change is really technical in nature, and is supported by the American Soybean Association, and was suggested by the administration to be proposed in this package.

In the case of peanuts, the committee proposes the peanut provisions of the House of Representatives version of the farm bill with several modifications. This measure has been declared acceptable to the administration.

So that peanut farmers will not be exempted from any sacrifices asked of producers of other commodities, and to assure Senators that the peanut program has undergone meaningful reform, a number of further modifications are provided for.

The minimum national poundage quota will be reduced from 1.3 million tons provided for in S. 884, and 1.44 million tons provided for in the administration's original bill, to 1.24 million tons. This is done to virtually eliminate all Federal outlays for the peanut program. The quota loan rate will be reduced from \$631 in S. 884 to \$596 per ton. The committee proposes to clarify provisions in current law which provide that there will be no criminal penalties—only civil penalties-for violation of peanut marketing quotas. Further, we provide that no person may exercise allotment rights without sufficient tillable land to support the allotments. Any allotment or quota surrendered for lack of tillable land shall revert to a pool to be distributed to new growers. The program ought to benefit farmers and consumers, and not other business interests and corporations.

Although Secretary Block did not suggest cuts or changes in the peanut program when he met with us on September 9, this change would reduce taxpayer costs of the peanut program to virtually nothing. A 100-percent reduction in budget exposure is a remarkable contribution, indeed. This should result in about \$100 million in savings in the peanut provisions of S. 884 and S. 943original administration farm bill. No other commodity has made such a sub-

stantial sacrifice.

FARMER-OWNED GRAIN RESERVE

In regard to the farmer-owned grain reserve, we propose to allow the Commodity Credit Corporation to resell grain which it has acquired only if market prices for that commodity exceed 110 percent of the reserve release price, when a reserve is in effect. S. 884 as reported would not allow CCC resale until prices reached 105 percent of the average projected cost of production for growing grain in that year as calculated by USDA. The administration proposed 105 percent of the release price, but our proposal increased that to 110 percent in order to allow market prices more room to function without being influenced by Government action.

Mr. President, Senators will note that one commodity with rather large relative Treasury exposure has not been mentioned, and that is the dairy

The Secretary told us on September 9 that it was essential that the costs of the dairy program as provided for in S. 884 be reduced substantially. He emphasized that the cost exposure of that program is most critical, and the reductions in costs which he contemplated were so substantial that the committee could not reach agreement as to what it should propose for this package of amendments.

Now I believe that tells something very important about our package. The items addressed in the package represent an effective compromise that Senators took the time and effort to hammer out in excruciating detail. The fact that we have not included dairy in this package is evidence, I believe, that what we have here is a serious compromise. We were not able to move dairy sufficiently close to the administration position to warrant it being included, so we left it out.

So, the Senate will work its will on dairy. The dairy provisions provided for in S. 884 seemed reasonable to the committee when they were adopted, as did all other provisions. They represent sound policy in concept and structure. If the Senate wishes a less expensive program it will have to be achieved outside what is the committee compromise.

In summary, Mr. President, the administration has in essence accepted the structure of S. 884. However, the Secretary of Agriculture has pointed out that the cost of S. 884 is too high, and I agree

Therefore, let us reduce the cost of these programs as the committee proposes to do. Such action will preserve the integrity of the legislative branch of Government, and will serve the interests of both the farmer and the taxpaver.

I urge the Senate to adopt this compromise package. If it does that, and wants to consider other items such as dairy, it will not really be necessary for the Senate to spend much further time on this bill. We will have achieved a bill suitable for immediate approval because of its effective programs, and be-

cause of its budget worthiness.
Mr. GRASSLEY. Mr. President, I commend the members of the Senate Agriculture Committee for their long, hard work in reaching necessary compromises over various portions of the 1981 farm bill. As in the past, the committee has attempted to draft a bill that will continue to assure an abundance of food and fiber at reasonable costs to the consuming public, as well as to provide adequate protection to our Nation's farmers against volatile swings in market prices in order to assure a reasonable income.

This has been a particularly difficult task, for unlike in the past, the work on this farm bill has had to take place under the severe budget constraints that are necessary if we hope to control Government spending and bring our economy back to its feet.

As a member of the Senate Budget Committee, I know all too well how unpleasant this effort can be-on one hand we want to protect and preserve programs and the people affected by the programs that are dear to us, but on the other hand, we realize that if budget constraint is not practiced, all people of this country will continue to suffer from the devastating effects of inflation, high interest rates, dwindling economic productivity, and high unemployment.

Consequently, as with most other Government programs, those addressed by this piece of legislation have been drafted with fiscal restraints in mind. I believe the committee did a remarkable job of meeting congressional budget targets with the bill as reported.

However, recent budget estimates have required even further cost reductions. and therefore, the committee and the administration have met during the last few days to iron out differences and to develop a bill that the negotiating parties could find acceptable. This compromise was difficult for all involved, but we are facing difficult times and these revisions were necessary. I may not be completely satisfied with this legislation. But it is not because I believe the committee did a poor job; it is because of the tight fiscal environment under which we must operate. There ore I intend to support this legislation for the most part, and I hope my concagues of the Senate wisely choose to do the same.

Furthermore, I urge my Senate colleagues to resist the temptation of supporting amendments that will disrupt this delicately balanced compromise or that will add significantly to the cost of the legislation. It may be politically attractive to do so, but it is in the best interest of the people of our country-including our farmers-to resist this temp-

Before closing, I would like to make two additional points. First, I just returned from my home State of Iowa where I had the opportunity to talk to a large number of farmers, many of whom are balancing precariously on the edge of disaster. The immediate reason for this is that corn prices are dropping sharply. For this, I urge the Secretary of Agriculture to activate the farmer-held reserve for feed grains immediately.

The second problem, but equally pressing, is the problem farmers are facing with high interest rates. This, of course, is not unique to only the farm sectorothers are hurting, too. One of the major goals of our economic plan is to bring interest rates down. Congress and the administration have taken, and will continue to take, major steps toward this end by curbing Government spending. thus reducing inflation. I firmly believe that we will soon see positive results from our efforts with interest rates falling possibly 2 to 4 points by the end of the year.

There is one factor, however, over which Congress and the administration has no direct control—the policies of the Federal Reserve Board. There is definitely the need to restrain the growth of our money supply. It is essential, however, that the Board keep its policies in line with the administration's monetary growth rules where the growth of our monetary supply will not be greater or less than changes in the growth of our economic productivity. I strongly urge the Board to keep a close eye on the fiscal situation facing our farmers and other sectors of our economy to take heed to my message.

Second, I want to reiterate my position that food should not be singled out as a foreign policy tool. I believe it is in the best interests of our Nation to allow our farmers to seek out and to sell to countries wanting to buy our agricultural products. After all, you cannot convince me that agricultural products are sensitive strategic material. Thus, in cases where the U.S. Government involves itself with agricultural export negotiations, the Secretary of Agriculture, not State, should be given the lead.

Many of Iowa's farmers feel that no one in Washington really understands or recognizes the severe problems they are facing as a result of the three issues I just discussed. I stand here, today, to assure them that I fully understand and that I hope my colleagues in Congress, the administration, and the members of the Federal Reserve Board are listening as well.

Mr. HUDDLESTON. Mr. President, the chairman of the committee, the floor manager of the bill, has just submitted modifications to S. 884, which have been accepted. These modifications have been worked out by the members of the Agriculture Committee.

FISCAL RESTRAINT NEEDED

We all know that we are now faced with forecasts of huge budget deficits in the next several fiscal years; and a concerted effort is underway to limit the projected deficits. I strongly support the need for a balanced budget, and believe that Congress has the responsibility to lead in the effort to achieve fiscal responsibility.

The budget for Federal agricultural programs must be subjected to the same budgetary scrutiny now being given to other Federal programs.

SUPPORT AND TARGET LEVELS

As Chairman Helms has indicated, the Department of Agriculture recently informed us of their concerns about possible spending obligations that may result from the price support and target price provisions of the committee-reported farm bill if recently developing trends in the agricultural economy, including lower prices, continue.

In response to those concerns, we developed a proposal to lower the minimum target price levels for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, and lower the minimum price support levels for sugar and peanuts. These steps should reduce the possible outlay exposure under the commodity programs to levels that meet the budget requirements.

PROGRAM INTEGRITY

I believe that the stronger support and target levels under the committeereported bill will better serve the needs of agriculture and, in the long run, the economic interests of all our Nation's citizens.

However, I am willing to make the proposed cuts to assure that we pass a farm bill the President will sign and because I believe that the modification will not adversely affect the price stabilization features of the farm programs, nor prevent the Secretary of Agriculture from using the target price programs effectively to meet the needs of farmers.

I point out that all the modification does is lower minimum support and target levels. The Secretary of Agriculture will have the discretion to set the support and target rates at whatever levels, above the minimum, needed to respond to economic conditions.

Also, under S. 884 and existing law, the Secretary is given other tools, including the land diversion, farmer-held reserve, and export development programs, to strengthen farm prices.

STRONGER COMMODITY PRICES

Farmers do not want Federal handouts to stay in business. They prefer to make their return in the marketplace.

In fact, the purpose of the commodity programs is to enable farmers to receive fair prices in the market, not to funnel Federal money to farmers.

Farmers are now in a desperate economic position. More than ever, they need the protection of strong commodity prices. The administration will have a heavy responsibility, with respect to the next four annual crops, to adopt effective policies and programs to stabilize the agricultural economy.

The modification will not absolve the administration of this responsibility. But, I believe that Secretary Block realizes this and will do all he can to solve the problems that farmers face due to low commodity prices and high farm production costs.

NEED FOR MODIFICATIONS

To those Members who have indicated some concern that we have changed directions here so quickly, when we left for the August recess, after reporting out S. 884 some weeks prior to that, let me say that we acted earlier on the basis of a certain set of economic assumptions, just as the entire Congress had gone through the exercise of putting into place a budget and economic package including expenditures and projected tax revenues that made certain economic assumptions.

During that period of time, the month of August, there came about a reassessment and a reevaluation of some of those assumptions; and it was because of that that we felt compelled to take a look again at this package, as the administration requested us to do, to see whether or not we could reduce the potential costs. That is what we have attempted to do. We have not gone as far as the administration preferred but the modifications that have been now made to S. 884 were as far as the majority of the members of the Agriculture Committee felt we could go. Indeed, as has been expressed here on the floor, some Members did not want to go that far at all, or wanted to go in the other direction and actually increase both the target price levels and the loan levels for the various commodities.

S. 884 in itself was a compromise. There are many members of the committee who felt at the time it was reported out that it was more modest than it should have been or could have been. There again, we were working back in the spring under a different set of economic assumptions. The bill now is a product that has evolved during a period of time when the concern of the American people has turned to the budgetary situation, the deficit of the Federal Government and the orojected deficits in the future, and the inflation rate and the high interest rate.

What we have tried to do was to reach that happy middle ground, if it is indeed possible to so so, of trying to provide at least a minimum assistance and safety net for the agricultural producers without placing too great a burden upon the budget that we are operating under. I think that the modification represents the best effort that can be made at this time in that direction; and as someone has said, it is a bill that does not please everyone and very likely may not please anyone. But that just happens to be the nature of legislation. The legislative process in my experience has always been sort of a compromise between what is most desirable and what is possible. I think we have now about reached the point here in this bill of what is possible.

I vield the floor.

Mr. DOLE. Mr. President, the Senator from Kansas was in another meeting and was not present when the modifications were made, but I am wondering if dairy has been included in the modifications?

Mr. HELMS. No, it is not, I say to the Senator.

Mr. DOLE. It is the understanding of the Senator from Kansas that when we left the meeting dairy would be included. I am not going to quarrel with whether or not it was, but I wish to point out what I think may be a real problem, if dairy is not part of the agreement. That is to say if all of us are able to retain what we would like for the commodities we have a direct interest in and dairy is left to the final vote, I assume many would then feel free not to change the dairy section because they preserve what they are interested in in addition to dairy and that would mean that we would add about a billion dollars to the cost of the program and jeopardize it being signed by the President.

It was the hope of some of us that we would have the dairy modification as well as the modifications in the other programs and then if some wanted to add to the dairy program they could offer an

amendment to do that.

In view of that, I think some of the rest of us may have to reassess our position on the modifications, because it was my understanding less than 30 minutes ago that dairy would be a modification in the dairy propram, unless we can work out some order in which the amendments will be called up so that dairy will come first and not last. I just say as a practical matter around here if I have gotten everything I wanted why should I vote to anger anyone in the dairy business? I mean to preserve everything else we may as well throw in a little extra for the dairy program. That is the big problem, as I understand it, from everyone who is concerned with the program, if we are going to modify everything else we are also going to modify the dairy section, not to cause any adverse impact on dairy producers but to make certain we get a bill that can be signed.

Mr. ZORINSKY. Mr. President, having spent the last 5 weeks in my home State of Nebraska, and having listened to the plight of the peop'e in agriculture not only in my State but in numerous Midwestern States, it occurs to

me that as a member of the Senate Committee on Agriculture that I have sat in hearings, in debates with respect to the evolution of a new farm bill for

the last 5½ months.

We have had many people from the agricultural industry testify before our committee. We have had a lot of debate, we have had a lot of rhetoric, we have had a lot of give and take, and especially a lot of compromise, and that is why, as initially stated, I felt, inasmuch as there are many unhappy people on both sides of the issue, that this was the best acceptable compromise we could evolve.

That is just what the bill was as it came out of the Senate Committee on Agriculture, a bipartisan coalition acknowledging the fact that it is the best deal we could strike under the current budgetary constraints and requirements.

It was a compromise.

Last Thursday I was in Omaha, Nebr., and I received a call from my staff indicating that the members of the Senate Committee on Agriculture were meeting to talk about the substitution of an administration farm bill for the one we had worked on very hard for 5 months and with a compromise evolving.

It concerns me that after 51/2 months of debate and serious consideration, in approximately 5 to 6 hours one afternoon agreements were reached. Obviously I was not there. I had a staff member

represent me.

I feel what is happening to the farmers of this country, in addition to the citizens of this country, is the fact that when we make budget cutting a semiannual event or one that takes place every 3 or 4 months, going back to various sectors in our society and saying, "We missed this target, we miscalculated," and here we come again for more budgetary cuts, I think we are eventually destroying the credibility of the people of the United States in their Govern-ment, in our own ability to assess the goals that we all seek.

Obviously, this additional budget cutting came as a result of miscalculation on interest rates for next year, and from what I heard this is one of the initial targets which was sought out, and that was agriculture once again. We are sought out on embargoes and sought out on everything imaginable because we are an easy target. Less than 4 percent of the American people earn their livelihood by producing food and fiber, so obviously politically we do not have that much clout. We may have parity in the U.S. Senate since New Jersey and Nebraska have two Senators apiece, but then you get over into the House of Representatives, and that parity vanishes because, according to population. you are assigned Congressmen in a State and, therefore, numerically those denser populated cities which have large metropolitan areas far outnumber the sparsely populated areas of the Midwest.

So I think we are telling the American people by this action that we take on the floor of the Senate this week that-First, we do not know where we are going with respect to the budget cuts and what they ultimately were going to accomplish or, second, if we do know where we are going, we are going to pick out agriculture to be the shock troops to test those experimental economics on.

I certainly, for one, do not feel the time has come for agriculture and the farmers of America to accept a compromise of a compromise. The bill as it came to the Senate was a compromise consensus, a bipartisan consensus, and as of last Thursday an additional compromise began to evolve on the compromise.

I just want to see other areas of concern treated in like manner. The farmers of America do not mind taking their fair share of budgetary cuts, but, this reminds me of the exercise in our own neighborhood back in Omaha, Nebr. My wife serves on many committees and commissions, and there are numerous fundraisers for good causes like the Lung Association, the Heart Association, the Cancer Society, the Salvation Army, and numerous other well-worth fund drives.

My wife went door to door collecting contributions for those drives until finally those people started being out of the house when they saw her approaching, a little area having to make that additional contribution.

I think that is what we are imposing not only on the farmers of America but on the people of America; here we come again 4 months later after tremendous emotional and psychological exercisesand I support the President, and I support balanced budgets, and I support the direction we are taking. But when that direction begins to have indirection within itself because of miscalculation of numbers, I say we had better get our act together.

The reason I say we had better get our act together is that the constant trek back home to the farm areas of America is one which says, "Here I come again. We are going to cut budgets more severely and more deeply again." I think politically, psychologically, emotionally, and in the best interests of this country we had better look to see where we are going, what we need to get there, do it, and get it over with.

But I am not going to participate in these semiannual events or, as it turns out, about every 3 to 4 months to go back and tell the people of America. "We made a mistake, we miscalculated. We did not know that interest rates were going to be that high."

When, as a part of the formula for the budget next year, we ascribe a numerical number for the interest rates to service the debt of this Nation, which is approaching \$1 trillion, as 8.9 percent. I think certainly any economist would prefer to have the historical average of the last 3 years of interest rates to be used as the guess factor for interest rates for next year.

So these items and many more are complicating the process that is taking place in this Chamber, and I, for one Senator, intend to attempt to return this bill to the original compromise that was evolved on a bipartisan basis in the Senate Committee on Agriculture, and that is to return target prices on wheat back

to \$4.20 a bushel for 1982, and to return feed grains to their original position as compromised out in that original bill.

I think we spent far too much time evolving that bill in good faith in conjunction with the support and participation of all the farm groups of this Nation for us to tell them now that it is no deal, that we discovered new numbers, new figures, and we are going to change the

I thank the Chair and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRASSLEY). The clerk will call the roll. The legislative clerk proceeded to call

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without

objection, it is so ordered.

the roll.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction for routine morning business.

The PRESIDING OFFICER. Without

objection, it is so ordered.

PROPOSED CHANGES IN THE CRIM-INAL LAWS OF THE DISTRICT OF COLUMBIA

Mr. THURMOND, Mr. President, on September 9, 1981, the distinguished Senator from Alabama (Mr. Denton) introduced a resolution, Senate Resolution 207, to disapprove the recent action of the District of Columbia City Council in repealing local criminal laws against sodomy, adultery, fornication, and seduction. I commend him for that action and have joined with him as a cosponsor.

I have always been a strong advocate of local government. For that reason, I believe that only under extreme circumstances should Congress intrude into the local affairs of the District government. In this instance, however, the circumstances are extreme.

Washington is a special city. Washington is not only home for those who live in the city; it is also the Capital of our Nation and the leading city of the free world. Washington cannot be a laboratory for social experimentation, and the Congress must not allow it to become one. It is our responsibility to take whatever steps we can to prevent a clearly irresponsible action in an important area of criminal law.

If we do not act against the proposed legalization of criminal activity, we will send to the American people and to the world a signal that our moral standards have been again lowered.

I am disturbed with the action of the District Council which would decrease the penalty for rape from life to 20 years. This would mean that a convicted rapist could be out on the streets again after as little as 3 or 4 years. I am amazed that some have so little respect for women and so little concern for the seriousness of the crime of rape.

Other aspects of the proposed law are

equally distressing. If Congress permits the Council action to stand, then in the Capital of the United States, there would be no criminal sanctions against sodomy, bestiality, and other forms of deviant, although consensual, sexual activity involving persons over 16 years of age.

At some point, the concern we all feel for effective home rule in the District of Columbia must be outweighed by our responsibility to both the city and to the country. In this instance that point has been reached.

Some will undoubtedly argue that the City Council ordinance should be allowed to become law on the basis of respect for the power of the city government. Nevertheless, under the Home Rule Act, Congress expressly reserved the power to review and veto certain actions of the Council, notably with respect to criminal statutes. Since that reservation was one of the bases for the enactment of home rule for the District of Columbia, Congress must have anticipated occasions when it would be appropriate to utilize this reserved power.

A sweeping overhaul of criminal penalties such as that envisaged in the proposed law passed by Council is a matter which is particularly appropriate for congressional intervention. By law, the welfare of our Capital City is a matter of continuing responsibility for Congress. On that basis, I urge that the Senate promptly adopt Senate Resolution 207 and thereby disapprove the unwise and dangerous action of the District government. To do less would invite the deserved criticism of the entire country.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:30 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4209. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1982, and for other purposes.

ENROLLED BILLS SIGNED

At 12:50 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bills:

H.R. 2120. An act to facilitate the ability of product sellers to establish national product liability risk retention groups, to facili-

tate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; and

H.R. 4416. An act to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases.

The enrolled bills were subsequently signed by the President pro tempore (Mr. Thurmond).

HOUSE BILL REFERRED

The following bill was read twice, and referred as indicated:

H.R. 4209. An act making appropriations for the Department of Transportaion and related agencies for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1917. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated September 1, 1981; pursuant to the order of January 30, 1975, referred jointly to the Committee on the Budget and the Committee on Appropriations.

EC-1918. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the family housing maintenance function at Griffiss Air Force Base, New York, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-1919. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the family housing maintenance function at March Air Force Base, California, and the decision that performance under contract is the most cost effective method of accomplishment; to the Committee on Armed Services.

EC-1920. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the commissary shelf-stocking function at Lackland Air Force Base, Texas, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-1921. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improved Management of Fleet Supplies and Spare Parts Can Save Millions Without Affecting Readiness"; to the Committee on Armed Services.

EC-1922. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report entitled "Report to Congress on the Need for Further Legislation in the Area of Real Estate Settlements"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1923. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to amend the Disaster Relief Act of 1974, as amended; to the Committee on Environment and Public Works.

EC-1924. A communication from the members of the Commission on the Review of the Federal Impact Aid program, transmitting, pursuant to law, a report on the administration of Title I of Public Law 874; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-403. A petition from a citizen of Houston, Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-404. A petition from a citizen of Houston, Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-405. A petition from a citizen of Houston, Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-406. A petition from a citizen of Katy. Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-407. A petition from a citizen of Windsor, Mo., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-408. A petition from a citizen of Fort Worth, Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-409. A resolution adopted by the House of Representatives of the Second Northern Marianas Legislature; to the Committee on Energy and Natural Resources:

"House Resolution No. 144

"Whereas, the Clean Air Act (42 USC 7401) was approved in order to reduce air pollution and improve air quality in continental United States; and

"Whereas, under the Commonwealth Covenant (U.S. Public Law 94-241) the Clean Air Act is made applicable to the Northern Marianas; and

"Whereas, the Commission on Federal Laws under U.S. Public Law 94–241 is mandated to study and recommend to the United States Congress which federal laws and regulations should be extended to or amended to suit the circumstances and environment of the Northern Marianas Commonwealth; and

"Whereas, the Governor and Northern Marianas Senate have requested that the application of the Clean Air Act to the Northern Marianas be suspended; now, therefore,

"Be it resolved, by the House of Representatives, Second Northern Marianas Legislature. Fourth Regular Session, 1981, that the President and the U.S. Congress are hereby respectfully requested to exempt the Northern Marianas from the application of the Clean Air Act until the Commission on Federal Laws has determined whether the Clean Air Act should apply to the Northern Marianas; and

"Be it further resolved that the Speaker of the House shall certify and the House Clerk shall attest to the adoption of this resolution and certified copies be transmitted to the President, the presiding officers of United States Congress, the Chairmen of the U.S. Senate Committee on Energy and Natural Resources and the U.S. House Committee on Interior and Insular Affairs, the Chairman of the U.S. Senate Committee on Environment and Public Works, the Admin-

istrator of the U.S. Environmental Protection Agency, the Secretary of the Interior, the Northern Marianas Representative to the United States, the Executive Director of the Commission on Federal Laws, and the Governor.

POM-410. A resolution adopted by the Universities Council on Water Resources, Inc., favoring passage of programs supporting water resources planning and research; to the Committee on Environment and Public Works

POM-411. A resolution adopted by the Political Action Committee of the Congress of Filipino American Citizens favoring ap-pointment of the National Chairman of the Congress of Filipino American Citizens U.S. Ambassador to the Philippines; to the Committee on Foreign Relations

POM-412. A resolution adopted by the National Sheriffs' Association favoring direct Federal grants to local law enforcement agencies; to the Committee on the Judiciary.

POM-413. A petition from the Mayor of the city of Brainerd, Minn., expressing the op-position of the city council to the bill S. 898; ordered to lie on the table.

POM-414. A resolution adopted by the Municipal Assembly of Carolina, supporting re-authorization of the Airport and Air Routes Development Project; to the Committee on Commerce, Science, and Transportation.

POM-415. Joint resolution adopted by the First Olbiil Era Kelulau, Third Regular Session, providing for Olbiil Era Kelulau (National Congress) contract with the U.S. Congress; to the Committee on Energy and Natural Resources

POM-416. Joint resolution adopted by the Legislature of the State of Alabama; to the Committee on the Judiciary:

"S.J.R. 41

"Whereas, there is a great need for a gov-ernment of laws and not of men in this country; and

"Whereas, many federal justices and judges have strayed in their rulings from strictly interpreting the Constitution of the United States as it was intended, passed and ratified: and

"Whereas, such straying from the intent of the Constitution is in effect judicial legis-lation by means of judicial extrapolation;

"Whereas, members of the federal judiciary have been able to follow this course of action because they are not answerable to the people because they are appointed for lifetime tenure; and
"Whereas, this country was founded in or-

der to escape the awesome power of lifetime appointments from nonelected rulers and royalty; and

"Whereas, the federal judiciary is the last remaining vestige of such awesome, lifetime political patronage in this country; and

"Whereas, the public has always been under the impression that federal judges aided and abetted criminals and criminal activity in America by giving the criminals more rights than the victims; now therefore,

"Be it resolved by the Legislature of Alabama, both Houses thereof concurring, That the Legislature of Alabama hereby petitions the Congress of the United States to convene a convention, pursuant to Article V of the Constitution of the United States, for the specific and exclusive purpose of proposing an amendment which would prohibit life time appointments of federal supreme court justices and all other federal judges and require that they be elected and re-elected every six years by the people.

"Be it resolved further, That the legislature of each of our sister states is urged to give the most serious consideration to the problems arising from lifetime judicial appointments, and to petition the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment which would prohibit lifetime appointments of federal supreme court justices and all other federal judges and require that they be elected and re-elected every six years by the people.

"Be it resolved further, That the Secretary of the Senate transmit duly authenticated copies of this resolution to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, to each member of Congress, both Senate and House, and to the executive authority of each of our sister states for transmittal to its legislature."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance, with an amendment in the nature of a substitute, and an amendment to the title:

S. 754. A bill to require that most-favorednation treatment be granted only to the products of countries which have not expropriated United States citizen's property withcompensation therefor (Rept. No. out co

By Mr. HATFIELD, from the Committee

on Appropriations:

Special Report entitled "Allocation To Subcommittees Of Budget Totals From The First Concurrent Resolution On The Budget" (Rept. No. 97-190).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, with amendments, and an amendment to the

H.J. Bes. 223. Joint resolution to provide for the awarding of a special gold medal to Fred Waring.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Clarence Eugene Hodges, of Indiana, to be an Assistant Director of the Community Services Administration; and

Lawrence Y. Goldberg, of Rhode Island, to be an Assistant Director of the Community Services Administration.

(The above nominations were reported from the Committee on Labor and Human Resources, with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN:

S. 1617. A bill to require that imported meat and meat food products be subject to certain examination and inspection requirements, and to require the labeling of such imported products; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ: S. 1618. A bill for the relief of Augustine Chi-Kuen Au, D.D.S., and Adrienne Au, hus-

band and wife; to the Committee on the Judiciary.

1619. A bill for the relief of William Kubrick; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 1617. A bill to require that imported meat and meat food products be subject to certain examination and inspection requirements, and to require the labeling of such imported meats; to the Committee on Agriculture, Nutrition, and Forestry.

REQUIREMENTS FOR IMPORTED MEATS

• Mr. BENTSEN. Mr. President, I am today introducing legislation to protect consumers of meat from unknowingly being sold meat that is not up to the high quality standards that we demand and expect to get in this country. At the same time, this bill will protect the reputation for high-quality products which the American cattleman has built over the years with major investments of time, effort, and hard-earned money.

The need for this legislation is underscored dramatically by the recent discovery by the U.S. Department of Agriculture that meat from two foreign plants that was being imported as beef was in fact not beef, but contained horsemeat

and kangaroo meat.

Secretary of Agriculture Block is to be commended for his decision to impound and test all Australian meat in this country and to halt all meat imports from these plants. Further testing of meat from plants in the State of Victoria, the location of the two problem plants, is now underway. I hope that there will be a thorough and complete investigation of this incident and that decisive action will be taken to prevent it from happening again.

My bill would attack this problem by: First, requiring all imported meat to

be labeled as such:

Second, requiring all imported meat to meet the same standards as domestic beef for drugs, feed additives, and other residues:

Third, requiring species verification; and

Fourth, authorizing fees on imported meat to cover the costs of these inspections.

Mr. President, consumer acceptance is vital to the cattle industry. U.S. producers have invested years of effort and millions of dollars in promoting beef as a healthy and nutritious product. They have succeeded, and U.S. beef is renowned as the finest in the world. U.S. producers are not resting on their laurels-they are still working hard to produce a top-quality product and to maintain that reputation. Texas beef producers within the last few months have set up a statewide voluntary checkoff program and are contributing 25 cents per head on all cattle sold in the State. These funds are being used to promote beef consumption.

The Texas cattle industry is not taking this money out of its profits. In most cases these contributions are merely adding to losses. These ranchers are

making very real sacrifices for the good of their industry, yet their efforts are threatened by scandals such as this one.

Why should years of effort on the part of American ranchers be wiped out by a small group of criminals in a foreign country? There is simply no justification for allowing this.

U.S. consumers should know what they are getting. If imported meat was labeled today this scandal would be of no concern to American ranchers, because the housewife would know which meat is imported and which is domestic. Without labeling, all meat becomes suspect in the wake of such wrongdoing. Without labeling, the well deserved reputation for quality which the American rancher has built over many years cannot be protected as it should be.

Mr. President, by law all meat consumed in the United States, whether produced in this country or abroad, must be processed in plants which are either inspected by the U.S. Government or are under inspection systems at least equal to our Federal system.

In this country, State-inspected meat packing plants are subject to unannounced inspections by Federal inspectors, and State systems are closed down by USDA if they fail to measure up to Federal standards. These plants are most small, family-owned businesses. They produce a top-quality product. However, these American plants are not allowed to ship their product in interstate commerce.

By contrasts, USDA has only 17 inspectors to supervise some 1,159 foreign meat plants which are certified to export to the United States. Some of these plants are inspected only once every 2 years, and these inspections are preceded by advance notice to the foreign government.

However, the meat produced in these foreign plants, which amounts to about 7 percent of our total domestic consumption, is merely sampled when it enters the country and then is permitted to move freely in interstate commerce, the only label it now carries is USDA inspected—the same label carried by American beef processed in federally-inspected plants.

Mr. President, these problems have been known for too long. It is past time to do something about them, to tighten up our inspection standards so that the U.S. consumer can be assured of the quality and wholesomeness of all the food products sold in this country.

This issue is not new to the Senate, and it is not new to the Senator from Texas. I have introduced legislation in the past, and I have cosponsored legislation in the past, to achieve these same goals. I now hope that the time has come for this legislation. We have had a dramatic focusing of public attention on the problems of our meat inspection system, and I hope that those who in the past have dismissed these problems will take a second look now.

I hope that this bill will be recognized for what it is. This is a consumer protection bill. This is a consumer interest, a consumer concern, and it is not limited at all to cattle producers, I hope that my colleagues will recognize the pressing need to maintain our high food quality standards and will join me in supporting this legislation.

ADDITIONAL COSPONSORS

S. 398

At the request of Mr. Armstrong, the Senator from Oklahoma (Mr. Nickles) was added as a cosponsor of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek; and for other purposes.

S. 569

At the request of Mr. Jepsen, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 569, a bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for certain soil and water conservation expenditures.

S. 675

At the request of Mr. Thurmond, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 675, a bill to establish a Federal Jurisdiction Review and Revision Commission.

S. 701

At the request of Mr. Bentsen, the Senator from Michigan (Mr. Riegle) was added as a cosponsor of S. 701, a bill to amend the Internal Revenue Act of 1954 to provide for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes.

S. 873

At the request of Mr. Bentsen, the Senator from Virginia (Mr. Warner) was added as a cosponsor of S. 873, a bill to strengthen Federal programs and policies for combating international and domestic terrorism.

S. 1348

At the request of Mr. Sasser, the Senator from South Carolina (Mr. Thurmond), the Senator from Nevada (Mr. Cannon), and the Senator from New Jersey (Mr. Bradley) were added as cosponsors of S. 1348, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds.

S. 1366

At the request of Mr. WEICKER, the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1366, a bill to provide for fair commercial credit reporting.

S. 1533

At the request of Mr. Weicker, the Senator from Vermont (Mr. Stafford), the Senator from Massachusets (Mr. Kennedy), the Senator from Ohio (Mr. Kennedy), the Senator from Ohio (Mr. Metzenbaum), the Senator from New Jersey (Mr. Williams), the Senator from Missouri (Mr. Danforth), the Senator from Maryland (Mr. Mathias), the Senator from Minnesota (Mr. Durenberger), the Senator from Pennsylvania (Mr. Heinz), the Senator from West Virginia (Mr. Randolph), the Senator from Connecticut (Mr. Dodd), the Senator from Connecticut (M

ator from North Dakota (Mr. Burdick), the Senator from Hawaii (Mr. Inouye), the Senator from Maryland (Mr. Sarbanes), the Senator from New York (Mr. Moynihan), the Senator from Messachusetts (Mr. Tsongas), and the Senator from Missouri (Mr. Eagleton) were added as cosponsors of S. 1533, an original bill to authorize the appropriations for the Legal Services Corporation for fiscal years 1982, 1983, and 1984, and to encourage the use of private attorneys in the provision of legal services under that act, and for other purposes.

S. 1604

At the request of Mr. Proxmire, the Senator from Arkansas (Mr. Pryor) was added as a cosponsor of S. 1604, a bill to require the enactment of special legislation to continue the expenditure or obligation of funds on any major civil acquisition whenever the cost of such acquisition has increased or, on the basis of estimates, will increase by 25 per centum or more.

SENATE JOINT RESOLUTION 101

At the request of Mr. Dole, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of Senate Joint Resolution 101, a joint resolution designating "National High School Activities Week."

SENATE JOINT RESOLUTION 103

At the request of Mr. Hollings, the Senator from Alabama (Mr. Denton) was added as a cosponsor of Senate Joint Resolution 103, a joint resolution to authorize and request the President of the United States to issue a proclamation designating the 7 calendar days beginning October 4, 1981, as "National Port Week."

SENATE JOINT RESOLUTION 105

At the request of Mr. LAXALT, the Senator from Mississippi (Mr. Cochran), the Senator from New York (Mr. D'AMATO), the Senator from South Dakota (Mr. ABDNOR), the Senator from Texas (Mr. Tower), the Senator from Minnesota (Mr. Durenberger), the Senator from Idaho (Mr. Symms), the Senator from Kansas (Mrs. Kassebaum), the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr. PRESS-LER), the Senator from North Carolina (Mr. East), the Senator from Iowa (Mr. GRASSLEY), the Senator from Utah (Mr. HATCH), the Senator from Arkansas (Mr. PRYOR), the Senator from Arkansas (Mr. BUMPERS), the Senator from New York (Mr. Moynihan), the Senator from Florida (Mr. CHILES), the Senator from Alabama (Mr. HEFLIN), the Senator from Montana (Mr. Baucus), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. DIXON), the Senator from North Dakota (Mr. BURDICK), the Senator from Montana (Mr. MELCHER), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Nevada (Mr. Cannon), the Senator from Washington (Mr. Jackson), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Joint Resolution 105, a joint resolution to designate October 1981 as "National PTA Membership Month."

SENATE RESOLUTION 175

At the request of Mr. Boren, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) was added as a cosponsor of Senate Resolution 175, a resolution to congratulate the State of Oklahoma on the celebration of its Diamond Jubilee.

AMENDMENTS SUBMITTED FOR PRINTING

AGRICULTURE AND FOOD ACT OF

AMENDMENT NO. 534

(Ordered to be printed and to lie on

Mr. KASTEN submitted an amendment intended to be proposed by him to the bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

AMENDMENTS NO. 535 THROUGH 538

(Ordered to be printed and to lie on the table.)

Mr. BAUCUS submitted four amendments intended to be proposed by him to the bill S. 884, supra.

AMENDMENT NO. 539

(Ordered to be printed and to lie on the table.)

Mr. GRASSLEY submitted an amendment intended to be proposed to the bill S 884, supra.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, I would like to announce, for the information of the Senate and the public, that the Committee on Government Affairs will hold a meeting to mark up the Regulatory Reform Act of 1981, S. 1080, on Tuesday, September 15 at 9:30 a.m. and on Wednesday, September 16 at 2 p.m. in room 3302 of the Dirksen Senate Office Building. For further information, please contact Dan Bensing at 224–4751.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to hold a business meeting during the session of the Senate on Monday, September 14, at 2 p.m. to consider the nominations of:

William Vaughan to be Assistant Secretary of Energy for Environmental Protection, Safety and Energy Preparedness;

Ray Hanzlik to be Administrator of the Economic Regulatory Administration;

Dallar Peck to be Director of the Geological Survey;

Guy Fiske to be Under Secretary of Energy; and

Robert Horton to be Director of the U.S. Bureau of Mines.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE VOTING RIGHTS ACT—THE NEED TO CONTINUE

• Mr. CHILES. Mr. President, the opportunity to vote is the most fundamental right that a democracy can extend to the citizenry. Voting is unquestionably the cornerstone of our elective process. The framers of the Constitution gave considerable attention, not only to concept of voting, but who should vote.

Basically, the States were recognized as having the primary responsibility for determining voting qualifications subject to specific limitations set forth in the national Constitution. For example, article I, section 2, provides that Members of the U.S. House of Representatives shall be chosen by "the electors of the most numerous branch of the State legislature."

And section 4 provides that Congress may alter the times and manner of holding elections for U.S. Senators and Representatives. Beyond these provisions of the original Constitution, however, the type and extent of congressional control over the election process has been a much later development.

In colonial times, ownership of property was the condition for exercising the suffrage. After the formation of the Republic, however, the States began to replace the property qualification with a taxpaying requirement. And this, in turn, almost completely disappeared during the Jacksonian era. However, nonproperty qualifications such as race, sex, and residence continued in effect with little interference until the Civil War.

The adoption of the 14th and 15th amendments to the Constitution ushered in a new franchised era for southern blacks. This same era was characterized by resistance to black suffrage. The techniques of resistance included the use of literacy tests, lengthy residence requirements, and poll taxes. During the period of time from the 1870's until the early 1960's the most effective Federal institution for striking down these obstacles was the U.S. Supreme Court. In landmark court decisions the high court struck down the "grandfather clauses," the white primary laws, and upheld the authority of Congress to regulate primaries in which Federal candidates are nominated.

In the early sixties Congress got into the act by passing the provisions of the 24th amendment, abolishing the poll tax and, of course, the Voting Rights Act, in 1965.

Few Chief Executives have been more eloquent than President Dwight Eisenhower who in 1960 included these remarks in his State of the Union Address.

"In the long perspective of history, the right to vote has been one of the strongest pillars of a free society. Our first duty is to protect this right against all encroachment."

President Johnson, on March 15, 1965, speaking before a joint session of Congress urged enactment of effective legislation to grant full voting rights to all citizens. The Senate, after much debate, passed the voting rights bill on May 26,

1965 and President Johnson signed the bill into law on August 6, 1965.

The bill was extended in 1970 and again in 1975. Each time the vote has been overwhelmingly supportive of the

I am aware of the concerns that have been voiced by the persons who oppose the act. I, too would like to see some kind of process where covered jurisdictions can work their way out of coverage by the act. I believe that if a jurisdiction demonstrates good faith and does not have any complaints lodged against it, then it will no longer have to submit to the provisions of the act.

Certainly the key consideration is not to punish States or covered jurisdictions. The key consideration is to protect the right to vote for all citizens. That consideration is the paramount reason for my support for the Voting Rights Act.

TAX DEFERRAL

• Mr. HART. Mr. President, last week I introduced legislation designed to address this Nation's rapidly deteriorating economic situation by deferring the massive personal income tax cuts passed by Congress earlier this summer until the Federal budget is in balance.

The views of a number of financial leaders interviewed this weekend provide strong support for the approach embodied in my bill. For example commenting on the recently announced reductions in defense spending, John D. Paulus, senior financial economist at Goldman Sachs and Co. said:

The defense trims may be a step in the right direction but they will not solve the problem that is weighing heavily on the financial markets. The trims don't address the hard numbers and facts the Street will have to face Monday morning. For instance, the numbers are that the Administration's three-year tax cut will deprive the Treasury of \$280 billion while the budget trims thus far projected for this period total some \$135 billion.

Other Wall Street experts were also skeptical about the prospects for economic recovery so long as huge personal income tax cuts increased the Federal deficit. According to Richard Scott-Ram, vice president and economist at the Chemical Bank:

The defense cuts are woefully inadequate to produce any significant reduction in the Federal deficit. Reductions three times that announced by the President or an equivalent increase in Federal revenues could be a significant move in the right direction. And confidence in the financial community will not be restored unless these spending cuts or additional revenues are enacted immediately. . . Investors cannot, understandably, see where the funds are coming from to finance both a soaring Federal deficit and the borrowing needs of business so necessary to revitalize American industry.

Mr. President, the administration and this Congress have already gone a long way toward reducing Federal spending. The massive personal income tax cut enacted earlier this year, however, flies in the face of a broad consensus of opinion in the financial community that additional revenues are also needed.

It is for this reason that I have introduced legislation to postpone the personal income tax cuts until the Federal budget is balanced. Congressional support on this measure is essential if we are to convince the financial community that we are serious about achieving a balanced budget.

I ask that two articles from the New York Times describing Wall Street's reaction to our current economic situation be printed in the RECORD. I believe they indicate strong support for my tax cut deferral bill.

The articles follow:

[From the New York Times, Sept. 13, 1981] REAGAN FINDS IT HARD TO ALLAY WALL STREET FEARS OVER CONFLICT

(By Leonard Silk)

The Reagan Administration is struggling to decipher an apparent and annoying contradiction:

Why, if Mr. Reagan has done so much for business, isn't its applause rolling in? Why, if Wall Street supported his tax cuts, budget cuts and restrictive monetary policies, is the Street now so critical of the Reagan program and driving down the values of stocks and bonds?

Part of the explanation emerges from comments by a broad range of Wall Street figures. This is that the Reagan program did in fact give most of what it wanted to Wall Street—that assemblage of stockbrokers and bond dealers, bankers, investment counselors, financial economists, investors, traders, speculators, corporate treasurers and chief executives who buy and sell securities. But the comments show that Wall Street also woke up with more than it expected, and that "extra" has revived fears of Federal deficits running out of control.

\$750 BILLION IN TAX CUTS

Wall Street supported the tax program, including 25 percent in cuts in personal income taxes over three years, cuts in the top income tax rate to 50 percent from 70, cuts in estate and gift taxes, accelerated depreciation, tax breaks for savers and investors and much else. But then it took fright when it saw tax cuts totaling \$750 billion over the next five years, plus climbing military and nonmilitary spending, even after the Reagan trims in social programs. In Wall Street's view, that all means a string of budget deficits as far as the eve can see.

"Clearly, the budget is heading in a trend toward a large deficit, rather than less," Michel David-Weill, senior partner of Lazard Frères & Company, the investment house, said. "This is inflationary in and of itself." Not everyone on Wall Street is critical of

Not everyone on Wall Street is critical of the President. Morris Cohen, an economic consultant, describes Mr. Reagan's leadership as "almost breathtaking" and predicts that his program "should prove highly beneficial to the economy in the next 12 to 18 months."

But Mr. Cohen is an exception on the Street. The thinking of many of those who have put their remarks on the record is that budget deficits mean heavy Government demands on the credit markets, and that means trouble. With the Federal Reserve holding a tight rein on money and credit, it means persistently high interest rates. That is bad news for stocks and bonds, and bad news, too, for autos, housing, state and local governments, small businesses and all others dependent on credit and the price of money.

"ADVERSE IMPACT" ON MARKETS

"The big concern is insuring that the President's program doesn't result in a massive budget deficit," John K. Castle, president of Donaldson, Lufkin & Jenrette Inc., said last Thursday. "If in fact the outcome were a larger debt and larger deficit, there is no doubt it would continue to have an adverse impact on the securities markets."

"I don't believe the market is rejecting the Reagan program, per se" Thomas Johnson, executive vice president of Chemical Bank's Treasury group, agreed. "It is saying that the increases being proposed in defense spending, combined with the size of the budget so far and the prospect of zero cutbacks in Social Security, can only mean a deficit that will put continued pressure on interest rates."

The Reagan White House has reacted with increasing exasperation—and Republican leaders in Congress with increasing anger—to Wall Street's negative reaction, as though the financial community had let down its man. Senator Howard Baker of Tennessee, the majority leader, even warned Wall Street of reprisals in the form of "credit controls, reorganizing the Federal Reserve, a windfall-profits tax on interest income, and wage and price controls."

But if Washington's Reagan supporters were disappointed in Wall Street, they should not have been surprised.

CONNALLY HAD MOST SUPPORT

Ronald Reagan was not Wall Street's first choice for President, most importantly because it feared the risks of his proposals for large tax cuts in the face of high infiation. If anyone, John B. Connally, Secretary of the Treasury in the Nixon Administration, commanded must support from the business and financial establishment. And it was George Bush, another establishment Republican candidate for President, who called Mr. Reagan's proposed economic program, especially the huge tax cuts, "voodoo economics."

According to the supply-side school of economics, the Reagan tax cuts would give business and investors new incentives and thereby touch off a burst of economic activity that would more than make up for the lest tax revenues. This expectation has required a leap of faith that conservative Wall Street has been unwilling to venture.

Most recently Wall Street's alarm was intensified by analyses of the budget for fiscal 1982, which begins only two weeks from row on Oct. 1, showing that the Reagan Administration's forecast of a deficit of \$42.8 billion was too optimistic. The Congressional Budget Office estimated that the deficit would be about \$65 billion in the new fiscal year.

Wall Street's most respected economists generally agreed with the Congressional estimate. The mounting cost of interest payments by Government would alone account for most of the underestimate by the Reagan Administration.

LARGE FISCAL IMPACT SEEN

The Conference Board, a nonpartisan business research body, placed the deficit for fiscal 1982 in a range of \$57.5 billion to \$62.5 billion, but said the true picture was far more stimulative than such figures implied. It predicted that large increases in military expenditures and tax cuts would give the economy a "massive" fiscal thrust of \$107.3 billion, or 3.33 percent of gross national product, in fiscal 1982. That compared with only \$34.6 billion in fiscal 1981, or 1.25 percent of gross national product.

Beyond fiscal 1982, analysts warned that the Reagan program was highly unlikely to produce the balanced budget the President had advertised on fiscal 1984. Data Resources, Inc. estimated that the budget deficit would climb from \$62.5 billion in 1981 to \$75.7 billion in 1984—and that it would continue to climb, reaching \$90.8 billion in fiscal 1983.

"They are trying to turn around overnight a system and spending patterns we have lived with for decades," said Seth Glickenhaus, director of Glickenhaus & Company, a Wall Street investment advisory firm. "It's just not that simple."

As painful as such appraisals were to the stock market, which tends to look only months, or maybe minutes, ahead, they were lethal to the long-term bond market. That market, already sinking before Wall Street

analysts had added up the budgetary implications of the Reagan tax cuts and the military buildup, sank to record lows.

BOND YIELDS SOAR

Yields on bonds soared to record levels, as did interest rates on long-term mortgages. Unless something was done to bring down those rates, the implications for both capital investment and housing construction would be severe.

"In 1979, when all the investors were promised a balanced budget, a \$1,000 Treasury bond came out at 9% maturing in the year 2009," Robert L. Shoemaker, manager of the Government trading department of Paine, Webber, Jackson & Curtis Inc., said last week. "Today that same bond is selling for \$635. This market is going to seek a level to hide at until it has some proof positive that inflationary deficits are not going to continue to eat away at the value of bond coupons."

Wall Street's doubts did come as something of a surprise in Washington. For one thing, very few Wall Street leaders criticized the President publicly. Some swallowed doubts because they sought favors—in the tax legislation, for instance—but also they were plainly reluctant to attack a President they like and heartily agree with on many issues.

It is also true that the White House has not been especially attentive to Wall Street or to big business. According to one of the President's long-time business friends from California, Mr. Reagan has yet to develop close new ties to leading business figures. He still listens to old friends, who typically are self-made entrepreneurs, not from the Wall Street or corporate establishment.

APPOINTMENTS BY REAGAN

During his campaign, in an effort to fore-stall criticism from the financial establishment, Mr. Reagan gave influential roles to such economists as Alan Greenspan, the Wall Street economist and chairman of the Council of Economic Advisers under President Ford, and George P. Shultz, president of Béchtel, the big international construction firm and Secretary of the Treasury under President Nixon.

The effort to reconcile the views of these traditional conservatives with the unorthodox supply-side economics produced the campaign budget document of Nov. 9, 1980, in which steep cuts in the budget were combined with the big tax cuts to achieve budget

balance by 1984.

It was like trying to square the circle. From the beginning, such traditionalists as Mr. Greenspan expressed grave doubts about the tax cuts and the sudden economic surge that was supposed to follow. The true significance of the tax cuts, Mr. Greenspan said, was not the promised spur to business, but rather the cuts in Federal spending that would have to follow, to keep the budget in balance.

It was also an effort to reassure the monetarists of the financial world—disciples of the belief, most forcefully promulgated by Prof. Milton Friedman, that slowing the growth of the money supply is the only true way to stop inflation—that led Mr. Reagan to appoint both monetarists and supply-siders to his Administration. He named a monetarist, Beryl Sprinkel, a close Friedman disciple, to be Under Secretary of the Treasury for Monetary Policy, and a supply-sider, Norman Ture, to be the Under Secretary for Tax Policy.

REGAN NAMED TREASURY HEAD

Indeed, Mr. Reagan named a Wall Streeter, Donald T. Regan, the former chairman of Merrill Lynch, Inc., to be his Secretary of the Treasury, to yoke these contradictory theories and theorists together.

Yet Wall Street was unconvinced. By May the markets had made clear that they found the President's design for restoring budget balance and reducing interest rates incredible. Despite the President's demonstration that he could win Congressional approval for his deep cuts in nonmilitary spendingshowing his supporters said would strengthmarkets-long-term bond prices plunged, short-term interest rates climbed

and equity markets weakened.

For a while, Mr. Reagan's top economic of-ficials argued before Congress that the prospective deficits did not matter; only the money supply mattered. Mr. Regan, Treasury Secretary, told the Senate Finance Committee in mid-May not to worry that the Administration's tax bill would be inflationary, because "inflation can be controlled through the money supply."

Whatever effect this had on the Senate, Wall Street was unimpressed. President Rea-

gan criticized the Street as unintelligent in economic matters, a truth he said he had picked up from Secretary Regan.

But one of the top Wall Streeters, Peter G. Peterson, chairman of Lehman Brothers Kuhn Loeb Inc., who had been Secretary of Commerce in the Nixon Administration, re-

sponded on June 25: "Wall Street has been told once again at the highest levels, that it does not offer good advice," Mr. Peterson said. "Yet, because the Street is not a message, but only a medium, the concept of Wall Street advice, like the concept of a Wall Street spokesman, is a kind of contradiction. The Street speaks only on tape—in prices and spreads—and these sig-nals come from all over the world.

"Blaming us for the implicit message," Mr.
Peterson concluded, "is like the fat man blaming his obesity on the waiter.

Though such criticism by the Wall Street establishment annoyed the White House, President Reagan sought to oblige by reducing the fiscal stimulus in his budget. This led him into one of his few political blunders: the hasty effort to cut an additional \$46 billion from Social Security benefits over the next five years.

The President again sought to appease Wall Street by scaling down his proposed tax cut from 30 percent over three years to 25 percent, and this proposal stuck. But in the bidding war with the Democrats over the tax bill in Congress, sufficient additional cuts were added to make the tax cuts at least as as Mr. Reagan had originally proposed.

Mr. Reagan's advisers fully expected that, once the tax bill, with its benefits to business and the financial institutions, was in place, Wall Street would celebrate. It certainly had got most of what it wanted, both directly in lower tax rates and indirectly through the impact on after-tax corporate earnings and the encouragement to individual as well as corporate savers and investers. Though it did not get a shorter holding period for long-term capital gains, this seemed only a small part of its persistent distress, which is linked primarily to budget deficits and high interest rates.

What Wall Street now wants is a stricter budget and fiscal policy, which would remove some of the burden from tight money and high interest rates. The traditional conservatives of Wall Street, including many pragmatic monetarists, are calling for major cuts in the military budget, amounting to \$30 billion or more, by fiscal 1984, as well as further cuts in nonmilitary programs.

Although Mr. Reagan has indicated his willingness to trim his military budget, he is still struggling to minimize the military cuts or even to instist that he will meet his aim of 7 percent annual increases in military spending, adjusted for inflation. And he has renewed his promises to cut nonmilitary spending as well.

His current aim is to reduce the fiscal 1982 budget by an additional \$10 billion to \$15 billion, and to cut \$75 billion more from the budgets for fiscal years 1983 and 1984. But this is to be done is still to be decided, and Wall Street, betting its own as well as its customers' money, is not yet convinced.

[From the New York Times, Sept. 14, 1981] WALL STREET EXPERTS SKEPTICAL ABOUT IMPACT OF MILITARY CUT

(By H. J. Maidenberg)

President Reagan's decision to trim military spending over the next three years as part of a drive to balance the Federal budget 1984 evoked cautious reactions among Wall Street economists yesterday.

While the economists welcomed the \$21 billion reduction in arms spending announced by the White House on Saturday, none thought the action would be sufficient to materially change the gloomy mood in the nation's financial markets.

The defense trims may be a step in the right direction but they will not solve the problem that is weighing heavily on the financial markets," said John D. Paulus, senior financial economist at Goldman, Sachs

"The trims don't address the hard numbers and facts the street will have to face Monday morning," he added. "For instance, the numbers are that the Administration's threeyear tax cut will deprive the Treasury of \$280 billion while the budget trims thus far projected for this period total some \$135 billion."

COSMETIC JOB "WILL NOT WORK'

Edward E. Yardeni, chief economist at E. F. Hutton & Company, summed up the views of several of his colleagues: "I hope" the military spending trims aren't "the beginning of a cosmetic approach to solving the soaring budget deficit, but a real start to bringing Federal spending into line with revenues. If it is a cosmetic job, it will not work be-cause the financial community will see right through it in no time and react even more negatively than it has in recent weeks.

Others interviewed supported the view held by Richard Scott-Ram, vice president and economist at the Chemical Bank, who said: "The defense cuts are woefully inadequate to produce any significant reduction in the Federal deficit. Reductions three times that announced by the President or an equivalent increase in Federal revenue could be a significant move in the right direction. And confidence in the financial community will not be restored unless these spending cuts or additional revenues are enacted im-

President Reagan's cuts in military spending are part of the \$75 billion of additional reductions in Federal spending he believes are necessary to balance the budget by 1984. The deeper budget cuts are needed because the Administration's previous estimate of a deficit of \$42.5 billion for the 1982 fiscal year alone is now widely held to be at least a third below projections by private economists.

Mounting fears of substantially higher Federal budget deficits have battered the securities markets in recent weeks, with stock and bond prices falling sharply.

Chemical Bank's Mr. Scott-Ram summed up his view of investor sentiment: "Investors cannot, understandably, see where the funds are coming from to finance both a soaring Federal deficit and the borrowing needs of business so necessary to revitalize American industry."

What is worse than the official Federal deficit figures, he added, "is the even greater rise in 'off-budget' borrowings by Government agencies that are not included in the Government debt figures." These agencies include the Federal Home Loan Board and the various entities serving agriculture.

THE COMMISSION ON MORE EFFECTIVE GOVERNMENT

• Mr. ROTH. Mr. President, public support for S. 10, to create a Commission on More Effective Government, continues to grow. The persistent failure of our governmental programs and agencies to perform at a satisfactory level underscores the need for a comprehensive review of our Federal Government's procedures and the manner in which it relates to State and local units and the private sector. S. 10, a bill that Senator EAGLETON and I introduced earlier this year will create the Commission that will carry out this review.

In an article that appeared recently in the Christian Science Monitor, Brad Knickerbocker caught the essence of the Commission effort, and the manner in which it can effectively improve the performance of our Government at all levels. I ask that Mr. Knickerbocker's article be included in the RECORD.

The article follows:

[From the Christian Science Monitor, Sept. 10, 1981]

U.S. ADVISORY BODY WILL TRY TO UNRAVEL BUREAUCRATIC KNOT-LIKE HOOVER COM-MISSION, PANEL SEEKS TO STREAMLINE GOV-ERNMENT

(By Brad Knickerbocker)

One can argue persuasively that this year's startling actions on budget, taxes, regula-tions, and intergovernmental relations are proof that the "Reagan revolution" is already

reality.

But there is widespread movement afoot in Wa hin ton to ma e e en deeper and more lasting changes in government operations.

Its model is the Hoover Commission, a blue-ribbon panel that had significant impact on the structure and business of gov-ernment in the years following World War II. It enjoys broad bipartisan support ranging from conservatives enjoying new-found power to unrepentent liberals. The White House likes the idea, and so does the "citi-zens' lobby," Common Cause.

Specifically, bills progressing through Conos: w 'tt' | establi h a new 'Commission on More Effective Government." The commission's broad mandate would be to probe the anagem nt. org nightly n and operations of the executive branch of federal government as well as Washington's relations with state and local governments and the private sector.

The 18-member commission would be appointed he the Presi et. Sena e ma ority leader, and House speaker, with some members representing state government and others not involved in any partisan political activity. Given the party loyalties of today's political leadership, there likely would be 10 Republicans and 8 Democrats unless expected amendments prevail and an even 9-9 membership is required.

The commission would have 30 months to

hold hearings and formulate recommendations before reporting to Congress and the

President.

"We've tinkered here and there with the governmental machine, but what we've ended up with is a Rube Goldberg arrangement that costs the taxpayers more and more in wasted money and gives less and less service to the people," says Sen. William Roth (R) of Delaware, chief Senate sponsor. "Now is the time to have the best minds in America we can start making it work better." comprehensively review government . .

Liberal Democratic Sen. Thomas Eagleton of Missouri agrees and has signed on as one of many cosponsors. Deputy White House budget director Edwin Harper told a Senate Committee the Parameter told a Senate Committee the Reagan administration "heartily endorses" the proposal.

To those cynics who say the commission's report would simply gather dust, the bills' supporters point out that the Hoover Commission (appointed by President Harry Tru-man in 1947 and chaired by former President Herbert Hoover) saw 72 percent of its recommendations adopted. Among these were the Military Unification Act and the State Department Reorganization Act.

"I was here in time to help implement the Hoover Commission recommendations," recalls Rep. Richard Bolling (D) of Missouri, veteran lawmaker and chairman of the influential House Rules Committee. "I'm completely convinced that this is the only possible way that this country can reform its government."

The growing bulk and complexity of government in this country is a source of increasing concern. Federal spending is 15 times greater today than it was 30 years ago. While the number of federal civilian employees has remained fairly constant since the late '60s, the number of workers in other levels of government has shot up. In 1950 there was one government job-holder for every 24 Americans; now, the ratio is one for every 14.

Many attribute this increase to federal programs and requirements. Between 1949 and 1979, there was a net gain of 529 federal departments, agencies, bureaus, offices, administrations, institutes, services, and other organizational subdivisions. The size of the Federal Register (one measure of the increase in federal regulatory activity) has increased nearly 300 percent in the past

"Intergovernmental relations today have clearly crossed a new threshold of complexity and confusion," the Advisory Commission on Intergovernmental Relations, a highly respected bipartisan group, warned last week. "The looming fear is one of unrestrained intergovernmentalism, of govern-

ment pragmatism out of control."

The Hoover Commission did its important work at a time when the United States was entering a new era in both foreign and domestic federal activity. Supporters of a new "Commission on More Effective Government" say the time is ripe for another look at the fundamentals of how Washington operates.

THE WAITSFIELD-FAYSTON TELEPHONE CO.

Mr. LEAHY. Mr. President, the tradition of American invention and innovation is a very long one, and Vermont has always been a part of that tradition.

With industry spending billions for research and development, there is a widespread belief in the United States that the age of individual ingenuity has passed. But there is a small company in Vermont that believes otherwise. The Waitsfield-Fayston Telephone Co. has fewer than 3,100 subscribers, 24 employees, and a service area that includes only a part of one Vermont valley. Yet this little company was computerized 15 years ago and is the only phone company in Vermont that transmits voice messages digitally. It has developed innovative solutions to problems like the looting of coin boxes and is applying its in-genuity to keeping its customers' monthly phone bills down. There are many other ways in which this small business has proven to be a pioneer in a field thought to be exclusively domain of giants.

I am very proud of this Vermont business and its officers, Dana and Eleanor Haskin. Mr. President, I request that a news story about the Waitsfield-Fayston Telephone Co. from the Burlington Free Press edition of Sunday, August 23, 1981, be printed in the Record.

The article follows:

It's Light Years Ahead—Phone Company Computer Is "Voice" to Its Customers

(By Neil Davis)

If Waitsfield-Fayston Telephone Co. disconnects a customer for nonpayment of a bill, he is told what has happened by the computer, which switches on a recorded message when the customer tries to make a routine call.

With the help of the computer, the company is able to leave the otherwise disconnected customer with emergency service, so he can call the police, ambulance service, fire department or telephone office.

State Public Service Department telecommunications specialist Charles Larkin said he would like such service offered universally.

"Waitsfield is light years ahead of every other phone company in Vermont, including Ma Bell's," he said. "It is really a pioneer."

The small, old, family-owned telephone company has fewer than 3,100 customers and only 24 employees, but it has been computerized for 15 years. In February, it became the only Vermont phone utility transmitting voice messages digitally.

The digital system, which converts spoken words into bits of computer language and back instantaneously, makes the business of routing a call from one phone to another much faster and more efficient than the older electronic system.

Creative use of its state-of-the-art data processing equipment has allowed the Mad River Valley company to offer its customers services unavailable elsewhere in the state or anywhere, in some instances.

About 10 years ago, before the Bell system began to offer charge-a-call service, the Waltsfield-Fayston company developed a forerunner.

To solve the problem of rampant looting of coin phones, the company asked the state Public Service Board permission to make the phones payless.

The costs of repairing and replacing the looted phones and of collecting the money from coin phones in general was greater than the income from local calls on those phones, so the company decided to make local calls cost-free.

Long-distance calls were allowed only if charged to a credit card or another phone.

In contrast to Waitsfield's coinless public phones, their counterparts in the rest of the state cost a dime, a figure New England Telephone has tried unsuccessfully to persuade the Public Service Board to double.

"The Public Service Board told us to try it for six months 10 years ago, and it was such a success they let us do it permanently," said Waitsfield-Fayston vice president, Eleanor Haskin.

"In a small company, you can make innovative decisions and see how they work out," she said. "In the Bell system, they can't do that as easily. It's harder for them to offer something in Vermont and not in the rest of the system."

She said rising labor costs may make it profitable for other phone companies to switch to coinless public phones to avoid having to send out money-collectors and repairmen.

Another unique service offered by the Waitsfield-Fayston company is semipublic phones, dubbed "condominium service."

The computer recognizes calls from phones in rented housing units for which the owner has asked to be protected from having to pay for long-distance calls by the tenants. Although toll calls from those phones can

Although toll calls from those phones can be dialed directly, without operator assistance, they must be charged to a credit card or another phone.

For local calls, the phones operate the same as typical private lines.

Waitsfield-Fayston is about to begin offering "custom calling services," offered al-

ready by New England Telephone Co. but only in certain localities, such as Burlington. The small independent will be the first

The small independent will be the first phone company in Vermont to offer those services systemwide.

Among custom services are speed-calling, call-forwarding and three-party conference calls.

Soon Waitsfield-Fayston may pioneer another service made possible by advanced computer programming—metered service.

Whereas phone companies conventionally group their customers into geographic zones for purposes of determining tolls, the computer has the capability of computing distances between phones precisely and determining charges on that basis.

Mrs. Haskin said her husband, company president Dana Haskin, is considering converting to a more cost-specific method of figuring out monthly phone bills.

People could keep monthly phone bills very low by keeping their calls short, both in distance and time.

"With the growing problems facing lowincome and fixed-income people, there has to be a way to provide service at a threshold rate," she said.

"We're almost ready to go ahead with this, but it's going to raise a lot of hackles with New England Telephone and other companies. The Bell system says: 'Please wait.'"

HIGH INTEREST RATES

• Mr. BOREN. Mr. President, I hope that all of my colleagues have been following closely the various statements that have been made since the Congress returned from the August recess concerning high interest rates.

The statements and the minidebates which have occurred since we returned last week have been very instructive and I commend them to any who have not yet read them.

The statements have contained a wide variety of views centered around the common theme that interest rates are too high and that something must be done to bring them down quickly.

There have been several recommendations for action, ranging from a proposal by the distinguished Senator from Mississippi, Senator STENNIS, calling for the creation of a commission to study the problem and make recommendations, to the proposal entered in the RECORD yesterday by the junior Senator from Florida, Senator HAWKINS, calling for a complete restructuring of the Federal Reserve Board, to a proposal by Senator MELCHER from Montana-a proposal. Mr. President, which I have enthusiastically cosponsored—calling for a meeting between the President and the Federal Reserve Board to modify the Board's monetary policy so as to significantly reduce interest rates within the next 90 davs.

There have been useful exchanges between distinguished Senators such as Senators Long and Byrd of Virginia, and thoughtful individual statements such as the one introduced in the Record yesterday by Senator Proxmire.

Mr. President, I cannot say that I have agreed with all of the statements that have been made, nor all the proposals advanced—but I believe it is extremely useful that these dialogs are taking place and that they continue as we search for an effective solution to this

commonly perceived economic calamity. It is highly significant that all speakers agree on the basic premise—that interest rates must come down. The only debate is over how this is to be achieved.

Mr. President, I would issue only one cautionary note to my colleagues, and that is that as useful as the rhetoric of these past several days has been, we must not lose sight of the imperative need for action—for quick action.

As I said last week, the distinguished majority leader, Senator Baker, was absolutely correct in his assessment that action needs to come now, within days,

not within months or weeks.

That is why I believe that the proper place for action to take place is within the executive branch. The problem is short-term need to reduce interest rates, and even with a complete consensus between the House and Senate and among the Members of the two bodies, it would take several weeks to move effective legislation through the legislative process. We do not have that kind of time.

I would hope that the President and others within the executive branch who have the capability to voluntarily address this problem, without being mandated to do so by the Congress, would recognize the need and proceed apace. If they do not, and if they force the Congress to seek its own solution, the result will very likely be additional bankruptcies both for individuals and businesses across the country, and legislation whose necessarily hasty enactment may not be totally satisfactory to all concerned.

In other words, Mr. President, the best solutions for the short-term difficulties we face rest within the grasp of

the administration.

The Congress can and will address the long-term needs through budget cutting and eliminating the Federal deficit so as to remove the Federal Government from the credit market. But the short-term cure, to carry us to the long-term solution, must come from the executive branch, and it must come soon.

RUTH LOVE FORMAN

 Mr. HEFLIN. Mr. President, I wish to call to the attention of the Senate the outstanding achievements of a dedicated educator of my State, Mrs. Ruth Love Forman. an elementary school teacher in Birmingham. Ala.

Recently, Mrs. Ruth Love Forman was selected to appear in the American Biographical Institute's 12th edition of "Personalities of the South." Personalities of the South recognizes thousands of outstanding southerners in various fields of endeavors. Each year a copy of the volume is placed in the Library of Congress and in all State libraries of the

South. Personalities of the South has been nationally acclaimed as a valuable research document for business leaders genealogists, biographers, historians, li-

I ask that a copy of a recent newspaper article pertaining to the accomplishments of Mrs. Forman be printed in the RECORD, along with my remarks.

The article follows:

brarians, and journalists.

PROFESSIONAL WOMAN CITED (By Rev. T. Thornes)

The Ebenezer Baptist Church, Pastor Rev. T. Thornes, the City of B'ham, State of Alabama, B'ham Times Newspaper, and Friends congratulates Mrs. Ruth Love Forman on her recent historic achievement.

Mrs. Ruth Love Forman's name was recommended to the Institute's Governing Board of Editors for biographical inclusion in the 12th Edition of Personalities of the South book. This recommendation was brought forward by the Research Division after they reviewed a newspaper article written on her in the B'ham Times. The south recognizes thousands of outstanding southerners in various fields of endeavor. Each year a copy of Personalities of the South is placed in the Library of Congress (Washington, D.C.) and in all state libraries of the south. This book has been nationally acclaimed a valuable research document for business leaders, genealogists, biographers, historians, librarians, and journalists. Mrs. Forman will appear in the 1982 volume. It comes out in the winter of that year.

Mrs. Ruth Forman received her high school diploma from Dunbar High School, Bessemer, Ala. She received her B.S. degree from Ala. A&M University, Huntsville, Ala. She has done extensive study at Auburn University, Auburn, Ala. She attends from one to three workshops each summer in Jefferson County.

She is presently employed by the Jefferson County Board of Education as an elementary school teacher. She teaches 4th grade math at Fultondale Elementary School, Fultondale. Ala. She has made a lasting contribution to the field of education. Her fourth graders head the list of winners in Jefferson County for the annual Math Fair for grade 4. That county competition lasted for 5 years. Her students won more trophies and ribbons than any fourth graders in Jefferson County. In March of 81 her fourth graders entered an Alabama Math League for the state of Alabama. Her students comagainst students in Alabama. They received certificates for their efforts. Her classes participate in Metric Week each year during the month of May. They are awarded certificates at the completion of their metric projects. Mrs. Forman has received letters of commendation for this from the state de-partment and local officials. Several times some of her metric booklets were chosen by the Elementary Math consultant to be used during her math workshops across the state of Alabama. 7n May 1981, her fourth graders won 2nd place in the Mexican Fiesta School Contest. He wrote an essay on Mexico. He was competing against county, city and catholic schools. She led the tract meet one year and brought her school in the top number. She had many top winners in the county competition when she was over the 4-H Club (Girls). Mrs. Forman was awarded the 4-H female leader award for the year 1972. She has been a judge for an elementary math fair and cheerleaders for a Jr. High School.

Mrs. Forman is a member of the Ebenezer Baptist Church, 3510 Todd Ave. S.W. B'ham, Rev. T. Thornes. Pastor. There she is very active. She is fathful in all of her endeavors. She teaches the Jr. Boys Class in Sunday School, she reads the 11:00 a nouncements on Sunday morning, she attends Bible Class on Friday evenings. She has narrated the Rev. T. Thornes Ministry 3½ yrs. each Sunday evening at 6:00 p.m. over radio station WSMQ 1450 on your dial. She has received over 21 Bible certificates from completing Bible courses all over the U.S., she has made two inspiring speeches to the Jefferson County Sunday School Congress during the last five years. Mrs. Forman has directed yard and church weddings, she is blessed with many talents and uses them all to perfec-

tion. She has made several women day speeches in Biptist and Methodist churches and is booked for more before the year is out. Mrs. Forman has cooperated with churches all over the city of Birmingham and Bessemer, and has taught classes, acted at Superintendent, reviewed Sunday School lessons, given meditations and acted as mistress of ceremonies.

The Ebenezer Baptist Church, her husband and family is proud of Mrs. Forman for the pride, honor and respect she has earned. She achieved all these merits because of the four basics (home, church, school, and community). She has done church work since she was very young. Mrs. Forman gives the credit to her parents, minister and above all God. This wisdom have surely paid off. All these things grew up in Mrs. Forman. She is a good example of a good, law abiding citizen, and is a qualified voter and have been for a long time. She has excelled in all areas. Ebenezer is blessed to have this wonderful personality that have produced all of these great things to be a part of us. Mrs. Forman has gone down into national history. Generations unborn will read about her contributions to society and call her blessed. She has traveled nationwide, this have therefore given her rich experiences in many areas. She is also the church writer for the Birmingham

I would like to commend the Research Division on a job well done. For we realize what a great honor it was just to be nominated even if she had not been accepted. But this deserving young lady was accepted. What a mighty act of God. Giving unselfish service to God and mankind have surely paid off for Mrs. Ruth Love Forman. Again congratulations to this worthy celebrity.

INTEREST RATES

• Mr. GARN. Mr. President, I would like to take this opportunity to call to my colleagues' attention an article that appeared most recently concerning interest rates.

In the Washington Post yesterday, columnist David Broder argued that President Reagan's economic plan "is being mauled by the money markets even before it gets a trial run."

This morning's Wall Street Journal adopted a somewhat different perspective, calling for congressional leaders to stop "wasting their energies scaring the life out of the capital markets," and "devote them instead to thinking of ways to see to it that the anti-inflation fight succeeds."

Mr. President, this editorial makes some very important points.

One is that President Reagan's economic program has not yet been given a chance. The tax cut does not even become effective until next month.

Given that today's high interest rates are the result of years of irresponsible Government spending, years of ballooning Federal deficits, years of running the monetary printing presses far too fast and years of mounting Government regulations, I believe the Reagan economic package should be given at least a few months to prove its ability to begin reversing the consequences of years of irresponsibility.

A second important point made by the editorial I have here is that the private sector of our economy has a great responsibility in bringing interest rates down and helping our economy regain a

sure footing. After all, interest rates are determined by the private sector and capital investment decisions are made by the private sector.

The Reagan administration's economic package is removing the Government from our economy as an engine of inflation and offering incentives to the private sector to focus its attention on productivity-enhancing capital investments. The private sector has a responsibility to incorporate lower inflationary expectations in its decisionmaking, and the private sector has a responsibility to respond to the new incentives.

The third important point made by the editorial is that inflation and high interest rates are truly political phenomena. Both result from Government policies that have political support from certain quarters. Moreover, an essential part of lowering high interest rates is a demonstration of a political will that is unquestionably strong enough to resist those parties with a vested interest in seeing high inflation persist.

I ask that this article be printed in full in the RECORD.

The article follows:

BLAME WALL STREET (By David S. Broder)

Despite the handicaps of being a non-lawyer, a non-financial expert and a non-partisan of the Reagan administration, it is plain even to me that the White House has grounds to sue Wall Street for non-support. Ronald Reagan's economic plan is being mauled by the money-managers even before it gets a trial run. If the assault weren't so recklessly selfish and stupid, you could really laugh.

If ever there has been a government in Washington eager to do acrobatics to please the business and financial big shots, it is this one. It has taken the biggest whack at federal spending in 50 years, and every nickel of it from "people programs" that the monied folks don't need, don't want, don't use and don't support.

It has cut taxes generously for rich folks and even more generously for corporations. And the response has been one sulky bear of a market, a tailspin in stocks and bonds and a run-up in interest rates that have given the country the shakes and cast a pall over the bright economic future Reagan and his allies projected. Thanks a bunch, Wall

Street.

However much Reagan and Co. have contrived to get government off business' back, the mighty men of the financial markets have said, "It's not enough, We want more."

Although Reagan never advertised it, the tax bill he bulled through Congress goes a long way toward eliminating the corporate income tax as a significant source of federal revenues. A top lobbyist for the bill says it will cut the corporate tax bills in half. But will cut the corporate tax bills in half. But a lawyer I know has a client company that paid \$42 million last year and will pay somewhere between \$2 million and nothing next year. Given the creativity of corporate accounting, I'll bet that is far from unique.

flow and future after-tax profits.

They know these are the ingredients for a booming stock market that would funnel billions into job-creating investment. But they ain't buying stocks. Why? Because they can make even more money cashing in on the incredible interest rates they can extract from government and private borrowers in the current debt-refinancing crunch.

As a top Washington business lobbyist put it, "They can make 20 percent, with virtually no risk, buying short-term government obligations, so why should they take the risk of equity investments?"

From one viewpoint, you could say Reagan is getting exactly what he deserves, as a true believer in the historically dubious theory that there is a "natural harmony" between business advantage and the public interest. Having exalted the virtues of the market-place, he is now seeing his own program victimized by men who calculate everything by the bottom-line calculus of that coldly impersonal market. For Reagan to "jawbone" the financiers for lower interest rates, as congressional Republicans suggest, would not just be ineffective, it would be thoroughly inconsistent with his own principles.

And yet it is stunning to see the big wheels of Wall Street so callously scuttling the very program that American business, in a literally unprecedented fashion, had pressured

Con_ress to pass just a few weeks ago.
I asked my lobbyist friend, a key figure in that effort, "Don't they realize they have bought in on Reagan's program and they have a stake in its working?" It was, apparently, a naive question.

"Let me tell you," he said, "there is no more shortsighted set of people than the Wall Street financial community. I'd really like to see Reagan tell these people to shove it. They didn't elect him and they don't own him."

But, of course, Reagan is not doing that. Instead, he is going back to Congress for yet more cuts, to convince the money-managers that he will somehow balance the budget.

I thought to myself: the people who are imposing these demands are people who proclaim the virtues of risk-taking. But they won't take risks themselves. They are the ones who say it's time for school-lunch users and subway riders to pay their own way and even make some sacrifices. But they will shortchange American enterprise's long-term capital needs in order to make a little more fast money from high interest rates.

My grandmother used to talk about people who know the price of everything and the value of nothing. If these money-men don't understand that they will never have a government more eager to please than this Reagan outfit, and they sink its policies by their own shortsighted selfishness, then they deserve what they will get.

It's just too damn bad a lot of other people will get hurt in the process.

ST. JOSAPHAT COMMANDERY

• Mr. LEVIN. Mr. President, September 12, 1981, marked the 100-year birthday of the Michigan Grand Commandery No. 65 as an individual unit of the Knights of St. John. Commandery No. 65, now known as the St. Josaphat Commandery was established one century ago expressing a deep sense of public duty by performing charitable deeds for members of the surrounding community. Since its birth, it has successfully upheld the pledge to provide continual guidance and support for its citizens.

Commandery No. 65 was originally formed as St. George Commandery No. 65 of the Knights of St. John. It later became known as the Bohemian Commandery of St. Wenceslaus and finally the St. Josaphat Commandery of the Knights of St. John.

The Knights of St. John united many different local Catholic organizations provided in various cities in 1879, thus forming a national organization under the name of Roman Catholic

Union of the Knights of St. John. The organization has grown steadily since 1879, always upholding its high standards of religion and citizenship.

Mr. President, I would like to take this opportunity to congratulate St. Josaphat Commandery for its success on its 100 birthday celebration. I would also like to commend the organization and its loyal members for 100 years of fine charitable service, and wish them much success in the future.

DR. RICHARD RUTLAND—FAMILY DOCTOR OF THE YEAR

 Mr. HEFLIN. Mr. President, I am very pleased and honored to inform my colleagues that a family physician from a small town in Alabama has been named the "Family Doctor of the Year" by the American Association of Family Physicians and Good Housekeeping magazine.

Dr. Richard O. Rutland, from Fayette, Ala., has brought a great deal of honor to his community and to the State of Alabama. I wish to take this opportunity to salute him upon his receiving this

most prestigious award.

While the entire community of Fayette takes pride in having one of its leading citizens receive this honor, no one in Fayette or in the west Alabama County that bears the town's name was surprised to learn of the award. Dr. Rutland, who founded the McNease-Hodo Medical Clinic in Fayette, has been a smalltown doctor and distinguished leader in the field of family medicine for nearly 30 years.

Dr. Rutland is committed to rural health care and he established Fayette as a rural preceptorship site for the University of Alabama School of Medicine in Birmingham, as well as for the students and residents at the College of Community Health Sciences in Tuscaloosa.

Dr. Rutland has delivered more than 1,800 babies and regularly works a 70-hour week as a family doctor. Dr. Rutland sees an average of 30 to 35 patients each working day and he regularly makes house calls.

Mr. President, I can think of no doctor who deserves this prestigious award more than Dr. Rutland.

And Dr. Rutland has passed his love of people and dedication to medicine and family health on to his children. One of Dr. Rutland's children, Dr. Richard O. Rutland III, is a practicing pediatrician in Gadsden, Ala. Dr. Rutland's daughter, Cynthia Lyn McBrearty, is married to Dr. Michael McBrearty, a practicing family physician in Fairhope, Ala. Dr. Rutland has two other children, Melissa Babb White, whose husband, Rick, is a sergeant in the U.S. Army stationed in Germany, and Craig Douglas Rutland, a senior at Fayette County High School.

Mr. President, I am very proud of this dedicated and skilled physician from my home State. I regret that I was in Alabama and was unable to attend the awards ceremony that was held at the Department of Health and Human Services building on August 22, 1981.

Mr. President, I ask that a letter of congratulations written to Dr. Rutland by President Reagan, a Birmingham News newspaper article written about Dr. Rutland, the news release written by the American Academy of Family Physicians and a detailed description of the "Family Doctor of the Year Award" be printed in the Record following my remarks.

The material follows:

THE WHITE HOUSE,
Santa Barbara, Calif., August 21, 1981.
Dr. RICHARD RUTLAND,
Fayette, Ala.

DEAR DR. RUTLAND: I am very proud and happy to commend your outstanding contributions to the field of Family Medicine.

Your friends have brought to my attention your 30 years of dedicated service as a family practice physician in Fayette, Alabama. I know you take pride in this service and particularly in the more than 1,800 babies you have delivered. Your leadership in the medical profession as reflected by your contributions to the founding of the College of Community Health Services at the University of Alabama is truly outstanding.

The family practitioner is a fundamental and important part of our primary health care network. It is most fitting that we honor you, Dr. Rutland, and, at the same time, pay tribute to those in your profession who have given so much to their fellowman.

Congratulations on being named "Family Doctor of the Year." You have my best wishes and warmest personal regard.

Sincerely,

RONALD REAGAN.

RURAL ALABAMIAN NAMED AS "FAMILY DOCTOR OF THE YEAR"

Washington.—An updated version of the "old-time rural family doctor," whose own family brackets the state of Alabama with health care service, is the 1981 Good House-keeping "Family Doctor of the Year."

heath care service, is the 1981 Good Housekeeping "Family Doctor of the Year."

Announcement of the fifth "Family Doctor of the Year" was made here today by
Dr. Edward N. Brandt, Assistant Secretary
for Health of the Department of Health and
Human Services. The 1981 honoree is Dr.
Richard O. Rutland, Jr. of Fayette, Ala. The
national citation of the country's prototypical family physician is cosponsored by the
widely known women's magazine and the
American Academy of Family Physicians.

Symbolic of the award is an original bronze sculpture of the Greek god of medicine, Asklepios, by James Taylor of Cincinnati. The 17-inch figure mounted on limestone was presented to Dr. Rutland by Dr. Brandt at the DHHS ceremony.

The Good Housekeeping "Family Doctor of the Year" award thus returns to rural America after having been held for the past year by a big-city family doctor.

Dr. Rutland, 55, conducts a full-time family practice in the west central Alabama town of Fayette. He is the father of a pediatrician in Gadsden, in east central, Alabama and father-in-law of another family doctor in Fairhope, Ala., on Mobile Bay in the extreme southern parts of the the contract of th

the extreme southern part of the state.
Dr. Rutland is committed to rural health care as a partner in the McNease-Hodo Clinic at Fayette. A board certified specialist in family practice, he was an early diplomate in the specialty (1971) and was recertified in

He is a graduate of Tulane University School of Medicine in New Orleans and attended both the University of Alabama and Duke University as an undergraduate. He interned in Birmingham, and took residency training in Bakersfield, Calif., and in Colorado. He served in the Navy in both World War II and the Korean War.

He established Fayette as a rural preceptorship site for the University of Alabama School of Medicine in Birmingham and later for the students and residents at the College of Community Health Sciences in Tus-

caloosa. He served on the active faculty of the College of Community Health Sciences from 1973 to 1978, and has been on the visiting faculty since 1978.

In the early 1970's, the small community of Berry was in desperate need of medical care. Dr. Rutland agreed to assist the community leaders in organizing a medical board and planning committee. In the interim, he provided medical care in Berry in his "spare time" and on his day off. A modern clinic now has been built in Berry and a physician recruited.

Dr. Rutland does a broad-spectrum family practice, including assisting in surgery, in his 70-hour-a-week practice. He has delivered some 1,800 babies in his career. He is family physician to some 30 elderly patients in local nursing homes and sees an average of 30-35 regular patients in his office daily. He makes housecalls regularly.

Dr. Rutland is married to the former Nancy Babb of Texas. Besides the son and daughter involved in Alabama medicine, they have two other children, a daughter in Germany, and a son in high school. Dr. and Mrs. Rutland were simultaneously "Man" and "Woman" of the year in Fayette in 1961, the only time this has occurred in the local competition.

Dr. Rutland and his four predecessors will be honored September 21 by their peers in the AAFP Congress of Delegates at the medical organization's annual meeting in Las Vegas, Nev. Identical bronze castings of the Asklepios sculpture will be presented to the previous awardees at that time.

THE FAMILY DOCTOR OF THE YEAR AWARD (Cosponsored by Good Housekeeping Magazine and American Academy of Family Physicians)

The Family Doctor of the Year is selected each year from among members of the American Academy of Family Physicians, the national association of family doctors. The Kansas City-based Academy has 50,000 members throughout the United States. Candidates are submitted by state chapters of the AAFP, which is the nation's second largest medical organization (next to the all-doctor AMA) and the largest medical specialty society.

Announcement of the physician selected has been made from the White House by the President or the First Lady and also by the Department of Health and Human Services. Announcement traditionally has been in the late Spring or Summer. Thereafter, the doctor is honored by the Academy's Congress of Delegates at its Annual Meeting in the Fall. An article honoring the winner and finalists appears in Good Housekeeping magazine.

The Family Doctor of the Year is selected by the editors of Good Housekeeping from a panel of 10 finalists determined by a screening group of doctors from the AAFP. Candidates are submitted to the screening group by the leadership of the various state chapters. The Family Doctor of the Year thus is truly chosen by his or her peers in family practice, with the final determination made by Good Housekeeping on the basis of evidence presented.

The purpose is to personify to the nation, through the announcement from Washington and subsequent news coverage and related activities, the concept of the emerging new type of American family doctors, whose numbers are increasing dramatically only a decade after approval of family practice as a primary medical specialty.

There have been five Family Doctors of the Year named to date: Robert Boyer, M.D., Kingman, Kansas; Mario Ramirez, M.D., Roma, Texas; J. Roy Guyther, M.D., Mechanicsville, Maryland; Eugene Fanta, M.D., Brooklyn, New York; and Richard O. Rutland, M.D., Fayette, Alabama. [From the Birmingham (Ala.) News]
FAYETTE PHYSICIAN PUT "FAMILY" BACK
INTO MEDICAL PRACTICE

(By Harold Kennedy)

FAYETTE.—Arising at 5 a.m. is "old hat" for Dr. Richard O. Rutland Jr. As a family doctor, he has been doing it for years to meet his seemingly impossible schedule of seeing scores of patients, conducting staff meetings and doing any number of other professional and civil duties.

But it was with a certain amount of apprehension Monday that the 55-year-old physician pushed back the bed covers in the pre-dawn hours and swung his legs to the moor for another long day.

His schedule at McNease-Hodo Medical Clinic, a \$500,000 facility he helped build, called for cramming about three days of work into one . . . And there was the packing and other preparation for the trip to Washington, D.C. The trip would consume those valuable three days in the life of this physician described by many in Fayette as one of the best and most dedicated family doctors anywhere.

Many outside Fayette apparently agree. His trip to the nation's capital was to receive the coveted Good Housekeeping national award of "Family Doctor of The Year." He earlier had been named Alabama's "Family Doctor of The Year."

Rutland, as anyone who knows him will quickly point out, didn't earn these honors in one year, as the title would indicate. It came for 25 years of uninterrupted service to his community and state.

The Eufaula native has been a driving force behind the family doctor concept from the time he, his wife Nancy and their children chose Fayette as their place in 1954. And he was instrumental in organizing and starting the state's present program of educating and training physicians for family practice, with particular emphasis on serving in rural areas of the state.

"It seems entirely appropriate that the nomination for 'Family Doctor of the Year' go to a man whose interest and competence began at home," said longtime Fayette Mayor Guthrie J. Smith. "Family has a special neaning to Dr. Rutland.

"His lovely wife and marvelous children

"His lovely wife and marvelous children have established, with his support, special places in the life and fabric of our community."

It take but a brief glance at the Rutland family to realize the truth in the mayor's statement. The oldest child Richard III, also is a physician and is practicing in Gadsden. Cindy, the second child, is married to a

Cindy, the second child, is married to a family doctor, Missy, the third child, lives with her military husband in Germany, and Craig, the youngest, is a pre-medical student at the University of Alabama.

Mrs. Rutland, the former Nancy Babb, of Denton, Tex., has, besides raising their four children, been involved in civic work for years.

One year the couple was named "Man and Woman of the Year" of Fayette. And the town named a swimming pool for Mrs. Rutland. She taught youngsters swimming for more than 20 years and has been involved in all phases of park and recreation work.

One of his few regrets in the past 25 years, says the physician, is that his practice and other duties have kept him away from his family too much. "Credit for raising children has to go mainly to their mother," he readily added. "That has been my most difficult problem—how to devote enough time to my practice, to my family, myself and community."

A look at the physician's background makes one realize his dilemma. He, his fellow doctors and the community built one of the most modern medical clinics in the state, greatly with the hope it will attract more physicians. They are particularly in need of another surgeon.

Rutland also was instrumental in establishing a smaller clinic in the Berry community of 800 some 18 miles away in east Fayette County. For years he drove to Berry on his day off to see patients after the community lost its only doctor in the early 1970s.

"The new clinic in Fayette is something he (Rutland) had dreamed of I suppose since he came here," said Bob Sanders, a Fayette insurance executive and close friend to doctor. "if Doc had died the day the clinic was dedicated he'd have died happy.

His efforts in establishing a family doctor program, though, perhaps stand out above all else, say his friends and associates.

Under his leadership, Fayette has served as general "preceptorship" site for the School of Medicine of the University of Alabama in Birmingham and the College of Community Health Sciences of the University of Alabama in Tuscaloosa.

It involves allowing medical students and family practice residents to spend from one to three months in Fayette to learn the various

aspects of a rural medical practice.
"We get them out here and teach them about country life, as well as what will be expected of them as a rural family doctor, said Rutland, who grew up in Eufaula in Bar-bour County the son of a railroad conductor. (Most of his medical education was obtained at Duke and Tulane universities, and he interned in California and Colorado.)

Another unique aspect of family practice, added Rutland, is that treating physical ail-

ments is but one phase.

"The family physician has to cope with the whole family—the whole person. He has to deal with all types of family problems," added Rutland. "I strongly believe that in the fu-ture it will play a vital role in helping to correct the breakdown of the family in this state and nation."

The concept often is referred to as "behavioral medicine.'

Rutland often spends an hour or so coun-seling a patient. "There's no rushing them through. He takes his time and makes sure that all the patients' needs are met before he lets them go," said David Poynor, editor of the Times-Record, a weekly newspaper in Fayette.

Equal attention is given to patients by his associates at the clinic, Drs. Henry G. Hodo Jr., Harold E. Breitling, John E. Sanford and Peter Peacock

Rutland gives equal credit for his national award to his associates at the clinic, his family and the community. "The other doctors have taken up the slack time and time again to allow me the time to push for a state family practice program," he said.

And this community has cooperated 100 percent in our preceptorship program, helping us to educate more than 30 future family physicians in all areas of rural living. And if your family doesn't support you in some-thing like this, you can forget it."

He also praises the state chapter of the American Academy of Family Physicians for its efforts in developing a family physician program in Alabama.

It was mainly through this organization that the medical profession was made to realize that more stress was needed on family practice and less on specialization, he

"When I first came back to the state and set up practice no one would listen to you about the need of more femily physicians," added Rutland, who has tried to pattern his practice and life after that of Dr. Paul Salter. his hometown doctor when growing up in Eufaula.

"The emphasis on specializing that began in the late 1940s had snowballed and it was like talking to a brick wall. There wasn't even a family practice residency in the state. Now we have several located throughout the state.

For more than a year, Rutland was director of the family practice residency at Tuscaloosa.

He once considered specializing but abandoned the idea because "I just couldn't restrict myself to one thing."

He figures the "big break" came during

former governor George Wallace's close race with Albert Brewer for the state's top office in 1970.

Wallace encountered so much talk about the need of doctors in rural areas that he it a major campaign issue, recalled Rutland. And when elected, Wallace kept his word, approving additional medical educa-tion facilities at Tuscaloosa, Huntsville and a new medical school at Mobile.

Ironically, the most "satisfying" thing over the years concerning Dr. Rutland's practice has nothing to do with the above accom-plishments. "I suppose my most satisfying thing is looking at the list of names graduating each year at the local high schools. Usually about 50 of them I delivered."

The physician, who still makes house calls, has delivered more than 1,800 babies.

AWARD OF GOLD MEDAL TO FRED WARING, LOUIS L'AMOUR, AND MRS JOE LOUIS

Mr. BAKER. Mr. President, I have one other matter I call to the attention of the Senate, which I understand cleared on the other side. I inquire of the distinguished acting minority leader if he is prepared at this time to proceed to the consideration of House Joint Resolution 223.

Mr. CRANSTON. Yes, this has been cleared by the minority on the Banking Committee and on this side. We are prepared to proceed.

Mr. BAKER. I thank the Senator.

Mr. President, in view of that, I ask unanimous consent that the Senate now proceed to the immediate consideration of House Joint Resolution 223.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as

A joint resolution (H.J. Res. 223) to provide for the awarding of a special gold medal to Fred Waring.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution which had been reported from the Committee on Banking, Housing, and Urban Affairs with amendments, as follows:

On page 2, line 18, strike "made", and insert "used"

On page 2, line 18, after "of", insert "this"; On page 2, line 19, strike "(a)"; On page 2, line 21, strike "Act", and insert

On page 2, after line 23, insert the follow-

SEC. 2. (a) The President of the United States is authorized to present, on behalf of the Congress, to Louis L'Amour, a gold medal of appropriate design in recognition of his distinguished career as an author and his contributions to the Nation through his historically based works. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There are authorized to be appropriated not to exceed \$15,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

SEC. 3. (a) The President is authorized to present, on behalf of the Congress, an appropriate gold medal to Mrs. Joe Louis in recognition of the quiet and unsurpassed dignity and grace of her late husband and in recognition of his contributions to the Nation as heavyweight boxing champion of the world. The Secretary of the Treasury shall cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary. There are authorized to be appropriated not to exceed \$15,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this sub-section shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

Mr. HEINZ. Mr. President, Fred Waring is an individual for whom I have the greatest respect. This man has been a musical institution in Pennsylvania for the last 65 years. Because of his contributions to the world of music and especially because of the great debt of gratitude which Pennsylvania owes Mr. Waring, I introduced, along with Senator SPECTER, a joint resolution to award a gold medal to commemorate Fred Waring's achievements.

Today, the Senate Banking Committee acted on House Joint Resolution 223, which passed the House on July 27 by voice vote on an amended form. As September 15 commemorates Pennsylvania's 300th anniversary, I know of no better way to thank a man who has helped make Pennsylvania one of our country's best known musical centers.

I ask that the Senate approve this joint resolution as one small token of our esteem for perhaps the finest entertainer of the last half century, Fred Waring.

I ask unanimous consent that a short biographical sketch which was written for a recent Fred Waring Kennedy Center Concert be printed in the RECORD.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

MEET THE ARTIST

Fred Waring is known to generations as the "Man Who Taught America How To Sing"—"America's Singing Master"—or the man who helped make the popular song a classic American Art Form. He's one of the most fascinating and interesting figures in the history of show business.

Through over six decades of sharing his distinctive blend of beautiful music, he has always been up to date and, in actuality, ahead of his time. His fans, young and old, are awed by his contributions to the music industry via Vaudeville. Movies, Radio, Recordings, Broadway, Television and Love of the Concert Stage. His all new show, "Best of the Best," is as young and exciting as are his long lists of musical accomplishments and innovations, inspiring. Here, briefly, is his story... the story of a man, his love of music, and his famous Pennsylvanians.

It all began on June 9, 1900, in Tyrone, Pennsylvania, when Frederic Malcolm Waring was born, and from his first stage appearance, at age five, to becoming leader of the Boy Scout Drum Corp in his home town of Tyrone, Fred Waring has been making music. As a teenager, he and Freddie Luck joined the "Waring-McClintock Snap Orchestra," composed of Fred's younger brother, Tom, and his partner/drummer (still touring with the show), Poley McClintock. The quartet grew ... became "Waring's Banjo Orchestra," and toured colleges ... playing fraternity parties, proms and local dances.

Word spread that an exciting new band was available. They sang together! (an innovation at the time), and played everything faster than anyone else!

As engagements came pouring in, Fred, who was booking and managing the band while studying architecture at Penn State, put aside his pursuit of a degree and became leader of the band. In the twenties the name "Fred Waring's Pennsylvanians" was officially adopted. The band continued playing the top colleges and toured the B. F. Keith, Comerford, and Orpheum Vaudeville Houses and played the Loews and Paramount Movie Theatres for weeks at a time. The Pennsylvanians became the rage in Hollywood, starring in the first musical motion picture, Syncopation. They were featured in the first "talkie" shorts and starred in their own musicals; Hello Yourself, Rah Rah Daze—a Cole Porter Show in Paris, and in Cole Porter's The New Yorkers!

In the thirties Fred Waring's Pennsylvanians, as a 55 piece jazz orchestra, scored one of their greatest theatrical successes with an un-precedented six month run at New York's famous Roxy Theatre. They auditioned for, and won, the feature slot on a weekly old Gold Radio Show. This was the beginning of live musical spectaculars on network radio.

Waring's Pleasure Time programs for Chesterfield and General Electric Concerts are remembered still as classic chapters in the history of broadcasting. During World War II the Pennsylvanians added, to their daily radio show, a steady stream of appearances at war bond rallies, their own New York Canteen, Army camps and Naval training stations. They were available at any time for any worthy cause.

With the lifting of travel restrictions at the war's end, Fred's aggregation hit the road for their first concert tour in ten years. They drew tremendous crowds, and via "remotes" the Pennsylvanians were still being heard coast to coast on radio. April, 1949, was the start of the Pennsylvanians' TV performances when Fred Waring introduced "spectaculars" for General Electric.

During the summer of 1957, he made time for a series on CBS. Fred Waring has been a pioneer in the recording industry ever since his first record audition in the early 1920's for Thomas Edison. His Pennsylvanians' many recording "firsts" include the first "vocal dance recordings" and the first electronic recording. The group has recorded over 1.500 songs and put together over 100 albums. To share his wealth of choral arranements, he established the Shawnee Press Music Publishing Co., and to foster better singing, he

organized the Fred Waring Choral Music Workshop in 1946.

Today, he teaches many classes while personally supervising this Workshop and its staff of "working show business professionals." The Fred Waring Choral Music Workshop is now held each summer on the campus of East Stroudsburg State College, East Stroudsburg, Pennsylvania. For the third consecutive summer, all of the "Young Pennsylvanians" were featured at E.S.C. as Artists-in-Residence.

Music is not the sole interest in the life of this dynamic man. He is married to the lovely, former concert planist, Virginia Morley, and has five children, 14 grandchildren, and two great grandchildren. With his early background in architecture and engineering at Penn State, Fred became the developer of the famous Waring Blendor and the instant steam iron. His favorite sport is golf, and he plays almost daily . . . still able to break his age—79.

During the 1960's and 70's, Fred Waring has become known as the "King of the Road". touring some 40,000 miles every year, mostly by bus. He believes that there is "no substitute for live entertainment." His musical innovations are countless, having recently added the contemporary sounds of the "Today's Pennsylvanians Group" and the close harmony and blend of the "Waring Blendors Group" to the road show. His young, talent discoveries are always the 'cream of the crop". His remaining six veteran performers (called the "VFW'S" Veterans of Fred Waring Shows) are an inspiration to audiences everywhere. Their service to the Pennsylvanians adds up to 284 years.

On June 9, 1977 (Mr. Waring's 77th birthday), Governor Shapp, of Pennsylvania, saluted and paid tribute to "Pennsylvania's Music Man" by proclaiming "Fred Waring Day" throughout the Commonwealth of Pennsylvania. On March 15, 1978, Fred Waring received several awards marking the Pennsylvanians 63rd anniversary in show business by chapters of the American Choral Director's Association and the Music Educator's National Conference. One was suitably inscribed, "He Taught America How to Sing."

On March 15, 1979, Fred Waring began his 64th year in the entertainment business, and on June 1, 1979, Maestro Waring was named "America's Singing Master" by the Association of Professional Vocal Ensembles. On August 19, 1979, The Fred Waring Show, More About Love, was video-taped by the Public Broadcasting Service before a special audience in Hershey, Pennsylvania. The telecast is slated for national re-broadcast in December of 1979 on PBS.

• Mr. SPECTER. Mr. President, I rise today to join my colleague from the State of Pennsylvania, Senator Heinz, in honoring a popular and influential musician from our State, Fred Waring. Mr. Waring is receiving the Congressional Gold Medal for his extraordinary work as a composer, musical director, and educator over the past 50 years. The presentation of the Congressional Gold Medal exemplifies our Nation's recognition for the unique and enduring commitment to quality that Fred Waring has expressed throughout his long and rewarding career.

Like the sound from a finely tuned engine, Fred Waring's superb compositions and musicianship have set a standard of excellence which millions have enjoyed through the tens of thousands of miles traveled by this popularly appointed "King of the Road." From Mr. Waring and his dance band "The Penn-

sylvanians" appearance in Hollywood's first musical motion picture, "Syncopation," back in the 1920's to the Waring Choral Music Workshop at Pennsylvania State University campus started some 34 years ago, America has enjoyed this treasured national resource.

I am pleased to join my fellow colleagues of the Pennsylvania congressional delegation in honoring Mr. Waring with the Congressional Gold Medal on "Pennsylvania Day 1981"

"Pennsylvania Day 1981."

Mr. RIEGLE. Mr. President, today the Senate is considering an issue that is close to my heart, and to the hearts of all my constituents. The concept of a special honor for Joe Louis has been widely supported, as evidenced by the rapid consideration that the legislation received from the Banking Committee.

The professional boxing record for Joe Louis is impressive, and no one has yet challenged his unbroken reign as the heavyweight champion of the world. Joe Louis was more than a boxing champion, for he wore the crown during a troubled period in the world's history. His fights frequently took on political aspects, and the boost that he gave to our country's morale after defeating Max Schmeling in 1938 was enormous.

His life was full of victories, and the symbol that he created served to inspire millions of people around the world. He epitomized the struggle of the man who rises from destitute surroundings, in a world full of obstacles and barriers to any form of achievement, and gains the height of success. Yet, Joe Lou's never lost his feel for the common man, and he joined the ranks of millions during World War II to aid in our common struggle for peace in the world.

Mr. President, this medal is but a small token of our thanks and appreciation to a man who gave this Nation so very much. The excitement, thrill, joy, and hope that he gave to America are treasured by us all in our own ways, and this medal will continue that symbol for generations to come. I want to thank the distinguished chairman of the Senate Banking Committee for his assistance with this bill, and I urge that the Congress take quick action to insure its passage.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read the third time.

The joint resolution was read a third

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass?

So the joint resolution (H.J. Res. 223) was passed.

The title was amended so as to read: Joint resolution to provide for the awarding of special gold medals to Fred Waring, Louis L'Amour, and Mrs. Joe Louis.

ORDERS FOR TUESDAY

ORDER FOR RECESS UNTIL 10 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 a.m. on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Mr. President, I ask unanimous consent that, after the recognition of the two leaders under the standing order, the Senator from Missouri (Mr. Eagleton) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. BAKER. Mr. President, after the Senator from Missouri (Mr. Eagleton) has been recognized, I ask unanimous consent that the Senator from Texas (Mr. Bentsen) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without

objection, it is so ordered.

Mr. BAKER. Mr. President, after the Senator from Texas (Mr. Bentsen) has been recognized, I ask unanimous consent that the Senator from South Carolina (Mr. Hollings) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I now ask that following on after the recognition of these three Senators designated for special orders on tomorrow, there be a brief period for the transaction of routine morning business to extend not more than 5 minutes in length, during which Senators may speak for not more than 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF S. 884

Mr. BAKER. Mr. President, I ask unanimous consent that, at the hour of 11:15 a.m. tomorrow, the Senate resume consideration of the farm bill, S. 884.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, tomorrow the Senate will convene at 10 a.m. After the recognition of the two leaders under the standing order, there will be three special orders, one each in favor of the Senator from Missouri (Mr. Eagleton), the Senator from Texas (Mr. Bentsen), and the Senator from South Carolina (Mr. Hollings).

After the recognition of these three Senators under the special orders thus provided for there will be a brief period for the transaction of routine morning business.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I inquire of the distinguished acting minority leader if there are other matters that he wishes to call to the attention of the Senate today. I have no further business on this side.

Mr. CRANSTON. We have no further business.

Mr. BAKER. I thank the Senator.

In view of that, I move that the Senate, under the order previously entered, stand in recess until 10 a.m. tomorrow.

The motion was agreed to, and, at 6 p.m., the Senate recessed until Tuesday, September 15, 1981, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate September 14, 1981:

DEPARTMENT OF DEFENSE

John S. Herrington, of California, to be an Assistant Secretary of the Navy, vice Joseph A. Doyle.

DEPARTMENT OF TRANSPORTATION

Harold E. Shear, of Connecticut, to be Administrator of the Maritime Administration (new position).

U.S. POSTAL SERVICE

Frederic V. Malek, of Virginia, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1989, vice Wallace Nathaniel Hyde.

U.S. ADVISORY COMMISSION ON PUBLIC

Tom C. Korologos, of Virginia, to be a Member of the U.S. Advisory Commission on Public Diplomacy for a term expiring July 1, 1984, vice John Hope Franklin, term expired.

DEPARTMENT OF STATE

The following-named persons in the Departments of State, Agriculture and Commerce, Agency for International Development and International Communication Agency, for appointment as Career Members of the Senior Foreign Service as indicated, in accordance with sections 2103 and 2105 of Public Law 96-465, approved October 17, 1980:

For appointment as Career Members of the Senior Foreign Service of the United States of America, class of Career Minister:

Morton I. Abramowitz, of Massachusetts.
O. Rudolph Aggrey, of the District of

Alfred Leroy Atherton, Jr., of Florida. Harry George Barnes, Jr., of Maryland. William Tapley Bennett, Jr., of Georgia. Richard Joseph Bloomfield, of Maine. Walter Leon Cutler, of Maryland. Nathaniel Davis, of New Jersey. John Gunther Dean, of New York Lawrence S. Eagleburger, of Florida. Thomas O. Enders, of Connecticut. Arthur Adair Hartman, of New Jersey. Deane R. Hinton, of Illinois. Arthur W. Hummel, Jr., of Maryland Roger Kirk, of the District of Columbia. Stephen Low, of Colorado. William Henry Luers, of Illinois. Edward E. Masters, of Ohio. Robert J. McCloskey, of Maryland. Richard W. Murphy, of Maryland. Robert Bigger Oakley, of Louisiana. Thomas R. Pickering, of New Jersey. Robert Marion Sayre, of Virginia Harry Walter Shlaudeman, of California. James W. Spain, of California. Ronald I. Spiers, of Vermont. Walter J. Stoessel, Jr., of the District of

Terence A. Todman, of Virgin Islands. Nicholas A. Veliotes, of California. George Southall Vest, of Maryland. Richard David Vine, of California. For appointment, as Career Members.

Richard David Vine, of California.

For appointment as Career Members of the Senior Foreign Service of the United States of America, class of Minister-Counsider.

Anthony C. Albrecht, of Maryland. J. Bruce Amstutz, of Virginia. Robert Anderson, of the District of Colum-

George Roberts Andrews, of Tennessee. Nicholas G. Andrews, of Maryland. Julio J. Arias, of Arizona. Terrell E. Arnold, of California. Diego C. Asencio, of Florida. John Alexander Baker, of Connecticut. Robert E. Barbour, of Tennessee. Malcolm R. Barnebey, of Texas. William G. Barraclough, of Virginia. Robert L. Barry, of New Hampshire. Maurice Darrow Bean, of California. Robert Mann Beaudry, of Maine. S. Morey Bell, of Maryland. Earl W. Bellinger, of Florida. Natale H. Bellocchi, of New York. Richard Elliot Benedick, of California. Harry E. Bergold, Jr., of Florida. David Anderson Betts, of California James Keough Bishop, of New York. Robert R. Blackburn, Jr., of California. Melville E. Blake, Jr., of Mississippi. John Blane, of Illinois. J. Donald Blevins, of Florida. Archer K. Blood, of Maryland.

Justin L. Bloom, of the District of Colum-

Richard Wood Boehm, of the District of Columbia.

Michael Philip Boerner, of Maryland.
Charles Arthur Borg, of New York.
Thomas D. Boyatt, of Ohio.
Robert Allyn Brand, of Connecticut.
Charles W. Bray III, of Maryland.
Marshall Brement, of Arizona.
Peter Scott Briggs, of Louisiana.
Everett Ellis Bridges, of Maine.
John Andrew Brogan III, of the District of Columbia.

Carroll Brown, of Virginia.
Frederick Z. Brown, of the District of Columbia.

Robert Lyle Brown, of Virginia. William Andreas Brown, of New Hampshire.

Robert R. Brungart, of Florida.
John Richard Burke, of Virginia.
John A. Bushnell, of Connecticut.
Patricia Mary Byrne, of Ohio.
Paul J. Byrnes, of the District of Colum-

Harry Amory Cahill, of Virginia.
Michael Calingaert, of New York.
Frederic L. Chapin, of New Jersey.
Maxwell Chaplin, of California.
Christian Addison Chapman, of the District of Columbia.

Herman J Cohen, of New York.

John Condayan, of Virginia.
Peter Dalton Constable, of New York.
Goodwin Cooke, of Connecticut.
Carleton S. Coon, Jr., of New Hampshire.
John J. Crowley, Jr., of West Virginia.
Allen Clayton Davis, of Tennessee.
John B. Davis, Jr., of California.
Jonathan Dean, of Virginia.
Willard A. De Pree, of Michigan.
John Wainwright DeWitt, of Florida.
Francois M. Dickman, of Wyoming.
Robert Sherwood Dillon, of Virginia.
Morris Draper, of the District of Columbia.
Robert W. Drexler, of Maryland.
Robert Werner Duemling, of California.
Thomas John Dunnigan, of Ohio.
William Jennings Dyess, of Alabama.
William I. Eagleton, Jr., of Washington.
Samuel D. Eaton, of the District of Columbia.

John Eaves, of New York.
William Brockway Edmondson, of

Michael Eugene Culver Ely, of New York.
Raymond Charles Ewing, of California.
James Polk Farber, of Florida.
Harvey J. Feldman, of Florida.
John Arthur Ferch, of Ohio.
James Ferrer, Jr., of California.

Rudy V. Fimbres, of California. Charles Conway Flowerree, of Virginia. Arva C. Floyd, Jr., of Maryland. Alan W. Ford, of California. Richard K. Fox, Jr., of Minnesota. Albert Allen Francis, of Oregon. Abraham S. Friedman, of New York. Robert E. Fritts, of Maryland. Robert Holmes Frowick, of Texas. Robert Lloyd Funseth, of Virginia. Fred J. Galanto, of Massachusetts. Paul Fisher Gardner, of Texas. J. L. Gawf, of Oregon. Robert K. German, of Texas. Wever Gim, of Utah. Maynard Wayne Glitman, of Vermont. Raymond Emmanuel Gonzalez, of Cali-

James E. Goodby, of New Hampshire. Brandon H. Grove, Jr., of the District of

William Cowles Hamilton, of Virginia. Holsey Gates Handyside, of Ohio.
Kenneth Oliver Harris, of West Virginia.
William C. Harrop, of New Jersey.
Samuel F. Hart, of Virginia. Renneth Allen Hartung, of California. Roy T. Haverkamp, of Missouri. Lucian Heichler, of Virginia. Gerald Bernard Helman, of Michigan. Brewster R. Hemenway, of New York. Robert Thomas Hennemeyer, of Illinois. George Borman High, of Virginia. John H. Holdridge, of Maryland. Henry Allen Holmes, of Kansas. John William Holmes, of Massachusetts. Hume A. Horan, of New Jersey. Herbert E. Horowitz, of Florida. Robert Bigelow Houghton, of the District of Columbia.

Heyward Isham, of the District of Colum-

George Calvin Jenkins, of Montana. Ernest Barnwell Johnston, of Alabama. Betty-Jane Jones, of the District of Columbia.

William Bowdoin Jones, of California. Lewis D. Junior, of Maryland. Lewis D. Junior, of Maryland.
Herbert Kaiser, of Maryland.
Abraham Katz, of Florida.
Robert V. Keeley, of Florida.
Charles Stuart Kennedy, Jr., of Virginia.
George R. Kenney, of Illinois.
Lowell Charles Kilday, of Virginia.
Barrington King, of Georgia Barrington King, of Georgia. David A. Korn, of Maryland. Milton Kovner, of Maryland. Paul Wesley Kriebel, of Maryland. Sheldon J. Krys, of Maryland. Dennis Kux, of New York. Lowell Bruce Laingen, of Maryland. Denis Lamb, of Virginia. Robert E. Lamb, of Georgia. George W. Landau, of Maryland. Peter W. Lande, of New Jersey. George Mirick Lane, of Massachusetts. Lyle Franklin Lane, of Washington. Clint A. Lauderdale, of California. Loren E. Lawrence, of Maryland. John Charles Leary, of Virginia. Stephen J. Ledogar, of Connecticut.

Nelson C. Ledos'y, of Maryland.

Wolfgang J. Lehmann, of Maryland.

Donald Charles Leidel, of the District of Columbia

Burton Levin, of Maryland. Ralph Emil Lindstrom, of New Jersey. John Andrew Linehan, of Maryland. James Gordon Lowenstein, of the District of Columbia.

Alan W. Lukens, of Pennsylvania, Samuel Eldred Lupo, of California. Stephen R. Lyne, of Maryland. Frank E. Maestrone, of Connecticut. Gifford Dumas Malone, of Virginia. Robert John Martens, of Maryland. Richard Cavins Matheron. of California. Jack Foust Matlock, Jr., of Florida. H. Freeman Matthews, Jr., of Maryland. Vernon D. McAninch, of Texas.

John Warlick McDonald, Jr., of Virginia. Ruth Ann McLendon, of Texas. Francis J. McNeil, of Florida. Frazier Meade, of the District of Columbia. Francis J. Meehan, of the District of Columbia. Harry R. Melone, of the District of Co-

lumbia. Robert Hopkins Miller, of Washington.
Robert Marden Miller, of California.
Hawthorne Quinn Mills of California.
Jay P. Moffat, of New Hampshire.
John C. Monjo, of Maryland. Richard Bartlett Moon, of Connecticut. Robert W. Moore, of Virginia. James B. Moran, of Virginia. William D. Morgan, of Virginia. Robert J. Morris, of Iowa. Leo John Moser, of California. John Dimitri Negroponte, of New York. Harvey Frans Nelson, Jr., of California. James Clifford Nelson, of Illinois. Michael Holt Newlin, of Maryland. Daniel A. O'Donohue, of Virginia. Herbert Stuart Okun, of Maryland.

Arthur J. Olsen, of the District of Colum-

bia. Frank V. Ortiz, Jr., of New Mexico. Robert P. Paganelli, of New York. Ronald DeWayne Palmer, of Maryland. Stephen E. Palmer, Jr., of California. Edward L. Peck, of California. Frank H. Perez, of Virgina. Raymond L. Perkins, of Virginia. Jack Richard Perry, of Georgia. Donald K. Petterson, of California. Lawrence Anthony Pezzullo, of California.
William Piez, of Virginia.
Larry Gordon Piper, of Texas.
James A. Placke, of Nebraska.
Nicholas Platt, of the District of Columbia. Sol Polansky, of California. Richard Saint Francis Post, of Connecticut. Henry Precht, of Maryland. Henry Frech, of Maryland.

Ernest Henry Preeg, of Virginia.

Anthony C. E. Quainton, of Washington.

Nancy Vivian Rawls, of Florida.

Francis X. Ready, of Virginia.

Robert G. Rich, Jr., of Florida. Rozanne L. Ridgway, of the District of Columbia

Lloyd M. Rives, of Rhode Island. George B. Roberts, of Pennsylvania. Stephen Hitchcock Rogers, of Virginia.
Gerald A. Rosen, of New York.
James D. Rosenthal, of California.
John Hall Rouse, of Virginia.
Edward Morgan Rowell, of California. Claus W. Ruser, of Maryland.
Robert J. Ryan, Jr., of Maryland.
Paul Sadler, of Tennessee.
Richard T. Salazar, of Virginia.
William Cooper Salmon, of Virginia. John Douglas Scanlan, of Hawaii. Howard Bruner Schaffer, of New York. Carl W. Schmidt, of New Jersey. David Taylor Schneider, of Florida. Peter Sebastian, of Maryland. Albert L. Seligmann, of Virginia William Courtney Sherman, of Virginia. Thomas P. Shoesmith, of Pennsylvania. David E. Simcox, of Kentucky Kenneth N. Skoug, Jr., of Virginia.
Frederick Smith, Jr., of Virginia.
Walter Burges Smith II, of Rhode Island.
Michael Brackett Smith, of Maryland. Richard J. Smith, of Virginia. Thomas W. M. Smith, of Maine. Roger A. Sorenson, of Utah. Christopher A. Squire, of Maryland. Monteagle Stearns, of California. Andrew L. Steigman, of Maryland. Michael Edmund Sterner, of New York. Edward J. Streator, of New York.

Jack A. Sulser, of Virginia.

Peter Tarnoff, of New York.

Harry E. T. Thayer, of the District of Columbia.

Herbert B. Thompson, of California. Arthur T. Tienken, of Virginia.

Donald R. Toussaint, of California. Frank M. Tucker, Jr., of Maryland. James Lewis Tull, of Iowa. Joseph Wright Twinam, of Virginia. Marten Herman Alexander Van Heuven, of Connecticut.

Richard Noyes Viets, of Vermont. Julius Waring Walker, Jr., of Texas. Lannon Walker, of California. E. Allan Wendt, of California. Rosert H. Wenzel, of Maryland. James William White, of Florida Charles R. Wilds, of Texas.
William Mohrmann Woessner, of Virginia. William Down Wolle, of Iowa Parker Drummond Wyman, of Maryland. Charles Thomas York, of Maryland. Warren Zimmermann, of Virginia.
For appointment as Career members of

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John H. Baker, of Massachusetts.

John L. Beahler, M.D., of Texas.

William B. Brown, M.D., of Virginia. Eben Howard Dustin, M.D., of New Hampshire.

Edward Etzel, of California. David Arthur Hungerford, M.D., of California.

Deane Lawrence Hutchins, M.D., of Vir-

Jerome Michael Korcak, M.D., of Virginia. Austin L. Moede, M.D., of Washington. Frank L. Pettinga, of Michigan. Stuart C. Scheer, of New York. Jonathan Dayton Stoddart, of Virginia. Sam Zweifel, M.D., of Kansas

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Alfonso Arenales, of Maryland. Merie E. Arp, of Maryland. James Howe Bahti, of Virginia. George M. Barbis, of California. Henry Bardach, of Maryland. Richard Clark Barkley, of Michigan. Robert South Barrett IV, of Florida. Adrian A. Basora, of New Hampshire. Alf E. Bergesen, of the District of Columbia.

Alan D. Berlind, of New York.
Gordon Robert Beyer, of Florida.
Jack Robert Binns, of Washington.
John Dale Blacken, of Washington.
Robert D. Blackwill, of Maryland. Felix S. Bloch, of North Carolina. William Bodde, Jr., of Maryland. Parker W. Borg, of the District of Columbia.

Donald J. Bouchard, of Maine.
A. Donald Bramante, of New York.
M. Lyall Breckon, or Oregon. L. Paul Bremer III, of Connecticut. James Ethelbert Briggs, of North Carolina. Kenneth Lee Brown, of California. Harvey Alexander Buffalo, Jr., of Virginia. Pierce Kendall Bullen, of Florida. James Richard Bullington, of Tennessee. James Richard Bullington, of Tennessee.
Garrett C. Burke, of Washington.
Pratt Byrd, of the District of Columbia.
Paul Francis Canney, of Massachusetts.
Thomas J. Carolan, Jr., of Maryland.
Walter Leon Carter, of California.
Glenn R. Cella, of Florida.
James Richard Cheek, of Arkansas.
William Clark, Jr., of the District of Coimbia. iumbia.

Paul Matthews Cleveland, of Virginia. John R. Clingerman, of Michigan. Wat T. Cluverius IV, of Maryland. Harry L. Coburn, of New York.

Robert Deville Collins, of California.

Elinor Greer Constable, of New York.

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Jane Abell Coon, of New Hampshire.

Edwin Gharst Corr, of Oklahoma.

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Trusten Frank Crigler, of Arizona.

Carl Copeland Cundiff, of Nevada.

William Joseph Cunningham, of Maryland.

Francis De Tarr, of California.

Robert Grant Deason, of California.

Edmund DeJarnette, of Virginia.

Walter A. Diamanti, of Utah.

Carl Edward Dillery, of Washington.

Jerrold Mark Dion, of Washington.

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Leonardo Neher, of Florida.
Daniel Oliver Newberry, of Maryland.
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Joseph Edward O'Mahony, of Maryland.
Nancy Ostrander, of Indiana.
Richard B. Owen, of Maryland.
Robie Marcus Hooker Palmer, of Vermont.
Theodore Papendorp, of New Jersey.
Edmund Morris Parsons, of Texas.
Edward Joseph Perkins, of California.
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Leo J. Reddy, of South Carolina.
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Woodward Romine, of Indiana.
Fernando Enrique Rondon, of Virginia.
William Frederick Rope, of New York.
J. Stapleton Roy, of Pennsylvania.
Charles Evan Rushing, of Illinois.
Lawrence Davis Russell, of Florida.
Irving L. Sanders, of Washington.
M. Virginia Schafer, of Washington.
Teresita Currie Schaffer, of New York.
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Roger C. Schrader, of Arizona.
Richard C. Scissors, of Missouri.
Peter Semier, of New York.
Robert Anton Senser, of California.
Robert E. Service, of California.
Arthur Perry Shankle, Jr., of Maryland.
George Belford Sherry, of Virgin Islands.
William T. Shinn, Jr., of Maryland.
Pierre Shostal, of the District of Columbia.
John Page Shumate, Jr., of California.
Walter John Silva, of Texas.
Thomas W. Simons, Jr., of the District of Columbia.

Meivin E. Sinn, of New Jersey.
Dudley G. Sipprelle, of California.
Jack M. Smith, Jr., of Virginia.
N. Shaw Smith, of Virginia.
Wayne Sanford Smith, of California.
Peter Solmssen, of Pennsylvania.
Peter Spicer, of Virginia.
Walter Edward Stadtler, of New York.
Paul K. Stahnke, of Illinois.
Franklyn E. Stevens, of California.
Charles R. Stout, of California.
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James Stromayer, of Virginia.
Roscoe S. Suddarth, of Maryland.
William Lacy Swing, of North Carolina.
Clyde Donald Taylor, of Maine.
John J. Taylor, of Tennessee.
Paul D. Taylor, of New York.
Thomas Elkin Taylor, of Georgia.
Charles H. Thomas II, of New Hampshire.
William W. Thomas, Jr., of the District of Columbia.

Donald C. Tice, of Kansas.
John H. Trattner, of Maryland.
Frank G. Trinka, Jr., of Florida.
Blaine C. Tueller, of Utah.
Thomas Talaat Turqman, of Virginia.
George F. Twohie, of Virginia.
Jan B. Verschuur, of Colorado.
Harold E. Vickers, of Massachusetts.
Sandra Louise Vogelgesang, of Ohio.
James Rodney Wachob, of Maryland.
Byron Paul Walker, of California.
Howard Kent Walker, of New Jersey.
W. Robert Warne, of Virginia.
John A. Warnock III, of California.
Robert E. Waska, Sr., of Texas.
Alexander Fletcher Watson, of Massachuetts.

setts.

Martin A. Wenick, of Florida.

A. Wendell Whiting, of Virginia.

William B. Whitman, of Florida.

Frontis Burbank Wiggins, of Virginia.

Robert Howard Wilcox, of Massachusetts.

Albert Norman Williams, of Florida.

Richard H. Williams, of Utah.

Richard Llewellyn Williams, of Pennsylvania.

Larry Charles Williamson, of California.
Joseph A. B. Winder, of Maryland.
Frank George Wisner II, of the District of Columbia.

Arthur Hamilton Woodruff, of Florida.
Donald Robert Woodward, of California.
Roderick McGirr Wright, of California.
John J. Youle, of Virginia.
Dan A. Zachary, of Illinois.
David Eugene Zweifel, of Colorado.
For appointment as Career Members of the lenior Foreign Service, class of Counselor.

Senior Foreign Service, class of Counselor, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:
William H Armor of Florida

William H. Armor, of Florida. Caesar Pimentel Bernal, of Texas. John Edward Berry, M.D., of Illinois.

Leigh Marvin Brilliant, of California Leigh Marvin Brilliant, of California.
Leo J. Falk, of Virginia.
Donovan G. Fischer, of Texas.
David L. B. Fringer, M.D., of Maryland.
Frank M. Fulgham, of Maryland.
Paul Alan Goff, M.D., of Washington. Philip Wright Hemily, of Florida. Frank V. Keary, of Florida. George J. Krieger, Jr., of Florida. Glenn E. Mathias, of Florida. Clifton G. Metzner, Jr., of Maryland. Robert Gemmill Morris, of Virginia. Maclyn H. Musser, of the District of Columbia.

James Sidney Reed, of Kansas. James Sidney Reed, of Kansas.
Terence Shea, of Virginia.
Robert A. Stella, of California.
Theodore H. Vea, of Virginia.
Emil Von Arx I.I., M.D., of New Hampshire. Thomas Vrebalovich, of California. La Rae Herring Washington, M.D., of Maryland.

Arnold R. Weber, M.D., of California. Henry Wilde, M.D., of Alaska. George R. Younts, of Virginia.

DEPARTMENT OF AGRICULTURE

For appointment as a Career Member of the Senior Foreign Service, class of Career Minister, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America: Richard A. Smith, of Maryland.

For appointment as Career Members of the Senior Foreign Service, class of Minister-Counselor, Consular Officers, and Secretaries in the Diplomatic Service of the United

States of America:

George J. Dietz, of Illinois. Clancy V. Jean, of Virginia. Brice K. Meeker, of Virginia. John E. Montel, of Maryland. Edmund L. Nichols, of Texas.
Turner L. Oyloe, of Virginia.
Wayne W. Sharp, of Texas.
Larry F. Thomasson, of Virginia.
Alan W. Trick, of Texas.

For appointment as Career Members of the Senior Foreign Service, class of Counselor, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

merica: Rolland E. Anderson, Jr., of Virginia. Dale B. Douglas, of Washington. Glenn R. Samson, of Virginia. Dudley G. Williams, of Virginia.

DEPARTMENT OF COMMERCE For appointment as Career Members of the Senior Foreign Service of the United States of America, class of Minister-Counselor:

Calvin C. Berlin, of Ohio. Erland H. Heginbotham, of Maryland. For appointment as Career Members of the Senior Foreign Service of the United States

of America, class of Counselor: Joseph F. Christiano, of New York. Stanley Paul Harris, of Maine.

AGENCY FOR INTERNATIONAL DEVELOPMENT

For appointment as a Career Member of the Senior Foreign Service of the United States of America, class of Minister-Coun-

Donor M. Lion, of Virginia.

For appointment as Career Members of the Senior Foreign Service, class of Minister-Counselor, Consular Officers, and Secretaries in the Diplomatic Service of the United

States of America:
Peter W. Askin, of Virginia.
Chester S. Bell, Jr., of the District of Columbia.

Edna A. Boorady, of the District of Columbia.

Donald S. Brown, of Maryland. Charles Clifford Christian, of Virginia. Irvin D. Coker, of Maryland. Edward William Coy, of California. Donald R. Flester, of California. Donald Finberg, of California. Remo Ray Garufi, of New Jersey.

William Fiske Gelabert, of the District of

Columbia.
Arthur M. Handly, of Virginia. Lawrence Eliiot Harrison, of Florida. John Allen Hoskins, of Ohio. Kenneth Mark Kauffman, of California. Frank Bennett Kimball, of New Mexico. David Lazar, of Maryland. Sarah Jane Littlefield, of California. Howard D. Lusk, of Virginia. Princeton Nathan Lyman, of Maryland.
William H. Naylor, Jr., of California.
William Haven North, of Maryland.
John Roy Oleson, of Maryland.
Gordon K. Pierson, of Washington. Richard Lee Podol, of California. Frederick William Schieck, of California. Philip Russell Scwab, of Minnesota. David Shear, of Virginia. Franklin Randolph Stewart, of Virginia. Norman Leland Sweet, of Virginia. Joseph C. Wheeler, of Virginia. William Baron Wheeler, of Virginia.

David McLean Wilson, of Pennsylvania.

Leonard Yaeger, of the District of Columbia.

For appointment as Career Members of the Senior Foreign Service, class of Counsel-or, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Richmond Allen, of Virginia.

Donald Everett Anderson, of Virginia.

Ricardo (Dick) F. Apodaca, Jr., of New Mexico.

Russel Edward Aulik, of Texas William David Bair, of Virginia. Thomas Hampton Ball, of California. Dennis P. Barrett, of Washington. William B. Berg, of Minnesota. Rob L. Berrett, of Idaho. Alfred Bisset, of Florida. Arthur Bjorlykke, Jr., of Maryland. George T. Bliss. of Virginia. Walter George Bollinger, of Pennsylvania. James R. Brady, of Virginia.

Frank W. Brecher, of New York.

Dennis Joseph Brennan, of Kentucky. Albert L. (Scaff) Prown of Virginia.
Dallas F. Brown, of Virginia.
Charles A. Buchanan, Jr., of Maryland.
Robert A. Cahn. of Virginia. Edwin D. Callahan, of Virginia. Anthony J. Cauterucci, of Virginia. Robert Keith Clark, of Virginia. John Rennel Clyne, of Virginia. Louis Alexander Cohen, of Indiana. Julius Earl Coles, of Georgia. Frank D. Correl, of New York. Lawrence T. Cowper, of California. Robert Verlin Craig. Sr., of South Carolina. Ray D. Cramer, of Virginia.

Owen Cylke, of Maryland.

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George L. De Marco. of Virginia. Rolland J. Deschambault, of Florida. Bernard E. Donnelly, of the District of Columbia. Mary Aloyse Dovle, of New Jersey.

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Gerald Francis Gower, of Virginia. Abraham Grayson, of Connecticut.
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Edgar C. Harrell, of Maryland. Nassib Hemaidan, of California. Aloert E. Henn, M.D., of Connecticut. Allison Butler Herrick, of the District of Columbia

James Eugene Hill, of Illinois. Harian Haines Hobgood, of Virginia. Lane Ellis Holdcroft, of Washington. Richard Lee Hough, of Maryland. Robert G. Huesmann, of Maryland. Clark Joel, of Florida. Charles Neal Johnson, of Virginia. Dwight B. Johnson, of Maryland. Henry P. Johnson, of Maine. Jay Preston Johnson, of California. Thomas Elliott Johnson, of Florida. Lenni William Kangas, of California. Marion L. Kellogg, of Arizona. James M. Kelly, of the District of Columbia.

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Anthony Robert Lanza, of Virginia. William S. Lefes, of Virginia.
Ronald Dennis Levin, of Florida.
David Levintow, of Pennsylvania.
Irwin A. Levy, of New York.
Alexander Ray Love, of California.
Harold Lubell of California. Harold Lubell, of California. Archibald Gordon MacArthur, of Virginia. Donald W. MacCorquodale, of the District

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Paul A. Montavon, of Indiana.
Eugene William Moore, of Virginia. Ted D. Morse, of California. Thomas A. Moser, of Maryland. Stafford King Mousky, of New York. Arthur Mudge, of New Hampshire. Thomas A. Muntsinger, of Florida. Edward J. Nadeau, of Oregon. Stanley R. Nevin, of Texas. James A. Norris, of California. Kevin F. O'Donnell, of New York. William D. Oldham, M.D., of Virginia. David S. Olinger, of Florida. Dallas Delmayne Ostergaard, of Florida. William Edwin Paupe, of Maryland. Robert Conrad Pavette, of California. Thomas Andrew Pearson, of Tennessee. Harry Joseph Petrequin, Jr., of Missouri. Jimmy Othel Philpott, of California. James R. Phippard, of Arizona. Charles Hooper Reed, of Nevada. Donald W. Reilly, of Illinois.
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Kenneth H. Sherper, of Virginia.
Barry Sidman, of Virginia.
Louis Gaylor Sleeper, of New Mexico.
F. William Small, of Virginia.
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William Theodore White, Jr. of Virginia.
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Floyd James Williams, of Virginia.
Ernest Wilson, of Illinois.
Warren Wolff, of the District of Columbia.
International Communication Agency

For appointment as Career Members of the Senior Foreign Service of the United States of America, class of Career Minister: Terrence F. Catherman, of the District of

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John W. Shirley, of Illinois.
Hans N. Tuch, of Maryland.
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Charles E. Courtney, of California.
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William G. Hamilton, Jr., of Maryland.
Mourad William Haratunian, of New Jersey.
Fred D. Hawkins, of the District of Colum-

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Bernard J. Lavin, of Hawaii.
Maurice E. Lee, of Maryland.
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Sally M. Grooms, of Illinois.
Sidney L. Hamolsky, of the District of olumbia.

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Jerry L. Inman, of California.

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Ivan T. Klecka, of Maryland.

Bruce R. Koch, of Pennsylvania,

Walter A. Kohl, of Washington.

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Leonard L. Lefkow, of Washington.

Leslie M. Lisle, of Maryland.

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Echart C. McLaughlin of Virginia

Robert C. McLaughlin, of Virginia.
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Richard D. Moore, of Virginia,
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Yale Newman, of the District of Columbia.
Patrick E. Nieburg, of Virginia.
Lynn H. Noah, of Pennsylvania.
Edgar E Noel, of the District of Columbia.
Flemming E. Nyrop, of Virginia.
Kent D. Obse, of Idaho.
Warren J. Obluck, of California.
Edwin C. Pancoast, of California.
Edwin C. Pancoast, of California.
Lewis W. Pate, of Nebraska.
Edward T. Penney, of Virginia.
Alvin Perlman, of New York.
James Perrin, of Florida.
Phelon D. Peters, of California.
Robert A. Powers, of Virginia.
Eugene Frederick Quinn, of Connecticut.
Paul J. Rappaport, of North Carolina.
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Marlin W. Remick, of Virginia.
Robert A. Riccio, of California.

Columbia.

Robert A. Rockweiler, of New Mexico.
Gunther K. Rosinus, of Indiana.
Christopher W. S. Ross, of California.
Lois W Roth, of New Jersey.
Deidre Mead Ryan, of Connecticut.
John C. Scafe, of Kansas.
Edward H. Schulick, of New Jersey.
Frank W. Scotton, of Virginia.
Christopher L. Sholes, of Maine.
Norris P. Smith, of California.
Bart N. Stephens, of Virginia.
G. Scott Sugden, of Florida.
Marie Louise Telich, of California.
Irwin K. Teven, of Maryland.
William F. Thompson, of Minnesota.
Richard E. Undeland, of California.
Jaroslav J. Verner, of Minnesota.
Robert B. Warner, of Michigan.
Walter P. White, Jr., of Alabama.
George Edwin Wishon, of California.
Robert J. Wozniak, of Florida.

For appointment as Career Members of the Senior Foreign Service, class of Counselor, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Richard J. Ballard, of Maryland.
Daniel Brown, of Texas.
Julia M. Burks, of Maryland.
James Malcolm Copal, of Florida.
Edwin L. Davis, of Florida.
Edwin L. Davis, of Florida.
Stanley M. Engeberg, of Maryland.
Stephen Bolz Espie, of Florida.
Saul S. Gefter, of Florida.
Thomas P. Gratto, of Virginia.
Eugene C. Harter, Jr., of Ohio.
John J. Karch, of New Jersey.
Bruce J. Kreutzer, of California.
Ernest C. Pate, Jr., of North Carolina.
Albert Roland, of Maryland.

EXTENSIONS OF REMARKS

ROSENTHAL APPLAUDS DINE'S ADDRESS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, September 14, 1981

• Mr. ROSENTHAL. Mr. Speaker, there has been some public debate this year about the role of those Americans who, for reasons of cultural, religious, or ethnic ties, have a strong interest in particular areas of American foreign policy. The presence and activity of such lobbies have been a part of American political life since the founding of our country, and today they are vitally involved in the public debate on the policy choices facing the Nation.

A valuable contribution to this debate has been made by Thomas A. Dine, the executive director of the American-Israel Public Affairs Committee. Mr. Dine demonstrates how a special interest group can espouse its chosen cause with dignity, and with responsibility to the Constitution of the United States. It is with great satisfaction that I commend his address to my colleagues.

A CALL TO POLITICAL ACTION

(By Thomas A. Dine, Executive Director, AIPAC to the National Association of Jewish Legislators Meeting, State Senate Chamber, State Capitol, Atlanta, Ga., July 30, 1981)

The Jewish community in the United States is under attack. We are accused of possessing too much power, of having parochial interests and dual loyalties. Some believe that the friends of Israel pressure Congress into making decisions that are contrary to what our critics call the "objective national interest." Our convictions regarding America's moral and strategic necessity in preserving the security of Israel are doubted, as is our premise that the United States and Israel are allies and share common interests.

And the criticism comes from abroad as it does from inside. Just this morning in the Washington Post, George Ball writes, "... Europeans are disturbed that America, having pre-empted Middle East diplomacy, seems disabled by domestic constraints from effectively promoting peace or restraining Israeli adventurism."

Indeed, criticism is aimed at the exercise of our first amendment rights of political association and lobbying. Senator Charles Mathias of Maryland, in the current issue of "Foreign Affairs," has challenged ethnic interest groups in the United States. He denies the sacred historical and philosophical traditions of free association and participation so basic to the European and North American systems.

Alexander De Tocqueville, considered by scholars and politicians alike, after 150 years, to be the best foreign observer of the democratic process in the United States, said in 1832: "In no country in the world, has the principle of association been more successfully used or applied to a greater multitude of objects than in America . . . the right of association appears almost as inalienable as the right of personal liberty. No legislator can attack it without impairing the foundations of society."

Senator Mathias tries to draw a distinction between ethnicity, "which enriches American life," and organized ethnic interest groups, which "sometimes press causes that derogate from the national interest." He argues that ethnic groups cannot conceptualize an objective national interest, and regrets their involvement in political action

Do special interests groups subvert the national interest?

Are ethnic political interests separate and parochial?

The Senator applies arbitrary definitions and qualifications that are but similitudes and shadows of basic democratic ideals. Are ethnic groups only beneficial to society when they display their costumes, traditions, folklore and language, which may be colorful, but should not get in the way? Are ethnic groups like the children of aristocrats that should be seen and not heard?

Ethnic groups are, according to Senator Mathias, not as beneficial when they display "ethnic political activity." He questions the right of political activity that is preceded by the word "ethnic." General political activity is seen in the tradition of De Tocqueville, Mill, and Madison. Black political activity, Greek political activity and Jewish political activity are ipso facto harmful. I believe, however, that political theory so manipulated subverts our creative and unique pluralistic democracy.

All societies contain groups of citizens with specific and diverse interests. Even undemocratic regimes cannot forestall the development of this phenomenon. The Soviet Union's politburo, party apparatus, and government are all subjected to the pressures of special interest groups. But few societies truly resemble ours:

Interest groups ranging from Mobil Oil and ChrisCraft Industries seeking special tax advantages to those promoting the Family Protection Act:

A population constantly being mixed and challenged by relatively recent arrivals to the point that immigration policy is the domestic base determining foreign policy;

Decision making depending on the consensus of hundreds, if not thousands, of special interest groups, dramatically competing within the governmental sphere itself.

But the single most disturbing issue raised by our detractors is the charge of ethnic dual loyalty. The implied contention here is that the Jewish community supports out of a purely emotional zeal, void of any logic or pragmatic political sense, its co-religionists in Israel and the Soviet Union, in opposition to the "objective good" of all Americans. The late Hubert Humphrey answered this allegation in a 1976 speech: "We've heard careless, and I think, reckless things about the powerful Jewish Lobby, the Greek Lobby, the Turkish Lobby, the Baltic States Lobby—you mention it; as if somehow or an-

other, it was against the law in this country to speak up for what you believe in."

Responding to those who cry about dual loyalty and seek to remove certain groups from our democratic midst, I wish to explore three areas:

- The concept of a so-called objective national interest.
- 2. The imperative for individual, and especially group, political participation, and
- 3. The specific importance of ethnic political action.

John Stuart Mill warned against the adoption of a so-called objective national interest which he equated to the "tyranny of the majority." He strongly advised protection "against the tendency of society to impose, by other means than civil penalties, its own ideas and practices as rules of conduct on those who dissent from them."

Who determines, defines, and creates a national interest that is objective? Who possesses the answers? Who knows what's good for the United States? General Motors? Council on Foreign Relations? The oil industry headquartered in Houston? The Trilateral Commission? The Department of State or the Department of Defense? An allwise all-just body of patriotic aristocrats? Contemporary political scientists, elaborating on Mill's theme, warn us of the concept of the "average American." Which group speaks for the average American? What is an average American? Will a group's views of America's national interest be neglected because of the group's size, skin color, religion or country of origin? Can anyone be excluded from the formation of a true national interest? If so, we would be undermining our democracy and cutting ourselves off from an extremely valuable, if not indispensable source of national creativity and sensitivity

As you well know, government is competing factions, each having their own concepts, ideas and motivations. Members of Congress feel a variety of pressures, depending on region, philosophy, experience, committee assignment, that are different from those of the White House, the Departments, or independent agencies. Within the Congress there are subcommittees and caucuses and personal relationships that compete with each other. And there are alliances between parts of one bureaucracy and a congressional subcommittee that often stand up to the political leadership heading an Administration or the Congress. All are interest groups and are affected by competing interest groups. All attempt to influence and shape national policy. These add up to in-house interest groups.

From my own professional experience, I can reaffirm the analytical observations of three generations of noted scholars; Arthur Bentley, David Truman, and Stephen Krasner, that our government is "pluralistic," United States officials debate, formulate, and make decisions: They act and react. Government is not an autonomous actor, appearing on a stage so high above the audience that it is not affected by the applause—or lack thereof. The government—in our case the legislative and executive branches—must play the role of actors immersed in a huge theatre in the round,

where the pulse of the audience guides their movements and forces them to react. There is sharing of ideas and moods; and shared manipulations.

The government is composed of many interests, so whom does it represent? Its motivations and aspirations must not be above a consensus of associations. I reject the notion of national interest that has not been processed by associational interests. The pro-Israel lobby helps define a moral, fair, and representative national interest in the Near East. The American Israel Public Affairs Committee is not just a domestic lobby, it is a professional foreign policy house composed of experts and supported by serious, thoughtful citizens in all 50 states. Is a State Department consensus really an objective national interest just be-

ment structure?
I am not shortchanging the crucial role of government, but the Constitution sets up a framework where associations can contribute to the formation of consensus, which is both responsible and responsive. The government cannot be an island, isolated from the sea of public opinion. To a certain extent, it is an efficient and moral computer integrating the components that make up society, continuously processing inputs and outputs, to the point policy is finally agreed

cause it, as a specific interest group, hap-

pens to be located within the direct govern-

This leads me to my second point. Political awareness and participation, for the individual and the interest group, are not matters of choice. Political activity is survival, and one does not choose to survive-it is a feeling that is levied on us by nature. Political involvement is a societal imperative. It is not only a right, it is an obligation. If we are to survive in an open society, it is imperative we fully take part in the system. Should its foundations crumble from neglect, the freedom that our political structure offers will disappear. If we neglect politics we invalidate politics and we will have no shelter, no defense, when we finally realize that our case must be heard. We have an obligation that transcends singular issues to maintain a strong posture and stature in the political arena. Just as politics may complicate our lives, so will it defend us with its associational and democratic ideals. Strength stems from involvement in the system, with the system, through the system, and for the system.

But how? De Tocqueville witnessed the power of the political structure of the United States in transforming immigrants into exemplary citizens. This phenomenon is due to people participating actively in the government of society, each according to his capabilities, each in his own sphere.

Thucydides aptly and bluntly described the importance of political participation. He noted that "those who are politically apathetic can only survive if they are supported by people who are capable of taking action." The quote continues in an ominous vein: "Those who are politically apathetic are quite valueless in a city which controls an empire, though they would be safe slaves in a city that was controlled by others."

When we advance this obligation, we see just how deeply rooted ethnic interest groups are within American society. Professor Truman makes the point clearly: "Society is nothing other than the complex of the groups that compose it." De Tocqueville called the right of association "the most natural privilege of man." Mill lists this right alongside the liberties of thoughts and pursuits.

So basic is the right to form political interest groups.

So intrinsic is this right.

So incumbent and obligatory is this right. Government operations, says Mill, are all the same. They lack variety; they are boring. Individuals and associations, on the other hand, have "varied experiments and endless diversity of experience." The Government must circulate and diffuse. It must take advantage of these varied experiences. For that reason all foreign policy must be rooted in American soil. Any formation of a true national interest not derived from the sum of society's particularistic and specific societal aims will not receive domestic support and cannot, I submit, be sustained.

What about the point of ethnic political activity? How applicable is it to our community? On one level, a most basic level, often taken for granted, Jews as a group are involved. We care passionately about politics. We have to, for history has taught us the price of apathy. Two thousand years of painful experiences have forced us into round-the-clock political activity. Just contemplate this thought: What if the Jews of the Weimar Republic had been passionate participants in politics 50 years ago, as the six million of the United States are today which this audience demonstrates:

We vote in the highest proportion of any other identifiable group in the United States

We generously contribute our time, energy and money to candidates with whom we can identify.

We are concerned with issues clear across the spectrum.

We are hearty defenders of the process.

We ask questions—and call for policy explanations—of decision makers at the local, state, and federal levels.

We lobby on behalf of policies and programs that intertwine our communal interests with those of the nation.

Gerald Ford, as Vice President, saluted American Jews in 1973, saying that no single group of citizens are more steadfast in standing up for the United States.

These actions are manifestations of what journalist Cynthia Ozick calls our "spectacular citizenship." "This portrait of majority Jewish political behavior," says Ozick, "may seem romanticized to skeptics. Nevertheless it has been true from the start. Idealismthe aspiration to repair an imperfect world-continues to be a vivid impulse in the American Jewish community, and it is buttressed by wide ranging philanthropy." Hubert Humphrey, too, spoke in this same There is nothing new about lobbying on behalf of causes in foreign places.' he said a year before he died. "It's as American as a hot dog or apple pie, spaghetti, gefilte fish or Polish sausage. We are a nation of immigrants, even into our 200th year.'

Are unions, insurance companies, or tobacco groups allowed to lobby, while Jews, Greeks and Poles are to refrain from practicing pluralism? Look at this morning's insider's account in the Atlanta Journal of how the Administration persuaded seven of Georgia's nine Democratic House members to buck their party and, in some cases, "their own best judgment," and vote for the President's tax-cut bill. Businessmen and a White House backing off from a drastic cut in the peanut price support program, it is reported, were used to lobby and bring over wavering Georgians. To emphasize the problem, let me rephrase the questions: Are corporations, trade associations, or country clubs allowed to press their cause to their

representatives while Presbyterians, Baptists, Episcopalians and Jews are arbitrarily excluded from this most basic of rights?

The interests of ethnic political action groups are not antiethical to what is good for Americans at large. Such an attack is nonsense. Jews, the Chrysler Corporation, the National Council of Churches, the Irish, Exxon, various retailers and the real estate industry, whomever, lobby as concerned Americans for other Americans, in order to share their unique insights, knowledge and experience. Let's hear Senator Humphrey again: "It is good for the basic democratic process that people who have convictions about what American policy should be, take time to get their fellow Americans and their public officials to understand what they believe and to urge their support. That's what we mean by free speech in this country."

These groups sensitize the nation as a whole to those concerns about which they feel most acutely. Otherwise they would be less well understood. Sidney Hillman, the labor leader who emigrated to the U.S., once replied to a Senator who questioned his Americanism: "Unlike you, Senator, I chose to be an American." Even Senator Mathias admits that if it were not for lobbying by Black citizens, the United States would be less sensitive to South Africa's racial policies. It is the ethnic interest groups, because of their ties, passions and preoccupations, that sensitize the relevant parts of government. It is the ethnic interest groups that remind U.S. officials of the moral considerations in our foreign policy. Such considerations have always, and will always, differentiate us from our enemies. It is ethnic interest groups that ask the government challenging questions and remind the bureaucracy and politicians of past and future commitments. Can less than 3 percent of the population really force its views on the remaining 97 percent? Nonsense! Our public actions meet the test of the public interest.

AIPAC is an American organization lobbying as an association of concerned American citizens, sharing with the Congress and the Administration our foreign policy concerns:

 That Israel and the United States share a common system of government—representational democracy.

2. That we both attempt to determine policy based on the rule of law and our moral principles.

3. That we share a common biblical heritage.

4. That the United States is committed to support a homeland for the Jewish people.

5. That Israel has proven military capabilities and needs.

6. That Israel is of strategic value to the United States and NATO.

7. That Israel is a stable government.

8. That Israel is a proven and reliable ally. We must not forget that all Americans benefit from the strong and consistently close relationship between Israel and the United States, based on shared values and geopolitics together.

Saudi Arabia is an important Arab country, upon whose oil we depend. But do the Saudis lobby for the good of America's national interest? They are a foreign lobby! They hire foreign agents like Fred Dutton to do their bidding. Their support is not rooted in American soil!

The House of Saud boycotts American businesses that deal with Israel, thus compromising American values.

The Saudis delve out harsh punishment on countries that broadcast television shows about princesses; disrespecting our precious right of free speech.

The Saudis, while claiming judicial modernity and progressive government, reject justice and democracy.

The Saudi royal family, that demands the most sophisticated weapons in the world, is among the most feudal and unstable regimes in the world. Imported technology that was created in the spirit of scientific revolution, is used according to principles of religion that negates the spirit in which this technology was created. This dichotomy is creating confusion and unrest among Saudi Arabia's subjects. A mosque is captured and French soldiers must be secretly flown in to assist in its recapture. Is this stability?

The same Saudis who vehemently oppose America's foundation stone of a stable Middle East peace—the Camp David accords.

The same Saudis who generously fund the anti-U.S., Soviet supported, terrorist Palestine Liberation Organization that has as its policy to kill Israelis, all Israelis, civilian or military.

The same Saudis who declare Jihad against Israel.

The same Saudis who seek the downfall of America's real Arab ally, Anwar El-Sadat.

Mr. Abu Dawood, the President of the Council of Saudi Arabian Chambers of Commerce and Industry, recently threatened the United States explicity, saying that the AWACS and F-15 enhancement equipment sale is connected to that share of the Saudis projected \$258 billion oil economy development which will wind up in the United States. Are such threats in our national interests? Where are the critics of the Saudi lobby?

Conscious of all of these facts, should Jews only contribute to the United States our ethnicity, as Senator Mathias suggests? Would that be advisable? Should we contribute only our writers, artists, and scientists as took place in Weimar Germany, withholding our political activity—our very American support for Israel? Is this the objectivity? You and I know that the United States would not benefit from such a situation.

It is a privilege—and a humble responsibility—to be a good Jew and a good American at the same time. This dualism enriches the United States, indeed is in its best interest, and we shall not, and must not, be deflected or deflect ourselves from living and acting this dualism.

Political action is the key to our survival. To neglect such activity would be most devastating to Jewish citizens and to the United States as a whole. For without protecting ourselves, through political action, we will never be secure.

Bernard Malamud, in his book "The Fixer," poignantly articulated this imperative. "There's no such thing as an unpolitical man, especially a Jew. You can't be one without the other, that's clear enough. You can't sit still and see yourself destroyed."

You in your elected positions are active and assertive; we at AIPAC are also. All of us must reach out to those near and far who are not yet involved and pull them in. We must publicize and push Jewish political action and energize many more in the community. This is our calling. This is the best contribution I know to improving our lot—and that of America's and Israel's.

AN AMERICAN'S LAST WILL AND TESTAMENT

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. WOLF. Mr. Speaker, I would like to bring the following essay to the attention of my colleagues. It was submitted to me by Mrs. Jack C. (Mollie) Pamplin, Falls Church, Va., whose inspirational writings have received statewide attention:

AN AMERICAN'S LAST WILL AND TESTAMENT

I hereby leave to every American citizen: The American flag, wherever she flies, on land or at sea; "The Stars and Stripes", "Old Glory", her 50 stars signifying one united Nation stretching from ocean to ocean, from the Atlantic to the Pacific, from Virginia to California, from Maine to Louisiana, from Washington to Texas, flying in every large city and every small town, and the right to thrill at the sight of her in every parade, on every patriotic holiday and every time you view her every day of your life.

The National Anthem, "The Star Spangled Banner," written by Francis Scott Key during a naval bombardment during the War of 1812. Never mind if you can not hit the high note. When you sing out "O'er the land of the free," your heart will soar, and when you think of the valiant dead and the veterans of all the wars to hold fast to that freedom, you will truly cherish "the home of the brave."

The colossal statue of the lady with the torch, the Statue of Liberty, possibly the best known symbol of the United States, given to us by the French people. One hundred and fifty-one feet high, millions of new citizens have first viewed their future home where they would live in freedom with their first glimpse of this famous lady. Keep her torch aglow. Never let her light die away. She proclaims liberty for every one of us.

The Liberty Bell, that historic relic of the American Revolution on display in Independence Hall in Philadelphia. Never forget it rang out in July 1776, proclaiming adoption of the "Declaration of Independence." That bell is our birthright. Tell your children to keep its promise to "Proclaim liberty throughout all the land to all the inhabitants thereof."

Our massive, graceful Capitol, home of the U.S. Congress, a major symbol of selfgovernment. Its white dome, 88 feet above the Potomac River, looms over you and you are the one who enters the voting booth and decides the identity of those who will sit there and speak for you.

The White House, official residence of the President of the United States, which belongs to you, the people. You may visit it and reflect upon your country's past and reach forward toward its future. Many men have lived there and many more will live there in the future. Some will be great men. Some will not, but all will become a part of the history of this Nation. The choice is yours to make as to their identity but the White House itself is the personal possession of every American citizen, for it is your yote which determines the occupant.

The "Pledge of Allegiance to the Flag," written in 2 hours on an August evening by Francis Bellamy and published in the Youth's Companion on September 8, 1892.

It was written for the 400th anniversary of the discovery of America. Stand erect when you say it. Recite it with pride. Think on its meaning and never forget we are "one Nation, under God, with liberty and justice for all."

And last, I leave to you the motto on our currency, "In God We Trust." Whatever your religious beliefs, whatever your own personal creed, I leave to you the inspiration of the belief in a higher power, a divine creator, to whom you may look for solace and comfort in time of grief and trouble and to whom you may offer prayers of Thanksgiving for your many blessings both to you and to your Nation.

As my beneficiaries as American citizens, I have left to you the best that I have, for they are mine as well as yours. I leave to you these national treasures. Guard them well. They are priceless.

THE LEGACY OF HAROLD KEEN

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. HUNTER. Mr. Speaker, it was with great sorrow that San Diegans learned June 26 of the death of Harold Keen, a distinguished journalist and one of the pioneers that gave west coast media the substance and credence only recently recognized nationally.

I had the pleasure of knowing Mr. Keen personally. However, everyone who heard or read his work knew what Keen was all about: professionalism, honesty, insight. This is the Harold Keen legacy.

My predecessor as Congressman from California's 42d District, the Honorable Lionel Van Deerlin, knew Harold Keen from his own years as a broadcaster. His testimonial to Keen appeared recently in the San Diego Evening Tribune. I commend it to the Members of the House.

KEEN'S LEGACY, TELEVISION'S DILEMMA (By Lionel Van Deerlin)

Washington—Over most of the U.S., said Charles Kuralt, local television news is delivered by handsome young men with pleasing ways, who wouldn't recognize a real news story "if it came up and hit them in the coiffure."

Harold Keen was not one of these. He slouched. He delivered his material too fast. He stuck with his horn-rimmed glasses instead of using contact lenses, also eschewing the huge prompter rolls just under the camera that make it seem the newscaster has memorized an entire script.

No, Harold was content to look up and down from typed sheets clutched in his hands—if crowded for time, he'd seem to be bobbing for apples. He made no effort to be chatty. The robust vigor of more youthful days had long since left him. Yet there never was a time, probably, that his techniques would have pleased the casting-office types whose advice now sets the tone for local news departments.

It might be said that Keen had only one thing going for him—credibility. If you had

watched TV only a few months in San Diego, or for the third of a century that Keen was a part of it-you came to know you could depend on this man. Not just on this knowledge, but on his judgment too. It was something the smart out-of-towners

never fully understood.

Both at the network level and among the 750 or so commercial TV stations that serve communities across the land, news programming has undergone radical changes over the years. It was first regarded (and logged licensing purposes with the Federal Communications Commission) as "public service." This slant was reflected in the very style of news presentation in the early years—usually stilted and pontifical. News film, when available, was modeled on the old movie theater newsreels.

No station manager expected to make money on news. Most were pleased if their early evening reports commanded enough audience to carry sizable "numbers" into the nighttime entertainment schedule-a

key to the real riches.

NBC launched Chet Huntley and David Brinkley in the late '50s as the first half-hour of local news. Millions of Americans were getting into the habit of dinnertime news-watching. Two major economic changes ensued: the circulation of longdominant evening newspapers went down, and TV news began making money. Camera crews, editors and producers represented an investment, and owners still logged news as public service-but it no longer had to be justified as a loss leader.

Today many stations wrap an hour-and some, 90 minutes-of locally produced news around the network slot-for a purely economic reason; selling commercial time at station rates is far more remunerative than their piddling share of time sold by the net-work. This is why local licensees have resisted the desire of all three networks to stretch the national news time to 45 minutes or an hour, as Walter Cronkite recommended so strongly on retirement.

Formats have changed too, though they remain much alike from station to station. The general newscaster of early days came to be designated an "anchor man." The new style is co-anchors, usually a man and woman. Generous segments always have been provided for sports and weather, which advertising solicitors find especially saleable, because they command viewer interest and seem certain to offend no one

As more stations were licensed, intense competition developed for news leadership. Station management auditioned widely for on-screen personalities, scores of whom are now represented by agents. Remote trucks and jacketed camera crews became a conspicuous part of station promotion. The nature of television as a business usually meant that top management had come up via the business side. Executives thus were less inclined to judge a news operation by its validity than by the "show business" quali-ties that shaped their other programming judgments

Inevitable, then, was the emergence of professional consultants-teams of experts to review a station's news operation, rate the performers and suggest changes. A halfdozen such firms have prospered, under names like Frank Magid, Media Associates and Research, Inc. And if you were to ask what they know about San Diego's needs in such places as Marion, Iowa, or Southfield, Mich., or Fairfax, Va.-which are some of the bases from which these firms operatethey'd answer that broadcasters have

common problems overriding individual differences from community to community

A station pays anywhere from \$40,000 to a quarter-million for their advice; many surrender to it totally. Thus a traveler discovers that almost every city has an "Eyewitness News" or "Action News." On-air talent is seldom much older than 30, and the women are stunning. It's virtually forbidden to allot more than 45 seconds to any storyand near the start of any newscast there should be some appealing file featuring animals or children.

But the real hallmark among all these informality, practitioners is the "happy" touch. When calling in the sportcaster or the weather expert, the anchorman is expected to add light comment, with the effect of suggesting that these auxiliaries are not to be taken too seriously. Everyone on the set then joins in laughter, often far heartier than seems justified by the level of wit.

It was here that Keen felt least at ease under the new format. Harold's forte being serious stuff, he could be visibly put off by an introduction about a flat tire he might have experienced on the way to work.

Television, obviously, is not the newspaper business, where Keen had honed his reportorial skills. Ease on the set is surely preferable to the stiff formality and doomsday delivery of those early days. But a good deal of what we need to know as informed, intelligent citizens cannot be conveyed through happy talk.

San Diego's immense loss in the passing of Keen should prompt the decision-makers to ponder the dilemma his example poses for

television news

Sure, his skills, his knowledge and his integrity were well enough established that Keen survived an era of change.

But suppose this were 1948 again-would Keen be offered a job in television?

CALIFORNIANS WANT A SECRETARY OF THE INTERIOR FOR ALL THE PEOPLE

HON. GEORGE E. BROWN. JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, September 14, 1981

Mr. BROWN of California. Mr. Speaker, while the last months have clearly indicated the concern of the American people over the state of the economy, I have been gratified to find that protection of the environment and stewardship of the public lands have retained their prominence as priority issues. It is for this reason that I will be holding a town hall meeting on the environment in my district this

In part, this meeting is in response to the overwhelming opposition I have heard to the actions of the present Secretary of the Interior, James Watt. I think that the alarm over his policies is by no means particular in my area. I am honored that the former Secretary of the Interior under Presidents Kennedy and Johnson, the Honorable Stewart Udall, will join me in California for the meeting. Although I have had policy disputes on various issues with many past Secretaries of the Interior, including Stewart Udall, Wally Hickel, Rogers C. B. Morton, and Cecil Andrus, I have never doubted that these men supported the basic thrust of the laws they administered. Contrary to this, the current Secretary seeks not to manage the public's natural resources for all Americans, but rather he proposes to limit acquisition of new wilderness and parkland while turning over other areas to special interests.

Secretary Watt is not serving as a proper steward of the public lands. The laws designed to protect our natural heritage and preserve it for future generations have traditionally enjoyed bipartisan support. I believe they will continue to be supported by this Congress as I believe the public is overwhelmingly in favor of laws to protect the public interest in a cleaner environment and adequate public lands, now and in the future.

UNFINISHED BUSINESS-NATION-AL AUTO POLICY-PART I

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. PEASE. Mr. Speaker, reviving our moribund auto industry is crucial to a bona fide economic recovery in America. But Detroit is languishing in the third year of its deepest crisis since the Great Depression.

A few weeks ago in an address to the sixth annual Automotive News World Congress, the president of the United Auto Workers, Douglas A. Fraser, issued a reasoned appeal to all Americans-in our corporate boardrooms, in our industrial boiler rooms, in our showrooms, and in our living roomsto contribute toward establishment of

a national auto policy.

The current voluntary restraints on imported Japanese cars represent a significant step forward. The next step was recently taken with the enactment of the largest corporate tax relief bill in American history. No doubt persists about the availability of huge sums of investment capital to be applied toward modernizing and retooling the means of production on our basic industries.

Now two further steps need to be taken to reverse the decline of our auto industry and the many related in-

dustries.

First, we must insist upon fair trade as well as free trade among the world's leading auto-producing nations. Open access to our market should carry with it an obligation to provide our people with some of the jobs flowing from that commerce.

Second, public pressure and Government pressure, if necessary, should be brought to bear upon the corporate managers of the American-based multinational auto companies to invest in America. Until 1980, our country was auto-manufacturing leading nation in the world. We attained that position largely through the hard work and productivity of American workers as well as the resourcefulness of enlightened, compassionate management. Surely with 160,000 American auto workers unemployed and with Japan having surpassed us in production, the American-based multinational auto companies ought to invest in the auto industry at home first. These companies in their past glory thrived on American freedom and enterprise in their fledglings stages. Now if our auto industry is to regain its vitality, these business leaders ought to respond as patriotic Americans and invest in America where the jobs are needed.

I commend Doug Fraser's address to my colleagues for careful consideration. It will be reproduced in three installments.

SPEECH BY UAW PRESIDENT DOUGLAS A. Fraser to the Sixth Annual Automotive NEWS WORLD CONGRESS

I'd like to talk with you tonight about what can be done to help bring a recovery to what has been the worst period auto workers have experienced since the Great Depression.

All of us here care about what happens to the North American auto industry. Most of us strongly hope that our sick auto industry

will regain its health.

But after 27 straight months, the fever continues unabated. And, even worse, the medicines prescribed by the Reagan Administration and the auto companies will only make the patient worse.

Two years ago, when I spoke at the Automotive News World Congress, we were beginning to feel the impact of the import offensive by the Japanese and the contracting

of the economy overall.

Today, more than two years after it began, the auto depression goes on. In fact, the true extent of the damage to the industry and its workers really remains under-

Much of that damage is permanent and, if it continues, will result in a further disastrous unraveling of the nation's fraying in-

dustrial fabric.

I'm sure that you winced, as I did last week when the sales figures for the first ten days of July were announced. General Motors down 13.8 percent. Ford down 34.2 percent. American Motors down 18 percent. Volkswagen of America down 14.6 percent.

Only Chrysler showed a gain over the year earlier-with sales up 13.6 percent.

Those are the figures you read about in the newspapers and hear on TV. But they really don't give you an adequate picture of how bad sales are

A more interesting comparison is to examine how current sales stack up against a good year in the auto industry like 1978, rather than a depressed year like 1980.

Looking at the first ten days of July, GM

sales are off a whopping 40.3 percent com-

pared to 1978.

Ford was down 42.6 percent. Chrysler, instead of being up 13.6 percent was down 24.4

Those figures give us a more revealing insight into what the auto industry is experiencing.

The annual sales rate for domestic new car sales for the first ten days of July was million-far below the comparable annual rate in 1978 of 8.8 million.

Let's look at the first six months of this year. Compared with the first six months of 1978. U.S. sales of North American-built cars during the period January-June 1981 were down 30.4 percent, sales of domestically produced trucks were down a staggering 50.7 percent.

Sales of imported cars, by contrast, were up 21 percent compared with the first six

months of 1978.

This boosted the imports' share of the total U.S. passenger car market to 27.8 percent for the first six months of 1981, up from 18.1 percent during the same months

Truck imports comparing the same periods, soared 50 percent.

To make matters worse, between 1970 and 1980 the value of motor vehicle parts imported into the U.S. from countries other than Canada skyrocketed 768 percent, albeit from a very low base.

Two-thirds of the increase has occurred 1975. Substantial increases in the volume of imported parts have been recorded from Europe, Japan and Latin America.

Two disturbing developments account for these huge increases.

First, the U.S. companies have reduced the domestic content of cars assembled in the U.S. and Canada.

Second, as the number of imported cars and trucks on our roads has grown, more replacement parts have been imported from their countries of origin.

Too often, foreign auto companies have unfairly denied domestic parts produces the opportunity to sell replacement parts to local dealers of foreign cars.

Our principal Japanese automotive competitiors were adding capacity during 1980despite a downturn in their own home market-at a time when the U.S. industry's capacity utilization had plunged to a postwar low of 58 percent, down from 89 percent for 1978.

Those same competitors scheduled heavy overtime, while hundreds of thousands of U.S. auto workers stood in quarter-mile long unemployment lines.

Presently, over 160,000 auto workers remain out of work, counting only the laidoff hourly workers at General Motors, Ford, Chrysler, and AMC.

At Chrysler alone, more than 40,000 UAW members are presently laid off; for every three UAW members on the job at that corporation, two others are not.

Some laid off workers have been recalled by the auto companies, but of the 240,000 auto workers on layoff at the Big Four in June 1980, barely over a third had been called back to work as of June 1981. By contrast, a year after the trough of the severe 1974-75 recession—until now the worst auto slump since the Great Depression—threefourths of the laid off workers were back on the job.

The impact of the current crisis extends well beyond massive prolonged unemployment among workers at the Big Four. According to the Bureau of Labor Statistics, every job in auto creates 2.3 additional jobs in steel, rubber, glass, textiles and other industries

In terms of employment, the auto industry constitutes the largest single industrial

sector in the U.S. economy; it used 21 percent of the steel consumed in the United States; more than 50 percent of the malleable iron produced; 34 percent of the zinc; 12 percent of the primary aluminum; 13 percent of the copper, and 60 percent of the synthetic rubber.

The auto crisis has reverberated throughout this entire closely linked chain of production, leaving innumerable plant closings. economic devastation and massive unemployment in its wake.

All told, the collapse in domestic motor vehicle sales in the past two years has raised national unemployment by an average of a full percentage point, at an estimated cost to the treasury of at least \$25 billion in tax receipts forgone, unemployment benefits and other forms of income support.

In Michigan, the unemployment rate is the highest of any state in the nation and has been in double digits for 18 consecutive months. Trade Adjustment Assistance and extended unemployment insurance exhaustions in Michigan have been running at the rate of 20,000 per month.

Countless thousands of unemployed parts workers never obtained any benefits under TAA, due to a cruel inequity in that program. Now the TAA program, which cushioned the hardships somewhat for jobless workers and their communities, is falling victim to the budget cutters' meat axe. The City of Detroit, since 1914 the nerve center of the nation's-and the world's-auto industry, has faced a potential financial col-

The bleakness of the past two years is made even more stark by the heavy weight of uncertainty which clouds every auto worker's future and that of every person with a stake in the industry's future. Some experts have begun expressing doubts publicly about whether there will be a significant domestic motor vehicle industry by the turn of the century. Considering that the is the world's largest motor vehicle market by far and, until 1980, the largest producer, that would be an industrial debacle with no parallel in economic history.

The UAW does not share this extreme pessimism, but we fully agree with the conclusion that only a rational and coherent national auto policy-oriented toward maintaining employment-can be relied upon to stave off industrial catastrophe.

The only auto policy our country has today is the lack of one. I guess that is consistent with the overall world view President Reagan has of getting government out of the way so the hallowed free market can solve all the problems.

Fortunately, there are enough people around with common sense who have begun to speak out against the view that market forces alone can solve the auto industry's problems. They understand that the "invisi-ble hand" of Adam Smith actually is a fist pummelling the auto industry and its workers day after day with body blows doing permanent damage.

What we need is a government which has the same degree of concern for auto workers and the auto industry as the governments of our major competitors in this sector. We need an auto policy that aims to create a climate in which industry doesn't just limp along, but thrives instead. That means a policy that enables us to be competitive not on the basis of reducing wages to the lowest common denominator, but rather by improved productivity, quality and innova-

A FARM POLICY SHOWDOWN

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

. Mr. PEYSER. Mr. Speaker, in the next few weeks the House will consider the farm bill of 1981. The sugar loan program, peanut allotment program, and dairy price support program contained in this bill are unnecessary and indefensible special interest programs which are intolerable to the American consumer. An editorial in the September 21 issue of Business Week points to the ridiculous nature of these runaway programs. I commend this article to my colleagues and at this point would request it to be inserted in the record.

[From Business Week, Sept. 21, 1981]

A FARM POLICY SHOWDOWN

The omnibus farm bill now coming up in Congress will be a major test of the Reagan Administration's determination to cut government spending and of its power to do so. The bill will set farm policy for the next four years. With farm income softening, every IOU the Administration issued in its struggle to get the budget cuts and the tax bill through Congress will now be presented for payment. Unless it can hold out for a program that ties farm prices to the market instead of propping them at unreal levels, Administration's whole campaign against inflation will lose credibility.

There are plenty of opponents of such provisions as the support programs for tobacco, peanuts, and sugar. But the Administration has already conceded privately that it would not veto the whole package to knock out individual provisions. And it is already obvious that the two biggest groups within the agricultual sector-grain farmers and dairymen-are not thinking in terms of restraint. Drafts of the milk program already adopted by committees of both the House and the Senate could cost as much as \$1 billion in federal outlays in 1982. Direct payments to wheat growers in the same period threaten to hit \$325 million under the target price program, which compensates farmers when market prices drop below specified levels.

For most of this century, the government has given the farmer special help-at the expense of the consumer and the taxpayer. But agriculture is a strong industry now. The typical, mechanized U.S. farm is the envy of the world for its efficiency and the income it generates. There is no excuse for pushing up prices and piling on government spending to assist an economic sector that is capable of standing on its own. It is time to start turning farm prices back to the free market.

EXTENSIONS OF REMARKS

THE HELEN KELLER NATIONAL CENTER. GOING FORWARD WITH VIGOR AND SUCCESS

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, September 14, 1981

Mr. LEBOUTILLIER. Mr. Speaker. the nationally distributed Sunday supplement, Parade magazine, ran an article in its September 8, 1981, edition that deserves the attention of my colleagues and all of our constituents who might benefit from the information which it contains.

The article, about the Helen Keller National Center in Sands Point, N.Y., is as concise, informative, and moving a description of this unique center as I

have yet to see in print.

The Helen Keller National Center is a national institution, and a unique one at that. It is a pioneering center for a successful and unprecedented level of rehabilitation for the blind. deaf, and verbally impaired youths and adults of America. Since the center's beginning in the mid-1960's, the Helen Keller National Center has become an internationally recognized institution not only for its successful individualized training activities, but also for its unique preparation and dissemination of teaching materials for the world's similarly impaired.

The Helen Keller Center serves deaf, blind, and verbally impaired people from every State and territory. I am pleased that this truly national center is located in my congressional district.

Earlier this year, I personally intervened with Office of Management and Budget Director David Stockman to dislodge the center from inclusion in a block grant that would incorporate many programs for the handicapped. I was successful in this effort, as the center was so removed within the second budget reconciliation bill which we passed.

I impressed Mr. Stockman and his staff into supporting efforts to excuse the Center from the block grant because of its unique national status, nationwide clientele, successful record, prudent use of appropriations, and production of vital and excellent teaching materials for national and international use.

I felt that inclusion in the block grant would, as the Center's management indicated in testimony before the House Committee on Appropriations' Subcommittee on Labor-Health and Human Services, jeopardize continued special funding, and would fail to allow the Center to grow with demand and accomplishment. A truly national Center should not have been left to the possible whims and caprices of block grant funding.

I would also like to point out to my colleagues that this institution deals with a most serious set of physical handicaps, and successfully trains and occupationally places most of these clients. While the Helen Keller Center cannot reach each of the more than 15,000 eligible clients, it stands as a beacon of realistic hope for all such persons. In addition, the methods developed and in progress in Sands Point will reach out to help scores of similarly afflicted people the world over.

This task would appear to be prohibitively expensive, but due to fiscal responsibility practiced by the Center, it

is not.

The Center operates on a budget of 33.5 million. It could use more, as it has done optimal work in training and communicating. Hence, the demand for inclusion and expansion is justified. For once, a justification for an increased government appropriation squarely rests on the ground of needing more to continue doing an excellent job. More is needed, as a great deal was done with less.

At this time, Mr. Speaker, I would like to offer Ms. Carpentier's article, "Beyond Help?" to my colleagues and their interested constituents for their

attention:

BEYOND HELP? (By Fran Carpentier)

Imagine yourself trapped inside a room with no windows, no doors, no phones or clocks or radios. A room so dark that when you try to escape you stumble into the unseen furniture, and so silent that you cannot hear the signal when someone comes to rescue you. You desperately want to get out, but what can you do? You collapse and pound your frustration into the floor. Or else, you just sit. And wait.

More than 15,000 deaf-blind Americans are waiting to be freed from their silent, colorless worlds. Some are institutionalized. Others stay at home, day after day. The luckier ones attend classes for the deaf or schools for the blind, which are sadly inadequate for the special needs of their double handicap. Yet all of them are victims of a popular myth that the hardships of being deaf-blind were wiped out 100 years ago when Helen Keller learned to see and hear and talk with her fingers.

The public has to be reminded that the deaf-blind are still with us, says Susan Hajjar, head of the communications skills department at the Helen Keller National Center for Deaf-Blind Youths and Adults in Sands Point, N.Y. But we also have to show them, says Hajjar, "that the limitations of the deaf-blind do not preclude a whole

range of possibilities.

Most of the deaf-blind-about 50 percent-have Usher's Syndrome, a congenital disease in which the child is born deaf then, without warning, loses his sight in his teen years. Under federal law, each state is responsible for educating these handicapped to age 16. The Helen Keller Center, the only national facility that exclusively serves the deaf-blind, picks up where the states leave off. There, deaf-blind clients (or "trainees") from the 50 states and territories each receive an individually tailored schedule of daily classes in such communications skills as sign language, Braille, or print-on-palm spelling. Also taught at the 25-acre wooded

complex on Long Island's north shore are daily living skills—cooking, housekeeping, handling paper currency, budget balancing—and mobility training, industrial arts

and recreation therapy.

"Isolation is still the biggest problem for the deaf-blind because they are so cut off from everything," says Terry Carr, a communications skills instructor. "The first time I meet my client, I introduce myself by forming my name into his hand," Carr says. "If no communication is possible, we just hold hands and be together. The most important thing to do is to establish trust. A person who's been isolated—maybe neglected or even abused—for so long needs to feel that there's somebody out there who cares. Touch is really the most important communicator we have here."

Associate Director Jules Coté says that "Helen Keller type" miracles really do happen at the center. "We had one 42-year-old client with only the very slightest hearing who had been in an institution since he was 5. When we started working with him, we were amazed at how much knowledge he had. He told us about the American Revolution, the Civil War and all the space flights!

It seems that nobody in his ward had ever paid any attention to him. Every day he used to move his chair way up close to the TV where he'd be able to distinguish the sounds. Then he would turn to the public television station and listen. All the education he ever got was on his own! "And" says Coté, "his is not a rare story."

"You wonder how the deaf-blind survive. Think of the amount of guts it took that man to survive like that for 37 years and still have an intact mind. It's like being in solitary confinement. You know," says Cote, who is legally blind himself, "it's beautiful what the human spirit can endure."

VOODOO ECONOMICS THREATEN DEFENSE

HON. STEVE NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

 Mr. NEAL. Mr. Speaker, as we begin to consider the administration's proposals to cut back on defense spending for the next few years, I think we must find the answers to several important questions.

The first of these questions is: If the administration's original projections of our defense needs were correct, is it in the best interests of the United States to reduce them by \$13 billion to

\$30 billion?

The second question arises from an affirmative answer to the first. If it is in the best interests of the country to cut back on defense spending just 2 months after a barebones budget was adopted, were our defense needs accurately portrayed in the first place?

It is not sufficient to say that we must provide the best defense establishment that we can afford—and that, unfortunately, we cannot now afford the weapons that 2 months ago were deemed essential to close the so-called window of vulnerability. Nor does it make sense to provide more than we

need in this time of economic insecurity, when a top priority must also be given to balancing the budget, lowering Government spending, bringing down interest rates, and winning the

war against inflation.

It seems to me, Mr. Speaker, that the administration did not give sufficient consideration to the interrelationship of economic strength and military preparedness. We cannot maintain a strong national defense with a weak economy; and a strong economy may be a transient prosperity without a military establishment sufficient to protect ourselves and our allies.

We are led to wonder, then, if something of our national defense capability is about to be sacrificed for a tax cut whose economic benefits are now

being seriously questioned.

Mr. Speaker, a recent edition of the Washington Post contained an excellent article along these lines by James R. Schlesinger, who was Director of the CIA and also Secretary of Defense under President Nixon, as well as Secretary of Energy under President Carter. At this point, I would like to commend Mr. Schlesinger's comments to my colleagues and to insert them in the Record.

[From the Washington Post, Sept. 9, 1981] REAGAN'S BUDGETARY DUNKIRK

(By James R. Schlesinger)

The last rites have now been pronounced over the great rearmament boomlet of 1981. Its demise had been expected by the diagnosticians for some time. Like Halley's comet, it visited us and then departed quickly, trailing only a long (though quite insubstantial) tail deserving further observation.

For the past six months the defense debate has focused on the wrong issue: could the "immense" funds ostensibly being made available to the Department of Defense be usefully spent in significantly enhancing the security of our international position. With the Soviet Union outspending the United States by some 50 percent on defense generally and by a disturbing 85 percent in the critical area of military investment (procurement), with conventional capabilities in Europe porous and relatively weak and theater nuclear forces now overshadowed by those of the Soviet Union, with deterrence flimsy (at best) in the region of the Persian Gulf despite the West's enhanced interests and responsibilities, with the naval balance deteriorating in the Far East, and with trouble even in the Caribbean (and an evanescent threat "to go to the source")-not to mention concern about the strategic balance, Minuteman vulnerability and aging B52s—that should have been an issue in principle easy to resolve. Yet, all along the real question should have been—given the administration's fiscal proposals-how to maintain adequate deterrence with growing responsibilities in the Indian Ocean and with resources dramatically less than those invested by the Soviet

Seven months have been wasted on an irrelevant debate. We shall now have to make do with a smaller growth in defense resources than that projected by the Carter administration—previously denounced as

hopelessly inadequate. So much for "making America strong again," "closing the window of vulnerability" and the vaunted "superiority" so casually endorsed in the Republican platform.

The unavoidable outcome, given its fiscal goals, seems genuinely to have surprised the Reagan administration. Disregarding the normal laws of arithmetic, and bemused by its own distortions of supply-side economics (alternatively known as "voodoo economics," snake oil or the Tooth Fairy), it lulled its pro-defense supporters (and itself) with farfetched projections supposedly demonstrating that the proposed rearmament effort could be achieved in the face of a massive shrinkage of the tax base.

According to the initial mythology, dramatically lower interest rates and cutting the "balance of government" almost in half (everything beyond interest payments, defense and the "social safety net") would permit the achievement of a balanced budget by 1984. But interest rates have risen rather than fallen, and only so much blood can be squeezed from the "balance of government" turnip, so the cuts unavoidably must now come from the fenced "social safety net" or from defense. More signifithe recent tax legislation-which seems likely to go down in history as the single most irresponsible fiscal action of modern times-reduced the tax base to 19 percent of the GNP by 1984 (with expenditures running some 22 percent of the GNP), a revenue reduction of \$150 billion or roughly 17 percent. As an offset, some \$35 billion in non-defense expenditure reductions have now been achieved-less than one-third of those projected for 1984, less than onefourth of the revenue loss.

The budget director, occupationally debarred from an abiding faith in the Tooth Fairy, has now read the grim arithmetic—the equivalent of a Budgetary Dunkirk. The fiscal consequences may be briefly, if sadly, stated. Unless the tax reductions are reversed—which seems unlikely—on the basis of present legislation and projected defense spending, the nation faces growing budget deficits of \$65 billion in 1982, \$90 billion in 1983 and \$120 billion in 1984. Non-defense reductions will be increasingly hard to achieve. Thus, only the total jettisoning of the administration's goal of a balanced budget will permit even a modified defense bulldup to survive.

Nor should one believe that with the halfannounced cuts for defense of \$20-\$30 billion we have reached the end of likely defense reductions. The best current estimate for fiscal year 1982 outlays is \$715-\$720 billion (\$20-\$25 billion over ceiling). The ceiling for fiscal year 1983 in the revised Reagan budget is \$732 billion—a total in-crease over 1982 of \$12-\$17 billion. Limiting spending to this ostensible ceiling, given probable inflation rates, would imply a reduction of real federal expenditures by 6-7 percent. Not very likely. Far more probably 1983 expenditures will run roughly to \$775 billion—a sum \$45 billion over the presumptive ceiling. Substantially to reduce the out-year deficits, given the growing difficulty in achieving non-defense cuts, would probably require that some three out of four dollars in reductions come from defense.

One can always spend less—by doing less. Gone now are the fancies of nine additional tactical air wings, of three additional Army divisions. Gone, too, in all probability, is the 600-ship Navy—unless, like Jefferson, we provide mostly frigates or gunboats. Embarking on major new systems like MX or

B1 or new acquisitions like carrier task forces will ultimately lead to an ill-balanced force by leaving insufficient funds for operations, readiness and sustainability.

The planned buildup for NATO will have to be reduced—especially so in light of Indian Ocean requirements. What an ideal moment, given the anti-nuclear tide running in Europe, to increase the degree of dependence on nuclear weapons and diminish con-

ventional capabilities.

The international ramifications are disquieting-to say the least. The already apprehensive Europeans will conclude that, while the United States is prepared to disturb the international scene by threatening to launch an arms race, it is now seen to be unwilling to provide the resources either to run the race or to provide additional mili-tary muscle. The Soviets will not be loath to exploit those European apprehensions. Moreover, the Soviets will conclude that, despite American bluster, they have little to fear in terms of additional forces to narrow the growing disparity in military capabilities. As for the Japanese (and others), this notable example implies that we might as well abandon the effort to persuade them significantly to increase defense spending.

In creating and maintaining forces, wishful thinking is no substitute for an adequate tax base. In this ill-fated venture the cycle from bold words to budget cuts has been the shortest on record—a kind of instantaneous New Look. The historic failure lies in so casually dissipating the carefully forged national consensus supporting higher defense spending—while leaving in the public mind the illusion that a sizable new defense effort

has actually been launched.

CALL TO CONSCIENCE—ILYA ESSES

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Monday, September 14, 1981

. Mr. SCHUMER. Mr. Speaker, I am proud to rise today and voice my concern for a particular Soviet "refuseas part of the continuing Call to Conscience Vigil, 1981. As you know, the Call to Conscience Vigil is a meaningful and effective congressional effort to draw attention to the ceaseless oppression of Jews and others in the Soviet Union, and to demonstrate bipartisan congressional support for individuals and families who wish to emigrate to the free world. As a participant in the Vigil, I would like to call the attention of my colleages today to the plight of Mr. Ilya Esses and his family who have been seeking to emigrate from the Soviet Union since

Trained as a mathematician, Ilya Esses was employed at the Academy of Sciences in Lithuania, and later as a lecturer in mathematics in a Moscow medical institute. Since his application to emigrate, however, he has been unable to find a job. During this time he has devoted himself to studying the tenets and customs of Judaism, a difficult task in a country which frowns on religious study and practice. With a

handful of materials from the West, he taught himself the Hebrew language, Torah, and Talmud. He has now become the unofficial "rabbi" of Jewish activists in Moscow, organizing atherings around Jewish holidays and using these occasions to teach his friends about Jewish traditions.

Ilya has consistently been harassed by the KGB for these activities. His home has been raided and materials confiscated. A Hebrew class that he teaches has been regularly disrupted, and he has been threatened with arrest on several occasions. With the recent Soviet crackdown on the flourishing Jewish cultural movement and the arrest of a number of its prominent leaders, Ilya's situation continues to worsen.

Soviet officials have repeatedly denied Mr. Esses and his wife Anya the right to emigrate on the grounds that Anya Esses was allegedly exposed to "secrets" while she was employed in the construction industry in 1971. It is difficult to see how information that Anya Esses may have been exposed to over 10 years ago could still be relevant to her application to emigrate. The Esses and their three small children have been waiting for over 8 years to be reunited with Mr. Esses' parents who reside in Israel. According to the provisions of both the U.N. Declaration on Human Rights and the 1975 Helsinki Final Act, which the Soviet Union has signed, the Esses have the basic right to be reunited with the rest of their separated family.

The recent dramatic decline in Jewish emigration from the Soviet Union-to its lowest level in 10 yearsand the arrest of a number of prominent Jewish activist leaders is of great concern to our entire Nation. The granting of permission to emigrate to Ilya Esses and his family-and to the estimated 50,000 others who have also been denied such permission-would be an important step to improving the strained relations between our two countries. Forty-nine Members of Congress have joined me in petitioning Soviet officials for the release of the Esses family. It is my hope that other Members of Congress will continue to join me in my efforts to secure emigration rights for the Esses family and others who seek reunion and freedom.

ANGOLA INVADED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. RANGEL. Mr. Speaker, on Friday I introduced a resolution, House Resolution 212, that both condemns the South African Government for its illegal incursion into Angola this August, and disapproves the U.S. veto of the United Nations resolution condemning the South Africans. I take these steps because I feel that first, the South African invasion presents a serious danger to the peace and stability of that region, and second, that the American reaction to the raid was irresponsible, and damaging to our interest in Africa. Let me elaborate.

On August 24, the South African Armed Forces invaded southern Angola from its bases in Namibia. This act of aggression was in violation of international law, and is of significant concern to the international community. The circumstances surrounding South African involvement in Namibia add to this concern. The South African Government has been administering the trust territory of Namibia for the past 61 years. They were first given this privilege by the League of Nations in 1920, and it was held legally until 1967, when the United Nations, which took over the responsibility for trust territories from the defunct League of Nations, revoked South Africa's mandate for administering the territory. Since then, South Africa's claim to the territory can only be described as illegitimate. Yet, they have continued to administer the territory. and have denied the majority people of the territory the opportunity to de-termine their future. Further, they have set up an apartheid system similar to that in South Africa, reserving the resources and the political control of the territory for the white minority. Finally, to preserve their control, they have stationed thousands of troops in the territory. They have refused to recognize the organization that represents the native population, The South West Africa People's Organization, (SWAPO), which has been recognized by the United Nations as a legitimate representative of the Namibian people. Namibia is run like a colony: a small majority dictating to a disenfranchised majority, with South African military might supplying the only legitimacy for the government.

It was from Namibia that the Angola raid was launched. The raid was purportedly to protect Namibia from the SWAPO guerrillas operating out of Angolan bases, and the South Africans claim that they were forced to invade Angola to stop the violence in Namibia. This defense has two flaws. First, in January of this year the South African Government was approached by SWAPO President Sam Nujoma with an offer of a cease fire. The South Africans rejected this offer, which undercuts their claim of being interested in peace in the area. Second, it is the existence of a repressive apartheid system in Namibia that has precipitated the violence there. South African policy in Namibia has denied a people their right to self-determination, and it has embroiled another sovereign state in the dispute. For these reasons, and because of the potential for further instability in the region, the international community is rightly concerned with the situation in southern Africa, and its potential for disrupting other nations on the continent as well. The U.N. resolution was a responsible expression of this concern.

The American response to the raid was chilling to anyone who is interested in achieving racial and political equality in South Africa, and a settlement to the Namibia situation. On the one hand, the Assistant Secretary of State for African Affairs has claimed that the administration did not want to choose between black and white in South Africa, meaning I suppose that it does not matter that the apartheid regime in South Africa is politically and morally indefensible, its interest in preserving itself is as important to the administration as the interests of the 17 million people who exist there without political or human rights. On the other hand, it refuses to condemn the South African regime for its raid in Angola, saying that they are not responsible for all of the violence there, ignoring the fact that the South African military presence is the reason for violence in Namibia.

We have critical, strategic and political interests in Africa. On this issue, the administration and I would agree. However, I must state emphatically that one of those interests is the elimination of the abhorrent apartheid policy that exists in South Africa, and which the South Africans have instituted in South-West Africa. Not only is this goal important to us as a democratic, multiracial society; it is a basis for our ties with the rest of black Africa, which considers the elimination of this most egregious system of government as the No. 1 political issue on the continent. Our prestige as a free and just nation, and our relationships with black Africa, are dependent on continued active opposition to the system of apartheid. The administration, judging from its reaction to the South African raid, seems to be hedging on the American commitment to racial equality in southern Africa. The reasons the administration gave for not strongly criticizing the South Africans could have been written by the South African Foreign Ministry. The South Africans have been trying for years to convince the American people and Government that the Communist threat in southern Africa should be our real concern, and that their internal policies should not be the basis for our relations with them. They have insisted that they are the bulwark of anticommunism in the region, and that we should be alined with them.

This rhetoric is strikingly similar to what we hear from the Reagan administration; the emphasis on combatting Soviet influence in Africa, and a backing away from any criticism of the South African Government. The administration has made a number of remarks mildly critical of the apartheid system, but nothing that could be characterized as supportive of efforts to end that system. Now, in the wake of an act of international aggression, undertaken from bases in a territory held in defiance of international law, the United States has seen fit to hide behind the cloak of anticommunism to soft-pedal criticism of the South African action. I contend that this position is dangerous. The administration is clearly moving toward the policy in southern Africa that the Botha government desires; a tacit military alliance with South Africa, with little or no pressure on the South African Government to reform its internal racial policies. Not only is this policy suspect for moral reasons, it is politically unwise. It is not in the American interest to alienate black Africa and our Western allies for the sake of an alliance with South Africa against a rather small Soviet presence in Angola.

What is in the best interests of the United States is to pursue a policy in southern Africa that will lead to enlightened development of that continent's vast resources, and encourage foster democratic principles among the nations there. The administration's recent action on Angola suggests that it is moving away from this goal, and toward a policy centered on military alliances. We have worked too long to improve our relations with Africa to the level which we now enjoy to see the Secretary of State shatter our progress for the sake of a global anti-Soviet strategy that does not apply to Africa in the first place. The resolution that I have introduced seeks to show Africa and the world that there is still a significant part of this country that is opposed to what South Africa is doing in Namibia and at home. I urge my colleagues to sup-

SALUTE TO THE CITY OF NEWPORT BEACH, CALIF.

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. BADHAM. Mr. Speaker, today it is my rare privilege to stand before this honorable body to salute the city of Newport Beach, Calif., which I represent in this Capitol and which is my hometown. The purpose of this salute is the celebration now going on in Newport Beach in honor of the city's 75th birthday anniversary.

Newport Beach is a great jewel of a city along California's incomparable coastline, with a beautiful pleasure boat harbor which has the greatest number of boats of any city in the United States.

Newport Beach has beautiful beaches, to which hundreds of thousands of southern California residents flock each year to swim, sun, and surf. It has lovely residential areas which hug the many miles of shoreline inside the harbor and have commanding views from heights above the city.

There are scores of restaurants, yacht clubs, small shops, and great stores, centers of commerce, and industry and a quaint waterfront, the highlight of which is the world-renown Balboa Pavilion, recently named a "Place of Historical Interest" by the State of California.

Above all, Newport Beach is rich in history, paralleling in many respects the growth of southern California, all the while maintaining a coveted reputation as a resort while providing an unusual atmosphere for year-round living for its residents.

It was on September 1, 1906, that Newport Beach became a city, with a population of just 230 souls. Since that time there has been steady, if unspectacular growth to the point that the 1980 census showed 63,475 permanent residents of the city.

In the intervening years the city has been the scene of many movies, the home of many movie stars and the Rendezvous Ballroom the home of many great orchestras, who came to play for thousands of soldiers, sailors, and marines during World War II.

One of the most famous names associated with Newport Beach is that of James Cagney, who, along with members of his family, own large sections of land in the city. It was Jimmy Cagney's home on Balboa Island that became the headquarters for the U.S. Coast Guard after the onset of World War II in 1941.

John Wayne was a fixture in Newport Beach, where he maintained a beautiful home until his recent death and where he kept his yacht, a converted Navy minesweeper. Not long after Wayne's death, the Orange County Board of Supervisors renamed the county's regional airport in his honor.

Andy Devine, the lovable, gravel-voiced comedian and veteran of more than 400 films, lived for years in Newport Beach until his death. He was known and loved by thousands of local citizens, who enjoyed meeting him in the grocery store or at one of the city's country clubs.

Buddy Ebsen, an avid sailor whose sailboat once won the Transpac race to Hawaii, lives on Balboa Island and is a tireless worker for local charities and other causes. At various times Shirley Temple, Dick Powell, Ray Milland, and Erroll Flynn lived in Newport Beach. Claire Trevor, star of many films, still lives in the city, as does Ruby Keeler.

Stan Kenton, the late, great bandleader, got his start at the Rendezvous, while other notables who played there were Benny Goodman, Count Basie, and Bob Crosby. Even today music of the 1940's can be heard coming from the Balboa Pavilion as oldtimers gather for nights of nostalgia.

Glenn L. Martin, the aviation pioneer, flew a seaplane from Balboa Pier to Catalina Island in 1912; setting a record for the longest and fastest overwater trip of 27 nautical miles in 37 minutes.

Newport Beach, with its vast array of wealth and influence, has become a mighty center of business, finance, and industry on the west coast. Acclaimed by some as the "American Riviera," I find it a great honor to represent the city and participate in its 75th birthday celebration, for in many respects there is none like Newport Beach in these United States.

WESLEYAN, IN 150TH YEAR, FINDS MUCH TO CELEBRATE

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES
Monday, September 14, 1981

• Mr. GEJDENSON. Mr. Speaker, Wesleyan University of Middletown, Conn., has been providing one of the finest educations in the country since the early 1800's. I am proud to say that throughout its entire history, Wesleyan has maintained its excellent standards and its commitment to teaching students how to think for themselves. This year marks Wesleyan's 150th anniversary. In honor of this occasion, I would like to submit for the record an article written by Matthew Wald of the New York Times.

WESLEYAN, IN 150TH YEAR, FINDS MUCH TO CELEBRATE

(By Matthew L. Wald)

MIDDLETOWN, CONN.—Wesleyan University is beginning its 150th anniversary year this month with fireworks, lectures, history exhibits and something not seen on its campus for a decade: a balanced budget.

The school year that began this month is the first since 1970 in which the endowment

is not being depleted.

It is also a year in which the college will celebrate its liberal roots as an institution founded partly in reaction against the rigid classicism of other universities in the early 19th century.

"There is a greater doubt today about liberal education," said Colin Campbell, the school's president, in a recent interview. But he added that the "sesqui," as the sesquicentennial celebration is known, should help counter that by boosting academic morale in a celebration.

As Nathanael Greene, the vice president for academic affairs, told the parents of incoming freshmen in an address, "The courses prudently chosen in pursuit of a career may not be the wisest if they blunt intellectual curiosity."

A STRUGGLING PHILOSOPHER

Indeed, many upperclassmen seem not to be particularly vocationally oriented. One junior, Kate King of Garrison, N.Y., described her plans like this; "I'll be a struggling philosopher. But I'll be happy."

Campus debate may be turning more heavily to academic questions because some of the most pressing financial ones have been resolved. One of the wealthiest and most prestigious universities in the country, Wesleyan went through an ambitious period of expansion in the 1960's, but following increasing expenses and reverses in its stock portfolio, the college began a retrenchment program in 1979. Some feared the cuts would save the institution only by eliminating what made it distinctive, and the campus was shaken at times by the debate over what to cut.

"Wesleyan was a millionaire spending like it was a two-millionare," said Jeffrey J. W. Baker, a senior fellow in the Science in Society program who first came to the stately,

ivy-covered campus 20 years ago.

Over that period, the college has grown rapidly, increasing its student body by 250 percent. In May 1965, it swapped American Education Publications, which it had developed, for 400,000 shares of Xerox Corporation common stock, and added more than \$100 million to the endowment, allowing it to take on faculty members even faster than students.

The ratio of faculty to students dropped from a peak of 8.5 to 1 in 1965-66 to 7 to 1 at the beginning of the last decade. Counting instructors, visiting faculty, and other staff, this gave Wesleyan the ratio of one teacher for every 6.1 students; educators consider a ratio of 12 to 1 to be very favorable.

But at about the same time, university planners calculated that if current income and spending continued, the endowment would be spent by 1981. Accordingly, the college turned to raising student fees to the level of the Ivy League schools with which it competes for students—this year by 16.7 percent, to \$10,920—and to paring the size of the faculty while increasing the student body.

This year's freshman class comprises 650 men and women, bringing enrollment to 2,600, including about 100 graduate students. With 10 faculty members cut in the last two years and 15 more due to go in the next three, the student-teacher ratio is now to 11 to 1 and is headed for 12 to 1. "There certainly is a tendency to larger classes," President Campbell said, adding that this was true "at almost all colleges, including the most selective, with which we are identified." But, he said, "The less favorable ratio is not the total answer to quality education."

CUTTING-ESOTERIC COURSES

Mr. Campbell is also stressing better use of the faculty by discouraging some of the most esoteric courses with the smallest enrollments. Last fall, for example, 52 courses attracted fewer than four students each.

The university is proud that it offered 1,917 individual tutorials last year, up substantially from previous years, and that the number of classes with 10 or fewer students is still 35.1 percent of the total. The peak

was in 1971-72, when 53.8 percent of all courses fell into that category.

Both faculty and students notice the change in the institution, which Mr. Campbell habitually refers to as "the little university."

Prof. Spencer J. Berry recalls when his course in cell biology had 40 sophomores; now it has 100, and he shares it with a colleague.

"I probably interact as extensively with about the same number of students, but there's a whole class of students whose names and faces I never put together," he said. "It loses a great deal, but maybe the old system was uneconomic. Maybe we couldn't sustain that."

Mr. Berry also feels that faculty salaries, which start at \$18,500 for assistant professors, should be increased.

Students feel the crush at the beginning of each semester, and the feeling is intensified by an eight-day "shop-around" period when they sample as many courses as they wish and choose the four or five in which they will enroll. They do not get all their first choices.

"Maybe it's been a little tougher to get into courses," said Gale Gold, a junior from Rosemont, Pa., who has seen enrollment rise by 150 since her arrival. But, she added, "I don't feel the quality of teaching has gone down. Everybody's terrific."

Two years ago, Mr. Campbell proposed academic changes that set off protests, but many have not come to pass. The debate fostered by his proposals, he said, is healthy and should continue. "Those academic debates go on forever," Mr. Campbell said. "They are part of what makes those places what they are."

WHY FOOD LABELS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. COLLINS of Texas. Mr. Speaker, I just read an interesting statement in the National Enquirer. They said that an Enquirer poll finds that 94 percent of the people do not understand common food labels. Why do we put all of this information on the package if people do not understand it and do not use it?

I buy cereal that is all natural and it states it is all natural. If they want to feature one of these particular terms in their advertising, they can feature it. What I want to do is see us eliminate so much unnecessary labeling that means nothing to the average citizen. Here is what Blincow wrote in the Enquirer about lack of understanding of common food labels.

ENQUIRER POLL FINDS 94 PERCENT DON'T UNDERSTAND COMMON FOOD LABELS

Processed, homogenized, pasteurized. Know what they mean? Don't feel bad if you don't. Virtually no one in an Enquirer poll correctly defined any of seven terms commonly found on food labels.

We surveyed 100 people shopping for groceries. Only 22 dared to make guesses—and only six guesses were correct.

Fortified, enriched, refined and smoked were the other terms in the poll.

HERE'S WHAT THEY MEAN

Here, in case you have been wondering, are the correct explanations as provided by food technologist Debbie Schwartz of the U.S. Department of Agriculture:

Processed-"Almost all food is processedchanged or altered to take it from a raw or natural state to another state. Even slicing

is processing."
Pasteurize—"Heating milk or other liquids to certain temperatures to kill harmful bac-

Homogenize-"To reduce food particles to the same size and distribute them evenly. Raw milk, for example, contains fat glob-ules of different size. These have to be broken down and blended so that you have

a relatively consistent end product."
Fortify—"Adding nutrients to food which

were not originally in them.'

Enrich-"Replacing nutrients lost in proc-

essing.

Smoking-"Originally a method of preservation done by exposure to smoke but now done as much to give it a special flavor as to preserve it. You could say it's a method of preservation and enhancing the flavor.

Refine-"To purify, clarify or distill."

HEAD START WORKS IN DES MOINES AREA

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES Monday, September 14, 1981

• Mr. SMITH of Iowa. Mr. Speaker, at time of stringent and necessary fiscal austerity, I think it is encouraging that the Head Start preschool program emerged from the reconciliation process with an increase in its funding levels. For here, if ever, is a program that has proved its worth as a sound investment in our country's future.

In this context, I would like to call to the attention of my colleagues the extraordinary success of the Head Start program in the Des Moines, Iowa, area. Administered by the Drake University Education Department, this program now works with county and city governments and school districts in six Iowa counties-Boone, Marion, Jasper, Story, Polk, and

Warren.

The central objective of Head Start is to bring disadvantaged children into a stimulating learning environment so that they can compete successfully with more fortunate children when they commence school. For a number of years, the Des Moines program has done an outstanding job of meeting this goal. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an editorial entitled: "Head Start Works in Des Moines Area" which appeared in the Des Moines Tribune of July 29, 1981.

It is as follows:

HEAD START WORKS IN DES MOINES AREA Joan Beck says in an accompanying column that Head Start has strayed from

its original purpose. That purpose was enriching the environment for low-income children to develop their learning abilities so they could enter school ready and eager to learn. A look at local Head Start programs indicates that Beck's criticism does not apply to the six-county program administered in Des Moines. The Des Moines program is a heartening example of cooperation among public schools, a private university, parents, community organizations and

Head Start locally is run by Drake University's Education Department, which took it over four years ago and now works with county and city governments and school districts in Boone, Marion, Jasper, Story, Polk,

and Warren counties.

federally financed officials.

The program takes low-income children (10 percent of the pupils must be handicapped) and provides three-hour sessions in classroom four days a week in the year just before the children enter kindergarten.

There was financing last year for 360 pupils; 424 went through the program because of departures and late arrivals. Each child receives a physical examination and help in getting whatever medical care is needed. The program pays for meals, transportation, speech and language services, parent and home services and a one-to-five ratio of adults to children in the classroom: all this for a cost of \$709,000 this year-including \$58,000 that Head Start was allowed to carry over from last year.

Those who run Head Start here stress two things: The core of the program is education, contrary to what Beck says, and the rest is tailored to the needs of the individual

children and parents.

The director of education, a former Head Start parent who has been with the program for 15 years, believes that educational levels have been stepped up since she came into Head Start. Drake has drawn up an education plan based on performance standards to follow national guidelines for achievement. In Des Moines, the program is linked directly into the kindergarten curriculum that follows it.

Parents meet once a month and elect from their ranks a council to help set policy for the six-county area. Parents run their own meetings, set their own agendas and receive help from Head Start officials on bringing in expertise in whatever area they decide they need it, from nutrition to career plan-

The spillover from the program includes home-school workers who work with par-ents—the children's "first teachers" who are indispensable in the Head Start educational program; health-care visits for the children where parents, too, inevitably learn about their own health needs and those of other members of the family, and where preventive health care is stressed; and the sense of community involvement that comes from sharing in such undertakings as fund-raising to enable the children to have special trips or to buy equipment for the centers.

The central purpose of Head Start is

bringing disadvantaged children into a stimulating learning environment so that they can compete successfully with more fortunate children when they get to school. The latest data indicate that this is happening. In a study of a Michigan Head Start program released last year, tracking children through the age of 15, those who had been in the program showed higher scores on reading, mathematics and language achievement than a control group who had not.

They showed fewer anti-social and delin-

quent tendencies. Preliminary data follow-

ing the students through age 19 show that the early learners were more likely to finish high school and get jobs or go to college than those in the control group, and less likely to end up on welfare.

Results like this led President Reagan to include Head Start in his "safety net" programs and to request \$950 million for it for 1982. The popularity of the program brought a bipartisan outcry when it was left out of the Federal budget, some say inadvertently. There seems to be little doubt that legislation reinstating the money will be acted on separately.

But Head Start does not stand alone. Some Head Start teachers are CETA employees, some of the children rely on federally financed nutrition programs, some need Medicaid for health care, and some benefit from federally financed education programs for disadvantaged children once they reach elementary school.

To date, local Head Start officials have brought an extraordinary degree of resourcefulness and cooperation to the aid of low-income children. They have more than earned the active support of the community as they face the new test created by socialprogram cutting now going on in Washing-

PENTAGON THREAT INSULTS CONGRESS

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES Monday, September 14, 1981

Mr. GREEN. Mr. Speaker, the threat by the Defense Department to withhold military aid to Israel if Congress rejects the AWACS sale to Saudi Arabia is insulting to Members of Congress who oppose the AWACS sale. It grossly misconceives the basis of our opposition.

We do not oppose the AWACS sale because Israel opposed it.

We oppose the AWACS sale because it is not in the best interest of the United States.

Surely, after our experience in Iran. the Pentagon ought to understand the risk inherent in giving top secret military equipment to a despotic regime that could crumble as quickly as did Shah-and thus permit the AWACS to fall into unfriendly hands.

Surely, after our experience in Iran, the Pentagon ought to understand the folly of relying on Saudi Arabia to maintain military stability in the Mid-

To threaten our one truly stable ally in the Mideast-Israel-with retribution if Congress exercises its statutory right to veto the AWACS sale is to cut off one's nose to spite one's face. It is an insult to Members of Congress exercising the independent judgment for which their constituents send them to Washington.

MACARTHUR THE DIPLOMAT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES
Monday, September 14, 1981

• Mr. McDONALD. Mr. Speaker, much has been written and discussed about General MacArthur's talents in military strategy and his flair for public relations, but to date very little has been written to evaluate his talents as a diplomat, which were considerable. MacArthur had a great sense of history and knew Asia as few men knew the area. His magnificent handling of Japan in the postwar years was described in a recent article in the Asia Mail by Marie D. Strazar. It also discusses MacArthur's role in the peace settlement with Japan in the August 1981 issue. The article entitled: "Dulles Versus Yoshia" is included in part, for the edification of my colleagues.

One man with a clear strategic view of Japan's importance to the U.S. was General MacArthur. His role in the San Francisco Peace Treaty negotiations was an interesting one

MacArthur held a particular vision of how postwar Japan should be treated, and what its international position should be at the conclusion of the Occupation. Dulles, as chief negotiator of the Japan-U.S. treaty, seems to have given considerable weight to MacArthur and his views on Japan.

MacArthur felt that Washington's vision was fixed too narrowly on Europe; not enough attention was being given to Asia. He was determined to correct the astigmatic vision of the United States towards Asia.

MacArthur deliberately thrust the peace treaty issue into the public spotlight in March 1947 by accepting a standing invitation to lunch with the Foreign Correspondent's Association in Japan. Afterward, when MacArthur offered to answer questions "on the record", for publication, the surprise was so genuine that many a newsman had neither paper nor pencils. Russell Brines, AP bureau chief in Japan at the time, re-members the meeting. "The General's highly articulate and well prepared comments on a peace treaty were . . . astounding, for the Occupation was still too vigorous to permit much speculation or much thought among foreigners in Tokyo over the basis for an eventual settlement. MacArthur's gesture succeeded, however, in implanting the subject so firmly that speculative stories on the peace were not unusual thereafter. I have no doubt that this was his major purpose.

Back in February 1946, Secretary of State James Byrnes had indicated in a press conference in Washington that when work on the treaties with Italy and the Balkan States was completed, work on those with Germany and Japan would commence. But until MacArthur's sally, nothing else specific to a Japanese peace treaty had been formally enunciated.

During the course of his press conference, MacArthur had indicated that the military phase of the Occupation was essentially completed. Japan was demilitarized and her troops demobilized. The political phase of establishing democracy in the country had proceeded about as far as it could under an

Occupation. Economically, Japan needed help to attain stability or she would become even more dependent upon the United States. A peace treaty, MacArthur declared, should be negotiated as soon as possible. Spoken in early 1947, at a time when the designs for Japan were still punitive ones, MacArthur's proposal for the conclusion of an early peace held out new hopes for the Japanese.

Prime Minister Yoshida recognized an important ally in the General. MacArthur could be used to help Japan as well as the

U.S.

Yoshida expressed outright admiration for sophisticated wielders of power like MacArthur. He mentioned to friends that he "found the Supreme Commander remarkably quick in sizing up a situation and acting on it." Yoshida's feelings toward other U.S. Occupational officials—especially liberated idealists—is revealing.

"If I did not get on well with the Government section, or with those whom I have called idealists," he wrote, "I did for some reason or other establish many friendships among men who were professional soldiers . . Though they were military men, many had cultured backgrounds and, what was more to the point, they were people who placed the actual effects of the Occupation administration above theories, so that, once convinced that a proposed measure had practical value, they were prepared to help and encourage us without troubling themselves with what had gone on before."

RECOMMENDATIONS TO IM-PROVE SERVICES FOR THE EL-DERLY

HON, EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Monday, September 14, 1981

 Mr. ROYBAL. Mr. Speaker, the No. 1 issue affecting older Americans today is a retirement income crisis that already affects millions of persons 65 and older and threatens to engulf many more.

However, income alone will not solve all the problems of the elderly. Older Americans also need services. Consequently, it is imperative that our Nation develop a sound and comprehensive social services strategy to complement an effective income strategy.

Services can be cost effective for our Nation, particularly those that enable older persons to continue to live independently in their own homes rather than being placed in a nursing home at a much higher public cost. Most older persons would prefer to remain in their own homes if at all possible. And many can, if appropriate in-home services are available.

Transportation is also a valuable service for the elderly. Many now live under a form of house arrest, cut off from friends and service providers. Without transportation services, large numbers of elderly experience serious problems

In addition, the elderly need legal services. Most persons 65 or older have

had little contact with Government during their younger years, except, of course, to pay their taxes or perform their military obligation.

But upon reaching age 65, Government programs, such as social security, medicaid, and others, become vitally important for them. Unfortunately, these programs are oftentimes expressed in legalistic language which is not readily understandable by senior citizens. This problem is intensified for Hispanics, Asians, and other groups of senior citizens who may have limited English ability.

Legal services can help assure that older Americans receive benefits to which they are entitled. This is only fair because they typically have paid taxes during their working years with the expectation that these benefits, such as social security, will be available when they retire.

The legislative council of the National Retired Teachers Association and the American Association of Retired Persons recently developed recommendations to improve services to the elderly.

I am especially pleased that the council favors continuation of the congregate housing services program, which allows frail and temporarily disabled older persons to remain in their homes and not be forced unnecessarily into a nursing home.

The recommendations of the legislative council deserve the close and careful attention of the Congress.

For these reasons, Mr. Speaker, I submit the service recommendations of the NRTA and AARP Legislative Council to be printed in the RECORD.

NRTA-AARP 1981 FEDERAL AND STATE LEGISLATIVE POLICY RECOMMENDATIONS HOUSING

For the elderly, adequate housing at an affordable price is essential to other aspects of their lives such as maintenance of health and protection against crime. Since the cost of housing consumes nearly one-third of their family budget, government financial assistance that helps them afford adequate housing also helps them afford adequate food, fuel, and medical care.

The government must assure an adequate supply of shelter—with related services—for the elderly and should financially assist low and moderate-income older persons with the cost of housing. Any elderly housing program should be flexible in both the types of housing made available and eligibility standards. In addition, government programs should promote living arrangements, such as group homes, as alternatives to institutionalization and give special attention to the housing needs of the rural elderly.

The Section 202 Housing for the Elderly Program and the Section 8 Rental Subsidy Program represent the government's policy response to the elderly's housing needs. The Section 202 program should remain the primary vehicle for influencing the supply of housing and should be expanded. Section 8 funds, which provide rental subsidies to low-income individuals, should continue to be available in increasing amounts for use with

Section 202 projects. In addition, to stimulate construction, rehabilitation and use of existing housing, the Department of Housing and Urban Development (HUD) should continue efforts to expand the role of State Housing Finance and Development Agencies and Local Housing Authorities.

Sufficient funds should be appropriated to the congregate housing services program under the Housing and Community Development Act. Since this program provides shelter along with nutrition, housekeeping and personal care assistance for the elderly in public and private, non-profit housing projects, it can enable many older persons to remain in a residential setting and out of expensive nursing homes. In implementing this program, coordination of support services needs attention. HUD must cooperate with the Administration on Aging (AOA) in evaluating the impact of home mainte-

nance, nutrition, transportation and home-

maker/home health services programs that

enable the elderly to remain in their homes. In addition, HUD should emphasize demonstration projects dealing with residential security and reduction of crime.

As an adjunct to government efforts to help the elderly remain in their homes, the concept of the reverse annuity mortgage should be thoroughly explored. Under this concept, older homeowners would be able to convert their home equity into current income while still retaining title and possession for life. However, appropriate safeguards must be established to protect older

homeowners against fraudulent loss of both home and equity in such actions.

Seemingly at variance with government efforts to help the elderly remain in their homes is the recently released HUD report recommending that federal grants be withheld from cities which have rent control laws in place. Such controls, opponents charge, discourage investment in new rental properties, encourage conversion of existing properties to condominiums or cooperatives and prevent landlords from generating enough income to maintain rental properties. Although the Associations are sympathetic to some of these arguments, rent controls could not be lifted abruptly without causing severe hardship to and perhaps displacement of low income renters, many of whom are elderly. Therefore, the Associa-tions oppose the HUD recommendation. However, we would support tax incentives to encourage development of moderately priced rental units and subsidies to community agencies to develop plans for developing sufficient rental property to meet local needs. Once these tax incentives and plans produce additional units, rent controls could be removed.

Finally, minimum national standards for disclosure and consumer protection of purchasers, owners and tenants in condominium sales and conversions should be established. These same consumer protections and improved warranty service should be extended to those living in mobile homes and mobile home parks.

LEGAL SERVICES

Legal service programs are particularly important to the elderly because large numbers of them cannot afford to purchase legal representation privately. Legal service programs tend to be responsive to the unique legal problems of the elderly, such as problems involving government program benefits or instances of age discrimination. Since these programs provide needed and valuable assistance, the Associations support the expansion of legal service programs

under the Legal Service Corporation and the Administration on Aging (AOA).

NUTRITION

Balanced, nutritional diets can help older persons avoid chronic ailments and high medical expenses. However, such diets require that the elderly be able to determine the nutritional ingredients of packaged foods, have no severe income limitations, and be informed as to what constitutes proper diet.

Mandatory labeling standards should be developed listing nutritional values, ingredients by percentage and other essential consumer information. Descriptive illustrations on product or shelf should be used to convey such information. The food industry should also be encouraged to offer products which contain minimum or negligible quantities of salt and/or sugar to accomodate those who are on restricted diets. Food retailers should utilize both unit and item pricing.

The AOA Nutrition Program, with its home-delivered meals aspects, provides needy elderly with at least one nutritional meal a day, five days a week. Although outreach is required under the program, it is often not attempted since the program is already operating at the maximum level permitted by funds available. Better information is needed to determine the potential number of eligible participants and thus the maximum program cost. Once that information is obtained, the funding deficiency should be remedied. A study should also be undertaken to determine the extent to which home-delivered meals, particularly in rural areas, can be supplied in frozen form so that they could be delivered less often.

To date, nutrition education has been minimal and rarely directed toward the elderly. Therefore, nutrition education programs should be developed with special focus on low-income and minority elderly groups.

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THE OLDER AMERICANS ACT AND SOCIAL SERVICES

The Older Americans Act (OAA), the only categorical, federal, social service program for the elderly, should be expanded in funding and scope to meet present and future needs. Increased funding is particularly needed if the innovations and improvements made by the 1978 OAA Amendments are to be implemented. It is important that each state designate a single-purpose agency, or a multi-purpose agency (which is required to designate a single organizational unit) and delegate to such agency responsibility for the major aging matters within the state. The community focal point concept emphasized by the 1978 Amendments reflects Congressional dissatisfaction with the lack of service information and service coordination.

The 1978 Amendments added focus on home-delivered meals for shut-ins in the Nutrition Program. Although this is a step forward, it must not result in a de-emphasis of congregate meals. The balance between congregate and home-delivered meals should depend upon the need in each planning and service area as determined by area agencies in consultation with Nutrition for the Elderly Program administrators.

While the federal and state governments must be urged to increase funding of OAA programs, the state and area agencies on aging structure must be relied upon to stimulate and coordinate local resources for the delivery of services. States are required to develop an intra-state formula for distribu-

tion of Title III funds under area plans. Besides taking into account the population age 60 and over, a new formula ought to provide a minimum funding base for each area plan and reflect distribution of older persons with the greatest economic needs. This last requirement would help correlate funding with racial and minority needs.

With respect to social services under Title XX of the Social Security Act, administrative linkages should be strengthened be-tween state plans under OAA and state social services plans under Title XX. Also, older individuals and local programs should participate in the Title XX planning process as well as in the commitment of Title XX funds to carry out the goals of state and area agency plans. Funding and Congressional oversight of the Title XX program should be increased to ensure that services are received by the most needy and that arbitrary "cutoffs" are avoided. The Title XX provision for protective services and information and referral services (which should be available to all persons without regard to income) should be strengthened to ensure that states provide these services

Although many state and local social service programs are supported by revenue sharing funds, the elderly have received less than their fair share of these funds. To correct this, the federal government should require that greater consideration be given to the elderly's needs in distributing revenue sharing funds and that they be given opportunities to be involved in the fund allocation process.

Federal policy should encourage and strengthen the provision of social services by families, volunteers and community groups. Families and unrelated persons who provide care for older persons should be helped financially (see HEALTH POLICY and TAX POLICY for further discussion), educated in methods of caring for dependent members and made eligible for social support services.

New and expanded roles should be created for volunteers and adequate training, supervision and some compensation for expenses should be provided for them. The use of volunteers can be encouraged through Area Agencies on aging, community mental health centers, and ACTION programs, such as the Retired Senior Volunteer Program (RSVP) and the Senior Companion Program (SCP).

Finally, there should be a comprehensive national study of social services most needed by and provided to the elderly. This should include an examination of the different ways of providing services, how services provided by families and informal support networks can be strengthened, and overall financing and manpower needs. Problems of underserved groups should be examined, especially minorities and those in rural areas.

AMERICAN SYSTEM OF FREE ENTERPRISE—NEVADA LEGIS-LATURE

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

 Mr. SANTINI. Mr. Speaker, I take this opportunity to make my colleagues aware of a piece of bipartisan legislation that was passed in the recent session of the Nevada State Legislature. This legislation requires that instruction be given in public high schools in matters concerning the American system of free enterprise.

For the information of this Congress, I would like to highlight the most significant points of this State

hill

First, the economics of the American system of free enterprise must be taught in all the public high schools in

this State

Second, the lessons must: (a) Emphasize the benefits of free enterprise as compared to other economic systems; (b) teach the principles of the profit motive and competition and the way in which investments generate progress and growth in the economy; (c) introduce pupils to the principles of owning and operating a small business; and (d) provide instruction in personal finance, including services available from financial institutions and the methods of obtaining and using those services.

The bill also directs the school districts to perform this economics instruction in cooperation with the people in the community who are engaged in business, and with labor organizations, chambers of commerce and other service organizations to obtain speakers and other assistance in carrying out the requirements of this sec-

tion.

Mr. Speaker, this kind of legislation is needed at the local level in order for our school districts to properly prepare our young people to live in a world that is becoming ever more complex. I congratulate the Nevada Legislature on the insight and dedication to proper education which they have shown with the passing of AB-396 of the 1981 legislative session. I am proud to share information about this new State law with my colleagues in the House of Representative.

DNC CHAIRMAN MANATT DE-NOUNCES REAGAN ECONOMIC PLAN

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. PHILLIP BURTON. Mr. Speaker, once again Congress is being asked by President Reagan to thoughtlessly slash funding for programs which have been effective and valuable for millions of our citizens. The Reagan economic plan was recently denounced in a rousing speech by Democratic National Committee Chairman Charles Manatt before the convention of the United Brotherhood of Carpenters and Joiners of America. The speech follows:

I am delighted to join you for your historic centennial convention. The craft unions are as old as America. And no union has done more to make our nation strong and just than this great organization of Carpenters and Joiners.

This is also a historic day for you because you have been honored by a visit by the

President of the United States.

Whatever our political differences, we Americans respect and revere that great office, and in time of need we rally behind our President.

But it is precisely because I respect the office of the President and the great promise that it holds for America that I must speak candidly to you today about the policies of this Administration.

You have seen firsthand today why President Reagan is called the "great communicator." My fellow Californian truly knows

how to give a speech.

But my friends in the Carpenters Union, there is an old saying in America. Actions speak louder than words. At this time we need to review not the President's words but the actions of this Administration.

Go down the list of every benefit, protection, and gain that you have fought to win for working people in your proud history, and look what this Administration has done.

Social security benefits, slashed; Davis-Bacon protection, gutted; unemployment insurance, cut; health and safety standards, weakened; food stamps for striking families, eliminated; loans to educate your children, reduced; and federal programs to build houses—programs that mean jobs—cut back, cut out, and crippled beyond repair.

Now we know why they took down Harry Truman's picture from the Cabinet room and put up a picture of Calvin Coolidge in-

stead.

This is the most anti-union, anti-labor Administration in Washington since Calvin Coolidge was President more than 50 years ago.

Actions speak louder than words.

Remember all those beautiful television commercials the Republicans ran last year showing Mr. Reagan outside all of those shut down factories promising jobs, promising growth, promising lower interest rates.

Now the Republicans economic program is enacted and let us look at what it means.

The prime rate hovers near 20 percent and they are talking recession again. One million fewer homes will be built in America this year under the Republicans than were built three years ago. And one out of every six construction workers in this country cannot find a job.

Let us take a vote of this convention: Is that your idea of economic recovery?

The Republicans say they have a new idea called supply-side economics. This is how it works

If you earn \$200,000 a year, your net taxes will be cut over \$4,000 by 1984. If you earn \$15,000 a year, your net taxes will go up more than \$1,000 during that same time.

As the old saying goes, a rose by any other name is still a rose. Trickle-down economics is still old fashioned Republican trickle-down economics.

One year ago in this very city, President Reagan gave the major economic speech of his campaign. And this is what he said:

"The time has come for the American people to reclaim their dream."

Last quarter, the gross national product of our country declined 2 percentage points. Annualized inflation jumped over 15 percent last month. And now they are talking

about \$100 billion federal deficit in 1984 or maybe sooner.

Is that your idea of the American dream?
It sounds like a Republican economic nightmare to me * * * trickle-down economics.

The President will blame anyone but the White House for the economic situation. But his Secretary of the Treasury, Donald Regan, spoke more candidly on "Face the Nation" just a few weeks ago about the interest rates that are killing the housing industry. He said:

"We're not happy with these high interest rates, but it's like bitter medicine. It's one of the side effects of our fight against infla-

tion."

Well, I have news for the Republicans. When you go to a doctor and the medicine he gives you makes you sicker than you were before, you get yourself a new doctor just as quickly as you can. And that is exactly what the American people are going to do to the Republicans on election day.

Part of that American dream the President spoke so eloquently about is the dream of owning a home, and your members have the skills to make that dream come true.

But go down the list of federal housing programs and this Administration, still the bastion of trickle-down economics, has cut them down to the bone.

Section 8-100,000 fewer homes will be

built under the Republicans.

Section 235-mortgage assistance—cut out entirely.

FHA home mortgages—\$3 billion less. The Administration first asked Congress to cut nine.

And over \$2.5 billion in federal backing for new construction—(Ginny Maes)—cut by the Republicans.

Actions speak louder than words, my friends. We don't have home builders in the White House today. We have a Republican wrecking crew.

In that same economic speech one year ago, President Reagan promised the American people, and I quote: "The integrity of the Social Security system will be defended by my Administration and its benefits once again be made meaningful." That promise won the Republican a lot of votes. Now look at their actions rather than their words.

3 million older Americans—100,000 of whom are over 90 years of age—cut off from their \$122 a month minimum benefit by this Administration.

2 million children of American workers disabled on the job—their Social Security benefits cut by 25 percent.

And 1,300,000 young Americans—trying to work their way through colleges and trade schools—all their Social Security benefits cut by 1982.

Action speak louder than words. The Republican Party is a friend of Social Security the way Colonel Sanders was a friend of chickens.

This Administration—and its spokesmen like David Stockman—talk as if Social Security recipients were statistics. But you know they are flesh and blood human beings.

Take one of your members here in Chicago—a carpenter who has worked 40 years on the job helping to build America.

That union brother has paid his taxes; supported his family; and been a law abiding American all his life. But now that that carpenter is getting on in years. He wakes up every morning and his bones ache with arthritis. Or maybe that back injury he suffered years ago is giving him more and more pain. And like a lot of your members, that

carpenter just may not be able to find steady work anymore because of this Administration's policies.

The one thing that carpenter thought he could depend on in this world of uncertainty was receiving that Social Security retirement check that he had contributed toward all those years. Now this Administration and the Republicans want to take that check away. If the program proposed by the Reagan Administration becomes law, that carpenter—and every other American worker who retires before age 65—will lose 40 cents out of every dollar in his Social Security retirement check.

My friends. It is wrong. It is inhumane. And we are not going to let the Republican Party destroy our Social Security system.

That Social Security retirement check is a contract between the government and the people—just as solemn as the contracts you sign and administer every day.

And with all due respect, it strikes me as a little strange that a President who fires 12,000 air traffic controllers because he says they broke their no-strike pledge does not seem very troubled about breaking his pledge to millions of American workers not to cut their Social Security benefits.

I am not going to stand before you and defend every action PATCO has taken or even their decision to strike. But this much I will say.

The President of the United States ought to be a bigger individual than to praise Polish workers for striking against their government and then jail American workers for doing the same thing.

This strike could be settled by negotiations, but this Administration is not interested in talking with organized labor.

Right now, the Department of Housing and Urban Affairs, is acting to foreclose immediately on any federal mortgage held by a striking air controller. It wasn't enough to fire 12,000 workers. Now the Administration wants to throw them out of their homes.

My friends; those are not actions befitting the government of the United States.

Unfortunately, those actions are typical of Republican attacks today on the labor movement.

It is the Republicans who want to bring the Justice Department and FBI into local labor disputes by amending the federal Hobbs Act—but only against the union side.

It is the Republicans who want to forbid unions from using treasury money for any political activity—but give the companies a green light.

And it is the Republicans who want to break your bargaining power with antitrust laws, but look the other way while the largest corporations in America gobble each other up.

Is that your idea of a birthday present on the 100th anniversary of the Carpenters' Union?

President Reagan may have had a union card once, but actions speak louder than words. The radical right Republican Party is no friend of organized labor today.

I do not stand before you as Chairman of my Party claiming Democrats have simple answers to every problem facing America today. But this much I can say. From Social Security to the Voting Rights

From Social Security to the Voting Rights Act, we Democrats and the labor movement have fought side by side for social justice in America and opportunity for all.

No Democratic President would preach the virtue of hard work and then throw one million Americans out of their jobs through savage budget cuts. No Democratic President would drive the federal deficit skyhigh and then try to balance his budget on the backs of those dependent on Social Security.

No Democratic President would make high interest rates and tight money the centerpiece of his economic program and then sit back and do nothing while constuction workers and home builders watched their livelihoods destroyed.

And no Democratic President would go before the American people and proclaim that our government is the cause of every social evil that we face and that the only way to solve our problems is to unleash the forces of selfishness and greed.

We Democrats are proud to be known as the Party of the people. We believe that all Americans deserve a chance to share in the bounty of our nation and all Americans must be a part of solving the problems we face. But that is not the mirror of America you see reflected in this Administration.

This is an Administration that came to Washington in private jets and limousines, and cannot understand why some people need to use public transportation.

This is an Administration whose members strive to outdo one another with lavish private parties, but says America's first priority is to cut food stamps for the poor.

This is an Administration that calls our Vietnam veterans heroes one day and then cuts all their psychological counseling clinics on the next.

On every issue you can name—from the tax cuts to human rights—this is an Administration of privilege and profit—that chooses the haves over the have-nots; the rich over the middle class; and the powerful over the vulnerable.

Are those the values you have fought for all your life in the labor movement? Are Jesse Helms, Strom Thurmond and Orrin Hatch the kind of leaders America needs to solve the problems that we face?

My friends in the labor movement. We must hold fast to the pillars of our beliefs. It is time to take a stand.

Let us join together, labor and the Democratic Party and progressive Americans everywhere. Let us say "no" to trickle-down economics, and no to Social Security cuts. No to the Republican Party's war on labor's rights. And no to the Jesse Helms and Orrin Hatchs of this land.

In every state, local and congressional election, in every Governor's and Mayor's race: let us give the Republicans a chance to enjoy the early retirement that they have so richly earned.

Let us restore to America the kind of government our people need and deserve; a government that respects the labor movement; fights for the working family; and strives to uphold the ideals of social justice and decency that make us proud to be Americans.

Franklin Roosevelt gave us our marching orders in the last words he wrote before he died. He said:

"The only limit on our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith. LET US SOLVE THE SLOW-PAY PROBLEM

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

 Mr. AuCOIN. Mr. Speaker, with so much attention being paid to bringing financial discipline to the Federal Government, we have overlooked one of the more shocking practices of the Federal bureaucracy, a practice that affects millions of small businesses all across America.

Simply put, the problem is that the Federal Government does not pay its bills on time.

I rise today, Mr. Speaker, to call attention to this problem and urge my colleagues to support a bill, H.R. 2036, that offers a solution to it.

While most businesses pay their bills in 30 days or less, about 39 percent of the Federal Government's bills are paid late, according to the General Accounting Office. While this may seem like a harmless oversight on the part of Federal managers, it is actually a pernicious business practice that robs small business of millions of dollars. Looked at another way, the Federal Government is actually borrowing from small business without permission \$11 billion a year by not paying its bills promptly. Because 90 percent of the everyday products purchased by the Federal Government come from small firms, the largest chunk of this \$11 billion problem lands in the lap of small business.

Small business in my own State of Oregon is not much different from small business elsewhere in the country. But in Oregon the economy has been severely shaken by high-interest rates; our timber and housing based economy is on its last leg. For the State's small businesses that must fight high-interest rates and a general decline in sales, the Federal Government's slow-pay policy means the margin of difference in surviving these hard times. In fiscal year 1980 for example, the Federal Government had a total procurement tab of \$403 million-sizable for a small State, and even greater if you were the owner of a small company trying to get by in hard times

H.R. 2036, of which I am a cosponsor, offers a solution. This bill would require Federal agencies and persons carrying on federally assisted programs to pay interest to business concerns on overdue bills and lease agreement payments, and to take early payment discounts only when payments are made in a timely way.

Some might say that this bill will cost the Federal Government money. But there will be no cost to the Government if its bills are paid in a timely

way. Moreover, it would act as an incentive to encourage agencies to review their procedures so payments can be disbursed efficiently. This can only work to save the Government money.

Mr. Speaker, when our constituents are late in paying taxes or other bills owed to the Federal Government, they must pay interest. It seems only fair that when the Federal Government is overdue in its bills that interest should

also be paid.

I am pleased to see the widespread support for this legislation; more than 20 trade associations endorse this bill. I am also pleased that 93 Members of the House are cosponsoring the bill but I want to encourage those who have not to look carefully at the slow pay problem and to get behind the solution this bill offers.

NATIONAL CONFEDERATION OF AMERICAN ETHNIC GROUPS REQUESTS RESOLUTE FOREIGN POLICY TOWARD THE U.S.S.R.

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Monday, September 14, 1981

• Mr. DORNAN of California. Mr. Speaker, since 1956, the National Confederation of American Ethnic Groups, Inc., has been the voice of uncompromising Americanism and resistance to Marxist-Leninist totalitarianism.

This organization, representing 18 different groups of Americans of European, Asian, and Latin American heritage constitute in 34 national and State organizations, held its national convention on May 31, 1981, which reelected President Edward S. Yambrusic, Esq., Executive Vice President Z. Michael Szaz, Ph. D., and Secretary-Director of Activities Radi Slavoff. It also elected George Georgiev as treasurer and the following vice presidents: Nicholas Grego, M.D., Mrs. Valentyna Kalynyk, Ph. D., Dean Blair Kolasa, Ph. D., J.D., Mrs. Angela Luvara, John Mahar, Ph. D., Mrs. Lilia Piaticia-Rastrigin, Le Phuoc Sang, Ph. D., and Hon. Olive S. Stoker. Chairman of the National Assembly of Representatives remained Joseph C. Swider and the two vice chairmen are Cynthia Maleski, Esq., and Helmut Kister.

The policy statement reflects the views of the 18 ethnic groups and form a cohesive blueprint for consideration of policies vis-a-vis the Soviet Union and its surrogates in Europe, Asia, and Central America. I insert at this time the text of the policy statement which was also sent to Secretary of State Al-

exander Haig.

POLICY STATEMENT

The National Confederation of American Ethnic Groups, Inc., constituted of 34 na-

tional and state organizations representing 18 different groups of Americans of European, Asian and Latin American heritage, congratulates the Reagan Administration on its recent initiatives to confront Soviet expansionism in the Middle East, Asia, Africa and Central America.

The NCAEG considers Soviet aggression, whether direct (Afghanistan), or indirect (Angola, Ethiopia, South Yemen) as the major threat to world peace. The NCAEG asserts that strong economic, political and military countermeasures are necessary to maintain the balance of power and the freedom and territorial integrity of the nations of the free world.

The NCAEG has specific concerns on foreign policy, reflecting the views of its con-

stituent organizations.

First, many of us, or our parents and grandparents, arrived from areas which now form parts of the U.S.S.R., or its East Central European satellites. Thus, we remember the erroneous moves of the Roosevelt Administration offering political and territorial concessions to the Soviet Union for entering the war against Japan and for maintaining the illusion of the Grand Alliance. These concessions profoundly affected the region, allowing Soviet political and military control of East Central Europe in return for empty promises of free elections which were either never held or later aborted by Soviet intervention.

Despite the executive agreement character of the Yalta Agreement, it was invoked by Ambassador Dobrynin on August 27, 1968 while announcing Soviet invasion of Czechoslovakia to President Johnson. Thus, at least the U.S.S.R., considers the agreement still in force. Soviet efforts to secure the Helsinki Accords of August 1, 1975 were also based on Soviet insistence that the territorial changes and the political status quo in Eastern and Central Europe must be fully recognized by the United States and its NATO allies.

We must end exportation of high technology items which could be of direct, or even indirect use, to the military efforts of the Soviet Union and its satellites. Detente produced the Kama river project, undertaken by the Italian Fiat and French Renault works and financed partially by the Ex Im Bank of the United States. It produced the trucks transporting Soviet troops to Afghanistan and to the borders of Poland. Not only should we act unilaterally, but also influence our allies in NATO to enlarge the COCOM list of exports forbidden to the Soviet bloc.

We must also give second thoughts to Ex Im Bank and private financing of trade with the Soviet Union. According to recent press reports, Western governments and banks have extended more than \$80 billion in loans to the U.S.S.R. and its satellites, creating a financial bond that could be rent only at the risk of financial collapse of the West.

Human rights have been a leitfaden in our policy toward both our allies and adversaries. Yet, in doing so, we paid disproportionate attention to deserving religious and dissident groups in the Soviet Union underplaying other religious groups and ethnic nationalities within the Soviet Empire. In the U.S.S.R. more than half of the population is non-Russian and, in addition to the deprivation of their human rights, they enjoy little, if any, cultural rights and no national self-determination.

We would like the Administration to concentrate more on the public denunciation of the grievous human rights violations com-

mitted by the governments of the U.S.S.R., Czechoslovakia, East Germany, Romania and Bulgaria. The persecution of religious groups, including the Catholic and Protestant churches and the takeover and misuse of the Orthodox churches in Romania and Bulgaria should be exposed in detail together with the brutal suppression of workers' dissent in the U.S.S.R. and Romania.

In addition, the U.S. should encourage the awakening national self-determination ambitions of the peoples of the U.S.R. We must condemn forced Russification and the oppression of the non-Russian peoples in European and Asiatic Russia, including the Ukrainian, Byelorussian, Baltic, Cossack and various Caucasian peoples in the European, and the Mongolic and Turkomen peoples in the Asiatic part of the Soviet Union and speak out in favor of the eventual freedom and self-determination of these captive peoples.

In the long run, the only alternative to a major nuclear war with its inconceivable destruction remains the dissolution of the last colonial empire: the Soviet Union. In showing sympathy for the aspirations of these peoples, we would be acting within the guidelines of the U.S. Decolonization Resolution.

It is both our opinion and that of our constituent organizations that the principle of national self-determination, without the reservations contained in the Helsinki Accords, should form the backbone of our foreign policy toward the Soviet bloc. Aligning ourselves with the aspirations of these captive nations we would be acting in line with our finest traditions while helping destabilize the U.S.S.R.

For neither the Soviet Union nor its East Central European satellites are monolithic. The revolts of East Berlin (1953), Poznan (1956), Hungary (1956) and the Prague spring of 1968 in Czechoslovakia were past reminders of the continuance of the flame of freedom and democracy among the satellite peoples. The modest, but significant and concrete, achievements of the Polish workers since August 1980 demonstrate that even overwhelming military power is unable to arrest the struggle for human rights and a better economic existence. We must provide the Polish people with moral support, and economically, we must encourage reforms but also help the Poles with debt rescheduling and other assistance so that they may obtain economic improvements within the present framework of government

In relation to the other satellite nations, we must show our empathy for their political and economic aspirations to decrease their dependence upon the Soviet Union. The details of this policy must be left to the Administration and to exigent circumstances. The long-term aim, i.e., the return of these states with traditions of nation-hood over a millennium to national independence unfettered by Soviet military presence, should never be lost.

We particularly miss coverage of human rights violations in Bulgaria and Yugoslavia. While Yugoslavia is not Soviet-controlled, it shares a Communist government and severe ethnic and economic problems with the Soviet bloc. We should encourage liberalization trends and the recognition of ethnic rights of the constituent nationalities in Yugoslavia to a greater extent.

Besides the Soviet Union and Yugoslavia, there are at least two other nations with significant ethnic problems in East Central Europe. They are Czechoslovakia with its several million Slovaks and some Hungarians, and to Romania with its two and a half million Hungarians and some Germans. In both cases, these ethnic groups are not only subject to political, but also to cultural oppression and are deprived of their self-government and national self-determination rights.

We salute the gallant freedomfighters of Afghanistan and call upon the Reagan Administration to extend any assistance needed and possible to them. We welcome the Administration's statement on Afghanistan. The invasion of Afghanistan was naked aggression adding a new chapter to Soviet aggression since World War II.

The Turkomen and Mongolic nationalities of the Soviet Union must be remembered in our policies. Increased VOA broadcasts in their languages would be an immediate step in developing an integrated policy toward them. We must, in general, upgrade our VOA and RFE/Radio Liberty broadcasts by satellite transmitters and strengthen our broadcasts in every major nationality languages spoken in the Soviet Union.

Several of our constituent organizations came from Vietnamese, Laos and Cambodian refugees. We believe, with President Reagan, that our involvement in Indochina was a noble cause aborted by internal domestic considerations, particularly by the

United States Congress.

The end of our military engagement in Indochina must not mean the loss of our interest in the region. We must play an active role politically, diplomatically and economically to hasten the day of Indochina's liberation from the Communist regime in Hanoi. Special attention must be paid to the non-Communist elements in Cambodia as an alternative to both the genocidal regime of Pol Pot and the Vietnamese-backed puppet regime of Hang Samarin.

Finally, we must focus attention of the burden created by the exodus of the Vietnamese boat people, the Laotian refugees and the Cambodians in Thai camps on the border upon the countries of first asylum and the entire free world. Their presence, increasing every month, should encourage on to follow policies to create political and economic circumstances rendering escape

unnecessary.

The NCAEG has concerns in Central America, too, as we represent free Cuban organizations. Cuba must be the central focus, as it is the Castro regime which spreads subversion to the Caribbean countries. We urge a policy of increased psychological warfare against the Castro regime, including the establishment of Radio Free Cuba, in order to bring hope to the Cuban people. The recent exodus from Muriel demonstrated the lack of support of the people for the Castro regime. Unless we can change the situation within Cuba, we might wind up with newer exoduses severely straining our hospitality, and serving as a safety ventil for the Castro regime.

This is not opposite our policies in El Salvador and Guatemala. Assisting those fighting Communist and other Marxist subversion is in line with the Truman Doctrine and policies pursued ever since, and we congratulate the Secretary of State for his res-

olute stand on these issues.

All in all, we trust that the Reagan Administration, under the able foreign policy leadership of Secretary of State Alexander Haig, will produce indeed a new beginning in international relations. We hope that it will be based on the pursuit of national interests within the framework of the timeless values of our Judeo-Christian heritage

which is ably expressed in the Declaration of Independence and the Constitution: peace with freedom and justice.

The NCAEG will try to contribute its share to the success of these policies and asks the Reagan Administration to consider our specific suggestions in formulating and implementing the foreign policy of the United States.

CONGRESSMAN BOLLING OF MISSOURI WILL BE MISSED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES
Monday, September 14, 1981

• Mr. SKELTON. Mr. Speaker, the recent news about our colleague from Missouri, Richard Bolling, will end one of the most outstanding congressional careers in the history of our country. At a later date, I will more fully express my thoughts and respect for our retiring colleague, but I do wish, at this time, to insert into the Record an editorial from the Kansas City Times, dated September 2, which is a reprint from the Boston Globe concerning Dick Bolling:

Congress, as its students know, is a slow-moving beat, slouching reluctantly toward resolution. Its "image" today might still be the Claghorn caricature of decades past were it not for the diligence and determination of one of its members, Richard Bolling of Missouri, who announced last week that this, his 17th term in Congress, would be his last

Bolling is 65, one of the youngest congressmen in this century to serve as chairman of the House Rules Committee. Throughout the 1960s and 1970s, he was the most persistent and persuasive critic of the congressional seniority system, calling it "abusive to democratic principle." Long before the post-Watergate infusion of rectitude, he labored to make Congress more democratic and responsible, while others preferred the lethargy of the status quo.

Bolling was blunt, a trait he shared with his fellow Democrat from Kansas City, Harry Truman. He did not suffer fools gladly, as demonstrated during two losing contests for House majority leader, in 1962

and 1976.

His two books on congressional power angered colleagues who enjoyed the mindless, automatic progression of the system. "Those who best profit by this untenable system naturally are the Southern Democrats snugly entrenched in their safe, one-party districts," he wrote. "Not even a garden club would let itself be run this way."

In the 1960s, one of the notable rivalries in the House was between Bolling, a protege of the late Speaker Sam Rayburn, and Thomas P. O'Neill Jr., protege of Speaker John W. McCormack. The two did not agree on approaches to changing congressional rules until the 1970s, when O'Neill successfully sponsored Bolling's proposals to make voting in the House more accountable.

When O'Neill became speaker, he received Bolling's total loyalty and dedication. "No two people in the House know, understand and like each other more," O'Neill said at Bolling's retirement announcement last week. "He is my strong right arm."

As chairman of the Rules Committee last year, Bolling was more effective than others in the House leadership by at least guaranteeing a fair fight against the tide of Reaganomics. The Ways and Means Committee chairman, Dan Rostenkowski, could not persuade members of his committee to support a Democratic compromise. House Majority Leader Jim Wright lost eight of his fellow Texans to the Reagan tide.

Speaker O'Neill will miss him and the country, too, will lose an eloquent and persistent voice of common sense in Congress. Fortunately, Dick Bolling is unlikely to be

inactive or silent for very long.

THE CHINA CARD

HON, GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. SOLOMON. Mr. Speaker, I would like to draw the attention of my esteemed colleagues to some abstracts from "Symposium on ROC-U.S. Relations" by A. James Gregor published in Asian Outlook. Mr. Gregor brought out the fact that the Carter administration's hasty decision to establish formal diplomatic relations Peking were based on two assumptions: First, that the People's Republic of China, given Western technology and military aid, would have the capability of containing Soviet expansion and that this capability would compel the Kremlin to assume a more defensive and détente-oriented foreign policy; and second, that the armed forces of mainland China would not be able to successfully attack the Republic of China or extend Communist Chinese power beyond the confines of its present borders. Mr. Gregor argues that these assumptions are faulty and presents some very solid points in his refutation.

In our determination to contain Soviet imperialism, let us not forget the fact that mainland China is still a Communist country whose political system represents everything that is contrary to the principals upon which our Nation was founded. Therefore, we must be especially prudent, lest we overplay the so-called China card.

At this time, I would like to insert Mr. Gregor's article into the Congressional Record.

Symposium on ROC-U.S. Relations THE REAGAN ADMINISTRATION'S CHINA POLICY OPTIONS

(By A. James Gregor, University of California, Berkeley, Dec. 8, 1980, Taipei, Taiwan, ROC)

At the commencement of a new administration one can only venture upon educated guesses concerning the course of its subsequent foreign policy. In any given situation an indeterminate number of variables influence major foreign policy outcomes. As a case in point, it would have been difficult to anticipate the Nixon Administration's East Asia policy at the commencement of Rich-

ard Nixon's term of office. In retrospect we can begin to sort out, with some plausibility, the impact of domestic influences, economic and strategic concerns, personality variables and institutional factors in shaping the Nixon foreign policy. But when asked, in prospect, what any administration's foreign policy might be, at best we are invariably left with educated guesses.

Given such disclaimers, however, it does seem possible to suggest some of the major constraints and some of the real options open to a new administration. In the case of the Reagan Administration such suggestions are particularly interesting for the citizens of the Republic of China on Taiwan—since they, perhaps more than any others, have reason to hope for some relief as a consequence of a "new China policy."

Ronald Reagan's personal political commitment to, and personal affection for, the Republic of China is common knowledge. But how this might translate into specific foreign policy choices is very difficult to anticipate. In the first place it has already become obvious that the semi-official spokesmen of the new administration have made it plain that the new President will not embark on any radically new policies in East Asia. It seems clear that whatever the new President's views might be concerning American policy vis-a-vis Peking or Taipei. his most trusted advisers have counselled grave circumspection in dealing with mainland China. Many of them are primarily concerned with the strategic and political threat mounted by the Soviet Union—and conceive mainland China as an asset in the global balance of power. The same reasons that moved the Nixon Administration to open the path that ultimately led to "normalization" are operative in the post-Carter global environment. Under almost any foreseeable circumstances the Reagan Administration could not be expected to do anything that would significantly alter the present relations between Washington and

On the other hand, within those relations there is latitude for a considerable shift in emphasis in particulars and a not insignificant change in the character of those relations themselves. For one thing, while the general relations between Washington, Peking and Taipei will be determined by the same general factors that led to the diplomatic recognition of the one and the derecognition of the other, there are two assumptions central to the deliberations that led the Carter Administration to its hasty "normalization" that can no longer be defended.

The two assumptions upon which the Carter Administration's unseemly haste to enter into formal diplomatic relations with Peking were predicated include: (1) that the People's Republic of China, given Western technology and military aid, would have the capability of containing Soviet expansion and that that capability would compel the Kremlin to assume a more defensive and detente-oriented foreign policy; and (2) that the armed forces of mainland China would not be able to successfully attack the Republic of China or extend communist Chinese power beyond the confines of its present borders

That the advisers to the Carter Administration held both assumptions to be true is now reasonably well attested. In February 1979, Justin Galen (a pseudonym for a "highly placed" foreign policy adviser in the Carter Administration) attempted to make a case in support of the first assumption in an issue of the "Armed Forces Journal Interna-

tional." During the Senate Foreign Relations Committee hearings before the markup of the Taiwan Relations Act, Carter Administration spokesmen, both military and civilian alike, attempted to support the second

In retrospect it is difficult to understand why either assumption was conceived credible. But even if both were true, any policy pursued by the Carter Administration would generate dilemmas. If the force levels available to the Mainland regime were sufficiently enhanced to constrain the military of the Soviet Union, it would be hard to believe that Peking would no longer be in a position to undertake a successful military attack on Taiwan or any of its noncommunist neighbors. Every increment in the force capabilities of the military of continental China would generate a correlative threat to the security of every non-communist littoral and insular state in Asia. More ominously, as mainland China became more secure in terms of its military capabilities, it has given every evidence that it would be less and less concerned with American interests or the integrity of its neighbors. Peking has made it manifestly clear that its rela tionship with the United States is tactical at best. For the leadership of Peking the United States remains an "oppressor" destined to be "overthrown" at the first opportunity. In that regard the officials in Peking have been remarkably candid. As long as the mainland regime requires the capital, technological and military assistance of the United States, "friendship" will obtain between Peking and Washington. But once mainland China feels sufficiently secure from any Soviet threat, Peking plans to unite with the "revolutionary forces of the world" to overthrow both "imperialism" and its "client states" in Asia as well.

Any "flow of Western technology" to mainland China that would make it a major military power would ultimately against the best interests of the United States in the Pacific. But more important than that is the fact, now generally acknowledged, that any conceivable "flow of Western technology," could not enhance the force levels of the mainland Chinese military to the point where the integrity of the land boundaries of the People's Republic of China could be assured against determined Soviet attack. Even the officials in eking have acknowledged that continental China will continue to remain exposed to a range of Soviet attacks for the remainder of this century. The dearth of foreign exchange, the constraints of indigenous industry, the lack of requisite skills, all indicate that no effort made by the West could make mainland China secure against Soviet military initiatives or force the Soviet Union to be more conciliatory than it is now disposed to be. Northern and northwestern China will remain grievously exposed to Soviet armor and air attacks for the remainder of the century irrespective of Western assistance, military sales and technology transfers.

The upgrading of communist Chinese military capabilities would have made sense if such an enterprise promised constraint of Soviet power—even at the cost of making Peking a threat to its neighbors. But if mainland China cannot conceivably be shaped into such a power, then any force enhancements would be counterproductive as far as America's general interests are concerned. The Soviet Union would remain as much of a threat as ever and those nations in Asia that now look to the United States

for security would be driven into other arrangements not necessarily compatible with American strategic, economic and political interests.

In effect, the United States and its allies have already received every strategic and military benefit they could expect to receive from the mainland Chinese connection. The PRC has and will continue to tie down about forty Soviet divisions and their support elements along its borders. It is very unlikely that in the foreseeable future relations between the two communist powers will improve sufficiently to allow for massive reductions along their shared borders. Beyond that the United States can expect little more from mainland China. Bilateral trade will probably improve somewhat, and joint ventures may return some profit to American investors, but there will be little that would warrant significant changes in the present relations between the United States and the "People's Republic of China". There is no way in which the PRC could be fashioned into a military power of the first rank in this century.

* * any major military sales and transfer of critical dual purpose technology to the PRC could only serve to increase the threats to the Republic of China and the other non-communist states on mainland China's periphery without improving the United States' strategic position with respect to the Soviet Union. In substance, if the second assumption that subtended the Carter Administration's China policy was ever true, making arms and military technology available to Peking would rapidly degrade its credibility.

In fact, the second assumption-that the armed forces of mainland China could not attack the Republic of China or extend Peking's power beyond its present borderswas never true. At the very time of "normalization" even the Carter Administration's spokesmen admitted that mainland China had the military capability of undertaking armed attacks on its neighbors-particularly the Republic of China on Taiwan. While a combined amphibious invasion of the island was ruled out by virtue of mainland China's limited sea and air-lift capabilities, the possibility of naval invasion of Taiwan was recognized as constituting a real option for Peking in its announced policy of "restoring Taiwan to the arms of the motherland.'

As though calculated to drive the point home, almost immediately after Washington extended official recognition to the regime in Peking, communist Chinese forces invaded the Socialist Republic of Vietnam in an extensive military power beyond the immediate borders of mainland While Washington had no intrinsic interest in specifically protecting the integrity of Vietnam-a Soviet ally in Southeast Asia-it became clear that the PRC did possess the military power and the disposition to destabilize the balance in a region in which the United States had significant general interests. More to the point, the military activity of the PRC in Southeast Asia confirmed the of American strategists that mainland China had the capabilities, should it choose to employ them, to sorely try the defenses of the Republic of China on Taiwan. Should the Western allies upgrade mainland China's military capabilities that enhanced capability could not be directed against the Soviet Union-but could only threaten Peking's non-communist neighbors.

THE ALL-VOLUNTEER FORCE: IT IS NOT WORKING

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. BEARD. Mr. Speaker, in 1973 this Nation ended the draft and instituted the All-Volunteer Force (AVF). After 8 years of the AVF, I believe that the facts show it to be failing. It is not my purpose in this article to advocate any particular alternative to the AVF; it is instead to detail how I believe the AVF is failing and to describe briefly my proposal for a first step toward achieving a consensus on solutions for the AVF's problems.

solutions for the AVF's problems.

After 8 years, the AVF has shown that it can attract neither the quantity nor the quality of personnel needed to defend this country. The skilled, midcareer, noncommissioned officers who form the backbone of any military organization are leaving in droves, and not just because of inadequate pay. The junior enlisted personnel in the front-line combat unitsthe troops who will actually do the fighting-are, to an uncomfortably high degree, comprised of America's poor and poorly educated. We face a situation in which the casualty lists from the first few weeks of the next war will show the majority of the dead and wounded to be poor blacks and Hispanics; in other words, those with the least stake in our society will be paying the highest price to defend it.

QUANTITY PROBLEMS

The AVF is a failure simply in terms of numbers. It has neither attracted enough recruits nor retained enough career NCO's and junior officers to do

its job in a major war.

This failure is worst in the Army. In fiscal year 1979, the Army fell 16,000 men short of its recruiting goals. It met its needs in fiscal year 1980 only by lowering its goals and by further lowering its entrance standards. The Army has reduced its standards so much under the AVF concept that currently more than one out of every three recruits drops out before completing his first term of enlistment. This phenomenon obviously complicates the numbers problem, because not only is the Army falling short of recruiting goals, but many of the soldiers it does recruit wash out in their initial term.

Seven of the Army's 10 U.S.-based divisions were recently rated "not fully ready for combat," or lower, due to manpower shortages, including two divisions which are in the so-called

Rapid Deployment Force.

Even more important than overall manpower shortages, the people who make the Army work—the skilled NCO's—are in critically short supply in the combat units. For example, the

1st Cavalry and 2d Armored Divisions both lack at least a third of their required NCO's. Stateside units are so short of NCO's that the Army was recently forced to transfer several thousand back from Europe. The Army is also some 28 percent short of needed junior officers. It is indeed a "hollow Army," as Army Chief of Staff Gen. E. C. Meyer has so aptly characterized it.

The other branches are not free of critical personnel problems either. The Navy, Marines, and Air Force are all facing mounting shortages of pilots. air traffic controllers, avionics and radar specialists, jet mechanics and flight line personnel. The Navy is nearly 20,000 short of its requirement for petty officers. This lack of skilled supervisory personnel has already delayed, and in some cases canceled, ship deployments. Others have deployed with less than a full complement. At a time when the Reagan administration is planning to increase the fleet by over 100 ships, we cannot even adequately man the ones we now have.

The Navy has a particularly acute problem with regard to the retention of skilled petty officers. Because the Navy regularly sends men to sea for long deployments, a vicious cycle has developed. As the shortages increase, the cycle gets worse. Those personnel with essential skills have to go to sea more and more often as the Navy scrambles people to keep ships at sea. These added tours of duty at sea—with their attendant family separations—vastly increase the likelihood that the midcareer sailor will fail to reenlist after returning home from deployment.

All of the services are suffering serious shortages of doctors. This is perhaps the cruelest and most moral-damaging shortage of all, because a lack of doctors means the serviceman too often finds that his family does not receive adequate and timely medical care. As the shortage of physicians grows, those remaining must shoulder

an ever increasing workload.

All active-duty personnel, their dependents, and retired personnel are entitled to medical care. Yet at many bases around the country, the shortage is so acute that retired personnel are turned away as low priority patients, and dependents must wait for months for nonemergency medical and dental care. Many potential careerists see retired military people being turned away and wonder why they should stick out a full career for an ephemeral reward. I should note at this point that with many doctors in civilian life making incomes well into six figures, I seriously doubt we could afford to raise military pay high enough to attract enough doctors voluntarily. My own study of the situation, which included a number of interviews with military doctors, has convinced me that merely raising pay

would not significantly improve the situation, even assuming massive pay increases would be affordable.

However, damaging these medical shortages are to morale, they should also be considered within the context of the primary mission of maintaining the health of the troops in wartime. If the military medical community does not have adequate manpower to prevent infectious diseases or quickly treat the wounded, combat commanders will soon face precarious shortages of troops. Under the AVF, if we were to mobilize today, we would be short 50,000 combat medical corpsmen, 2,200 general anesthetists, and over 6,000 trained operating-room assistants These shortages would lead to countless deaths and permanent disabilities which would be entirely preventable.

The numerical shortages in the military place a heavy burden on recruiters. The pressure to meet quotas has been so great in recent years that the Congress learned of recruiters resorting to falsifying test scores and education certificates to get unqualified recruits qualified. These pressures can only get worse because the 18- to 21year-old population will drop steadily over the coming decade, shrinking the manpower pool from which new recruits must come. Both current and projected shortfalls in our active-duty Forces are serious enough to call into question the ability of our military to survive heavy losses in the first weeks of a major war. But even if the AVF active-duty units manage to hold their own against the first onslaught, the eventual outcome of the conflict would almost certainly be negative, because the Reserves, which provide the key to stopping prolonged aggression, have become dangerously inadequate after 8 years of the AVF.

The AVF was organized on the total force concept. It was understood by AVF planners that the Active-Duty Forces would not—and could not—be maintained at numerical levels sufficient to fight a prolonged war. In the case of such a war, the Active Forces were to be quickly reinforced by a mobilized reserve. Without that reserve mobilization capacity, the AVF would not be able to fight effectively beyond the initial few weeks.

The state of our Reserve Force today is frankly appalling. The organized reserves—those units which train once a month—are at only 85 percent of required strength. The Army Reserve, for example—which is crucial, because in a European war the Army would have the most casualties in the shortest time, thus needing the most replacements—currently stands at only 72 percent of its requirements. The Individual Ready Reserve (IRR) is comprised of those who, though not members of organized reserve units, are trained and ready to be called up

on short notice. Unfortunately, the IRR is over 700,000 men short of wartime requirements. In 1973, when the AVF began, the IRR had 1.2 million members; today it is down to 220,000. I might add that the IRR had fallen to 150,000 before the Army began counting first-term dropouts who had finished their basic training as part of the IRR.

The Army, under the social engineering mentality of its previous secretary, Clifford Alexander, attempted to alleviate its numerical shortfalls by recruiting more women and putting them into actual combat support roles. No other major military organization in the world-including the Israelishas gone so far as to put women into roles such as truck drivers, field comspecialists, military munications police, and mechanics. These types of duties will inevitably expose women to hostile fire. Alexander even ordered unisex boot camps with physical training standards reduced to the level of the weakest female.

In 1972 women made up only 2 percent of the Army, almost wholly in medical or clerical positions. Today there are nearly 70,000 women in the Army. The 1984 goal is 96,400, which represents 12 percent of the total force. At any given time, 14 percent of the Army's women are pregnant; many more provide the sole support of a child or children. The fact is that one in five women in the Army would be unable to deploy with their unit in an emergency. The extremely damaging effect this phenomenon would have on the Army's ability to mobilize quickly for major action is obvious, not to mention the damage to unit morale that comes from knowing many of your fellow soldiers do not bear the

same burdens.

I want to emphasize that women have always played and will continue to play vital roles in the military, but I simply must oppose this recent practice of putting women into roles for which the great majority are physically incapable. Our Armed Forces should not be used for this type of social experimentation. Some might call this assertion sexist; I call it realis-

QUALITY PROBLEMS

These numerical deficiencies are frightening enough, but even more deleterious to the potential combat effectiveness of the AVF is the quality of the personnel who will be expected to win a war in which they will almost certainly be vastly outnumbered by both men and machines.

In any war with the Warsaw Pact powers, U.S. forces would face tremendous disadvantages in numbers of tanks, planes, artillery tubes, and other conventional weapons. Nonetheless, Defense Department planners hope that these quantitative disadvantages will be offset by superior Ameri-

can weapons technology. But the superior weaponry-assuming it is superior, an assumption increasingly more tenuous-is highly complex and difficult to operate and maintain. To illustrate rather simply the problems our military faces, consider the following: In World War II, the most advanced American fighter plane of the war, the P-51 Mustang, was operated by a college graduate pilot. Today our military is preparing to deploy the XM-1 tank, a weapons system in many ways more complex and difficult to operate and maintain (with its laser and computer technology) than the World War II P-51 fighter. Yet these tanks will be manned not by college graduates but by soldiers who in many cases will not even be high school graduates or able to read on levels any higher than the seventh grade. Technologically superior weaponry is useless without personnel who are able to operate and maintain it. The hard, cold, incontrovertible fact is that the AVF does not have enough capable personnel.

The Armed Forces classify recruits into four categories of intellectual ability based on entrance examination scores. Category IV is the lowest range of scores that allows an individual to enter the military. Those who score in category IV come from the lower 30 percent in intelligence test scores of the overall American population. After 4 years of denials, former Assistant Secretary of Defense for Manpower Robert Pirie revealed last year that the percentage of Category among recruits was far higher than previously admitted by the Defense Department. In 1979, to take a recent example, 46 percent-nearly half-of all Army recruits were category IV's. This frightening figure contrasts with the figure of only 10 percent which was the Defense Department's assertion before Assistant Secretary Pirie's remarkable admission.

The Navy and Marine Corps fared somewhat better, with 18 and 26 percent respectively, but those are still unacceptably high percentages for today's high-technology military. Even the Air Force, the most technology-dependent service of all, had accepted 9 percent from category IV

percent from category IV.

The Army has been forced to rewrite all its training manuals at a seventh-grade level. Even so, a third of its soldiers reportedly still have difficulty comprehending them. Two percent of the Army cannot even speak English well enough to communicate with superiors.

In the draft Army of 1965, about one-fourth were high school dropouts. Today that figure is one-half. As I have previously mentioned, one in three Army recruits are so unsatisfactory that they never manage to complete their first term of enlistment.

During his tenure as Army Secretary, Clifford Alexander contended

that intelligence test scores were "irrelevant" to job performance and even went so far as to order them removed from the soldier's individual records. But the Army has examinations which are directly related to job performance. They are called skills qualifications tests (SQT), and they measure a soldier's ability to do the job to which he will be assigned in the event of war. The Army's own figures show massive failure rates on SQT's. For example, in 1979 only 18 percent of artillery target spotters could pass their SQT's, only 28 percent of ammunition specialists, and only 15 percent of helicopter repairmen. While these are only a sample of test score results, they are representative. Their import is shocking because they show an Army comprised of personnel who simply cannot do the job they will be entrusted to do in a war.

Our European allies are increasingly worried about the ability of our forces to fight. The performance of the AVF in recent NATO training exercises has frightened them. Even American troops selected from the best units have performed execrably in comparison to other NATO units.

For example, in the 1977 NATO tank gunnery competition, U.S. tankers finished dead last, behind the Canadians, Germans, Belgians, British, and Dutch. Two years later the Army attempted to improve its performance by putting together an elite competition team, one not at all representative of its Regular Forces. That elite team lost to the Germans, Belgians, and British. In a recent armored cavalry competition, U.S. forces lost to the Germans, Canadians, and Dutch. These are not just cases of small differences among crack units: German observers who regularly attend these events state that the American performances caused them to doubt the ability of U.S. troops to perform in war against the vastly larger Warsaw Pact forces.

These poor performances are no enigma, however; in fact, they should be perfectly understandable. The Germans, for example, as do all our allies except the British, have a draftee force which makes available the full range of intelligence abilities to its army. Only those who score in the upper 40 percent intelligence rank can be a tank commander or gunner. In contrast, according to the 1978 Army training study, the majority of U.S. tank commanders and gunners are below that upper 40-percent range. Fully one-quarter of the tank gunners could not operate their battlesights. That study showed that tank crew proficiency in the U.S. Army in Europe was 40 percent below combat readiness minimums; the situation with stateside units was even worse.

Thus we can see one significant cause of the exodus of skilled, midcareer NCO's from the services: their complete lack of faith in the troops they must supervise. I go on active duty as a reservist 2 weeks every year, and I have heard NCO's and junior officers often say that they were getting out because the quality of the enlisted personnel assigned to them was so poor that they simply could not get an adequate job done. As more than one put it: "It would be suicide to go into combat depending on some of these guys."

Nor is this observation limited to my personal experience. Numerous indicators bear it out. In an August 1979 survey of 3.000 Army officers, fully 83 percent named the low ability of personnel under their command as a current problem. Even more officers saw a problem with leadership and motivation among junior NCO's. The Defense Department recently released a report showing that those junior enlisted personnel who scored lowest on intelligence tests were the most likely to reenlist, thus eventually moving up into the NCO ranks to replace those now getting out. Therefore, what is oc-curring is that the most untrainable

are becoming trainers themselves. In 1975 70 percent of the Army's junior officers opted to stay in after their first-term obligation was up. Four years later, less than half-44 percent-agreed to stay in. Among regular, career officers the percentage resigning in early and midcareer has doubled during that time period. Even among West Pointers, the number resigning in early and midcareer has increased by 150 percent. If one believes, as I do, that people, vote with their feet, then the decline in retention rates among NCO's and officers is a massive vote of no confidence in the AVF from people in the best position to know, not the generals and DOD bureaucrats, but the sergeants and lieutenants.

The Reagan administration has tentatively adopted a policy of support for the AVF. It has stated that the AVF has never been given a real opportunity to work due to inadequate pay. There is certainly no question that military pay scales were allowed to fall behind inflation in an unconscionable way during the late 1970's. Allowing GI bill educational benefits to expire was also irresponsible.

Increasing pay drastically, particularly in the NCO and junior officer ranks, would no doubt ease the retention problems somewhat. But I strongly question whether this Nation can afford the massive and regular pay increases it would take to attract enough capable recruits to man our Active-Duty Forces adequately. I also doubt that higher active-duty pay will denough to improve the atrocious state of the Reserves. Nor do I believe that

higher pay will substantially alter the socioeconomic makeup of our military and make it more representative of our society as a whole. I must also state that in addition to the huge financial costs of constantly raising pay to fill recruiting quotas, I see serious moral problems with a nation which practices this type of checkbook patriotism. This policy is ultimately based on the premise that our society's middle and upper classes can buy their protection while avoiding service themselves.

MY PROPOSAL

In this article I have sought to explain why I believe the AVF is failing and must be altered. However, I do not know at this point what particular alternative would be best. To simply say we need a draft is only the beginning of the inquiry, not the end, because there are numerous and wildly different forms of conscription. The choices would include, to name a few, a lottery system dispensed with in 1973, a draft for the Reserves only, or some type of universal youth service. I would add though, that I would oppose including women in any new draft, and I would oppose exemptions for special groups, such as college students. Two facts are incontrovertible. First, it is time to act on the AVF's problems. Second, finding a politically feasible solution will require the broadest possible consensus. Thus, I have reintroduced in this Congress, House Concurrent Resolution 28, a proposal to establish on a temporary basis a select committee of both Senators and Representatives which would be tasked with identifying the problems of the AVF and recommending solutions. I favor such a joint select committee because I believe that any decision as politically volatile as reinstating some form of compulsory service must have the support of both parties and both Houses of Congress.

A single subcommittee of either the Senate or House Armed Services Committee which made such a recommendation would simply not command as much respect or attention as the bipartisan, bicameral panel that I am proposing. That is not in any way to denigrate those panels. I am a member of the House Armed Services Committee and have the utmost respect for my fellow members. But both those committees are regarded, rather unfortunately, as the repositories of all the congressional "hawks." Thus, any recommendation from them advocating a new draft would be dismissed by too many segments of society-especially the national media-as just another case of the "hawks screaming 'the Russians are coming.'" That charge could not be leveled at a joint select committee, and the diversity of its cosponsorship-from Tom Downey and George Miller to Bob Dornan and Jack Kemp-bears this out.

CONCLUSION

In this article I have underscored many negative aspects of today's military. Before closing I want to emphasize, however, that there are tens of thousands of hard-working, capable men and women in the military trying their best to give this Nation an adequate defense. Their efforts should not be overlooked. But many of them will be the first to agree with me that the all-volunteer concept has failed. It is time to get on with the business of finding a more effective means of recruiting and retaining enough people of sufficient ability to meet the needs of the Armed Forces of the United States.

NATIONAL BOY SCOUT JAMBOREE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

• Mr. DORNAN of California. Mr. Speaker, I would like to bring to the attention of my colleagues the following article written by Brian Rothenberg of El Segundo, Calif., a member of Boy Scout Troop No. 709, who recently participated in the National Boy Scout Jamboree 1981 held this summer in Virginia.

Scouting has always been a rewarding experience for those involved. In reading about the experiences of Brian at this year's jamboree, I can see that it still is. I know you will agree.

[From the El Segundo Herald, Aug. 27, 1981]

NATIONAL BOY SCOUT JAMBOREE, 1981—A SUCCESS

The 1981 National Boy Scout Jamboree was held on July 27th to August 5th, 1981, at Fort A. P. Hill in the State of Virginia.

This is a once in a lifetime experience for a Boy Scout as the Jamboree is held once every four years so that all scouts of all ages can have a chance to participate in this spectacular event.

Forty families signed up to send forty Boy Scouts and leaders from El Segundo, Redondo Beach, Palos Verdes and Torrance. During the six months before the Jamboree, these boys met, camped together, were evaluated by their leaders and formed Troop No. 709 from the Los Angeles Area Council of the Boy Scouts of America.

It cost over one thousand dollars to go to the Jamboree for each Scout. This included round trip air tickets, meals, supplies, tents, tours and lodging in Washington, D.C. and the right to participate in all the activities at the Jamboree.

A "DC-10 load" of Scouts and leaders left LAX at 2:30 a.m., July 23rd. We arrived at Baltimore Airport at 9:00 a.m. and went to the American University. We only had enough time to put our bags in our rooms, pick up our box lunch and board the bus to begin our tour of Washington, D.C. Our tour included the Lincoln Memorial, Iwo Jima Memorial, Arlington National Ceme-

tery and the changing of the guard, Jefferson Memorial, the Space Museum and many other National Buildings. We rode to the top of the Washington Monument but were allowed to walk down the many steps and

bypass the elevator.

Congressman Robert K. Dornan, who represents the 27th Congressional District where our Troop is from, was kind to arrange admission for all forty scouts and leaders to visit the Gallery of the House of Representatives as his guests on the afternoon of the 23rd. We did not sleep very much on the plane so some of us grabbed a few winks while sitting in the gallery. The guards woke us up and explained that there was no sleeping allowed because if the Representatives should see someone sleeping in the Gallery then he or she might feel that what was going on on the floor of the House was boring to those in the Gallery!

On Wednesday, July 27, we made our way to the Jamboree site at Fort A. P. Hill in Virginia. Our gear was waiting for us in the right spot and we set up our tents, our gateway, our kitchen and settled into Camp.

Our Troop Gateway had the Pacific Ocean as a theme and with fish nets, fishing poles, surf boards, etc., our Gateway represented the sports and inhabitants of the Pacific Ocean. My patrol Flag, the Barraccudas, was one of the 10 finalists judged from all the patrol flags at the Jamboree.

We were given our food each day which we had to cook ourselves and the chores of camping were rotated among all the scouts

in each patrol.

On the first night, all 30,000 scouts and leaders walked to the big Arena for the opening ceremonies. A show was presented called "American Heritage." It told how America became free. We were also shown a valuable painting by William H. Wilcox called "One Hundred Years Ago." Mr. Wilcox painted this in 1876. It dropped from sight in 1885 and in a small shop in Vermont in 1980 it was again found.

During the day we were kept busy. A scout could take advantage of one or all activities available: badge trading, swimming, fishing, rifle and shotgun, archery, activity booths, hiking, climbing, rafting, canoeing, knot tying, orienteering, the list goes on and on. Of course this included meeting, talking with and becoming involved with scouts from every part of the United States and some International Countries as well.

Our troop was invited to become involved in a "see and do." We cooked what we thought was the most popular food from our neighborhood—Burritos. Another troop held a skyrocket show. This is only one of the many activities which were held to involve the boys at the Jamboree.

The Jamboree was honored by the presence of King Carl Gustof XVI of Sweden. He was a guest at the Jamboree for 2 days and he mixed with the scouts and asked questions and I hope he had a good time.

We were called upon to use our scouting abilities on at least two occasions. A strong wind and a heavy rain visited us and with tents going down and water flooding our campsites our good training and lots of patience saw us through the storms and through all the mud we still continued to have the adventure of a lifetime.

Although the days were filled with work and learning adventures the nights were the most fun. There were regional campfires, sub-camp campfires and troop campfires. We sang, had skits and had lots of good fun.

On our last day in camp we were busy along with 50 other troops in our area

taking down and packing our camp. All you could hear was the hammering and voices of all of us.

When our gear was packed and loaded on the busses going back to the Airport, we were then ready to walk the two miles to the big arena for the closing ceremonies. The big show was called "America's Future." They had skydivers, parachutes and balloons flying everywhere and even a helicopter landed near the stage. The show included the performance of the Oak Ridge Boys and Mr. Burl Ives sang and played the guitar.

After the closing ceremonies, it took us over two hours to push through the sea of scouts and make our way to the busses waiting to take us to the Airport and our flight home.

Before we loaded on the busses we picked up our breakfast and some of us slept for three hours and then picked up our box lunch, did the final packing, loaded the busses and took off for a four hour bus ride to the Airport.

The above was a brief account of the adventures of Troop 709. The other Los Angeles Area Troops, 710, 711, 712 and 713 along with 654 Troops came as far as Hawaii and China to join in this experience of a lifetime.

My two older brothers each went to a National Jamboree and I listened to their stories about their experiences and wondered if I would ever have the chance to go to a National Jamboree. I Did have the chance, I Did go to a National Jamboree and I will always remember it for the rest of my life.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, September 15, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 16

9:00 a.m.

Foreign Relations

International Economic Policy Subcommittee

To hold hearings on East/West economic relations.

4221 Dirksen Building Select on Intelligence

Closed briefing on intelligence matters. Room S-407, Capitol

9:30 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

Business meeting, to mark up proposed legislation appropriating funds for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.

1114 Dirksen Building

*Veterans' Affairs

Business meeting, to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces, and S. 266 and amendment No. 62 of S. 636 (Veterans' Administration Health Care Amendments), measures implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.

412 Russell Building

10:00 a.m. Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Conferees

Closed, on S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of Defense.

Room H-405, Capitol

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

10:30 a.m.

Banking, Housing, and Urban Affairs

Business meeting, to mark up S. 708, clarifying the intent and modifying certain provisions of the Foreign Corrupt Practices Act of 1977, and S. 1230, authorizing the minting of special coins commemorating the 1984 summer Olympic games in Los Angeles, California.

5302 Dirksen Building

2:00 p.m. Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Governmental Affairs

Business meeting, to continue markup of S. 1080, to improve and modify the Federal regulatory process.

3302 Dirksen Building

Special on Aging

To hold hearings on social security reform and retirement income policy. 6226 Dirksen Building 2:30 p.m.

Conferees

Closed, on S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of Defense.

Room S-407, Capitol

SEPTEMBER 17

9:30 a.m.

Armed Services

Manpower and Personnel Subcommittee To hold open and closed hearings on proposed Flag and general officers strength of the Department of Defense.

212 Russell Building

Labor and Human Resources

Aging, Family and Human Services Subcommittee

To hold hearings on primary interven-tion in addressing societal problems. 4232 Dirksen Building

9:45 a.m.

Foreign Relations

To hold hearings on U.S. foreign policy and the current situation in the Persian Gulf.

4221 Dirksen Building

10:00 a.m. Banking, Housing, and Urban Affairs

Business meeting, to continue markup of S. 708, clarifying the intent and modifying certain provisions of the Foreign Corrupt Practices Act of 1977, and S. 1230, authorizing the minting of special coins commemorating the 1984 summer Olympic games in Los Angeles, California.

5302 Dirksen Building

Energy and Natural Resources

Energy and Mineral Resources Subcom-

To hold hearings on S. 1457, S. 651, S. 466, S. 383, and S. 1605, bills providing for the reinstatement and validation of certain U.S. oil and gas leases

3110 Dirksen Building

Judiciary

Constitution Subcommittee

To hold hearings on proposed legislation to establish a Commission to plan and develop a program to commemorate the bicentennial of the U.S. Constitution.

318 Russell Building

2:00 p.m.

Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Conferees

Closed, on S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of

Room S-407, Capitol

Energy and Natural Resources
Energy and Mineral Resources Subcommittee

To hold hearings on S. 1575, proposed Combined Hydrocarbon Leasing Act. 3110 Dirksen Building

Foreign Relations

To hold hearings on the nominations of Nyle C. Brady, of New York, to be an Assistant Administrator of the Agency for International Development, and John A. Bohn, Jr., of California, to be U.S. Director of the Asian Development Bank.

4221 Dirksen Building

Judiciary

Constitution Subcommittee

To hold hearings on proposed legislation to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.

2228 Dirksen Building

3:00 p.m.

Governmental Affairs

To hold hearings on the nomination of Charles A. Bowsher, of Maryland, to be Comptroller General of the United

3302 Dirksen Building

SEPTEMBER 18

9:30 a.m.

*Governmental Affairs

Federal Expenditures, Rules Subcommittee Research, and

To hold hearings on S. 719, requiring the disclosure of Federal agency use of consultants.

3302 Dirksen Building

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of Robert P. Paganelli, of New York, to be Ambassador to the Syrian Arab Republic, David E. Zweifel, of Maryland, to be Ambassador to the Yeman Arab Republic, Michael H. Nelin, of Maryland, to be Ambassador to the Democratic and Popular Republic of Algeria, and other pending nominations.

4221 Dirksen Building

SEPTEMBER 21

9:30 a.m.

Commerce, Science, and Transportation Merchant Marine Subcommittee

To hold hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade. 235 Russell Building

10:00 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To hold oversight hearings on the implementation of the photovoltaic program of the Department of Energy

3110 Dirksen Building

Foreign Relations

To hold hearings on the nominations of George S. Vest, of Maryland, to be the Representative to the European Communities, with the rank and status of Ambassador, Jack F. Matlock, Jr., of Florida, to be Ambassador to the Czechoslovak Socialist Republic, John E. Dolibois, of Ohio, to be Ambassador to Luxembourg, and Raymond C. Ewing, of Virginia, to be Ambassador to the Republic of Cyprus.

4221 Dirksen Building

2:00 p.m.

Judiciary

Juvenile Justice Subcommittee

To hold hearings to examine the impact of media on juveniles.

2228 Dirksen Building

SEPTEMBER 22

9:00 a.m.

meeting.

Office of Technology Assessment The Board to hold a general business

Room S-138, Capitol

9:30 a.m.

Commerce, Science, and Transportation Business, Trade and Tourism Subcommit-

To hold hearings on the State Department's plan to implement a visa waiver program for foreigners who are required to apply for American visas. 235 Russell Building

Special on Aging

To hold hearings to explore the scope of criminal activities against the elderly. 6226 Dirksen Building

10:00 a.m.

Environment and Public Works

To resume mark up of an original bill authorizing funds for the municipal wastewater treatment construction grant programs of the Clean Water

4200 Dirksen Building

Governmental Affairs

To hold hearings on S. 1417, establishing a Commission to recommend policies and standards to reduce the risk of criminal assaults against the President, and review the criminal laws relating to the safety of the President.

3302 Dirksen Building

Judiciary

To hold hearings to review the President's proposal to admit refugees to the United States in 1982, and to receive the President's annual report to Congress on U.S. refugee programs. 2228 Dirksen Building

Select on Indian Affairs

To hold hearings on S. 503, providing for the purchase, sale and exchange of lands by the Devils Lake Sioux Tribe of the Devils Lake Sioux Reservation. North Dakota.

5302 Dirksen Building

10:30 a.m.

Governmental Affairs Governmental Efficiency and the District of Columbia Subcommittee

To resume hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.

Room to be announced

11:00 a.m.

Veterans' Affairs

To hold hearings on fiscal year 1982 legislative recommendations of the American Legion

318 Russell Building

2:00 p.m.

Foreign Relations

To hold hearings on the nomination of John G. Dean, of New York, to be Ambassador to Thailand, and M. Virginia Schafer, of Washington, to be Ambassador to Papua, New Guinea, and to serve concurrently as Ambassador to Solomon Islands.

4221 Dirksen Building

Governmental Affairs

To hold hearings on the nominations of Charles M. Girard, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, and Bruce Chapman, of Washington, to be Director of the Census.

3302 Dirksen Building

Judiciary

Criminal Law Subcommittee

To hold hearings on S. 904 and S. 907, to provide penalties for the assassination, kidnaping, and assault of Presidential, and Vice Presidential staff members.

2228 Dirksen Building

EXTENSIONS OF REMARKS

Labor and Human Resources

To hold hearings on the nominations of Gary L. Jones, of Virginia, to be Deputy Under Secretary for Planning and Budget, Department of Education, Edward A. Curran, of Maryland, to be Director of the National Institute of Education, Jean Tufts, of New Hampshire, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education, and William M. Bell, of Michigan, to be a Member of the Equal Employment Opportunity Commission.

4232 Dirksen Building

SEPTEMBER 23

9:00 a.m.

Select on Intelligence Closed business meeting.

Room S-407, Capitol

9:30 a.m

Commerce, Science, and Transportation Merchant Marine Subcommittee

To resume hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.

235 Russell Building

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To hold hearings on proposed legislation to apply the medicare tax to Federal employees and to increase the Government contribution to the Federal employees health benefit program.

1318 Dirksen Building

Judiciary

Constitution Subcommittee

To resume hearings on proposed legislation to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.

2228 Dirksen Building

Small Business

To hold hearings on the impact of high interest rates on small business, and to examine their future credit needs.

424 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Governmental Affairs

Governmental Efficiency and the District of Columbia Subcommittee

To continue hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.

Room to be announced

Labor and Human Resources

Investigations and General Oversight Subcommittee and Labor Subcommittee

To hold joint oversight hearings on the activities of the Occupational Safety and Health Administration.

4232 Dirksen Building

SEPTEMBER 24

9:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 1402, establishing uniform width and length standards for commercial motor vehicles on interstate highways.

1224 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation Merchant Marine Subcommittee

To continue hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.

235 Russell Building

Judiciary

*Constitution Subcommittee

To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.

2228 Dirksen Building

Small Business

To continue hearings on the impact of high interest rates on business and to examine their future credit needs of business.

424 Russell Building

10:00 a.m.

Foreign Relations

To hold hearings on the proposed Convention with Canada with Respect to Taxes on Income and Capital (Ex. T, 96th Cong., 2d sess.).

4221 Dirksen Building

2:00 p.m.

Foreign Relations

To hold hearings on pending tax treaties.

4221 Dirksen Building

SEPTEMBER 25

9:30 a.m.

Finance

Taxation and Debt Management Subcommittee

To hold hearings on miscellaneous tax proposals.

2221 Dirksen Building

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10:00 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To hold hearings on the viability of the domestic uranium mining and milling industry.

3110 Dirksen Building

Judiciary

Juvenile Justice Subcommittee

To hold hearings to explore certain issues relating to the early detection of juvenile crime.

2228 Dirksen Building

SEPTEMBER 28

9:00 a.m.

*Select on Indian Affairs

To hold hearings on S. 874, providing for additional protection of steelhead trout as a game fish.

1202 Dirksen Building

9:30 a.m.

Foreign Relations

International Economic Policy Subcommittee

To hold hearings on international investment policy.

4221 Dirksen Building

Labor and Human Resources

Aging, Family, and Human Services Subcommittee

To resume oversight hearings on the role of the Federal Government in family planning programs of Title X of the Public Health Services Act.

4232 Dirksen Building

10:00 a.m.

Judiciary

To hold hearings on proposed legislation to reform the Federal criminal laws and streamline the administration of criminal justice.

2228 Dirksen Building

1:00 p.m.

Judiciary

Juvenile Justice Subcommittee

To hold hearings to examine media response regarding its impact on juveniles.

2228 Dirksen Building

SEPTEMBER 29

9:30 a.m.

Veterans' Affairs

Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans, and H. Con. Res. 76, expressing the sense of Congress that the Secretary of the Army provide for a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during the rescue attempt in Iran.

412 Russell Building

10:00 a.m.

Governmental Affairs

To hold hearings on proposed legislation to extend certain provisions of the Inspector General Act of 1981 to the Departments of Justice, Defense, and Treasury.

3302 Dirksen Building

Judiciary

Business meeting, to consider pending calendar business.

2228 Dirksen Building

2 p.m.

Judiciary

To continue hearings on proposed legislation to reform the Federal criminal laws and streamline the administration of criminal justice. 2228 Dirksen Building

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SEPTEMBER 30

9:30 a.m.

Commerce, Science, and Transportation
To hold joint oversight hearings with
the House Committee on Science and
Technology on Federal patent policy.
235 Russell Building

10.00 a m

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

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Judiciary Immigration and Refugee Policy Subcom-

To hold hearings on matters relating to the hiring of illegal aliens.

412 Russell Building

*Judiciary

Separation of Powers Subcommittee

To hold hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the social impact of busing.

2228 Dirksen Building OCTOBER 1

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 234, to encourage the establishment of home health care programs and to provide expand-

ed coverage of home health services under the medicare and medicaid pro-

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To resume hearings on S. 1542, prohibiting a company operating a common carrier railroad from holding Federal coal leases unless the coal is used for railroad purposes.
3110 Dirksen Building

Judiciary

Separation of Powers Subcommittee

To continue hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the legal and constitutional issues of busing.

OCTOBER 5

9:30 a.m. Judiciary

Constitution Subcommittee

To resume hearings on proposed constitutional amendments relating to abortion issues.

2228 Dirksen Building

Labor and Human Resources Labor Subcommittee

To resume hearings on S. 1182, improving the administration of the Long-shoremen's and Harbor Workers' Compensation Act by removing certain in-equities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent

medical treatment for injured employ-

4232 Dirksen Building

2:00 p.m. Judiciary

*Criminal Law Subcommittee

To hold hearings on S. 101 and S. 751, bills to eliminate and establish an alternative to the exclusionary rule in Federal criminal proceedings.

6226 Dirksen Building

OCTOBER 6

10:00 a.m.

Commerce, Science, and Transportation To hold hearings on S. 709, prohibiting the sale of beverage containers without a minimum refund value, and pro-

hibiting the sale of metal beverage containers with detachable openings. 235 Russell Building

OCTOBER 14

9:30 a.m. Judiciary

*Constitution Subcommittee

To resume hearings on proposed constitutional amendments relating to abortion issues.

2228 Dirksen Building

OCTOBER 15

9:30 a.m.

*Constitution Subcommittee

To resume oversight hearings on the implementation of the Freedom of Infor-mation Act, and on S. 1247, S. 1235, and S. 587, bills providing for the pro-tection of certain confidential information from the disclosure requirements of the Freedom of Information

2228 Dirksen Building

EXTENSIONS OF REMARKS

OCTOBER 16

10:00 a.m. Judiciary

Separation of Powers Subcommittee

To resume hearings on proposals to re-strict the power of Federal courts in matters of school busing, focusing on certain community problems.

2228 Dirksen Building

OCTOBER 20

9:00 a.m.

Labor and Human Resources

To hold oversight hearings on the implementation of the Comprehensive Employment Training Act (CETA),
4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation Business, Trade, and Tourism Subcommit-

To hold hearings on S. 1233, establishing a service industries development program in the Department of Com-

235 Russell Building

OCTOBER 21

10:00 a.m.

Commerce, Science, and Transportation Business, Trade, and Tourism Subcommit-

To continue hearings on S. 1233, estab-lishing a service industries development program in the Department of

235 Russell Building

Labor and Human Resources

Alcoholism and Drug Abuse Subcommit-

To hold hearings to examine the impact of marihuana on youth, focusing on the areas of health and education.
4232 Dirksen Building

OCTOBER 22

9:30 a.m.

Labor and Human Resources
To hold oversight hearings on activities relating to affirmative action of the Office of Federal Contract Compliance Programs, Department of Labor. 4232 Dirksen Building

OCTOBER 27

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 1483, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources
Energy and Mineral Resources Subcommittee

To hold oversight hearings on America's role in the world coal export market. 3110 Dirksen Building

OCTOBER 28

9:30 a.m.

*Labor and Human Resources

Labor Subcommittee

Business meeting, to consider S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured em-

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To continue oversight hearings on America's role in the world coal export market.

3110 Dirksen Building

NOVEMBER 2

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold oversight hearings on the implementation of Title I, establishing wellhead prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621). 3110 Dirksen Building

NOVEMBER 3

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To continue oversight hearings on the implementation of Title I, establishing wellhead prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621).

3110 Dirksen Building

CANCELLATIONS

SEPTEMBER 16

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommit-

To resume hearings on State implementation of Federal standards of the Clean Air Act.

224 Russell Building

SEPTEMBER 17

10:00 a.m.

Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982. 1983, and 1984.

6202 Dirksen Building

SEPTEMBER 23

10:00 a.m.

Judiciary

Separation of Powers Subcommittee

To hold hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.

2228 Dirksen Building

SEPTEMBER 24

10:00 a.m. Judiciary

Separation of Powers Subcommittee

To continue hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers

2228 Dirksen Building

Labor and Human Resources

Investigations and General Oversight Subcommittee

To continue oversight hearings on the activities of the Occupational Safety and Health Administration

4232 Dirksen Building

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